
THE DISAM JOURNAL OF INTERNATIONAL SECURITY ASSISTANCE MANAGEMENT

In this issue we feature the Air Force's Electronic Systems Center, the Center of Excellence for providing command, control, and information systems to support not only our own forces but also those of our allies. Since the Gulf War, it has been obvious that coalition warfare is in the forefront of military planning, and the interoperability of command and control systems is vital to successful military engagement. At ESC, the international and foreign military sales business is a key component of their product base and is essential to their ability to deliver interoperable, war-fighting products. Among the various articles describing ESC's activities are those on a joint-service Enterprise Team to optimize investments and avoid redundancy, how knowledge of Status of Forces Agreements can be incorporated into contracts for technical services, a successful foreign comparative testing program, and a multinational NATO program to develop the capability to detect and track vehicles near the ground with radar sensors. In addition, the Regional Aerospace Initiative is designed to enhance civil/military airspace management and establish an air sovereignty system throughout Central and Eastern Europe.

As we all become more dependent on the use of the internet, we must be aware that the use of this new technology which enriches most of us may also create challenges for the blind and those whose motor skills are impaired. President Bush's remarks demonstrate how Section 508 of the Rehabilitation Act will insure that federal electronic and information technology is accessible to those with disabilities. In this issue, we also present the president's international affairs budget for fiscal year 2002.

The United States Military Training Mission in Saudi Arabia is currently our largest security assistance organization abroad. Here we see how its strategic plan is driving changes which will enhance the ability of the organization to assist in the training and development of a capable deterrent and self-defense force in the Kingdom of Saudi Arabia.

The DoD financial management regulations for security assistance are currently under revision. Although the task is not yet completed, we present a summary of the changes proposed to date.

Finally, at the end of May we said goodbye to our colleague and commandant, Colonel Judy-Ann Carroll, USA. We wish her all the best as she sets a new course after 29 years of Army service.



CRAIG M. BRANDT
Deputy Commandant

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FEATURE ARTICLES

International Operations at the Electronic Systems Center

By

**Lieutenant General Leslie F. Kenne, USAF
Commander, Electronic Systems Center**

It is with great pleasure that I introduce the Electronic Systems Center (ESC) in this issue of the *DISAM Journal*. As the Air Force's Center of Excellence for providing command, control and information systems to support the warfighter in war and peace, ESC is responsible for command and control enterprise integration throughout not only its parent command, Air Force Material Command, but the entire Air Force. As the ESC commander, one of my key challenges is to integrate the needs of the U.S. Air Force and those of our international partners to further our ability to interoperate and fight on the battlefield. At ESC our international and foreign military sales business is a key component of our product base and is vital to our ability to deliver interoperable, functioning war-fighting products. In the following articles you will be introduced to a number of those initiatives and products.

The ESC product lines are provided by our systems program offices (SPO). We have included articles from several of our SPOs, the Staff Judge Advocate, and a Joint team to show the breadth and depth of international operations throughout ESC.

- Our Global Air Traffic Operations/Mobility Command and Control SPO (ESC/GA) provides an overview of the process by which a foreign military sales project is started in ESC.
- The Enterprise Team article shows how three military services and a Joint Command cooperate to optimize investments, reduce overlap, and avoid redundancy.
- The Staff Judge Advocate Office (ESC/JA) describes how ensuring Status of Forces Agreements (SOFA) and other benefits to contractor technical experts accompanying American forces can save the U.S. government money and provide substantial benefits to the contractor.
- Our Intelligence, Surveillance, Reconnaissance, and Integration SPO (ESC/SR) describes foreign comparative testing and exploiting commercial satellite imagery in the Eagle Vision family of systems.
- The Coalition Aerial Surveillance and Reconnaissance (CESAR) program is an exciting effort by seven North Atlantic Treaty Organization (NATO) nations to develop and improve their ability to detect and track vehicles on or near the ground with radar sensors.
- And finally, our Crypto Logic Support Group describes its coordination with friendly nations in building information superiority based on tenets of information-in-warfare and information warfare.

Our International Operations Office (ESC/FA) is a functional support organization serving as the focal point for activities with other countries. In addition to this coordination role, ESC/FA works on many projects directly in coordination with the Associate Director for Civil Aviation, Office of the Deputy Chief of Staff for Air and Space Operations Headquarters U.S. Air Force. The following activities are covered in the article by Neil Planzer, the Associate Director for Civil

Aviation, Office of the Deputy Chief of Staff for Air and Space Operations Headquarters U.S. Air Force.

- Regional Aerospace Initiative studies are U.S.-led bilateral initiatives with countries of Central and Eastern Europe, conducted in the spirit of North Atlantic Treaty Organization's Partnership for Peace (PfP) program. The goals of the initiatives are to establish a region-wide civil/military airspace management and air sovereignty system designed to enhance airspace management, command and control, military/civilian cooperation within a country, and cooperation throughout the region.
- Air Sovereignty Operations Centers combine air defense and air traffic control radar inputs provided by the country with an interoperability starter kit from the United States to form an integrated air picture of the entire country and surrounding territories. The ASOC was designed to accept the use of Western European radar data formats in order to best encourage cooperation, not only between civil and military airspace managers within a country, but within a region as well.
- Radar Interoperability and Life Cycle Upgrade Studies detail the requirements of modernizing a nation's older surveillance radars to ASOC standards.
- Navigational Aids Studies provide a systematic, incremental set of agreed-upon modifications required to modernize a nation's military navigational systems and landing aids to meet International Civil Aeronautics Organization and NATO standards.
- Command, Control, Communications and Computers studies develop systematic, incremental recommendations for a country to modernize and regionalize its command and control functions and processes.
- National Military Command Centers fuse the display of air, ground and sea assets of both military and civilian organizations in real time to provide a response package.

With increased coalition activities and the necessity for interoperability, international cooperation is a critical factor in systems development. The articles we have chosen to present provide a broad picture of how ESC is building closer ties with the international community and helping our warfighters keep the peace.

About the Author

Lieutenant General Leslie F. Kenne is commander of Electronic Systems Center, Air Force Materiel Command, Hanscom Air Force Base, Massachusetts. ESC's mission is to acquire command and control systems for the United States Air Force. The men and women of ESC manage over \$3 billion in programs annually in support of USAF, joint and coalition forces.

The general entered the Air Force in 1971 as a distinguished graduate of Auburn University's Reserve Officer Training Corps program. She served as a flight line maintenance officer in operations, and attended the U.S. Air Force Test Pilot School in 1974. After school, she served as a test and evaluation project manager and in test evaluation supervisory positions.

The general has served in two Pentagon staff positions, first as a division chief, and during a second tour, as a deputy director in the Office of the Assistant Secretary of the Air Force for Acquisition. She has been program director for three major programs, the Low Altitude Navigation and Targeting Infrared System for Night (LANTIRN), the F-16, and the Joint Strike Fighter. She also has served as vice commander of Aeronautical Systems Center, Wright-Patterson Air Force Base and of Sacramento Air Logistics Center, McClellan Air Force Base.

U.S. Air Force Electronic Systems Center

By

**Kevin Gilmartin
Electronic Systems Center**

A Leader in Command and Control Systems

The Electronic Systems Center (ESC) is a world leader in developing and fielding command and control systems. We manage more than 200 such programs that serve as the eyes and ears of war-fighting commanders. These advanced systems gather information on a myriad of subjects from enemy troop movements to control of an airborne armada. They enable commanders to cut through the fog of war and achieve decisive battlefield victories by helping them make informed decisions and quickly pass those decisions to troops on board aircraft or in the field.

Many of ESC's programs, such as Joint STARS, AWACS, Constant Source Intelligence Systems and the Airborne Battlefield Command and Control Center, performed well in Operation Desert Storm, and more recently in Operation Joint Endeavor in Bosnia. As the world enters a new century, ESC continues its Air Force leadership role for the development of command and control systems.



Our Programs

Today, ESC is working to acquire sophisticated systems dedicated to battle surveillance, data transmission and intuitive information display. In this regard, ESC is providing tomorrow's technology to America's warfighters today.

AWACS: The Next Generation

One of ESC's best known programs is the Airborne Warning and Control System, or AWACS. With a combat-proven track record for performance, AWACS is a popular system among our allies. ESC has designed a version of AWACS for the Japanese Self-Defense Force using the Boeing 767 airframe as a platform.

Another of ESC's premier programs is the Joint Surveillance Target Attack Radar System, or Joint STARS. Joint STARS, using a modified Boeing 707 as a platform, has a revolutionary radar system mounted in a canoe-shaped covering under the forward fuselage. Joint STARS provides Army and Air Force commanders with real-time data on ground targets such as tanks and armored personnel carriers.



Superior Intelligence

Providing warfighting commanders with a clear picture of the enemy's strengths and locations offers an intelligence capability that allows them to better predict when and where an enemy might strike. It also gives commanders the information needed to locate, assess and strike critical targets quickly.

ESC is developing numerous programs that rely on satellite imagery, airborne and fixed-site broadcast terminals, as well as mobile ground-based receivers to provide theater commanders with critical intelligence information that allows them to act within the enemy's decision cycle.

Force Protection

Physical security of our nation's military assets is another major thrust of ESC. The center is currently developing multiple programs for electronic surveillance, detection and identification of unauthorized intruders, increasing the effectiveness of U.S. Air Force security police. Among these programs are systems to protect two of the Air Force's most valuable assets, the F-117 stealth fighter and the B-2 stealth bomber.

Mission Planning

ESC has radically changed the way pilots plan and execute their missions. Today, ESC has automated total mission planning, from air tasking order to debrief. Pilots can now plan missions on a computer, accessing the latest weather, reconnaissance and enemy threat and target data. The Air Force Mission Support System, developed by ESC, includes a portable system designed to fully support deployment operations. ESC is also leading the way in developing joint mission planning systems, allowing the Air Force and its sister services to plan missions in concert with one another.

