THE DISAM JOURNAL OF INTERNATIONAL SECURITY ASSISTANCE MANAGEMENT

This Journal reminds us that security assistance is one of many tools placing the United States national objectives in the limelight throughout a spectrum of policy elements. National security, and breakouts within regional and individual country policies are the ones we tend to key in on within our environment. In the era we live in, diplomatic, economic, trade, and other factors must pull together in unison if we are to ensure success in the Global War on Terrorism. Articles in this Journal run across that spectrum.

The feature article in the Journal focuses on the mission, programs, and impacts of the office of Defense Cooperation in Turkey. The United States/Turkish relationship, as demonstrated by military assistance programs ongoing since 1947, provides a key "bridge between east and west, Europe and the Middle East" as noted by the co-authors Captain Richard Robey and Colonel Jeffrey Vordermark.

Secretary of State Colin Powell presented the US International Affairs budget for fiscal year 2005. E. Anthony Wayne, Assistant Secretary for Economic and Business Affairs follows with thoughts on how the Department of State advances US international economic policy goals. Secretary of State Colin Powell describes DTrade - the first entirely paperless, most user-friendly and security-sensitive defense technology export licensing system ever created.

In Transforming the US Global Defense Posture, Douglas J. Feith notes how transformation reaches across our own capabilities and the traditional regional threats to enhance capabilities of our allies. In terms of regional activity and relationships, other articles in the Journal key in on the Western Hemisphere (Ambassador Roger F. Noriega, and Mr. J Adam Ereli), South Asia (Christina B. Rocca), and Eastern Europe (Secretary of State Colin Powell and Dr. Thomas Durell Young).

There is much more, especially in the areas of education and training, and I will let you run down the table of contents to pick your articles of interest. However, let me highlight a couple of items important to you in the context of DISAM's role.

First, we are proud to announce that the International Programs Security Requirements Course is now available on-line. Visit our website http://www.disam.dsca.mil/DistLearn/IPSR-OL.htm to register. I have enrolled and completed the first three blocks. It is a quality product, and will go a long way in meeting the needs of the security assistance community! You can find out more in John Smilek's article beginning on page 101.

Second, we are kicking off the second year of recruiting for GMAP II, a graduate studies program partnership between the Defense Security Cooperation Agency and the Fletcher School of Law and Diplomacy at Tufts University. Our first class has already begun and recruiting for the 2005 class started in March 2004 and will continue through 1 August 2004. The recently released announcement message immediately follows on the next page. The message also appears on the DISAM website at http://www.disam.dsca.mil/GMAPII/GMAPII.htm. Again, come into our website for additional details. Last year's cycle was a definite learning experience for all concerned, and we are definitely working to make it a better process this coming year!

RONALD H. REYNOLDS
Commandant

FROM: SECDEF WASHINGTON DC//USDP-DSCA//

TO: AIG 8797

DTG: 0403242000Z

SUBJECT: GLOBAL MASTER OF ARTS PROGRAM II (GMAP II), TUFTS UNIVERSITY

1. THIS MESSAGE ANNOUNCES APPLICATIONS ARE NOW BEING ACCEPTED FOR THE FY 2005 INTERNATIONAL AFFAIRS GRADUATE STUDIES PROGRAM WITH TUFTS UNIVERSITY'S FLETCHER SCHOOL OF LAW AND DIPLOMACY. THE APPLICATION DEADLINE IS 1 AUGUST 2004. THE PURPOSE OF THIS PROGRAM IS TO IMPROVE THE QUALITY AND PROFESSIONALISM OF THE INTERNATIONAL AFFAIRS WORKFORCE, GROW THE LEADERSHIP OF TOMORROW, AND BUILD PERSONAL RELATIONSHIPS OF MID-LEVEL MANAGEMENT THROUGHOUT DSCA, THE MILITARY DEPARTMENTS (MILDEPS), OTHER FEDERAL AGENCIES, INTERNATIONAL FMS CUSTOMERS, AND DEFENSE INDUSTRY ORGANIZATIONS.

THE PROGRAM IS SPECIFICALLY INTENDED FOR CIVILIAN AND MILITARY PERSONNEL SERVING IN THE SECURITY COOPERATION FIELD AND WILL LEAD TO A GLOBAL MASTER OF ARTS DEGREE. THIS, THE SECOND GMAP CLASS, WILL BEGIN IN MARCH 2005.

2. PROGRAM DESCRIPTION:

IN MARCH, 2003, DSCA ENTERED INTO AN AGREEMENT WITH THE FLETCHER SCHOOL, TUFTS UNIVERSITY TO PROVIDE UP TO 22 HIGHLY-QUALIFIED DOD STUDENTS PER YEAR. THE FLETCHER SCHOOL WILL ENROLL ADDITIONAL STUDENTS FROM FEDERAL AGENCIES, U.S. DEFENSE INDUSTRY, AND OTHER COUNTRIES.

THE DEFENSE INSTITUTE OF SECURITY ASSISTANCE MANAGEMENT (DISAM), WRIGHT PATTERSON AFB, DAYTON, OHIO, IS THE EXECUTIVE AGENT FOR MANAGEMENT AND DOD LIAISON FOR THIS GRADUATE STUDIES PROGRAM. DISAM ALSO SERVES AS THE PROGRAM POC FOR ALL NON-MILDEP DOD AGENCIES.

GMAP II IS A 12-MONTH, STATE-OF-THE-ART DISTANCE LEARNING GRADUATE DEGREE PROGRAM. PCS TRAVEL WILL NOT BE REQUIRED. STUDENTS WILL WORK FROM HOME STATIONS/COUNTRIES. TWO MANDATORY TWO-WEEK SESSIONS IN RESIDENCE WILL BE CONDUCTED AT THE FLETCHER SCHOOL OUTSIDE BOSTON, MASS. ONE OTHER TWO-WEEK RESIDENCY WILL BE CONDUCTED AT ANOTHER CONUS LOCATION (LIKELY WASHINGTON D.C.).

3. RESOURCES:

TUITION COSTS FOR THOSE PERSONNEL IN FMS ADMINISTRATIVE FUNDED BILLETS WILL BE CENTRALLY FUNDED BY DSCA AND INCLUDE THE COST OF MEALS AND HOUSING FOR THE THREE (3) RESIDENCIES. TRANSPORTATION TO AND FROM DUTY LOCATION AND ASSOCIATED MISCELLANEOUS EXPENSES FOR EACH OF THE THREE RESIDENT SESSIONS IS ADDITIONAL. THOSE ADDITIONAL EXPENSES ARE THE RESPONSIBILITY OF THE INDIVIDUAL STUDENT'S OWNING AGENCY. QUESTIONS ON FUNDING SHOULD BE ADDRESSED TO DISAM. CONTACT INFORMATION IS LISTED BELOW IN PARAGRAPH 6. MILITARY AND CIVILIAN PERSONNEL NOT IN FMS FUNDED BILLETS ARE ENCOURAGED TO APPLY, BUT MUST BE FUNDED THROUGH THEIR AGENCY'S APPROPRIATE TRAINING FUNDS OR AN ALTERNATIVE FUNDING SOURCE. PERSONNEL FROM OTHER FEDERAL AGENCIES, DEFENSE INDUSTRY, AND INTERNATIONAL APPLICANTS SHOULD APPLY DIRECTLY TO THE FLETCHER SCHOOL AND UTILIZE THEIR OWN FUNDING SOURCES. A TRAINING MASL (D400000) MAY BE USED BY FMS COUNTRIES AS A MEANS OF PAYMENT (USING FMS OR FMF CASE FUNDS ONLY/IMET FUNDS CANNOT BE USED). FURTHER INSTRUCTIONS FOR THIS MAY BE FOUND IN THE MASL DESCRIPTION OR MAY BE ADDRESSED TO DISAM. THE ESTIMATED COST FOR EACH STUDENT IS APPROXIMATELY $52,500.

4. QUALIFICATIONS FOR DOD PARTICIPANTS:

A MINIMUM OF 8 YEARS OF PROFESSIONAL EXPERIENCE (NOT NECESSARILY ALL IN INTERNATIONAL AFFAIRS) CURRENT MID-CAREER PROFESSIONAL IN A POSITION WITH INTERNATIONAL AFFAIRS RESPONSIBILITIES BACHELORS DEGREE (OR EQUIVALENT) REQUIRED. THE FLETCHER SCHOOL HAS ADVISED THAT SUCCESSFUL APPLICANTS HAVE AN UNDERGRADUATE GPA OF 3.0 OR BETTER. HOWEVER GRADUATE COURSES, STRONG PROFESSIONAL EXPERIENCE, AND A STRONG BASE IN A FOREIGN LANGUAGE ALSO PLAYS A PART IN THE ACCEPTANCE PROCESS. ALL INTERESTED PERSONNEL ARE ENCOURAGED TO APPLY.

THE FLETCHER SCHOOLíS FOREIGN LANGUAGE QUALIFICATIONS ARE AS FOLLOWS: A LIMITED WORKING PROFICIENCY IN SPEAKING AND GENERAL PROFESSIONAL PROFICIENCY IN READING. LIMITED WORKING PROFICIENCY IN SPEAKING IS DEFINED AS ABLE TO SATISFY ROUTINE DEMANDS AND LIMITED WORK REQUIREMENTS. CAN HANDLE ROUTINE WORK-RELATED

INTERACTIONS THAT ARE LIMITED IN SCOPE. GENERAL PROFESSIONAL PROFICIENCY IN READING IS DEFINED AS ABLE TO READ WITHIN A NORMAL RANGE OF SPEED AND WITH ALMOST COMPLETE COMPREHENSION ON A VARIETY OF AUTHENTIC PROSE MATERIAL ON UNFAMILIAR SUBJECTS. QUESTIONS MAY BE ADDRESSED TO THE POINTS OF CONTACT LISTED IN PARA 6. DEMONSTRATED LEADERSHIP POTENTIAL AND THE DESIRE TO SUCCEED IN THE INTERNATIONAL ARENA.

5. GMAP II DEGREE REQUIREMENTS FOR GRADUATION:

COMPLETING EIGHT COURSES WILL BE REQUIRED OVER THREE TRIMESTERS

COMPLETING THREE TWO-WEEK RESIDENCY SESSIONS

COMPLETING MASTERS THESIS WITH ORAL PRESENTATION (25-35 PAGES)

PASS A FOREIGN LANGUAGE PROFICIENCY EXAM ADMINISTERED BY TUFTS.

6. APPLICATION PROCESS:

DOD PERSONNEL SERVING IN POSITIONS SET FORTH IN PARA 1 ABOVE WHO ARE INTERESTED IN APPLYING FOR THE PROGRAM SHOULD VISIT THE TUFTS UNIVERSITY WEBSITE HTTP://FLETCHER.TUFTS.EDU/GMAP AND THE DISAM WEBSITE HTTP://DISAM.DSCA.MIL/GMAPII/GMAPII.HTM. FOR APPLICATION INFORMATION. BOTH WEBSITES MUST BE VIEWED TO SEE ALL TUFTS AND DOD GMAP II APPLICATION REQUIREMENTS.

ONCE THE APPLICATION IS COMPLETE, FORWARD THE ORIGINAL APPLICATION PACKAGE THROUGH THE APPLICANT'S LOCAL CHAIN OF COMMAND FOR THE REQUIRED ENDORSEMENT AND SEND TO THE RESPECTIVE MILDEP OR AGENCY POINTS OF CONTACT LOCATED AT THE FOLLOWING OFFICES. EACH MILDEP CAN PROVIDE MORE SPECIFIC GUIDANCE. AGAIN, THE APPLICATION DEADLINE FOR THE PACKAGE TO REACH THE APPROPRIATE MILDEP IS 1 AUGUST 2004.

US ARMY PERSONNEL (MILITARY AND CIVILIAN):

BOB GOLDSTEIN, DASA DE&C; ROBERT.GOLDSTEIN@HQDA.ARMY.MIL; PHONE: 703-588-6575 (DSN 425-6575). MAILING ADDRESS: DASA DE&C, 1777 NORTH KENT STREET, ROSSLYN, VIRGINIA, 22209.

US NAVY/USMC PERSONNEL (MILITARY AND CIVILIAN):

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PHONE: 937-255-3529 (DSN 785-3529). MAILING ADDRESS: 2475 K STREET, WRIGHT-PATTERSON AFB, OH 45433-7641.

7. SELECTION PROCESS:

MILDEP-SPONSORED CANDIDATES FOR GMAP II WILL BE SELECTED BY A COMMITTEE CONSISTING OF REPRESENTATIVES OF THE RESPECTIVE MILITARY DEPARTMENTS. ALL OTHER DOD-SPONSORED CANDIDATES FOR GMAP II WILL BE SELECTED BY A COMMITTEE ESTABLISHED BY DSCA/DISAM. WHEN THESE SELECTIONS ARE COMPLETE, CANDIDATES' PACKAGES WILL BE FORWARDED TO THE FLETCHER SCHOOL FOR FINAL ACADEMIC REVIEW AND ACCEPTANCE DECISION.

8. ADDITIONAL INFORMATION ABOUT THIS PROGRAM CAN BE FOUND AT: HTTP://WWW.DISAM.MIL/PROFDEV/GMAPII/GMAPII.HTM

9. SPECIFIC QUESTIONS REGARDING THIS PROGRAM SHOULD BE DIRECTED TO THE MILDEP AND/OR DISAM FOCAL POINTS IN PARA. 6.

RELEASING OFFICIAL:
Richard J. Millies
Acting Director, DSCA

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FEATURE ARTICLE

Security Assistance Mission in the Republic of Turkey

By
Captain Richard Robey, US Navy
and
Colonel Jeffrey Vordermark, US Army
Office of Defense Cooperation Turkey

Introduction

The Office of Defense Cooperation (ODC) Turkey, is the largest among United States European Commands (USEUCOM) 93[1] countries, facilitates a dynamic and multi-faceted defense relationship with the Republic of Turkey. The Chief, Headquarters Office of Defense Cooperation (ODC) Turkey, a United States Air Force Major General, is the primary point of contact for all security assistance programs between the United States Government (US government) and the government of Turkey. The Office of Defense Cooperation is a joint, multi-service organization that fosters US government and US defense industry participation in Turkish defense initiatives and facilitates United States military activities based in the country of Turkey. Headquarters Office of Defense Cooperation Turkey reports to USEUCOM in Stuttgart, Germany. The ODC is located in Ankara, Turkey, the capital city of Turkey.

The geostrategic position of the Republic of Turkey, at the heart of the most unstable triangle in the world, the Balkans, Caucasus, and the Middle East, makes it imperative that the United States help maintain a strong and allied modern Turkish military. To meet their domestic and alliance needs, the Turkish military continues to try to expand its national defense industry to support its armed forces and develop a viable defense industrial base at a time when Turkey is required to bring its overall level of spending under control to enact necessary economic reforms for European Union (EU) accession. Turkey is a member of the United Nations (UN), North Atlantic Treaty Organization (NATO), Organization for Security and Cooperation in Europe (OSCE), the Euro-Atlantic Partnership Council (EAPC) and the Western European Union (WEU).

Military security assistance, or simply security assistance, started in Turkey in 1947 and has developed over the years to be an integral part of the US peacetime engagement strategy and now significantly contributes to our national security and foreign policy objectives. The principal components of the US security assistance program in Turkey are:

- Foreign military sales (FMS);
- Foreign military financing (FMF);
- International military and education training (IMET) programs, and;
- Excess defense articles (EDA) transfers.

All of these components of the US security assistance program have enabled Turkey over the last fifty-five years to acquire US equipment, services, and training for the legitimate self-defense and for participation in multinational security efforts. Ongoing military assistance efforts also

1 U.S. European Command website, http://www.eucom.mil/AOR/index.htm.

support the primary US foreign policy goal of safeguarding United States national security. By enhancing the defense capabilities of US allies to address conflicts, humanitarian assistance due to crisis, humanitarian de-mining, and natural disasters, it is less likely that American forces will be called upon to respond to regional problems. In fact, US doctrine, *Joint Pub 3-16*, acknowledging this trend toward coalition operations, states that "The United States often participates in operations as part of a coalition or alliance."[2]

In Desert Storm and again in operations against the former Republic of Yugoslavia, the United States worked within the framework of a multinational coalition to achieve a solution to a regional problem. Strengthening deterrence, encouraging shared defense responsibility among allies, supporting allied readiness, and increasing interoperability between coalition partners through the transfer of US defense equipment and military training help security partners defend against aggression and strengthen their ability to fight alongside US forces in coalition efforts. Therefore, when US involvement becomes necessary, these programs help to ensure that foreign militaries work more efficiently with our allies rather than be hobbled by mismatched equipment, communications, and doctrine.

Modern Turkey, which rose from the ashes of the Islamic Ottoman Empire, has generally proven to be a valuable and steadfast ally. Still growing as a young democracy, it has remained a secular and western-oriented country for eighty years, and continues to strive to attain the ideals of its founder, Mustafa Kemal Atatürk. A man of vast intellect and abundant vision, proved Atatürk to be the right man at the right time to forge a new nation from a crumbling empire, and set modern Turkey on a path from which it has not strayed despite numerous challenges.

Turkey joined the UN in 1945 and NATO in 1952. Although Turkey and Greece both belong to NATO, longstanding disputes over the Aegean Sea and Cyprus still strain relations between the two countries. During the Cold War, Turkey's importance to the US was largely due to its geostrategic location. It was one of only two NATO countries (the other being Norway) that had a common border with the Soviet Union. With its huge military capability the second largest in NATO after the US, it represented a serious deterrence capability to the Soviet Union. Also, Turkey, by controlling the Bosporus and Dardanelles, could shut down the USSR's only warm water ports in the Black Sea. As 95 percent of Soviet commercial shipping passed through these narrow waterways, this was, and remains today a vital passage for international trade.

Positioned on NATO's southern flank, Turkey has common borders with Greece, Bulgaria, Armenia, Georgia, Iran, Syria and Iraq. Over the last twenty years Turkey has suffered recurrent periods of political instability and poor economic management. The ensuing political and economic instability in Turkey today has resulted in continued political uncertainty for the current governing Islamist Justice and Development (AK) party. While the frequency of major Kurdish terrorist incidents in southeastern Turkey has decreased markedly since the capture of the leader of the separatist PKK in 1999, Turkish military leaders argue that the continued presence of PKK terrorists in northern Iraq continues to pose a threat to Turkey's stability. In 1990 Turkey participated with the US and other NATO allies in the first Gulf War following Iraq's forcible annexation of Kuwait. Although it did not contribute forces as part of the Desert Storm coalition, Turkey supported US forces in the north by allowing operation from Incirlik airbase in Adana. Also, its repositioning of numerous combat elements to the Iraqi border caused uncertainty for Iraq and fixed upwards of twenty Iraqi combat divisions in the north, preventing their being repositioned against coalition forces in the south.

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2 Joint Pub 3-16, *Joint Doctrine for Multinational Operations, Second, Final Coordination 23 Mar 1999*.

In 1999 Turkey gained approval as a candidate country for membership in the EU, and solidify its Kemalist goal of westernization. Membership in the EU would add to Turkey's already recovering economic growth. Turkey's geostrategic location with the Balkans, Caucasus and the Middle East will continue to keep it regionally important to the execution of US stabilization objectives in southwest Asia. However, with both the rise in transnational terrorism and Turkey's proximity to contested regions, this area will remain dangerous and unstable. Success in maintaining stability in the long term will depend in many ways on the effectiveness of our security cooperation in Turkey.

Background

The Turkish-United States security assistance relationship has been highly successful over the last fifty-five years in that it has enabled Turkey to become a major regional power on the southern flank of NATO. In 1947, security assistance as we know it today started with Turkey and Greece.[3] Since that time, Turkey has historically been one of the largest recipients of US grants and monies from the economic support fund (ESF), Military Assistance Program (MAP) and FMF program, and IMET programs, as well as a valued user of FMS and direct commercial sales (DCS).

United States security assistance programs originated with the Truman Administration. In 1947, President Truman delivered an historic address to Congress in support of the Marshall Plan, in which he said, "It is in America's national interest to assist free nations like Turkey to become strong enough to resist communist aggression." His request for $400 million ($3.3 billion in 2003 dollars) in military and economic aid initiated large scale assistance and established American presence in Turkey. The *Greece-Turkey Aid Act of 1947* was enacted by Congress, thus introducing the instrument of assistance as a significant factor in the United States post-World War II foreign policy. This later became known as the *Truman Doctrine* and set the foundation for modern day US military assistance programs worldwide. Over the next three years, Turkey and Greece received well over $600 million ($5 billion in 2003 dollars) in both US military and economic aid. The congressional legislation authorizing that aid stipulated US military advisers would administer the programs within the respective countries. This was the genesis of what are now called the ODC or Office of Military Cooperation (OMC) located in various countries throughout the world and under the command of a respective combatant commands (i.e., United States European Command in the case of Turkey and Greece). By mid-1949 there were over 400 US armed forces personnel in the Joint Military Advisory and Planning Group (predecessor to ODC) in Turkey and over 527 in a similar organization in Greece. With the establishment of these headquarters units, the administration of military assistance required another dimension, that of creating military advisory groups which would eventually operate in many areas of the world and involve US military personnel by the thousands advising the host country on military modernization

By 1951, ODC Turkey, then called the Joint United States Military Mission for Aid to Turkey (JUSMMAT), became the world's largest military assistance and advisory group. By 1967, JUSMMAT strength peaked with more than 3,000 military and 2,000 Department of Defense (DoD) civilian personnel. Today, ODC Turkey is authorized thirty-two US military, three DoD civilian, and nine Turkish personnel in the conduct of its mission.

The role of the military advisory group was to assist the host nation with modernization of their military with US aid; thus, the Truman Doctrine was also to provide a precedent for the principle of collective security. It was cited as the foundation of subsequent similar programs

3 President Harry S. Truman's address to a joint session of Congress, March 12, 1947.

under the premise that promoting the security and well-being of friendly foreign nations was in the best long-term interest of the United States. It can be argued that the Truman Doctrine set in motion the principles that eventually established NATO. Founded on the *Brussels Treaty of 1948*[4] between France, United Kingdom, Belgium, Netherlands, and Luxembourg, NATO is historically considered the most advanced defensive alliance system in existence. The close relationship established between the United States and its NATO allies have had a corresponding effect on subsequent security assistance management to include:

- The provision of arms on a preferential basis;
- Delivery and cost, to NATO member countries;
- Certain exclusions for NATO members for arms control legislative provisions; and
- International cooperation armaments projects with NATO countries, the F-16 and Joint Strike Fighter as cases in point.

The North Atlantic Treaty Organization is all about collective security and the ability for allied militaries to operate together for a common purpose. This concept holds true even in today's modern world to include the global war on terrorism.

President Truman in his January 1949 inaugural address devoted the speech primarily to the subject of foreign policy and foreign relations. This speech formalized what has become known as the Truman Doctrine[5], and initiated the development of several new programs at that time which are now collectively called security assistance. Specifically, Truman stated the following:

> In the conduct of foreign relations, the United States, like every other state, is concerned primarily with the achievement of those objectives of national interest, which it conceives to be of paramount significance. If the management of our external affairs is to enjoy rationality, it must have goals that harmonize with, and supplement, the internal policies and programs of the government, whether they may be the promotion of commerce and trade, the acquisition of territory or power, or the maintenance of peace and security.[6]

One of the primary methods used to carry out US foreign and national security have been, and remains, the transfer of US defense articles, defense services, military training, and economic assistance (i.e., all the security assistance aspects). Security assistance is simply an umbrella term encompassing various United States military and economic assistance programs for allied and friendly foreign countries.

US military assistance in the early post-World War II period focused on the transfer of US arms from stockpiles of surplus war materiel or EDAs. These arms transfers were made to participants, Turkey included, in an emerging network of US alliances and were provided as grant aid or free of charge under what was then known as the MAP. With the establishment of MAP, US arms transfers, economic aid and collective security began to merge as programs sharing a common purpose a concept that later, in the Nixon Administration, would become known as collective security assistance. As part of the continuing evolution of security assistance, the US Congress terminated MAP funding in fiscal year 1990 and integrated all previous MAP grant funding into the FMF program. This simplified the previous security assistance grant programs into a single program. FMF programs today are much easier to manage by both the ODCs and allied nations because of the consolidation of the previous grant aid programs.

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4 Brussels Treaty of 1948.

5 President Harry S. Truman's address to a joint session of Congress, March 12, 1947.

6 President Harry S. Truman's Inaugural Address, January 20, 1949.

Security assistance has been and still remains an important instrument of US foreign policy. Military assistance is an integral part of the US peacetime engagement strategy and directly contributes to American national security and foreign policy objectives. Arms transfers and related services have reached enormous dimensions and involve most of the world's nations, either as a seller and provider or buyer and recipient. Any assistance furnished by the United States under the program must, by law, strengthen US national security and promote world peace.[7] Countries designated eligible to purchase defense articles and services under the *Arms Export Control Act* (AECA), Section 3, are identified in the DoDD 5105.38-M, *Security Assistance Management Manual* (SAMM, Table 600-1).[8]

United States strategic objectives are articulated in the *National Security Strategy of the United States*, a report prepared annually and presented to Congress by the president. Its three core objectives are:

- To enhance US security;
- To bolster America's economic prosperity, and;
- To promote democracy abroad.

Foreign policy, plans, programs, and capabilities designed to achieve national objectives are developed by various government departments. Thus, security assistance programs are designed specifically with national security objectives in mind. Security assistance is defined in the DoD Dictionary of military and associated terms as:

> Groups of programs authorized by the *Foreign Assistance Act of 1961*, as amended, and the *Arms Export Control Act of 1976*, as amended, or other related statutes by which the United States provides defense articles, military training, and other defense related services by grant, loan, credit, or cash sales in furtherance of national policies and objectives.

Furtherance of national policies and objectives is achieved through various economic and military programs, including economic support, developmental assistance, the *Public Law 480* food for peace programs, counter-narcotics programs, the Peace Corps, peacekeeping, foreign military financing, and international military education and training. The specific goals of the US security assistance training programs are to:

- Promote self-sufficiency;
- Encourage the training of future leaders;
- Support enhanced relations between the United States and foreign countries, and;
- Expand foreign understanding of the United States, and its culture and values.

There are four pillars[9] that make up today's security assistance programs:

- Commercial exports licensed under the AECA;
- FMS which include cash sales and the FMF program;
- Peacekeeping operations; and,
- IMET programs.

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7 *Security Assistance Management Manual* (SAMM), DoDD 5105-38M, page 151.

8 Ibid., Table 600-1.

9 *FMS Customer Financial Management Handbook* (Billing), DISAM, June 2002, page 1-1.

Draw-downs of excess defense assets, directed by the President of the US in response to urgent requirements, are also administered under the auspices of the military assistance program. All components of the military assistance program enable friends and allies to acquire US equipment, services, and training for legitimate self-defense and for participation in multinational security efforts.

Commercial Exports Licensed Under the *Arms Export Control Act*[10]

The foreign military sales and direct commercial sales components of the US security assistance program are fully funded by direct cash outlays from allied countries like Turkey. The FMS Trust Fund was established as a means of facilitating the purchases of US defense articles and services by foreign countries, as authorized in the AECA. The Trust Fund incorporates receipts from FMS cash sales, FMS financed through FMF grants and loans, and/or older MAP grant funds appropriated and allocated prior to September 30, 1989 when MAP was integrated into FMF. The FMS Trust Fund is the vehicle through which the US government processes foreign country funds required for FMS case payments to US contractors for new procurement, and to DoD components for sales from DoD stocks. This trust fund is like a checking account that foreign governments make deposits into and the US government writes checks against. By law, FMS, cannot be a cost to the US taxpayer.[11] FMS must be fully self supporting through cash receipts from the purchasing countries. It is also required by law that the US government cannot make a profit on the FMS program.[12] The FMS Trust Fund is the vehicle used to operate this program.

Foreign Military Sales

Foreign military sales is the largest program element of the overall US security assistance program. FMS is a process through which foreign governments and international organizations purchase military equipment, excess defense articles and defense-related services from the United States government. FMS is a government to government agreement and is documented on a Letter of Agreement (LOA).

The primary reason the United States pursues foreign military sales is to achieve the goal of collective security. It is far too expensive for most foreign and developing nations to build up national-level defensive weapons and military security systems. This has certainly been true for Turkey, more so because of her strategic location dictated this involvement by the United States. Turkey's military has strengthened NATO's southern flank and supported Western Europe's defense in this volatile region, and it continues to be a moderating influence in the Middle East region. It remains in the United States interest to sell defense articles, particularly, and military services to foreign governments like Turkey. The benefits of this program are the following:[13]

- Lowered unit production costs and shared research and development costs;
- Progress toward standardization and interoperability of equipment between the United States and friendly foreign nations; and,
- Use of the US Cooperative Logistics Supply Support Arrangements (CLSSA)[14] by selected countries to include Turkey, which permits support of the foreign nation's equipment from US stocks on an equal basis with comparable US forces having a similar mission.

10 *Arms Export Control Act* (Public Law 90-629)

11 *Arms Export Control Act* (Public Law 90-629).

12 Ibid.

13 *Foreign Military Sales Customer Financial Management Handbook* (Billing), Defense Institute of Security Assistance Management, June 2002, page 1-2.

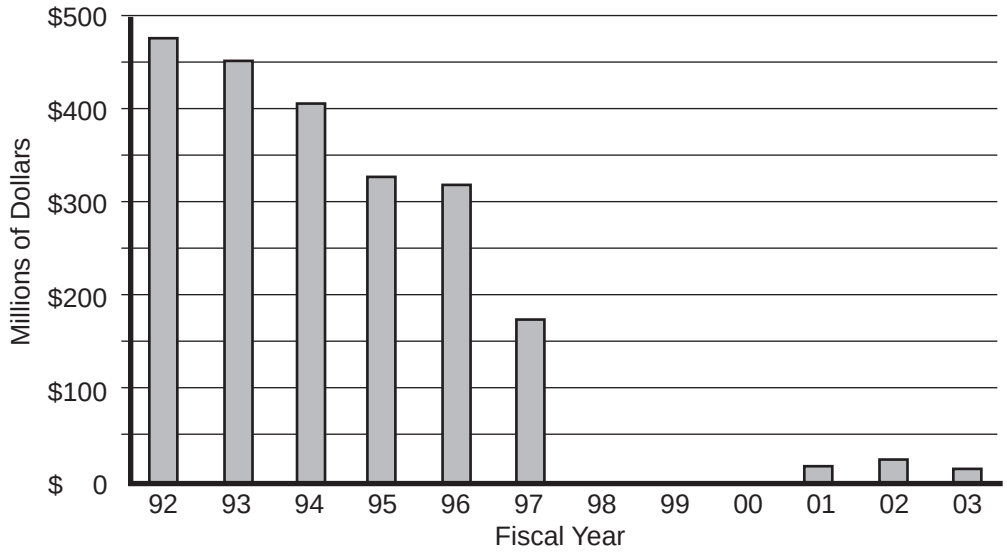
14 *Security Assistance Management Manual* (SAMM), DoD 5105-38M, Chapter 7.

Foreign military sales is accomplished in three basic ways, listed below:[15]

- FMS purchases whereby the foreign government pays in cash (U.S dollars) to the US government for a defense item or service to include all costs that are associated with a sale including administrative fees. In fiscal years 2002 and 2003, Turkey spent $207 million and $440 million respectively in FMS.

- FMFs are US government grants, and/or non-repayable and repayable loans that are authorized annually by the US Congress. These credit/loan arrangements are negotiated between the foreign government and the US government. The US Congress approves and appropriates each year the amount of FMF monies that will be provided to subject countries. FMF is designed to assist countries, particularly developing nations, to establish military modernization programs that are compatible with the United States and her allies. After fifty-five years of direct US aid, Turkey is now and has been since the early 1990s considered a mature country in terms of its military force and modernization. US security assistance to Turkey has declined steadily since 1991 in the post Cold War era. Funding prior to fiscal year 1993 was predominantly in the form of foreign military financing program grants. Since fiscal year 1993, US FMF funding has been in the form of loans, first at a concessional rate and then at US treasury rates. In 1998, Turkey graduated from the FMF program and did not receive FMF funds between 1998 and 2001. In October 2001, the US provided Turkey $20 million in FMF grants as part of emergency supplemental legislation to assist Turkey cover some of the costs it incurred in supporting the US during the Global War on Terrorism and operations in Afghanistan. In fiscal years 2001, 2002 and 2003, Turkey received FMF in the amounts of $20 million, $28 million and $17.5 million respectively.

Chart 1. Foreign Military Financing Republic of Turkey



- DCS are also cash purchases of defense items and services but paid directly to a US defense contractor by the foreign government. This type of sale is strictly between the foreign country and the US contractor. It is typically left up to the foreign government to determine which sales method will be used to procure a defense article or service. FMS is typically used

15 *Foreign Military Sales Customer Financial Management Handbook* (Billing), Defense Institute of Security Assistance Management, June 2002, page 1-1.

when the item to be purchased is exactly as produced for the US government or sensitive US technology is involved. When a country wants to make unique configurations or modifications to a product, then the DCS method is usually chosen. An integral mission of the ODC is to foster increased US defense cooperation with Turkey. Accordingly, the Defense Cooperation in Armaments (DCA) office in the ODC Turkey is the focal point for all efforts to increase cooperative weapons systems research, development, and acquisition with the government of Turkey. DCA is the in-country liaison for the National Armaments Director at the Office of the Secretary of Defense (OSD). As his local representative the DCA office provides expertise in resolving issues concerning legislation and policy, international agreements and political military considerations with regard to all US defense industry direct commercial sales. To accomplish this, the DCA office works closely with Turkey's MoD, the Under Secretariat of Defense Industries (SSM), US Embassy Ankara, respective US military departments and the US Department of State. Current sales programs with Turkey include the following:

- ATAK Helicopter (USMC AH-1Z Super Cobra);
- Airborne Early Warning & Control Boeing 737 aircraft (AEW&C);
- F-35 Joint Strike Fighter (JSF);
- Unmanned Aerial Vehicle (UAV);
- Turkish Perry-class frigate combat weapons system upgrade (GENESIS);
- Additional SH-60/Blackhawk helicopters, and;
- Pedestal Mounted Stinger.

Other DCA managed program are the following:

- The Defense Data Exchange Program;
- Cooperative Research and Development Programs;
- Foreign Comparative Test Programs;
- Engineer and Scientist Exchange Program, and;
- Turkey's Participation in Systems Acquisition and Production.

In addition to these, the DCA is responsible for US participation in the biennial Industrial and Maritime Defense Exhibition Fair (IDEM). Turkey last hosted IDEM 2003 in Ankara, Turkey in late September 2003.

Peacekeeping Operations

The United States also financially supports countries that are willing to provide troops and equipment for peace keeping operations. This is part of a security assistance program because it alleviates the United States from providing its own troops and equipment to support peace keeping operations that are vital to the national interests of the United States. A recent example of peace keeping operations that the US supported was Turkey's assumption of command of the International Security Assistance Force (ISAR) in Afghanistan and contribution of 1,400 troops from June 2002 to February 2003. "In assuming command of ISAR, Turkey has demonstrated yet again the solidarity of the US and Turkey strategic partnership and Turkey's resolve to combat terrorism," said State Department Spokesman Richard Boucher in a public statement made shortly after Turkey took command of ISAR in June 2002. ISAR which began under British leadership, has played a critical role in providing security in Kabul and environs since December 2001, and will continue to ensure that the Afghan Transitional Administration formed by the Emergency Loya Jirga can operate in a stable and secure environment as it rebuilds the country.

The United States used FMF funds to help fund Turkey's costs associated with deploying, sustaining and redeploying its forces to Afghanistan during its leadership of the ISAR there. Turkey's participation in this operation was critical to the United States because it did not have to provide additional troops and equipment. These operations also provide a superb real-world training environment for allied countries that may otherwise have limited opportunity to exercise their troops and military equipment at home. In fact, Turkish participation in ISAR is not the only measure of Turkey's willingness to participate to solutions for regional instability. They also committed a brigade of troops to help secure peace in the Balkans, and participated in operations in Somalia as well during the decade of the 1990s. Their successful participation in these various operations as key US coalition partners represents proof that our bilateral engagement with this key NATO ally has borne much fruit. As of this writing, Turkey continues to support ISAR with personnel and equipment, and in October 2003 offered the deployment of Turkish troops in support of the Iraqi stabilization force and Operation Iraqi Freedom.

International Military Education and Training Programs

Turkey, the largest IMET fund recipient in the world, represents a true IMET success story. Their desire to apply their own funding to augment students expenses has allowed the overall number of students to attend the training to grow well beyond what would have normally been the case, and demonstrates the value that the Turkish Armed Forces places on this program. Although Turkey has received or purchased a number of modern weapon systems, it is training that allows Turkey to properly use these systems and organize its military to achieve the greatest effect. The IMET programs provide training in the United States and, in some cases, in overseas US military facilities to selected foreign military and related high level civilian personnel on a grant or no-cost to the student basis. In earlier years, grant aid training of foreign military personnel was funded as part of the MAP appropriation. Starting in fiscal year 1976, a separate authorization for IMET was established in the *Foreign Assistance Act* (FAA).[16] Although historically a relatively modest program in terms of cost to the US taxpayer, IMET advances US objectives on a global scale at a relatively small price. Having a core group of well-trained, professional foreign military leaders with first hand knowledge of America should make a difference in winning access and influence for our diplomatic and military representatives. A relatively small amount of IMET funding provides a return for US policy goals, over the years, far greater than the original investment.

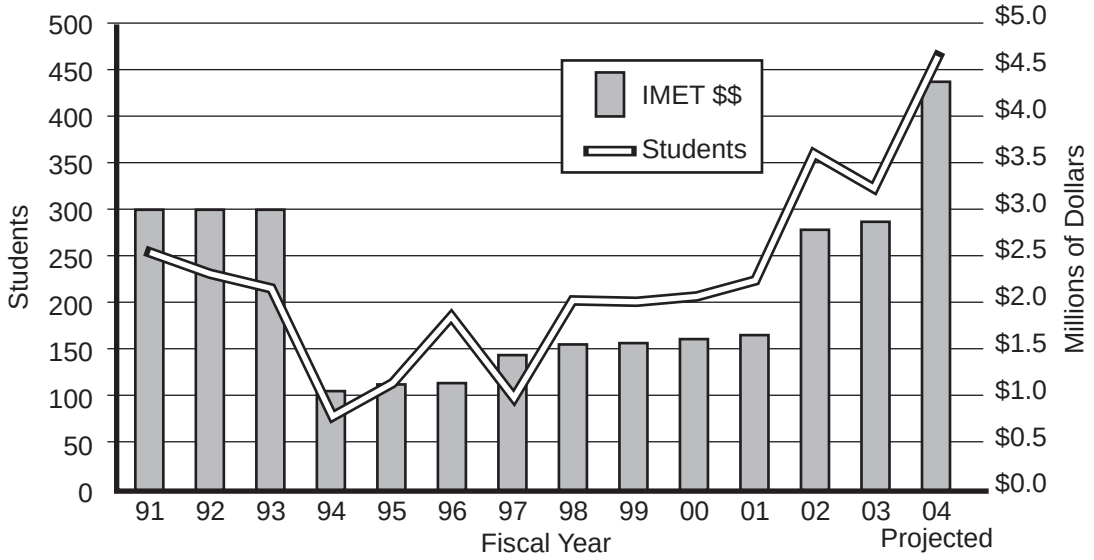
One disadvantage of the current IMET program is that it does not have a multi-year feature, and all IMET funds, with one important exception, must be expended within the fiscal year for which they were appropriated. The exception involves what is termed an IMET fiscal year fifth quarter. This procedure permits uncommitted, Congressionally appropriated dollars to be obligated no later than September 30 of a given fiscal year, but can be spent in the subsequent three-month period (i.e., the fifth quarter), through December 31. This is critical because IMET for a given fiscal year is usually not released by Congress until November or December of a given fiscal year. For any given country that receives annual IMET funding, school quotas cannot typically be obtained until after January. The fifth quarter procedure basically gives a country a full calendar year to obligate a given fiscal year's IMET funding. This is the major complaint that Turkey has with IMET.

Chart 2 details the level of IMET funding Turkey has received since 1992. Turkey is the largest recipient of IMET dollars by almost a factor of two. This graph also depicts the number of Turkish military students that have been trained. The number of students trained is directly

16 *Foreign Assistance Act* (FAA), 22 U.S.C. 2151p - 2151D, as amended.

related to the cost of the school attended. For example, it will cost annually almost $35,000 plus per diem expenses to send a Turkish military officer to the Naval Post Graduate School in Monterey, California. This is comparable to only a few thousand dollars to send a student to a three week Naval War College course in Newport, Rhode Island. It is expected that Turkey will receive about $4.3 million in IMET funding for fiscal year 2004.

