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The National Guard Bureau State Partnership Program (NGBSPP) has had mutually beneficial partnerships with Latin American countries for decades. As China's Belt and Road Initiative (BRI) expands to include Latin America (LatAm), it is unclear whether the NGBSPP is as influential as it once was. Assessing the partnership between Panama and the Missouri National Guard (MONG) through a review of their current and historical interactions are measured against China's economic influence through the advancement of the BRI in Panama and across LatAm during the same time demonstrates accomplishments and resource shortfalls that put the U.S. program at a competitive disadvantage. To best serve as a tool in combating China's influence in Panama, the Department of Defense should provide increased and predictable resourcing and an expansion of this partnership. By analyzing MONG's engagements with Panama and evaluating the impact of subject matter exchanges, Senior leader engagements, and educational opportunities, the National Guard Bureau (NGB) can better shape future NGBSPP engagements as part of a larger U.S. Government effort to compete with China more effectively.

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**THE NATIONAL GUARD STATE PARTNERSHIP PROGRAM:
STRENGTHENING RELATIONSHIPS TO COUNTER THE INFLUENCE
OF CHINA IN PANAMA**

By:

Elizabeth A. Evans

Colonel, Florida Army National Guard

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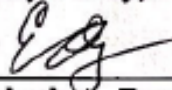
**THE NATIONAL GUARD STATE PARTNERSHIP PROGRAM:
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CHINA IN PANAMA**

by Elizabeth A. Evans

Colonel, Florida Army National Guard

A paper submitted to the Faculty of the Joint Advanced Warfighting School in partial satisfaction of the requirements of a Master of Science Degree in Joint Campaign Planning Strategy. The contents of this paper reflect my own personal views and are not necessarily endorsed by the Joint Forces Staff College or the Department of Defense.

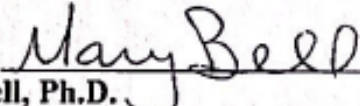
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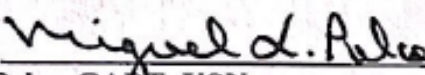
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Abstract

The National Guard Bureau State Partnership Program (NGBSPP) has had mutually beneficial partnerships with Latin American countries for decades. As China's Belt and Road Initiative (BRI) expands to include Latin America (LatAm), it is unclear whether the NGBSPP is as influential as it once was. Assessing the partnership between Panama and the Missouri National Guard (MONG) through a review of their current and historical interactions are measured against China's economic influence through the advancement of the BRI in Panama and across LatAm during the same time demonstrates accomplishments and resource shortfalls that put the U.S. program at a competitive disadvantage. To best serve as a tool in combating China's influence in Panama, the Department of Defense should provide increased and predictable resourcing and an expansion of this partnership. By analyzing MONG's engagements with Panama and evaluating the impact of subject matter exchanges, Senior leader engagements, and educational opportunities, the National Guard Bureau (NGB) can better shape future NGBSPP engagements as part of a larger U.S. Government effort to compete with China more effectively.

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Dedication

To my family. To Anne Nicholas and the kids, for your selfless support of me while I have been away at school in Norfolk, giving me the confidence and focus I needed to have, given this challenging curriculum. To my parents, sister, and Anthony for always supporting me throughout my military career and understanding that duty truly does come first. We truly are in this together as a family that serves together, in and out of uniform.

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Table of Contents

| | |
|--|----|
| Chapter 1: Introduction..... | 1 |
| Chapter 2: State Partnership Program Overview..... | 0 |
| History of Subject Matter Expert Exchanges | 4 |
| History of Senior Leader Engagements | 6 |
| History of Interagency Humanitarian Assistance/Disaster Response (HADR) Planning and Coordination Engagements | 6 |
| Successes and Shortfalls of SPP Engagements | 7 |
| Chapter 3: History of the Panama Canal with U.S. and Chinese Involvement | 0 |
| History Of The Panama Canal And Its Significance | 0 |
| China's investment and influence in Latin America | 2 |
| U.S. investment and influence in Panama | 4 |
| U.S. efforts to counter China's influence | 6 |
| Chapter 4: Recommendations: NGBSPP Resourcing and Prioritization | 10 |
| Arguments in support of prioritizing SPP partnerships based on GPC threat | 14 |
| CDRUSSOUTHCOM 2020 Senate Armed Services Committee (SASC) Testimony | 16 |
| Recommendations for USSOUTHCOM | 17 |
| Recommendations for National Guard Bureau (NGB) | 19 |
| Recommendations for Missouri National Guard (MONG) | 21 |
| Chapter 5: Conclusion | 24 |
| Identification of areas for future research within Department of Defense (DoD) | 25 |
| Identification of areas for future research within Department of State (DoS) | 27 |
| Bibliography | 28 |
| Vita | 32 |

List of Figures and Tables

| | |
|--|----|
| Figure 1: Map Highlighting Chinese Control on both sides of the Canal..... | 2 |
| Table 1: NGBSPP Funding from 2011-2021 | 11 |
| Table 2: NGBSPP FY21 Budgeting Methodology | 12 |

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Chapter 1: Introduction

As China continues to advance its Belt and Road Initiative (BRI), Latin America (LatAm) and the Caribbean are prime targets. As of 2019, the Chinese government had nineteen LatAm and Caribbean countries participating in the BRI, representing more than half of all countries within the region.¹ The Chinese have loaned several countries within the region over \$150B to fund infrastructure projects and telecommunications platforms and gifted military equipment and weapons to some countries.² These projects give the Chinese military the potential to threaten sea lanes, restrict the movement of U.S. Forces, and influence some of the United States' most critical regional partners' alliances.

One critical piece of infrastructure in LatAm and the Caribbean is the Panama Canal. Approximately six percent of all worldwide trade flows through the Panama Canal, and sixty percent of everything that flows through the canal is going to or coming from the United States.³ The Panama Canal has both economic and military significance for the U.S. As part of BRI, Chinese firms own two ports, the Ports of Balboa and Cristobal, on either side of the Panama Canal. In 2017, a Chinese-owned multinational corporation purchased the Margarita Island port on the Panama Canal's Caribbean side near the Port of Cristobal. By owning the two seaports and Margarita Island, the Chinese have extensive influence on both sides of the Panama Canal.⁴ Influence, if not control,

¹ America, Current Affairs Correspondent North. "China Expands Influence in America's Backyard: Admiral Craig," *Belt & Road News*, March 14, 2020, <https://www.beltandroad.news/2020/03/14/china-expands-influence-in-americas-backyard-admiral-craig/>.

² Ibid.

³ Thrower, Ben. "Expansion of the Panama Canal Benefits Global Trade," *Freight Waves*, July 15, 2019, <https://www.freightwaves.com/news/commentary-expansion-of-the-panama-canal-benefits-global-trade>.

⁴ Callum Wood, "China Buys Panama's Largest Port," *The Trumpet.Com*, June 22, 2016, <https://www.thetrumpet.com/13973-china-buys-panamas-largest-port>.

over both sides of the Panama Canal threatens the U.S.'s ability to use one of the Western Hemisphere's most critical chokepoints, potentially restricting the movement of U.S. military and commercial containers during an era of Great Power Competition and increased tension between the U.S. and China. A 2017 example of that influence is that Panama denounced Taiwan and became the first LatAm country to join the BRI officially.⁵



Figure 1 - Map Highlighting Chinese Control on both sides of the Canal

⁵ “Wang Yi: The Belt and Road Initiative Becomes New Opportunity for China-Latin America Cooperation,” *Ministry of Foreign Affairs of the People’s Republic of China*, September 18, 2017, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1494844.shtml.

President Xi Jinping of the People's Republic of China (PRC) announced the BRI in 2013. The BRI's objectives are to "promote economic prosperity of the countries along the Belt and Road, promote regional economic cooperation, strengthen exchanges and mutual learning between civilizations, and promote world peace and development."⁶ Between 2013 and 2019, the number of countries participating in the BRI around the globe increased to 123 countries.⁷ Xi designed the Silk Road Economic Belt to increase connectivity between China and Europe via land but quickly expanded the Initiative to include a maritime connection. In 2015, the program formally changed to "One Belt, One Road," with an English translation of Belt and Road Initiative.⁸ In the same year, the PRC expanded the priorities of the BRI to include "the construction of cross-border optical cables and other communications trunk line networks, to improve international communications connectivity."⁹

The BRI extended its reach significantly in 2017, expanding into Africa, LatAm, Oceania, and the Arctic Ocean. As of March 2020, nineteen LatAm and Caribbean countries participate in the BRI, and the PRC has pledged to invest \$150B in infrastructure loans and gifts of military equipment and education.¹⁰

By making such significant investments, China creates two specific problems for the U.S. First, they have demonstrated the effectiveness of economic and military

⁶ Ibid.

⁷ Ibid.

⁸ Nadege Rolland, "A Concise Guide to the Belt and Road Initiative," *The National Bureau of Asian Research (NBR)*, April 11, 2019, <https://www.nbr.org/publication/a-guide-to-the-belt-and-road-initiative/>.