Information Warfare

Within today's information domain, events are seen and felt at the speed of light. If we can analyze, assess and act faster than our adversary, we will win. ESC is the Air Force Materiel Command's lead organization for research, development, test, fielding, and support for information warfare capabilities. The center is evaluating and fielding several information warfare products and services to support the warfighters' information operations mission.

Five Locations

ESC consists of five locations: Hanscom Air Force Base headquarters, the Standard Systems Center at Gunter Annex, Alabama, the 38th Engineering Installation Wing at Tinker Air Force Base, Oklahoma, Materiel Systems Group at Wright-Patterson Air Force Base, Ohio and Cryptologic Systems Group at Kelly Air Force Base, Texas.

Strategic Goals

ESC is changing the way it does business to keep pace with the rapidly advancing information technology.

Information technology leapfrogs every eighteen months, making last year's computers far less capable than those currently on the shelf. Similar advances are being made in software development and integration of software applications. Many military command and control systems use similar computer and communications technology and thus experience the same turnover times.

Taking Advantage of Technology

To ensure ESC sets the pace with technology, we have adopted strategic goals that include achieving acquisition cycles of eighteen months or less from program start to first item delivery; developing systems that are fully interoperable using the Defense Information Infrastructure common operating environment; and reducing the cost of command and control system acquisition. These goals will be accomplished by ESC pioneering the evolutionary spiral development process and using commercial off-the-shelf and government off-the-shelf products whenever possible.

To achieve these goals and capitalize on this technology window of opportunity, ESC is transforming its business practices to focus more clearly on achieving warfighter-desired battlefield effects. This shifts emphasis from stovepiped programs to an interoperable network of assets designed in harmony to meet specific warfighting needs.

Spiral Development

Spiral development, the essence of ESC's new way of acquiring systems, is an innovative method to field a system quickly using commercial and government off-the-shelf equipment with maximum user involvement throughout the process.

The initial system will meet the majority of the user's needs with equipment currently obtainable or a rapidly developed prototype, but will be upgraded with new capabilities and the latest software as they become available.

In eighteen months or less, these systems will be upgraded, tested by the user and delivered. For larger or more complex systems, the process may involve a series of short development cycles. During each of these cycles, mission capabilities will be increased, incremental functions added and further compliance with Defense Information Infrastructure and use of the common operating environment will be made.

Our Mission

Information superiority is one of the Air Force's six core competencies outlined recently in *Global Engagement: A Vision for the 21st Century Air Force*. In no other area is the pace and extent of technological change as great as in the realm of information. The volume of information in joint warfare is growing rapidly, and the ability of commanders to achieve dominant battlefield awareness, intelligence, communications, weather and navigation support.

ESC manages the development and acquisition of more than 200 electronic command and control systems. These systems gather and analyze information on potentially hostile forces, enabling commanders to make quick decisions and rapidly pass them on to their forces. ESC's systems help direct the muscle of America's airpower to the right place at the right time.



People Make the Difference

ESC consists of teams of professionals specializing in engineering, science, business management, acquisition and computers. We supervise the design, development, testing, production and initial deployment of command and control systems. ESC people are overseeing the integration upgrade of space command and control assets. We are developing electronic security systems to protect the Air Force's most valuable installations and assets. And, we are working with the Federal Aviation Administration to install new radar displays and improve air traffic control at major airports and bases around the world.



For More Information

For additional information on ESC, visit our web site at <http://www.hanscom.af.mil>

About the Author

Kevin Gilmartin is the Deputy Director of ESC public affairs and chief of media relations. He has worked in the Air Force public affairs career field for more than twenty-two years. Kevin is recognized as an exceptional writer, editor and presenter, receiving many prestigious awards through the years, including Air Force Outstanding Public Affairs Civilian for 1991. Kevin has earned the honor of Air Force Materiel Command Senior Public Affairs civilian an unprecedented three times, in 1994, 1996 and 1998. Additionally, he helped lead his office to win the Best in the Air Force honors for 1998. Kevin is an active member and supporter of the Air Force Association, currently serving as chapter secretary of the Paul Revere chapter, and having earned a National Air Force Association Medal of Merit. He is also active in the Armed Forces Communications and Electronics Association, serving as vice president for publicity of the Lexington-Concord chapter. The Armed Forces Communications and Electronics Association International recognized his efforts in 2000 with the Meritorious Service Medal.

Global Air Traffic Operations/Mobility Command and Control Foreign Military Sales: Supporting Our Nation's Security Strategy

By

**Pauline Froebel, Mark Stevens, Dick Hazel,
Guy Larrimer and Stan Mitchell,
Electronic Systems Center**

In this country, the enduring national security strategy and national military strategy include basic tenets of shaping the security environment, responding with decisive force when required, and preparing for an uncertain future. The first tenet is usually the focus of foreign military sales (FMS) division of ESC/GA and is the underlying purpose of the work being accomplished by Team GAF. FMS is one of the many tools available to the Department of State and to the regional unified commanders for accomplishing foreign policy objectives. We believe our work in Team GAF has a strong relation to shaping the security environment. For example, our efforts in East Europe support expansion of the North Atlantic Treaty Organization (NATO) military alliance, and also support aspiring NATO members in meeting their Partnership for Peace goals.

Our directorate's product line is global air traffic management and mobility command and control systems. The focus of Team GAF is to acquire high quality air traffic control products that meet the customer's requirements, delivered on time, and at a price FMS customers can afford. We in Team GAF strive for quick turnaround acquisitions, and we are fortunate to see our air traffic control navigation aids (NAVAIDS) products delivered and installed on host nation airfields in a matter of months. We have found the new nations in the East European region to be most helpful in providing the support and assistance required to implement the new FMS air traffic control (ATC) systems in quick fashion.

Background on Team GAF Efforts in East European Region

Since 1989, Central and Eastern European nation states have, in general, moved rapidly to modernize and improve civil and military air traffic control equipment and systems for both en route and terminal service. However, on the military side, progress may be significantly slower, constrained by limited budgets and deliberation over alternatives and impacts on the host nation's existing aircraft. Important problems normally encountered by these countries include incompatibility between civil and military systems, which could restrict military operations and impact training. Another typical problem is compatibility with North Atlantic Treaty Organization (NATO), International Civil Aviation Organization (ICAO), and the United States systems and procedures. NATO/ICAO/U.S. compatibility objectives are often huge factors in early modernization decisions and plans. The availability of replacement parts and sustainment cost of aging Soviet-legacy navigation equipment is also a common problem in the region.

Team GAF Efforts in Eastern Europe Typically Follow the Following Pattern

Upon the invitation of the host nation, Team GAF participates with a larger NAVAIDS country study team consisting of the members of the U.S. Embassy's Office of Defense Cooperation, ESC and SAF program managers, and various engineers to begin the requirements definition and FMS acquisition process. The focus of the NAVAIDS Country Study Team is to:

-
- Discuss host nation strategies and goals with respect to ATC requirements
 - Solutions planning

A country study effort usually follows. This is a fairly comprehensive effort which often takes about five months to complete. The report contains:

- Findings from site surveys, requirements definition, and assessment of existing capabilities
- Alternatives, selection factors, and modernization recommendations
- Suggested implementation approaches based on near-term and far-term time lines

Both current and advanced navigational techniques were considered in the evaluation and recommendations process, and definitions are provided.

The modernization recommendations of this report usually play an important role in the host nation navigation and landing system modernization strategies, and the country study report often resurfaces during the course of later acquisition activities.

If the host nation elects to proceed using FMS procedures, a letter of request (LOR) for defense articles and services is usually submitted through the U.S. embassy. This is forwarded and processed through the channels, and eventually ends up at grass-root program offices like ours for action. We in turn process a given LOR by obtaining marketing data to determine realistic pricing and availability estimates. The results are used to develop product descriptions, lead times, and pricing in letters of offer and acceptance (LOA). We typically have thirty days to process LORs. LORs may also simply request price and availability (P&A) to help host nations develop their modernization planning.

There is much to consider when developing LOA data, and this activity serves as the what, when, and how-much sections of forthcoming LOAs. Our results undergo a lot of further review and processing at higher echelons within the DoD. Eventually, a formal letter of offer and acceptance is provided to the host nation. This LOA is a DoD letter by which the U.S. government actually offers to sell to a foreign government or international organization U.S. defense articles and services pursuant to the Arms Export Control Act, as amended. The LOA lists the items and services, estimated costs, and the terms and conditions of sale. It also provides for the signature of an appropriate foreign government official to indicate acceptance. You should notice the LOA includes an offer, acceptance, and consideration, the stuff of contracts. In a sense, it is a contract between the U.S. and the host nation for items and services. Once a LOA is accepted, the document and corresponding funding and direction quickly find their way back to the grass roots level, i.e., the acquisition program offices like Team GAF.

Once the approved LOA, funding, and direction are received, the acquisition office assigned the task uses the same acquisition procedures and processes and oversight and scrutiny that would be applied to an Air Force acquisition program. Requests for proposals are developed and issued to industry, proposals are received and reviewed, contracts are awarded, items delivered and installed, and so forth. At this point, the process becomes a typical acquisition program. Metrics are used by Team GAF to track our progress, and customer contact is maintained throughout the acquisition.

Our occasional travels to our FMS customers have proven invaluable to our success in delivering quality products on time and within budgets. And this travel is certainly an exciting,

albeit unintended, benefit of our job. More importantly, however, we believe by making these FMS systems available to our new partners, we in Team GAF play our part in helping to mold the U.S. security environment. From the example above, we believe our contribution in this process has been of help in shaping our security environment, and to host nations in meeting their PfP goals, and in supporting their strategic growth towards European and Western integration.