Chart 2: IMET Funding Levels



Headquarters of the Office of Defense Cooperation Turkey

Due to the expanding security cooperation landscape within USEUCOM, and the lack of resources to keep pace with the requirements, USEUCOM was forced to cut billets from a number of ODCs in order to establish new offices in the foreign Soviet Union countries. Coupled with an emerging operational focus for Turkey because of its geographic location, ODC Turkey recently reorganized along functional lines. The ODC is task-organized to combine all the aspects of security cooperation, such as security assistance, international training, and defense cooperation in armaments, under the Security Cooperation Directorate (SCD), and adding a bilateral directorate, referred to as the Agreements and Operations Directorate (AOD), responsible for managing the *US–Turkish Defense and Economic Cooperation Agreement* (DECA) as well as all joint military operations within Turkey.

The DECA of 1980 provides the legal basis for the US military's presence in Turkey. It governs how permanently based US military forces in Turkey operate with regard to base access, transit through the country and the relationship with the Turkish General Staff (TGS). Turkey is strategically located and the United States military and Department of State in-country experience with regard to infrastructure capabilities is valuable to various unified command war planners. From Izmir to Adana, ODC Turkey maintains current data of key military areas. These areas include staging areas, fuel distribution systems and aerial ports of embarkation as part of the existing war plans.

Most of the operational issues involve many different aspects and points of coordination to include the US Embassy, USEUCOM, OSD, The Joint Staff, USCENTCOM, and J3 (Operations) and J5 (Plans and Policy) of the Turkish General Staff.

Recent operations that the ODC has been involved in include the following:

- Avid Response: a 1999 US humanitarian assistance in response to the major earthquake in Northwestern Turkey that killed an estimated 30,000 people. The ODC established the initial Crisis Response HQ in Istanbul.

- Anatolian Eagle: A multi-country Turkish Air Force exercise conducted at Konya Range south of Ankara four times a year.

- US Sixth Fleet Carrier Battle Group Training: US Navy aircraft conduct routine deployment training at the Konya Range as part of the battle group deployment around Turkey.

- Operation Iraqi Freedom: On-going efforts to provide military and humanitarian assistance to coalition forces stationed in northern Iraq.

- International Security Assistance Force: Turkish Land Forces Command (TLFC) led the Afghanistan International Security Assistance Force Phase II mission from June 2002 through February 2003 with about 1,400 Turkish military personnel. Funding for this force was provided with FMF funds.

- Operation Northern Watch: Began in 1991 out of Incirlik Air Base to enforce UN Security Council Resolutions with Iraq. Operation Northern Watch was deactivated on May 1, 2003 following commencement of Operation Iraqi Freedom.

- Operation Enduring Freedom (OEF): This operation began in Turkey on September 19, 2001 in support of the Global War on Terrorism (GWOT).

- EUCOM Forward/Task Force North: This task force, establishes a USEUCOM Forward HQ in Ankara. The task force operated in Ankara out of the ODC Turkey from January 29, 2003 to May 16, 2003. This forward element managed the deployment of site preparation units and exercised coordination authority for US forces operating in Turkey in support of Operation Iraqi Freedom. They coordinated equipment import/export, construction projects, logistical arrangements, NATO pipeline issues, property leasing, Memorandum of Understanding negotiation, humanitarian assistance and a host of operational issues with the Turkish General Staff in preparation, ultimately deferred, for deployment of US forces in Turkey and establishment of a northern front for Operation Iraqi Freedom. In its primary interlocutor with the TGS, ODC Turkey continues to support operations in Iraq. Significant supplies flow daily into Northern Iraq, fuel and water being the bulk commodities. The ODC works closely with the Turkish Ministry of Foreign Affairs (MFA) and the USEUCOM Logistics Sustainment Cell at Incirlik to facilitate this commercial operation. As of October 2003, over 10,000 commercial tankers have supported the ground lines of communication (GLOC) into Northern Iraq.

Government of Turkey

The Islamist Justice and Development party, running on a platform of anti-corruption and EU accession, came to power in the November 2002 elections. The voters took action against the traditional coalition government by voting it out of office. The Islamist Justice and Development leader Recep Tayyip Erdogan had pledged to make the country's institutions work better, fight governmental corruption and speed up Turkey's drive to join the EU Mr. Erdogan's success came as a result of widespread anger at the former coalition government and status quo political parties, whom many Turks blamed for the devastating economic crisis of the past two years.[17] It is the first non-coalition government in eleven years, and following some early stumbles to include the disappointing no vote of March 1, 2003 that failed to authorize US troop deployments for Operation Iraqi Freedom. It appears to have gained confidence and support after almost a year in

17 "Turkey's Old Guard Routed in Elections", BBC News, November 4, 2003.

power. Key political challenges that remain on the table are the evolution of Turkish foreign policy in Iraq from a narrow focus on the Kurdish issue to a concern for the country as a whole, banking reform to right the country's listing economic ship, and constitutional reform (human rights, abolition of the death penalty, etc., supporting the EU accession. Significant also is balancing the US and Turkish relationship in light of their EU entry bid as many European nations are exerting pressure on the Turks to distance themselves, politically and economically from the United States.

Turkey was disappointed in December 2002 not to get a firm date to start negotiations to join the EU The EU parliament has publicly stated it will start membership negotiations with Turkey without delay if it meets the bloc's standards of human rights and democracy in December 2004.[18] The United States has continued to provide for political and economic support, particularly with the International Monetary Fund during this interim EU period. The strategic partnership with the US is essential to maintain peace, stability and prosperity in the wider geographies of mutual interest and will eventually assist Turkey with EU accession. The multi-dimensional and multi-faceted exchanges between Turkey and the US enable the two countries to work together in preservation of freedom and democracy. In this connection with each other, as appropriate, they must continue to work toward conflict prevention and crisis management, containment of regional disputes, curbing proliferation of weapons of mass destruction and eradicating terrorism. This includes solving the Kurdish issue once and for all. Turkey also wishes to further develop its economic and trade exchanges with the US and its allies. Turkey is attempting to pursue mainly defense projects and programs to strengthen the relations in the fields of investment, science and technology. Turkey desires the US to facilitate unhindered access of Turkish goods to its market. This would benefit the true nature of the strategic partnership relationship where diversification and deepening of the ties would mutually benefit the two countries.[19] Turkey has a long road ahead to achieve these goals. Recent successes in these areas have been positive.

Overview of Ministry of Defense

The government of Turkey has two main objectives with regards to their military. In 1937, Mustafa Kemal Atatürk, founder of the Turkish Republic, stated that Turkey must develop her defense industry and sustain her economic growth particularly in the private sectors of business.[20] Atatürk stressed the correlation between defense and industry, and that it had a great importance in creating local added value, increasing employment and improving the national defense industrial base which is one of the essential ingredients of a country's national security. These national objectives of Turkey have been and continue to be very much in line with United States' foreign policy objectives.

In the Turkish government, the Minister of Defense is primarily a procurement official, and is responsible for acquisition of new defense systems. He reports directly to the Prime Minister. The Turkish MoD budget[21] is approximately 3.6 percent of Turkey's gross national product (GNP) on average and around 12 percent in the overall consolidated budget, which is the highest spending in NATO. The total national defense budget for 2001 was $8 billion which included the

18 Ken Guggenheim, "Wolfowitz Says Turkey Made Big, Big Mistake in Denying Use of Land", *The Turkish Times*, March 27, 2003, page 2.

19 Republic of Turkey Ministry of Foreign Affairs, *Turkish Foreign Policy*, Fiscal Year 2003.

20 Under Secretariat for Defense Industries, *17th Annual Report, 2002.*

21 2001 was the latest Turkish budget figures obtained.

Defense Industry Support Fund which amounted to nearly $1 billion.[22] A further breakdown of the 2001 Turkish defense budget includes the following:

- 30% – Personnel
- 30% – Consumption
- 35% – Investment with 20% allocated to foreign investments
- 5% – Listed as unidentified and miscellaneous. expenses

The average allocation of the MoD budget[23] was as follows:

- Turkish General Staff – 7.7%
- Ministry of Defense – 7.3%
- Land Forces Command – 49.5%
- Naval Forces Command – 13.9%
- Air Forces Command – 21.6%

Overview of Turkish Military

The Turkish Armed Forces has a long and very proud military tradition, dating back 4,000 years. Starting with the Hittites, this history runs the gamut of virtually every major world conflict from the Trojans, through the Mongol invasions of Europe and Asia, the domination by the Ottoman Empire of parts of Eastern Europe and the Middle East, Turkey's struggle for independence, the conflict in Korea, and the most recent battles against terrorism. The primary mission of the Turkish Armed Forces is the national defense of this nation, roughly the size of Texas and Louisiana, located in one of the most turbulent regions of the world. This mission has traditionally centered on deterrence of threats from its neighbors; however, the Turkish military and a majority of Turkish citizens also view the Turkish military as the primary protector of the Republic from threats from within.

Domestically, the Turkish Armed Forces has found itself dealing with crises ranging from counter terrorism to the aftermath of the massive earthquakes near Istanbul in 1999. As a staunch US ally and NATO member, internationally Turkey has found itself called upon to service in a variety of locations. As one of the few predominantly Muslim nations with a freely elected, democratic, republican government, Turkish soldiers, sailors, and airmen have served as international peacekeepers, and as a role-model for a stable democratic government for both the former Yugoslavia and Afghanistan.

A member of NATO since 1952, Turkey takes great pride in its alliance with the United States and the other member nations. The Turkish Armed Forces have taken great steps to hold themselves to a standard that allows them to integrate readily into any NATO action and to keep themselves ready for any mission upon which NATO may call. Turkey's NATO mission is to take part in peacekeeping missions in order to prevent instability from deteriorating into a threat to peace, and to participate in crisis management to deter emerging threats directed at NATO countries. Should aggression occur, Turkish forces assigned to NATO would be used to defend the southern region of NATO in Turkey.

The protection and maintenance of values of vital importance are constitutional order, national integrity, national interests, and contractual law, and they constitute the legal parameters

22 *Under Secretariat for Defense Industries, 17th Annual Report, 2002*, page 11.

23 Appalachian-Turkish Trade Project, http://www.buyU.S.a.gov/turkey/en/page29.html.

of Turkey's national security policy. The principal of Peace at Home, Peace in the World existing in the constitution is the legacy of Atatürk's administration. This principle aims at achieving the national objectives of:

- Developing peaceful relations in the region;
- Ensuring stability, and;
- Ensuring socioeconomic development in a peaceful atmosphere.

Atatürk's principles form the foundation for Turkish national strategy. Revered as the father of modern Turkey, Atatürk founded the Republic of Turkey in 1923, and sought to distance Turkey from its Ottoman past by establishing Turkey as a secular, democratic, western-oriented state. The Turkish military zealously upholds the concepts that Atatürk embodied in the constitution of 1924. In his 1997 remarks to the American-Turkish Council (ATC) annual meeting in Washington, D.C., General Cevik Bir, former Deputy Chief of the Turkish General Staff, reiterated the importance of the armed forces in Turkish society, stating:

> We are the armed forces of the constitution. Atatürk said that basic tenets of our democracy include secularism, as well as individual rights and liberties within the unitary system of government. The Turkish armed forces, as a constitutional institution, uphold all the constitutional principles, but most importantly, the democratic nature of our state based on the free will of our people.

Turkish Military Modernization Goals

As the bulwark of NATO's southern flank, it also has common borders with many Eastern European countries plus former Soviet client states such as Syria and Iraq. This region remains a dangerous and unstable area of the world. General Cevik Bir, captured the Turkish perspective on the link between strategy, location, and modernization with his remarkd that "Turkey is surrounded by the Bermuda Triangle" of the Balkans, Caucasus and the Middle East. Given such threats, we must modernize Turkish Armed Forces. If we can protect ourselves, then we can contribute to regional peace and stability, and thus, to the world peace." This is an enduring Turkish perspective. Turkey's defense strategy is based on these principles:

- Deterrence and crisis response reflect the overlap between Turkey's NATO missions and self-defense requirements;
- Forward defense refers to the forward protection of NATO and the intent to defend Turkey at its borders, and;
- High mobility enables a powerful reserve force to be placed centrally and deployed expeditiously to areas under threat.

Turkey began its defense-related modernization program in 1984 with co-production of F-16 fighter aircraft, armored infantry fighting vehicles and light transport aircraft. Turkey remains a good market for US off-the-shelf products for foreign military sales. Receptivity to US defense products in the Turkish market continues to be high. Turkey's plan is to undergo significant reorganization and modernization within the first decade of this new millennium. During the next 25 to 30 years, a significant number of combat weapons and equipment currently in the Turkish armed forces' inventory will need to be modernized or replaced with systems incorporating new technologies. The cost of all these systems, including operation and maintenance, is estimated to be about $150 billion. During this period, the army land forces will need $60 billion, the navy $25 billion, and the air force $65 billion in arms and equipment. Future Turkish armed forces' requirements continue to include

- Attack helicopter;

- Main battle tanks;
- Wheeled armored vehicles;
- Tank transport and rescue vehicles;
- Pedestal mounted stinger missiles;
- Army tactical missile system (ATACMS);
- Artillery upgrades;
- Unmanned aerial vehicles (UAV);
- Combat fighter aircraft;
- Airborne early warning and control aircraft (AEW&C);
- ASW/search and rescue (SAR) navy and coast guard helicopters;
- Fast patrol boats;
- Submarines;
- Mine hunter vessels;
- Maritime patrol, and;
- Maritime surveillance aircraft.

Turkey also has an ambitious goal of establishing a civilian managed space program within the next few years similar to the United States' National Aeronautical and Space Association (NASA).

In 1985, Turkey established the Under Secretariat for Defense Industries that has the responsibility for the development and modernization of the Turkish defense industry. The modernization of the Turkish armed forces is financed mainly by the national budget and the Defense Industry Support Fund and partly by foreign military loans and contributions in connection with the Conventional Forces in Europe Treaty (CFET). With the establishment of the Under Secretariate of Defense Industries, Turkey significantly changed its defense acquisition strategy. Seminal events for this change were the President Lyndon Johnson letter of 1964, and the 1974 Cyprus crisis and subsequent US embargo against Turkey.

Following the Turkish invasion in July 1974, strong lobbying in Washington brought about legislation in both houses of Congress in September 1974 to ban sales of arms to Turkey so long as Turkey persisted in the occupation of northern Cyprus. On 5 February 1975, United States military aid to Turkey was officially suspended until Turkey agreed to negotiate her withdrawal from Cyprus. Although, under the Carter administration, Congress finally agreed to rescind the ban on August 1, 1978, the whole episode left a somewhat bitter legacy. (pg 164). That legacy translated into a Turkish desire to pursue an indigenous defense industrial capability that would make it less susceptible to foreign pressure in the future.

Turkey also believes it should start transitioning from being solely a buyer in the defense market to becoming an exporter of defense articles and services to other developing nations in the European and Middle East theaters (i.e., their neighbors), particularly Eastern Europe. In 2001, Turkey shared only 0.2 percent of the worldwide $40 billion defense industry market as a provider of goods and services.[24] It is one of about forty nations that share the 15 percent pie portion of the world-wide defense market. Turkey also wants to set up a national defense industry based on high-tech infrastructure with the capability to export defense industry products. The

24 *Under Secretariat for Defense Industries, 17th Annual Report, 2002*, page 15.

objective is to use advanced technology and know-how in the defense industry as the driving force to serve as a spin off element to spur the Turkish economy as a whole. In the big scheme of national military and industrial strategy, Turkey has a solid plan. After almost nineteen years since the establishment of the Under Secretariate of Defense Industries, Turkey has made progress toward their ambitious goals of self sufficiency and an export leader of defense products.

Goals of the US Security Assistance Mission in Turkey

Theoretically, these security assistance programs enable the United States to effect changes in host countries across a broad spectrum of issues, ranging from training in small unit tactics to encouraging concern for human rights, and from the provision of technical support for sophisticated weapons to the host military's role in national politics. Moreover, in the current international environment in which rapid changes are resulting in a dramatic reappraisal of US military expenditures, force structures, basing, etc. US training of international military students has been given new importance as a relatively inexpensive means of projecting national interests. Yet, if training is to be an effective instrument of US influence and leverage, we need to ensure that it meets both the needs of the international students and the goals of the United States.

United States foreign policy holds that training, advice, and assistance to developing countries' militaries are critical instruments of the United States' national security policy. The assumption is that United States training, advice, and assistance advance the following United States policy goals:

- Providing political influence in recipient countries;
- Encouraging attitudinal changes in host nation militaries and the development of democratic institutions, and;
- Promoting greater internal, regional, and international stability.

Security assistance, it is argued, is a cost-effective means of achieving these goals, since it does not involve large United States military forces or need to maintain large overseas installations.

The ODC Turkey builds a strong military to military relationship that enhances Turkey and the region through military training, education, equipment and technology coordinated with diplomatic and economic instruments to promote interoperability and ensure stability of the region. The mission of ODC Turkey encompasses two major areas:

- The first area is security assistance. The security assistance mission includes foreign military sales, international military education and training, and defense cooperation in armaments, also categorized as direct commercial sales. The security assistance mission assists the Turkish armed forces to modernize through the management of US foreign military sales and military training. It also increases cooperative weapons systems research, development, acquisition, and support, through defense cooperation in armaments programs; and, where possible, assist US industries competing for sales of US defense related equipment in direct commercial sales activities.
- The second major mission area is to support US forces and activities in Turkey, by the terms of the *US–Turkey Defense and Economic Cooperation Agreement*, which states the Chief of ODC Turkey is the single point of contact with the Turkish General Staff regarding all United States military organizations and activities in Turkey.

The Chief, ODC Turkey, has four primary responsibilities.

- First, he is the Senior US defense representative, the direct representative of the US Secretary of Defense and Commander USEUCOM, as their sole point of contact with the Turkish General Staff and the Turkish Armed Forces as specified in the 1980 DECA.

- Second, he also serves as the primary advisor on military matters as a member of the US ambassador's country team, and is responsible for coordinating force protection matters for the security of personnel under the direct authority of USEUCOM.

- Third, he is responsible for supporting all US forces stationed in Turkey. This ranges from installation support requiring coordination with TGS to processing all imports and exports of munitions and equipment to ensuring that US military personnel, Department of Defense civilians and authorized family members subject to Turkish criminal jurisdiction are treated fairly and in accordance with the guarantees of the NATO Status of Forces Agreement.

- Finally, as the Security Assistance Chief, he plans and executes the security assistance program in Turkey, advising the Turkish military as it modernizes. He also assists US defense contractors working with the Turkish Armed Forces.

Military humanitarian assistance is a new mission for ODC Turkey particularly following the massive earthquake in Golcuk in the spring of 1999. Additionally, ODC manages the EUCOM military humanitarian assistance program which provides excess equipment, money, and military support to needy organizations within Turkey. Local issues are coordinated with the various elements of the US Embassy, TGS, EUCOM, International Red Cross and Red Crescent, local fire and police departments and the Turkish side of the ODC.

US Security Assistance Mission

Since 1985 with the establishment of the Under Secretariate of Defense Industries, Turkey has started an overall shift in their defense industrial relationship with the United States and her allies. This shift reflects a combination of Turkey's interest in developing its own industrial complex, acting as a potential EU partner, and growing concern about the reliability of the US as a major defense equipment supplier to the Turkish military. The aspect of self-sufficiency is a legacy of the US arms embargo following the Turkish invasion of Cyprus, July 20, 1974. Turkey does not want to remain susceptible to this sort of leverage, hence their drive for self-sufficiency. The desire to buy EU is related to demonstrating political commitment to the EU vision, and building links via expanded interaction, as evidenced by the recent decision to participate in all phases of the A400M military transport aircraft development and production by the European consortium Airbus. As for concern of over the reliability of the US as a partner, this is linked primarily to not releasing every bit of technology the Turks desire. US export control is often too strict to suit Turkish desires, and the Turks seek acquisition from other sources, like the Israelis and Russians, both as a way to widen their contacts and influence, as well as gain leverage in negotiating a major defense weapon acquisition.

Turkey has taken monumental steps to modernize its armed forces in order to remain a viable and important member of NATO and as an active partner in the world-wide war on terrorism. Turkey continues to remain a very important partner of the US and an example of stability in a very unstable part of the world.

Conclusion

While providing security assistance funds to an ally does not guarantee full cooperation with the United States, it does help support US national and foreign policy interests here in Turkey. Turkey will remain the bridge between east and west, Europe and the Middle East and for that Turkey will always be a strategic ally for the United States. The US Congress did authorize $1 billion in Economic Support Funds (ESF) in 2003 to help support the Turkish government's

economic reform efforts, although as of the time of this writing the funds have not been disbursed. In the long run, the United States security assistance program with Turkey will remain a key mission for the United States and for Turkey.

About the Authors

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LEGISLATION AND POLICY

President Bush's Budget Request for Fiscal Year 2005

By
Colin L. Powell
United States Secretary of State

[The following are excerpts of the testimony before the House International Relations Committee Washington, D.C., February 11, 2004.]

The President's fiscal year 2005 International Affairs Budget for the Department of State, USAID, and other foreign affairs agencies totals $31.5 billion, broken down as follows:

Foreign Operations – $21.3 billion
State Operations – $8.4 billion
P.L. 480 Food Aid – $1.2 billion
International Broadcasting – $569 million
US Institute of Peace – $22 million

The President's top foreign policy priority is winning the war on terrorism. Forty-eight percent of the President's budget for foreign affairs directly supports that priority by assisting our allies and strengthening the United States' diplomatic posture. For example:

- $1.2 billion supports Afghanistan reconstruction, security and democracy building,
- $5.7 billion is provided for assistance to countries around the world that have joined us in the war on terrorism, and;
- $3.5 billion indirectly supports the war on terrorism by strengthening our ability to respond to emergencies and conflict situations.

Moreover, $190 million is aimed at expanding democracy in the Greater Middle East, in part to help alleviate the conditions that spawn terrorists. In addition, $5.3 billion is targeted for the President's bold initiatives to fight human immune-deficiency virus/acquired immune deficiency syndrome (HIV/AIDS) and create the Millennium Challenge Corporation, both of which will support stability and improve the quality of life for the world's poor and, again, help to relieve conditions that cause resentment and despair.

Winning the War on Terrorism

Winning on the battlefield with our superb military forces is just one step in defeating terrorism. To eradicate terrorism, the United States must help create stable governments in nations that once supported terrorism, go after terrorist support mechanisms as well as the terrorists themselves, and help alleviate conditions in the world that enable terrorists to bring in new recruits. To this end, in fiscal year 2005 the Department of State and US Agency for International Development (USAID) will continue to focus on the reconstruction of Iraq and Afghanistan, support our coalition partners to further our counterterrorism, law enforcement and intelligence cooperation, and expand democracy and help generate prosperity, especially in the Middle East.

Building a Free and Prosperous Iraq

The United States faces one of its greatest challenges in developing a secure, free and prosperous Iraq. The US government is contributing almost $21 billion in reconstruction funds and humanitarian assistance to this effort. The World Bank and the International Monetary Fund are expected to provide another $4 to 8 billion in loans and grants over the next three years. These resources, coupled with the growing assistance of international donors, will ease the transition from dictatorship to democracy and lay the foundation for a market economy and a political system that respects human rights and represents the voices of all Iraqis.

The Coalition Provisional Authority (CPA) and the Iraqi Governing Council (IGC) have made great strides in the areas of security, economic stability and growth, and democratization. Iraqi security forces now comprise more than half of the total security forces in the country. In addition, the CPA has established a new Iraqi army, issued a new currency and refurbished and equipped schools and hospitals. And, as you know, the CPA is taking steps to return sovereignty to the Iraqi people this summer.

Much work remains to be done. Working with our coalition partners, we will continue to train Iraqi police, border guards, the Civil Defense Corps and the Army in order to ensure the country's security as we effect a timely transition to democratic self-governance and a stable future. At the same time, we are helping provide critical infrastructure, including clean water, electricity and reliable telecommunications systems which are essential for meeting basic human needs as well as for economic and democratic development. Thousands of brave Americans, in uniform and in mufti, are in Iraq now working tirelessly to help Iraqis succeed in this historic effort. Alongside their military colleagues, USAID, Department of State and the Departments of the Treasury and Commerce are working to implement infrastructure, democracy building, education, health and economic development programs. These efforts are producing real progress in Iraq.

Winning the Peace in Afghanistan

Mr. Chairman, Afghanistan is another high priority for this Administration. The US is committed to helping build a stable and democratic Afghanistan that is free from terror and no longer harbors threats to our security. After we and our coalition partners defeated the Taliban government, we faced the daunting task of helping the Afghan people rebuild their country. We have demonstrated our commitment to this effort by providing over $3.7 billion in economic and security assistance to Afghanistan since 2001.

Through our assistance and the assistance of the international community, the government of Afghanistan is successfully navigating the transition that began in October 2001. Afghanistan adopted a constitution last month and is preparing for democratic national elections in June. With technical assistance from the US, Afghanistan successfully introduced a new stable currency in October 2002 and is working to improve revenue collection in the provinces. The lives of women and girls are improving as women pursue economic and political opportunities and girls return to school. Since 2001, the United States has rehabilitated 205 schools and 140 health clinics and trained thirteen battalions of the Afghan National Army (ANA). Also, President Bush's commitment to demine and repave the entire stretch of the Kabul-Kandahar highway was fulfilled. The road had not been functional for over twenty years. What was once a 30-hour journey can now be accomplished in five or six hours. While the Afghanistan of today is very different from the Afghanistan of September 2001, there is still much left to accomplish. In the near-term, the United States will assist the government of Afghanistan in its preparations for elections in June to ensure that they are free and fair.

To demonstrate tangible benefits to the Afghan people, we will continue to implement assistance on an accelerated basis. The fiscal year 2005 Budget contains $1.2 billion in assistance

for Afghanistan that will be focused on education, health, infrastructure, and assistance to the ANA, including drawdown authority and Department of Defense train and equip. For example, US assistance efforts will concentrate on rehabilitation and construction of an additional 275 schools and 150 health clinics by June 2004, and complete training and equipping of fifteen army battalions. The US will also extend the Kabul-Kandahar road to Herat so that people and commerce will be linked East and West across Afghanistan with a ground transportation link between three of the largest cities.

Support for Our Coalition Partners

As part of the war on terrorism, President Bush established a clear policy to work with other nations to meet the challenges of defeating terror networks with global reach. This commitment extends to the front-line states that have joined us in the war on terrorism and to those nations that are key to successful transitions to democracy in Iraq and Afghanistan. Our assistance enables countries cooperating closely with the United States to prevent future attacks, improve counter-terrorism capabilities and tighten border controls. As I indicated earlier, the fiscal year 2005 budget for International Affairs provides more than $5.7 billion for assistance to countries around the world that have joined us in the war on terrorism, including Turkey, Jordan, Afghanistan, Pakistan, Indonesia and the Philippines.

US assistance has also resulted in unparalleled law enforcement and intelligence cooperation that has destroyed terrorist cells, disrupted terrorist operations and prevented attacks. There are many counterterrorism successes in cooperating countries and international organizations. For example:

- Pakistan has apprehended more than 500 al Qaeda terrorists and members of the Taliban through the leadership of President Musharraf, stronger border security measures and law enforcement cooperation throughout the country.

- Jordan continues its strong counterterrorism efforts, including arresting two individuals with links to al Qaeda who admitted responsibility for the October 2002 murder of USAID Foreign Service Officer Lawrence Foley in Amman.

- The North Atlantic Treaty Organization has endorsed an ambitious transformation agenda designed to enhance its capabilities by increasing deployment speed and agility to address new threats of terrorism.

- Colombia has developed a democratic security strategy as a blueprint for waging a unified, aggressive counterterror-counternarcotics campaign against designated foreign terrorist organizations and other illegal, armed groups.

The US and its Southeast Asian allies and friends have made significant advances against the regional terrorist organization Jemaah Islamiyah which was responsible for the Bali attack in 2002 that killed more than 200 people. In early August 2003, an Indonesian court convicted and sentenced to death a key figure in that bombing.

Since September 11, 2001, 173 countries have issued orders to freeze the assets of terrorists. As a result, terror networks have lost access to nearly $200 million in more than 1,400 terrorist-related accounts around the world. The World Bank, International Monetary Fund and other multilateral development banks have also played an important role in this fight by strengthening international defenses against terrorist finance.

While progress has been made attacking terrorist organizations both globally and regionally, much work remains to be done. The fiscal year 2005 President's budget strengthens our financial commitment to our coalition partners to wage the global war on terror. Highlights of the President's request include $700 million for Pakistan to help advance security and economic

opportunity for Pakistan's citizens, including a multi-year educational support program; $461 million for Jordan to increase economic opportunities for Jordanian communities and strengthen Jordan's ability to secure its borders; and $577 million for Colombia to support President Uribe's unified campaign against drugs and terrorism.

In September 2003, at the United Nations, President Bush said:

> All governments that support terror are complicit in a war against civilization. No government should ignore the threat of terror, because to look the other way gives terrorists the chance to regroup and recruit and prepare. And all nations that fight terror, as if the lives of their own people depend on it, will earn the favorable judgment of history.

We are helping countries to that judgment.

Expansion of Democracy in the Middle East

We believe that expanding democracy in the Middle East is critical to eradicating international terrorism. But in many nations of the Middle East, democracy is at best an unwelcome guest and at worst a total stranger. The US continues to increase its diplomatic and assistance activities in the Middle East to promote democratic voices, focusing particularly on women, in the political process, support increased accountability in government, assist local efforts to strengthen respect for the rule of law, assist independent media, and invest in the next generation of leaders.

As the President emphasized in his speech last November at the National Endowment for Democracy (NED), reform in the Middle East is of vital importance to the future of peace and stability in that region as well as to the national security of the United States. As long as freedom and democracy do not flourish in the Middle East, resentment and despair will continue to grow and the region will serve as an exporter of violence and terror to free nations. For the United States, promoting democracy and freedom in the Middle East is a difficult, yet essential.

There are promising developments upon which to build. The government of Jordan, for example, is committed to accelerating reform. Results include free and fair elections, three women holding Cabinet Minister positions for the first time in Jordan's history, and major investments in education. Positive developments also can be found in Morocco, which held parliamentary elections last year that were acclaimed as free, fair and transparent. In April 2003, the Administration launched the Middle East Partnership Initiative (MEPI), an intensive inter-agency effort to support political and education reform and economic development in the region. The President continues his commitment by providing $150 million in fiscal year 2005 for these efforts.

To enhance this US government effort with a key non-government organization, the President has doubled the National Endowment for Democracy budget to $80 million specifically to create a Greater Middle East Leadership and Democracy Initiative. The National Endowment for Democracy is a leader in efforts to strengthen democracy and tolerance around the world through its work with civil society. We want that work to flourish.

As President Bush said in his November speech at the National Endowment for Democracy Meeting:

> The United States has adopted a new policy, a forward strategy of freedom in the Middle East. This strategy requires the same persistence and energy and idealism we have shown before. And it will yield the same results. As in Europe, as in Asia, as in every region of the world, the advance of freedom leads to peace.

Public Diplomacy in the Middle East

And the advance of freedom is aided decisively by the words of freedom. Democracy flourishes with freedom of information and exposure to diverse ideas. The President's fiscal year 2005 budget promotes expansion of democracy in the Middle East by providing public access to information through exchange programs and the Middle East Television Network. New public diplomacy efforts including the Partnerships for Learning (P4L) and Youth Exchange and Study (YES) initiatives have been created to reach a younger and more diverse audience through academic and professional exchange programs. In fiscal year 2005, the P4L and the YES programs, funded at $61 million, will focus more on youth of the Muslim world, specifically targeting non-traditional, non-elite, often female and non-English speaking youth.

US broadcasting initiatives in the Middle East encourage the development of a free press in the American tradition and provide Middle Eastern viewers and listeners access to a variety of ideas. The US revamped its Arabic radio broadcasts in 2002 with the introduction of Radio Sawa, which broadcasts to the region twenty-four hours a day. As a result, audience size for our Arabic broadcasting increased from under 2 percent in 2001 to over 30 percent in 2003. Based on this successful model, the US introduced Radio Farda to broadcast to Iran around the clock. Building on this success, the fiscal year 2005 President Bush's budget request provides over $70 million for Arabic and Persian radio and television broadcasts to the Middle East. In early 2004, the United States will launch the Middle East Television Network, an Arabic language satellite network that will have the capability of reaching millions of viewers and will provide a means for Middle Easterners to better understand democracy and free market policies, as well as the US and its people.

Our New Approach to Global Prosperity

President Bush's approach to global economic growth emphasizes proven American values: governing justly, investing in people, and encouraging economic freedom. President Bush has pledged to increase economic engagement with and support for countries that commit to these goals through an ambitious trade agenda and new approaches to development assistance focusing on country performance and measurable results.

The Millennium Challenge Account

In February of 2003, we sent the Congress a budget request for the Millennium Challenge Account (MCA) and legislation to authorize the creation of the Millennium Challenge Corporation (MCC), the agency designed to support innovative development strategies and to ensure accountability for results. The MCC will fund only proposals for grants that have clear, measurable objectives, a sound financial plan and indicators for assessing progress. The Congress appropriated $1 billion for MCA for fiscal year 2004. The fiscal year 2005 budget request of $2.5 billion makes a significant second year increase to the MCA and paves the way to reaching the President's commitment of $5 billion in fiscal year 2006.

Trade Promotion Authority

President Bush recognizes that the fastest, surest way to move from poverty to prosperity is through expanded and freer trade. America and the world benefit from free trade. For this reason, one of his first actions upon taking office in 2001 was to seek Trade Promotion Authority (TPA), allowing him to negotiate market-opening agreements with other countries. The President aims to continue vigorously to pursue his free trade agenda in order to lift developing countries out of poverty, while creating high-paying job opportunities for America's workers, businesses, farmers and ranchers and benefiting all Americans through lower prices and wider choices. As the President said in April, 2001 at the Organization of American States:

> Open trade fuels the engines of economic growth that creates new jobs and new income. It applies the power of markets to the needs of the poor. It spurs the process of economic and legal reform. It helps dismantle protectionist bureaucracies that stifle incentive and invite corruption. And open trade reinforces the habits of liberty that sustain democracy over the long term.

Since receiving TPA in 2002, the President has made good on his promise, completing free trade agreements with Chile and Singapore, which were quickly approved by Congress and went into effect on January 1. We have recently completed negotiations with five Central American countries on the *Central America Free Trade Agreement* (CAFTA) and are working to bring the Dominican Republic into that agreement. Earlier this week, we announced the conclusion of an agreement with Australia. Negotiations are ongoing with Morocco, the Southern African Customs Union (SACU), Bahrain, and on the *Free Trade Agreement of the Americas* (FTAA). We are concluding comprehensive agreements that include market access for goods and services, strong intellectual property and investment provisions, and include commitments for strong environmental and labor protections by our partners. These arrangements benefit Americans and our trading partners.

Building on this significant progress, the President intends to launch free trade negotiations with Thailand, Panama, and the Andean countries of Colombia, Ecuador, Bolivia and Peru. The President has also stated his vision for a Middle East Free Trade Area by 2013, to ignite economic growth and expand opportunity in this critical region. Finally, the President is committed to wrapping up successfully the World Trade Organization's Doha agenda. The United States has taken the lead in re-energizing these negotiations following the Cancun Ministerial.

Emergency Plan for AIDS Relief

When President Bush took office in January 2001, the HIV/AIDS pandemic was at an all time high, with the estimated number of adults and children living with HIV/AIDS globally at 37 million, with 68 percent of those individuals living in Sub-Saharan Africa. From fiscal years 1993 to 2001 the total US government global AIDS budget was about $1.9 billion. As part of the Emergency Plan for AIDS Relief, the President proposed $2 billion in fiscal year 2004 as the first installment of a five-year, $15 billion initiative, surpassing nine years of funding in a single year. The President's Emergency Plan for AIDS Relief represents the single largest international public health initiative ever attempted to defeat a disease. The President's plan targets an unprecedented level of assistance to the fourteen most afflicted countries in Africa and the Caribbean to wage and win the war against HIV/AIDS. In addition, programs will continue in seventy-five other countries.

By 2008, we believe the President's plan will prevent seven million new infections, treat two million HIV-infected people, and care for ten million HIV-infected individuals and those orphaned by AIDS in Botswana, Côte d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda and Zambia. Announced during President Bush's State of the Union address on January 28, 2003, the Emergency Plan provides $15 billion over five years for those countries hardest hit by the pandemic, including $1 billion for the Global Fund to Fight AIDS, Tuberculosis and Malaria. The fiscal year 2005 budget provides $2.8 billion from State, USAID, and the Department of Health and Human Services (HHS) to combat global AIDS, more than tripling funding for international HIV/AIDS since the President took office.

Over the past year, we have worked with the Congress to pass legislation laying the groundwork for this effort and to appoint a senior official at the Department of State to coordinate all US government international HIV/AIDS activities. Ambassador Randall Tobias has been confirmed by Congress and has now taken steps to assure immediate relief to the selected

countries. He announced mechanisms to initiate services in five key areas, such as care for orphans and vulnerable children as well as care and antiretroviral treatment for HIV-infected adults.

As a crucial next step, the fiscal year 2005 budget request expands on the Emergency Plan. By working together as a highly collaborative team, and placing primary ownership of these efforts in the hands of the countries that we are helping, just as you will recall the Marshall Plan did so successfully in post-World War II Europe, the Department of State, USAID and HHS can use significantly increased resources quickly and effectively to achieve the President's ambitious goals in the fight against global AIDS.

Mr. Chairman, President Bush summed it up this way in April of last year,

> There are only two possible responses to suffering on this scale. We can turn our eyes away in resignation and despair, or we can take decisive, historic action to turn the tide against this disease and give the hope of life to millions who need our help now. The United States of America chooses the path of action and the path of hope. These dollars put us squarely on that path.

Emergency Humanitarian Assistance – Helping Others in Need

The President's Budget Request reflects a continued commitment to humanitarian assistance. The request maintains US leadership in providing food and non-food assistance to refugees, internally displaced persons, and other vulnerable people in all corners of the world. In addition, the budget reflects the findings of the Program Assessment Rating Tool (PART) evaluations completed for the United Nations High Commissioner for Refugees and for USAID's Public Law 480 Title II International Food Assistance, which confirmed a clear purpose for these programs.

In 2003, the Administration provided funding to several international and non-governmental organizations to assist nearly 200,000 Angolan refugees and internally displaced persons return home after decades of civil war. In an Ethiopia enveloped by drought, the Administration led international efforts to prevent widespread famine among thirteen million vulnerable people, providing over one million metric tons of emergency food aid (valued at nearly half a billion dollars) to the World Food Program and non-government organizations, funding immunizations for weakened children, and supplying emergency seeds to farmers.

In Sudan, the Administration worked with the United Nations and the government of Sudan so that vital assistance could be delivered to the Sudanese people. This year the US will provide about $210 million in vital assistance to the people in the south, including approximately 125,000 metric tons (valued at nearly $115 million) in food aid, as well as non-food assistance, such as sanitation and water. We anticipate that a comprehensive peace agreement in Sudan will allow us to expand significantly our development assistance to help the Sudanese people in effecting a long-awaited recovery following decades of civil war. The fiscal year 2005 budget includes $436 million in humanitarian and development, economic, and security assistance funding, much of which will be contingent upon a peace settlement between the government and the south.

The fiscal year 2005 budget ensures that the Administration can continue to respond quickly and appropriately to victims of conflict and natural disasters and to help those in greatest need of food, shelter, health care and other essential assistance, including those in areas starting to recover from conflict and war, such as Liberia. In particular, the budget requests funding for a flexible account to give the President the ability to respond to unforeseen emergency needs, the Emergency Fund for Complex Foreign Crises, funded at $100 million.

Keeping Americans Safe at Home and Abroad

We also have a sacred responsibility to look to the security of our citizens, here and overseas, when that security is a part of our responsibility.

Capital Security Cost Sharing Program

The State Department has the responsibility to protect more than 60,000 US government employees who work in embassies and consulates abroad. Since the 1998 bombings of two US embassies in East Africa, the Department of State has improved physical security overseas; however, as many of you are well aware, many posts are still not secure enough to withstand terrorist attacks and other dangers. To correct this problem, in 1999, the Department of State launched a security upgrade and construction program to begin to address requirements in our more than 260 embassies and consulates.

Working with the Congress, President Bush has accelerated the pace of improving and building new secure facilities. Moreover, we have reorganized the Overseas Buildings Office to manage the effort with speed, efficiency, and effectiveness. Within the budget, we are launching a plan to replace the remaining 150 embassies and consulates that do not meet current security standards over the next fourteen years, for a total cost of $17.5 billion. To fund construction of these new embassy compounds, we will begin the Capital Security Cost Sharing (CSCS) Program in fiscal year 2005. We will implement this program in phases over the next five years. Each agency with staff overseas will contribute annually towards construction of the new facilities based on the number of positions and the type of space they occupy. We arrived at the cost shares in the fiscal year 2005 President's budget request in consultations with each agency and the Department of State's Overseas Buildings Office.