⁹ Nadege, Rolland, "Securing the Belt and Road Initiative: China's Evolving Military Engagement Along the Silk Roads," *The National Bureau of Asian Research (NBR #80)*, September 2019, 29, https://www.nbr.org/wp-content/uploads/pdfs/publications/sr80_securing_the_belt_and_road_sep2019.pdf

¹⁰ America, Current Affairs Correspondent North. "China Expands Influence in America's Backyard: Admiral Craig."

influence, which is often subject to the terms of debt trap diplomacy that assures persistent Chinese influence. Second, the Chinese influence is occurring in close geographic proximity to the U.S., which is atypical for the U.S. By encroaching in the U.S.'s 'backyard,' the BRI creates significant risk for the U.S. The U.S. National Guard Bureau State Partnership Program (NGBSPP) is a primary means by which the U.S. has maintained contact and influence in LatAm and Caribbean countries, but given the outsized influence, economically, diplomatically, and militarily, it is unclear whether the NGBSPP will continue to effectively maintain, let alone counter, Chinese BRI efforts.

The Missouri National Guard (MONG), as the primary contributor to the NGBSPP in Panama, was uniquely positioned to influence and shape a strategic relationship over their twenty-five year partnership. Given the limited resources allocated to United States Southern Command (USSOUTHCOM), MONG has been one of the primary mil-to-mil and mil-to-civ levers for engagement with Panama. The National Guard Bureau (NGB) alone does not have the financial resources to leverage the NGBSPP to effectively counter Chinese influence in LatAm and the Caribbean, despite demonstrating both efficiency for cost and effectiveness. Additionally, the constraints placed upon MONG due to the U.S. Congressional approval process required for each engagement, further limits their ability to schedule and conduct the quantity of engagements desired by both MONG leadership and the Panama government's leadership.¹¹ To counter China's malign influence and expansion within the LatAm region, the United States Government (USG) must consider the use of all resources across the instruments of national power. By analyzing MONG's engagements with

¹¹ MAJ Ron McDaniel, interview by author, telephonically, November 30, 2020.

Panama and evaluating the impact of Subject Matter Expert Exchanges (SMEE), Senior Leader Engagements (SLE), and educational opportunities, the NGB can better shape future NGBSPP engagements as part of a larger USG effort to compete with China more effectively.

Methods

There were three primary phases of research conducted for this paper. The first phase focused on document research to gain a broad picture of China's BRI and the extent of China's infrastructure investments and loans in LatAm with a focused effort on Panama. The second phase focused on document research to better understand the NGBSPP and its evolution over the past twenty-five years, focusing on existing relationships with Partner Nations (P.N.) in LatAm. The third phase focused on interviews with the NGB International Affairs (I.A.) Office, USSOUTHCOM J5 Office, the MONG NGBSPP Director, the Panama Country Team, and other subject matter experts within the Department of Defense and State Department.

Following the three phases of research presented is data analysis gained from each source by establishing a baseline for comparison. The baseline for this analysis is China's involvement in Panama starting in 2010 when the NGB designated NGBSPP as a DoD Program of Record.¹² By analyzing the increase in China's investments, and the diplomatic and military engagements with Panama from 2010 until the present day, preliminary conclusions arise of the partnership's effectiveness. Concurrently, the analysis includes prioritizing funding and other resources for the MONG and the NGBSPP program across the same period. With the study of past commitments and

¹² Boehm, "The National Guard State Partnership," 54.

resourcing, presented are recommendations for future engagements and resource prioritization. Without analyzing past practices and resource considerations as part of a measure of effectiveness, this case study would not be able to illustrate or recommend future efforts to utilize the NGBSPP as an effective tool for countering the influence of China in Panama.

Chapter 2: State Partnership Program Overview

The National Guard Bureau State Partnership Program (NGBSPP) is a Department of Defense (DoD) program, managed by the National Guard Bureau (NGB), aligned with the Department of State (DoS) foreign policy objectives, in support of the Combatant Commander's theater strategy and the U.S. Chief of Mission's partner nation goals.¹ The origins of the program date back to 1992, at the end of the Cold War. The Program was designed to counter the gap for emerging nations bordered with the former Soviet Union bloc nations. Secretary of Defense Dick Cheney had three priorities for the countries: help build democracy amongst the militaries with civilian command, extend humanitarian assistance through joint exercises, and develop a capability to assist others with crisis management mechanisms.² The National Guard's strengths aligned well with the priorities. Leadership also viewed the use of citizen-soldiers and airmen assisting with the spread of democracy as an economically prudent tool.³ Accordingly, DoD officially established the NGBSPP in January 1993. In the first year, the United States established fifteen partnerships between Baltic countries and various U.S. states.⁴ Today, the

¹ U.S. Department of Defense, *The State Partnership Program FY 2015 Annual Report to Congress*, December 14, 2016,

<https://securityassistance.org/sites/default/files/FY15%20SPP%20Annual%20Report.pdf>

²William B. Boehm, *The National Guard State Partnership* (Arlington, VA: National Guard Bureau Office of Public Affairs, 2014), 3,

<https://www.nationalguard.mil/portals/31/Documents/About/Publications/Documents/National%20Guard%20State%20Partnership%20Program.pdf>

³ William B. Boehm, *The National Guard State Partnership* (Arlington, VA: National Guard Bureau Office of Public Affairs, 2014), 3,

<https://www.nationalguard.mil/portals/31/Documents/About/Publications/Documents/National%20Guard%20State%20Partnership%20Program.pdf>

⁴ Ibid, 12. [Maryland-Estonia, Michigan-Latvia, Pennsylvania-Lithuania, Alabama-Romania, Colorado-Slovenia, Illinois-Poland, Indiana-Slovakia, Tennessee-Bulgaria, Ohio-Hungary, Texas/Nebraska-Czech Republic, South Carolina-Albania, Vermont-Macedonia, Arizona-Kazakhstan, California-Ukraine, and Utah-Belarus were the initial State Partnership Programs. All but Albania and Belarus have continued partnerships today.]

NGBSPP extends to eighty-two partnerships, supporting each of the six geographic⁵ Combatant Commands.⁶ The NGBSPP encompasses nearly all fifty U.S. States, including states with multiple partnerships, and the four U.S. territories.⁷ In 2019, National Guard soldiers and airmen participated in 1,200 activities worldwide. Since the terrorist attacks against the U.S. on September 11, 2001, fifteen NGBSPP participating countries deployed alongside their stateside partners to fight the War on Terror.⁸

In 1996, the NGB International Affairs Division expanded into a full-time operation to facilitate the NGBSPP's growth. With expanded resourcing, the program grew from military-to-military relations to include military-to-civilian training and relationship building. The NGBSPP expanded beyond its original purpose to develop relationships with former Soviet Bloc countries in the U.S. European Command (USEUCOM) area of responsibility (AOR) when, in 1996, countries in the U.S. Southern Command (USSOUTHCOM) AOR joined the program.⁹

Although the NGBSPP formally began in 1993, there were precursor programs. For example, throughout the 1980s, several National Guardsmen, including soldiers and airmen from the Missouri National Guard (MONG), participated in training exercises in the USSOUTHCOM AOR building roads, bridges, medical clinics, and schools in Panama as part of an exercise labeled "Blazing Trails." USSOUTHCOM and MONG

⁵ This does not include USSPACECOM even though it is a designated geographic combatant command.

⁶ National Guard Bureau. *2030 State Partnership Program 2030 Strategy*. Washington, D.C. 2020.

⁷ Territory partnerships include the following: The U.S. Virgin Islands are partnered with the Caribbean Regional Security System. The District of Columbia is partnered with Jamaica and Burkina Faso. Guam is partnered with the Philippines. Puerto Rico is partnered with the Dominican Republic and Honduras.

⁸ National Guard Bureau. *2021 National Guard Bureau Posture Statement: Force For The Future*. Washington, D.C. 2020.

⁹ Boehm, "The National Guard State Partnership," 27.

initiated the program in Panama in 1983 and, from 1985-1986 deployed approximately 10,000 troops in two-week rotations as part of their annual training exercise.¹⁰ In 1991, Task Force 354, led by MONG Lt. Col. Clyde A. Vaughn, conducted an eight-month deployment to Panama, along with the Alabama National Guard, constructing a road from the rural areas to Colon, the second-largest city in Panama. Additionally, the Task Force renovated schools and provided medical care to rural villagers.¹¹ The overseas training exercises conducted throughout the 1980s and 1990s laid the bedrock for the formalization of MONG's partnership with Panama in 1996. In 1996, the State Partnership relationship between Panama and MONG formalized, officially expanding the NGBSPP to a second combatant command joining three other Latin American (LatAm) nations as the first four countries in the Western Hemisphere and USSOUTHCOM to join the NGBSPP.¹²

Given the longstanding relationship between MONG and Panama, the formalization of the partnership symbolized a willful extension of the mutually beneficial relationship. Unique to the MONG/Panama partnership, compared to the other newly formed partnerships in USSOUTHCOM, Panama did not have a standing military. In 1990, Panamanian President Guillermo Endara abolished Panama's military and established the Panamanian Public Forces to serve in support of national security. In 1996, the National Assembly further codified the establishment of the Panamanian Public Forces by approving a constitutional amendment prohibiting a standing military force,

¹⁰ Boehm, "The National Guard State Partnership," 30.