About the Authors

Pauline M. Forebel is the Deputy Program Director of Global Air Traffic Operations, Mobility Command and Control systems Program Office, and the boss of our foreign military sales division. She ensures our military and foreign military sales products meet all customer requirements.

Mark Stevens is a foreign military sales financial manager, and ensures sound financial processes and procedures are accomplished throughout our foreign military sales activities.

Richard Hazel is a Lead Systems Engineer with the MITRE Corporation. He has over twenty years of experience in Air Traffic Control Systems. Richard has expertise in communications systems including; troposcatter, fiber optics, satellite and terrestrial systems. He is a member of the IEEE and the Institute of Navigation, having served in regional capacities for both organizations.

Guy Larrimer is a Case Program Manager, working for the Titan Corporation. Guy manages the day-for-day administration of procuring and installing NAVADS in host nations.

Stanley Mitchell is program manager and lead engineer for foreign military sales, Global Air Traffic Operations/Mobility Command and Control at the Electronic Systems Center. He has over twenty years experience in advanced systems design and development. He received a Bachelor of Arts degree in political science from the University of Iowa and a Master of Science degree in telecommunications from the University of Colorado at Boulder.

The Enterprise Team (Business Relationship Reengineering)

By

**John Daniele
U.S. Army Simulation, Training
and Instrumentation Command**

When you drill down through the layers of Department of Defense directives, policy memorandums and dynamic briefing charts, the Enterprise Team is exposed for what it truly is, a concept, not a group of individuals or organizations. What you will find is a dedicated, mission focused approach to the principles of security assistance. Driven by the vision and strategic objectives of our political and military leadership, the Enterprise Team demonstrates that collectively there exist the experience, knowledge and energy to accomplish several of the high profile and high priority missions at hand. Professionalism and commitment, not policy nor procedures, were the origin and motivation of the Enterprise Team.

Who Is the Enterprise Team?

Four separate organizations, spanning three military services and a joint command, labor daily to execute highly complex projects and programs in direct support of U.S. national security and foreign policy objectives.

In a 4 August 2000 memorandum, the Advanced Distributed Learning Regional Engagement Network (ADL/REN) was established as an activity of the United States Joint Forces Command, Suffolk, Virginia. The ADL/REN represents a worldwide coordinated approach to using regional data services networks for coalition education and training through advanced distributed learning. The backbone of the ADL/REN is a capability to distribute a Computer Assisted Exercise (CAX) across national borders. The roots of the ADL/REN can be found in the highly successful Partnership for Peace (PfP) simulation network demonstration conducted at the April 1999 NATO summit.



The Naval Air Warfare Center Training Systems Division (NAWCTSD), Orlando, Florida, a subordinate organization of the Naval Air Systems Command, executes security assistance as delegated by the Navy International Programs Office. The U.S. Navy by a June 1999 Secretary of Defense memorandum is charged with processing all foreign military sales letters of offer and acceptance funded under the auspices of the Enhanced International Peacekeeping Capabilities (EIPC) program. The EIPC program, by Congressional mandate, is focused solely on peace support operations and training.

The National Military Command Center (NMCC) initiative is a product of the United States Air Force, Electronics Systems Center (ESC), Hanscom AFB, Massachusetts. The NMCC program is designed to provide a low cost, capable, national command center for crisis management. It encourages regional cooperation, the utilization of civil and military resources, and a tool to manage local crisis. The NMCC will be of considerable assistance to the U.S., NATO and the region during periods of crisis.

A major subordinate command of the U.S. Army Materiel Command, the Simulation, Training and Instrumentation Command (STRICOM), Orlando, Florida, manages a robust and expanding security assistance program, with guidance from the U.S. Army Security Assistance Command (USASAC). STRICOM is currently supporting a computer based war-game constructive simulation capability in over thirty countries worldwide, twenty within the European Command area of responsibility and eight Partnership for Peace members.

The Value of Teaming!

The capability to conduct training for peace support operations, under the auspices of the EIPC program managed by NAWCTSD, largely involves the establishment of electronic classrooms, in accordance with U. S. Classroom XXI and the principles of advanced distributed learning. The core equipment list for these facilities involves workstation personal computers, local area networks (LAN), and classroom presentation and projection equipment. A typical simulation center that STRICOM provides under FMS programs involves 12 to 16 workstation personal computers, LAN capability, required operating software and the requested model or simulation. A distributed computer assisted exercise (CAX) capability that would support the requirement of the USJFCOM ADL/REN entails a number of personal computer workstations, LAN, video teleconferencing capability, routers, IMUX (an inverse multi-plexor), and other peripheral hardware. Additional workstations, operating system and command and control software, allows a facility to begin resembling a national military control center as proposed by ESC.

The commonality of hardware requirements and the potential for a building block approach throughout these separate but similar efforts is fairly obvious when described as above. However, without an Enterprise Team approach amongst the organizations executing these programs, it is not as obvious. Others involved in these individual projects, such as host nation representatives, or U.S. security assistance officers in country, or the Department of Defense security assistance leadership, do not possess a vantage point to recognize these potential technical and functional leveraging and cost saving opportunities.

The Enterprise Team Charter

The undersigned agree to optimize investments, reduce overlap and avoid redundancy in the execution of assigned programs in support of U.S. national security and foreign policy objectives. Our strategy is to execute these assigned programs in a collaborative method to:

- Leverage funding streams

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- Leverage multiple programs
 - Identify and establish common equipment specifications
 - Maintain channels of communication and speak as one voice while addressing the peacekeeping and war-fighting training requirements of PfP and other countries.



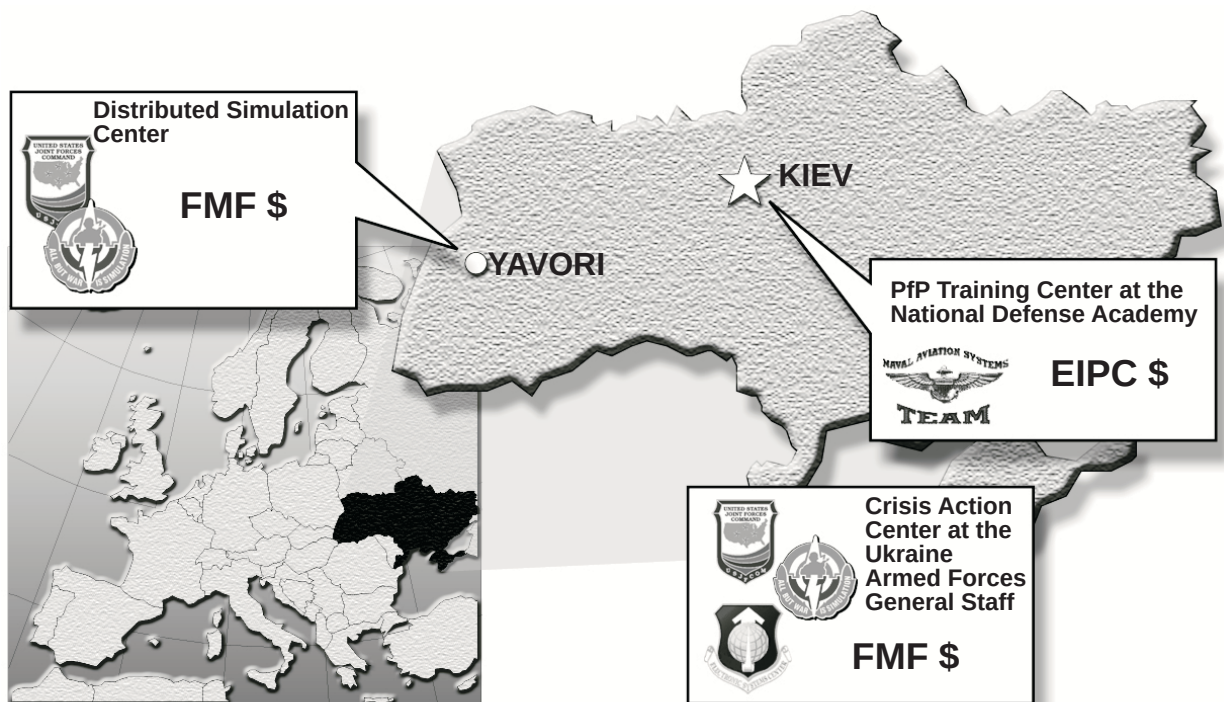
The Future

As the Enterprise Team conducts its daily activities and exercises this business relationship re-engineering concept within the European Command area of responsibility, we will take maximum advantage of lessons learned, share these lessons with others, and welcome additional organizations and activities that support the principles of the charter. As similar projects and programs begin to surface in other areas of the world, we will maintain the channels of communication established under the current charter, and assess their potential for application of the Enterprise Team approach as well.

The Points of Contact

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The End! Or Just a Beginning?



About the Author

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Deployment of U.S. Military, Civilian and Contractor Personnel to Potentially War Hazardous Areas from a Legal Perspective

By

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and

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The Problem

Recent international events raise questions as to what aspects of international law apply to personnel who are deployed to high risk (potential combat) areas. In response, we at Hanscom Air Force Base Electronic Systems Center (ESC) have researched these matters and provide the following information, in summary form.