Capital Security Cost Shapring Program is also a major component of the President's Management Agenda Initiative on Rightsizing. Along with securing facilities, we have focused on assuring that overseas staffing is deployed where they are most needed to serve US interests. As agencies assess the real cost of maintaining staff overseas, they will adjust their overseas staffing levels. In this way, new embassies will be built to suit appropriate staffing levels. The program is already producing rightsizing results. Agencies are taking steps to eliminate unfilled positions from their books to reduce any unnecessary Capital Security Cost Sharing Program charges, which in turn is leading to smaller embassy construction requirements.

Border Security

Prior to September 11, 2001, the Department of State's consular officers focused primarily on screening applicants based on whether they intended to work or reside legally in the United States. In deciding who should receive a visa, consular officers relied on the Department of State information systems as the primary basis for identifying potential terrorists. The Department of State gave overseas consular officers the discretion to determine the level of scrutiny that should be applied to visa applications and encouraged the streamlining of procedures.

Today, Consular Affairs at the Department of State, working with both Customs and Border Protection and the Bureau of Citizenship and Immigration Services at the Department of Homeland Security, are cooperating to achieve our goals more effectively by sharing information and integrating information systems. The Department of State has invested substantial time, money, and effort in revamping its visa and passport process as well as its provision of American Citizen Services. The Department has more than doubled its database holdings on individuals who should not be issued visas, increased training for all consular officers, established special programs to vet applications more comprehensively, increased the number of skilled, American staff working in consular sections overseas, and improved data-sharing among agencies. The Department of State, along with the Department of Homeland Security, is currently developing biometrics, such as fingerprints, digital photographs or iris scans, for both visas and passports in order to fulfill requirements of the *Patriot* and *Border Security Acts* and the International Civil Aviation Organization.

As a part of the Department of State's efforts to screen visa applicants more effectively, and in particular to ensure that a suspected terrorist does not receive a visa to enter the United States, we will be an active partner in the Terrorist Screening Center (TSC). The TSC, established in December 2003, will maintain a single, consolidated watch list of terrorist suspects to be shared with federal, state, local and private entities in accordance with applicable law. The Department of State will also participate in the Terrorist Threat Integration Center (TTIC), a joint-effort aimed at reducing the potential of intelligence gaps domestically and abroad.

To achieve our goal of secure borders and open doors, in fiscal year 2005 the Department of State plans to expand the use of biometrics to improve security in the visa and passport processes; more effectively fill gaps worldwide by hiring people with specific skills including language expertise; improve and maintain all consular systems; and more broadly expand data sharing with all agencies with border control or immigration related responsibilities. The budget in fiscal year 2005 includes $175 million for biometric projects including photographs and fingerprints to comply with *Border Security* and *Patriot Acts*.

The Border Security program underwent a PART analysis in the development of the fiscal year 2004 and fiscal year 2005 budgets and this budget request reflects the results of those analysis. The Department is moving ahead on program management improvements that clearly link to the Department of Homeland Security goals related to visa policy.

The Critical Importance of Diplomatic Readiness

We created the Diplomatic Readiness Initiative (DRI) in 2002 to address staffing and training gaps that had become very adverse to the conduct of America's diplomacy. The goal of DRI was to hire 1,158 new foreign and civil service employees over a three-year period. These new hires, the first over-attrition hires in years, would allow us to provide training opportunities for our people and greatly improve the Department's ability to respond to crises and emerging priorities overseas and at critical domestic locations. To bring these new people on board and to select the best men and women possible, we significantly improved Department hiring processes, to include recruiting personnel from more diverse experience and cultural backgrounds and people who could fill critical skill gaps. In the process, we broke records in recruiting and thus had the best and the brightest from which to select. The Department of State will be reaping the benefits from this process for many years to come. We also created new mandatory leadership and management training, enhanced public diplomacy and consular training, and made significant increases in the amount of language training available for new foreign service officers. DRI hiring has supported the Department's efforts in responding to crises since September 11, 2001 and provided the additional resources necessary to staff overseas locations that truly represent the front line in the war on terrorism.

Some of these positions, however, are being diverted to support new requirements not envisioned by DRI, such as permanently staffing new embassies in Afghanistan, Iraq, Sudan, and possibly in Tripoli. Because of this, the fiscal year 2005 budget request provides additional resources to continue our DRI commitment. DRI has allowed the Department to focus on recruiting, training and retaining a high quality work force, sized to requirements that can respond more flexibly to the dynamic and demanding world in which we live. We need to continue it.

USAID has begun a similar effort to address gaps in staffing in technical skills, calling it the Development Readiness Initiative. USAID plans to hire approximately forty foreign service officers in fiscal year 2004 under this initiative. This budget request includes authority for USAID to hire up to fifty additional foreign service officers in fiscal year 2005, in order to fill critical skill gaps identified through a comprehensive workforce analysis.

American Justice and the International Criminal Court

By
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[The following are excerpts of the remarks presented to the American Enterprise Institute in Washington, D.C., November 3, 2003.]

There has been considerable debate in the United States about the International Criminal Court (ICC), much of it in this very room. Rather than rehearse many of those arguments, however, I thought it might be helpful to give you a report from the front, describing current efforts by the United States to protect its citizens from the illegitimate assertion of authority over them. As President Bush has argued as far back as the 2000 campaign, the problems inherent in the ICC are more than abstract legal issues; they are matters that touch directly on our national interests and security, and therefore also affect the security of our friends and allies worldwide. As a result, the United States is engaged in a global campaign to conclude bilateral agreements that will ensure US persons are not subjected to the ICC's jurisdiction.

For numerous reasons, the United States decided that the ICC had unacceptable consequences for our national sovereignty. Specifically, the ICC is an organization that runs contrary to fundamental American precepts and basic constitutional principles of popular sovereignty, checks and balances, and national independence.

United Sates military forces and civilian personnel and private citizens are currently active in peacekeeping and humanitarian missions in almost one-hundred countries at any given time. It is essential that we remain steadfast in preserving the independence and flexibility that America needs to defend our national interests around the world. As President Bush said:

> The United States cooperates with many other nations to keep the peace, but we will not submit American troops to prosecutors and judges whose jurisdiction we do not accept. Every person who serves under the American flag will answer to his or her own superiors and to military law, not to the rulings of an unaccountable International Criminal Court.

Accordingly, in order to protect all of our citizens, the United States is engaged in a worldwide effort to conclude legally binding, bilateral agreements that would prohibit the surrender of US persons to the Court. These Article 98 agreements, so named because they are specifically contemplated under Article 98 of the Rome Statute that created the ICC, provide US persons with essential protection against the court's purported jurisdictional claims, and allow us to remain engaged internationally with our friends and allies.

Thus far, the United States has concluded and signed Article 98 agreements with seventy countries all over the globe, representing over 40 percent of the world's population. Each Article 98 agreement meets our key objective, ensuring that all US persons are covered by the terms of the agreement. This broad scope of coverage is essential to ensuring that the ICC will not become an impediment to US activities around the world. We must guarantee the necessary protection to our media, delegations of public and private individuals traveling to international meetings, private individuals accompanying official personnel, contractors working alongside official personnel (particularly in the military context), participants in exchange programs, former government officials, arms control inspectors, people engaged in commerce and business abroad, students in government sponsored programs, to name just a few categories of persons. The orderly conduct of news reporting, diplomatic relations, economic activity, tourism, military

operations, humanitarian programs, cultural and education exchanges, and other contacts between peoples around the world depend upon rules that are fair, well understood, and subject to appropriate due process.

Article 98 agreements serve to ensure that US persons will have appropriate protection from politically motivated criminal accusations, investigations, and prosecutions. These straightforward agreements require that our partners agree, either reciprocally or non-reciprocally, not to surrender US persons to the International Criminal Court, not to retransfer persons extradited to a country for prosecution, and not to assist other parties in their efforts to send US persons to the International Criminal Court. We have worked hard to find mechanisms and formulations in these agreements that meet our requirement of blanket coverage while also responding to the needs of our bilateral partners.

Indeed, our current tally attests to the growing consensus worldwide that Article 98 agreements that provide for coverage of all US persons are legitimate mechanisms provided for in the Rome Statute itself. Of the seventy countries that have signed Article 98 agreements with us, fifty are signatories or states parties to the Rome Statute. Based on our extrapolations from negotiations currently underway, not only do we anticipate a rising number of total Article 98 agreements, but even more agreements from States Parties and signatories to the Rome Statute. Our ultimate goal is to conclude Article 98 agreements with every country in the world, regardless of whether they are a signatory or party to the ICC, or regardless of whether they intend to be in the future.

The United States decision to seek these bilateral agreements originated during the open debate in the UN Security Council on Resolution 1422. A number of ICC proponents, including European Union (EU) members, encouraged us not to resolve these issues in the Security Council, but rather to do so on a bilateral basis. Following this advice from our European friends, we began in the late summer of 2002 to seek Article 98 agreements as an arrangement that would satisfy our concerns, but also fall within the Rome Statute provisions.

Ironically, the EU subsequently rejected the advice of some of its own members, and established a coordinated position that has made it difficult for its member states to conclude acceptable Article 98 agreements with the United States. Moreover, the EU is also now putting pressure on EU aspirant countries to apply restrictive conditions on such agreements with us. Some EU officials have argued that the wording of Article 98 of the Rome Statute limits the categories of persons that can be covered by bilateral non-surrender agreements, and the EU has imposed guidelines to this effect. On the contrary, the Rome Statute does not impose any obligation on states parties to refrain from entering into non-surrender agreements that cover all their persons, while those who insist upon a narrower interpretation must, in effect, read language into Article 98 (2) that is not contained within the text of that provision.

From our perspective, the EU is imposing an unfair choice upon our friends and allies, particularly those countries seeking to join the EU It is difficult to see how our attempt to use provisions of the treaty to protect US persons would do unacceptable damage to the spirit of the treaty, when the treaty itself provides for such agreements. Indeed, parties to the Rome Statute have used Article 124 to exempt their nationals for a period of seven years from the Court's war crimes jurisdiction, yet there has been no suggestion that triggering these treaty provisions will undermine the Court. One EU member, France, has already invoked that exemption in order to protect its citizens from accusations with respect to war crimes. We hope that senior EU officials in Brussels will reconsider their insistence on attaching overly restrictive conditions to Article 98 agreements, given the wide support we are receiving on this issue elsewhere in the world. We also continue to discuss, on a bilateral basis with EU member states, our desire to conclude properly-crafted Article 98 agreements with them.

Increasingly, Article 98 agreements play an important role in US bilateral relationships regardless of whether a state is a party to the Rome Statute. Of importance here is the decision by the Congress to ensure that these agreements are a foundation for military cooperation relationships around the world. *The American Servicemembers Protection Act*, which was enacted with strong bipartisan support by both houses of the Congress, prohibits military assistance to countries that have ratified the Rome Statute but not entered into Article 98 agreements with the United States. Additionally, there are strong reasons for entering into these agreements with States that are not party to the Rome Statute. First, a State not currently a party to the Rome Statute may become one at any time. Second, the ICC may request that a non-party arrest and surrender to the Court a US person on its territory. The Rome Statute contains no requirement for the state to notify the United States, or receive our consent, before such a surrender. Concluding an Article 98 agreement is thus important to future cooperation on a range of diplomatic, military, and security initiatives. It also sends an important political signal that American concerns are widely shared around the world.

It is a misconception that the United States wants to use these agreements to undermine the ICC. To the contrary, we are determined to be proper in our relations with the Court, proceeding in a manner specifically contemplated by the Rome Statute itself. Moreover, in each agreement, the United States makes clear its intention to bring to justice those who commit genocide, crimes against humanity and war crimes. This is the stated goal of ICC supporters, and a goal that the United States has and will maintain.

Proponents of the ICC refuse to concede that the Court poses any problems for the United States. One of the principal arguments of the ICC's supporters has been that it will function, in effect, as a court of last resort. For countries that have functioning judicial systems, they contend, there is no reason to question the legitimacy of those countries investigating and prosecuting their own nationals accused of crimes covered by the Rome Statute. Indeed, this concept, given the name complementarity, was touted in the debates leading up to the Rome Statute, and in the lobbying campaign in the United States after the signing of the Statute, as perhaps the main reason the United States had nothing to fear from the ICC.

This is certainly the view that most European governments hold. They tell us in our bilateral discussions with them about Article 98 agreements that the ICC is mostly for use in failed states, where there is no functioning judicial system, and where, absent the ICC, there would be no capacity whatever to administer justice, as defined in the Rome Statue. In many cases, these governments have told us that they would envision investigating and prosecuting their own citizens in their national courts, rather than resorting to the ICC in the first instance, thus asserting their prerogatives under the doctrine of complementarity. One major problem with this view, of course, is that the doctrine itself is untested, and whether and under what circumstances the ICC's prosecutor will accept assertions of national jurisdiction remains essentially unknown.

What the United States is basically seeking, through Article 98 agreements, is nothing more than what states parties to the Rome Statute claim they already have. If someone were to assert that the American judicial system was corrupt, incompetent or tolerant of war crimes and crimes against humanity, and therefore amounted to the kind of failed state for whose judicial system the ICC was intended to substitute, that would be one thing. We would, I can assure you, certainly be prepared to contest those assertions. Not surprisingly, however, no one seriously makes this argument. No one contends, openly at least, that the American judicial system would not, properly and diligently, perform its function in appropriate circumstances. Nor could they. As Secretary Powell has said: "We have the highest standards of accountability of any nation on the face of the earth."

Of course, since the United States is not even a party to the Rome Statute, there is even less reason why we should be treated more harshly than states parties. It is neither reasonable nor fair that the crimes laid out in the Rome Statute should apply to a greater extent to States that have not agreed to its terms than to those that have. This aspect of the Rome Statute is, among other things, a fundamentally unfair and highly dangerous break from the long-established premise of the International Court of Justice that there is no jurisdiction without the consent of states parties.

But let us return to the fundamental point that complementarity, one of the supposed bedrocks of the ICC, is being denied the United States by those countries that do not accept Article 98 agreements. Here, we can only conclude that another agenda is at work, namely the continued determination of some ICC supporters who hope to cajole the United States into adhering to the Rome Statute, ironically under the rubric of better protecting its own citizens. This is an interesting approach, and one that is doomed to failure. We will not join the ICC, and we will continue to press for Article 98 agreements.

Subjecting US persons to this treaty, with its unaccountable prosecutor and its unchecked judicial power, is clearly inconsistent with American standards of constitutionalism. This is a macro-constitutional issue for us, not simply a narrow, technical point of law. Our concerns about politically motivated charges against US persons are not just hypothetical. Recently in Belgium, allegations of war crimes were brought against the President, the Vice President, the Secretaries of State and Defense, and former President Bush under that country's notorious and far-reaching universal competence statute. That problem was brought closer to home when senior Belgian officials themselves were charged under the statute, and the law was subsequently amended to limit its scope. Without sufficient protection against such frivolous charges, responsible officials may be deterred from carrying out a wide range of legitimate functions across the spectrum, from actions integral to our national defense to peacekeeping missions or interventions in humanitarian crises or civil wars, such as in Liberia. Simply launching criminal investigations has an enormous political impact. Although subsequent indictments and convictions are unquestionably more serious, a zealous independent Prosecutor can make dramatic news just by calling witnesses and gathering documents, without ever bringing formal charges.

Accumulated experience strongly favors a case-by-case approach to resolving serious political and military disputes, rather than the inevitable resort to adjudication. One alternative to the ICC is the kind of Truth and Reconciliation Commission created in South Africa. This approach was intended to make public more of the truth of the apartheid regime in the most credible fashion, to elicit admissions of guilt, and then to permit society to move ahead without the prolonged opening of old wounds that trials, appeals, and endless recriminations might bring.

Another alternative, of course, is for the parties themselves to try their own alleged war criminals, as the doctrine of complementarity supposedly contemplates. In fact, the fullest cathartic effect of the prosecutorial approach to war crimes occurs when the responsible population itself comes to grips with its past and administers appropriate justice. The international effort should encourage warring parties to resolve questions of criminality within national judicial systems, as part of a comprehensive solution to their disagreements. Removing key elements of the dispute to a distant forum, especially the emotional and contentious issues of war crimes and crimes against humanity, undercuts the very progress that these peoples, victims and perpetrators alike, must make if they are ever to live peacefully together.

We strongly support states fulfilling their sovereign responsibility to hold perpetrators of war crimes accountable rather than abdicating that responsibility to the international community. For this reason, the United States has been a major proponent of the special court in Sierra Leone because it is grounded in sovereign consent, combines domestic and international participation in a manner that will generate a lasting benefit to the rule of law within Sierra Leone and its regional

environs, and interfaces with the truth and reconciliation commission of that country to address accountability for a wide range of perpetrators.

In the past, the United States has supported the establishment of ad hoc tribunals, such as those for Yugoslavia and Rwanda, which, unlike the ICC, are created and overseen by the UN Security Council, under a UN Charter to which virtually all nations have agreed. But we are now moving beyond that. The international community can help equip local governments to try cases domestically in a credible manner. We are doing this in the Balkans and in Rwanda. On October 30, 2003 the United States pledged $10 million at a donors' conference in The Hague to support domestic war crimes trials in Bosnia and Herzegovina. We are supporting preparations for war crimes trials in Croatia and Serbia and Montenegro, something that would have been unthinkable a few years ago. We are also supporting such efforts in Rwanda. Now, the Security Council tribunals are beginning to look at transferring cases under their jurisdictions to domestic courts.

In matters of international justice, the United States has many foreign policy instruments to utilize that are fully consistent with our values and interests. We will continue to play a worldwide leadership role in strengthening domestic judicial systems and promoting freedom, transparency and the rule of law. We seek no immunity for our citizens, but only a simple, non-surrender agreement as contemplated in the Rome Statute. We fully commit ourselves, where appropriate, to investigate and prosecute serious, credible accusations of war crimes, crimes against humanity and genocide that have been made against any of our people. We respect the decision of states to become parties to the Rome Statute, but they in turn must respect our decision not to be bound by jurisdictional claims to which we have not consented. As President Bush stated in his *National Security Strategy*,

> We will take the actions necessary to ensure that our efforts to meet our global security commitments and protect Americans are not impaired by the potential for investigations, inquiry, or prosecution by the International Criminal Court, whose jurisdiction does not extend to Americans and which we do not accept.

States parties to the Rome Statute have created an ICC to their liking, and they should live with it. The United States did not agree to be bound, and must not be held to its terms.

Transforming the United States Global Defense Posture

By
Douglas J. Feith
United States Department of Defense Under Secretary of Defense for Policy

[The following are excerpts of the speech presented to the Center for Strategic and International Studies Washington, D.C., December 3, 2003.]

The policy organization at the Pentagon does two main kinds of work. There are the day-to-day tasks, drafting instructions for negotiators, for example, or working a coalition issue in the war on terrorism, conducting defense talks with other countries or responding to a civil war in Liberia. This topical work tends to attract the most attention from the Congress, the press and the public. But some of the most important work we do grabs few headlines. This is the longer-term thinking about US defense strategy, which is the policy organization's second major line of effort. From the moment President Bush came into office, he has asked the Department of Defense how best to position the United States in the world for the decades ahead. He and Secretary Rumsfeld have demanding appetites for strategic thought, that is, large ideas, broad in scope, that set courses that can run many years into the future.

The name given to this effort is "transformation," because the President is determined that the Department of Defense think boldly and remake itself thoroughly, changing the way we:

- Train and equip our forces;
- Use our forces, for combat, stability operations and otherwise;
- Position those forces around the world;
- Work with allies and partners, and;
- Conduct procurement and other business activities.

Some people think of transformation narrowly as a matter of using new technologies to produce better weapons. But the concept is more comprehensive. A key facet of transformation is realigning our global defense posture, that is, updating the types, locations, numbers, and capabilities of our military forces, and the nature of our alliances. That is the aspect of transformation I want to talk with you about today.

Even before September 11, 2001, President Bush said that the security threats of the future would differ from those of the Cold War era, that they required a different way of thinking and of organizing our defenses. He campaigned on a platform of transformation. Since the Soviet empire collapsed, he observed, the world changed far more radically than our own defense doctrines, institutions, equipment and alliances had changed. I can report that the United States has made progress toward transformation during the Bush Administration. First, we have transformed our relationship with Russia. We have recognized that the hostility that characterized US and Soviet relations during the Cold War has ended, hostility that was enshrined in the doctrine of mutual assured destruction and the *Anti-Ballistic Missile Treaty*. Accordingly, along with the hostility, we have set aside that morally dubious doctrine and that out-dated treaty. We are cooperating with Russia in many fields. And President Bush and President Putin agreed formally to make unprecedented cuts in their nuclear arsenals. At the beginning of this Administration many commentators voiced anxiety about the risks of US and Russian tensions over arms control, North Atlantic Treaty Organization (NATO) expansion and other issues. This is now a non-issue.

Second, we are transforming our alliances. Today, we have an enlarged NATO with increasing (though still far from adequate) capabilities, a good plan for streamlining NATO's

command structure, a new NATO four-star command focused specifically on military transformation and an affirmative answer once and for all to that old chestnut, can NATO take on a mission out of area? NATO has taken on command of the International Security Assistance Force (ISAR) in Afghanistan and NATO assisted Poland in assuming command of a multinational division responsible for stabilizing a portion of southern Iraq. Likewise, we are developing a more robust US and Japanese alliance, an up-to-date US and South Korean alliance, and a strengthened US and Australian alliance. Our key Asian and Pacific allies are investing in new technologies, playing roles in Afghanistan and Iraq, coordinating with us regarding global and regional threats, such as the North Korean nuclear program, and working with us to rationalize the US troop footprint in their countries to keep the alliances sustainable and capable well into the 21st century. And, of course, we are transforming US military capabilities, strategies, technology and organization, as well as hardware. As we have transformed deterrence and our alliances, we want to transform our global posture. Our current posture as John Hamre mentioned, still reflects in many ways the mentality and reality of the Cold War era, during which US forces deployed forward were defensive, tripwire units that were expected to fight near where they were based. The kind of forces used for that mission are not the agile, fast, lean forces we need for the future.

Our forces overseas should not remain positioned to fight the Cold War. In the immediate aftermath of the Soviet Union's demise, we reduced the numbers of US troops deployed forward. But they remained concentrated in their Cold War locations, from which they have had to be deployed to deal with crises elsewhere in the Balkans, the Persian Gulf, Central Asia and other locations. Key premises underlying our forward posture have changed fundamentally:

- We no longer expect our forces to fight in place; rather, their purpose is to project power into theaters that may be distant from where they are based.
- We are revising our thinking about forward deployed forces in light of our new strategic circumstances. The Septmber 11, 2001 terrorist attack literally brought home to us how dangerous those circumstances can be:
  - Terrorists as well as rogue states can command formidable destructive power, including through access to chemical, biological and nuclear weapons, but also by targeting the critical infrastructure on which advanced industrial societies rely.
  - US and friendly territories are vulnerable.
  - The proliferation of chemical, biological and nuclear weapons and missiles continues.
  - Ungoverned areas serve as breeding grounds for global terrorism.
  - Threats from these sources may require immediate military responses.

President Bush and Secretary Rumsfeld directed a reexamination of US forward deployments that is free of old orthodoxies and takes the long view. We are aiming to achieve the most basic and comprehensive review of the nation's global defense posture since the United States became a world power. In the immediate post-World War II period, Dean Acheson had a sense that his work was creating institutions that would last a long time; he made that point by entitling his memoirs *Present at the Creation*. President Bush and Secretary Rumsfeld likewise are thinking about the relatively distant future. In developing plans to realign our forces abroad, they are not focused on the diplomatic issues of the moment, but on the strategic requirements and opportunities of the coming decades. Let us be clear about what we are and what we are not aiming to achieve through transforming our global defense posture:

- We are not aiming at retrenchment, curtailing US commitments, isolationism or unilateralism. On the contrary, our realignment plans are movtiated by appreciation of the strategic value of our defense alliances and partnerships with other states.
- We are aiming to increase our ability to fulfill our international commitments more effectively.
- We are aiming to ensure that our alliances are capable, affordable, sustainable and relevant in the future.
- We are not focused narrowly on force levels, but are addressing force capabilities.
- We are not talking about fighting place, but moving to the fight.
- We are not talking only about basing, we are talking about the ability to move forces when and where needed.

In transforming the US global defense posture:

- We want to make our forces more responsive given the world's many strategic uncertainties.
- We want to make our military presence increasingly rotational with the emphasis, as I have noted, on the capabilities of forces rather than their numbers.
- We want to benefit as much as possible from the strategic prepositioning of equipment and support.
- We want to make better use of our capabilities by thinking of our forces globally rather than as simply regional assets.
- We want to be able to bring more combat capabilities to bear in less time, that is, we want to have the ability to surge our forces to crisis spots from wherever our forces might be.

Strengthen Allied Roles

It bears reemphasizing: our military forces, both forward deployed and based at home, are only part of our military capability. Another part is rooted in the network of alliances and security relationships we have created with other nations. When the United States acts in the world, we do not act by ourselves, but as a part of a community of states. That network of friendships and alliances is a valuable element of this community. The network's composition and nature have changed over the years as strategic circumstances in the world have changed. To surmount such problems as terrorism, proliferation of weapons of mass destruction and failed states, we need to organize differently and increase our capabilities. Realigning the US global defense posture is an essential part of what we need to do.

Understanding of our realignment plans should help lay to rest the accusations that the US favors unilateralism in national security affairs. Our plans will help ensure that the US has the defense resources and relationships in place to allow us to work with allies and friends in the future.

Our intent is to expand existing security relationships, and develop new ones. We want to build partnerships that manage concerns, ensure compatibility among forces, and facilitate intelligence sharing. In some cases US forces will be in a supporting role, in other cases, US forces will be supported. For example, we were in a supporting role when West African ECOWAS forces intervened recently in Liberia and when Australian forces did their peace operations in East Timor. Examples of support for US forces include NATO ISAR forces in Afghanistan, and the role British and Polish forces have taken in commanding multinational divisions in Iraq.

Changes in the US global posture also aim to help our allies and friends modernize their own forces, strategies and doctrines. As we discuss the US realignment with them, we are discussing cooperative transformation efforts. The new NATO Response Force and Allied Command–Transformation in Norfolk are examples of combined allied transformation efforts.

Realigning the US posture will also help strengthen our alliances by tailoring the physical US footprint to suit local conditions. The goal is to reduce friction with host nations, the kind that results from accidents and other problems relating to local sensitivities. Removal of the US Air Expeditionary Wing from Prince Sultan Air Base, for example, should help improve our relations with the Saudis, and relocating US forces south and out of the densely-populated Seoul area in Korea will help remedy various problems with the Korean public while serving other important military purposes as well.

Contend with Uncertainty

Our new posture emphasizes agility to respond to changing circumstances. Intelligence is never perfect, so we need to be able to hedge against errors regarding emerging threats. We need to plan, but we must plan to be surprised. Our forces will be deployed forward in regions selected to enable them to reach potential crisis spots quickly. We also want to maintain familiarity with various parts of the globe.

Focus Across Regions as Well as Within Them

In the Cold War, we focused on threats to specific regions. Now we are dealing with threats that are global in nature. So global strategies and actions are required. President Bush's Proliferation Security Initiative is an example of a global strategy for dealing with the spread of chemical, biological and nuclear weapons and missile-related materiel and technology. We need to be positioned properly with the right forces, the right relationships and the right authority to execute that strategy. In addition, we want to develop our capacity to project power from one region to another, threats do not respect the administrative boundaries of the Defense Department's Unified Command Plan. There is value in developing support capabilities away from front lines, relying on so-called reachback technology. For example, intelligence support, including battle damage assessment, can be provided from outside the theater of operations. We also may be able to increase our use of reachback capabilities of our allies and friends.

Develop Rapidly Deployable Capabilities

Because our forward-deployed forces are unlikely to fight where they are based, our key goal must be to make those forces rapidly deployable to the relevant areas as events require. We can project power in a rapid manner, whether from bases in the US or overseas, but it is helpful to have support infrastructure overseas. Examples of an expeditionary approach to warfighting that drew upon such infrastructure include Kosovo, a case of power projection within a region, in pursuit of regional stability and in concert with regional allies, and Afghanistan, a case of global power projection, in which forces flowed into Central Asia from US, European, and Asian theaters. We are encouraging allies to establish deployable truly usable headquarters and forces. We intend to increase combined training for expeditionary operations, for example, to encourage Allied participation in so-called high-end US exercises. For this deployability concept to work, US forces must be able to move smoothly into, through, and out of host nations, which puts a premium on establishing legal and support arrangements with many friendly countries. We are negotiating or planning to negotiate with many countries legal protections for US personnel, through Status of Forces Agreements and agreements (known as Article 98 agreements) limiting the jurisdiction of the International Criminal Court with respect to our forces' activities. And we are putting in place so-called cross-servicing agreements so that we can rapidly reimburse countries for support they provide to our military operations.

Focus on Capabilities, Not Numbers

Military capabilities have increased stunningly over the past decade as a result of technology and innovations in tactics. Our wars in Afghanistan and Iraq have shown the world how relatively small forces can have large, strategic effects. A single fighter/bomber sortie now hits multiple targets, whereas in the past, multiple sorties were required to hit a single target. Small teams of Special Forces and Marines, supported by flexible close air support and often operating together with indigenous forces, were able to accomplish missions in Afghanistan and Iraq that in the past would have required brigades or divisions. Old military thinking about numbers has been overtaken thoroughly by events. Longstanding notions about ratios of offensive versus defensive forces and about how much can be accomplished by a certain number of troops or platforms have had to be revised wholesale.

Military and political leaders around the world are just beginning to absorb the lessons of the recent fighting and to appreciate why US officials emphasize military capabilities as opposed to numbers of forces. These lessons have an important bearing on our global posture realignment. Our key purpose, as I have noted, is to push increased capabilities forward, which is crucial to the security of the United States and our allies and friends. That purpose does not require that we push additional forces forward. In fact, we can now have far greater capabilities forward than in the past with smaller numbers of forces. We want to ensure that our allies and friends recognize that, in transforming our posture, we are strengthening our commitment to secure our common interests, even in those places where we may be reducing forces levels.

Conclusion

Last week, President Bush announced that we would "realign the global posture of our forces to better address" the new challenges we face and would be consulting around the world on this matter. I have discussed the principles and purposes of our realignment work. But I want to stress that no final decisions have been made. So the consultations that the President announced last week will be real consultations; all the decisions the President will eventually make will depend on the inputs we receive in the course of these consultations. How our partners react to our ideas is important to us, as are the steps they are willing to take to advance our common security interests through host-nation support and other means.

Indeed, the consultations in and of themselves are an element of our global posture. They help strengthen our relationships by harmonizing our thinking and our assessment of threats and military requirements. They give us an opportunity to explain the rationale of our global realignment, such as our focus on capabilities rather than numbers. In their recent trips to Asia and Europe, Secretaries Rumsfeld and Powell began to describe our efforts. Next week, my colleague Under Secretary of State Marc Grossman and I will carry forward the consultations, which will over time include US allies and partners in every region of the world. This is a global initiative, and our consultations will be global.

Our friends and allies are sensitive to changes in the US overseas posture. That is why we are consulting with them before the President or Secretary Rumsfeld makes any decisions on changes. Whatever improvements in military effectiveness the actual posture decisions produce, they will serve our interests fully only if they also help sustain and strengthen our ties with our friends, allies and partners around the world. We are confident that they will.

Remarks at the Roll-Out of D-Trade: The New Bureau of Political-Military Affairs, Directorate of Defense Trade Control Electronic Licensing System

By
Colin L. Powell
United States Secretary of State

[The following are excerpts of remarks presented to the Bureau of Political-Military Affairs, Directorate of Defense Trade Control (PM/DDTC) Conference Room-H-1204 SA-1 (Columbia Plaza), Washington, D.C., February 18, 2004.]

From the outset of this Administration, we have talked about making licensing faster, simpler and more "user-friendly," a familiar phrase. This is going to get us there. If we could say yes to every application, you would not need an Office of Defense Trade Licensing. So what this will really do is let us say yes or no in a more timely and effective manner.

Now to get to this day and to get this capability, it was no small accomplishment. I just want to take a moment and thank a few people. There is a lot of credit to go around. There are a number of companies, I believe eighteen companies, large and small, participated in our pilot project last year for six months. The Defense Trade Advisory Group, which is our federal advisory panel, to program management, has been quite helpful. The Society for International Affairs (SIA) is helping us to get the word out so that people can be trained on how to use the system. Our contractor, Northrup Grumman has been quite helpful.

D-Trade is the first entirely paperless, most user-friendly and security-sensitive defense technology export licensing system ever created. Twenty years ago, in the Pentagon, we remember how things used to be and how long it took to get something through the process. And we are pleased no longer to be at that end of the system, but to be at this end of the system, not that we have any regrets about our service in the Pentagon many years ago, but to be at this end of the system and to help pull things through more quickly, more efficiently, is, frankly, a great pleasure to participate in such an activity.

D-Trade is important because it is one of many moving parts within the US national security system. And all the parts matter because every part relates, obviously, to the whole. D-Trade is also part of the President's management agenda, which aims to advance effective government through e-government. This initiative is dear to my heart. One of my priorities here at the Department of State, as Assistant Secretary Lincoln Bloomfield has noted earlier, was to make sure that we are in 21st century time and movement. We last week got rid of or at least I got a certificate certifying that we got rid of it I was not there when they burned it. But we got rid of the last Wang computer in the Department of State, believe it or not. When they told me that, I said, "When did we get rid of the last Wang computer in the Department of State?" And it was only last November. But it shows you how far we have come over the last three years, to the point where we have broadband capability throughout the Department of State, and with that broadband capability we have been able to put 44,250-odd computers at stations all around the world, to speed things up to but not just to speed things up, but to use this new technology to change the way we do business. If it is a matter of speeding up old processes, or if it is a matter of doing old business in a faster way, that is not enough. We have to change the way in which we do business, and that is certainly what we are planning to do with D-Trade.

To protect the American people, our allies and our friends, our armed forces need and they have the best technologies available. A crucial part of national security, however, is insuring that those who wish us ill do not possess those same technologies. Overseeing the defense trade is a

big part of how we gain that insurance, but it is a task that is becoming harder and more complex by the day. It is harder than ever to distinguish between technologies that have military applications and those that do not. It is harder than ever to know which subcomponents within complicated machines can be reverse-engineered for nefarious purposes. In 2003, the Directorate of Defense Trade Controls adjudicated almost 57,000 cases for more than 4,300 registrants concerning trade that was worth more than $95 billion. That is big business.

These days, when the crossing of trend lines between military technologies and terrorism poses such a major threat to our security, we can not afford a high error rate. We can not afford an error rate at all, if it can be avoided, in controlling defense trade. D-Trade harnesses information technology to freeze our error rate down as close to absolute zero as is possible, to keep US weapons and military technology away from our enemies. At the same time, D-Trade will help us get selected technologies into the hands of allies and friends. And it will help make our defense industry more efficient in providing our armed forces with the weapons and with the tools they need to be successful on the battlefield. A smarter and faster licensing process is important to our allies and to US business, its workers, communities and shareholders alike. Indeed, we would not be here today without industry's help in making D-Trade user-friendly. And only continued industry support can make D-Trade fully effective because the process has to start with the applicant. But we are confident of that support because D-Trade works and it is in the interest of industry to work with us.

Although it has been up and running since January 15, 2004, the Department of State's e-government advisory group recently rated D-Trade already as on-time and on-target, for both delivery and for performance. We do not have much data yet on processing times, but we expect those times to drop significantly. We also expect more error-resistant processing and easier tracking, and we expect the cost savings associated with both of these to be rather significant in terms of both time saved and money saved. But most important, D-Trade will improve national security and it will do so in three ways.

- First, by making the processing of routine cases more efficient. Those responsible, as a result, for scrutinizing applications will have more time to focus on the tough cases.
- Second, D-Trade will support criminal prosecutions and civil proceedings against violations of export law. That will reinforce the directorate credo that strong compliance is good business.
- Third, D-Trade with make this directorate's cooperation with colleagues in the Defense and Commerce Departments that much more effective.

This directorate is a strong team, forged from members of the foreign service, the civil service, the uniformed military, the Department of Homeland Security, as well as contractors with a rich diversity of professional backgrounds. All 120 of you who work in this shop bear a heavy responsibility for national security. And you guys really do know national security. Among you are thirty-two veterans, reservists and active duty personnel. Colonel Larry Naylor received a Bronze Star in Afghanistan. Yolanda Gantlin's husband recently served in the Persian Gulf. Two of your colleagues are reservists currently on active duty. As far as I am concerned, you are all on active duty. And every day, when you show up here for work, I hope you think of yourselves as mission critical personnel of the US government and of the Department of State. So today is not graduation day for D-Trade, it is just commencement, the beginning. We are here not only to launch D-Trade, but to rededicate ourselves to using defense trade controls as a potent tool to advance national security and our strategic objectives as well.

We are committed to your welfare. We are committed to giving you the tools that you need to do your job. D-Trade is an example of that. So thank you very much, and congratulation to D-Trade and to your leader, Assistant Secretary Lincoln Bloomfield.

Demonstration Comments: Secretary Powell, this is the old paper license application with six collated copies. Today, we want to show you the new D-Trade Electronic License System. I am very proud to represent all the experts that built this system, who leveraged all of our existing resources and pushed technology to the limit in order to develop a system that could acquire, validate and process digitally signed forms and attachments for license applications. It was a very demanding challenge, but we did it, and we did it on time and at cost. And now Ruth Jackson will walk you through the internal processing of a license application and offer you an opportunity to approve an electronic license.

Secretary Powell, Deputy Secretary Armitage, Assistant Secretary Bloomfield and honored guests, what you see before you here is an export license application submitted through the D-Trade Electronic Licensing System from ABCD Vision, Inc., for the export of one pair of Generation Three Night-Vision Goggles to the United Kingdom Ministry of Defense. What you do not see is the support documentation submitted electronically with this license, consisting of purchase order, technical descriptive literature, end user end use information. It replaces this paper license here and the need to have seven collated copies of the support documentation. Another unique feature of the D-Trade system is that every export license application that is submitted through the system is filtered through a watch list. The watch list is a compilation of names of persons who are ineligible to contract with, who have been convicted of violating the *Arms Export Control Act*, and the names of the persons are also foreign persons and domestic.

There is a hold feature, and it is the feature that the licensing officer will look at to see if this export license application successfully navigated the watch list. In this case, our export license application successfully navigated the watch list because no names were found from it. If it had yes on the feature here, then the license would be placed on hold, and then the licensing officer would be instructed to go to our compliance and enforcement branch for further adjudication or further instructions on how to adjudicate the license. The licensing officer also would be unable to issue this license to the applicant.

The export of Generation Three Night-Vision Goggles requires that we send a copy of the export license application to our colleagues at the Department of Defense. In this case, the licensing officer would see this portion of the screen. As you can see, there is the Department of Defense and there are other agencies outside of the Department of State, and geographical regional desks, that the license application can be sent to electronically. And now the license is sent over to the Department of Defense.

For purposes of this demonstration, we will say that our colleagues at the Department of Defense have no objection to the export of the night-vision goggles to the United Kingdom Ministry of Defense. The licensing officer will review the comeback from the Department of Defense, which will be sent to him or her electronically, and now they are in the position to decide whether or not this license application should be issued to the applicant.

Secretary Powell, would you like the honor of approving this export license application for the export of Generation Three Night-Vision Goggles?

Answer: Secretary Colin Powell: Yes, ma'am.

Demonstration Comments: You have successfully approved this export license application. This license will be sent to the applicant electronically.

Secretary Colin Powell: Great. Does it go up on a CD-ROM or can it come down the ALLDIS?

Demonstration Comments: It comes over the internet. It is secured with PKI encryption.

Secretary Colin Powell: Excellent.

Demonstration Comments: We will be accepting files up to 100 megabytes in size so far.

Secretary Colin Powell: That is incredible.

Demonstration Comments: And we have a CD-ROM with instructions that will be issued soon all over the country, so people can learn how to use it correctly. Teams will be going around the country.

Secretary Colin Powell: Would you continue to do paper?

Demonstration Comments: Yes. I think we have to be able to process paper for every mom and pop. They do not have to use this, so we will be able to use paper.

Demonstration Comments: A very small number. There are a number of exceptions that the licensing team have told me about, individuals wanting to go on hunting trips, for instance, they may or may not invest in the capability to do D-Trade. However, the certificate that they use for security can be used with other federal agencies. We leveraged off of the Federal Bridge architecture so that the same certificate that they use for D-Trade will be used for Social Security, Health and Human Services, Internal Revenue Service and other places. So, eventually, everyone will have this type of security system that we will use for signing our name, then they could easily, there is no cost, there is no additional cost to use D-Trade.