¹¹ Capt. Mary E. Collins, "Task Force 354 opens roads to Panama's 2nd largest city," *On Guard*, April 1991, <https://www.nationalguard.mil/Resources/Archives/The-On-Guard/FileId/63081/>.

¹² Boehm, "The National Guard State Partnership," 29. [The other state partnerships commencing in 1996 were Louisiana-Belize, Kentucky-Ecuador, and West Virginia-Peru.]

but allowing special police units to counter acts of “external aggression.”¹³ Given the prohibition of a standing military force, Panama’s willingness to partner with MONG officially in 1996 further demonstrates the positive diplomatic impact exercises, such as Blazing Trails, had made on the civil-military relationship between Panama and the United States and led to the first establishment of the NGBSPP in USSOUTHCOM.

During the initial years of the partnership between MONG and Panama, limited funding for engagements was available. In 1999, President Clinton’s *National Security Strategy for a New Century* outlined objectives supported by NGBSPP goals by focusing on promoting regional security and civilian control of the military through military-to-military and military-to-civilian engagements and exchanges.¹⁴ With this strategic focus, additional funding became available through annual earmarks from Congress at over \$1 million per year.¹⁵ Significant to Panama and MONG’s relationship was clear authority to conduct military-to-civilian engagements, expanding the opportunities for broader training based on humanitarian assistance, border security, and police services. By 2010, the NGBSPP became a DoD Program of Record, with annual funding of \$12 million.¹⁶ As funding increased, opportunities for MONG and Panama for Subject Matter Expert Exchanges (SMEE) and Senior Leader Engagements (SLE) also increased. By 2016, twenty years after the formalization of their partnership, MONG and the Panamanian Public Forces had conducted more than 100 engagements and exchanges, both in Panama and within the state of Missouri.¹⁷ From 2010 through 2020, MONG and the Panamanian

¹³ The CIA World Factbook, <https://www.cia.gov/the-world-factbook/countries/panama/#military-and-security>.

¹⁴ Boehm, “The National Guard State Partnership,” 54.

¹⁵ *Ibid*, 54.

¹⁶ *Ibid*, 54.

¹⁷ 2LT Matthew Van Wagenen, 509th Bomb Wing Public Affairs, “Missouri-Panama State Partnership Program comes to Whiteman,” *Whiteman Air Force Base News*, April 5, 2016,

Public Forces conducted over 80 engagements, demonstrating an increase in engagements and the commitment on both sides to advancing the partnership.¹⁸ Further detail regarding the types of engagements and how Panama and MONG compare to other NGBSPP partnerships is analyzed in subsequent sections of this paper.

History of Subject Matter Expert Exchanges

The latest document discovered on public record reporting on the NGBSPP is the Fiscal Year (FY) 2017 Annual Report to Congress. The annual report serves as the baseline for comparing the number of engagements for all NGBSPP activities worldwide. Additionally, interviews conducted with NGB International Affairs Division personnel and MONG personnel provided historical information specifically on MONG's quantity of engagements with Panama since SPP became a DoD Program of Record in 2010.

In FY17, Guardsmen from all fifty states and four territories conducted 1,012 activities worldwide at the cost of just over \$22.7 million.¹⁹ The twenty-three partnerships in USSOUTHCOM conducted 203 activities costing just over \$4.4 million, ranking second only behind USEUCOM, where twenty-two partnerships conducted 446 activities costing just under \$10 million.²⁰ Of the 203 activities conducted by USSOUTHCOM, the MONG conducted eleven engagements with Panama at the cost of \$183,262.²¹ Compared to other NGBSPP engagements during FY17, within USSOUTHCOM specifically, MONG conducted the eighth most engagements, with the

<https://www.whiteman.af.mil/News/Article/835851/missouri-panama-state-partnership-program-comes-to-whiteman/>.

¹⁸ CPT Anna Guterrez, interview by author, telephonically, January 20, 2021.

¹⁹ Department of Defense, "The State Partnership Program FY 2017 Annual Report to Congress,"

3.

²⁰ Ibid, 5.

²¹ Ibid, 7.

State of South Carolina conducting the most with twenty engagements with Colombia. Of the eleven total engagements MONG conducted, seven were Subject Matter Expert Exchanges (SMEE). The average engagement was five days in length, with one event lasting thirteen days. The thirteen-day MONG engagement focused on Spanish language and cultural immersion training and included shorter events focused on aviation safety, life support equipment, and weapons maintenance.²² In comparison to other partnerships in USSOUTHCOM, the duration of these engagements is similar.

Given the predominance of U.S. Army force structure within the MONG, further research was done at the Component Command level with the Army Service Component Command (ASCC). The data from FY17 presented by ASCC details the number of soldiers involved in engagements by Combatant Command and the total number of “man-days,” or equivalent days invested.²³ The data demonstrates the priority of funding of USSOUTHCOM in comparison to other Combatant Commands. In FY2017, U.S. Army South (USARSO) utilized 1,908 soldiers and 45,020 man-days to support eight exercises, including but not limited to, engagements in Panama. This quantity of man-days represents just above ten percent of the total man-days supported worldwide. During the same year, U.S. Army Europe (USAREUR) utilized 9,588 soldiers and 201,092 man-days, followed by U.S. Army North (USARNO) utilization of 6,461 soldiers and 95,058 man-days.²⁴ Understanding the disparity in resourcing between Combatant Commands

²² Ibid, 63.

²³ Man-Days are further defined as Military Personnel Appropriation (MPA) Man-Days. MPA man-days support short-term needs of the active force by authorizing no more than 139 days annually to non-Extended Active Duty (EAD) officers and airmen. These days are offered at the convenience of the government and when there is a temporary need for personnel with unique skills or resources that cannot be economically met in the active force. Pay and allowances for personnel performing man-days is from the MPA account (Air Force Instruction 36-2619, 22 July 1994, Military Personnel Appropriation (MPA) Man-Day Program), Secretary of the Air Force, <http://afpubs.hq.af.mil>.

²⁴ Mr. Thomas Dean, interview by author, electronically via email, January 5, 2021.

and Component Commands highlights the necessity for a deeper look at the prioritization of USSOUTHCOM if NGBSPP engagements are intended to serve as an effective counter to the influence of China's predatory expansion in the Western Hemisphere.

History of Senior Leader Engagements

According to the data from the FY17 Report to Congress, two of the eleven engagements conducted by the MONG were Senior Leader Engagements (SLE). Both engagements took place in Panama and focused on synchronizing future NGBSPP priorities with the Ambassador's, CDRUSSOUTHCOM's, and the Panamanian leadership goals. Each engagement lasted two days, and attendance was higher than an average SMEE or humanitarian assistance engagement.²⁵

From 2010-2020, the MONG Adjutant General (TAG) conducted a SLE in Panama at least annually as part of the annual planning conference where he served as the guest speaker emphasizing his support of the program and partnership. The one exception to the TAG annual engagement was 2020 due to the restrictions placed on travel by the COVID pandemic.²⁶

History of Interagency Humanitarian Assistance/Disaster Response Planning and Coordination Engagements

According to the FY17 Report to Congress, two of the eleven engagements conducted by the MONG were Interagency Humanitarian Assistance/Disaster Relief (HADR) planning and coordination events. The engagements took place in Panama and covered topics, such as information fusion, interagency management during a humanitarian crisis, and water distribution and conservation. Each engagement lasted five

²⁵ Department of Defense, "The State Partnership Program FY 2015 Annual Report to Congress," 58.

²⁶ CPT Anna Guitierrez, interview by author, telephonically, January 20, 2021.

days and had twenty Panamanian participants.²⁷ Given the National Guard's experience with HADR mission planning and coordination, along with the Panama Public Force's mission set focus on security, it is a synergistic relationship potentially more beneficial than when conducted in other countries with their respective militaries.

Successes and Shortfalls of NGBSPP Engagements

Over the past decade, MONG conducted over eighty engagements with members of the Panamanian Public Force.²⁸ CPT Gutierrez assumed her role as the MONG NGBSPP Coordinator in June 2020 and was not able to provide further detail on the types of exchanges conducted, nor the number of Panamanian Public Forces that attended. During the evolution and growth of the NGBSPP since 2010, several changes occurred to the system of record, resulting in most historical records largely being held at the state level. Due to her short time in the position, a large-scale turnover in the leadership of the MONG, and the remote working environment established due to the COVID-19 pandemic, further detail surrounding these historical engagements is not available.²⁹

The widespread turnover within the MONG leadership is not typical for a National Guard state. The previous MONG TAG, MG Stephen Danner, served in his position for ten years from 2009-2019, allowing him to continuously engage throughout a decade's time with Panamanian leadership within the security and political governance sectors.³⁰ Most MONG servicemembers are in their position for two to three years, but

63. ²⁷ Department of Defense, "The State Partnership Program FY 2017 Annual Report to Congress,"

²⁸ CPT Anna Gutierrez, interview by author, telephonically, January 20, 2021.

²⁹ Ibid.

³⁰ Ibid.

remain within the State for the duration of their careers. This length of time in office allows them to participate in NGBSPP engagements regardless of the specific position they hold. In contrast, the Panamanian Public Force's leadership rotates every one to three months.³¹ This turnover creates an extreme loss of continuity and leads to repetitive requests for SMEEs.