Discussion

In general, the military and civilian employees of the Department of Defense are covered by status of forces agreements (SOFAs) between the United States government and allied nations or international organizations. These agreements, although similar, contain different rights, duties and obligations of the U.S. government (generally “the sending nation”) and the foreign country (generally “the receiving nation”). The SOFAs in broad terms cover such things as the rights, privileges, duties, status and immunities of United States citizens under international law.¹ For the reader’s convenience, we have included the website for a list of countries with which the United States has a formal SOFA.²

SOFAs We Have Dealt with at ESC

For the most part, SOFAs are similar and cover the same generic topics, regardless of what country or international organization they are with. These include, for example, a definitions section; a clause requiring the sending state to respect the laws of the receiving state; exemption from specified passport or visa regulations; credentials required the receiving nation for personnel of the sending nation, including personal identity cards (IDs); appropriate travel orders; automobiles (or other) special driving privileges; the right bear arms in the receiving state; determination of criminal jurisdiction over persons sent by the sending state; security requirements; due process requirements; settlement of claims (often a waiver of claims by participating countries against each other); control of in-country purchases (business and personal); relief from certain taxes; duties and customs; and the status/privilege and duties of dependents.

Although the generic topics above are usually addressed in SOFAs, there are significant differences in the scope of any particular SOFA and or related agreements as will be discussed below. With this in mind, it is useful to examine the North Atlantic Treaty Organization (NATO) SOFA.³

Article IX of the NATO SOFA provides coverage for “Members of a force (i.e., military members) or a civilian component and their dependents....”. Thus, it is clear, the NATO SOFA in its original text does not cover contractors. Most other SOFAs do not automatically cover contractors either. The NATO SOFA has a supplemental agreement pertaining to forces stationed in Germany, however, and Article 73 of the supplemental agreement does cover contractor personnel if they qualify as “technical experts.”⁴ No other NATO country (to our knowledge at this time) grants technical expert status to contractor personnel. The SOFAs for countries such as Japan and Korea, however, as well as a host of other countries, do provide such coverage for contractor personnel who qualify as technical experts.

Potential Problems Arising from Lack of SOFA Coverage for Contractor Personnel

It is axiomatic that, on one level, SOFA benefits such as base-exchange, postal, housing, schools for minor dependent children and medical privileges (on a reimbursable basis) are a pricing term for any resulting contract. To the extent that a contractor can price its services lower where SOFA benefits are available, the United States (or the purchasing government in a foreign military sales case) can save money.

Perhaps more importantly, in the case of hostile zones such as Saudi Arabia during Desert Storm, or Bosnia at the time NATO first deployed there, SOFA benefits for contractors take on a new dimension. Contractors did accompany the forces in Desert Storm, and many contractor personnel are currently accompanying our forces in (and around) Bosnia and Kosovo, for example. They are also currently deployed in Saudi Arabia, Kuwait, and Korea, to name a few additional countries.

A major problem associated with Bosnia concerning contractor personnel was that there was no SOFA coverage extended to contractors by NATO member nations, except as previously noted while they are in Germany. The second problem for contractor personnel arose from the fact that the United States had no SOFA Agreements with any of the Eastern Bloc nations, where troops and supporting contractors would be sent.⁵ These included, but were not necessarily limited to the Federation of Bosnia and Herzegovina, the Republic of Srpska, the Republic of Croatia, and the Republic of Yugoslavia.

The treaty⁶ signed at Dayton, Ohio in November 1995 provided a solution to the problem. While the treaty itself did not extend diplomatic or SOFA-type benefits to contractors, a related treaty did. Specifically, subparagraph 2 of the Bosnian treaty invokes a 1946 treaty with the United Nations.⁷ Article VI of that treaty provides diplomatic immunity for “technical experts” who accompany military forces on a United Nations mission. We at ESC took the view that the then current peace keeping activity in Bosnia was just such a mission. NATO forces replaced the previous United Nations peacekeeping forces under the auspices of the United Nations Security Council. In other words, NATO was in Bosnia at the behest of the United Nations. They are in Bosnia on a United Nations mission and that is why we believed the NATO troops came under the 1946 treaty when they were first deployed. Those troops are referred to as the International Forces, or IFOR. Since then, the U.S. has SOFAs with Bosnia-Herzegovina and Croatia related to IFOR. We also have SOFAs in place with Slovenia and the Former Yugoslav Republic of Macedonia (FYRM). Hungary is used as a staging area for IFOR, and the NATO SOFA currently applies there.

For the reasons stated above, when NATO first deployed, contractor personnel who qualified as technical experts accompanying the forces, they were entitled to the privileges and immunities of the cited United Nations treaty. On the strength of the view stated above, we encouraged the appropriate USAF sponsoring agency to provide Geneva Convention cards, i.e., DD Form 489

cards, to qualified contractor personnel who accompanied U.S. and United Nations troops on their mission, in accordance with then existing AFT 36-3001, subparagraph 1.3.6

The Geneva Convention identification card is intended to provide the bearer Geneva Convention protections in the event of capture during hostile enemy actions.⁸ In addition to basic personal identification, it identified the bearer as a non-combatant, and entitles the bearer to the same treatment under the rules of war of a military member of equivalent rank.⁹ For these reasons, we consider issuance of the Geneva Convention card a matter of utmost importance for both civilian component members of the force.¹⁰ However, a new identification card has been devised to cover contractor personnel that did not exist when we first deployed with NATO to Bosnia. It is a DD Form 2764, United States DoD and Uniformed Services Civilian Geneva Conventions Identification Card.¹¹

Eligibility for the new DD Form 2764 is set forth in paragraph 6.27 and is issued “to an employee who becomes eligible.”¹² It is a sponsor card¹³ and is not issued to dependents of eligible contractor employees since dependents will be granted a different card (a DD Form 1173 dependent ID card).¹⁴ Further, the DD Form 2764 is available only as a machine-readable card (i.e., there is no manually-prepared version of this form),¹⁵ unlike the DD 1173. The DD 2764 requires the following:

- The DD Form 2764 is not to be over stamped *Overseas Only*. The word *Overseas* will be printed within the authorized patronage block of the identification card.
- The authorized patronage block for eligible individuals permanently assigned within CONUS will be blank. Travel orders authorize access for these individuals while en route to the deployment site.
- During a conflict, combat, or contingency operation, all individuals with a DD Form 2764 will be granted all commissary, exchange, MWR, and medical privileges available at the site of the deployment, regardless of the statements on the ID card.
- The medical block on this card will contain a statement, “When TAD/TDY¹⁶ or stationed overseas on a space-available fully reimbursable basis.”
- Civilian employees *and contractual service employees providing support when forward deployed* during a conflict, combat or contingency operation are treated in accordance with the ASD(HA)¹⁷ memorandum of January 8, 1997, *Medical Care Costs for Civilian Employees Deployed in Support of Contingency Operations*. This policy states that it is not considered practicable or cost effective to seek reimbursement from civilian or *contractor employees* or third party payers for medical services rendered by forward deployed medical units. However, where a civilian or *contractor employee* is evacuated for medical reasons from the contingency area of operations to a medical treatment facility funded by the Defense Health Program, normal reimbursement policies would apply for services rendered by that facility. (Emphasis added)¹⁸

Since the paragraphs above establish the type of base support the contractor is entitled to upon issuance of the DD Form 2764, the contract should contain a special provision to reflect the specific base support to be provided to contractor’s employees.

Recommended Procedure for Contract Implementation of SOFA or Other Rights

For purposes of assuring that SOFA benefits or other rights that can be afforded to a contractor are in fact provided, there is a certain process that we at the ESC employ. First, we study the

appropriate country SOFA and develop a checklist of the rights, duties, and obligations created thereby. We then create what is loosely described as an instruction for proposal preparation to assist the contractor in both bidding, and performance. While not all-inclusive, it contains detailed advice of some “dos” and “don’ts” for its personnel in country, such as arrest, claims, tax issues, etc. While the instruction for proposal preparation is a non-binding, non-contractual document, contractors have indicated it contains useful guidance for their performance of a contract.

For negotiation purposes, proposed contract clauses are included in the request for proposal model contract. In one instance, an existing contract was modified to authorize contractor engineering support in many countries around the world; after passing on SOFA type benefits to the contractor, that contractor was able to modify some existing contract rates downward, and pass significant savings on to the government.

There are other clauses that should be considered for use in any contract that requires foreign performance. The *Federal Acquisition Regulation (FAR)* and *Defense FAR supplement (DFARS)* clauses should be examined in detail for inclusion in the contract when appropriate. Also, check applicable international agreements to determine if any special contract clauses are required. This includes foreign performance to satisfy foreign military sales requirements, or to satisfy United States “bona fide” needs in foreign countries.¹⁹ Certain clauses are derived from specific statutory or regulatory authority and these sources should be reviewed during contract preparation. Others of note, which we believe require special comment and analysis, are summarized below.

The Defense Base Act, at 42 U.S.C. Section 1651 et. seq., as amended,²⁰ and the *War Hazards Compensation Act*, at 4 U.S.C. Section 1701 et. seq., as amended. In general extend the coverage of the *Longshoremen’s and Harbor Worker’s Act*, at 33 U.S.C. Section 901 et. seq., to contractor employees in foreign countries.²¹ In accordance with these statutes, contractors (through appropriate insurance) are required to provide contractor employees coverage for injury, disability, death, or detention by an enemy.²² The cost of subject insurance is partially reimbursable to the contractor by the Department of Labor. The balance would (if reasonable and allowable in accordance with FAR part 31), be reimbursable under the contract. There is specific guidance in the FAR and DFARS as to the use of these clauses which should be reviewed during contract preparation.

Current Air Force policy related to the *Defense Base Act* is reflected in an 8 February 2001 memorandum from the Acting Secretary of the Air Force, Subject: *Interim Policy Memorandum-Contractors in the Theater with USAF Guidance on Contractors in the Theater* as an attachment. The following summarizes the gist of current Air Force policy:

Pursuant to the *Defense Base Act* (42 U.S.C. 1651 et. seq) U.S. contractor personnel deployed in a theater of operations to perform “public work” may qualify for workers’ compensation if injured, killed or missing while deployed. Compensation and limitations are further explained in the *War Hazards Compensation Act* (42 U.S.C. 1701 et. seq). Ordinarily, contractors will be required to obtain insurance coverage for such risks and potential compensation on behalf of its employees (FAR 28.305, 52.228-3 or 52.223-4).