Trade as an Element of National Security

By
E. Anthony Wayne,
United States Department of State Assistant Secretary
for Economic and Business Affairs

[The following are excerpts from the speech presented to the California Chamber of Commerce International Trade Breakfast in, San Francisco, California, December 5, 2003.]

My topic today is how trade fits into US national security interests. How growth contributes to our security trade liberalization is a key pillar to self-sustaining growth for our economy, for growth in other industrialized countries, and, in particular, for growth in developing countries, your customers and suppliers not only in the future, but today as well.

Economic growth brought about by free trade, free markets, and investment creates new jobs and raises incomes. The effect of such growth lifts people out of poverty as it spurs economic reform. But trade is not just about economics. Free trade is about freedom and open societies. With all our developing countries partners with whom we are negotiating free trade agreements, in such places as Central America and Southern Africa, we seek to establish the basic building blocks for sustainable development, private property rights, competition, the rule of law, transparency, the free flow of technology, and regional integration. People who trade with each other and invest in each others economies are less likely to wage war against each other. In essence, a strong world economy based on free trade and solid investment regimes advances not only prosperity, but also peace and freedom around the world, thereby enhancing our own national security.

Trade Liberalization Benefits

Both at Home

We have seen a virtuous circle on trade at work in our own economy as total trade as a percentage of overall output has grown from around ten percent three decades ago to nearly thirty percent today. Trade was a major, though mostly underestimated aspect of US growth throughout the 1990s. As a result of North Atlantic Free Trade Agreement (NAFTA) and the World Trade Organization's Uruguay Round of tariff cuts in the 1990s, lower cost goods now available in nearly every store in America save an average American family of four $1,300 to $2,000 each and every year. The gains could be greater. A University of Michigan study projects that lowering US import tariffs by just one third more would boost family purchasing power by an additional $2,500.

As trade grows, it brings our economy more competition and lower prices, and this engenders higher living standards, lower costs for business, and this in turn means more consumption and more investment, making our economy more resilient, more competitive, and stronger. And, in turn, a stronger economy has increased export capacity and higher demand for imports, completing the virtuous circle.

And Abroad

I am probably preaching to the choir here, but the benefits of trade liberalization far outweigh the benefits of foreign aid. Not to minimize the importance of foreign assistance which wisely channeled can play an important part in creating the conditions that attract trade and investment in the first place, but helping developing countries to participate fully in the World Trade organization (WTO) and the global economy provides several times the benefits in growth and development than foreign aid alone.

According to the World Bank, total free trade in all goods, including agriculture, would result in a gain in world income of some $830 billion; 65 percent of which would flow to developing countries, helping an estimated 300 million people escape out of poverty more than the entire population of the United States. In contrast, developing countries receive only about $50 billion a year in direct assistance from donor governments.

Anti-globalization activists claim that developing countries have little to gain and much to lose from trade and growth. In fact, abundant research demonstrates that developing countries have much to gain from opening their markets to trade and everything to lose by staying closed to global commerce. The impact of trade is one of the issues that distinguishes South Korea from North Korea, for example.

When trade grows, income grows. The World Bank conducted a study of developing countries that opened themselves to global competition in the 1990s, and of those that did not. The income per person for more open developing countries grew more than five percent a year, while incomes in more closed poor countries grew just over one percent.

The World Trade Organization

Despite the disappointment over the lost opportunity at Cancun, we remain committed to the World Trade Organization and to the Doha Development Agenda. We have made bold and sweeping proposals to liberalize trade in both agricultural and industrial goods. Concrete progress on removing those trade barriers would still be the most significant contribution that WTO members could make to global economic development.

Regional and Bilateral Trade

The fate of trade liberalization does not depend solely upon what happens at the WTO. We will also continue to pursue regional and bilateral free trade agreements with countries that share our commitment to undertaking meaningful economic reform and trade liberalization.

From Soweto to San Salvador to Singapore to Santiago, America is opening new markets and commercial opportunities for America's and California's, companies, farmers, and ranchers through new free trade agreements in every corner of the world. We have just completed agreements with Chile and Singapore. We are working on agreements with Australia, Morocco, Guatemala, Honduras, El Salvador, Costa Rica, Nicaragua, South Africa, Botswana, Namibia, Lesotho, and Swaziland. Next year we will likely open negotiations with such partners as Thailand, Sri Lanka, Bahrain, Panama, the Dominican Republic, Peru, Ecuador, Colombia, and Bolivia. We are working to create a more open global trade in services, creating opportunities for Americans holding service jobs in such sectors as engineering, advertising, business consulting, travel, tourism, law, education, and the environment. We are trying to stimulate American and global innovation and creativity by upgrading intellectual property rules to match technological innovation, insisting on protection against piracy, but at the same time assisting developing countries with special adjustment needs, such as their need to treat infectious diseases such as malaria, tuberculosis, and human immune-deficiency virus/acquired immune deficiency syndrome.

All along we work hard to keep our commitment to America's workers and businesses for fair treatment. This includes ensuring that China understands the sensitivity of the bilateral trade deficit and takes measures to reduce it, such as by buying more California and US products. In the midst of all the China bashing recently, here are a few little known facts: China is the fastest-growing export market for US goods. In the first eight months of this year, US exports to China are up 20 percent, compared to a similar period in 2002. Indeed, China's imports are growing faster than its exports up 40 percent this year. California exported $4.5 billion worth of products to China in 2002, half of which was in computers and electronic products. One major US

corporation alone imports ten percent of all the Chinese exports to this country, and much of that activity flows through California ports. The bottom line: there is a tremendous potential upside for the United States in our trade with China.

Making Trade Safe and Secure

Now let me take a moment to talk about what we are doing to make international transportation of people and goods safe and secure. The United States is the world leader in transportation security. We have worked successfully with foreign governments and international organizations to ensure the safety of passengers and cargo. Maritime shipping is among the most international of transport industries, but it is also one of the most exposed to the danger of terrorist attack. We have taken a number of steps to protect our ports and seaways, including implementation of new national and international security requirements for ships, ports and terminals, requirements for more information about ship arrivals and cargoes, and enhanced container security measures.

Role of Business

If trade is the engine of growth, our business community provides the pistons. As always, we are looking for partnership with the business community and leadership from you, the CEOs and leaders of America's firms, industries, and organizations. We need your help in promoting growth and the expansion of opportunity through liberalization of trade and investment regimes. At the same time, the Department of State in Washington and our embassies abroad stand ready to assist US business in addressing trade and investment barriers. Secretary Powell feels so strongly about this that he has made it part of the job description for ambassadors and other senior State Department officials.

American business understands that beyond bottom lines and stock prices, they are ambassadors of American values like democracy, freedom and respect for human dignity. And you, members of the American business community and private sector, do this best in a competitive, free trade, global marketplace.

Conclusion

In the end, much history of this era will be written about how we overcame the dangers of terrorism and tyrants in the Persian Gulf and Central Asia to build a safer world for all, but especially for America. Yet our history will also record how we turned to a page of opportunity for trade, growth, development, and economic security, in California, in the United States, and throughout the world. We have composed a new chapter for poorer families around the globe who could become full participants in the gains of a global economy; and how we drew links between trade and political liberty abroad and between trade and security at home.

United States International Economic Policy

By
E. Anthony Wayne
United States Department of State
Assistant Secretary for Economic and Business Affairs

[The following are excerpts from the speech presented to The Hoover Institution, Stanford University, Palo Alto, California, December 4, 2003.]

My topic today is how the Department of State advances US international economic policy goals. Economics is vital to the foreign policy of the United States, and my office, the Bureau of Economic and Business Affairs (EB), is the center of the Department of State's effort to develop and implement America's international economic policy. We work on a wide range of issues from civil aviation agreements to terrorist financing, from debt restructuring to communications policy, from trade negotiations to international petroleum reserves. We work with posts around the world, other bureaus in the Department of State, some forty US agencies, 189 foreign governments, and hundreds of businesses and non-government organizations.

In these efforts, we focus on three broad priorities:

- First, in the area of development, we do our best to ensure that poor nations participate fully in a rising tide of prosperity.
- Second, we try to assure our economic security.
- Third, we work to advance global prosperity by expanding trade and investment between nations.

Economic Security

The atrocities on September 11, 2001 compelled all of us in the US government to refocus priorities. At Economic Bureau, we have made economic security a core responsibility, shifting resources and personnel accordingly. To ensure our economic security, we must focus on four tasks in the coming years.

- First, we must cut off the financing of terrorism. The United States and its partners have worked very closely to disrupt the flow of money to terrorists and to their supporters. We have led international efforts, under the auspices of the UN, to identify and block assets to nearly 250 designated terrorist individuals and groups. We have disrupted their ability to finance operations and access the funds of charities to carry out acts of violence against us and our friends. We have broadened the mandate of the Financial Action Task Force (FATF) to include terrorism.

With thirty-one members, the FATF is the world's leading international organization on combating financial crime. Alongside our allies, the United States has improved coordination of technical assistance to countries at the frontline of the war on terrorism to develop their capacity to cut off the flow of funds to terrorists. Although our work has not finished, terrorists now find it much harder to move money and assets around the world.

- Second, we must ensure stability of the international financial system and the economic stability of key allies. It is in our interest to make sure that those nations engaged in the front-line of the war against terrorism are not threatened by economic and financial instability. To that end, we worked with the Treasury Department to fulfill the President's promise to provide one billion dollars in debt reduction for Pakistan and to develop international monetary fund rescue and reform packages for Turkey, Jordan and Pakistan.

We continue to work actively with other countries, the international financial institutions and the private sector to prevent financial crises in such front-line states and to resolve them more effectively when they occur. Promoting regional trade will also play an important role in fostering economic growth.

- Third, we must develop diversified and reliable supplies of energy. Energy remains a vital economic ingredient for the United States and other industrial democracies, and economic growth and prosperity will require expanded supplies of energy including oil and gas. A vibrant, open world economy, and a well functioning international financial system are vital factors helping us find more oil and gas supplies. These supplies must be reliable and made available at prices that permit sustained economic growth. We engage intensively with energy partners all over the world to diversify supplies, improve investment opportunities, encourage continued research into alternative sources, and assure that market forces work as transparently and efficiently as possible.

- Fourth, we must make international transportation of people and goods safe and secure. The United States is the world leader in transportation security. We have worked successfully with foreign governments and international organizations to ensure the safety of passengers and cargo. Maritime shipping is among the most international of transport industries but it is also one of the most exposed to the danger of terrorist attack.

We have taken a number of steps to protect our ports and seaways, including implementation of new national and international security requirements for ships, ports and terminals, requirements for more information about ship arrivals and cargoes, and enhanced container security measures.

Development

We start with the premise that only substantial and rapidly expanding trade and investment can generate sustainable economic growth on the scale needed to lift entire nations out of misery. But foreign assistance, wisely channeled can play an important part in creating the conditions that attract trade and investment in the first place. The international community agreed to these two important premises at the Monterrey Summit on Financing for Development.

This is the context for the Millennium Challenge Account, a new concept that represents the most thoughtful and important American development initiative in the past forty years. I am delighted to report to you that Congress is in the final stages of approving this important Presidential initiative, which we project at five billion dollars by fiscal year 2006. The Millennium Challenge Account will deliver measurably effective development assistance by bringing together all the lessons we have learned about development, that includes the following:

- Economic growth is the key to development.
- No one can develop a country except its own people.
- There is no substitute for measurable results.

The MCA targets countries that govern justly, invest in the health and education of their people, and encourage economic freedom. By selecting countries whose policies encourage growth, MCA assistance will deliver much greater economic development. And, for those countries that do not initially qualify, it provides a strong incentive to adopt growth-enabling policies too, with which the US will be prepared to assist.

In the past two years, we have devoted special attention to the development of Afghanistan and Iraq. In 2001, most Afghan children were not enrolled in school, but today, 4.2 million children are in school. More than two million Afghan refugees and internally displaced persons

have returned home in the past year. The international monetary fund estimates that economic growth was almost 30 percent in 2002-2003 and will continue at 20 percent in 2003-2004.

The United States has rehabilitated seventy-two health clinics, birth centers, and hospitals, provided funding to UNICEF to treat 700,000 cases of malaria, and vaccinated 4.26 million children against measles and polio, likely preventing some 20,000 deaths. We have surveyed all health facilities and services, supported plans to expand basic health services for 16.5 million women and children and to rebuild 550 rural health centers. We are providing basic health services to more than two million people in twenty-one provinces; ninety percent of recipients are women and children. We are providing, through CARE, one-quarter of Kabul's water supply, focusing on the poorest districts. We are rehabilitating the water systems of Kandahar and Kunduz, which will provide water to 700,000 people.

We have increased food production and reduced the number of Afghans dependent on food aid in 2002 from approximately 10 million to 6 million. We have contributed to an 82 percent increase in fall 2002 wheat yields by providing fertilizer and improved wheat seed to 113,000 farmers in 12 provinces. The resulting estimated increase in wheat production translates into an additional $69 net income per farmer whereas average family income in similar countries is only $100 to $200 total per year.

The US recently committed $1.7 billion in additional assistance for Afghanistan, money that is above and beyond the $1.8 billion already appropriated. Much of this additional assistance will be geared toward initiatives that will have an immediate, tangible impact: improving security, building capacity within the Afghan central government, and encouraging economic growth.

The needs are still great, however. In a September 2003 report the International Monetary Fund noted that for both the operating and development budgets to be executed fully this fiscal year, and thus for the government to be able to achieve its development objectives, it will be crucial that additional pledges of donor assistance are obtained and pledged assistance materializes in a timely manner. The Fund report goes on to warn that the experience of post-conflict countries shows that assistance typically starts to decline after a few years, just at the moment when the recipient country's capacity to absorb aid and use it effectively is increasing. Afghanistan's reconstruction effort has only just begun and will continue to require sizable assistance for several years to come.

In Iraq, we are also seeing progress. It is natural that people are concerned about the security situation there, but what does not grab the headlines is the news about the daily improvements being made in the lives of the people. In October 2003, we successfully concluded a donors' conference in Madrid, attended by seventy-three countries and twenty international organizations where more than $33 billion dollars of assistance to Iraq was pledged over the next four years. This huge pledge includes the $18.6 billion in grants Congress just approved in response to the President's request for reconstruction assistance, which will allow us to continue our leadership role.

The Coalition Provisional Authority, working with the Iraqi Governing Council and ministries, is restoring infrastructure and palpably improving the lives of the Iraqi people, and Iraqi interim Finance Minister Kamel al-Gailani has unveiled trade, investment, and tax reforms that make Iraq one of the most liberalized economies in the region. The reforms are an important step in transforming the centrally planned Iraqi economy into a market-based economy and in stimulating private business activity, which will create jobs and the prosperity essential for Iraq's economic recovery after decades of central planning, economic mismanagement, war and sanctions.

Expanding trade and investment is our third economic policy priority. Trade policy and development policy are mutually reinforcing. Helping developing countries to participate fully in the world trade organization and the global economy promotes development, and widens the circle of growth and prosperity. According to the World Bank, free trade in all goods, including agriculture, would result in a gain in world income of some $830 billion; 65 percent of which would flow to developing countries, helping an estimated 300 million people escape from poverty. In contrast, developing countries receive approximately $50 billion a year in direct assistance from donor governments.

As the statistics above indicate, developing countries can best help themselves through increased trade liberalization. We continue to push ahead on all fronts to liberalize trade globally, regionally and bilaterally. Unfortunately, the Cancun World Trade Organization ministerial brought movement on the global front to a halt, at least temporarily. It is still too early to tell what Cancun means for the long run. In the meantime, though, the United States is not sitting still.

We are wrapping up negotiations for free-trade agreements with an assortment of countries with which we collectively exchanged $50 billion worth of products last year. We expect to begin free trade agreements talks soon with additional partners representing another $47 billion in two-way trade. These free trade agreement talk partners, together with Singapore and Chile, with whom we recently signed free trade agreements that will enter into force next year, collectively bought a greater value of US goods last year than Japan, and more than any other single trading partner except for our NAFTA partners: Canada and Mexico. Collectively they would have been our fifth largest trading partner last year in terms of two-way trade. We also continue to work toward concluding a Free Trade Area of the Americas, which will create a tariff-free zone from the Bering Strait to the Strait of Magellan. Cancun raised serious questions about whether the World Trade Organization, at this point in time, can bring together the shared purpose and commitment to flexibility that is necessary to achieve results. It is now hard to imagine that the negotiations will be completed by the end of 2004 as called for in the Doha Declaration. We may have to adjust the levels of ambition to which we originally aspired. Nonetheless, we will not turn our back on the multilateral approach to trade liberalization.

The Doha Development Round is a once-in-a-generation opportunity to lower trade barriers and expand economic opportunities throughout the world. Our aim in these negotiations is straight-forward we want to open global markets across the board and expand the virtuous circle of trade and economic growth for developing and developed economies alike. Many developing countries that aligned themselves with Brazil and India at Cancun now appear to be reassessing whether the tactics and positions they adopted there serve their best interests. Several countries have officially dropped out of the group. Thailand, which followed the G-21 line at Cancun, has now agreed to enter into free trade agreement talks with us.

There are also indications that Brazil, India, China and South Africa are looking to each other for increased trade opportunities. This is good. They will quickly see the benefits of lowering their own trade barriers and not just demanding that developed countries lower theirs.

As more countries come to adopt more flexible positions, we hope to eventually be able to restart the Doha talks based on the last text on the table at Cancun. The Asia Pacific Economic Cooperation economies expressed that desire last month in Bangkok. We hope the new European Commission, as well as major developing countries such as Brazil and India, will also come to accept this as the right starting point.

The Bush Administration's Western Hemisphere Policy

By
Ambassador Roger F. Noriega
United States Assistant Secretary of State for Western Hemisphere Affairs

[The following are remarks to the Council of the Americas, New York City, New York, January 8, 2004.]

The Bush Administration's Western Hemisphere Policy

That Western Hemisphere Policy is a natural extension of President Bush's vision for the world and his Administration's strategy for achieving it. The President articulated that vision eloquently in a recent speech. At the 20th anniversary celebration of the National Endowment for Democracy last November 2003, the President recalled the fidelity of one of his predecessors, Ronald Reagan, to the principles of freedom. President Reagan believed that democracy, not communism, was on the right side of history. That was not a settled question when President Reagan made that assertion, but I think it is fair to say that it has stood up pretty well over time. President Reagan urged us to have the courage of our convictions, to champion the cause of democracy and freedom around the world. Many believed that to be a simple take on a complicated world that Central American campesinos and Eastern European workers cared little for and knew less about democracy. They were wrong. Those people broke the grip of the caudillos and the dictators, along with their henchmen the thugs and the central planners. And today, they are undeniably better off for it. As President Bush said:

> Freedom honors and unleashes human creativity and creativity determines the strength and wealth of nations. Liberty is both the plan of Heaven for humanity, and the best hope for progress here on Earth.

Right here, in the Americas, that vision is being realized. In the 1980s, the people of the region struggled against tyranny, opted for democracy, and changed history. Today, the vast majority of Latin Americans and their Caribbean neighbors live under leaders of their own choosing. Fidel Castro is a tragic hold-out. That relentless democratic tide represents a quiet revolution. Americans can take considerable pride in the role we played in helping history along. Today, the region's elected leaders face a new challenge: making democracy work for the general welfare of their people.

Unless women and men from all walks of life have a stake in economic growth in Latin America and the Caribbean, the gap between rich and poor will widen, and genuine prosperity may prove illusive or unsustainable. We know the answer:

> Democracy and the rule of law are essential to global development and trade, because they empower individuals to share the costs and the blessings of prosperity.

As the people of the Americas are free to exercise their essential political freedoms, they naturally will be able to claim their fair share of economic opportunity. In the long run, broad-based economic growth produces greater stability and sustainability.

Challenges: Strengthening Liberal Values and Institutions

You know the challenges too well. Elected leaders in many countries are grappling with persistent political, economic, social, and, in some cases, ethnic problems. Several countries are confronting costly threats to security either in terms of narco-terrorism or violent crime that undermine the rule of law.

Current economic growth rates are inadequate to generate sufficient jobs for growing populations, let alone address chronic poverty. Corruption and inefficiency have stunted

economic development and spawned disenchantment with the label free market reforms in many countries. All these factors have combined to stir popular dissatisfaction and, in some cases, violent outbursts, which relatively weak institutions of government are hard-pressed to control.

Although most elected leaders remain convinced that democracy and the free market must be part of any sustainable plan for development, many of their people are weary of waiting for their lives to get better and for their futures to get brighter. Soaring rhetoric is not going to meet their down-to-earth demands for concrete action and tangible results.

An Agenda for the Americas

In April of 2001, the democratically elected leaders of the hemisphere gathered in Quebec City for the Third Summit of the Americas. At that meeting, the leaders committed themselves and their countries to pursuing an agenda for all the people of the Americas. As stated in the Declaration of Quebec City, it is an agenda to strengthen representative democracy, promote good governance and protect human rights and fundamental freedoms. We seek to create greater prosperity and expand economic opportunities while fostering social justice and the realization of human potential.

Recognizing the urgent needs of many of our citizens, President Bush and his fellow leaders of the Americas have agreed to meet in Monterrey, Mexico, January 12-13, to reinvigorate our agenda and set some practical short-term goals that will improve the daily lives of people in the Americas and strengthen our relationships.

This Special Summit will focus our efforts in three areas: stimulating economic growth and reducing poverty; promoting good governance and fighting corruption; and investing in our people to improve their quality of life and provide them the tools they require for success in today's economy.

Economic Growth and Reducing Poverty

Our agenda for promoting growth and reducing poverty includes practical steps that have a proven record of success: protecting property rights; lowering barriers to remittances and increasing access to financial services; and making it easier to start and expand a small business.

In each of these critical areas, Latin America and the Caribbean lag behind not just developed economies but behind the world's other emerging markets. We simply have to do better to ensure our competitiveness and to create jobs for our people.

Strengthening and Enforcing Property Rights

An effective property rights system, one that provides for enforceable, efficient, and equitable rights to property, is the foundation of modern market economies. It allows people to accumulate wealth in their homes and other real property and to capitalize on those assets in pursuit of economic opportunity. But in many Latin American countries, the property rights system hinders, rather than enables, economic progress.

In too many countries (e.g. Guatemala, Trinidad, and Honduras), close to 50 percent or more of all property is not even recorded in the formal system. Records that are kept often do not reflect actual ownership. Costs for accessing and modifying records are prohibitively high. Many countries systems of property laws are ad hoc, antiquated, and inconsistent.

At the Santiago Summit in 1998, we agreed to reform registries and make property titling more accessible. At the Quebec Summit three years later, we recognized that further progress required countries to make a greater effort, but little has been done since then.

The best leg up out of poverty is property, not a program. Reforming laws and regulations so that registered property can serve as collateral is an essential and urgent task. In Monterrey, we

will encourage all of our neighbors to commit to making these necessary reforms by a date certain so that our people can put their property to work for them.

Remittances

Remittances from citizens working abroad are a vital source of capital for many countries, not to mention sustenance for many families in the region. According to a report released November 24, 2003 by the Pew Hispanic Center, remittances from the United States to Latin America and the Caribbean will amount to approximately $30 billion this year.

Remittances to Latin America are expected to surpass foreign direct investment flows, making them the largest flow of capital into the region. For six countries in Latin America, remittances account for more than 10 percent of their gross domestic product. It is also noteworthy that a disproportionate amount of these remitted earnings go to women and to rural areas. More than two-thirds, or $25 billion, come from the United States. Until recently, remittances have received little attention. The market in the transmission of remittances is inefficient and uncompetitive. Senders pay high fees, on average 12.5 percent of the remittance. Furthermore, many recipients have limited or no access to financial institutions that could allow them to use these funds for future expenses, such as education or the purchase of a home.

Concerted efforts by Mexico and the United States have produced dramatic results in terms of lowering costs and enhancing access to financial services. The cost of sending remittances from the United States to Mexico has fallen by over 30 percent annually in recent years, remittance flows have grown at a rate of 10 percent annually, and thousands of people have opened a bank account for the first time.

We must commit to extending the best practices and proven strategies for lowering the cost of remittance and increasing access to financial services to the rest of the Hemisphere. We can do this by encouraging private sector competition and creating a regulatory environment that facilitates these transactions.

Removing Roadblocks to Starting a Business

Another chronic problem in Latin America is job creation. In the United States and in other countries around the hemisphere, small and medium sized enterprises account for the majority of new jobs created every year. Approximately 80 percent of all businesses in Latin America are small and medium-sized enterprises (SMEs), employing approximately 57 percent of the workforce in the region (130 million people out of 227 million workers). These firms are a key to addressing chronic poverty and unemployment in the region.

Yet entrepreneurs wishing to start or expand businesses in Latin America face some of the most daunting obstacles in the world. According to a World Bank study, it takes longer to start a business in Latin America than in Sub-Saharan Africa. In Brazil, it takes an average of three months; in the United States, about three days. Costs to start a business can consume up to three times the average annual per capita income. In the United States, the cost is generally less than 1 percent.

Costly and complex procedures discourage foreign direct investment, provide opportunities for corruption, and drive small businesses into the informal sector, where they have less access to credit, do not pay taxes, and are not subject to public regulation. At the Special Summit of the Americas, we hope presidents will commit to concrete measures to unleash this entrepreneurial spirit.

Increasing Access to Capital to Small and Medium-sized Enterprises

Getting a business started is just the beginning of an entrepreneur's problems. Latin American entrepreneurs cite lack of access to credit as the largest single obstacle to expanding

their businesses. Domestic credit extended to the private sector in Latin America is less than half the average rate in other emerging markets, amounting to 24 percent of gross domestic product in 2001, compared to an average of 52 percent for other emerging market regions.

It is time for us to make the reforms that will allow our people to control their own economic destiny and contribute to greater prosperity of their neighborhoods, nations, and the region as a whole.

Free Trade

The four steps listed below will promote economic growth and reduce poverty, especially if they are enacted in the context of the *Free Trade Area of the Americas* (FTAA).

- Strengthening and enforcing property rights;
- Lowering barriers to remitted earnings and increasing access to financial services;
- Removing obstacles to starting a small business; and;
- Increasing access to capital for small business owners.

World Bank studies have documented that developing countries that trade freely increase their gross domestic product and reduce poverty faster than developing countries that do not faster even than developed countries, such as the United States.

We remain committed to the *Free Trade Area of the Americas* process. We are moving forward with *Central American Free Trade Agreement*. On November 18, the US Trade Representative formally notified Congress of our intent to initiate negotiations for a Free Trade Agreement with Colombia, Peru, Ecuador, and Bolivia in 2004. We will also pursue trade accords with the Dominican Republic and Panama.

These new agreements will build on the historic success of *North America Free Trade Agreement*. Trade represents the best opportunity for the countries in this hemisphere to attract the capital that they need to create jobs and sustain a level of economic growth that will support necessary public investments in education, health, and infrastructure that are essential to the quality of life.

Promoting Good Governance and Fighting Corruption

The second initiative on our agenda that I would like to talk to you about is promoting good governance and fighting corruption. Corruption remains a major issue in the region. In a Latinobarometro survey, 80 percent of Latin Americans in 2002 cited corruption as a significant problem. Only 25 percent of respondents expressed confidence in their government or judiciary, the lowest level in six years.

The World Bank has identified corruption as the single greatest obstacle to economic and social development in the world, reducing a country's growth rate by 0.5 percent to 1 percent per year and driving away investment.

The Quebec Summit Plan of Action committed us to practice good governance and combat corruption. As the first region to bring into force a comprehensive anti-corruption instrument, the Americas have made progress relative to other regions, but the cost of corruption is too high to be complacent. Governments in the region must follow through on their pledges in the Inter-American Convention Against Corruption. We must deny safe haven to fugitive corrupt officials and their assets. The United States is doing its part. Federal law makes it a felony for a US citizen to bribe a foreign public official. The Bush Administration has also begun to revoke the visas of foreign officials whom we believe to be corrupt to preclude the possibility of flight to the United States.

We are working with our partners in the region to improve their legal systems and their ability to prosecute white-collar criminals. With US support, new Criminal Procedures Codes passed into law in Honduras (1999), Colombia (2002), and the Dominican Republic (2002) are introducing profound changes into the justice systems of those countries, moving from them written inquisitorial to oral adversarial systems.

The passage of the *Criminal Procedures Code in Nicaragua* (2001) provides for prosecuting crimes not covered previously such as money laundering, narcotics trafficking and public corruption. A code that took effect in 2001 in El Salvador removes the executive branch's de facto immunity from civil prosecution. We urge all the governments of the region to make public transactions and financial management transparent to outside observers in order to eliminate corruption and avoid even the appearance of corruption. Furthermore, all corporations should recognize the value of ethical business practices and good corporate citizenship to economic development, the overall investment climate, and their own long-term interests.

Investing in Our People: Health

Another of the priorities on President s Bush's agenda in Monterrey will be aiding the region's ailing healthcare system. HIV/AIDS is a major threat to public health in the region today and threatens to overwhelm an already overburdened and underfunded public health infrastructure. Approximately 2.9 million people in the hemisphere are infected with HIV/AIDS. The Caribbean is particularly affected, with the second-highest rate of HIV/AIDS transmission in the world, behind only Sub-Saharan Africa. Over a quarter of a million children in the islands have lost one or both of their parents to the disease.

President Bush's $15 billion *Emergency Plan for AIDS Relief* will enable us to administer lifesaving anti-retroviral medicines to those afflicted by HIV/AIDS. Having these medicines will be the difference between life and death for many thousands of people. But as important as this relief is, it is not a complete solution. An integrated approach to fighting HIV/AIDS combines prevention, care and appropriate treatment.

Programs that have brought infection rates down begin with a strong emphasis on preventing transmission of HIV, especially among young people. In countries that have demonstrated success in controlling the epidemic, political leadership has been a crucial element. At the Special Summit, President Bush will strongly urge his fellow leaders to undertake comprehensive programs to stop the spread of this deadly disease.

Investing in Our People: Education

In the same spirit, President Bush will go to Monterrey to commit along with his fellow leaders in the Americas to invest in education to improve the quality of life of our people and provide them the tools they require for success in today's global economy. Education is essential and, according to the Inter-American Development Bank, there is an impressive rate of return on our investment in education. On average, an economy obtains a nearly 18 percent rate of return on primary education and a nearly 13 percent rate of return on secondary education.

President Bush believes that a good education is the foundation for creating economic growth, social advancement, and democratic progress. At home, the President made education a priority through his No Child Left Behind initiative. He shares this commitment to providing a quality education with many leaders in Latin America and the Caribbean who understand that education is critical to achieving hemispheric prosperity and security, in addition to addressing the needs of people, especially the poor.

We have our work cut out for us. Schools in Latin America and the Caribbean are simply not educating the young. The best school systems in the region fall in the bottom quartile of

worldwide achievement tests. Although more students than ever are enrolled in school, fewer are completing their studies. Almost half of the students who enter primary school fail to make it to the fifth grade and only about 30 percent finish secondary school, resulting in the highest repetition and dropout rates in the world. Experts estimate that as much as $11 billion annually in education spending in Latin America is squandered due to high repetition and dropout rates.

Latin America's workforce averages less than six years of schooling, two years below most of the region's developing country competitors. In the 1990s, the average years of school of Latin America's workforce grew at a rate well below the world average and other developing countries, resulting in the region falling further behind.

A story in the *Washington Post* recently pointed out that, a generation ago, Mexico and South Korea ranked near the bottom in academic achievement among the thirty nations of the Organization for Economic Cooperation and Development. Today, among people age twenty-five to thirty-four, Mexico ranks last in the same Organization for Economic Cooperation and Development studies, while South Korea has risen to No. 1. South Korea's highly skilled workers produce some of the world's most popular cars and electronics, but Mexico's workforce still relies largely on sweat.

Schools in Latin America traditionally have been a public monopoly, administered and financed by central governments. Parents and civic leaders have little say in how schools are run and little information regarding their progress. President Bush will urge his colleagues to require well-defined educational standards, regular testing, and education report cards to identify where those standards are not being met. These are simple but necessary measures that must be adopted to begin improving the education in the Americas.

The Results Summit

Later this week, the region's foreign ministers will gather in Monterrey to complete the negotiations on a declaration that will be issued by our presidents. Our aim is to produce a list of commitments to achieve concrete results by specific dates. To be sure, we will spend some of our time trying to improve on the soaring rhetoric of the past. But my hope is that we will spend less time and energy wrestling with one another on the diagnosis of our problems and focus, instead, on practical measures to help solve them.

In the years after this summit, after all is said and done, it is more important what is done than said. Very few of the 800 million people of this hemisphere are going to read the Declaration of Nuevo Leon. However, if we work to deliver the practical commitments I have just discussed, our peoples daily lives will be much better and their futures much brighter.

The Millennium Challenge Account

The commitment of all the hemisphere's leaders to invest in the health and education of all the people of the Americas and make necessary reforms in markets and government will be critical to the future of the United States and the region. President Bush recognized that fact when he announced the Millennium Challenge Account initiative. If fully funded by Congress, Millennium Challenge Account will increase our core development assistance by 50 percent, resulting in a $5 billion annual increase over current levels by fiscal year 2006 and beyond. Those monies will be directed to those countries that govern justly and honestly, uphold the rule of law, fight corruption, invest in their people, and promote economic freedom.

Unlike traditional assistance programs, Millennium Challenge Account will provide an incentive for other countries to invest in their people so that they have the resources and opportunities, such as education, adequate healthcare and nutrition, and equality before the law, to improve their own quality of life and contribute to the greater good.

Conclusion

With the Millennium Challenge Account and the Free Trade Area of the Americas, the reforms and investments called for in this agenda for the Special Summit offer a tried and true method for making real economic, political, and social progress in the Americas. It is in the best interests of the United States and all of the people of the Americas that we grow and prosper together in peace and freedom. All that is required is that we summon the collective will to do it.

Joint Statement on Third Border Initiative

By
J. Adam Ereli
United States Department of State Spokesman

[The following is the text of the US/CARICOM/Dominican Republic joint statement on the Third Border Initiative, as released by the Department of State.]

January 12, 2004, Countries Vow to Work Together to Achieve Shared Goals

The Governments of the United States of America and of the Caribbean nations of Antigua and Barbuda, the Commonwealth of the Bahamas, Barbados, Belize, the Commonwealth of Dominica, the Dominican Republic, Grenada, the Co-operative Republic of Guyana, the Republic of Haiti, Jamaica, the Federation of Saint Christopher and Nevis, Saint Lucia, Saint Vincent and the Grenadines, the Republic of Suriname, and the Republic of Trinidad and Tobago pledge to strengthen our cooperation in responding to global and hemispheric challenges in a spirit of partnership and mutual respect.

In pledging to work closely together in pursuit of shared goals, the countries paid tribute to the following:

> Our cultural ties, social and economic links, shared tradition of democracy, mutual respect for the sovereignty and territorial integrity of individual states, and out commitment to good governance, the rule of law, human rights, individual freedoms and open economies.

Their joint statement was released on the final day of the Special Summit of the Americas, held January 12-13 in Monterre, Mexico.

The countries welcome the Third Border Initiative by stating the following:

> As a valuable framework for structuring our engagement across the broad spectrum of matters that affect the prosperity as well-being of the region and its peoples. The Third Border Initiative recognizes the special significance of the Caribbean as an important partner of the United States and seeks to build on the long history of constructive engagement between the United States and the Caribbean.
>
> The Third Border Initiative aims to focus US and Caribbean engagement through targeted programs that comprise both new and ongoing activities designed to enhance cooperation in the diplomatic, security, economic, environmental, health and education arenas without prejudice to additional areas of collaboration that may be agreed upon in the future, it provides the opportunity to focus funding and assistance on those areas where we see the greatest increased need.

We recognize that our nations are bound together by our cultural ties, social and economic links, shared tradition of democracy, mutual respect for the sovereignty and territorial integrity of individual states, and our commitment to good governance, the rule of law, human rights, individual freedoms and open economies.

We therefore welcome the Third Border Initiative announced by President George W. Bush during the Third Summit of the Americas in Quebec City in April 2001, as a valuable framework for structuring our engagement across the broad spectrum of matters that affect the prosperity and well being of the region and its peoples. The Third Border Initiative, building on the Bridgetown Partnership for Prosperity and Security of May 1997, recognizes the special significance of the Caribbean as an important partner of the United States and seeks to build on the long history of constructive engagement between the United States and the Caribbean.

We are further bound by a determination to protect our region from terrorists and criminals who would destroy our way of life and by a belief that terrorist acts, such as the terrorist attacks on the United States on September 11, 2001, represent a serious threat to international peace and our hemispheric security and require our governments to continue efforts to prevent, combat, and eliminate terrorism. We recognize that threats to our security, concerns, and other challenges are diverse in nature and multidimensional in scope, and that traditional concepts and approaches must be expanded to encompass new and non-traditional threats, which include political, economic, social, health and environmental aspects.

The objective of the Third Border Initiative is to focus US and Caribbean engagement through targeted programs that comprise both new and ongoing activities designed to enhance cooperation in the diplomatic, security, economic, environmental, health and education arenas without prejudice to additional areas of collaboration that may be agreed upon in the future. The Third Border Initiative provides the opportunity to focus funding and assistance on those areas where we see the greatest increased need. We are aware that there are other activities, projects and cooperation programs in the Caribbean region, including those administered through multilateral institutions that, while outside the specific Third Border Initiative framework, also contribute to accomplishing its goals.

We recognize our interdependence and the importance of close cooperation to combat new and emerging transnational threats that endanger the very fabric of our societies. By virtue of their small size and geographic configuration and lack of technical and financial resources, Caribbean States are particularly vulnerable and susceptible to these risks and threats, especially those posed by illicit trafficking in persons, drugs, and firearms, terrorism and other transnational criminal activities. We pledge to cooperate in combating transnational crime and terrorism, promoting regional security and justice, and ensuring the safe and secure transportation and flow of people, goods and services in the region, thereby contributing to the defense and security of the hemisphere. We are mindful that trade furthers prosperity and development and that trade and investment ties between the Caribbean and the US are essential to promoting economic development and improving the well being of our citizens. We recognize the concerns and vulnerabilities of small economies and the challenges they face in integrating successfully into the global economy. We therefore reaffirm the declaration issued at the Free Trade Area of the Americas Eighth Ministerial in Miami.

We recognize that the increasing global integration of the economic and financial domains facilitates the free movement of capital across borders. Taking advantage of this increasing integration, money laundering and other financial crimes create an environment where corruption, terrorist financing and attendant illegal practices may thrive. We will therefore continue to support the Caribbean efforts to expand a financial services industry and increase its competitiveness, while adhering to international standards and transparency in its operations.

We share the concern that the human immune-deficiency virus/acquired immune deficiency syndorme (HIV/AIDS) pandemic seriously threatens the stability and welfare of the entire Caribbean region. We also recognize that the pandemic causes great loss of life and untold personal suffering, weakens societies, and reduces the capability of Caribbean countries to compete in the global arena. We will therefore cooperate to build capacity in the region for HIV/AIDS prevention, education, voluntary counseling and testing, monitoring and surveillance, care and support, and cost effective treatment to counter the devastating impact of the pandemic on Caribbean societies and its potential to threaten the stability and welfare of the region.

We recognize that education and training are critical to economic growth, social development, improved standards of living, environmental protection and the reduction of poverty. We

therefore attach the highest importance to providing widespread access to affordable, quality education and teacher training.

We recognize that the Caribbean region is particularly vulnerable to hurricanes and other natural and man made disasters and are committed to strengthening national and regional institutional capacity to plan for and respond to disasters through support for disaster preparedness and mitigation efforts in the region.

We are cognizant of the importance of environmental management and will therefore support programs geared towards protecting the environment, through the promotion of environmentally friendly practices.

We will develop strategies and programs to promote the continued growth, vitality, diversity and sustainability of the Caribbean's tourism sector. The United States and the aforementioned Caribbean nations will engage in regular consultations, in pursuit of our goals of increased prosperity and freedom for our neighborhood built upon mutual confidence and security. We also agree to greater consultations on mutual interests in multilateral fora, with the objective of improved cooperation in pursuit of common ideals.

We will work to implement a program for high-level consultations and joint working groups, in accordance with an established structure, covering the broad spectrum of areas, which will enhance our cooperation. We will also work together in support of initiatives that create a deeper awareness of and a broader mutual understanding of the Caribbean Community, the Dominican Republic and the US

For the United States, the nations of the Caribbean Community and the Dominican Republic, this day marks an opportunity to affirm our commitment to the democratic traditions that have bound us together and to pledge that we will work together as friends, partners and allies in the pursuit of our shared goal of a stable, secure and prosperous Caribbean region capable of embracing the new hemispheric and global realities.

Building an Effective Hemispheric Counterterrorism Strategy

By
Ambassador J. Cofer Black
United States Department of State Coordinator for Counterterrorism

[The following are excerpts of the remarks to the Organization of American States Inter-American Committee Against Terrorism (CICTE) 4th Regular Session in Montevideo, Uruguay, January 29, 2004.]