Compounding the turnover is the lack of Standard Operating Procedures (SOPs) within the Panamanian Public Force. As leadership changes within the Force, the transfer of information and procedures is limited. Although the shortfalls may create redundancies in information shared across the partnership, one measure of success is the quantity of engagements that continue to take place each year, averaging eight per year over the past decade, with nine engagements already requested and planned for FY2021, amidst a COVID pandemic restricted environment.³²

This chapter provided a brief history of the NGBSPP and MONG's involvement with Panama. The details highlight the Measures of Performance relative to that relationship including the number and type of engagements, but it does not include Measures of Effectiveness. In the context of China's involvement in LatAm and the Caribbean, it is evident that the relationships built as part of the NGBSPP are important, but it is much more difficult to assess if the relationships built through the NGBSPP effectively compete with a growing Chinese influence. To better understand the effect the NGBSPP has and can have in Panama, it is critical to understand how the U.S. has historical ties to the Canal, what actions China is taking in Panama, and what relationships the Chinese are building in LatAm and the Caribbean.

³¹ Ibid.

³² MAJ Ron McDaniel, interview by author, telephonically, November 30, 2020.

Chapter 3: History of the Panama Canal with U.S. and Chinese Involvement

To understand the political, military, and economic significance of the Panama Canal, it is important to review how and why the Canal was built.

History Of The Panama Canal And Its Significance

Constructed between 1904-1914, the forty-eight mile long Panama Canal connects the Atlantic and Pacific Oceans, saving ships the 8,000 mile journey around South America's southern point. With the signing of the Hay-Bunau-Varilla Treaty, Panama authorized the U.S. to construct the Canal in exchange for control of the Canal and a zone extending five miles on either side.¹ The Canal construction came at a tremendous human cost; over 5,000 workers died of yellow fever and malaria. After ten years and a previous failed construction attempt by the French in the 1800s, the Canal opened for traffic on August 15, 1914.²

Following the Hay-Bunau-Varilla Treaty signing, Panama's government leadership signed subsequent treaties to frame control and access to the Canal. The Hay-Bunau-Varilla Treaty gave the U.S. the right to have military units stationed in the Canal Zone for protection in the event of war. In 1936 and 1955, the U.S. and Panama signed subsequent treaties, granting Panama control of the Colon and Panama City ports. The treaties also prohibited the U.S. from acquiring additional land and water adjacent to the Canal, which unfortunately was not maintained in subsequent treaty agreements, in turn allowing the U.S. and other countries to acquire land in direct proximity of the Canal. In

¹ Matt Rosenberg, "Panama Canal," *Thought & Co.*, January 17, 2020 <https://www.thoughtco.com/panama-canal-overview-1435562>.

² *Encyclopedia Britannica*, "Panama Canal - American Intervention." <https://www.britannica.com/topic/Panama-Canal>.

1977, the U.S. and Panama signed the Panama Canal Treaty, returning the Canal Zone to Panama while allowing the U.S. to continue to occupy the Canal Zone over a twenty-two-year period until December 31, 1999. On December 31, 1999, the U.S. returned control of the Panama Canal and Canal Zone to Panama's Government and removed all military forces, except for a small contingent, from Panama.³ Concurrent to the signing of the Panama Canal Treaty, the U.S. and Panama signed the Neutrality Treaty in 1977, ensuring access for all nations but prioritizing the passage of U.S. and Panamanian warships. The Neutrality Treaty of 1977, different from others signed previously, has no termination date and states that no other country would be allowed to operate the Canal nor maintain military installations or forces within Panama, other than the U.S., in perpetuity.⁴

The Canal operates by a series of locks that are controlled by the flow of water. As ships have increased in size since the original canal construction, so has the need to upgrade and expand the Canal. In 1935, the Madden Dam construction concluded, expanding water flow and increasing electric power in the region. In 1955, the Bridge of Americas' construction facilitated the connection between Panama City and Balboa on the Canal's west side. In 1971, the Gaillard Cut widened the Canal from 300 to 492 feet. In 1991, the Panama Canal Authority (PCA) invested \$219 million to expand the Cut to 728 feet to facilitate larger ships' passage while decreasing Canal travel time. In 2006, the Panamanian government approved a \$5.2 billion expansion of the Canal and surrounding structures, named the Third Set of Locks Project. The project, completed in 2016,

³ Ibid.

⁴ Ibid.

doubled the Canal's capacity to allow the latest generation of ships that carry up to 13,000 containers per load.⁵

On June 26, 2016, a Chinese ship became the first ship to traverse the expanded canal and lock system.⁶ With the expansion of the Canal, an even greater number of vessels can traverse between the two oceans, facilitating the conduct of commerce with the Americas for U.S. and other countries' vessels. Today, the Panama Canal facilitates the passage of two-thirds of the ships traveling to and from the U.S., supporting U.S. trade and commerce, underscoring its strategic significance to the U.S. economy.⁷

China's investment and influence in Latin America

In September 2017, at a joint press conference in Panama City, Chinese Foreign Minister Wang Yi publicly announced the Belt and Road Initiative (BRI) expansion in Latin America (LatAm). Touted as a relationship of mutual benefit and opportunity between LatAm countries and China, Wang identified the newly formed relationship with Panama as one that will facilitate "logistics, personnel exchanges, and circulation of funds."⁸ The formalization of China and Panama's association in 2017 did not signal the beginning of Chinese investment and influence. Still, it was a significant step forward in the Panamanian governmental leadership's public commitment to expanding their relationship with China.

⁵ Ibid.

⁶ Mimi Whitefield, "A Chinese Container Ship Will Make the First Official Transit When the Panama Canal Expansion Opens June 26," *Miami Herald*, June 17, 2016, <https://www.miamiherald.com/news/nation-world/world/americas/article84389637.html>.

⁷ Mat Youkee, "Panama the New Flashpoint in China's Growing Presence in Latin America." *The Guardian*, November 28, 2018, <http://www.theguardian.com/world/2018/nov/28/panama-china-us-latin-america-canal>.

⁸ "Wang Yi: The Belt and Road Initiative Becomes New Opportunity for China-Latin America Cooperation."

China's investment in Panama started to increase throughout the 1990s as the U.S. prepared to relinquish control of the Panama Canal in 1999. By 2016, Landbridge Group, a private Chinese company that receives government subsidies and oversight, purchased the largest port in Panama, Margarita Island Port, located on the Canal's Atlantic side, producing approximately \$5 billion in trade annually. Not only does the Landbridge Group receive subsidies from the Chinese government, but they also take orders from the Chinese government and retain a private military force. In addition to port ownership on both sides of the Canal, a Chinese company, the China Communication Construction Group, constructed bridges on the Canal's Atlantic and Pacific sides.⁹ Most recently, using BRI funding, an additional \$1.42 billion bridge is under construction over the Canal.¹⁰ Where there is control, one may infer, economic influence exists as well.

Beyond Panama, China continues to invest in other LatAm countries as part of their BRI expansion. Since 2017, eighteen additional LatAm countries joined the BRI, opening the door for China's economic influence and expansion, focusing on energy, construction, and transportation.¹¹ In the past year alone, China lent \$4 billion to Peru in an acquisition deal concerning power assets, \$600 million to Mexico to assist in the construction of an oil refinery, and \$300 million to Colombia to assist in financing a rail line which is under construction by a Chinese controlled construction company.¹² These

⁹ Current Affairs Correspondent South America, "China's Investments & Influence in Panama - Problems Ahead for the US?" *Belt & Road News*, July 24, 2019, <https://www.beltandroad.news/2019/07/24/chinas-investments-influence-in-panama-problems-ahead-for-the-us/>.

¹⁰"China Has Strengthened Its Presence in Panama," *Belt & Road News*, August 21, 2020, <https://www.beltandroad.news/2020/08/20/china-has-strengthened-its-presence-in-panama/>.

¹¹ America, Current Affairs Correspondent North. "China Expands Influence in America's Backyard: Admiral Craig."

¹² America, Current Affairs Correspondent South. "Belt & Road Initiative to Boost Chinese Lending in LatAm." *Belt & Road News*, January 29, 2020. <https://www.beltandroad.news/2020/01/29/belt-road-initiative-to-boost-chinese-lending-in-latam/>.

projects represent a small fraction of the approximately \$150 billion pledged to the region by China's BRI program, making China the largest investor in LatAm.¹³

U.S. investment and influence in Panama

As part of the Panama Canal Treaties of 1977, the U.S. transferred Canal operations to Panama and concluded its permanent military presence in Panama on December 31, 1999. Prior to the turnover of the Canal in 1999, several issues frayed diplomatic relations between the U.S. and Panama, potentially eroding some of the influence and mutual dependencies the nations shared. Without an understanding or explanation of the frayed relations between the U.S. and Panama prior to the establishment of the partnership between Panama and the Missouri National Guard (MONG), one cannot effectively assess the U.S. influence in Panama and how the National Guard Bureau State Partnership Program (NGBSPP) has the ability to positively effect this influence moving forward.