Based upon the statute cited above, we recommend incorporation of a special clause to implement these requirements in any resulting contract. Moreover, special clauses should be crafted to incorporate SOFA benefits, or other provisions consistent with the authority contained in any relevant international agreement.

When contractor personnel are deployed in support of the Air Force they can, and should, be granted force protection and support services commensurate with those provided to DoD civilian personnel to the extent authorized by United States and host nation law.²³

Conclusion

Passing on SOFA and other benefits to contractor technical experts accompanying the forces can save the U.S. government money and provide substantial benefits to the contractor. Providing such benefits creates a “win-win” situation for both the contractor and the government.

End Notes

1 The opinions set forth herein are those of the authors and do not necessarily reflect official Air Force policy.

2 <http://www.lawguru.com/ilawlib/89.htm>. This site includes treaties as well as SOFAs and other international related information.

3 We have relied, in large part, upon an article regarding SOFAs written by Colonel Richard J. Erickson, USAF(Ret) entitled “Status of Forces Agreement; A Sharing of Sovereign Prerogative” which was printed in *The Air Force Law Review*, Volume 37 (1994), p. 137 et. seq., as a primary background source for this memorandum.

4 *The Supplemental Agreement to the NATO Status of Forces Agreement* (effective 18 January 1974) creates status for civilian contractor “technical experts” who accompany a military force to Germany by providing: “Article 73 Technical experts whose services are required by a force and who in the Federal territory exclusively serve that force either in an advisory capacity in technical matters or for the setting up, cooperation or maintenance of equipment shall be considered to be, and treated as, members of the civilian component. This provision, however, shall not apply to (a) stateless persons; (b) nationals of any State which is not a Party to the North Atlantic Treaty; (c) Germans; (d) persons ordinarily resident in the Federal territory.”

5 Since that initial NATO deployment, three former Eastern Bloc nations have joined NATO and have ratified the NATO SOFA: Hungary, Poland, and the Czech Republic.

6 Hereinafter “the Bosnian Treaty.”

7 The convention on Privileges and Immunities of the United Nations, dated 13 February 1946.

8 As indicated in Colonel Robert L. Bridge, USAF (Ret.) article entitled “Operation Law; An Overview,” published in *The Air Force Law Review*, Volume 37, 1994, p. 1, footnote 1, there are four Geneva conventions. These are: convention (I) for the amelioration of the condition of the wounded and sick in, armed forces in the field, Aug. 12, 1949, 6 U.S.T. 3114, 75 U.N.T.S. 31; convention (II) for the amelioration of the condition of wounded, sick and shipwrecked members of armed forces at sea, Aug. 12, 1949, 6 U.S.T. 3217, 75 U.N.T.S. 85; convention (III) relative to the treatment of prisoners of war, Aug. 12, 1949, 6 U.S.T. 3316, 75 U.N.T.S. 135; convention (IV) relative to the protection of civilian persons in time of war, Aug. 12, 1949, 6 U.S.T. 3516, 75 U.N.T.S. 287.

9 While in Saudi Arabia in late 1991, Mr. Oulton was advised that some Saudis examined Geneva Convention cards at certain check points. At that time, he did not possess such a card but fortunately was never asked for one.

10 While preparing to go to Iran in December 1979, Mr. Oulton was cautioned by passport issuing officials that his government passport photo did not really look like him. He then had them done commercially in color instead of the government-issued black and white photos. The quality of such photos is clearly important when traveling abroad. (Trip set for 5 December was cancelled. Shah of Iran's regime fell soon after.) Not only should persons accompanying the force carry such cards, but the cards should be current, reflecting the bearer's current legible photograph.

11 This new identification card was established in AF136-3026 (I), 29 July 1999, (Identification Cards for Members of the Uniformed Services, Their Family Members, and Other Eligible Personnel), via the addition of Section 61. This AFI is part of a joint regulation issued by the Secretaries of the Air Force, the Army, the Navy, the Marine Corps, the Coast Guard, the Secretary of Commerce, and the Secretary of Health and Human Services. The AFI bears the following legend below the title on the cover page: "Compliance with this publication is mandatory."

12 AF136-3026 (I), Section 6.27.1.

13 Ibid., Section 1.3.9

14 Ibid., Section 6.28. Eligible dependents are entitled to the DD Form 1173, "Uniformed Services Identification and Privilege Card."

15 Ibid., Section 6.29

16 Temporary Additional Duty/Temporary Duty. See, Joint Publication (JP) 1-02, *DoD Dictionary of Military and Associated Terms*.

17 Assistant Secretary of Defense (Health Affairs). See, JP 1-02.

18 Ibid., Section 6.29.1, et. seq. In addition, according to an article on p. 18 of the 23 April 2001 edition of the *Air Force Times*, a computerized identification card known as a "smart card" will replace all existing IDs. What impact, if any, this will ultimately have on Geneva Convention cards remains to be seen.

19 These latter requirements are (generally) funded by U.S. appropriated funds.

20 The purpose of the *Defense Bases Act* (DBA) was to provide essentially the same relief to outlying territories as the existing workers' compensation law gives to employees in the United States. *Lee v. Boeing, Inc.*, 7 F.Supp. 2d 617 (D. Md 1998), 1998 U.S. Dist. LEXIS 7809.

21 *The Longshoremen's and Harbor Workers Act* was, in effect, incorporated verbatim into the *Defense Bases Act* except where modified by the UBA. See, *Lee v. Boeing Inc.*, supra.

22 See *Code of Federal Regulations* (C.F.R.) at 20 C.F.R. Part 61, et. seq.

23 See, AFMAN 10-401, Vol. 2.

About the Authors

Donald P. Oulton, Chief, International Law Branch Contract Support Division Office of the Staff Judge Advocate, joined Hanscom Air Force Base's Electronic Systems Division as its Foreign Military Sales Attorney in 1976. In 1980, he was selected as the Air Force Systems

command's outstanding civilian Attorney of the Year. That same year, he was selected as the United States Air Force Civilian Attorney of the Year Serving with the Judge Advocate General's Department and awarded the prestigious "Wrightson Award."

In 1983 Donald Oulton was selected as the outstanding senior civilian in the Electronic Systems Division of Air Force Systems command, and presented the Harold M. Wright award. Donald Oulton was certified as a "Level 5 Managerial Contract Law Attorney" by the Air Force Judge Advocate General, which is the top rating a civilian professional may achieve.

Alan F. Lehman, is the Deputy Chief, International Law Branch, Contract Support Division Office of the Staff Judge Advocate, at Hanscom AFB, Massachusetts. He has served in that position since September 1967. Prior to that, Mr. Lehman served almost ten years on active duty as a Judge Advocate General in the United States Air Force. Since 1979 Alan has specialized in major systems acquisition. Since 1984 Alan has specialized in international law at ESC. He has argued source selection protests in front of the Government Audit Organization and has participated in negotiation of international agreements with NATO organization and NATO member nations. He continues to serve as guest lecturer in International Contracting at both the Air Force Judge Advocate General School and at Defense Institute of Security Assistance Management. Alan Lehman is a Colonel in the Air Force Judge Advocate General's Department Reserve and is currently attached to the United States Transportation Command, Scott Air Force Base, Illinois, as the Senior Individual Mobilization Augmenter to the Chief Counsel.

Eagle Vision - Exploiting Commercial Satellite Imagery

By

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General

Eagle Vision is a family of systems that includes Eagle Vision I, an operational system that collects and processes commercial (SPOT, Landsat, Radarsat, and IRS) and national imagery located at Ramstein AFB, Germany; National Eagle, an operational system that processes (no collection capability) national and commercial imagery at 152 IS, Reno (ANG), Nevada; and Eagle Vision II, a system developed by the National Reconnaissance Organization for the U.S. Army that collects and processes commercial (SPOT, Landsat, Radarsat, and Orbview) imagery. Eagle Vision I and II are composed of two elements, a data acquisition segment (DAS) which includes an antenna and a shelter that collects and processes imagery into a standard format, and a transit-cased data integration segment (DIS) that processes the standard format products into useful products for a combat commander's mission planning, rehearsal, and intelligence gathering. The

acquisition segment for Eagle Vision I and II were developed by EADS Matra Systems and Information, Velizy, France and the Eagle Vision I DAS is sustained by Matra as well. The integration segments for both Eagle Vision I and II were developed and are sustained by Veridian International, Ann Arbor, Michigan, as is National Eagle, a shelter version of the delta integration segment.



A recently painted radar.

Operational

The Eagle Vision family emerged from the Desert Storm combat commander's operational demand for digital imagery to support air and carrier based mission planning/rehearsal and intelligence gathering systems, as well as Army and Marine Corps topographic units. The requirements are documented in the Combat Air Forces Short Method to Acquire Ready or Replacement Technologies Operational Requirements Document CAF 304-96-IIIA for Commercial Imagery Exploitation Systems, 23 July 1998; the Joint Services Imagery Processing Systems Program Management Directive 2379(1)PE#0305154D, dated 10 April 1995; mission need statements AFSPACECOM MNS (003-92) for Multi-spectral Imagery (MSI) (S/NF), 12 February 1992; and JROCM MNS 070-91, Remote Earth Sensing (S), 22 November 1991.

During Desert Storm, U.S. forces did not have the organic capability to receive and process broad area/multi-spectral imagery, but they relied on the purchase of commercial SPOT imagery.