We have come a long way since we last met in San Salvador. Counterterrorism cooperation in the hemisphere has continued to broaden and strengthen. The Special Summit of the Americas two weeks ago and the Organization of American States Special Conference on Hemispheric Security in October 2003 reaffirmed our leaders commitment to combating terrorism and its sources. And, the Inter-American Convention Against Terrorism went into effect in July of 2003. We firmly stand behind the Organization of American States and CICTE leading the charge to marshal our shared resources and expertise to combat terrorism. This meeting in Montevideo could not be more timely.

Over the past year, terrorists have struck brutally and callously across the globe. From Colombia to Saudi Arabia to Morocco to Indonesia, terrorists have indiscriminately killed men, women, and children. I know you all share with me in the tragic loss of our colleague Sergio de Mello.

The Western Hemisphere's experience with terrorism has been different than the traditional hotspots like the Middle East, Southeast Asia, and parts of Africa. Terrorism in our region has traditionally been a domestic threat. Colombia's Revolutionary Armed Forces of Colombia (FARC), National Liberation Army (ELN), and United Self-Defense Forces of Columbia (AUC) have primarily engaged in local bombings, assassinations, and kidnappings. Sendero Luminoso's bloody thirty-year campaign left over 35,000 Peruvians dead. However, this trend is changing. Terrorists in this hemisphere are becoming more active in illicit transnational activities, principally the drug trade, but also arms trafficking, money laundering, contraband smuggling, and document and currency fraud. Not only do these provide sources of income, but terrorists also take advantage of their well-established underground supply routes to move funds, people and arms across borders, as well as to plan and conduct operations. And, the internet has given terrorists truly global reach to communicate, fundraise, and recruit. And, terrorists have not hesitated to make our hemisphere a battleground to advance their causes. The bombings of the Israeli Embassy in Buenos Aires in 1992 and the Argentine-Jewish Cultural Center in 1994 painfully illustrated this. Middle Eastern terrorists, such as Hamas and Hizballah, have come to the Tri-Border Area of Paraguay, Brazil, and Argentina to raise funds and spread propaganda. The United States has arrested suspected al Qaeda cells in New York and Oregon.

Although we do not have confirmed, credible information of an al Qaeda presence in Latin America, we are aware that al Qaeda's global crime networks and fundraising operations are always seeking to extend their tentacles. The Western Hemisphere's lightly-defended soft targets our vibrant tourism industry, thriving aviation sector, and busy ports as well as systemic disparities between countries in border security, legal and financial regulatory regimes, and state presence create opportunities for terrorists to exploit. These domestic and international threats require action by all of us represented here today. For the United States, President Bush has outlined a National Strategy for Combating Terrorism, the goals of which are to:

- Defeat terrorist organizations of global reach by attacking their sanctuaries, leadership, finances, and command, control and communications;
- Deny further sponsorship, support, and sanctuary to terrorists by cooperating with other states to take action against these international threats;
- Diminish the underlying conditions that terrorists seek to exploit by enlisting the international community to focus its efforts and resources on the areas most at risk; and,
- Defend the United States, its citizens and interests at home and abroad. The National Strategy highlights that success will only come through the sustained, steadfast, and systematic application of all elements of national power diplomatic, financial, law enforcement, intelligence, and military.

Diplomacy facilitates all elements of national power. Diplomatic exchanges, such as this conference, build political will, strengthen international cooperation, and help us take the war to the terrorists. The global coalition assembled to remove the Taliban from Afghanistan and Saddam Hussein from Iraq was just one step. Diplomacy has led to the international community voicing their collective will to criminalize terrorism, its safe havening, and its financing in United Nations Security Council Resolution 1373 and the twelve international conventions and protocols against terrorism which, in coordination with US Executive Order 13224, have frozen $120 million in over 167 countries.

Law enforcement and intelligence cooperation has led to two-thirds of the al Qaeda leadership being detained or killed, al Qaeda affiliates like Khalid Sheikh Mohammed and Hambali put behind bars, and 3,400 terrorists taken out of action worldwide.

In our hemisphere, cooperation has led to the extraditions of Hizballah financier Assad Ahmad Barakat from Brazil to Paraguay and Al-Said Hassan Mohkles from Uruguay to Egypt for his suspected role in the 1997 Luxor Temple massacre. The 3+1 Counterterrorism Dialogue is bringing together Brazil, Paraguay, and Argentina, together with the United States, to combat terrorism financing and strengthen border security.

From the President of the United States down to Secretary Powell, and particularly to me, the United States is grateful for the cooperation of President Fox and the Mexican Government in assisting us to manage our aviation security concerns over the holidays. The United States is also grateful for the OAS for coming to our aid in the wake of September 11, 2001 by invoking the Rio Treaty, and the government of Canada for caring for so many of our people in the weeks following September 11, 2001. We are all doing so much together, but more needs to done to ensure our hemisphere develops a well-coordinated and comprehensive counterterrorism strategy.

Countries that have not yet done so should ratify the Inter-American Convention Against Terrorism, the twelve United Nations conventions and protocols on terrorism, as well as other related instruments. And, the measures outlined in these legal instruments should be adopted into domestic legal systems. For our part, we are optimistic that the US Senate will move soon on ratification.

We encourage CICTE and its members to enhance collaboration with other OAS organizations, such as Inter-American Drug Information System (CICAD) and Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA); international organizations, such as the United Nations Security Council's Counter-Terrorism Committee (UNCTC), G-8's Roma-Lyon Group and Counterterrorism Action Group, and APEC; and, non-hemispheric countries, such as Spain and Israel.

We urge member states to continue to strengthen border security. The United States looks forward to working with many of you on US initiatives such as the US-VISIT, the Container Security Initiative, and the Terrorist Interdiction Program. President Bush has indicated that the greatest threat to peace today is the spread of weapons of mass destruction and the possibility that they may fall into the hands of terrorists. We are pleased so many countries here today have already indicated strong support for President Bush's Proliferation Security Initiative.

The United States has undergone considerable restructuring to enhance our ability to prevent, manage, and respond to terrorist threats and acts, establishing the Department of Homeland Security, the Terrorism Threat Integration Center, and the Terrorism Screening Center. And, we encourage CICTE members to enhance counterterrorism coordination in their governments. We urge member states to develop integrated incident management and crisis management capabilities. The United States also strongly supports efforts to share information on cyber threats and attacks, and for member states to develop a Computer Security Incident Response Team. We also encourage member states to diminish underlying conditions that create opportunities for terrorists to exploit. As Secretary of State Colin Powell has said about poverty, which applies to other underlying conditions such as corruption, religious conflict and ethnic strife, it breeds frustration, hopelessness and resentment and ideological entrepreneurs know how to turn those emotions into either support for terrorism or acquiescence to it.

The reality of counterterrorism, in which I have been engaged most of my career, is that it depends on relationships, communication, free flow of information, and transparency. We can prevent and disrupt terrorist activity by working together to secure our borders, strengthen customs enforcement, and develop strong legal and financial regulatory systems to criminalize terrorism and terrorism finance. By marshalling our resources to provide capacity-building assistance, we can deter terrorists from targeting weaker states or from using them for safe havens or fundraising. And by sharing information, as well as coordinating joint investigations and efforts to bring terrorists to justice, we can deal a serious blow to terrorism.

And, that is why we are here. First and foremost to develop ways to work together to defend men, women and children against terrorism. But, also to develop ways to cooperate in defending our critical infrastructure and commerce to ensure our economies grow and are healthy. And, to establish joint mechanisms to preserve that which we all hold dearest and which terrorists try to take away: freedom, liberty, and democracy.

Close to seventy years ago, US President Franklin Delano Roosevelt, addressing a Conference on Democracy here in Montevideo, provided sage advice that I think is applicable to what we are doing at this conference. He said, "We seek new remedies for new conditions . . ." Sometimes the remedies succeed, and sometimes they must be altered or improved. But the net result is that we move forward. The United States is committed to moving forward with CICTE to enhance hemispheric counterterrorism cooperation. Let us continue our strong partnership against terror. And, when we meet again next year in Port of Spain, let us look forward to celebrating another year of accomplishments.

Private Donation of Mine Detecting Dogs for Sri Lanka

By
Lincoln P. Bloomfield, Jr.,
United States Department of State Assistant Secretary
for Political-Military Affairs and Special Representative for Mine Action

[The following are excerpts of the speech presented at the Delegates Lounge, Washington, D.C., January 14, 2004.]

These valuable dogs, currently in training in Texas, are going to make a real difference once their paws hit the ground in the coming weeks and they complete their familiarization with Sri Lanka and their human handlers there this spring. These six dogs will accelerate the rate at which mined areas in Sri Lanka can be identified, demarcated, cleared, and double-checked to ensure that deadly persistent landmines these "hidden killers" really have been cleared. We are proud to celebrate this public-private investment that will speed demining operations in Sri Lanka and support the peace process which is so important there.

We have placed a finite dollar value on these dogs. The funds donated are indeed a lot of money. But think about the value of their work. How can we put a price on speeding up the process of identifying mined areas that could kill or maim innocent people, and liberating land for productive use? Lives will be saved. Displaced persons will return home. Fields will be replanted. Stability will be reinforced. And peace will be strengthened. What a great reward for all your efforts.

The US government has a been a strong and steady supporter of humanitarian mine action going back to the late 1980s when we and some other nations began to recognize the magnitude of the global problem caused by persistent landmines left in the ground by irresponsible combatants, often leaving a deadly hazard in place long after the hostilities were a distant memory. The US began providing mine action assistance to Afghanistan starting in 1988, then to Cambodia and then to some other countries. The scale of the problem and our growing commitment inspired us to create the US Humanitarian Mine Action Program in 1993. And let me acknowledge the presence of Pat Patierno, who ran that program for several years, and did it brilliantly. Since the formal establishment of this program involving the Department of State and other agencies, our government has invested over $700 million dollars in mine action all over the world.

Along the way, we realized that there is no reason to rely solely on governments to address the burden of overcoming this problem. So we launched our unique public-private partnership program, which as we see, is bringing a new and powerful element of private donor action to the fore on the landmine problem. It is very gratifying to see the results of outstanding efforts by private donors and by other governments as well. The Sri Lankan government's humanitarian deminers, who began training in late August of 2003, have already exceeded expectations in the pace and quality of their operations. The partnership we are celebrating today will enable them to be still more effective.

You know, our belief in the usefulness of mine detecting dogs goes back to our own experience using dogs to find explosives and perform other special functions during World War II and in Vietnam. We drew on this when we introduced mine detecting dogs to Afghanistan in the late 1980s. We have considered mine detecting dogs to be a useful asset in what we call the deminer's "tool box" in almost every mine affected country where we have provided mine action assistance since. That is over forty countries in every hemisphere in a wide range of climates and terrain. There is no single, one-size-fits-all solution to clearing landmines. We are not suggesting

that mine detecting dogs are infallible or the perfect "tool" for every situation. Dogs are living creatures. They are subject to moods, fatigue and illness just like humans. Extremes of weather, terrain and altitude can hinder their effectiveness just as it can the effectiveness of humans. And dogs can be "spoofed" by some mines and soil conditions just as human deminers and their metal detectors can also be thrown off. Nonetheless, we have to measure these almost human weaknesses against the proven track record of mine detecting dogs. And here is the good news: that track record is extraordinary!

Once again, Perry Baltimore and the Marshall Legacy Institute have been instrumental in bringing to fruition a public-private partnership initiative involving mine detecting dogs that will make a real difference in the lives of countless people. And let me also take this opportunity to acknowledge and welcome General Gordon Sullivan, former Chief of Staff of the United States Army, whose leadership and high standards of excellence is similarly reflected in everything about MLI, for whom he serves as Chairman Emeritus.

The US Humanitarian Mine Action Program, already one of the world's largest, will continue to invest in clearing mines, teaching mine risk education to people who live in areas affected by landmines and unexploded ordnance, and providing assistance to those who have been seriously injured by landmines. Our program has received steady bi-partisan support from Congress over the years, reflecting the genuine concern that our legislators and their constituents have about the global landmine problem, and I want to extend to them our sincere appreciation.

We remain committed to the belief that private citizens and organizations have a role in reinforcing the official mine action efforts of the US government and the governments of other donor nations. We now proudly count over forty non-governmental organizations in our public-private partnership program to support mine action. Working with them, with all of you, and we hope with still more such partners in the future, we pledge to continue the vital work around the world to make the world mine-safe.

Why South Asia Matters

By
Christina B. Rocca
United States Department of State Assistant Secretary for South Asia Affairs

[The following are excerpts of the remarks presented to the Asia Society in New York City, New York, February 3, 2004.]

The changes that we have seen in South Asia over the past three years and the past three weeks have been enormous. They deserve our serious attention. I am grateful for the invitation today to share our thoughts with you on US policy toward South Asia and where it is headed.

At the outset I want to thank you and your colleagues here and at the Council on Foreign Relations for your thoughtful Task Force reports published last summer: *New Priorities in South Asia: US Policy toward India, Pakistan and Afghanistan* and the less optimistic *Afghanistan: Are We Losing the Peace?* My colleagues and I at the State Department are grateful for your insights and we studied your recommendations carefully. We were glad to see that you endorsed what we are trying to achieve; I hope that you will agree that what has taken place in the intervening months is consistent with your recommendations.

The Administration's Policy

At the beginning of this New Year, Secretary of State Colin Powell summarized where we are and where we are going in US foreign policy for an op-ed published in the *New York Times*. He wrote:

> President Bush's vision is clear and right: America's formidable power must continue to be deployed on behalf of principles that are simultaneously American, but that are also beyond and greater than ourselves.

Our foreign policy is firmly founded on the President's belief in expanding freedom for individuals as well as nations on promoting economic prosperity and on never, never giving up in the search for peace. Nowhere is this more the case than in South Asia, where democracy has both taken root and sometimes proven elusive. It is a region of remarkable social, economic and technological transformations, yet it is the only place in the world where there has been a recent danger that two nuclear-armed countries could go to war. It is also the front line of our Global War on Terrorism.

The war on terrorism remains our principal foreign policy priority. As President Bush has repeatedly reminded us, this will be a long and difficult struggle from which we will not shrink. In our region, we are building a network of partnerships based on national interests and shared values to achieve our goals of spreading freedom and democracy, development and human dignity. Meeting these goals in South Asia is not incidental to US foreign policy, it is essential for the free and prosperous world we all hope to see.

The Global War on Terrorism

Afghanistan

The successes of the Afghan people over the past two years in rebuilding their country and their society have been impressive. With their latest major step, the conclusion of the Constitutional Loy Jirga, Afghanistan now has a democratic constitution drafted in a widely accepted and transparent process by representatives drawn from every region of Afghanistan.

We are fully aware that constitutional democracy cannot take hold in Afghanistan unless there is also security and the security situation in Afghanistan remains difficult. That is why the bulk

of our resources are now being devoted to the security sector, including the establishment of a national army (ANA) and the training of a new police force. There are now nearly 6000 trained Afghan soldiers with another 2000 currently in training; our goal is to reach 10000 Afghan soldiers by the time of elections this summer. Our police training programs are also in high gear. We are building seven new regional training centers for national, border and highway police. These new centers put the country's police force on track to reach its goal of fielding 20,000 police officers by the summer.

We are also building a network of provincial reconstruction teams (PRTs) throughout the country that will help provide for local security and coordinate development and reconstruction while easing the transition to civilian rule. The PRTs, are currently established in eight locations around the country and four more should be in place by the end of this month. At this time, five PRTs are being run by the United States and the United Kingdom, Germany and New Zealand are each running one. Under active discussion now in Brussels is the possibility of the North Atlantic Treaty Organization (NATO) command for PRTs a new role for our expanded alliance operating for the first time outside of Europe.

To further enhance domestic peace in Afghanistan, we have been working closely with the government of Japan and the United Nations to disarm and demobilize militia combatants, who have known only generations of warfare. After weapons are handed over, demobilized militia combatants are able to sign up for agriculture assistance, job placement or vocational training or they can join the Afghan National Army.

The resurgence of Taliban activities in southern and eastern Afghanistan is a serious problem. It represents a threat not only to Afghanistan's stability but also to that of Pakistan across the border. Because combating Taliban activities is a common interest that the US shares with Pakistani and Afghan leaders, we established in June 2003 a Tripartite Commission that meets roughly once a month to improve coordination between our three governments. The Commission has been very successful in easing tension, building a sense of common purpose and in coordinating counter-terrorism efforts.

We know that it is hard to make political progress in Afghanistan without security, but the reverse is also true. We have found that the steady progress toward constitutional government is fundamentally changing the incentive structures and strategies of Afghanistan's aspiring leaders. Free and open political debate and the opportunity to participate in democratic politics reinforce the growing support among Afghans for participatory government, just as it does among people everywhere. At the same time it discredits those who would return Afghanistan to the warlordism and anarchy of the past. Participants in the recent Constitutional Loy Jirga are now strong advocates of the political process that will result in a freely elected government in the months ahead.

Our investments in rebuilding the infrastructure and economy of Afghanistan are beginning to pay dividends as the Afghan people are given a stake in a more hopeful, more peaceful future. Rebuilding the ruins of two decades of conflict, Afghanistan's leaders have effectively pursued forward-looking economic policies, introducing a stable new currency in 2002, passing a strong banking investment law in 2003 and adopting a realistic national development strategy. These actions, as well as trade agreements with its neighbors, have allowed private sector interest in the country, particularly from the Afghan Diaspora. Within Afghanistan, increased security and political stability have spurred Afghans to return to their homes, their fields and their businesses and Afghanistan s markets are once again thriving. Unofficial International Monentary Fund World Bank estimates put annual economic growth at an impressive 30 percent.

We must and will build on this progress. We have already provided over $2 billion in assistance to Afghanistan and we will provide about $2 billion more during this year. We are committed to improving the status of Afghan women and we have integrated this goal into all US government programming in the country. The US has implemented projects to enhance women's political participation, role in civil society, economic opportunities, education and access to health care. Nearly four million Afghan children are enrolled in school today, including more than one million girls far more than ever before in Afghanistan's history. With US support and the encouragement of President Karzai, women achieved important gains at Afghanistan's Constitutional Loy Jirga, where they made up about 20 percent of the delegates and played an important role in the Jirga's leadership. The new constitution affords all citizens of Afghanistan men and women, equal rights and duties before the law and reserves 25 percent of the seats in the lower house of Parliament for women.

In summary, today, I want to underscore two very important points about Afghanistan: first, we are winning the peace in Afghanistan more to the point the Afghan people are winning the peace. Second, we all know there is still a long way to go but we are committed to finishing what we have started.

Pakistan

The United States has had a long and, at times, complicated relationship with Pakistan a country that faces many political and economic challenges. Since September 11, 2001 Pakistan has been a key ally in the Global War on Terrorism capturing more than 550 al Qaeda operatives and Taliban remnants, including al Qaeda operational commander Khalid Shekh Mohammed and September 11, 2001 plotter Ramzi bin al-Shibh. Many Pakistani lives have also been lost fighting terrorism.

In addition to continuing our cooperation with the government of Pakistan to stop al Qaeda and Taliban terrorists, we also want to help improve the lives of the Pakistani people. We are committed to helping Pakistan improve education, expand economic opportunities and restore a fully functioning democracy. Pakistan's cooperation in the Global War on Terror has increased costs for the government of Pakistan and for the country's social fabric. This year, President Bush will be asking Congress to fund the first year $600 million of a five-year $3 billion assistance initiative for Pakistan, designed to continue and help expand that country's counter terror cooperation, bolster economic growth and expand social sector programs, including education, heath, grassroots development and democracy. We are committed to continuing to broaden and deepen our relationship with Pakistan, and we are committed for the long-term.

Pakistan and India

The threat to regional stability resulting from differences between Pakistan and India over control of Kashmir, and other issues, is also a focus of American diplomacy in South Asia. As recently as the summer of 2002, war between India and Pakistan seemed possible. The international community worked hard to help our friends move back from the brink of a conflict that could have devastated and destabilized the region for years. The US has been working very hard to turn our parallel improvement of relations with India and Pakistan into what Secretary Powell has called a triangle of conflict resolution. . We do not impose ourselves as a mediator, instead, we try to use the trust we have established with both sides to urge them towards conciliation by peaceful means.

The dramatic offer by Indian Prime Minister Vajpayee to begin a process of reconciliation with Pakistan in April 2003 was an event that shook up established pessimism about the potential for improvements in the India-Pakistan relationship. The December ceasefire across the Line of Control and on the Siachen glacier gave rise to further hopes. But the agreement last month by

the leaders to resume a wide-ranging dialogue with the objective of peacefully resolving all bilateral issues, including Kashmir, has won worldwide acclaim.

The United States strongly supports these positive steps by India and Pakistan. The leaders of both countries and their governments deserve enormous credit for the statesmanship they are demonstrating. We are optimistic that both sides want to keep up the momentum generated by these recent hopeful events. The first round of talks between India and Pakistan are scheduled to begin in Islamabad February 16-18, 2004. The world will be paying very close attention to their progress and wishing them success.

India – A New Strategic Relationship

From the very first days of the Bush Administration, we have been embarked on a course to fundamentally transform the US relationship with India, recognizing the changes that have taken place in the world s largest democracy over the past decade. India is clearly destined to be one of the world's largest economies. Yet, while we are India's largest trading partners, our bilateral trade remains far below what it could be. Improving that situation is one of our primary objectives.

Our political relationship is rapidly maturing and probably better than it has ever been since 1947. We are having regular meetings with the Indians at the highest levels of government. At their summit in Washington in November 2001, President Bush and Prime Minister Vajpayee articulated their vision of the relationship our two countries should enjoy. The Prime Minister called it a natural partnership.

The two leaders recently announced the next steps in implementing their shared vision. We are calling it, appropriately, The Next Steps in Strategic Partnership (NSSP). India and the United States have agreed to expand cooperation in three specific areas:

- Civilian nuclear activities;
- Civilian space program, and;
- High technology trade.

In addition, we have agreed to expand our dialogue on strategic stability, including missile defense. The proposed cooperation will be transparent and threaten no other country. It will progress through a series of reciprocal steps building on each other and will include:

- An expanded dialogue on nuclear regulatory and safety issues and missile defense;
- An exploration of ways to enhance cooperation in peaceful uses of space technology, and;
- Steps to create the appropriate environment for successful high technology commerce.

This momentous agreement is only one milestone on the road to achieving a true partnership with India. We all know that India can play a larger role in the world, and the United States would like to work closely with India as it does so. India has contributed to Afghanistan reconstruction and has pledged to do so in Iraq as well. Our two militaries have developed a closer partnership that includes joint exercises in locations such as Alaska, Agra and the high elevations of the Indian Himalayas.

Whether we are combating the common scourge of terrorism, the common pain of human immune-deficiency virus/acquired immune deficiency syndrome (HIV/AIDS) or the common tragedy of human trafficking, India and the United States are finding many more reasons to work together than at any previous time in our histories.

Bangladesh

A valued partner in the Global War on Terrorism as well as a moderate voice in regional and international fora, democratic Bangladesh is the fourth most populous Muslim country in the world. In recent years Bangladesh has made marked progress in the economic arena and in some key areas of development. In the last thirty years, Bangladesh has succeeded in becoming agriculturally self-sustaining;

- In dramatically reducing its birth rate;
- In improving literacy rates;
- In delivering basic social services to its people, and;
- In empowering women through employment and education.

Yet deep and bitter political rivalries between the two leading political parties and one of the highest corruption rates in the world threaten to undermine democratic stability and impede economic growth. Bangladesh's opposition parties should join the current parliamentary session; they should refrain from using disruptive street agitation and strikes activities that only further deepen the suffering of Bangladeshis who are left without a representative voice in the country's highest decision-making body.

The United States cannot help put Bangladesh on the path to sustainable development without that country's leadership taking serious action. We look forward to government action on the establishment of a long overdue anti-corruption commission:

- To the separation of the lower judiciary from executive control;
- To strengthened basic education, and;
- To efforts that create an environment that will promote foreign investment.

Democratic, economic and legal reforms are needed quickly. Immediate action is in Bangladesh's interest and in the interest of the entire region.

Sri Lanka

In Sri Lanka, after almost two decades of ethnic conflict costing well over 60,000 lives, a ceasefire was put in place in December 2001. Curfews and restrictions on travel were relaxed, military checkpoints reduced, and a sense of normally returned to people's daily lives. Although formal negotiations between the government and the separatist Liberation Tigers of Tamil Eelam (LTTE) were suspended by the LTTE in April 2003, the LTTE put forward a proposal for an interim administration in the predominantly Tamil areas of the north and east of the country last October. We hoped that presentation of this proposal could lead to a resumption of formal negotiations between the government and the LTTE. But in early November, a government crisis erupted between Prime Minister Wickremesinghe and President Kumaratunga. The continuing standoff between the Prime Minister and President is now preventing the government from resuming formal peace talks with the LTTE.

Despite the suspension of formal negotiations, however, the ceasefire continues to hold. Importantly, the peace process, in terms of increased interaction among the ethnic communities, increased trade and economic opportunity, continues. There is no appetite among the Sri Lankan people for a return to war. The United States government joins the Sri Lankan people in urging their leaders to continue the path to peace and a negotiated settlement of the ethnic conflict. We are prepared to do our part. Several US agencies sent assessment teams to Sri Lanka to explore avenues of increased US engagement and assistance intended to reinforce the peace process as the parties move forward. Along with Japan, Norway, and the European Union we co-chaired an international donors conference in Tokyo in June, 2003 where a massive $4.5 billion in

humanitarian, reconstruction, and development assistance were pledged to Sri Lanka over the next three years. Deputy Secretary Armitage has invited the co-chair countries to Washington on February 17, 2004 to discuss ways to support and reinvigorate the peace process. The United States will continue to urge a settlement that has as its goal a nation that is whole, at peace, and respectful of the rights of all its citizens.

Nepal

The United States has had a close relationship with Nepal for over fifty years. During this period, Nepal has evolved from a closed, monarchy-dominated society into an emerging democracy with growing economic opportunity. We have contributed more than $1 billion to improve the lives of the Nepalese people. Unfortunately, the Maoist insurgency that has left more than 8,700 people dead since 1996 threatens to destroy so much of this progress.

The Maoist insurgents, in their attempt to overthrow the government and replace it with an autocratic communist state, have destroyed schools and infrastructure, tortured and killed civilians, looted food from humanitarian aid projects, forcibly conscripted children, and assassinated government officials. In August, 2003 the Maoists unilaterally withdrew from a seven-month ceasefire previously negotiated with the government and immediately engaged once more in terrorist actions against the people and government of Nepal. In October 2003, the US designated the Maoists as terrorists under an executive order, subjecting them to financial sanctions.

During my visit to Kathmandu two months ago, I strongly urged the King and the Nepalese political parties to work together to face the threat to Nepal. The preservation of Nepal's system of constitutional monarchy and multi-party democracy is crucial to meeting the Maoist challenge.

The Maoists are the perpetrators of this conflict. They are conducting a war against the people of Nepal without respect for human rights. Yet in its response, the government of Nepal's security forces must be above reproach. Without a focus on maintaining human rights, the government could lose the support of the very people it seeks to save from the Maoist insurgents.

The United States policy in Nepal is very clear. Along with India, the United Kingdom, and others in the international community, we stand with the government of Nepal in its continuing struggle against the brutal Maoist insurgency. But there can be no successful military solution to this conflict. The government must unify under multi-party democracy, maintain a spotless human rights record, and reach a political solution with the Maoists for the benefit of all Nepalis.

Summary

I have shared with you today some of the principal foreign policy challenges associated with nation-states in South Asia including bilateral as well as regional and international security concerns. So why does South Asia matter for Americans? Let us review:

- South Asia is a region of both enormous danger and dazzling opportunity. It is a region struggling against international terrorism, regional nuclear confrontation and proliferation, social instability and humanitarian crises, and yet
- It is a region that is home to nearly a fifth of the world's people, a huge and growing market whose industrious citizens are keen to build better futures for themselves and their families.

As Secretary Powell wrote in the *New York Times*:

> We fight terrorism because we must, but we seek a better world because we can . . . This is why we commit ourselves to democracy, development, global public health, and human rights, as well as to the prerequisite of a solid structure for global peace.

The interests of the United States and the challenges faced by the people of South Asia have fully converged. This region is now, and will long remain, at the forefront of America's foreign policy concerns.

PERSPECTIVES

Approaching the Need for Defense Reform: Early Lessons Learned in Estonia

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[The views expressed in this paper are those of the author and do not necessarily reflect the official policy or position of the Department of the Navy, the Department of Defense, or the US government. The author would like to thank LTC John Suprin, USA; LTC James Zink, USA, LTC Ken Pope, USA, and Commander Eric Olsen, USN, for their outstanding leadership during the execution of this project and comments they kindly provide on earlier drafts of this paper.]

Introduction

Since gaining independence from the Soviet Union in 1991, Estonia has had to overcome many challenges to become a democracy with effective supporting institutions. Nowhere has this been more evident than in the case of Estonian efforts to create the armed forces necessary to protect its newly regained independence. In recreating a military, Estonia had to start literally from scratch. With no institutional memory, little in the way of residual military infrastructure and equipment, and few trusted (at least initially) individuals with professional military education, training and experience, Estonia was faced with overwhelming challenges to create a national military structures from all but nothing.

Indeed, the Estonian example of reestablishing a national defense force has been even more challenging than other similar states. In 1999, recognizing that the defense planning and execution systems and procedures in Estonia required reform, the Ministry of Defense (MoD) and the US Office of Defense Cooperation, Tallinn signed an foreign military financing training case to assist the Estonian side to develop the structures and practices needed for an effective and efficient planning system. The Center for Civil-Military Relations (CCMR), Naval Postgraduate School, Monterey, California, was commissioned to undertake this project. CCMR agreed to undertake this ambitious task and developed a unique methodology of delivering technical assistance in the larger area of defense restructuring and reform. As the project has been completed, this essay constitutes early reflections upon the challenges presented by such an ambitious project. An important caveat in needed: defense restructuring and reform are long-term processes and the changes being adopted by the Estonian Ministry of Defense and Headquarters Estonian Defense Force are still in the process of implementation. Perforce, some of the observations recounted are preliminary.

Background

Following independence in 1991, the new Estonian state attempted to move quickly to develop military capabilities in order to preserve its reclaimed national sovereignty. Due to the fact that the final Russian military personnel were only withdrawn from Estonia in 1994, Estonia chose first to create a para-military forces to undertake border security tasks. Thus, in 1990, the Estonian Border Guards were established with considerable assistance provided by their Finnish counterparts. The creation of what has become a highly professional and effective para-military organization did have negative effects upon the insipient efforts to create the Estonian Defense Force, as well as the subsequent development of the Estonian Ministry of Defense. Yet another complicating factor was the 1990 reestablishment of the Keitselite (Defense League, or national guard) that traces its creation back to the war of Estonian independence, 1918-1920. This

organization enjoys a special and important place in the Estonian national defense policy that is based upon the Nordic concept of total defense. Not surprisingly, many professional officers and enlisted personnel in the Estonian Army began and are still affiliated with or serve in the Defense League. However, from a bureaucratic perspective, the Defense League is a private organization, which complicates MoD and Headquarters Estonian Defense Force management and control.

Thus, the creation of the MoD in 1992 occurred in the context of other organizations with similar and/or support defense functions already in existence and operating. The Estonian Army was formally created in 1992, led largely by Estonians who had been professional officers in the Soviet Army, as well as some returning nationals. Importantly, the initial structure of the General Staff (in effect, the defense headquarters) was founded, not surprisingly on Soviet principles and procedures, and was not well-equipped to deal with a civilian-led MoD. Bureaucratic relations amongst these organizations and ministries were later to improve significantly. The important point being that initially it was difficult for the MoD and general staff to establish themselves as the principal actors in national defense.

As a result of these realities, by the late 1990s, significant structural, procedural and organizational weaknesses plagued the MoD and general staff. Estonia's membership in Partnership for Peace and particularly North Atlantic Treaty Organization's (NATO's) Membership Action Plan (MAP) process made the need for reform urgent. While invitations for Alliance membership will always be dependent upon the vagaries of the political imperatives of the day, the employment of objective criteria can never been ruled out. Moreover, pressures were building in Tallinn that the MoD and military needed to be reformed.

Center for Civil-Military Relations' Program

The Center for Civil-Military Relations initiated its program in Estonia with a brief but comprehensive visit to Estonia to gain a full understanding of the depth of the problems Estonia faced. At that time, CCMR was asked to assist the MoD and General Staff to develop a National Military Strategy (NMS) document where two previous efforts had failed. An NMS was subsequently drafted in late 1999 and after full review by the Estonian government, was published in February 2001.

The Center for Civil-Military Relations assessment, was based on the subsequent reform project, established the following general observations:

1. Inadequate communication between the MoD and Joint Staff and within these organizations;

2. Lack of clear high level planning priorities;

3. Lack of agreement on the definition of key concepts (e.g., Total Defense and Territorial Defense) and nomenclature (e.g., what constitutes Service missions);

4. Disagreement over which strategic/operational concept should serve as the basis for planning Estonia's national defense;

5. No clear hierarchy of planning documents;

6. Long-term force development was inadequately linked to the planning process;

7. Lack of agreement on the roles and missions of the MoD, the Joint Staff, the Services, and the Defense League;

8. Inadequate time for organizations to implement planning guidance;

9. Financial programs were not responsive to planning guidance;

10. Weak institutional memory;

11. There are no common tasks, conditions and standards within the Army to guide institutional training.

In short, CCMR found that Estonia's defense planning system was relatively underdeveloped, and largely in a state of stasis. It was difficult to ascertain precisely how defense planning was being conducted, or which specific plans linked to others. Yet, notwithstanding the lack of success in Estonian defense planning, there were indications that the system and procedures was improving and even had a modest record of some successes.

Upon a full assessment of the Estonian defense planning system, CCMR formulated a number of principles to guide its envisaged technical assistance project:

1. A technical assistance project based upon the overriding principle of national capacity-building in defense planning and execution of plans.

2. CCMR would not establish a permanent presence in Estonia out of concern of creating dependency on foreign experts and to limit costs.

3. Consensus-building would be taught through group problem-solving of identified shortcomings of the planning system.

4. The introduction of an external planning system should be avoided in favor of reforming the existing systems that are increasingly becoming NATO-focused. Should this approach fail, only then should new planning methodologies be considered.

5. Group education would be the means of conveying technical training in defense planning to ensure that key planning officials from all relevant organizations were made aware of the principles and procedures of the reformed system.

6. The use of proven international subject matter experts (SMEs) and senior mentors for senior Estonian defense leadership.

7. Short workshops that focused on applying education/training to the Estonian situation/problem with the aim of drafting/devising reformed practices, documents, and procedures where relevant.

8. The project would produce, in the end, a draft Estonian Defense Planning Manual that would document the reformed system and contain key planning documents and would be widely distributed.

The project identified the following nine (9) modules to execute this plan. Each workshop module produced a deliverable or document that was intended to be implemented by the Estonian Ministry of Defense and General Staff following legal and policy review:

1. Roles and missions, March 2001. Identification by Estonian participants of 139 detailed missions. CCMR reformatted these missions into a matrix so organizations and institutions have a better understanding of their peacetime, transition to war, and wartime relationships with other agencies.

2. Force structure, April 2001. Identification by Estonian participants of fourteen major missions for the Estonian Defense Force. These missions formed the basis for the development of a capabilities-based force structure and systems architecture that the workgroup now is staffing among its several agencies.

3. Defense planning and budgeting, May 2001. Program budget processes model that will crosswalk, or associate, with the capabilities/force structure process, all of which are explicitly tied to the major missions for the Estonian Defense Force. The resulting process of processes will enable Estonian decision-makers and analysts to obtain high fidelity visibility of all aspects of Estonian national defense structure.

4. Contingency planning, June 2001. Identification of where fundamental reforms need to be undertaken from high-level to mid-level defense structures in order that effective contingency planning can be undertaken.

5. Logistic support for operation plans, July 2001. The working group identified a number of gaps in logistics planning coordination with outside organizations.

6. Inter-ministerial and PVO coordination: Defining total defense, September 2001. The working group produced the following:

- Recommended revisions to the official definition of the total defense concept;
- A refinement in roles and missions in total defense in peace, tension, crisis and war, and;
- A draft transition to war matrix that established generic changes in roles and missions as international tensions escalate to wartime.

7. Review of plans, October 2001. The working group developed a proposed new family of resource and operation plans coordinated with the national budget year.

8. Planning and review process, November 2001. Reviewed eventual changes in planning and review process process were examined, particularly in the context of Estonian eventual membership in the alliance.

9. Review project for integration, December 2001. The working group, with the view to ensure that the planning system developed was comprehensive and effective, reviewed the entire family of deliverables for integration.

Status of Project

CCMR's technical assistance project, as outline above, was conducted from March to December 2001. At a review conference in December 2001, Estonia approved of the work prepared over the past nine months and directed that the project complete it work by ensuring that where necessary deliverables be reviewed, fleshed out, and prepared for ministerial approval. Specifically, these projects addressed the following issues:

- Develop national tasks lists comprising three levels of war, i.e., strategic/theater, operational and tactical. March 2002.
- Create a capability-based defense planning methodology based upon the national tasks lists. March 2002.
- Draft the teams of reference for the Joint Operational Commander. May 2002
- Adapt the Bi-Strategic Commander's Guidance on Operational Planning for Estonian national and multinational usage. June 2002.
- Develop policy guidelines for employing war-games and simulations to review operation plans. September 2002.
- Draft format for the Joint Operational Commander's projected operational standards. September 2002.
- Develop weapons acquisition policy and decision-support methodology. September 2002.
- Draft a national Logistics Concept. October 2002.
- Draft a national Host-Nation Support Concept. October 2002
- Complete development of the Estonian Defense Planning Manual that will contain the key elements of the defense planning system developed under the supervision of CCMR. This key document was published in December 2002 and was placed on both the Ministry of Defense and Headquarters Estonian Defense Forces intranets.

Preliminary Lessons Learned

The CCMR project provided, in totality, a comprehensive and integrated defense reform structure. That said, its full implementation is a process that can only be effected over time. Not

withstanding the formal implementation of these reforms, institutionalization is a longer-term process. In light of the recent experiences of CCMR, the following observations may be of use to other US security assistance offices:

- A technical assistance project of this magnitude can be accomplished without establishing a permanent presence of foreign experts in a recipient country, with a significant reduction in cost to a country's foreign military financing budget.
- High-level support by senior defense leadership and the country team is needed to ensure that key personnel are made available to participate in workshops and to ensure that reforms are implemented.
- Implementation of deliverables is not always self-evident on the part of the recipient country and will likely require close coordination with the ODC and country team to monitor progress and, if required, provide additional focused technical assistance. Implementation must be seen as constituting the most challenging element of any technical assistance project and strong emphasis, perforce, must be placed throughout such projects on senior leader development.
- It would be a mistake to attempt to replicate in other countries the specifics of this Estonian project. However, the employment of the principles and concepts outlined above are arguably constants and would be most useful in the reform of allied and friendly countries' defense planning and execution systems, organizations and procedures.
- Perhaps the project's most valuable product has been to teach Estonian planning inter-agency coordination and consensus-building through team problem-solving.

Conclusion: Benefits to recipient country and the US

The potential benefits that accrue to a recipient country from technical assistance in the areas of defense planning and execution, as described above, are considerable. A planning system and series of procedures that are based upon indigenous practices and realities, developed in a consensus-building manner, is more likely to be maintained and improved upon over time, vice an imported system. Moreover, a responsive defense planning system will make civilian defense leadership aware of the clear costs and benefits implications of their decisions that must balance effectiveness and efficiency.

From the perspective of the United States, such a program manifests America's commitment to the host country, while contributing in a meaningful way, to its national security. US interests are furthered within the context of the Bush Administration's security cooperation strategy by encouraging defense reform. Importantly, such a project can go a long ways in furthering openness with a country's own population, as well as its neighbors. Finally, through close cooperation between agencies of their departments of defense, such programs inform US defense policy and decision-making, as well as strengthen bilateral defense cooperation.

About the Author

Thomas-Durell Young is European Program Manager, Center for Civil-Military Relations, at the Naval Postgraduate School, Monterey, California. His responsibilities at CCMR are to develop and manage the execution of a large number of assistance projects throughout Western, Central and Eastern Europe. Prior to taking this position in March 2000, he was a Research Professor at the Strategic Studies Institute of the US Army War College. Dr. Young received his Ph.D. and "DES" from the Institute Univérsitair de Hautes Etudes Internationales, Université de Genève (Geveva, Switzerland), and is a 1990 graduate of the US Army War College, Carlisle Barracks, Pennsylvania. He has authored five books and monographs and over 89 articles and book reviews. His latest book, he co-authored with the late John Borawski, *NATO after 2000: The Future of the Euro-Atlantic Alliance*, was published by Praeger in 2001. In 1999, he was the inaugural Eisenhower Fellow at the Royal Netherlands Military Academy, Breda, the Netherlands. He is co-editor of *Small War and Insurgencies* and is on the editorial boards of *Defense and Security Analysis* and the *Australian Army Journal*. His foreign languages are French, Italian and German.