Prior to the Treaties of 1977, tension surrounding U.S. control of the Canal heightened, leading to the renegotiation of terms of U.S. control of the Canal between U.S. President Jimmy Carter and Panamanian dictator, Omar Torrijos. As part of the agreement to turn over the Canal to Panama by December 31, 1999, Torrijos agreed to restore civilian rule in Panama and hold a Presidential election in 1984.¹⁴ Unfortunately, following Torrijos's untimely death in a plane crash in 1981, General Manuel Noriega came to power and assumed the role of the leader of the Panamanian National Guard and

¹³ America, Current Affairs Correspondent North. "China Expands Influence in America's Backyard: Admiral Craig."

¹⁴ Bodenheimer, Rebecca, "Operation Just Cause: The 1989 US Invasion of Panama," *ThoughtCo*, February 27, 2020. <https://www.thoughtco.com/operation-just-cause-us-invasion-of-panama-4783806>.

became the de-facto ruler of Panama.¹⁵ Although Noriega served the U.S. intelligence community well during his earlier years as an informant, his increasing involvement in drug trafficking and his refusal to install a separate military leader for the Panamanian Defense Force (PDF) led to the eventual suspension of all military and economic aid to Panama by March 1998.¹⁶

During the Panamanian presidential election in 1989, Noriega interfered with the election to cause favor to his candidate, leading then U.S. President Bush to openly declare the U.S. would no longer recognize the Noriega regime. By December 1989, the Panamanian National Assembly declared war with the U.S., and the U.S. initiated Operation Just Cause to remove Noriega by force and bring him to justice. Although the intervention was swift and lasted merely five days, the impact on the citizens of Panama and U.S. relations with Panama suffered as a result.¹⁷

Following the removal of Noriega and the restoration of democracy to Panama, diplomatic and economic relations between the U.S. and Panama have improved. The U.S. and Panama have a bilateral investment treaty and a Trade Promotion Agreement that eliminates tariffs and other economic barriers to trade between the two countries.¹⁸ In 1989, the U.S. exported \$723.4 million worth of goods, rising almost annually to its peak in 2013 when the U.S. exported \$10.56 billion worth of goods.¹⁹ Following 2013, there

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ "U.S. Relations With Panama," *United States Department of State*, n.d., <https://www.state.gov/u-s-relations-with-panama/>.

¹⁹ U.S. Census Bureau Foreign Trade Division, "Foreign Trade: Data," <https://www.census.gov/foreign-trade/balance/c2250.html>.

was a steep and steady decline in trade between the two countries, with the U.S. exporting \$5.19 billion worth of goods in 2020.²⁰

At first glance, one might question whether the U.S. is losing economic influence in Panama to another country or competitor's gain. Analyzing the trade relationship between the two countries indicates one perspective, but expanding the analysis to include foreign investment portrays a different perspective. In the International Trade Administration's 2015 Foreign Direct Investment Report, the U.S. was Panama's top foreign investor, investing \$35.293 billion in Panama, representing 17% of the U.S. total foreign investment that year.²¹ Five years later, in the State Department's 2020 Investment Climate Statement on Panama, the U.S. remained the top foreign investor at \$10.09 billion, representing twenty-two percent of all foreign investment in Panama that year.²² Unique to both of the reports is the fact that China is not listed within the top five investors in 2015—prior to the formalized expansion of the BRI, nor in 2020—long after diplomatic relations and public perception of investment reliance of Panama on China was made known.

U.S. efforts to counter China's influence

Throughout the past decade, United States' policy leadership has shown moderate interest in strengthening diplomatic ties with Panama. In 2015, then President Barack Obama attended the 7th Summit of the Americas in Panama City. Remarkably, he was

²⁰ Ibid.

²¹ "Panama - Foreign Direct Investment and Foreign Portfolio Investment Statistics | International Trade Administration," <http://www.trade.gov/knowledge-product/panama-foreign-direct-investment-and-foreign-portfolio-investment-statistics>.

²² "Panama," *United States Department of State*, n.d., <https://www.state.gov/reports/2020-investment-climate-statements/panama/>.

only the ninth President of the United States to visit Panama in the past 110 years, ten years after his predecessor President George W. Bush and twenty-three years after President George H.W. Bush.²³ The Summit brought together leaders from North and South America to discuss transnational issues affecting the Americas. President Obama's participation in the Summit renewed the U.S. commitment to shared threats and issues and reinforced America's commitment to a democratic agenda within the region.²⁴ During the Summit, President Obama and President Varela of Panama engaged in a separate dialogue regarding the bilateral relationship between Panama and the U.S. The U.S. transcripts of their remarks were positive and included encouraging statements from President Varela thanking President Obama for his support and stating that he was looking forward to "working with him as a regional partner, not just a bilateral relationship, but a regional partner to make America a strong place and continued peace."²⁵ Where one might classify the diplomatic engagement between the U.S. and Panamanian President a success in 2015, just two years later in 2017 under the Trump administration, Panama denounced Taiwan and became the first LatAm country to officially join the People's Republic of China (PRC) BRI.

In 2017, then President Trump hosted President Varela and his wife during a four-day visit to the U.S.²⁶ Transcripts and details are not available for this meeting, but in a

²³ "U.S. Presidents Who Have Traveled to Panama," *U.S. Embassy in Panama*, <http://pa.usembassy.gov/our-relationship/policy-history/u-s-presidents-traveled-panama/>.

²⁴ Jenna Brayton. "The Seventh Summit of the Americas: The President's Trip and a Historic Meeting," *Whitehouse.Gov*, April 13, 2015, <https://obamawhitehouse.archives.gov/blog/2015/04/13/seventh-summit-americas-presidents-trip-and-historic-meeting>.

²⁵ "Remarks by President Obama and President Varela of Panama After Bilateral Meeting," *Whitehouse.Gov*, last modified April 10, 2015, <https://obamawhitehouse.archives.gov/the-press-office/2015/04/10/remarks-president-obama-and-president-varela-panama-after-bilateral-meet>

²⁶ Cleve R. Wootson Jr and Cleve Wootson, "Is Bragging about the Panama Canal Trump's Latest Gaffe? The Internet Thinks So.," *Washington Post*, June 19, 2017,

short public video, there were several comments of concern regarding the interaction. During their press interview, President Trump stated, “The Panama Canal is doing quite well. I think we did a good job building it, right – a very good job.”²⁷ President Varela responded, “Yeah, about 100 years ago.”²⁸ The tension is apparent in the video leading to further research on diplomatic efforts during President Trump’s tenure. In March 2018, Ambassador John Feeley resigned from his position as Ambassador to Panama.²⁹ An interim replacement was not named until January 2020, when Ambassador Roxanne Cabral was temporarily assigned to the post, followed by Ambassador Stewart Tuttle's permanent assignment in August 2020.³⁰ Some might assess that diplomatic relations frayed under the Trump administration due to his propensity to openly speak of anti-immigration policies and his pursuit of an expansion to the border wall separating the U.S. from its southern neighboring countries. What is fairly clear is that comments made by President Trump, compounded with an extended gap in the Ambassador position after Ambassador Feeley’s public resignation, opened the door for further influence from the PRC. The result of this fractured relationship left future presidential administrations with much work to do if they desire to repair and strengthen the ties with Panama while also countering the PRC’s influence.

<https://www.washingtonpost.com/news/the-fix/wp/2017/06/19/is-bragging-about-the-panama-canal-trumps-latest-gaffe-the-internet-thinks-so/>.

²⁷ Ibid.

²⁸ Ibid.

²⁹ John D. Feeley, “Opinion | Why I Could No Longer Serve This President,” *Washington Post*, March 9, 2018, https://www.washingtonpost.com/opinions/why-i-could-no-longer-serve-this-president/2018/03/08/f444f086-225c-11e8-86f6-54bfff693d2b_story.html.

³⁰ “Panama - Chiefs of Mission - People - Department History - Office of the Historian,” <https://history.state.gov/departmenthistory/people/chiefsomission/panama>.

The Panama Canal is one of the most significant chokepoints in the Western Hemisphere. With both the PRC and the U.S. vying for influence over the Canal, the USG must examine existing programs and consider their expansion to better balance Chinese influence. The NGBSPP is one of those critical programs the U.S. should more effectively utilize to counter Chinese influence in LatAm and the Caribbean. The NGBSPP must expand and be used consistently to demonstrate U.S. resolve and commitment to the Panamanians.

Chapter 4: Recommendations: NGBSPP Resourcing and Prioritization

As a cost-effective, flexible, and adaptive security cooperation program, the National Guard Bureau State Partnership Program (NGBSPP) is the Department of Defense's (DoD) most capable program of record in support of the geographic Combatant Commanders' strategy for operating below the threshold of armed conflict in the competition continuum, also known as the "gray zone." The NGBSPP goals, objectives, and successes over the past twenty-five years in Panama and around the globe, clearly demonstrate the impact the Program has had on building partner capacity, relationships, interoperability, and in some cases, coalition operational successes. The 2018 National Defense Strategy's (NDS) three lines of effort are: build a more lethal force, strengthen alliances and attract new partners, and reform the department for greater performance and affordability.¹ NGBSPP supports and aligns with all three lines of efforts with significant effects on the latter two.