This imagery required extensive processing at four different CONUS sites prior to shipment to the theater, a process that took four to six weeks. This delay did not meet the high tempo operational needs of Desert Storm. The operational requirement for “real time” mission critical imagery spawned the concept of Eagle Vision. Modifications have been made to the requirements based on emerging technologies (higher resolution/all weather satellites) and operational needs. Eagle Vision has been used extensively in the Balkans (Operation Allied Force) and deployed to Japan, Alaska, the United Kingdom, Italy and various CONUS sites to satisfy real world contingencies.

Acquisition History

In the past, Eagle Vision acquisitions and modifications have been procured under the foreign comparative test (FCT) program (DoD 5000.3-M-2). By using the FCT program, U.S. government commitments under a memorandum of understanding (MOU) with the Republic of France were also fulfilled. An FCT candidate nomination proposal for the fabrication and demonstration of Eagle Vision I was submitted to OSD/DDR&E (T&E) on 15 May 1992. The proposal was based on a market survey conducted by ESC and USAFE that determined that the most cost effective candidate for the development of the Eagle Vision program was Matra. On 28 October 1992, the Office of Secretary of Defense selected and funded the Eagle Vision program under the FCT provisions. Subsequently, a sole source request for proposal was released to Matra for the demonstration and validation effort.

In 1995, the operational community identified a requirement for multi-spectral broad area imagery. To satisfy the requirement, a Landsat 5 capability was added to the system. Requirements for higher resolution imagery and an all-weather capability were identified in 1996. On 21 March 1996, a second foreign comparative test proposal was submitted to OSD/DDR&E, and was approved and funded. The purpose of this second candidate was to study higher resolution electro-optical and all weather synthetic aperture radar imagery collected by multiple foreign satellites (Canadian Radarsat, Indian Remote Sensing (IRS), and European Radar System (ERS)). This study was combined with the Landsat 5 upgrade and was designated as the Renaissance View foreign comparative test. Again, Matra was the designated source. Under this effort, a Radarsat satellite capability was added to the system, but IRS and (ERS) were not due to funding constraints. Data from IRS and (ERS) were evaluated to fulfill a need for higher resolution imagery, and for day and night and all-weather large area synoptic and optical coverage. These platforms provided a low-cost gap-filler to existing surveillance satellites, and improved the timeliness of data delivery due to faster revisit rates and all-weather capabilities.

In the Renaissance View FCT test report, USAFE made various recommendations. The USAFE recommended upgrades of the system and continued sustainment (maintenance, emerging technology hardware and software upgrades, and purchase of a DAS for National Eagle) of the Eagle Vision DAS system. This requirement was to be performed in the Renaissance View FCT implementation phase, to be funded collectively by the individual military services (i.e., non-foreign comparative test funding). Step one of the Renaissance View FCT implementation phase was intended to include USAFE’s recommended upgrades of the system and continued sustainment of the Eagle Vision DAS system. This effort was estimated at \$27.1M and, as before, Matra Systems and Information was the designated source. An international agreement competitive restrictions (IACR) for this first step of the Renaissance View FCT implementation phase (DAS sustainment) was approved on 16 September 1999. Additional Eagle Vision systems (both segments - DAS and DIS) were planned to be procured later under step two of the Renaissance View FCT.

Preliminary fiscal year 2000 defense budget actions included a \$21 million augmentation for the Eagle Vision program. To purchase a National Eagle collection capability (DAS) for the 152

IS, Reno ANG, NV (under step one - IACR, above), and an Eagle Vision system (both segments - DAS and DIS) for the 240 CBCS, McEntire ANG, South Carolina (under step two). During committee review, however, the \$21 million addition was reduced to \$12 million.

Fiscal year 2001 defense budget actions included a \$5 million increase for the Eagle Vision Air National Guard program. To provide a dissemination capability to the Eagle Vision III and IV data acquisition segments were procured with fiscal year 2000 augmentation. The fiscal year 2001 defense budget actions also included another \$4.5 million augmentation for the Eagle Vision Air National Guard program, to provide one-meter upgrade to Eagle Vision III and IV. Part of this funding was used to pay for the shortfall when ESC/SRG awarded the DAS contract last summer (that paid for the IRS and Radarsat software and software licenses). There is approximately \$2.775 million remaining for this effort. The defense budget also included \$3.8 million for upgrades to the Eagle Vision I program. Headquarters USAFE/INXY and ESC plan to use these funds to upgrade and replace the existing Eagle Vision I dissemination capability (DIS) to take advantage of emerging technology and ensure system compatibility with Eagle Vision III and IV.

The Future

The program office recently submitted a new foreign comparative test proposal for SPOT 5. The SPOT 5 satellite provides two advances not available in current commercial imaging satellites. First, it provides a readily pointable 5-meter panchromatic and 10-meter multispectral imaging capability. Second, the satellite and processing system are designed to acquire and process two 5-meter images into a single 2.5-meter image. The derivation of a higher-resolution image from two lower-resolution images is a new capability for commercial imagery satellite systems and this derived imagery product should be evaluated for its utility for the war-fighter. This 2.5-meter capability doubles the current Eagle Vision panchromatic resolution of 5 meters.

Because the SPOT 5 satellite provides unclassified, commercial imagery, it is ideally suited for use in coalition military operations. The imagery can be easily shared among coalition forces to support mission planning/rehearsal, time-critical targeting, conflicts other than war, disaster relief, treaty verification, etc. Incorporating the SPOT 5 capability into Eagle Vision will permit a thorough evaluation of the satellite and also provide a quick-turn-around for getting the imagery to the war-fighter.

This foreign comparative test will add the SPOT 5 satellite interface and processing to an existing Eagle Vision for field tests and operational evaluation. Specifically, this foreign comparative test will:

- Evaluate the quality of 2.5-meter resolution optical imagery that is produced via an interleaving/interpolation/restoration process from two 5-meter resolution scenes.
- Evaluate the utility of 2.5-meter resolution optical imagery for mission planning and rehearsal applications.
- Compare the relative merits of a wide 60km swath width for 2.5-meter optical imagery with at best a 17km swath width for commercial 1-meter optical imagery.

Today

Eagle Vision I recently completed the on-site acceptance testing on its IRS upgraded (5 meter resolution). This higher resolution although not one meter will benefit EV I proposed deployment to South Africa scheduled for this calendar year. A second upgrade underway is the synthetic

aperture radar (SAR) upgrade. This will reduce the current processing time from 40 minutes to 7 minutes. The DAS procurement for Eagle Vision III and IV is on going and will be delivered to the user the first quarter fiscal year 2002. The program office is investigating the one-meter upgrade system wide with the upcoming acquisition of the DIS.



Inside the shelter at the rack equipment.



Looking inside the shelter from outside.



Equipment in transit cases.

About the Author

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Coalition Aerial Surveillance and Reconnaissance Project

By

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Seven NATO nations are in the process of defining a project to work together to develop and improve their ability to detect and track vehicles on or near the ground with radar sensors. Canada, France, Germany, Italy, Norway, the United Kingdom, and the United States have initiated the coalition aerial surveillance and reconnaissance (CAESAR) project in an effort to bring together and enhance existing and developing capabilities for ground surveillance. Initial planning sessions for the project began in January 2001.

The goals of the CAESAR project are to develop the concept of operations, tactics, techniques and procedures (TTPs) and the technology that will allow efficient and effective use of ground surveillance sensor platforms in a coalition environment. The project aims to develop a capability to maximize the military utility of scarce and expensive ground surveillance resources through the development of operational and technical means that enhance interoperability.

The project will demonstrate the capabilities for synergy using multiple sensors from the CAESAR nations, using a combination of simulation and live fly exercises. The first exercise that will be supported by the project is North Atlantic Treaty Organization's (NATO's) Clean Hunter 2001, which took place in June 2001. Development efforts are focused inside government and industry facilities in the participating countries with all nations coming together for exercises and experiments.

Fielded systems such as the U.S. Joint Surveillance Target Attack Radar System (Joint STARS) and the French Helicopter (HORIZON) produce this data, called moving target indicator (MTI) reports and synthetic aperture radar images in near real time. In addition to Joint STARS and HORIZON, the CAESAR project will develop interoperability with the Italian CRESO, the U.K. Airborne Stand Off Radar (ASTOR), the French ground-based radar Rapsodie, and the U.S. Global Hawk, U-2, and Predator in MTI modes. In addition, numerous ground based exploitation

capabilities will be part of the exercise and integration work. Systems such as the Norwegian mobile tactical operations centre, the French SAIM, a German Exploitation Workstation, and U.S. systems such as the common ground system, joint services work station, multiple hypothesis tracker, and the moving target indicator exploitation workstation will be part of the effort. Canada will demonstrate the utility of space based GMTI platforms to complement CAESAR coalition assets.

The CAESAR project came about as the result of ongoing efforts by the seven nations and the North Atlantic Treaty Organization Consultation, Command and Control Agency, under the sponsorship of the Supreme Headquarters Allied Powers Europe, to foster interoperability of national ground surveillance systems and to promote integration of the data from these systems into NATO command and control systems. Since 1995, nations have been working to develop greater interoperability between ground surveillance systems at the NATO alliance ground surveillance (AGS) capability test bed (NACT) at NC3A, in The Hague, Netherlands. These efforts led to the development of a data format that allows systems from the seven nations to share and exploit data about moving and stationary targets.

In 1997, France hosted systems from six nations at a military flight test facility south of Paris to perform the Paris Interoperability Experiment (PIE). During this experiment, one Joint STARS Aircraft with an associated ground station module and a common ground station and two French HORIZON helicopters with two HORIZON ground stations were used to gather data about traffic movement in a prescribed area.