Security Assistance Automated Resource Management Suite Migrates to the Web

By
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The internet continues to expand in capability and with it the federal government has expanded its E-government initiatives. Data that resided in one location and provided to other locations by mail can now be centrally located with access around the world via web-based databases. Government organizations are reviewing their data requirements and considering migration of stand-alone systems to web-based systems.

The Department of Defense (DoD) is tasked with implementing the United States Security Cooperation Program. The Department of Defense designated the Defense Security Cooperation Agency (DSCA) responsible for operational control and budgeting. DSCA utilizes security assistance organizations (SAOs) in over 105 countries around the world to help accomplish this mission. These organizations receive multiple fund allocations and are required to accurately account for all funds expended. The Department of State (DoS) budget and fiscal office provides the majority of the financial, acquisition, and contracting support. The SAO is required to keep its own accounting records and feed them to the official accounting office, Defense Finance and Accounting Service-Denver Center (DFAS-DE) in Denver, Colorado for security cooperation funds. There is a specified accounting office for each type of fund.

The Department of Defense uses a suite of software developed in-house on the Microsoft Access platform to provide feeder accounting data to DFAS-DE. The software program is referred to as the Security Assistance Automated Resource Management Suite (SAARMS). Each SAO is provided with a stand-alone version of this software. It can be used on one workstation or on multiple workstations connected via a local area network. United States combatant commands believe that there are substantial benefits to migrating SAARMS from a stand-alone system into a web-based database with centralized processing and data storage [Marme, 2002]. This offering reviews the current database, and conducts a critical analysis of migrating SAARMS to the web. The current database review is based on the author's observations of the SAARMS program from 1995 through the present and interviews with current programmers and users of the system.

Security Assistance Automated Resource Management Suite

The Security Assistance Automated Resource Management Suite is a suite of software modules to assist the SAO in managing their resources. The module designed to support the budget execution process is the only module considered in this analysis and will be hence forth be referred to simply as SAARMS. SAARMS is a database program developed using Microsoft Access. It is currently in the Access XP version. The Defense Institute of Security Assistance Management (DISAM) is responsible for development, administration, and training support of SAARMS. This module serves as the security assistance (SA) funds management system. It is also used to manage non-SA funds. The program records and limits total document value to the Obligation Authority/Fund Cite Authorization (OA/FCA) amount and accomplishes fund control using management categories specified by the combatant commands. Obligations and disbursements are recorded in the system for internal management use and to be fed to the official accounting system.

The Security Assistance Automated Resource Management Suite serves as a feeder system for the DFAS-DE BQ accounting system. The Department of Defense considers the data residing in

SAARMS as unofficial accounting information. The data in the DFAS-DE BQ system is accepted as the official accounting information. This system receives data from the DoS accounting system and SAARMS. The SAARMS feeder process is currently accomplished by the SAO generating an obligation dispersement report and data file and then transmitting those files to a central location on the Security Assistance Network (SAN). The SAN is a password protected website for use by the security cooperation community. The International Security Assistance Automated Resource Management Suite (ISAARMS) is a restricted access budget system within the SAN. Access to the SAN is limited to those with appropriate user identification and password with further access limited to ISAARMS according to user requirements by tying access to the user identification. Country budget personnel are limited to accessing their country's data only. Unified command budget personnel are limited to accessing the data of the countries in their region. DFAS budget personnel and select DISAM personnel have access to all countries' data. The SAN stores the appropriate files and then once a month consolidates all the accounting files for DFAS-DE to download into the DFAS-DE BQ accounting system.

This is a cumbersome and slow process prone to errors. DISAM receives numerous help desk requests for support at the end of each month during the upload process. The users have problems due to data corruption, internet connectivity, or operator errors from lack of continuous use. All countries are required to upload their data within a specified time frame during the month. The contractor supporting the ISAARMS is also required to process the consolidation of the countries for DFAS-DE to download within a specified time frame. If a country's data is not uploaded during the available window then the data will not be processed until the following month. DFAS-DE downloads the data and loads it into the DFAS-DE BQ accounting system. This data must also be processed in a specific time frame because DFAS-DE is required to provide the Office of Management and Budget (OMB) with a report by a specific date each month. The feeder process is cumbersome and results in data generally being thirty days or more out of date.

Fielding routine software updates is just as cumbersome as the feeder data process. The software is only updated annually to limit the number of field installations. Each country is provided with copies of the software on CD-ROM. One region of the world uses a contractor to manage their local area network (LAN) and are the only ones authorized to install software. The contractor installs software during field maintenance cycles or processes the installation for each country from a central location using remote software. When everything goes according to plan this process works fairly well. The other four regions of the world rely on the users to install their own software. The SAOs are offices of one to fifty people. The level of computer literacy and technical support capabilities vary greatly from one country to another. The yearly installation process generally results in numerous help desk requests.

The installation of software updates is cumbersome, but the backup of data is crucial. An SAO may have thousands of transactions stored in their database. Each SAO performs a backup of their data and keeps it on a floppy disk in order to reconstitute their accounting data in the event the computer fails. The embassy bombing in Kenya identified the need to keep this backup file outside the SAO office [Marme, 2002]. The budget analyst was among those killed in the explosion. The computer housing SAARMS and the backup disk were destroyed in the blast along with all the original paper documents. Reconstructing the budget data was rendered impossible. Due to this catastrophe, new procedures were implemented that require the SAOs to make a backup of their data and upload it to ISAARMS at least once a month. This process is time consuming and prone to the same cumbersome tasks as the feeder data upload process. Reconstitution of data could also potentially lose data processed during the last thirty days.

Loading funding authorizations is another area that is not performed on a routine basis. The initial OA/FCA is loaded into SAARMS each October and then once each quarter. This process

includes loading the legal funding limit, new expense codes, and funds allocations by OMB object class. Because this is only accomplished four times a year, the error rate is very high. SAARMS was modified to allow the unified command budget analysts to load each country's AO/FCA and email a file as an attachment to then be imported electronically into each countries SAARMS program. This has helped alleviate the errors, but is burdensome and time consuming for the combatant command. The combatant command has to load each country and create the import file one at a time. They often have to provide support via the telephone for the country budget analyst to import the file.

As noted, DFAS-DE uses the SAARMS data to feed their DFAS-DE BQ accounting system, but DSCA and the combatant commands use the data for financial analysis. DSCA and the combatant commands obtain their data from ISAARMS. Under this process the data being used is routinely up to thirty days out of date. The only way to get more timely data under the current system is to have each country upload their data more frequently. Additional uploads would require the countries to take time from other functions for the sole purpose of providing higher headquarters with more timely information.

The budget analysts in the SAOs routinely use various databases and regulations available on the internet. The current software cannot easily incorporate these resources because of the constant change in web addresses and inability of the program to initiate user access to the web when required. It is also difficult to interface multiple stand-alone databases with web-based databases. The new Defense Travel System scheduled for implementation at the SAOs next year is a prime example of a system that would benefit the SAOs if it could connect to the SAARMS.

In summary, SAARMS is a stand-alone database program with certain inherent limitations caused by lack of full interoperability with all units involved in the budget process. Uploading feeder data information is awkward and requires monthly technical support by the users. Installation of software updates requires similar technical support. Loading OA/FCAs are prone to error and only partially helped with the unified command creating a file for import by the SAOs. Financial analysis of the countries accounting data by DSCA and the combatant commands is often limited to outdated information. SAARMS is also very limited in its ability to utilize available databases on the internet.

Advantages of a Web-based Security Assistance Automated Resource Management Suite

A web-based database has potential to expand the capability and effectiveness of SAARMS. Web-based databases have been efficient and effective for many public sector organizations. The internet and associated technologies can be essential tools to efficient operations of government organizations. Thuraisingham [1999] posits that electronic commerce is becoming the most important web-based information management application. Greenberg et al., [2000] demonstrated the efficiencies obtained by using an internet-based database to support Brownfield redevelopment. The internet was used to efficiently and effectively input data and to interact with data input from multiple locations.

The US Department of Agriculture effectively used a web-based database to support the agrometerological field [Doraiswamy, et al, 2000]. This web-based database allowed users around the world to access the agrometerological data. It also allowed users to analyze the data using the more powerful processing capability of a central database. A web-based database containing soil test data was effectively used to provide increased access to data and faster processing to support laboratories and their clients [Motavalli et al., 2002]. The ability to work with the database via the web reduced the time required to process tests and allowed for faster more expansive analysis of available data.

Legacy databases are a valuable resource that could be better utilized if available to a broader audience using a web-based application [Jameson & Cook, 2002]. A web-based database can improve productivity, reduce costs, and make sharing information throughout the company easier. A web-based SAARMS would alleviate the need for users to upload feeder data and backup files through the ISAARMS system. The users in the SAOs and the combatant commands would have direct access to load data if required. This would allow the combatant commands to load the quarterly OA/FCAs in SAARMS reducing data entry errors and technical support for SAOs.

Accounting oversight is required for DFAS, DSCA, and the combatant commands. A web-based database with select queries can be used to provide accounting oversight and compliance assurance of field activities [Borthick, Jones, & Kim, 2001]. The existing SAARMS program requires each country to upload their data via the ISAARMS and the reviewing activity must download the data for each country to be analyzed. If the reviewing activity desires to analyze more than one country they are required to download each country's data and then merge the files together. The internet can be used to make an organization's database available throughout the world [Malaika et al., 2002]. The internet can therefore make the accounting data available to DSCA, DFAS, and the combatant commands in real time instead of the thirty day lag time currently experienced.

SAARMS is also very limited in its ability to utilize available databases on the internet. The majority of Department of Defense regulations, manuals, and publications are available on the internet. The new defense travel system will be available on the web. There are numerous government and commercial databases that are available on the internet as well. Hotel, rental car, airline, pay scales, and per diem rates are examples of databases that are utilized by the budget analysts in the SAOs. Currently SAARMS users must connect to the internet and locate these sources on their own.

Migrating SAARMS to the web would allow SAARMS to directly interact with other databases. The capability to connect multiple external databases to an organization's web-based database currently exists [Malaika et al., 2002]. A web-based SAARMS could therefore make interactions with some of these databases available to the users to obtain reference material. It could also connect directly with the databases and become integral parts of the program. This could greatly enhance the utility of SAARMS.

Security of the accounting data was identified early on in the development of SAARMS as a crucial requirement. This was achieved through the security provisions included in the database platform used in previous and existing versions of SAARMS for use on individual computers or local area networks only. Security on the internet adds new dimensions to the problem and has been identified as a major concern when developing a web-based database [Thuraisingham, 1999], [Kulkarni & Marietta, 2000], [Papastavou et al., 2001], [Motavalli et al., 2002], [Bergstrom, 2002]. Additional security restrictions may be required to support data restriction and privacy protection [Motavalli et al., 2002].

The internet can allow an organization to share data across the organization at multiple locations with restricted access to all or portions of the data [Kulkarni & Marietta, 2000]. The web server can provide the domain level access control and user authentication. Security can also be included at the database level. There are several database applications that support internal data security. Microsoft Access, Filemaker Pro, and Oracle all provide security within the database. Internet security can be achieved with the aid of available applications as well. JAVA Applets are one method to add security to the internet by the client downloading these applets to their computer. [Papastavou et al., 2001]. Implemented Secure Socket Layer to insure security of data as Statistics Norway did is another method of obtaining security [Bergstrom, 2002].

Installation of SAARMS software updates requires extensive technical support. The users would not need to install the SAARMS software on their computers if SAARMS were web-based. Bergstrom [2002] observed that installation in users computers was too complex and difficult for stand alone software but the use of the web alleviated the problem. Web technology is distributed throughout the world, it is not platform dependent, and web applications are easy to use [Jameson & Cook, 2002]. JAVA Applets could potentially be implemented for added security and would require the users to download and install [Papastavou et al., 2001]. This is one area that potentially could require some technical support. DISAM has experienced numerous download issues with JAVA Applets when clients attempted to use an Air Force developed computer security course on a database using these applets. The actual installation requirements for a web-based SAARMS would require additional research once a database platform was selected and appropriate security measures determined.

Developing a Web-based Security Assistance Automated Resource Management Suite

A web-based SAARMS will solve many problems currently associated with using a stand-alone database and provide for added efficiencies. There are costs associated with converting a legacy system to a web-based system and other issues that require consideration. Hardware, software, ease of implementation, portability, technology support, security, maintenance, and relative cost issues have all been identified as issues requiring consideration [Jameson & Cook, 2002]. Decisions on who will manage the program, who will code it, and the location of the server, will also need to be made.

DISAM centrally procures hardware for the SAOs. This hardware is configured to support running a Microsoft Access database. The SAO's would not need Microsoft Access loaded on their computer if they were only required to access the database using the internet. A lower level configuration would be adequate at the SAO level. A computer to host the server with enough capability to support a database accommodating over 100 countries' data and processing queries will be required.

Additional software will be required for loading on the server computer. There are several software programs to aid in web-based database development. Microsoft Access, Filemaker Pro, DB2, Approach, and Paradox can be used for this purpose. Microsoft Access and Filemaker Pro were identified as low cost database programs that offer easy user interface and require limited programming experience. [Kulkarni & Marietta, 2000]. Microsoft Access 97 was identified as a more powerful program for publishing on the internet than Approach 97 or Paradox 97 [Hayes & Hunton, 1999]. Microsoft Access and Filemaker Pro can be used for developing a web-based database but do not provide the best performance for searching large data fields [Kulkarni & Marietta, 2000]. DB2 supports web-based development as well [Malaika et al., 2002]. Additional research on the optimum database program will be required before selecting the appropriate development tool.

Ease of implementation is one of the drawbacks to the current SAARMS program. A web-based database could require nothing more than internet access and a web browser to those items, plus some downloaded programs like JAVA Applets often required for security purposes when using JAVA. What is required to be loaded for implementation of a web-based SAARMS will be dependent on the database and Internet access programs used. A web-based SAARMS should be fairly easy to implement.

Portability is one of the best features of a web-based database. The SAOs, DFAS, DSCA, the combatant commands and DISAM will all have access to the same timely data from any location in the world with internet access. When a SAO's budget officer is on temporary duty at another location they can still access and update the data in SAARMS. The unified command budget

officer can perform the budget functions in SAARMS for the SAO in the absence of the SAO budget officer.

Requirements for technology support would be reduced with a web-based SAARMS. Web technology is distributed throughout the world, it is not platform dependent, and web applications are easy to use [Jameson & Cook, 2002]. Technology support for users would be reduced, but additional support for the program and a new server would be required.

Security on the internet is an issue with any database. Security can be established at the database level and the domain. JAVA Applets can be used to provide security for internet access and the database development program can provide data security [Papastavou et al., 2001], [Kulkarni & Marietta, 2000]. Additional research is required on the security requirements for SAARMS but will be dependent on the development program used and the security capabilities of the domain server.

Maintenance of a web-based SAARMS will be simpler than the existing program. Bug fixes can be made, tested, and immediately applied to the program without waiting for the annual release cycle. New enhancements can also be implemented when developed. There will be no requirement to provide any maintenance on programs loaded on users' computers in the field.

Who will write the code and manage the program are critical elements of developing a web-based SAARMS? SAARMS is currently managed by personnel at DISAM and could easily continue to be managed there. Writing the new code and maintaining the existing code could exceed the capacity of the small program office at DISAM. Reprioritizing workload at DISAM or contracting out the development are options that should be considered.

A decision on the location of the server is required before implementation of the program. DISAM and DSCA both have their own servers located at Wright-Patterson Air Force Base, Ohio. The Department of Defense has other sites that host servers and there are private contractors that could provide this support as well. Requirements for hours of operation, acceptable downtime, and accessibility of the programmers are issues that need to be addressed before making a decision on server location.

Costs associated with any new information technology must be considered prior to development. The SAOs currently have internet access so no additional costs would be associated with use of the internet. Allocating space on an existing server would have no direct new costs, but if the purchase of a new server were required, the cost of the hardware, software and installation would have to be calculated. The maintenance costs associated with a web-based database should be similar to those of the existing program. There will be costs associated with the program effort required to modify the existing SAARMS program to make it web-based or to develop a new SAARMS program on a different database program that is web enabled. Further research is required to determine what level of security will be required to meet the users needs. Then the security costs could then be calculated.

Conclusion

The Defense Security Cooperation Agency can achieve efficiencies and increased accounting oversight of the Security Assistance Organizations' security cooperation funds through migration of the SAARMS to the web. Legacy databases like SAARMS are valuable resources that could be better utilized if available as a web-based application. [Jameson & Cook, 2002]. The internet has been successfully used to make information available for people working on Brownfield redevelopment. [Greenberg et al.., 2000]. The US Department of Agriculture was successful in the agrometerological field with the use of a web-based database as was the use of the web for soil test data [Doraiswamy et al., 2000], [Motavalli et al., 2002].

Several functions accomplished with the existing SAARMS could be done more efficiently through a web-based SAARMS. The existing system of uploading feeder data reports to the ISAARMS is slow, unwieldy, prone to errors, and the data is out of date when uploaded. A web-based SAARMS would not require the data to be uploaded because the data would be resident on the central server. This would make all the feeder data real time. Help desk requests should be reduced with the elimination of this complex process. Funding authorizations are currently loaded in the field with a high error rate. A web-based SAARMS would allow the combatant commands to load the data for the field allowing them more control of the funds and reduce the error rate. The combatant commands and DFAS are currently limited to performing accounting oversight reviews and other accounting analysis once a month. A web-based SAARMS would allow both organizations to conduct these functions at anytime with the most current information.

The existing data is vulnerable at the embassies. Time constraints limit the number of off site backups of data to once a month by each SAO. The loss of data on site close to the end of the month would require the SAO to reconstruct up to thirty days worth of data, if the backup documentation were available, and the complete loss of that data if the backup documentation were not available. The data on the server could be set to automatically backup locally and sent offsite as often as required.

Web-based database software could be updated as needed with bug fixes and enhancements available immediately instead of yearly with the existing difficult process of updating software. Databases and other resources available on the internet could be made available within a web-based database for enhanced features to support the SAO budget officer. SAARMS could be used from anywhere around the world. SAOs would have access to their program while on temporary duty or on leave. The combatant commands and other SAOs could perform accounting functions for another SAO while the budget officer is not available.

One problem to be addressed with the migration of SAARMS to a web-based application deals with security. Security becomes more difficult with a web-based application [Kulkarmi & Marietta, 2000]. Security at the database level and the domain level will need to be addressed. The level of security required will have to be determined based on DoD regulations and the requirements of the users. Once these requirements are determined then a decision will be required to determine the best methods to achieve that level of security.

There are four other major decisions that will have to be made prior to migration of SAARMS to a web-based application. SAARMS is currently managed by DISAM as a small database application. A decision will be required on who should manage this program in the future. The capabilities of DISAM personnel and the new requirements will need to be determined prior to this decision. A decision on who will write the code will also need to be made. DISAM does not have excess programming capacity and would require support or suspension of maintenance of the existing SAARMS in order to have time to write the new code. Depending on the software selected for development DISAM may not have the expertise to write the code. The software package for both the database and web interface will have to be decided. The location of the server will have to be determined as well.

A final consideration to make is the cost of the migration. Once the migration of SAARMS is completed the costs of maintenance should be similar to the current costs. Maintaining the database would cost the same with the exception of updates. The cost of producing and shipping CDs around the world and the time lost of help desk support for local installs would no longer exist. Added support costs would be associated with the maintenance of the server but much of this would be off set by the elimination of the requirement for the ISAARMS.

No attempt was made in this paper to make a cost analysis and financial business case for migration to the web. The available literature supports the conclusion that a web-based database can be an efficient and effective tool for public sector organizations. A web-based SAARMS offers several enhancements over the existing program. Several decisions need to be made prior to the migration of SAARMS to a web-based database. Additional research on these decision areas is required. A cost analysis considering all the costs associated with the migration and the added functionality should also be made prior to a final decision on migration of the Security Assistance Automate Resource Management Suite to a web-based application.

About the Author

Ernest B. McCallister is currently the Director of Academic Support at the Defense Institute of Security Assistance Management. He has over nine years of experience as an associate professor for the management of security assistance. His security cooperation and logistics experience includes five years at the Air Force Materiel Command and four years as a program and country manager at the Air Force Security Assistance Center. He has been involved with software programming and teaching of the Security Assistance Automated Resource Management Suite for over nine years. His education includes a Bachelor of Science from The Ohio State University, a Masters of Business Administration from the University of Toledo, and is currently a Doctoral Candidate at Walden University.

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EDUCATION AND TRAINING

Parts Repair Ordering System

By
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Parts Repair Ordering System II Program

> A pessimist sees the difficulty in every opportunity, an optimist sees the opportunity in every difficulty.
>
> Sir Winston Churchill (1874-1965)

What Is Parts Repair Ordering System II?

One of the missions of the Air Force Security Assistance Center (AFSAC) is to develop and execute international agreements and provide foreign military sales (FMS) customers support for both standard and non-standard items. Non-standard items are no longer actively managed by the Department of Defense (DoD), whether the source of supply is organic (e.g., depot) or contractor support (C-17 FLEX sustainment). A non-standard part may be obsolete and out of production, or it may be available from a small manufacturer with flexible manufacturing processes who has access to a particular build specification, or it may be available in the secondary market in a warehouse and available for sale, possibly with some retrofit or reconditioning. The Parts and Repair Ordering System (PROS II) is a government contract that is recognized by DoD as the government's source of supply for non-standard parts. Although the contract was originally developed to procure non-standard parts for Air Force components of our foreign military sales customers, PROS II was recently identified by Defense Security Cooperation Agency (DSCA) as the tri-services' preferred source of supply for non standard parts and repair.

The PROS II contract simulates all of the government's procurement activities required to provide logistic requirements support. PROS II provides allied customers the best value for part support for aging weapon systems and out-of-production/obsolete parts in support of their weapon systems. Through PROS II, AFSAC is committed to providing these requirements by focusing on timely support, competitive pricing, and quality program management.

Lear Siegler Logistics International (LSLI) manages the day-to-day operations of the PROS II contract under a five-year Indefinite Delivery Indefinite Quantity (IDIQ) contract. The contractual arrangement includes competitively derived fixed fees for all of the procurement service related to successfully filling a supply or maintenance requisition. The contract includes an award fee plan and semi-annual award fee periods throughout the life of the contract. Three different types of procurement services are available through PROS II.

Supply

If DoD no longer actively manages a part it is called non standard and it becomes a PROS II supply/repair part candidate. The majority of these supply/repair parts are part numbered requisitions and a national stock number (NSN) has never been assigned. The DoD source of

supply can also forward requisitions for standard supply/repair parts that cannot be supported in a timely manner to PROS II.

Maintenance

Repair and maintenance requisitions can also be filled where the US government no longer manages repairs for a particular asset. This includes items that are classified as consumables with expendability, recoverability repairability category (ERRC) code of N or P. US depots do not normally repair consumable items. Maintenance performed under the PROS II program is solely repair and return. The customer will receive the same asset they turn-in for repair. In some instances, when the item is beyond economical repair (BER) an exchange may be offered to the customer or the customer may submit a requisition to replace the item.

Task Orders

The most common question is, "What is a task order?" Task orders are the course of last resort for parts re-engineered. Task orders can also provide studies, analysis and technical services for the FMS customer. Task order support can include item management, purchasing, production and production management, financial management, computer technology, program management, equipment specialties, law, transportation, distribution, storage and storage management, quality assurance and/or engineering. As of this article twenty task orders have been implemented under the PROS II contract.

History of Parts Repair Ordering System II

Between 1989 through 1990, AFSAC recognized the need to provide sustained support to FMS customers for non-standard and hard to support standard items. Cancellation rates from DLA and the depots were less than optimal and lead times for delivery were so miserable that FMS customers were complaining loudly. In September 1990, AFSAC solicited and awarded the first non-standard support contract to Systems Control Technology (SCT) under the Non-Standard Item Parts and Repair System (NIPARS) contract. NIPARS is often referred to as the first generation (1991 through 1995) contract for non-standard parts support. The NIPARS program was a success, processing approximately 97,000 requisitions, valued at $455M. In 1995, AFSAC again solicited for the follow-on to NIPARS. The new program was called, Parts and Repair Ordering System (PROS I) which ran from 1996 through 2000. The PROS I contract was awarded to Science Applications International Corporation (SAIC) in 1996. PROS I generated over 173,000 requisitions with a material value over $1.1B. PROS II was competitively awarded in December 2000 to Lear Siegler Logistics International (LSLI).

The conceptual philosophy behind these NIPARS/PROS contractual models required a cultural readjustment by the entire acquisition community who sustained a belief that only the government, and the contracting officer, could contract for supplies and services at a fair and reasonable price. Acquisition was slowly evolving from the traditional adversarial relationship between the government and the prime contractor to a long term teaming arrangement. The current PROS II contract is based on a partnership that promotes achievement of mutually beneficial goals.

Parts Repair Ordering System II Capabilities

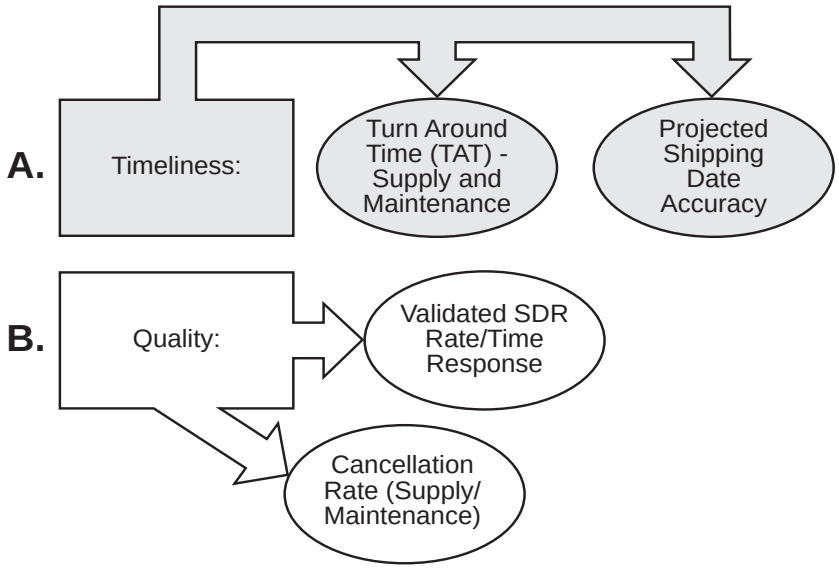
PROS II is the Air Force's solution to providing FMS support and repair long after the support of the weapons systems was eliminated from the United States inventory. In reality, by the time a requisition hits the PROS II level of support, the requisition is in danger of being cancelled.

Much of the success of the PROS II program is resident in the organizational structures that support the program, from both a government and contractor framework. The overall premise of the contract is designed to provide the customer with the right part, at the right time, and at the

right price. This is strictly speaking a performance based service contract with objective, measurable, and easily verifiable metrics which track to the Award Fee Plan.

The Air Force measures contractor performance both in timeliness of procurement actions and the quality of the material supplied to the customer. Timeliness is measured both in turn-around-time (TAT) and projected shipping date accuracy. In other words, how fast can the contractor provide the right part at the level of service and how accurate is the estimated shipping date. (Figure 1). The FMS customer has the option to select between three different levels of service (LOSs) for each supply and maintenance/repair requisition. The levels of service are defined in the contract with their required TAT. The LOS categories are not mission capable supply (NMCS), urgent and routine. For example, the LOS for a NMCS supply requisition is fifty-five days. Due to the nature of non-standard procurement support–items are not available off-the-shelf. The performance metric associated with this LOS is 50 percent of NMCS requisitions will be filled and delivered within fifty-five days of initiation.

Figure 1. Process Measurements



Estimated Shipping Date (ESD) accuracy is an objective metric in the PROS II contract, the contractor must ship the repair part or complete the maintenance action within thirty days of the estimated shipping date as quoted by the supplier or maintenance activity. Shipping date accuracy provides for some unique challenges. Since shipping date accuracy is critically important not only to the FMS customer but is equally important to the PROS II contractor to accurate state the estimated shipping date.

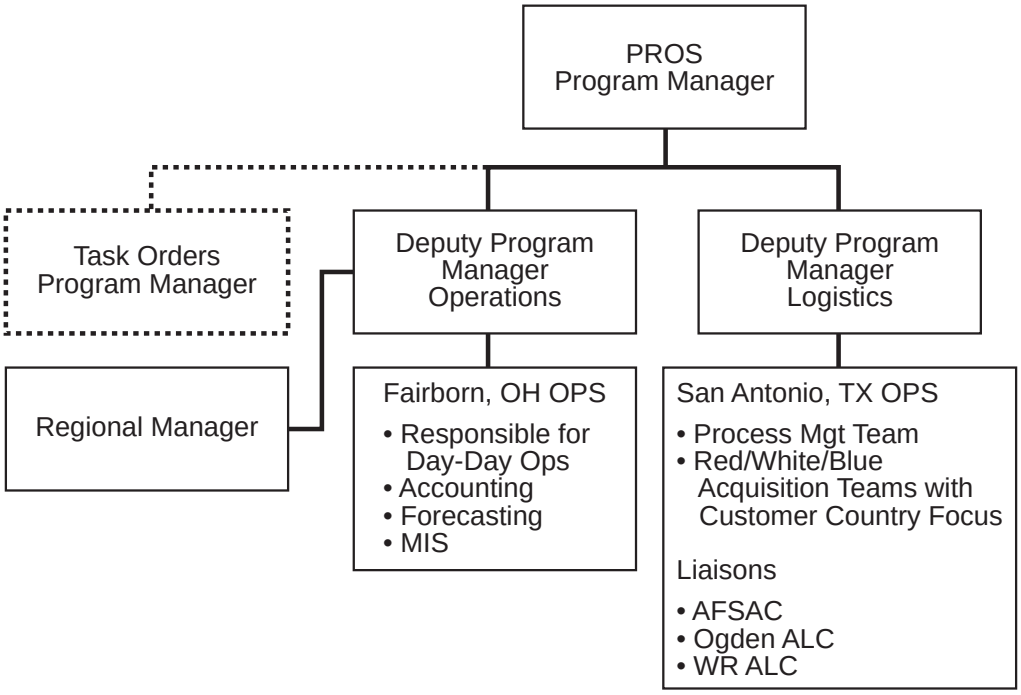
Quality is important to the FMS customer. Quality under the PROS II contract is measured using three important criteria:

- Cancellation rate;
- Validated Supply Discrepancy Report (SDR) rate, and;
- Billing Error Rate.

In June 2003 the Billing Error Rate was eliminated from the verifiable metrics due to the extremely low billing error rate and a new category was added to include the percentage of SDR responded to within fifty-five days.

There are two program management offices (PMOs) under the PROS II contract. The first is the AFSAC PMO which performs administrative and oversight functions and includes the program manager, deputy program manager, financial manager, logisticians, contracting, maintenance and management information systems support. On the contractor side, LSLI maintains two offices, one in Fairborn, Ohio which is responsible for accounting, management information system management, and marketing. In addition, the Fairborn office performs the function of an interface between the contractor, the PMO, FMS customers, and the San Antonio, Texas office. The heart of the operation is the procurement and logistic organization in San Antonio, Texas illustrated in Figure 2. The San Antonio operation is organized into cross functional teams who support requirements for specific customers. This specialization leads to improved customer support based on increased familiarity with the customer's requirements and the vendors who support those requirements. Acquisition team leads are responsible for the overall performance of their teams in support of specific country requirements for both supply/repair parts and maintenance/repair. This organizational structure benefits the FMS customer who has one specific focal point for questions concerning critical requirements or to make a routine inquiry on the status of a requisition. See Figure 3 on the next page.

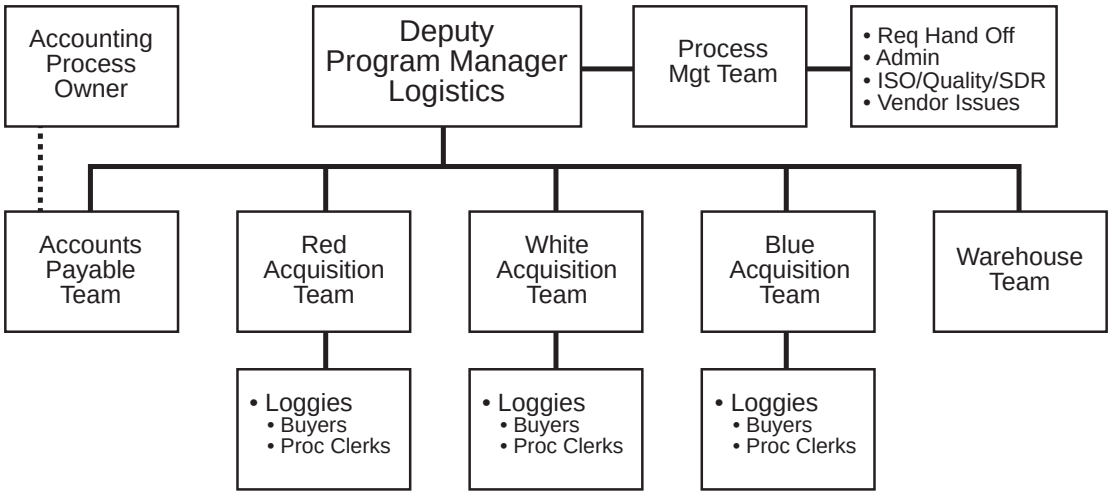
Figure 2. PROS II Organization Chart



The success of the program relies on LSLI's ability to process a significant volume of requisitions in a relatively short period of time to meet the requirements of the contract. How does LSLI accomplish this task? It all begins with the main computer system for processing logistics information for the Air Force Security Assistance Center, the Security Assistance Management Information System (SAMIS). SAMIS performs edits on all incoming requisitions and electronically passes the order to AFSAC Case financial managers who ensure adequate funds are available on the country case/line and in the correct account. All PROS II requisitions are direct cite. If the requisition passes all edits it is passed electronically to LSLI via a series of Electronic Data Interfaces (EDI). Once LSLI's data system receives the requisition, the clock starts on processing the requisition for ultimate delivery to the customer. An LSLI logistician

reviews the requisition and attempts to cross the part numbered requirement to a NSN. If the part number crosses to an NSN a message is sent back to AFSAC requesting approval to continue procurement on the requested item. If the item is DoD managed, the requisition is cancelled back to the AFSAC for routing to the appropriate activity for filling the requisition. If the item is a part numbered item that does not cross to an NSN or is a standard item and is no longer managed by DoD, the procurement action is initiated by LSLI.

Figure 3. PROS II San Antonio Organization Chart



Lear Siegler Logistics International developed an electronic bulletin board where qualified vendors and original equipment manufacturers (OEMs) can respond to requests for quote to fill the supply/repair requisition or perform the maintenance/repair action. As of the printing of this article, over 470 vendors have registered on the LSLI bulletin board. Some of the major OEMs do not use the bulletin board and prefer other means of solicitation. As a result, the total number of vendors and OEMs LSLI has in its database is over 750.

Why So Many Vendors?

The simple answer is competition. Adequate price competition is the government's gage for measuring the contractor's ability to achieve fair and reasonable prices. LSLI does not gain financially by increasing the prices on procurement actions. The fixed fill-fee(s) that LSLI earns are contractually mandated. The contractor does not receive additional fill fees until the price of the asset jumps from one wide price band to the next wide price band. These bands are wide enough to prevent the contractor from manipulating prices to earn additional fill fees. The interests of the contractor, and the FMS customers, are best served when LSLI achieves the lowest price the marketplace will offer for that supply or maintenance requisition, at that time, under the conditions required.

Task Order Management

As previously stated in this article, task orders are a means of providing studies, analysis and technical services for the FMS customer. But in actuality, it is much more. Task orders under the PROS II contract have ranged from very simple requirements such as conducting logistics management reviews, to very complex requirements, such as the establishment of an engine test facility in an FMS customer's country. Task orders have been successfully performed in support of F-16 Landing Gear Regeneration, in-country repairs for helicopter gearboxes, support equipment and cameras, night vision goggle helmet modifications, and night vision light compatibility development and kitproofing.

At the time of contract award, LSLI subcontracted with Northrop Grumman Information Technology (NGIT) in a true teaming fashion to perform all aspects of task order program management. One of the original goals of task order support was to provide the capability to resolve critical part shortages when parts are no longer available through the PROS II requisition process.

Task order execution is dependent on expedited task ordering procedures which are established in the PROS II contract. Task orders are designed to provide timely support, competitive pricing, quality service, quality program management and a realistic turn-around-time.

The task order process is relatively simple in its execution. The customer communicates the FMS task order requirement to the command country manager and the AFSAC PROS II program management office. LSLI/NGIT will conduct (optional) a pre-task order meeting with AFSAC and the customer country to further definitize the requirement. The AFSAC PROS II contracting officer will issue a Statement of Objectives (SOO) or Statement of Work (SOW) to LSLI/NGIT. Upon issuance of the SOW LSLI/NGIT has seven working days to prepare a technical implementation plan for accomplishing the task requirements. After submittal of the technical implementation plan and cost proposal, the AFSAC task order manager reviews and coordinates the technical implementation plan with the appropriate personnel and organizations and provides customer funding. The AFSAC PROS II contracting officer then issues a delivery order (DD1155) to LSLI. LSLI in turn issues a purchase order to NGIT who begins the execution phase of the task order in accordance with the SOW and the technical implementation plan.

Reality Versus Customer Expectations

Foreign military sales requirements for non-standard parts offer no opportunity for forecasting and only limited opportunities for consolidation. Therefore, purchasing or repairing parts through the PROS II contract is not the most efficient method of procurement for FMS logistic requirements, but it is the best method to support small, unconsolidated requirements.

Many OEMs, who developed and delivered weapon systems to the US government and FMS customers, are no longer interested in supporting small quantity purchases. Their manufacturing and business processes are structured to support large economic order quantities. A major manufacturing plant does not easily convert from large production runs to small production runs. This is very inefficient activity for OEMs. Smaller vendors, with smaller overheads, are better suited for small orders.

The PROS II contract has numerous terms and conditions that were put in place to ensure the contractor follows procurement practices that comply with statute, policy, regulation, and best practice that the AFSAC Foreign Liaison Officers (FLOs) agreed to prior to the release of Request for Proposal for the PROS II contract. These mandatory requirements are clearly defined in the contract. In order to monitor contractor performance the US government conducts contractor site surveillances twice a year. Purchase order files are reviewed, analyzed, and feedback is provided directly to LSLI at the end of each site visit.

Fair and Reasonable Pricing

There is not a single formula or equation that can be used to validate that a fair and reasonable price has been negotiated. It takes both buying experience and extensive knowledge of the marketplace to become an outstanding logistics support buyer. Competition in the marketplace is one of the most reliable methods of assuring a fair and reasonable price. Adequate price competition exists when two or more responsible, responsive, and independent offerors submit bids or proposals in response to a request for quote (RFQ) or request for proposal (RFP) to provide the material or service requested. The determination of a fair and reasonable price is not

based on a scientific or mathematical formula; it is more of an art than a science. When the competitive marketplace of the requirement is sole source or single source, the logistics buyer must make a determination of fair and reasonable pricing based on a comparison to previous purchases of the same item, or previous purchases of a similar item. This comparison may incorporate many factors to determine a fair and reasonable price. Some of the factors that might be considered are inflation, break in production, quantity differences, configuration changes, value analysis etc. Many elements of the determination of fair and reasonable pricings have both objective and subjective criteria.

We applaud the FMS customers who have conducted independent logistics research and who have been willing to provide vendor and pricing information to LSLI through the narrative portion of the requisition. No one can be expected to have perfect market information. The more the customer, the government, and the contractor team work together to support PROS FMS requirements, the more satisfied the FMS customers will be with the outcome lower prices and faster deliveries. Partnering and collaboration should not be unique to the US government and its prime contractors. The next hurdle of acquisition evolution that needs to be achieved is teaming between the FMS customer and the contractor. Only when partnership is realized will the most optimal outcome of contract performance be achieved.

The Future of PROS II

The current PROS II contract period of performance ends in December 2005. Starting in 2004, AFSAC will begin to develop the performance work statement for the follow-on Tri-Service contract for non-standard and hard to support supply and maintenance requisitions for FMS customers worldwide. Although there is some discussion as to what to name the follow on program, it is recognized that AFSAC and industry have jointly developed a robust means of providing support to the FMS customer. In the development of the PROS II contract, AFSAC envisioned the contract to be Tri-Service by the mid-term of the contract. Right now, the Army is tentatively scheduled to start inputting requisition in the fall of 2003, with the Navy to follow within six months after minor interface issues are resolved.