To demonstrate the need to expand the NGBSPP, one must understand the program's ability to utilize allocated funds. NGBSPP funding is one of the inherent challenges states face in today's constrained fiscal environment. Before the NGBSPP became a DoD Program of Record, it received approximately \$1-2 million per year through Congressional earmarks.² Programs cannot effectively budget the use of earmarked funds because the earmarks are unpredictable. That method and amount of funding were not enough to fully support the forty-eight partnerships that existed by the end of 2004. With the Program of Record designation in 2010, funding in the Presidential

¹ Jim Mattis, "Summary of the 2018 National Defense Strategy."

² Boehm, 53.

Budget (PB) for NGBSPP grew to \$12 million annually (less than one percent of DoD’s \$664 billion budget), just as the number of partnerships grew to sixty.³ Funding ebbed and flowed through various channels in subsequent years stemming from both the PB and Congressional Adds (CA), as illustrated in the chart below.⁴ What is most significant to note is the PB's execution rate each year since 2016 in spite of the unpredictable and delayed receipt of each year’s funding addition through the use of CA.

| | Funded (PB) | Congressional Add | Enacted | Executed | Obligation rate |
|------|-------------|--------------------|----------|----------|-----------------|
| 2011 | \$ 7.92 | | \$ 7.92 | \$ 7.56 | 95.49% |
| 2012 | \$ 7.92 | | \$ 7.92 | \$ 7.56 | 95.49% |
| 2013 | \$ 13.73 | | \$ 13.73 | \$ 13.10 | 95.39% |
| 2014 | \$ 13.27 | | \$ 13.27 | \$ 12.63 | 95.18% |
| 2015 | \$ 8.41 | | \$ 8.60 | \$ 8.46 | 98.42% |
| 2016 | \$ 9.18 | \$ 7.00 | \$ 16.18 | \$ 12.52 | 77.38% |
| 2017 | \$ 9.26 | \$ 8.00 | \$ 17.26 | \$ 13.52 | 78.33% |
| 2018 | \$ 13.88 | \$ 8.00 | \$ 21.88 | \$ 15.92 | 72.76% |
| 2019 | \$ 17.40 | \$ 11.68 | \$ 29.07 | \$ 23.56 | 81.04% |
| 2020 | \$ 16.39 | \$ 4.10 | \$ 20.49 | \$ 13.41 | 65.44% |
| 2021 | \$ 19.82 | 2021 ask is \$22.9 | | | |

Table 1: NGBSPP Funding from 2011-2021⁵

NGBSPP currently has eighty-two partnerships across the six geographic Combatant Commands (CCMD).⁶ Each year the program accepts two additional partnerships at the direction of the Secretary of Defense. The timing of the CA funding constrains the states’ ability to execute. Nowhere is this more prevalent than in the relationship with the Missouri National Guard (MONG) and the country of Panama. The administrative burdens placed on MONG will be reviewed shortly.

³ Boehm, 55.

⁴ Lt. Col. Kingsley Okoli, State Partnership Program Information Paper, NGB J53, January 8, 2021.

⁵ LTC Arthur Moore, interview by author, telephonically, January 30, 2021, Office of the Secretary of Defense (OSD) Historical NGBSPP Records – sent via email communication.

⁶ This does not include USSPACECOM even though it is a designated geographic combatant command.

The MONG NGBSPP meets two of the three NDS lines of effort (strengthen alliances and attract new partners and reform the department for greater performance and affordability). However, the current amount of funding and method of funding is not adequate. In an interview with LTC Luis Rodriguez, Chief of Security Cooperation for National Guard Bureau (NGB) J53, he explained how the program's requirements are arrived at with further discussion on the funding required for the program's expansion.⁷ There are three main areas of NGBSPP that require resourcing. Table 2 shows the summary of these three areas and the methodology for budgeting for FY21.⁸

| | |
|---------------------------|---|
| State Execution = \$25.1M | |
| <input type="checkbox"/> | Funding requested for State level events via PSP's |
| <input type="checkbox"/> | Average Event = \$29K |
| <input type="checkbox"/> | Minimum 5 per Partnership per year = \$12.2M |
| <input type="checkbox"/> | 5 PAX x 5 Days |
| <input type="checkbox"/> | Includes only ARNG XISQ & ANG PE 59399F |
| | Program (NGB) Support= \$3.8M |
| <input type="checkbox"/> | NGB Travel/Workshop = \$.03M |
| <input type="checkbox"/> | Contracts (J53 Contract/Israel LNO/ICASS) = \$2.0M |
| <input type="checkbox"/> | ADOS Personnel = \$1.5M |
| <input type="checkbox"/> | Includes only ARNG XISQ & ANG PE 59399F |
| | BAO (NGB, ARNG & ANG) = \$12.2M |
| <input type="checkbox"/> | BAO requirements funded by NGB, ANG & ARNG for BAO cost & ADOS/BAOs |

Table 2: NGBSPP FY21 Budgeting Methodology⁹

The budget accounts for five engagements with five U.S. service members in attendance, for a duration of five days, for each of the eighty-two partnerships. The pay and allowances for these service members are part of the NGBSPP budget, and the CCMDs financially support the travel and lodging allowances. With just five engagements per partnership, the program requires \$25.1 million, already exceeding the

⁷ LTC Luis Rodriguez, interview by author, telephonically, January 21, 2021.

⁸ LTC Luis Rodriguez, *NGB J53 Weekly Funding Update*, January 20, 2021, 2.

⁹ LTC Luis Rodriguez, interview by author, telephonically, January 21, 2021, NGB J53 SPP Resource Management Office Brief – sent via email communications.

\$19.8 million included in the PB for 2021. The second area the budget requires funding is in the support function. NGB Support requires \$3.8 million to fund the personnel that support the J53 International Affairs Office overseeing the NGBSPP, contracts that support language training, analysts, seminar support for new partnerships, and travel for NGB personnel involved in NGBSPP activities. The final area the budget requires funding is for the Bilateral Affairs Officer (BAO). BAOs are stationed within the embassy of the country they represent and serve two-year tours. They are critical components of the Program, acting as liaisons between their parent state, the State Department and Defense Attaché, and the partner nation. BAOs provide continuity to the Program and assist with the prioritization of partner nation requested training topics. The approximate cost to fund a BAO in each partner nation in 2021 is \$12.2 million. In summary, for NGBSPP to function at a minimum of five engagements per partner nation, the program requires \$41.1 million, a mere fraction of the requested \$705 billion FY21 Defense Budget.

With an anticipated CA of \$24.1 million in March 2021, the Program has the potential to succeed. The timing and unpredictability of additional funds through the CA process limit the states' ability to plan engagements efficiently and effectively. The MONG averaged eight events per year over the past decade and submitted a request for nine during FY21. However, it is unlikely the MONG will execute all requested engagements due to lack of funding and the timing associated with receiving it. When there is a need to expand the partnership and commitment to Panama and counter Chinese influence, the Program's budgetary and legal constraints prevent it.

Arguments in support of prioritizing SPP partnerships based on GPC threat

Given the shortfall in funding, the NGB must create a hierarchy of engagements to prioritize the funds it receives. Two main parameters guide how NGB allocates funds across the eighty-two partnerships. First, the Office of the Secretary of Defense (OSD) identified twenty-six countries in 2020 as “Spotlight” countries, based on their priority role as a partner with regards to Great Power Competition (GPC) with Russia and China. These countries range from being an Internal/Territorial Defender to a Regional Security Exporter, to at the highest end, a Global and Coalition Power Projector.¹⁰ The goal in identifying these countries is to align efforts across various programs to move these specific spotlight countries across the spectrum from being an Internal/Territorial Defender to being a Global and Coalition Power Projection platform. The goal of this “whole of government” effort is to posture the spotlighted allies and partners to share the burden of regional and global security challenges alongside the United States. Unfortunately, only eleven of the twenty-six countries identified are existing NGBSPP participants and only two are in USSOUTHCOM; Colombia and Brazil.¹¹ In speaking with members of NGB J53-International Affairs Division, there is an expectation that prioritization of funding will align to support the existing spotlight countries that are participants in NGBSPP.

Before establishing the spotlight countries, the traditional method NGB utilized to allocate funding was through equal division across the fifty states and four territories.¹² Each state submits an annual fund request to the NGB in their Partnership Support Plan

¹⁰ LTC Luis Rodriguez, interview by author, telephonically, January 21, 2021.

¹¹ Ibid.

¹² Ibid.

(PSP), and these requests are combined into a funding request from the NGB.¹³ If the NGB received 80% of the requested funding, each of the fifty states and four territories would then receive eighty percent of the funding requested for their partnership activities. To cover the shortfall in funding and still conduct the desired engagements, the state must request additional funding from the CCMD within which the partnered country resides. There is additional funding to support these requests in CCMDs such as U.S. European Command (USEUCOM) and U.S. Indo-Pacific Command (USINDOPACOM) where a high density of spotlight countries exist, but in CCMDs such as U.S. Southern Command (USSOUTHCOM), where the perceived threat is not as direct, funding is less likely to be available. Furthermore, at times, USSOUTHCOM's budget does not allow for the travel expenditures the CCMDs are tasked to support as part of the NGBSPP. Although the funding is available within the states for pay and allowances, without the financial support for travel by the CCMD, events risk cancellation if the State is not able to cover this shortfall through other funding streams.¹⁴

The NGBSPP is not the only Security Cooperation Program that exists within each of the CCMDs. Several other programs and training opportunities exist in which National Guard members participate. In review of the U.S. Army Component Command utilization of these programs alone, significant disparities exist between U.S. Army South (USARSO) and the other Component Commands. In FY2018, U.S. Army North (USARNO) led expenditure with 174,285 man-days while USARSO expended 19,831 man-days. Each U.S. Army Component Command has extreme differences in their utilization of man-days, but U.S. Army Europe (USAEUR) and U.S. Army Pacific

¹³ Ibid.