The airborne sensor platforms flew predefined orbits designed to provide surveillance of specific portions of the French countryside. In addition to observing civilian traffic in the area, the French Army provided a number of instrumented military vehicles to support the experiment. The data from the air platforms was sent down to their respective ground stations where it was disseminated among exploitation workstations from France, Germany, Italy, Norway, the United Kingdom, the United States, and NATO. Using the ground stations as intermediaries, each nation's system could request and receive data from the airborne systems.

The highly successful PIE effort proved that the interoperability capability demonstrated in the NACT could be transferred to fielded national systems. A number of subsequent exercises, in cooperation with NC3A, have continued to increase the ground surveillance interoperability available to NATO and Coalition efforts. The use of both HORIZON and Joint STARS to provide surveillance of ground and helicopter traffic in Kosovo for Operation Allied Force in 2000 highlighted the need to increase the interoperability and integration of these assets.

The Joint Surveillance Target Attack Radar System Program Office, ESC/JSDQ Hanscom AFB is the U.S. technical manager for the CAESAR project.

About the Author

Major Davis S. Long is currently assigned as the chief of the Joint STARS Advanced Development Team at Hanscom Air Force Base, Massachusetts. His team is responsible for JSTARS requirements, advanced development, international projects, modeling and simulation, and test support. One of his primary tasks is leading the U.S. effort for coalition aerial surveillance and reconnaissance (CAESAR), the 7-nation coalition for interoperability on the GMTI battlefield. He is also the USAF action officer working group member for the Multi-Service 0-6 GMTI steering group that was established to provide coherent battle space situational awareness to the joint GMTI battlefield.

Previous assignments include Tinker AFB, Oklahoma, where he was a maintenance officer for the KC-135 depot maintenance branch. At Edwards AFB he was a flight test program manager and squadron maintenance officer, and at Wright-Patterson AFB, Ohio, Major Long served as an electronic warfare integration program manager for the F-16 program office.

Major Long was commissioned through the Air Force Reserve Officer Training Corps at North Dakota State University, Fargo North Dakota where he earned a degree in industrial engineering and management. He received a master of science degree in engineering from California State University, California.

The U.S. Air Force's Cryptologic Systems Group: Putting the "Super" in Information Superiority

By

**Gregory L. Garcia
Electronic Systems Center**

Introduction

Based on the dramatic shifts in both political and military dimensions coupled with today's rapid technical advancements, there is clear impetus to reexamine the elements of an effective military strategy. The struggle is no longer limited to known protagonists surveying the field to monitor, assess, and counter an identified antagonist. The focus of warfare, with its past heavy reliance on kinetic weapons, such as bombs, missiles, and bullets, has widened to include the burgeoning requirement to fight the daily struggle of the non-kinetic world, the fight for information and the counter force of information assurance, the struggle for information superiority. In the midst of this battle, the Cryptologic Systems Group, a geographically separated unit of the Electronic System Center within the Air Force Materiel Command, hones people, systems, and knowledge to enable both the Air Force and international partners to garner information while assuring the protection of their critical data.

Place in the Changing Milieu

The conventional approach of understanding the tenets of non-kinetic warfare is to divide activities into the broad category of information operations (IO) with partitions for information-in-warfare (IIW) and information warfare (IW).¹ This schema identifies a subcategory of activities to achieve the four IO objectives of gain, exploit, attack and defend critical capabilities in this evolving non-kinetic environment. Few nation-states or rogue actors are positioned to coordinate a broad attack across the U.S. or North Atlantic Treaty Organization countries. Rather, these potential adversaries seek the same advancement of IIW or IW to gain, exploit, or attack established governments' infrastructure or individuals as exhibited in the exponential increase in hostile computer probes and intrusions. These incidents focus on political and financial as well as military targets.

These operations resonate across the global information grid undetected or masked. Many times organizations specifically designed to monitor such events, like the U.S. National Infrastructure Protection Center, are undermanned and unable to coalesce useful and timely warnings.² With the growing use of these global information communication mechanisms, such as the world wide web or public phone services, and the increased use of network information systems for mission data, the threat of increased non-kinetic attacks is predictable.

For those with national security responsibilities, attention must be afforded to the crucial daily struggle of turning data into information and then securing those rudiments. Understanding, preparing, and winning this non-kinetic war is a prerequisite for achieving information superiority. For the CPSG, it is our mission to equip selected combatants with the necessary tools, systems, and training to ensure they are able to obtain information superiority to dominate both the kinetic and non-kinetic battlefields.

CPSG Organization

The CPSG mission is to directly support the warfighters' secure command, control, and intelligence exigencies. This applies to active U.S. Air Force, NATO members, and international partnerships.³ The CPSG provides cryptologic sustainment for keying material, item management, storage, shipment, and joint-service depot-level hardware and trusted software maintenance for information assurance, intelligence, force protection and other related systems. CPSG is the Information Assurance Product Area Directorate and the Air Force system program office for public key infrastructure with direct links to Headquarters United States Air Force and Defense Information Infrastructure. CPSG manages special compartmental projects for the Department of Defense and National Security Agency space systems. CPSG provides the engineering, logistics support and maintenance functions for the Air Force Technical Applications Center's material collection systems that support the United States Atomic Energy detection system. Additionally, CPSG is the joint-service, consolidated signal intelligence support activity that manages over 1,000 such systems.

Protecting the Infrastructure

Research

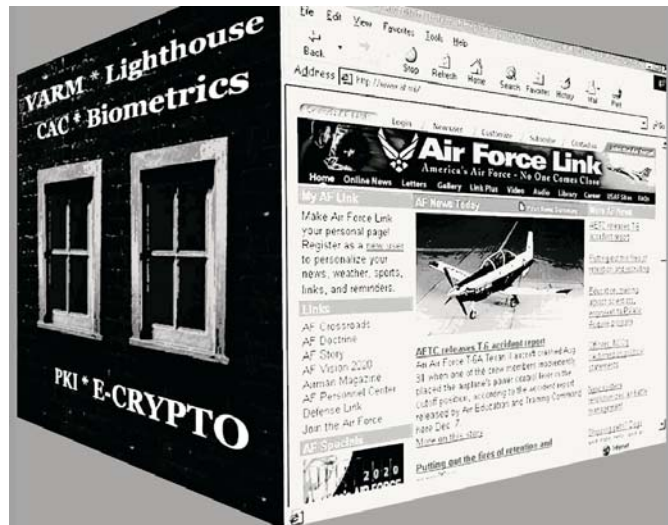
VARM
Lighthouse
Biometrics

Programs

PKI
CAC

Infrastructure

E-Crypto
ITAC
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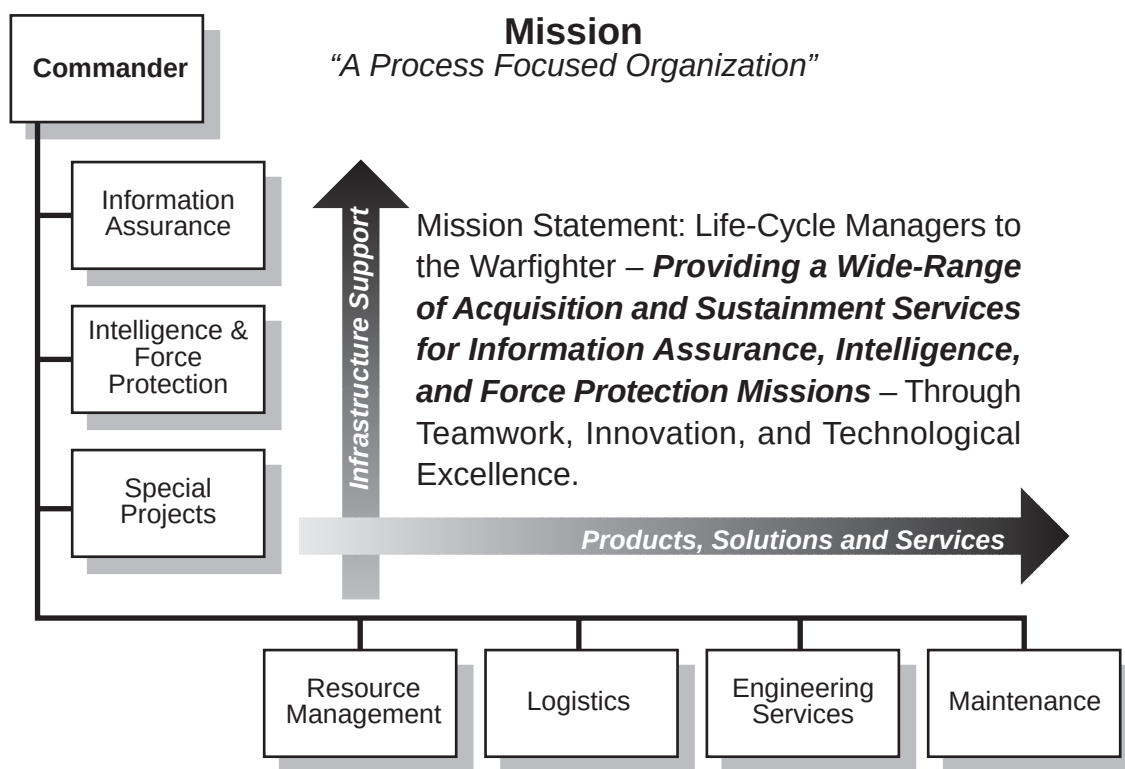


Support to Both the War-Fighter and Infrastructure

With a view to front line war-fighters, CPSG is involved in performing and securing the information needed to perform their assigned missions. At the base level, CPSG supports systems that protect the base physical boundary and weapon system storage facilities. The air planning is conducted with information from intelligence systems maintained by CPSG. The voice call sign designations and secure communication devices for voice, data, and navigational data for Air Force and some international partners are systems managed, repaired, and delivered by our organization.