About the Authors

Patrick K. Hawkins is the Deputy Program Manager for Operations/Contracting Officer at Lear Siegler Logistics International, Fairborn, Ohio. He was the Deputy Director of Research, Associate Professor, Acquisition Functional Coordinator at the Defense Institute of Security Assistance Management from 1995 through 2001.

Christine L. Hazlett is the Chief of the Parts and Repair Ordering System Contracting Division and the Contracting Officer for the PROS II Program. She teaches contracting courses across the country for the National Contract Management Association.

Cooperative Logistics Role for National Codification Bureau Stressed in Local Training Course

By
Lynn B. Schmoll
Defense Logistics Information Service

[The following is a reprint from the *News Release* created by the Defense Logistics Information Service. For further information about this article go to DISL on line at www.dla.mil/dlis.]

Defense Logistics Information Service is a major field activity of the Defense Logistics Agency. It creates, obtains, manages and integrates data from several sources. It shares this data through user-friendly products and services that support logistics operations throughout the Defense Department, other federal agencies and elements of the private sector. DLIS' expertise in cataloging and information management makes it an important contributor to electronic commerce between the US government and its many suppliers. DLIS manages the Federal Catalog System (FCS) and serves as the National Codification Bureau (NCB) for the United States. It is also an important facilitator for international cooperation in military/government logistics, educating foreign logisticians about the importance of NCBs in modern logistics.

The role of National Codification Bureaus is little known in logistics circles, less so outside of logistics. Yet the NCBs provide a foundation for international cooperation in military and government logistics; furthermore, they now play a role in commercial logistics. That is why the Defense Logistics Information Service (DLIS) located in Battle Creek, Michigan, is educating foreign logisticians about such bureaus and their place in modern logistics.

"Cataloging or as it is referred to internationally, 'codification' is a small field compared to the rest of logistics. It is the DNA of the Department of Defense (DoD) supply chain, and increasingly used both commercially and in international logistics. Yet, its impact is immense," said Marine Colonel Joseph D. Cassel Jr., DLIS commander. "This logistics data underlies the lifecycle support of all major weapons systems and most military sustainability efforts. It is critical to mission success." Cassel explained that the bureaus rely upon the North Atlantic Treaty Organization (NATO) Codification System (NCS) for the data interoperability, the data/systems integration, and the data integrity that underpins coalition and joint logistics.

"For a relatively small investment, cataloging provides a big return, a return that keeps on giving." Cassel said.

Catalogers compile data for the supply systems of participating countries in the NCS, where each distinct item only needs to be cataloged and assigned a National Stock Number once. That one number is shared by participating countries and provides the basis for both sharing item information and sharing items themselves. The NATO Group of National Directors on Codification (Allied Committee 135, or AC/135) manages the system.

By agreement, each country that uses the system must have a single office that serves as point of contact for every other country. That office is responsible for linking its national catalog system with those of other governments. Normally the office chosen is part of the national cataloging organization. Since DLIS already manages the Federal Catalog System, it logically serves as the NCB for the United States.

Because the international logistics field is rather specialized, until recent years there was little available training that addressed the management of a catalog system and protocols for exchange of data between countries. Four years ago, DLIS filled the need by establishing an annual training program titled, "Logistics Information Management Course for International Logisticians" better known as "The NCB College."

Forty-seven officers and civilians from twenty-three different countries have been trained by DLIS during the past four years. They are taught the role of cataloging in logistics and how to implement and run a cataloging system in their government.

Many NCB College students are from countries that are either new NATO members or nations seeking to join NATO. These nations are anxious to meet NATO standards in this area. Other students are from countries with well-established cataloging systems (e.g., Malaysia, South Korea and the United Kingdom) or countries seeking to better understand the NCS (e.g., Ecuador, Mexico,).

While cataloging may be a small field in terms of the number of catalogers, it is very large in terms of the number of countries that subscribe to the NCS. From the beginning NATO allowed non-NATO countries to participate (e.g., Australia). In recent years, there has been a seeming rush to join. Currently, nearly fifty countries are formally associated with the NCS and maintain an NCB. In addition, NCS data and techniques are used in other countries (e.g., Japan) while not formally aligning themselves with the system.

According to Chris Yoder, chief of DLIS' International Division, there are two big reasons for recent growth in the system. First, there are the efficiencies that the NCS brings to logistics; and, second, there is a plus or a minus depending on the nation. For example, for Japan the association with NATO could pose some political issues and that might serve as an obstacle to formal membership. On the other hand, for Bulgaria, the NATO association is a driving force.

"On the US side" Yoder continues, "the widespread use of the NCS helps foreign military sales, which supports our defense industrial base." He explained that the work of the US NCB directly facilitates sales of US goods to participating nations. "We establish the catalog data, including the National Stock Number (NSN), which allows the goods to become a regular part of other countries' supply systems. Every year we process 30,000 - 40,000 requests from allied nations to catalog additional US products into the system!"

In the commercial sector there is a similar need to standardize the language of catalogs. This need supports efforts to make the language of the NCS a commercial standard as well. Working closely with AC/135, an electronic commerce standards organization has developed an open use "catalog builder" application and a repository of open standards based on those used within the NCS. Available for less than a year, many companies are preparing to adopt the standard.

If successful, the commercial system will build a bridge between the language of suppliers and the language of the governments of participating countries. "We imagine the day when the descriptions of US products introduced into the military supply system will be downloaded directly into federal as well as NATO catalogs and freely exchanged between companies which are both buyers and sellers of products. We will have a "common international language of logistics" in the public and private sectors, serving the same role as the NCS has served between national Defense Departments, "Yoder said.

Students at the most recent NCB College were focused on helping their countries succeed in this field. The Bulgarian officer noted in his out brief that he was particularly interested in learning both the theory and practical matters of applying this discipline to their supply system.

Logisticians have similar challenges around the world. Captain Snezana Marinkovik Olevska, a graduating officer from the Former Yugoslav Republic of Macedonia said, "I can say that the logistics fundamentals — acquisition, distribution, sustainment, and disposition — are very similar with those used in our military. Therefore, the uses and interface of codification data in the logistics life cycle is very important and useful." She added that "the implementation of NCS is an important contribution to logistics interoperability between allies, and it also gains financial benefits."

The most recent NCB College course included four Polish logistics officers. Captain Janusz Blaszczyk noted that their objectives are to "obtain more experience in cataloging, develop better and more comprehensive procedures and guarantee the highest possible quality of codification data."

All of the graduates were pleased with the information program and social events associated with the course. As Olevska said, "This course was my first experience with the American society." During the course, students had the opportunity to meet representatives of federal, state and local government institutions, the judicial system, private industry and the media.

Additionally, DLIS employees arranged for dinners in their homes, trips to baseball games, weekly volleyball games, fishing trips and other activities. The interaction between employees and students was beneficial to all. "Our business can be a bit impersonal because of the great distances between us and our colleagues; it is great to make human contact and know that we will hear from many of these folks again as they advance in the logistics field" Yoder said.

The NCB College is taught once per year, and additional information is available at http://www.dlis.dla.mil/nato/ncbc_home.asp on the World Wide Web.

Polish Forces Receive Help on North Atlantic Treaty Organization Procedures

By
John Zellers
Defense Logistics Information Service

[The following is a reprint from the Defense Logistics Information Service. For more information visit DLIS on line at www.dla.mil/dlis.]

Experts on international cataloging (aka "codification") from the Defense Logistics Information Service (DLIS) recently provided an overview of North Atlantic Treaty Organization (NATO) procedures to key Polish Defense Ministry officials in Warsaw, Poland.

The Polish National Codification Bureau (NCB) sponsored and funded the two-week program. An executive overview was provided to a group of high level officials, one week of training was provided to NCB staff, one day to Military University staff, and three days to an audience of 80 logisticians from the military departments and defense industry. A two-man DLIS team led by Chris Yoder, chief of DLIS' International Cataloging Division, provided 22 separate presentations. These ranged from a history and overview of the US Federal Catalog System which is the basis for the NATO Codification System (NCS) to the technical details of specific types of item identification and how supply item data is managed and distributed in a national/international logistics context.

> "Our challenge was primarily to impress upon the Polish military community the importance of codification to national and NATO logistics," Yoder said.

The training supported Polish efforts to implement the NATO cataloging procedures nationally. The main challenge for countries such as Poland is to integrate the establishment and management of item related data with the standard logistics operations of their national defense system. The executive audience attending the overview included Mr. Janusz Zemke, First Deputy of the Ministry of Defense; Lieutenant General Lech Konopka, deputy chief of the General Staff; Lieutenant General Marian Mainda, commander of the Warsaw Garrison; Lieutenant General Krzysztof Juniec, general staff-chief of the Logistics Directorate; and Major General Andrzej Pietrzyk, coordinator for the Secretary of State.

The Polish NCB has obtained cataloging software, "SICAD Plus," and they have populated a national catalog file with 13,631 stock numbers. The next phase of the implementation strategy is to begin working with separate item management organizations to develop procedures to expand the range of items cataloged and to integrate use of this data to support daily logistical operations.

John Zellers, Yoder's teammate and DLIS' team leader in international training, described the event as one of many examples of where the US expertise in the development of a national codification system is contributing to the expansion of the NCS system. As a service to countries developing cataloging systems, DLIS operates the eight-week "NCB College," which was attended this year by several of the managers who orchestrated the Warsaw event. The NCS has been the cornerstone for logistics interoperability within NATO, and today almost fifty nations around the world use this system of item identification.

> "The training in Warsaw is one of many initiatives where training materials developed by DLIS have been customized to meet the peculiar implementation concerns of a country in attendance," Zellers said.

DLIS Instructor teaching a Polish class about the North Atlantic Treaty Organization procedures.

Over the last several years, DLIS has worked with the U.S defense offices in both European and Pacific theaters of operations to provided training or familiarization sessions in a dozen or more nations. A field activity of the Defense Logistics Agency http://www.dla.mil/, DLIS creates, obtains, manages and integrates data from several sources. It shares this data through user-friendly products and services that support logistics operations throughout the Defense Department, other federal agencies, and elements of the private sector. DLIS' expertise in cataloging and information management makes it an important contributor to electronic commerce between the US government and its many suppliers. For additional information about DLIS, visit http://www.dla.mil/dlis or call (269) 961-7019.

About the Author

John Zellers, a team leader in international training at the Defense Logistics Information Service, leads one of the 22 classes provided through a two-week program sponsored by the Polish National Codification Bureau for high level officials, bureau staff, Military University staff, and 80 logisticians from the military departments and defense industry.

Security Assistance Management On Line Update

By

Lieutenant Commander Ed McFarland, USN
and

Richard Rempes
Defense Institute of Security Assistance Management

Security Assistance Management On Line (SAM-OC) is the Defense Institute of Security Assistance Management's (DISAM) first distance learning course that was developed in 2001. In this article we will attempt to identify the target audience for the SAM-OC course, provide a progress report on SAM-OC, and describe the outlook for SAM-OC in 2004.

Is the SAM-OC course for you? SAM-OC is an entry-level course designed primarily for personnel who are new to the security assistance field, or who perform security assistance duties on a part-time basis. It provides an overview of the full range of security assistance activities, to include legislation, policy, foreign military sales (FMS) process, logistics, finance, and training management. The course offers the advantage of immediate training for employees as soon as they are assigned to a security assistance position, rather than waiting for the next scheduled DISAM resident course. SAM-OC should not be considered a substitute for a DISAM resident course, but it can be used as a precursor to any appropriate DISAM course (i.e., CONUS, Overseas, Executive, or Foreign Purchaser). If you spend more than 50 percent of your work time in security assistance, it is highly encouraged that you contact your military department's security assistance training activity to enroll in a resident course.

How successful has the course been? SAM-OC has been available since January 2002 and we have had over 260 students successfully complete the course. As mentioned in a recent article in *The Daily Record* in Baltimore, Maryland,

> The emergence of electronically mediated instruction and particularly of internet-based, asynchronous learning (anytime, anywhere) stands out as the single most important development in higher education in the last decade.

Currently more than 90 percent of public universities and 50 percent of private universities are offering fully on line classes. On line education is the wave of the future and many government agencies are aligning with civilian institutions in offering on line education as well. The US Navy has its Navy Knowledge On line (https://wwwa.nko.navy.mil), the US Army has its Army University Access On line http://www.eArmyU.com and there are many other Department of Defense organizations with websites where eligible students can enroll in courses to attain personal and professional success. In a press release by Sloan Consortium, a consortium of institutions and organizations committed to quality on line education, it stated that from Ivy League to tiny community colleges, a majority of institutes or higher education say on line learning is just as good as traditional, face-to-face classroom instruction. SAM-OC has been a successful tool at providing just-in-time training for personnel new to the security cooperation community.

Though we see SAM-OC as an excellent tool for our target audience, we would like to decrease the amount of students withdrawing from the course due to their related workload. Since we have offered this course, our attrition rate has hovered around 50 percent. Most of those who withdraw from this course say that it is too difficult to balance their job related workload with the on line course requirements. SAM-OC takes approximately thirty hours to complete. For those who have never taken an on line course, it takes a lot of self discipline and persistence to get through an on line course. Over 70 percent of the students who successfully complete our course say that they spend over an hour on line during a session.

Currently, most of our presentations have the look and feel of a Microsoft PowerPoint presentation. We are in the process of updating our curriculum and presentation media to reflect

a more visually oriented and interactive product. We are incorporating more graphics and animation to make the course more appealing to visual learners; re-recording audio narration with one narrator, and reducing or re-allocating text to eliminate the need for scrolling text boxes. We hope to have this new iteration of SAM-OC completely deployed by the summer of 2004.

Below is a screen shot from our current course:

This is an ideal refresher course for personnel who are returning to the security cooperation community. Students can request to be enrolled as an audit student, which alleviates the requirement to take the quizzes, but also means that the student will not receive a certificate of completion. As an audit student, one can view lessons and course material on an as needed basis.

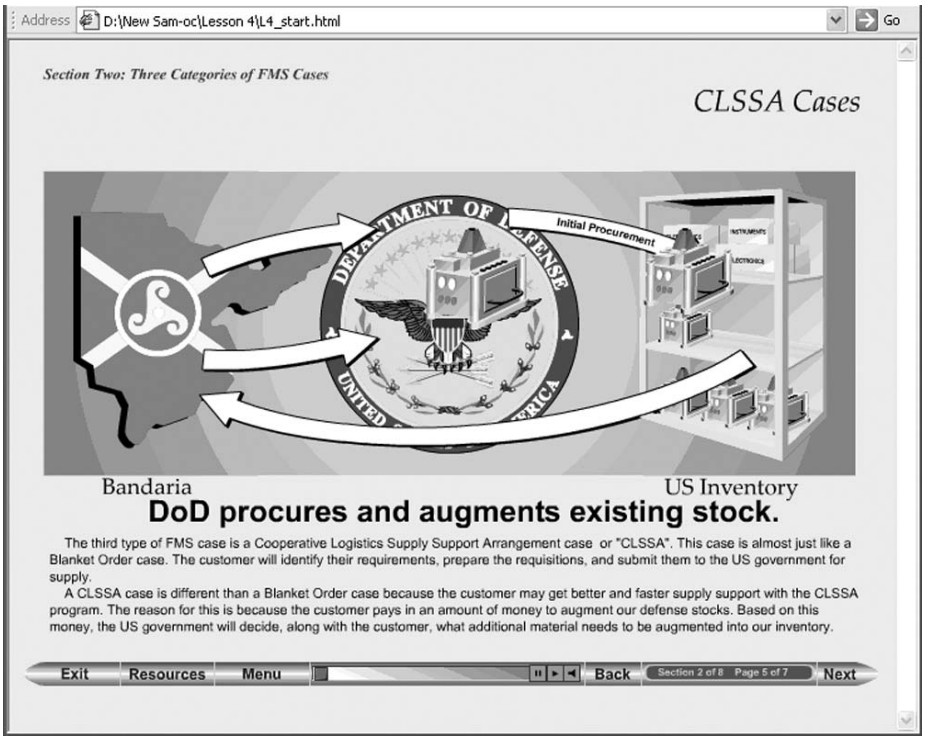
In the past year we have had questions in both our resident courses and on line course on whether SAM-OC counts toward the International Affairs certification. It depends! Probably not, except in special circumstances and each service has its unique requirements, below is a listing of military department points of contact for clarification:

- USAF: Patrick Leddin (407) 566-1662/1661;
- USN/USMC: John Hoefling (202) 764-2494 (DSN) 764-2494;
- USA: Robert Goldstein (703) 588-6575 (DSN) 425-6575, or;
- Other DoD Organizations: Lt Col Mary Street (937) 255-3529 (DSN) 785-3529.

To provide uniformity with our newest on line course, "International Programs Security Requirements - On-Line" (IPSR-OL), we have recoded SAM-OC using Macromedia Flash (http://www.macromedia.com/software/flash/). Flash allows for greater flexibility in the use of animation, development of interactivity and inclusion of multimedia content. Unlike simple HTML and JavaScript content, Flash content will automatically resize to the current resolution of the client machine, thus eliminating the need to resize browser windows or change screen resolutions. Flash is a cross-platform application, and is designed to work equally well on either Windows or Macintosh machines running Microsoft Internet Explorer, so long as the Flash browser "plug-in" is installed. Both SAM-OC and IPSR-OL will attempt to automatically download and install the Flash software if it is not already present. Some machines require

administrator privileges to install new software. If this is the case at your installation, contact your IT department personnel for assistance.

Below is a screen shot from the new iteration. Note that the display is less busy, eliminates scrolling text, utilizes animation and presents better organization:

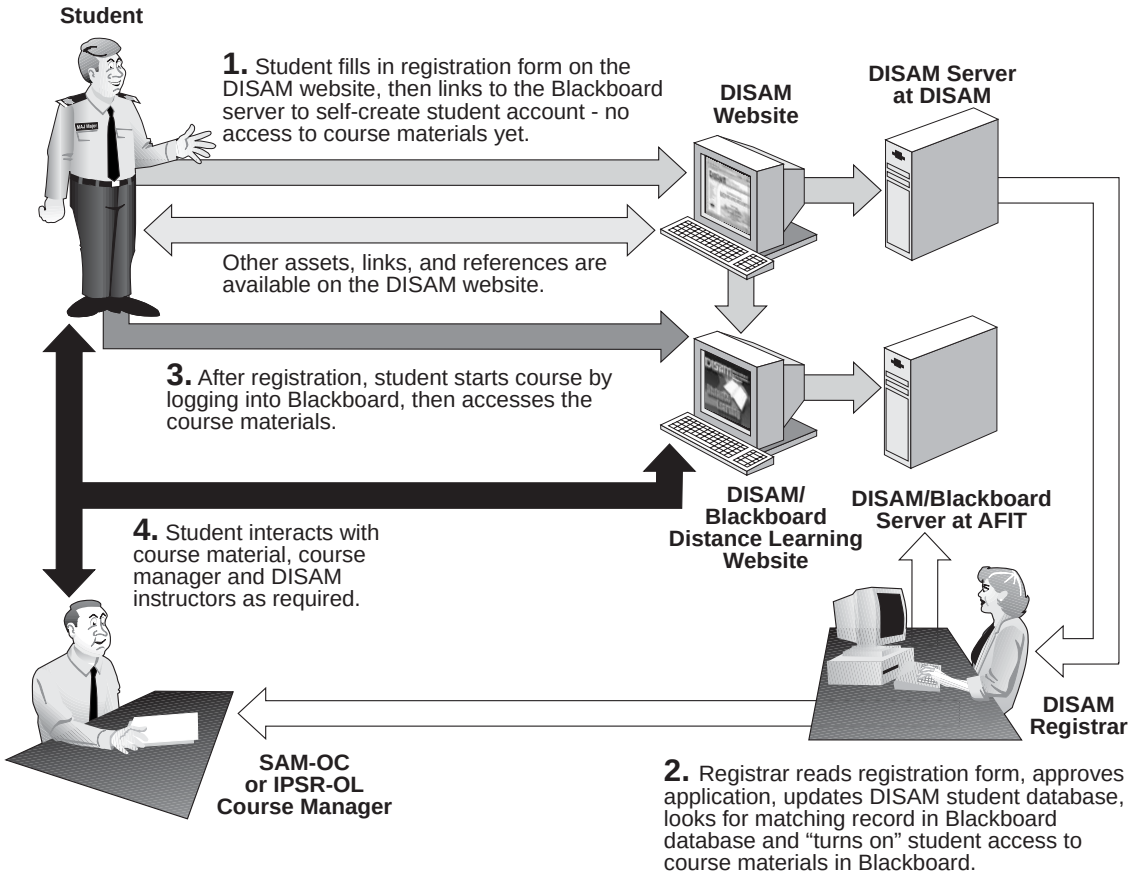


Flash content tends to be slightly more bandwidth-intensive than normal HTML files. Therefore, DISAM recommends broadband internet access for both the new version of SAM-OC and the IPSR-OL. As most government installations have broadband access, students studying from work will find the lesson files load almost immediately. Students may take the course from their home but they are cautioned that the lessons may download at an extremely slow rate if their connection is dial-up, and not broadband.

Registration for both the SAM-OC and IPSR-OL courses is a two-step process: registering with DISAM, and creating an account on our distance learning website, hosted at the Air Force Institute of Technology (AFIT).

- For SAM-OC, go to DISAM's home page http://www.disam.dsca.mil/DistLearn/SAM-OC.htm and click on Distance Learning.
- Click on the SAM-OC link.
- Click on the Registrar button and fill out the registration form.
- Once completed, you will go to DISAM's Blackboard Learning Management System (LMS) site to establish your own user account and password.

The DISAM registrars will access the information you supplied on the Blackboard site, match it up with your registration request, and enable access to the course materials on Blackboard within five working days. Handling registration in this manner allows students to select their own login and password, avoids transmission of passwords via e-mail, and allows DISAM's registrars to verify student eligibility prior to beginning the course. The diagram on the next page illustrates the registration process and student interaction with DISAM distance learning.



Student feedback received on the SAM-OC course has been highly instrumental in the revision and updating process. Future revisions will continue to reflect comments submitted to better align DISAM distance learning courseware with evolving education needs in the security assistance community. For more information on DISAM distance learning, visit the DISAM website at http://www.disam.dsca.mil.

About the Authors

Lieutenant Commander Ed McFarland is an Instructor of security assistance management at the Defense Institute of Security Assistance Management. He was commissioned as a Navy Supply Corps Officer upon graduation from The Citadel in 1993 and holds an MBA from the University of Phoenix. McFarland's previous assignments include: Assistant Chief of Staff for Logistics, Amphibious Force Seventh Fleet; Supply Officer, USS Germantown (LSD 42); MWR Director, Naval Medical Center San Diego; and Assistant Supply Officer, USS Duluth (LPD 6).

Mr. Richard Rempes is an Assistant Professor and distance learning developer at the Defense Institute of Security Assistance Management and is the system administrator of the DISAM e-learning site. He is a former US Army Ammunitions Logistics and Quality Assurance Specialist and taught at the US Army Defense Ammunition Center. He is currently pursuing a Masters in e-Education from the University of Phoenix and holds a Bachelor of Applied Arts from Central Michigan University. He can be contacted at (937) 255-3899, DSN 785-3899 or e-mail richard.rempes@disam.dsca.mil.

International Programs Security Course Now Available On Line

By
John Smilek
Defense Institute of Security Assistance Management

International Program Security Course Background

The Department of Defense (DoD) sponsored training in International Programs Security (IPS) has evolved significantly since the mid-1990s. The Office of the Secretary of Defense level responsibility rests with the Office of the Deputy Under Secretary of Defense (Technology Security Policy and Counter-Proliferation) National Disclosure Policy (ODUSD (TSP&CP) NDP), hereafter referred to as the NDP office. Training sponsored by this office is provided by a DoD contractor, which teaches courses at various military bases and contractor facilities throughout the country. The NDP office certifies the Defense Acquisition University's International Programs Security and Technology Transfer Course as a credited IPS course.

By 1999, a number of developments led to widespread concern over international programs security. Most prominent were the findings of the *House Select Committee on US National Security and Military/Commercial Concerns with the People's Republic of China*, popularly known as the Cox Report after its chairman. The committee concluded that the People's Republic of China (PRC) had illegally acquired design information on the United States' most advanced weapons over a period of nearly two decades.

While this issue involved the Department of Energy, as opposed to the DoD, other developments led DoD to place more emphasis on IPS. In October, 1999, then Deputy Secretary of Defense John Hamre (see page 104 of this *Journal* for memorandum) issued a memorandum directing that all DoD employees participating in international programs receive formal IPS training. Shortly thereafter, the NDP office and the Defense Security Cooperation Agency (DSCA) signed a Memorandum of Understanding under which Defense Institute of Security Assistance Management (DISAM) committed to incorporate IPS into its core courses starting in fiscal year 2000 and began teaching IPS courses in fiscal year 2001. In January 2003, pursuant to the Memorandum of Understanding, DISAM assumed full management of the commercial training contract and thus management of all IPSR courses. Course materials and policy-related issues relating to the course remain under the purview of ODUSD (TSP&CP) NDP.

In February, 2004, the Defense Institute of Security Assistance Management (DISAM) inaugurated its second distance learning course, the on-line version of the two-day International Programs Security Requirements Course (IPSR). Coded as IPSR-OL in the DISAM catalog, this course was designed to replicate, both in length and scope, the two-day IPSR course which is taught both in residence at DISAM and as on-site instruction on US government and industry facilities through out the world. The IPSR-OL course addresses the following topics:

- Course Introduction;
- International Programs Security Requirements (IPSR) Basics;
- Acquisition Process for International Programs Security;
- Controlled Unclassified Information (CUI),
- Foreign Government Information (FGI);
- NATO Information;
- National Disclosure Policy;
- Multilateral Regimes;
- Export Licenses;

- Committee on Foreign Investment in the US (CFIUS);
- Foreign Ownership, Control, or Influence (FOCI);
- Role of the Defense Security Service (DSS);
- Multilateral Industrial Security Working Group (MISWG) Documents, and;
- Foreign Visits.

DEPUTY SECRETARY OF DEFENSE
1010 Defense Pentagon
Washington, D.C. 20301-101

22 October 1999

Subject: Training in International Security and Foreign Disclosure Support to International Programs

Strong allies, and well-equipped coalition partners, make America stronger. It is therefore in America's national security interest to promote cooperation with other nations, seek international participation in our weapons acquisition process and support appropriate foreign military sales.

At the same time, we must ensure that sensitive and classified U.S. technology and military capabilities are protected. Classified information should be shared with other nations only when there is a clearly defined advantage to the United States. Disclosures must be carefully designed to achieve their purpose and recipients must protect the information. To make certain that we accomplish these goals, certain security arrangements must be in place prior to any foreign participation in DoD programs. It is therefore vital that every DoD employee involved in international programs understand these security arrangements, as well as the laws, policies, and procedures that govern foreign involvement in our programs.

To insure that all relevant employees are fully trained in this area, the Office of the Deputy to the Under Secretary of Defense (Policy) for Policy Support (DTUSD(P)(PS) has developed a course of instruction that covers the practical application of relevant law, executive orders, and DoD policies on this subject. All DoD personnel responsible for negotiating, overseeing, managing, executing or otherwise participating in international activities shall successfully complete either the International Security Requirements Course offered by DTUSD(P)PS, the International Programs Security and Technology Transfer Course taught by the Defense Systems Management College, or an executive version of the course for mid-level and senior managers now being developed. This requirement applies to anyone who works in an office dealing exclusively with international matters in international cooperation offices within broader functional offices, and those working on international issues within a DoD program. Examples of applicable activities include: security assistance, cooperative research, foreign disclosure, specific country relationships. and other international policy activities.

The law also requires that we consider systems of allied nations, or the co-development of systems with allied nations, before a U.S.-only program may be initiated. Therefore the basic, intermediate, and advanced program manager courses at DSMC shall include at least four hours of training in international security requirements related to acquisition programs. Anyone working in program offices where any international activities occur, including exports, must also complete the full five day course. DoD personnel who are newly assigned to international programs shall participate in one of the courses within six months of the assignment.

To ensure consistency, DoD components that offer specialized training in foreign disclosure and security requirements for international programs shall coordinate the contents of their courses with the ODTUSD(P)PS.

//Signed//
John J. Hamre

Role of Defense Institute of Security Assistance Management

Currently, DISAM's role in International Programs Security consists of:

- Instruct the 2-day IPSR course eight times annually, including six on-sites at Department of Defense or contractor locations.
- Manage the IPS contract to instruct both the 5-day and 2-day IPSR courses approximately 22 times a year.
- Incorporate IPSR instruction into DISAM's core security assistance curriculum, specifically the CONUS (SAM-C) and Overseas (SAM-O) courses.
- Develop and monitor the new IPSR-OL course as computer-based training.

The Distance Learning Environment

Although DISAM continues to offer resident and on-site instruction in International Programs Security (IPS), there are a number of advantages to the distance learning option.

- First, employees who find themselves in a new billet requiring IPS instruction can begin learning immediately, as opposed to waiting for the next available resident course.
- Students can learn at their own pace, such as by starting and stopping a lesson at their convenience, or playing a section more than once.
- Students can pursue the course from any computer with access to the internet, whether at work or at home, and at any hour of the day.
- Time and dollar savings for travel to/from the course.

Although IPSR-OL is not designed for direct interface between student and instructor, the student may contact an instructor or course manager at any time via e-mail to resolve an issue or answer a question.

Eligibility

As with the 2-day and 5-day resident IPSR courses, attendance in IPSR-OL is open to both US government officials and employees of US industry who are assigned to positions related to international affairs, including security assistance. U.S government employees include military and US civilian personnel and support contractor equivalents. In all cases students must be United States citizens. Regardless of which of the three courses a student elects to attend, IPS instruction is offered at no charge; the Department of Defense pays the bill for all costs, including student materials.

Registration Procedures and Accessing the Course

As with DISAM's other distance learning course (SAM-OC), students register for IPSR-OL through the DISAM web site, http://www.disam.dsca.mil/DistLearn/IPSR-OL.htm and follow the prompts under "Registration". Registration is always open, as each student progresses through the course at his own pace, not as part of a group. The course takes approximately sixteen hours to complete. It includes a timed, open book test and a course evaluation, both of which are taken after completion of all lessons. Students are required to achieve a minimum score of 70 percent on the test. Students may take the course during duty hours, or at home, depending on their supervisor's guidance and their personal preference. A thirty-day period of enrollment is allotted for each student and extensions must be approved by the course manager. IPSR-OL earns ten continuous learning points for members of the defense acquisition work force.

The course is hosted on the web site of the Air Force Institute of Technology (AFIT) at Wright-Patterson Air Force Base http://disam.afit.edu. The content of the course is packaged in an electronic shell by Blackboard, a commercial company specializing in distance learning. As part of his initial registration procedure, a student creates his own account in Blackboard, identifying his own user name and password. After the DISAM registrar confirms receipt of the registration and student eligibility, the student is given the necessary permissions in Blackboard

and notified by return email that he may begin studying. This process normally takes three to five business days.

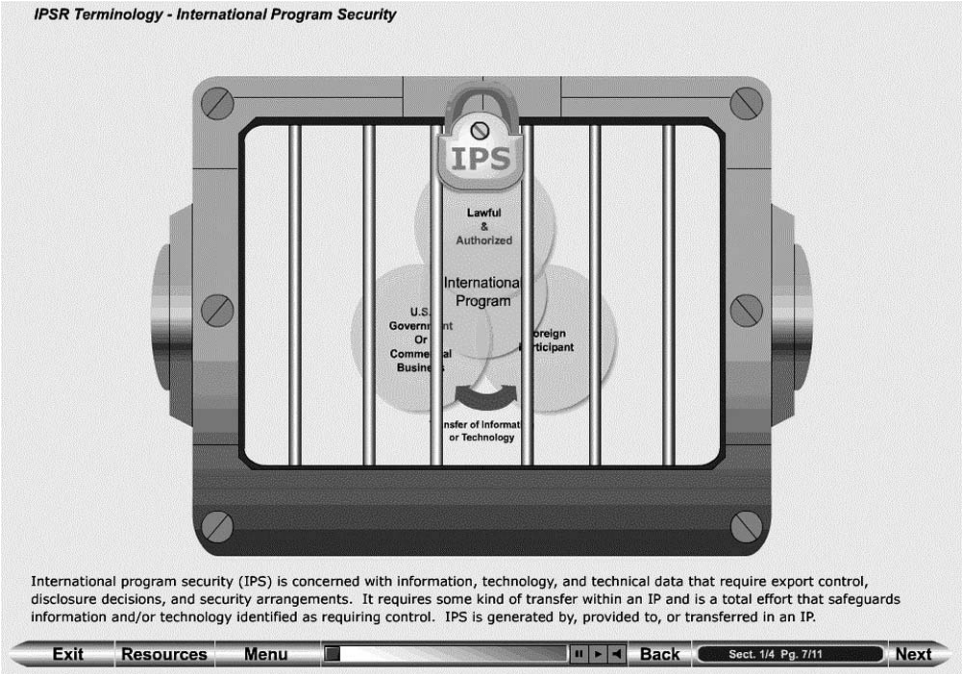


Figure 1. Sample screen shot of the IPSR-OL.

Computer System Requirements

- A PC running Windows 95/98/ME with 64Mb RAM or Windows 2000/NT/XP with 128 Mb RAM (Macintosh and UNIX operating systems are not supported), or newer systems.
- A dial-up connection is not recommended because off insufficient bandwidth.
- A broadband internet connection [DSL, cable].
- A monitor capable of 800 X 600 resolution or better.
- Adobe Acrobat* Reader, latest version.
- Macromedia Flash Player* version 6 or higher.

*Links to free downloads are available within the course. Administrator privileges may be required to download this software for Windows NT4, Windows 2000, and Windows XP operating systems.

About the Author

John M. Smilek is the International Programs Security Requirements (IPSR) Functional Coordinator at DISAM and manages all aspects of the program including the contractor provided course offerings. He is a veteran of twenty-four years in the US Air Force that include three assignments in international cooperative research and development. His civilian education includes an associate's degree in Industrial Technology and Bachelor of Science in Technical Education from the University of Akron and a Master of Science in Management from Webster University.

A Primer of the United States Air Force Aircraft/Missile Technical Coordination Program

By
Forrest "Ed" Smith
Defense Institute of Security Assistance Management

This article was inspired by the numerous questions from students and our international purchasers on the working of the Technical Coordination Program (TCP). The organizations that provide these services fill a critical role in the maintaining the systems for which they are responsible. The information presented in this article is a combined effort of all the Technical Coordination Group Chiefs and their staffs. The Technical Coordination Groups (TCGs) are always evolving. This article reflects the organizations as they were organized on January 1, 2004.

Introduction

To maintain today's modern aircraft, engines, armament and other systems requires a great deal of technical expertise. According Brigadier General Jeff Riemer, Commander, Air Force Security Assistance Center (AFSAC), at Wright-Patterson Air Force Base, Ohio, our international customers fly over 6,600 aircraft and have purchased numerous other complex systems that need continuous modifications and upgrades. The United States Air Force (USAF) meets the needs of the international customer through the TCP.

International Engine Management Groups

This article will not be addressing the two International Engine Management Groups (IEMG) which are both located at OO-ALC, Tinker Air Force Base, Oklahoma. A future article is planned to cover these unique groups.

Formation of the First Technical Coordination Group

For more than twenty-six years, the United States Air Force (USAF) has been supporting the foreign military sales (FMS) and security assistance (SA) countries with what have become known as TCGs. Prior to 1976, the international users of USAF weapons systems were supported by the System Program Manager (SPM). When weapons were relatively uncomplicated and international users did not operate a significant percentage of the fleet, the SPM generally provided adequate support. As the weapon systems became more complicated and larger percentages of the total fleet were operated by international users, the SPMs were able to devote less and less of their time and effort on support of internationally operated systems.

By 1972 this situation was becoming critical and the Air Staff proposed that some type of plan be developed to furnish technical support to the foreign users of the F-4 weapon system. The F-4 SPM at Ogden Air Logistics Center (OO-ALC) tasked a group with developing a program that would provide the services and support the foreign customers needed. They found that Sacramento Air Logistics Center (SM-ALC) had a Logistics Support Group working under direct cases to provide some logistics support of the F-104 to international users; however, the format of the F-104 program did not seem to be what the F-4 FMS customer countries needed. After an extensive study, a program for providing a cadre or core group of USAF personnel dedicated solely to providing follow-on maintenance support to FMS countries was developed. The Air Staff approved the program and in April 1974, the TCP concept was approved.

Since the first formal TCG to support the F-4 was created in 1976, the program has expanded to encompass a variety of major weapon systems. The programs supported by individual TCGs include the F-4, F-5, A/T-37, F-16, F-15, E-3, C-130, KC-135, Tactical Missiles, Precision

Guided Munitions (PGM), Low Altitude Navigation Targeting Infrared at Night, Electronic Combat Systems and various Engines.

The charter for these programs is now addressed in AFMAN 16-101, *International Affairs and Security Assistance Management.* Chapter 7 this publication defines the services and provides that FMS customers pay on a prorated basis to receive these services.

The Deputy Under Secretary of the Air Force for International Affairs (SAF/IA) has delegated day-day oversight to Air Force Security Assistance Center (AFSAC/IAS). After joining a program, participation is considered to be a continuous requirement unless the member country notifies AFSAC 180 calendar days prior to the expiration of the current Letter of Offer and Acceptance (LOA). Supplemental conditions, as an attachment to the LOA, briefly explain the services which would be provided by each TCG.

Benefits of Technical Coordination Group Membership

Once a system is procured the TCGs provide a single point of contact for countries on all their technical concerns regarding their respective systems. This means the country has direct contact via telephone, fax, and e-mail with any of the TCG team specialists. Member countries can call the TCG directly for all Aircraft/Weapon System technical issues instead of routing messages through various organizations, providing a quicker turn around time on all questions and concerns.

The TCG program provides dedicated follow-on technical and engineering support to the FMS customers to improve serviceability, maintainability and reliability. In addition the TGC provides follow-on support to improved parts and maintenance techniques, improved inspection and overhaul intervals, modifications, etc.

The categories of the services provided under the TCP listed in AFMAN 16-101 include Maintenance Data, Deficiency Reports, Spares Support, Modifications, Technical Data, Technical Order Improvement Report and Reply, Configuration Status Accounting, Mishap Investigation, Technical Problem Resolution, Technology Restrictions and Foreign Disclosure, and Technical Changes to Aircraft/Missile Systems or Subsystems. For a complete description of the tasks included for each of the services, refer to AFMAN 16-101. This manual can be found at http://www.e-publishing.af.mil/.

It is important to note that the TCG does not provide the following:

- Production or modification hardware kits or maintenance labor;
- Engineering support to the production process;
- Training requirements;
- P&A or LOAD studies for modifications, unless requested through AFSAC;
- Releasability of data not currently a configuration of the member country's account;
- Configuration control, and;
- Technical Order Distribution or Technical Order Status Information.

The TCGs work exclusively for their international customers, and they are not responsible to provide any service to USAF units or non-member countries. The member countries fund the TCGs, and 100 percent of the TCGs time is dedicated to support of their member countries.

Countries with membership in the TCG are afforded the opportunity of an annual In-Country Review. Personnel from the TCG visit the member country and provide briefings of current and upcoming issues, complete financial status of the case, any new development with the weapon

system (proposed modifications and upgrades), discuss any country-specific problems or concerns, and are available to help troubleshoot weapon system problems.

Usually held annually, the World Wide Reviews (WWR) are designed to provide TCG member country representatives an opportunity to present their agenda items and to attend briefings that relate to maintaining and supporting their aircraft and missiles. Open meetings allow for the discussion of items that have general interest to the country representatives. The WWR provides a forum for members and weapon system contractors to interface, view and discuss the latest offerings from industry. Side meetings are normally held between individual country representatives and TCG engineering/technical personnel that cover specific topics of interest to that country or to the all members of TCG. Any questions or requests from member countries are tracked with an action item to ensure that answers are provided to the satisfaction of the requester.

A general session of a World Wide Review for the LANTIRN Program, 2001.

The TCGs also help track and expedite assets that countries have sent in, and are in the process of being repaired. The TCGs have direct access and interface to the US supply system, bases, depots, support contractors, and management personnel.

Currently there are eleven active TCGs, as well as the Electronic Combat International Security Assistance Program (ECISAP) supporting a wide range of aircraft, missiles, engines and other systems. Each program has a dedicated Chief who controls and supervises the dedicated staff. This article will discuss the location, history, member countries, and the systems supported for each of the individual TCGs and ECISAP.

Ogden Air Logistics Center (OO-ALC) at Hill Air Force Base, Utah is now home to the F-4, F-5, AT-37/38, F-16, and Precision Guided Munitions TCGs.

F-4 Technical Coordination Group

The McDonnell Phantom was one of the most successful postwar fighters. It was the second most prolific American jet fighter to be built, outnumbered only by the North American Sabre. Total U.S. production was 5057, with another 138 being built under license in Japan. The Phantom was in continuous production for twenty years (from 1959 until 1979). During the Vietnam War, 72 Phantoms were coming off the production line every month. The F-4 Phantom 2, made its first flight in 1958.