¹⁴ CPT Anna Gutierrez, interview by author, telephonically, January 20, 2021.

(USARPAC) are not far behind USARNO with 150,789 and 98,598 man-days respectively.¹⁵ If the expenditure of man-days is a reflection of budgetary prioritization, then consideration must be given to all of the Americas in an effort to counter the influence of competitors in the Western Hemisphere, not just in North America or the Eastern Hemisphere.

CDRUSSOUTHCOM 2020 Senate Armed Services Committee (SASC) Testimony

Combatant Commanders (CCDRs) hold considerable weight and have direct access to Congress through testimony, posture statements, and other interactions throughout each fiscal year. As such, each CCDR has the opportunity to leverage this access and communicate the resource shortfalls and constraints that prevent or degrade the accomplishment of strategic objectives within their command. Admiral (ADM) Craig Faller, Commander of USSOUTHCOM, presented the USSOUTHCOM posture statement on January 30, 2020, to the Senate Armed Services Committee, highlighting Latin America's importance (LatAm) to include critical infrastructure such as the Panama Canal. He emphasized that LatAm connects to the U.S. in each of the five domains (land, air, sea, cyber, and space). "Our competitors' encroachment in these domains provides competitors a backdoor and access to the U.S. through those connections."¹⁶ Furthermore, he highlighted China's encroachment in the region through the Belt and Road Initiative (BRI) as twenty-five of the thirty-one countries in the region are now hosting Chinese infrastructure projects. This encroachment is evident in China's investment in deepwater ports on both sides of the Canal, thus potentially degrading U.S.

¹⁵ Mr. Thomas Dean, interview by author, electronically via email, January 5, 2021.

¹⁶ U.S. Southern Command, *Posture Statement of Admiral Craig S. Faller, Commander, U.S. Southern Command*, 116th Congress, Senate Armed Services Committee (Washington, DC, January 30, 2020), 1.

access. He also stated that the Chinese currently have investments in space and telecommunications projects in sixteen countries in LatAm.¹⁷

In light of the increasing threats in LatAm, ADM Faller emphasized the NGBSPP's value. He stated, "The National Guard through the State Partnership Program (SPP) is uniquely positioned based on its dual military experience to provide a persistent and sustained presence to our partner nations by means of senior leader visits, exchanges, and cooperative training and exercises in areas ranging from humanitarian assistance to cyber."¹⁸ He continues to state the accomplishments of all programs in the region in light of modest investment and continued fiscal reductions in USSOUTHCOM's budget.

Recommendations for USSOUTHCOM

With further budget reductions forecasted in FY21 for USSOUTHCOM, there are three recommendations for the CCMD.

1. Fund the NGBSPP when the NGB cannot.
2. Make Senior Leader Engagements (SLE) with Panama a priority.
3. Prioritize MONG SPP requests.

First, funding within the CCMD must be adequate to support NGBSPP projected engagements fully, removing the risk of cancellation of events due to funding. ADM Faller commends the NGBSPP in several forums and public documents, and the USSOUTHCOM staff should prioritize funding to the twenty-four existing partnerships within the USSOUTHCOM Area of Responsibility (AOR). Panama and MONG have the longest-standing relationship in the region, and the Panama Canal represents a critical chokepoint both militarily and economically for the United States. Ensuring that the program is funded for travel and other expenses that USSOUTHCOM can fund to

¹⁷ Ibid, 5.

¹⁸ Ibid, 7.

maintain and expand the program is critical to strengthening the partnership with Panama and countering the influence of China through the NGBSPP.

Second, ADM Faller plays a key role in diplomatic efforts with Panama. With the election of President Laurentino Cortizo in July 2019, Panama's aggressive engagement with the People's Republic of China (PRC) has become more measured in light of ongoing tension between the PRC and the U.S.¹⁹ By capitalizing on this more measured approach, ADM Faller and other senior USSOUTHCOM leaders play a critical role in Senior Leader Engagements (SLE) with the newly elected Panama administration. ADM Faller also has the unique ability to encourage Congressional Delegations (CODEL) to Panama to highlight the ongoing partnership efforts his Command is engaged in and to show the Panamanian governmental leadership the value U.S. policy leaders place on their relationship.

Finally, USSOUTHCOM is the final approval level for all requested engagements MONG requests through the Congressional approval process. Because Panama does not maintain a military, the engagements between MONG and Panama are military-to-civilian via the Panama Public Force. Each engagement requires a 90-day advance notice request to allow time for the request to route through appropriate channels to Congress for approval. Notwithstanding the COVID pandemic and restricted travel of U.S. personnel, this same process is required for all virtual engagements as well.²⁰ Since the NGBSPP receives funding through both the base PB and CA, the timing of receipt of funds is constrained, further reducing MONG's ability to execute engagements in a

¹⁹ "Cortizo Cautious on Co-Operation with China," *The Economist*, September 20, 2019, <https://country.eiu.com/article.aspx?articleid=1448454328&Country=Panama&topic=Politics&subtopic=Forecast&subsubtopic=International+relations>.

²⁰ CPT Anna Guitierrez, interview by author, telephonically, January 20, 2021.

timely fashion. In FY21, National Guard Bureau (NGB) expects to receive \$24.1 million for NGBSPP in March 2021 as a CA.²¹ MONG will not be able to execute virtual or live engagements with these funds until at least June 2021, given the 90 day lead time for all requests for engagements. Any efficiencies that can be realized at the USSOUTHCOM level with these requests will facilitate MONG in their ability to not only expend these funds, but utilize them in a manner that best strengthens their partnership with Panama in an effort to counter the influence of the PRC.

Recommendations for National Guard Bureau (NGB)

There are two recommendations for NGB that will enhance the program in spite of resource unpredictability and shortfalls.

1. Identify measures of effectiveness for NGBSPP.
2. Improve the strategic messaging of the NGBSPP.

The 2012 National Defense Authorization Act proved significant for the NGB on two fronts. First, it established the Chief of the NGB as a member of the Joint Chiefs of Staff (JCS) and second, it authorized funding for the NGBSPP through the PB. With the inclusion of the Chief and the formalized funding of NGBSPP come the responsibility to measure the program's effectiveness and to set clear attainable security cooperation objectives that nest with the National Security Strategy (NSS), National Defense Strategy (NDS) and other national strategic objectives. Secondly, the Chief has the responsibility to inform DoD and the State Department of the program's successes and request resources to address any shortfalls.

²¹ LTC Luis Rodriguez, interview by author, telephonically, January 21, 2021.

Last year, the Office of the Deputy Assistant Secretary of Defense for Security Cooperation (ODASD(SC)) and the Defense Security Cooperation Agency (DSCA) entered into a contract with PBG Consulting to conduct an 18-month independent study on the effectiveness, efficiency, and strategic impact of the NGBSPP.²² Concurrently, based on the Congressional inquiry of Representative Steve Womack, the Government Accountability Office (GAO) is executing a comprehensive study on the NGBSPP to determine what additional resources the program may require.²³ The NGB staff and States have the responsibility to fully comply with these assessments to ensure the data provided for analysis is unbiased and transparent. Secondly, upon the publication of the findings, the NGB staff and States have the inherent responsibility to maximize the efficiency and effectiveness of the NGBSPP moving forward. GEN Hokanson, Chief NGB, publicly supports these studies and it is expected his staff and the States would do the same.

The second recommendation for NGB is to enhance the strategic messaging of the NGBSPP. In speaking with active-duty counterparts, even within DoD, not much is known of the program, its capabilities, history, or depth of reach towards security cooperation objectives. In light of the inclusion of “Information” as the seventh Joint Function in 2017, the Chief NGB has the platform and ability with the JCS and Congress to influence perceptions, behavior, action, and decision making with regards to the resourcing and funding of NGBSPP as a viable Security Cooperation program. This

²² Ibid.

²³ “Womack, Ruppertsberger Request GAO Review of National Guard State Partnership Program,” *Internal | Congressman Steve Womack*, September 14, 2020, <http://womack.house.gov/news/documentsingle.aspx?DocumentID=404206>.

strategic messaging campaign should highlight the importance of the program, the resulting reinforcement of key strategic partnerships and alliances, and the unique ability of the National Guard to continue to serve in this role as a cost-effective security cooperation lever for a whole-of-government solution. By strategically communicating this internally with U.S. governmental stakeholders and externally with existing and potential future partnerships, the NGB increases others understanding and appreciation of the value of the program. With this, the ability to influence decision making with regards to the resourcing and funding of NGBSPP as a viable Security Cooperation program is possible.

Recommendations for Missouri National Guard (MONG)

There are three recommendations for MONG to consider in order to further expand their partnership with Panama.