The oldest TCG is the F-4. It was created in 1976 at Hill Air Force Base, Utah. Under the leadership of Major Jim Downs, a country-by-country survey was initiated. As a result of these surveys, a TCG staff was developed consisting of the following:

- An Equipment Specialist in Electronics, Electrical Systems, Structural Systems, Mechanical Systems, and Weapons Systems
- An Electrical/Electronic Engineer, Mechanical Systems Engineer, and;
- A Structural Engineer.

For further support, the group also included a financial manager, technical order maintenance group and a small administrative staff numbering twenty-five. The program was the prototype TCG and still operates under the same essential concept for continued success with high emphasis on customer service!

Originally nine countries joined the program: Iran, Israel, Greece, Germany, Turkey, Japan, Spain, Korea and the United Kingdom. The first liaison officers were in place because there was an International Logistics Section at the time the TCG was formed, which included the country managers for each country.

Following the *Camp David Peace Treaty*, signed in March 1979, the US moved quickly to assist Egypt both economically and militarily. The LOA, signed in September 1979, implemented the Peace Pharaoh Program for the sale of F-4s to Egypt. Membership to the F-4 TCG was included on the Letter of Offer and Acceptance (LOA).

Currently, the F-4 TCG has five member countries, Egypt, Germany, Greece, Japan and Korea. The current operation is supported with a staff of fourteen, assisted by the OEM, Boeing Aerospace (originally McDonnell Aircraft Company) through a Recurring Engineering Services (RES) contract, provides logistics, technical and engineering support for a international fleet of 450 Phabulous Phantoms. Four of the member countries have organic program depot maintenance capability to support their aircraft and at least three countries have expressed a desire to fly the Phantom II until the year 2020.

Sustainment membership in the F-4 TCG is normally fulfilled using follow-on “G” or “Q” cases with lines that cover the following:

- Internal services;

- Contracted services, and;
- Studies and surveys, and overseas travel.

Costs of the program are based on number of aircraft in the member's inventory.

Although the F-4 TCG does not have a dedicated website, a special F-4 site was created and is maintained by Nick Tselentis from Hellenic Air Industries (HAI). The site can be found at http://members.lycos.co.uk/cyclonet/. All of the buttons on the left margin link to some very interesting history, pictures and other information. Note that one button is a special dedication to the F-4 TCG at Hill Air Force Base, Utah

Photo of a German F-4 Phantom

F-4 Technical Coordination Group in Action

The Mature and Proven Aircraft Directorate at Hill Air Force Base, Utah held its third annual Worldwide Review in Ogden, September 15-19, 2003. This unique, multi-system conference provides program status for the foreign military sales customers that fly the F-4, F-5, A/T-37 and T-38 aircraft, plus new technological briefings from numerous aerospace corporations. The conference drew 231 contractor personnel. During the trade show and exhibit portion, 74 display booths were set up to demonstrate various capabilities and services available to support aging aircraft. The event attracted 66 International representatives from twenty countries.

F-5 Technical Coordination Group

The light fighter project began at Northrop in 1953 leading to a company-financed supersonic trainer called the N-156F Freedom Fighter. Though not purchased by the U.S. military, the government supported the sale of F-5A's to twenty-one friendly countries. The F-5E Tiger II appeared in the early 1970s. Some 2,700 F-5 aircraft were built for the U.S. and thirty other nations by the time production ceased in 1987.

The F-5 Technical Coordination Group (TCG) was established in 1979 at Kelly Air Force Base in San Antonio, Texas. The group initially consisted of five people including the first TCG Chief, Mario Garza. Two countries applied for membership the first year. The F-5 TCG grew over the next four years to a membership of eighteen countries. Currently the F-5 TCG has a membership of nineteen countries with a twentieth country currently considering membership. The member countries are Bahrain, Botswana, Brazil, Chile, Honduras, Jordan, Kenya, Korea, Malaysia, Mexico, Morocco, Norway, Philippines, Singapore, Spain, Switzerland, Taiwan, Thailand, and Tunisia. The member countries currently comprise almost 100 percent of the F-5 fleet. The US Navy has a squadron of F-5s used in aggressor training.

With the workload transfer from SA-ALC to OO-ALC, the F-5 TCG lost a lot of knowledge and well-trained personnel. As a result, a working relationship has developed with the Inter-American Air Forces Academy (IAAFA), a US Air Force organization located at Kelly Air Force Base, San Antonio, Texas. IAAFA is the only USAF organization that provides formal F-5 and A-37 training in the US government. IAAFA provides formal F-5 and A-37 refresher training to TCG Engineers and Technicians in areas such as Airframe Systems, Landing Gear Systems,

Korean F-5 Freedom Fighter/Tiger.

Egress Systems, Hydraulics Systems, Electrical Systems, Avionics Systems and Armament Systems. IAAFA training provides the TCG Engineers and Technicians with essential formal and hands-on experience, facilitating quick and accurate responses to aircraft related issues experienced by TCG member countries. The F-5 TCG is currently staffed with thirty-five people ranging from logisticians to engineers and equipment specialists to technical order support and other administrative positions. Sustainment membership in the F-5 TCG is accomplished using follow-on "G" or "Q" cases with lines that cover the following:

- Internal services;
- Contracted services, and;
- Studies and surveys, and overseas travel.

Costs of the program are based on number of aircraft in the member's inventory.

F-5 Technical Coordination Group in Action

In September 2002, a member country requested emergency assistance from the F-5 TCG. As a result of a powerful typhoon, which caused extensive flooding, eighteen of the country's F-5s sustained considerable water damage after having been submerged in contaminated water. Critical life support equipment was destroyed and aircraft sustained considerable water damage to all systems. TCG's experienced team of structural, mechanical and electrical engineers and technicians quickly came together to respond to country's urgent request. This unprecedented situation required the F-5 TCG team to request assistance from other areas-CAD/PAD, Landing Gear, Electrical, Structural, Technical, Life Support, IEMP, etc. Within a few days the TCG was able to provide country with the restoration measures for their fleet and thus save the aircraft from being declared condemned or unserviceable.

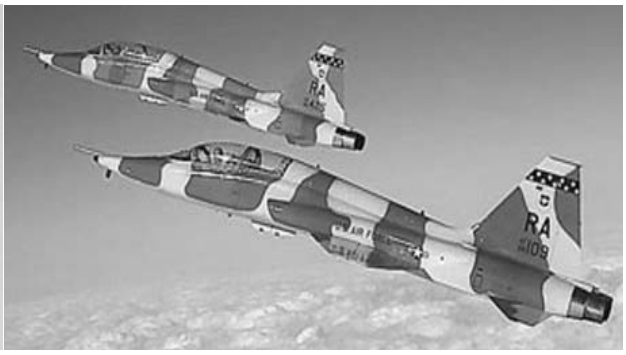
A/T-37 and T-38 Technical Coordination Group

The T-37A made its first flight in 1955 and went into service with the Air Force in 1956. The T-37B became operational in 1959. More than 1,000 T-37s were built. The T-38 Talon entered service in March 1961 as replacement for the Lockheed T-33A. Production for the USAF totaled 1,139 between 1961 and 1972 when production ended.

The T-37/T-38 TCG was formed in 1989. The first TCG Chief was Bill Ackley and the initial support was performed by SA-ALC/MMV. Today the T-37/T-38 TCG has only two personnel, led by the current Chief, Mr. Bob Van Dyke. The current member countries are Bangladesh, Ecuador, Honduras, Korea, Morocco and Peru. The member countries currently comprise approximately 10 percent of the worldwide fleet.

The A/T-37 and T-38 TCGs addresses country technical projects differently than the other aircraft TCGs. The other TCGs maintain a pool of technicians and engineers from the various technical skills, i.e., structural, electrical, fuel, etc., and support their customers' projects from this pool based on the nature of the project. They are able to do this due to the relatively large number of customers and large operating budget. Due to the size and nature of the A/T-37 and T-38TCG and our customers, this TCG does not have the ability to generate an operating budget necessary to operate in the same manner. This is especially true since it supports three different weapons systems.

New Zealand A/T-37 Dragonfly



USAF T-38 Talon

The current A/T-37 and T-38 TCG consists of a Logistics Program Manager and a Budget Analyst. The logistic specialist works as a technical specialist and Country Program Manager. There are currently no equipment specialists or engineers assigned. The Country Program Manager functions as OPR for requested assistance and is responsible for answering all technical questions. This formula has been very successful because it has allowed TCG personnel to develop a continuity of support and trust with their customers. This method of managing projects is very cost effective. Engineering support, when necessary is requested by the TCG from the System Program Director (SPD) side of the house. Either FMS administrative funded personnel are used or the O & M account is reimbursed from the country's case for the time spent supporting that member country.

Sustainment membership in the A/T-37 and T-38 TCG is normally fulfilled using follow-on "G" or "Q" cases with lines that cover the following:

- Internal services;
- Contracted services, and;
- Studies and surveys, and overseas travel.

A/T-37 and T-38 Technical Coordination Group in Action

In September 2003, the A/T-37/T-38 TCG combined with the F-4 and F-5 TCG's and held their annual World Wide Review at the Ogden Mariott Hotel. All member countries sent their representatives and participated in this conference. It provided a unique opportunity for all TCG members to meet and discuss mutual concerns and goals.

F-16 Technical Coordination Group

The first operational F-16A was delivered in January 1979 to the 388th Tactical Fighter Wing at Hill Air Force Base, Utah. The F-16 was built under an unusual agreement creating a consortium between the United States and four NATO countries: Belgium, Denmark, the Netherlands and Norway. These countries jointly produced with the United States an initial 348 F-16s for their air forces. Final airframe assembly lines were located in Belgium and the Netherlands. The consortium's F-16s are assembled from components manufactured in all five countries. Recently, Portugal joined the consortium. F-16 co-production lines also existed in Turkey and Korea.

The F-16 TCG was formally established on 1 April 1985. The charter members were Belgium, Denmark, Netherlands, Norway, Israel, Egypt and Pakistan. The first In-Country Review (ICR) was held in May of 1986. It consisted of a three country trip to Israel, Egypt and Pakistan. The original TCG Chief was Mr. Lynn Peacock. The initial cadre consisted of seventeen manpower authorizations for technicians mechanical, avionics, technical data, and weapons, documentation and administration. The current TCG Chief is Bill Dodge. He currently has thirty-one specialists working the program.

There are currently eighteen countries participating in the program: Belgium, Denmark, Netherlands, Norway, Portugal, Egypt, Greece, Israel, Bahrain, Korea, Turkey, Jordan, Pakistan, Singapore, Thailand, Taiwan, Venezuela, and Italy. The member countries currently comprise approximately 54 percent of fleet and is growing. Several countries, including Chile, Oman, Poland, and the United Arab Emirates, have recently purchased the F-16 and are potential candidates for membership in the TCG. All eligible countries flying F-16s are current members of the TCG. As usual, TCG services are available only to member countries. Non-member, non-hostile countries receive only notifications of safety Time Compliance Technical Orders (TCTO).

Sustainment membership in the F-16 TCG is normally fulfilled using follow-on "G" or "Q" cases with lines that cover the following:

- Internal services;
- Contracted services, and;
- Studies, surveys, and travel.

Costs of the program are based on number of aircraft in the member's inventory.

Egyptian F-16 Fighting Falcons

F-16 2002 Olympic Games Pin

Technical Coordination Group - F-16 TCG in Action

In September 2002, the F-16 TCG hosted the 16th Annual WWR Conference at Hill Air Force Base, Utah. It is the largest single F-16 specific conference known to exist. There were 122 F-16 related vendor display booths-12 more than 2001 and 35 more than 2000. The total conference attendance (including 681 registered) exceeded 1000—higher than any previous year. Seventy-six international officers representing eighteen member countries were critical to the success of the conference.

The TCG released a special pin for the 2002 Olympic Games which were held in Salt Lake City, Utah. The pin design was a combined effort of TCG members. The pin was given exclusively to members of the TCG and dignitaries of foreign countries participating in the TCG program. The design incorporates an F-16 in flight, over the globe, surrounded by flags representing each of the countries that were members of the F-16 TCG at the time. The F-16 TCG pin was limited to a production run of 2002.

Precision Guided Munitions Technical Coordination Group

"In World War II it could take 9,000 bombs to hit a target the size of an aircraft shelter. In Vietnam, it was only 300 bombs. Today we can do it with one laser-guided munition from an F-117."

USAF. *Reaching Globally, Reaching Powerfully: The United States Air Force in the Gulf War* (September 1991), p. 55

The Precision Guided Munitions Technical Coordination Group (PGMTCG) was established in late 1995. The first team was lead by Kim Tingey, and the initial cadre of four included one engineer, two equipment specialists, and a financial manager. The current Chief is Bailey Shaffer. There are six personnel on the current team. An additional engineer will be added in 2004.

A Maverick Missile under inspection.

The PGMTCG originally started with six member countries: Bahrain, Canada, Egypt, Korea, Spain, and Taiwan. Membership rapidly expanded to the current level of eleven member countries including Bahrain, Belgium, Canada, Egypt, Jordan, Korea, Kuwait, Malaysia, Saudi Arabia, Taiwan, and United Kingdom. Additional three or four new members are expected in 2004. The PGMTCG has expanded to offer technical expertise not only on the AGM-65 Maverick Missile, but now offers the same service for the Paveway series (I, II, and III) of Laser Guided Bombs (GBU-10, GBU-12, GBU-16, GBU-22, GBU-24). As their charter expands, they will be adding additional air-to-ground missile technical support. All individuals within the PGMTCG have years of experience with the Maverick and Paveway systems. This experience and knowledge is available to all member countries.

Initial and follow on membership in the PGMTCG is voluntary and is usually established on an LOA with four lines that cover the following:

- MAVERICK internal services,
- PAVEWAY internal services,
- Combined contract services, and
- Studies and surveys.

Costs of the program are based on number of weapon systems in the member's inventory.

Paveway Laser Guided Bomb

Korean and United States team for the In-Country Review with the Republic of Korea Air Force.

Oklahoma Air Logistics Center (OC-ALC) at Tinker Air Force Base, Oklahoma is home of the E-3 and KC-135 TCGs.

E-3 Electronic Combat International Security Assistance Program

The Boeing E-3 Sentry is the West's principal Airborne Warning and Control System platform. The E-3 is a military version of the Boeing 707/320 commercial airframe with a rotating radar dome. The first flight of the E-3A took place in October 1975. The first 2 United States Air Force E-3s were modified commercial 707-320 airframes converted to the military version after completion of flight tests.

The E3/KE3 TCG was formed in1982. The first TCG Chief was Cletus White and a team of one performed the initial support! Today the E3/KE3 TCG has forty personnel, led by the current Chief, Bob Steyer. The current E-3/KE-3 TCG customers include the NATO, the Kingdom of

Saudi Arabia, the United Kingdom and the French Republic. The member countries currently comprise 53 percent of the world wide fleet.

The E-3/KE-3 International Support Branch, OC-ALC/PSWI or E-3 TCG, was established to serve as the single point of contact for logistical and engineering support for its FMS to assist them in the accomplishment of their respective E-3/KE-3 missions.

French E-3 AWACS

The North Atlantic Treaty Organization was the E-3 TCG's first customer. In September 1980, there were 22 E-3As in the USAF inventory. During that same period, NATO was also negotiating and preparing to purchase E-3A aircraft. OC-ALC/PSWI assisted in planning NATO's initial spares support, and participated in developing procedures for follow-on logistics support for the NATO fleet. Deployment of the first NATO Airborne Early Warning and Control (AEW&C) fleet was set for fiscal year 1982. The Royal Saudi Air Force was the TCG's second customer. Preliminary planning for the sale of E-3As and KE-3As to the RSAF began in fiscal year 1981. Aircraft delivery started in October 1986 and was completed by May 1987. The first Letter of Offer and Agreement (LOA) for TCG support was signed in June 1988. In January 1991 the United Kingdom became the third member and the French Republic became the fourth.

The E-3 TCG provides operational and sustainment support for all E-3 FMS programs, both initial and follow-on. The TCG consists of three sections:

- The European Support Section,
- The Mideast/Acquisition Support Section, and;
- The Engineering and Technical Support Section.

The E-3 TCG Technical Coordination Detachment consists of a five-person team dedicated to providing on-site support to the NATO E-3 program for logistics, engineering and technical issues, as well as providing liaison function to the E-3 TCG and other DoD and USAF agencies. The Technical Coordination Detachment provides support to NATO in the areas of fleet modernization, depot level maintenance, operational maintenance, technical data maintenance and digitization effort, and configuration control.

Membership in the E-3 TCG is normally fulfilled using follow-on "G" cases with three to five lines that cover the following:

- Air Force Materiel Command internal services;
- Contracted services;
- Aircraft structural integrity program,

- Studies and surveys;
- Travel.

Costs of the program are based on number of aircraft in the member's inventory.

E-3 Technical Coordination Group in Action

A historic decision was made on October 4, 2001 when the NATO alliance voted to implement Article 5 and deploy five NATO AWACS to the United States for Operation Eagle Assist in the months that followed the September 11, 2001, attacks on the World Trade Center and the Pentagon. This was the first time in NATO history that a mission was deployed to the United States under Article 5.

NATO AWACS aircraft over Niagara Falls

The NATO E-3A's based in Geilenkirchen, Germany were deployed to the United States to alleviate the workload placed on the US AWACS fleet. Over the course of Operation Eagle Assist, more than 820 military members and civilians from all thirteen nations represented in the E-3A component were deployed to Tinker Air Force Base to support the mission. The NATO AWACS, their crews, and support personnel commenced operations at Tinker Air Force Base in mid-October 2001. They assisted with counter terrorism operations that clearly helped reduce the strain placed upon the US AWACS fleet deployed during Operation Noble Eagle and Operation Enduring Freedom. The E-3 TCG provided initial deployment planning and sustainment support for NATO throughout the deployment.

In Operation Eagle Assist, the deployed NATO Component personnel and aircraft were in place and fully operational within one week of receiving of the deployment order. During this time, the E-3 TCG rendered support for two NATO aircraft. One NATO aircraft sustained fillet flap and cove door damage. The Engineering and Technical Section was called upon to help assess damage, identify possible causes and assist with part repair and replacement. The TCG spearheaded and coordinated the effort that followed, which involved several organizations. TCG engineering support was available on-call throughout the repairs. The aircraft was restored to operational capability within twelve days, a commendable accomplishment considering the degree of logistics and funding that was required. The second NATO aircraft sustained damage to an aerial refueling door. Again the TCG assessed the damage and provided a recommended engineering disposition which resulted in successful repairs. These critical assets were returned to service in minimum time for successful contribution to the counter terrorism mission.

C/KC-135 Technical Coordination Group

The Boeing Company's model 367-80 was the basic design for the commercial 707 passenger plane as well as the KC-135A Stratotanker. In 1954 the Air Force purchased the first twenty-nine of its future 732-plane fleet. The first aircraft flew in August 1956 and the initial production Stratotanker was delivered to Castle Air Force Base, California, in June 1957. The last KC-135 was delivered to the Air Force in 1965.

Both Turkey and France originally leased KC-135 aircraft from the USAF. In December 1994, Turkey signed the LOA to acquire seven KC-135 aircraft; France signed in January 1995 to purchase five, in addition to eleven (C-135FR) they had previously acquired by direct commercial contract. They did not exercise the option to purchase the last two aircraft, and took delivery of three KC-135R aircraft. Singapore came on line in July 1996 with their LOA for purchase of four KC-135 aircraft.

Personnel supporting these cases began early planning for provision of follow-on support through TCP cases. In September 1996, the request was sent to AFSAC for establishment of a KC-135 TCG. Approval was granted May 1, 1997 for a TCG within the KC-135 System Program Office. The first and current TCG Chief is Orbin Idleman. The first team consisted of nine civilian positions, including a budget analyst matrixed from the financial management directorate. The TCG now has twelve individuals assigned to support the program.

Turkey first requested TCG membership; pending approval, follow-on support was provided for Turkey under an AFSAC "Q" case. The KC-135 TCG was established November 12, 1999, with three members: France, Turkey, and Singapore.

The TCG supports unique, improved booms, not used by the USAF. A TCG/contractor team investigated early problems with these booms and developed repair procedures. The team supported in-country repairs for Turkey and France.

There are also other unique systems on the aircraft which depend on which countries choose to participate in various modifications or upgrades offered by the USAF. Also, countries may modify their aircraft independently of USAF participation. So there will be different equipment, different mission requirements, and totally different configurations. This is certainly true of the eleven unique C-135FR aircraft supported by the TCG.

Singaporean KC-135 Stratotanker

Some of the member countries fly the KC-135 aircraft many more hours than a USAF unit due to the smaller fleet size. This can generate new issues or problems which may not yet be seen by the USAF. There are also circumstances where the USAF is experiencing a problem, but our customers are not. Discussions into operations generally reveal a difference in procedures or possibly support equipment developed by the country for a specific task. Results of these can be shared with the USAF to help solve problems the USAF may have as well.

Sustainment membership in the KC-135 TCG is normally fulfilled using follow-on 'G' or 'Q' cases with three lines that cover the following:

- Internal services;
- Contractor services, and;
- Studies and surveys, and overseas travel.

Costs of the program are based on number of aircraft in the member's inventory.

Warner Robins (WR-ALC) at Robins Air Force Base, Georgia, Alabama is the home of the F-15, C-130, Tactical Missile and LANTIRN TCGs as well as the ECISAP.

F- 15 Technical Coordination Group

The first F-15A flight was made in July 1972, and the first flight of the two-seat F-15B trainer was made in July 1973. The first Eagle (F-15B) was delivered in November 1974. In January 1976, the first Eagle destined for a combat squadron was delivered.

As a result of sales of the F-15 to international customers, Major Dan Copeland from SAF/IA started development of the F-15 TCG in 1982 and the F-15 TCG was formally established in 1983. Wade Carter. Chief, and James McCown, Equipment Specialist formed the initial cadre. The first F-15 World Wide Review as held at the Ramada Inn, Warner Robins, Georgia in 1985.

The current acting TCG Chief is George Kalebaugh who leads a staff of twenty-two. The original charter and current membership consists of three international customers: Japan, Saudi Arabia, and Israel. The Republic of Korea may join in the future when they enter the sustainment stage for their new F-15K aircraft. The F-15 TCG currently supports upwards of 437 F-15 (C, D, I, J, S) aircraft. International users make up about 30 percent of the worldwide fleet.

A photo of an Israeli F-15 Eagle

Initial membership in the F-15 TCG is normally established as a line on the original systems sale LOA. The line covers internal services, studies and surveys, and travel. Sustainment is accomplished using follow-on "G" or "Q" cases with lines for the following:

- Internal services,

- Contracted services, and;
- Studies and surveys, and overseas travel.

Costs of the program are based on number of aircraft in the member's inventory.

F-15 Technical Coordination Group in Action

During Operation Iraqi Freedom, two USAF F-15 aircraft from Kadena Air Base, Japan experienced massive fuel leaks from the top and bottom of aright wings during a deployment to a Middle Eastern location. To correct the problem in the shortest time, there were two options: repair or replace the wing. When the decision was made to replace the wing, WR-ALC aircraft requirements division approached the F-15 TCG for assistance. The TCG had a contract with a Middle Eastern company providing programmed depot maintenance for foreign customers in the area. The company and the foreign customer were very receptive to assisting the Air Force. The cost and time would be a tremendous savings since they have depot level personnel already in the area. The team was able to successfully complete the depot portion in two days and the aircraft was returned to a flying status-with no defects. Two weeks later the team returned for the second wing change. Again the change was flawless. The Air Force realized a substantial savings in cost and time with the assistance of the TCG.

C-130 Technical Coordination Group

The C-130 transport, named "Hercules" from the mythical Greek hero renowned for his great strength, first flew forty years ago (1954) and has been delivered to more than sixty countries around the world. More than 2,200 C-130s have been built, and they are flown by more than sixty nations worldwide, in more than seventy variations.

The C-130 TCG was formed in 1987 to provide a more direct line of operational assistance to the FMS users of the C-130 Hercules aircraft. The first TCG Chief was Victor Bowden who is still at WR-ALC. The current TCG Chief is Sherman Rankin who leads a staff of twenty-five. The C-130 TCG currently supports twenty international customers with approximately 261 C-130 (B, C, E and H) aircraft. With a USAF fleet of 600 aircraft, international users make up over 40 percent of the worldwide fleet.

The 16 original member countries were Brazil, Chile, Egypt, Greece, Israel, Japan, Korea, Pakistan, Philippines, Portugal, Saudi Arabia, Singapore, Spain, Taiwan, Thailand, and Turkey.

The current members include Argentina, Botswana, Brazil, Columbia, Ecuador, Egypt, Israel, Japan, Korea, Nigeria, Philippines, Portugal, Saudi Arabia, Singapore, South Africa, Spain, Taiwan, Thailand, Turkey and Uruguay. Several international customers have indicated an interest in joining or rejoining such as Greece, New Zealand, Pakistan and Poland. The TCG may have additional opportunities to expand as the USAF continues to retire the C-130E fleet, and the excess aircraft are purchased by international customers Although membership levels have varied over the years, there has been one constant – service to the member countries. This service can be as simple as providing an aircraft part number to as complex as designing a country specific structural or avionics modification. Being positioned alongside the USAF System Program Office and PDM facilities at Robins Air Force Base, Georgia, the staff of the TCG can not only draw from their considerate expertise but also from access to the flying history and future direction of the 600 plus USAF fleet. The availability of such maintainability, reliability and supportability data make this low cost investment a sure fire winner.

Sustainment membership in the C-130 TCG is normally fulfilled using follow-on “G” or “Q” cases with three lines that cover:

- Internal services;
- Contracted services, and;
- Studies and surveys, and overseas travel.

Costs of the program are based on number of aircraft in the member’s inventory.

Spanish KC-130 Hercules completing a refueling mission.

C-130 Hercules Dispensing Flares.

C-130 Technical Coordination Group in Action

When two customers required the installation of defensive systems (ALE-47 Chaff Dispensers and Rear Vision Devices to protect their aircraft in support of Operation Enduring Freedom, the TCG used its expertise to get the job done in the shortest time.

In 2003 alone, the TCG wrote four comprehensive fleet analysis for its members and saved millions of dollars in providing repair processes rather than costly and premature item replacement. From the earliest of B’s (1957) to the latest of the H models, the TCG is the maintenance insurance policy for its members.

Tactical Missile Technical Coordination Group

The AIM-7F joined the Air Force inventory in 1976 as the primary medium-range, air-to-air missile for the F-15 Eagle. The AGM-88 missile started full production in March 1983. The AIM-9A, a prototype of the Sidewinder, was first fired successfully in September 1953. The initial production version, designated AIM-9B, entered the Air Force inventory in 1956.

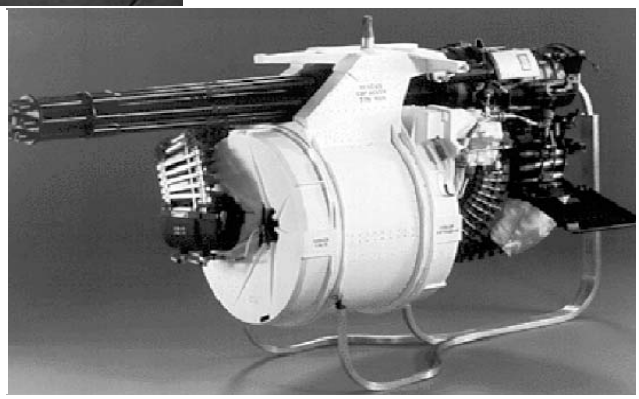
The Tactical Missile TCG (TMTCG) was created in 1991 and provides complete technical and logistics support for products spanning the AIM-7 (Sparrow), AIM-9 (Sidewinder), and AGM-88 (HARM) tactical missiles, launchers, and associated test and support equipment.

The organizational structure of the TMTCG is in the traditional product style. The general section is for personnel that support the AIM-7, AIM-9 and AGM-88 systems. For example, funds management, program control, and the Chief support all three systems in day-to-day operations. The Sidewinder section is staffed with personnel that are dedicated to that specific system, as is the Sparrow and HARM section. The Systems Support section covers launchers, bomb racks, aircraft guns, aircraft interface, and detailed mechanical engineering issues for all systems. Some personnel may support more than one Individual Product Team.

The program was started under the guidance of Ted Wisdom, SAF/IA. The initial cadre consisted of TCG Chief Ron Barlow, and a staff of five. The current Chief is Richard Scarano. Currently there are fourteen government positions authorized plus three full time in-house support contractors. The TMTCG has been continually growing since its inception. There were twelve charter members including Canada, Belgium, Egypt, Greece, Israel, Japan, Korea, Mexico, Netherlands, Singapore Taiwan and Thailand.

As of September 2003, the TMTCG had eighteen members: Austria, Netherlands, Belgium, Greece, Turkey, Japan, Israel, South Korea, Singapore, Jordan, Malaysia, Taiwan, Oman, Egypt, Bahrain, Mexico, Canada, and Saudi Arabia. Potential future members include Thailand, Pakistan and UAE.

Military team carefully moving an AIM-9 Sidewinder Missile.



A M61A1 Vulcan Cannon

Unique to the TMTCG is support for systems installed on non-US aircraft. The TMTCG has worked closely with several countries to integrate the capability to use US produced missiles and weapons systems on all the aircraft in their inventories. Recently, the TMTCG began supporting aircraft guns and bomb racks. Systems include: F-16 (MAU-12, TER-9A, M61A1 Gun), F-15 (MAU-12, BRU-46 & 47, SUU-20, M61A1 Gun), F-5 (MAU-40 & 50, BRU-27, SUU-11 & 20,

M39A-3 Gun), F-4 (SUU-16, 20 & 23, MAU-12, BRU-5, TER-9A, MER-10, AERO-27, M61A1 Gun), and A-7 (TER-9/A, MER-10, MAU-40 & 50, M61A1 Gun).

TMTCG cases are typically "G" cases that may have up to five funding lines:

- Internal Services;
- Contracted Service;
- Studies and Surveys, and Overseas Travel;
- Pyrotechnic Surveillance, and;
- Technical Order Support.

Lines 1, 2, and 5 are mandatory for all cases. Costs are based on number of weapon systems in the member's inventory. Line 4 is an optional program available that can be added to the case on a cost share basis with other members.

Tactical Missile Technical Coordination Group in Action

Shortly after takeoff, a member's pilot reported an apparent systems malfunction had caused the inadvertent launch of an AIM-9 Sidewinder missile. Investigating officials conducted two extensive investigations and concluded that neither the pilot nor the aircraft had been responsible for the uncommanded launch. While they believed that excessive current had caused the damage, they could not indicate a cause for the circuit failure. Officials then notified the TMTCG of the mishap.

The Tactical Missile Technical Coordination Group specialists traveled to the country. Based on their findings, the TMTCG issued immediate guidance to restrict the use of the aircraft's power supplies until corrective action could be defined. Returning Robins Air Force Base, the team members acted to develop an effective method for returning the power supplies to a serviceable condition and conduct a detailed technical investigation of the launcher and power supply components to determine the cause of the uncommanded launch. To correct the problem, the TMTCG developed an inexpensive and simple field-level Time Compliance Technical Order (TCTO). The power supply manufacturer agreed to recall the power supply units manufactured at no cost to the customer. In addition, all parties agreed to incorporate these changes in all future procurement units and require additional production line inspections. In a matter of six months the TMTCG, working with Center Logistics personnel and other Air Force employees, developed an innovative strategy to rapidly evaluate, respond, and correct a problem involving over 300 power supply units. Their efforts allowed the TMTCG member to keep its fleet of aircraft in their warfighting role.

Low Altitude Navigation Targeting Infrared at Night Technical Coordination Group

The Low Altitude Navigation Targeting Infrared at Night (LANTIRN) research and development program began in September 1980. Initial operational test and evaluation of the LANTIRN navigation pod was successfully completed in December 1984. The first production pod was delivered to the Air Force March 1987. Introduction of the LANTIRN revolutionized night warfare by denying enemy forces the sanctuary of darkness.

The LANTIRN TCG was established in January 1997. The primary charter of the LANTIRN TCG is the exchange of releasable technical information with mutual benefits being derived by LANTIRN TCG FMS member countries and USAF. Gary Livesay has been the LANTIRN TCG Chief since establishment of the TCG. He manages a staff of nine specialists and oversees all the contacts in support of the program. The LANTIRN TCG provides a full range of AFMC technical support services to purchasers in the maintenance, modification, and operation of their

LANTIRN equipped aircraft including the F-15 and F-16.

The original member countries were Bahrain, Egypt, Greece, Israel and Turkey. Two additional countries South Korea and Singapore soon joined for a total of seven countries. Currently there are five member countries: Bahrain, Egypt, Greece, South Korea, and Saudi Arabia. Potential country members of the LANTIRN TCG are Israel, Singapore, Denmark, the Netherlands and Belgium.

LANTIRN Navigation Pods.

Sustainment membership in the LANTIRN TCG is normally fulfilled using follow-on "G" cases with three lines that cover the following:

- AFMC internal services
- Contracted services, and;
- Studies and surveys, and travel.

LANTIRN Technical Coordination Group in Action

In 1999 the LANTIRN TCG realized the much awaited LANTIRN TCG website. The website is a secure, password-protected site and is available only to existing LANTIRN TCG members. The website is a much improved form of instant communication between the TCG and country members. Action items, Briefings, contact information and other items of interest to the country members are kept posted and up-to-date information is readily available.

Electronic Combat International Security Assistance Program

It is my firm belief that our military must have a robust electronic warfare capability to ensure that it has access to and control of any battle space in which it must operate. History has taught us that dominance in electronic warfare leads to success in military operations.

Statement of Congressman Joseph R. Pitts at the Lexington Institute Forum on Electronic Warfare, October 5, 2001

Although the Electronic Combat International Security Assistance Program (ECISAP) has many similarities with the TCP, it is not officially categorized as a TCG. AFMAN 16-101 notes that the ECISAP is a management concept designed to provide FMS and security assistance customers a single focal point for installation and sustainment of electronic combat (EC) equipment. The ECISAP is managed by SAF/IARW with the executive agent at WR-ALC, Electronic Warfare Directorate, International.

According to Thomas Batterman in a paper *Security Assistance Software Support for Electronic Warfare Systems-Putting All The Pieces Together*, (WR-ALC/ MMRS, 1983), the current Electronic Combat International Security Assistance Program (ECISAP) organization had it roots in 1980. At that time the USAF/AFMC recognized that the unique nature of electronic warfare FMS support would require dedicated facilities, equipment, and people including

contractor assistance. The result was the development of the Security Assistance Software Support (SASS) concept, which required that individual laboratories be established for the software support of each FMS country. These labs, together with the dedicated government and contractor engineers and technicians, provided software update support on a cyclic basis for each FMS customer, separate and apart from USAF software support resources.

With standardization, shared costs and improved customer service in mind, the Electronic Warfare Standardization Improvement Program (EWSIP) was conceived, formalized, and adopted in 1984. With the change from Electronic Warfare to Electronic Combat (EC), SAF/IA directed that EWSIP be redesignated. The Electronic Combat International Security Assistance Program (ECISAP) is the latest concept.

The first ECISAP Chief was Thomas Batterman. His initial team consisted of thirteen electronic warfare specialists. The current TCG Chief is Court Smith who heads up an organization of approximately eighty-seven US government employees and contractors.

The original customers were Denmark, Egypt, Korea, the Netherlands, Norway, Pakistan and Turkey. ECISAP has grown to twenty members including Australia, Bahrain, Belgium, Chile, Egypt, Italy, Japan, Jordan, Korea, the Netherlands, Norway, Oman, Pakistan, Poland, Portugal, Saudi Arabia, Singapore, Taiwan, Thailand, and the United Kingdom. Potential members include Brazil and the Czech Republic.

There are two types of membership. "Full" ECISAP membership which includes:

- Electronic warfare and support equipment procurement;
- Logistics and program management;
- Continuous threat analysis;
- Automatic mission data updates;
- Rapid reprogramming, automatic updates;
- Repair-return;
- Status of USAF HW/SW modifications, and;
- Individual tasks per country request.

The second type of membership is "Technical Services Only" and is limited to a country request for individual tasks. Lines may be included on initial systems sales cases and through separate "G" or "Q" sustainment cases.

The ECISAP is responsible for a myriad of complicated software to support Radar Warning Receiver systems, ALR-62I, ALR-69, ALR-56C/M, ALQ-211 and AAR-47, Jammer systems ALQ-131, ALQ-211, ALQ-135, and ALQ-184) and the ALE-47 Countermeasures Dispensing System (CMDS). These systems are installed on just about every USAF aircraft in the FMS inventory including the F-4, F-5, F-15, F-16, F-111, C-17,C-130, and even the venerable C-47 and OV-10. Support to the NATO NH-90 helicopter program is pending. For a more in-depth look at ECISAP, go to the DISAM webpage and read the article by Howard E. Smith, (WR-ALC/LSRI), titled "Expanding the Security Assistance Role in Electronic Warfare Management" *The DISAM Journal*, Winter 1997/98. ECISAP also maintains a website at http://www.robins.af.mil/ln/.

Electronic Combat International Security Assistance Program in Action

A significant achievement in FMS Electronic Combat activity is the out of the box effort currently being accomplished to integrate the non-standard ALQ-211(V)4 (AIDEWS) into F-16 C/D model aircraft for three countries. AIDEWS is a derivative from SIRFC (Suite of Integrated

RF Countermeasures) designed for helicopters and the CV-22 Osprey. The F-16 version required additional capabilities and adaptations to provide the required protection for a high/fast flyer. FMS cases were signed and implemented based upon a mutual understanding that developmental testing and validation and verification would be required. Not only is this an electronic combat equipment developmental acquisition, but also the first time an electronic combat system not in the USAF inventory was permitted for FMS sales. As of this writing, ESCSAP is preparing for sales to yet a fourth country.

AN/ALQ-135 Electronic Combat System

Program Non-Participation

Although our security assistance customers do not have to join any of the groups, the USAF highly encourages them to do so. Eligible purchasers who decide not to take part in the TCGs will not receive many benefits of provided to members. Non-member countries that request technical assistance or support from the TCG will be encouraged to join the TCG. However, if the country does not join, it will be referred to the SPD for support. A FMS case may be required to provide the requested support that will be fully funded by the country. Non-members cannot attend TCG reviews. However the TCGs will inform all non-hostile countries of safety-of-flight hazards through their respective in country SAO but they cannot receive items, including kits to correct safety problems, or other services.

ECICAP also encourages participation for the initial sale of USAF reprogrammable electronic combat systems. ECISAP systems and services may be delayed for eligible purchasers as is the case with the TCGs. Priority will be given to customers with active ECISAP cases.

Final Thought

The TCGs fulfill a vital role in supporting our international customers. To quote the words of Sherman Rankin Chief, C-130 TCG. "The TCG is the maintenance insurance policy for its members."

Acknowledgements

This article would not have been possible without the assistance of the all the TCG Chiefs and their staffs. Special mention for Charlotte McCarthy, AFSAC/IAS, TCG Program Coordinator for her assistance in completing this article.

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web pages and from briefings prepared for the various World Wide Reviews held in 2002 and 2003.

Further background data was extracted from various USAF Fact Sheets located at www.af.mil/factsheets and from AFSAC at https://rock.afsac.wpafb.af.mil.. Information on the F-4 TCG was based on an article that appeared in the *Hill Top Times*, 9 Oct, 2003. The "TMTCG in Action" report for the F-16 was edited from an article that was originally printed in the *Robins RevUp*, Vol 48, No. 10, March 14, 2003.

About the Author

Forrest "Ed" Smith has an extensive background in security assistance programs and training. He is currently an Associate Professor of Security Assistance Management at DISAM. He has also held positions as a Logistics Analyst for DSAMS Training and Field Support; Chief, Arabian Programs Branch, Air Force Security Assistance Center (AFSAC); Chief, Cost Sharing Branch, Assistant Chief of Staff (J-4), Yongsan, Korea; AFLC Security Assistance Program Liaison Officer to PACOM; and Security Assistance Program Manager, International Logistics Center (ILC). He was awarded a Master of Science/ Logistics Management from the Air Force Institute of Technology, and a Bachelor of Business Administration/Business and Finance from the University of Massachusetts.

RESEARCH AND CONSULTATION

Is there a security assistance procedure, requirement and/or program guidance which is [or has been] presenting a significant problem in accomplishing your security assistance function? If so, DISAM would like to know about it. If you have a specific question, we will try to get you an answer. If it is a suggestion in an area worthy of additional research, we will submit it for such research. If it is a problem you have already solved, we would also like to hear about it. In all of the above cases, DISAM will use your inputs to maintain a current "real world" curriculum and work with you in improving security assistance management.

Please submit pertinent questions and/or comments by completing the remainder of this sheet and return it to:

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