1. Prioritize assignment of a MONG member to serve as Panama's BAO.
2. Identify and employ MONG Guardsmen that have civilian careers similar to the Panama Public Force.
3. Conduct an internal assessment of Panama partnership in order to identify ways to grow the partnership into a "whole of society" approach.

The MONG has three areas for potential expansion of the program, regardless of whether there is an increase in funding or removal of the constraint to submit Congressional notification requests 90 days in advance of planned engagements. If properly resourced financially through NGB's allocation of the budget, the program undoubtedly will expand and grow, but it is useful to present recommendations that are not dependent on others' actions.

First, the BAO position in Panama should be a member of the MONG. The current BAO in Panama is CPT Richard Sambolin, a U.S. Army Reservist. Although

CPT Sambolin is a very capable officer who is performing in his role with distinction, he lacks the in-depth knowledge of the capabilities of the MONG and the State government and private businesses in Missouri. By employing a MONG officer as the BAO, greater synchronization between MONG and the Panama Public Force would be realized as there would be a true and deeper connection between the forward located officer and the State which he/she represents. Albeit this position is difficult to fill as it is a two-year assignment in a foreign country, the MONG leadership and NGBSPP Director should identify potential replacements at least one year ahead of his departure, ensuring proper coordination during the transition and most importantly, the right ambassador for MONG is in place for the next iteration of the program.

Second, MONG should identify citizen-soldiers in their formation that have civilian occupations that are similar in nature to the mission set of the Panama Public Force. While the design of the NGBSPP centers on military-to-military engagements, knowing Panama is a military-to-civilian partnership, utilizing the skillsets of citizen-soldiers that serve in border patrol, security, and other humanitarian assistance roles in their civilian careers provides MONG and Panama with an even greater resource for Subject Matter Expert Exchanges (SMEE). Furthermore, identifying Soldiers and Airmen that are available for multiple engagements over a multi-year period creates continuity with the partnership and further broadens the skillsets of these Guardsman over time.

Finally, the MONG leadership and NGBSPP Director should compare and contrast their program to that of other states to identify opportunities to expand their program beyond the existing framework of today. In the past, the Governor of Missouri played an active role in the partnership, specifically around the inception of the program

in 1996. In addition to his support, local organizations also joined the effort such as the Kansas City Children’s Hospital and other educational institutions, by offering exchanges of medical personnel and engineers for training.²⁴ These programs represent a “whole of society” approach which further strengthens the partnership between not just Missouri and Panama, but the U.S. and Panama. One state to consider is Iowa. Iowa partnered with Kosovo in 2011 and within six years, Kosovo established a consulate in Iowa.²⁵ Several SLEs at TAG and Governor level have taken place with the President of Kosovo in Kosovo and in the U.S. Furthermore, Iowa and Kosovo collaborate across multiple sectors outside of the military to include education, public safety, business, and agriculture.²⁶ One example of the private partnership that extends beyond the Iowa National Guard and Kosovo military is the cooperation between the Kosovo police and Iowa’s law enforcement agencies on topics such as drug interdiction and highway safety.²⁷ With regards to education, exchanges exist between the two countries at both the high school and collegiate level.²⁸ By looking at successful partnerships such as Iowa and Kosovo, the MONG leadership has the opportunity to evolve a proven successful military partnership with Panama and expand it with the support of state and local government to a whole of society approach, regardless of NGBSPP budgetary constraints.

²⁴ CPT Anna Guterrez, interview by author, telephonically, January 20, 2021.

²⁵ LTC Luis Rodriguez, interview by author, telephonically, January 21, 2021.

²⁶ SFC Jim Greenhill, “Iowa, Kosovo a Model National Guard State Partnership Program Relationship,” *National Guard*, November 25, 2015, <https://www.nationalguard.mil/News/Article/631290/iowa-kosovo-a-model-national-guard-state-partnership-program-relationship/>.

²⁷ Ibid.

²⁸ Ibid.

Chapter 5: Conclusion

With the continued investment and expansion of China's Belt and Road Initiative (BRI) in Latin America (LatAm), the National Guard Bureau State Partnership Program (NGBSPP) is well positioned as part of a "whole of government" approach, to mitigate and slow the influence of China in the Western Hemisphere. Throughout this case study, information presented demonstrates the value of the NGBSPP as an effective and fiscally efficient Security Cooperation tool. The Missouri National Guard (MONG) remains uniquely positioned to influence and shape the strategic relationship with Panama over the next twenty-five years, but the effectiveness of this program is contingent upon prioritization of this partnership against other State Partners and allocation of resources to support it.

The Department of Defense must provide increased and predictable resourcing by prioritizing this partnership given the criticality of the Panama Canal. With the identification of spotlight countries, consideration must be given to Panama and the risk of Chinese control of this chokepoint if this partnership is not prioritized and strengthened. In order to strengthen this partnership, Presidential Budget (PB) funding for engagements between the MONG and Panama must increase to support eight to ten engagements per year, instead of today's current funding which supports five engagements. By ensuring this funding is available in the PB instead of through Congressional Ads (CA), the MONG and Panama can adequately plan and resource engagements, while working within the constraints of the 90-day approval process for both virtual and traditional engagements.

With an adequate increase in resourcing and prioritization of this partnership by the National Guard Bureau (NGB) and U.S. Southern Command (USSOUTHCOM), the Soldiers, Airmen, and leaders of MONG and the Panama Public Force will strengthen their partnership in the continued defense and security of the Americas. By evolving the partnership beyond the military-to-civilian construct that exists today to other public and private cooperation activities, this enduring partnership has the ability to directly and indirectly counter the influence of China within the LatAm region.

With the recent publication of President Biden’s interim National Security Strategic Guidance, there is a renewed focus on the expansion of engagements and partnerships throughout the Western Hemisphere.¹ With the conclusion of two external studies on the effectiveness and resourcing of the NGBSPP due later this year, along with adequate resourcing and prioritization, MONG and other National Guard States with partnerships in the Latin American (LatAm) region, stand ready and able to play an increased role as part of a greater “whole of government” and “whole of society” approach in countering the influence of China in the Western Hemisphere.

Identification of areas for future research within Department of Defense (DoD)

Given the limited scope of this case study, further research in several areas is required to fully assess DoD’s employment of the NGBSPP and to recommend further changes. First, given the fact that the Panama Canal is a maritime chokepoint, is it possible to expand the partnership to include engagements with the U.S. Navy or U.S. Coast Guard? Would the partnership be better fit with a maritime partner instead of an Army and Air Force partnership that the MONG provides? Second, is MONG the right

¹ President Joseph R. Biden, Jr., “Interim National Security Strategic Guidance,” (March 2021): 10.

state for this partnership? One of NGB's goals of the NGBSPP is to match states with similar economies to partner nations in order to facilitate a "whole of society" approach to the partnership.² An example of this is West Virginia's partnership with Peru. Both entities have a large portion of their economy focused on coal mining. This facilitates a common shared understanding outside of purely a military connection. Since Panama employs a Public Force and not a military, would it make more sense to partner Panama with a State that has a larger military police force structure? Additionally, does it make more sense to partner Panama with a State whose economy is focused on port operations such as Texas, Louisiana, or Florida? Assessing the significance of these common ties between partner nations and their respective states would help identify if shifting this critical partnership to another state would be beneficial to the U.S. Panama relationship.

Given the evolving and multi-year nature of the National Guard's role in the COVID-19 pandemic response, combined with support to civil unrest, humanitarian assistance during extreme weather events, and OCONUS deployments, is the MONG structured appropriately to continue to expand their partnership with Panama while meeting other increasing demands? Given the criticality of this partnership to the U.S. as a whole, ensuring the MONG is properly staffed to support this partnership while supporting other priorities is essential.

Finally, the last area for further research within DoD focuses on Panama's willingness to expand the partnership. Is the Panama leadership open to expanding the relationship to include T10 exchanges, specifically with the Coast Guard or U.S. Army Corps of Engineers (USACE) or CYBER Command, to layer the touchpoints for the U.S.

² LTC Luis Rodriguez, interview by author, electronically via email, March 4, 2021.

Government (USG) DoD counter-influence efforts? Expanding the “whole of government” approach within the military across different services and authorities would require minimal effort but demonstrates significant commitment of the U.S. to Panama as their strategic partner of choice.

Identification of areas for future research within Department of State (DoS)

Since the NGBSPP is a Security Cooperation program, areas for future research are identified for the State Department as well. First, is it possible to create a system similar to the Regional Security System in the Caribbean, where LatAm countries could form an alliance with support from the USG? In this construction, the LatAm countries would work together to solve common problems such as transnational crime, migration, counterterrorism, and domestic response. Has this been discussed within the State Department as a possible solution that could also seek to counter China's influence? Second, is Panama's current leadership open to entering into a Status of Forces Agreement (SOFA) with the U.S.? The diplomatic notes utilized today are a temporary solution, but a SOFA would signal to the U.S. a more substantial commitment to a military-to-civilian enduring partnership with the Panamanian Public Forces. Third and finally, is it possible to update the U.S. law that requires a 90-day advance request of Congress for engagements conducted between the U.S. military and Panama? At the very least, can this be waived for virtual engagements during the COVID-19 pandemic and then further researched to determine the implications of altering this requirement by U.S. law?

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