In the area of signal intelligence support, CPSG established one of the most responsive repair and return programs throughout the Department of Defense. Through an integrated product team approach, the organization has established a web-based status system to provide the latest information on the status of each particular requirement. The team has streamlined the process of receipt, maintenance, and return within a robust management structure. The end result of this initiative is a competent and effective source of supply across a broad range of systems, components and projects. Additionally, on the information assurance side, CPSG is fielding a unique "e-crypto" e-business initiative that will allow select customers to forward requirements,

purchase orders, repair actions, and ask technical questions all in an electronic environment. This initiative is expected to reduce lead-times, lower prices, and increase customer service for Air Force and international partners.



Additionally, CPSG is working to secure the infrastructure where much of this critical information travels, both for classified and unclassified data. As the Air Force implementer of the public key infrastructure, CPSG will touch every Air Force member in providing a secure token that will enable each individual to sign and encrypt all unclassified e-mail traffic ensuring identity, authentication, confidentiality, integrity, and proof of participation. Moreover, the group is working on the forthcoming deployment of a smart card implementation of the Department of Defense common access card efforts. This card will serve as the new means of identification for all service members, the token for signing and encrypting e-mail, and a host of future applications. CPSG recently was designated as the Air Force program office for biometrics research and integration planning initiatives within the Air Force.

CPSG also excels in the area of engineering and research. A capability we provide is our Information Assurance Technical Assistance Center (ITAC). This group of individuals provides world-class engineering and technical assistance across the full spectrum of secure issues. They also serve as a node on the ESC network applications lab, which provides a means of rapidly prototyping emerging and critical information warfare ideas, techniques and advancements. Additionally, CPSG manages two research programs: cyber lighthouse and vulnerabilities assessment and risk management. These efforts assist in development and proofing of systems designated for implementation. Based on technology assessment, our efforts are built around filling the gap of documented mission needs and systems to provide that specific capability.

Support to International Partners

We pride ourselves in our unparalleled support to our international partners. Both in the information-in-warfare and information warfare arenas, our organization provides equipment and system support in meeting our partners' national security needs. The following list depicts a brief synopsis of key programs that we currently support:

- United Kingdom C-17 logistic support program
- Australian airborne early warning and control (AEW&C) project.
- KOK-22 and 22A maintenance and rectification support program
- Israel; PEACE MARBLE V system sale (F-16)
- Israel; F-15I Air Force program
- Korean; F-15 Fighter program
- NATO AWACS E-3A program
- Maintenance repair and return support to NATO countries and other allied countries for IA equipment and systems
- Technical support on development of letters of offers for countries regarding system sales considerations

The Super in Information Superiority

The challenge of the non-kinetic battlefield is to remain vigilant, active, and equipped. By no means does CPSG work as the sole provider or without coordination of other organizations. Information organizations within this environment is a congeries of supporting participants. It is in this strength of a multi-entity approach, an interconnected net of partners, in which information organizations can succeed in ferreting out those ill intentions of others versus the chatter and clamor of a bustling world. It is in obtaining information superiority, based on the information-in-warfare and information warfare tenets, that these assaults on our information domains can be halted and defused. Within this environment, CPSG stands ready to serve the needs of those faced with the responsibility of protecting their countries as life cycle managers to the war-fighter putting the super in information superiority.

About the Author

Gregory L. Garcia is the acting director of the Information Assurance Product Area Directorate, Electronic Systems Center, United States Air Force, located at the Cryptologic Systems Group in San Antonio Texas. He has sixteen years of U.S. government experience and holds a master degree's in public policy from the Woodrow Wilson School of Public and International Affairs, Princeton University and a master's degree in business administration from University of the Incarnate Word, San Antonio Texas.

End Notes

- 1 *Air Force Doctrine Document 2-5*, 5 August 1998, page 3.

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- 2 GAO Report, GAO-01-323, *Critical Infrastructure Protection: Significant Challenges in Developing National Capabilities*, 25 April 2001.
 - 3 Larry Kisher and Harold Stamler, CPSG Mission Brief/Organization Summary, May 01.

Regional Airspace Initiatives in Europe

Neil Planzer
Air and Space Operations, Headquarters U.S. Air Force

[Republished from the *Journal of Air Traffic Control*, April-June 2000, by permission of the Air Traffic Control Association, Inc., Arlington, Virginia.]

Introduction

Shortly after the dissolution of the Warsaw Pact, President William Clinton established a small policy initiative in Central and Eastern Europe. This initiative was the Regional Aerospace Initiative (RAI). The RAI's goal, extracted from Presidential Review Directive 36, was to

“...establish a region-wide civil/military airspace management and air sovereignty system in Central and Eastern Europe.”

The RAI, and the programs that were inspired by its example, were designed to enhance the following elements: airspace management, command and control, military and civilian cooperation within a country, and cooperation throughout a region.

To discuss specifics of the initiative for a moment, the RAI and its children were U.S.-led bilateral initiatives with countries of Central and Eastern Europe, conducted in the spirit of North Atlantic Treaty Organization's Partnership for Peace (PfP) program. The Office of the Secretary of Defense, International Security Affairs section, oversaw RAI studies conducted by the U.S. Air Force's Electronic Systems Center.

As the initial reviews of countries' abilities and plans for civil/military airspace management came to completion, it became apparent that all the countries wished to modernize their airspace management along certain core concepts. For example, all the countries surveyed lacked an ability to display all actions within their airspace, both civil and military, in a single display format compatible with Western standards. From this lack came the recommendation for an Air Sovereignty Operations Center (ASOC). This unique program combined the best expertise and efforts of the countries with a “starter kit” provided by the United States. The ASOC combines air defense and air traffic control (ATC) radar inputs, provided by the country, to form an integrated air picture of the entire country and surrounding territories. The ASOC was designed to accept the use of Western European radar data formats in order to best encourage cooperation not only between civil and military airspace managers within a country, but within a region as well.

Second, it also became apparent that the military's ability to contribute to such an air picture was hampered by their lack of compatible primary radars. Rather than incur massive debt in the procurement of 3D radar, it was suggested that the countries study the feasibility of modernizing their older surveillance radars to ASOC (i.e., European) requirements. The radar interoperability and life cycle upgrade studies (RADIUS) are a U.S. attempt to answer those feasibility questions.

Additionally, it became apparent that the countries wished to modernize their navigational aids to meet International Civil Aeronautics Organization (ICAO) and NATO standards. The resulting navigational aids (NAVAIDS) studies provided a systematic, incremental set of agreed-upon modifications required by the countries to modernize their military navigational systems and landing aids.

As the RAI, ASOC and NAVAIDS programs began to move, it was quickly realized that, if these initiatives were not accompanied by similar efforts in modernizing and Westernizing

command and control, the countries would miss a significant opportunity to plan their changes systematically. The need to tie stand-alone systems together into integrated systems was clear. If steps were not taken quickly, the cost to Europe and NATO would be enormous. Among other efforts at various levels, OSD met the challenge with the command, control, communications and computers (C4) study program for Central Europe, designed to review and develop systematic, incremental recommendations for a country to plan its modernization and regionalization of command and control functions and processes.

Much as the conduct of RAI led to the development of ASOC, the command, control, communications and computer studies began to identify common challenges for the countries. The concept for a National Military Command Center (NMCC) began as a potential answer for some of these challenges. The air picture created by ASOC would be critical to national leaders during a crisis, but an air picture alone is not sufficient to respond to national crisis. The technology now exists to fuse the air, ground and sea assets of both military and civilian organizations in real time, to provide a response package unmatched in history for any national crisis. This potential is now being explored in the development of the National Crisis Management Center for the nations of Central and Eastern Europe.

The overview now being complete, the details of each of these programs will be discussed starting with the basic RAI Program.

Regional Airspace Initiative

At the Prague Summit, President Clinton offered a U.S. initiative for regional airspace management modernization for Central and Eastern Europe. President Clinton selected this initiative as one which could be offered as U.S. assistance to foster regional cooperation. Specifically, the initiative offered assistance in designing a regional civil/military ATC/air sovereignty architecture which would emphasize joint civil/military resource sharing and regional cooperation to minimize the cost of satisfying host country ATC and air sovereignty requirements. The underlying concept was that modernization of ATC capabilities could be leveraged to achieve a corresponding modernization of air sovereignty capabilities at a lower cost. The intended objectives for ATC modernization were to realize the efficiency of regional cooperation and to achieve full compliance with Eurocontrol and European air traffic harmonization and integration program standards. The intended objectives for air sovereignty modernization were to improve the efficiency of civil and military cooperation, increase operational effectiveness, promote regional cooperation and facilitate future integration with NATO systems, a subject of substantial interest to the U.S. In this regard, the U.S. offer of assistance in developing modernized air sovereignty architectures was equally an initiative in support of NATO's Partnership for Peace initiative.

The RAI studies were initiated in June 1994. The initial effort focused on four nations - Czech Republic, Hungary, Poland and Slovakia. The RAI studies have expanded to include the countries shown in Figure 1. The study direction focused on three components of air space management, civil ATC, military ATC, and air sovereignty. The studies found that, in general, the ATC capabilities were more modern and interoperable than the air sovereignty capabilities and there were real opportunities to improve the efficiency of military airspace management by leveraging the civil ATC capabilities. Additionally, the RAI studies recommended the sharing of radar data with neighboring nations as a means of improving radar coverage while promoting regional cooperation. The RAI studies also lead to the establishment of regional conferences where all the participating nations could share information and explore common concerns relative to airspace management. As a result, a foundation for bilateral and multi-lateral cooperation in airspace management has been established.

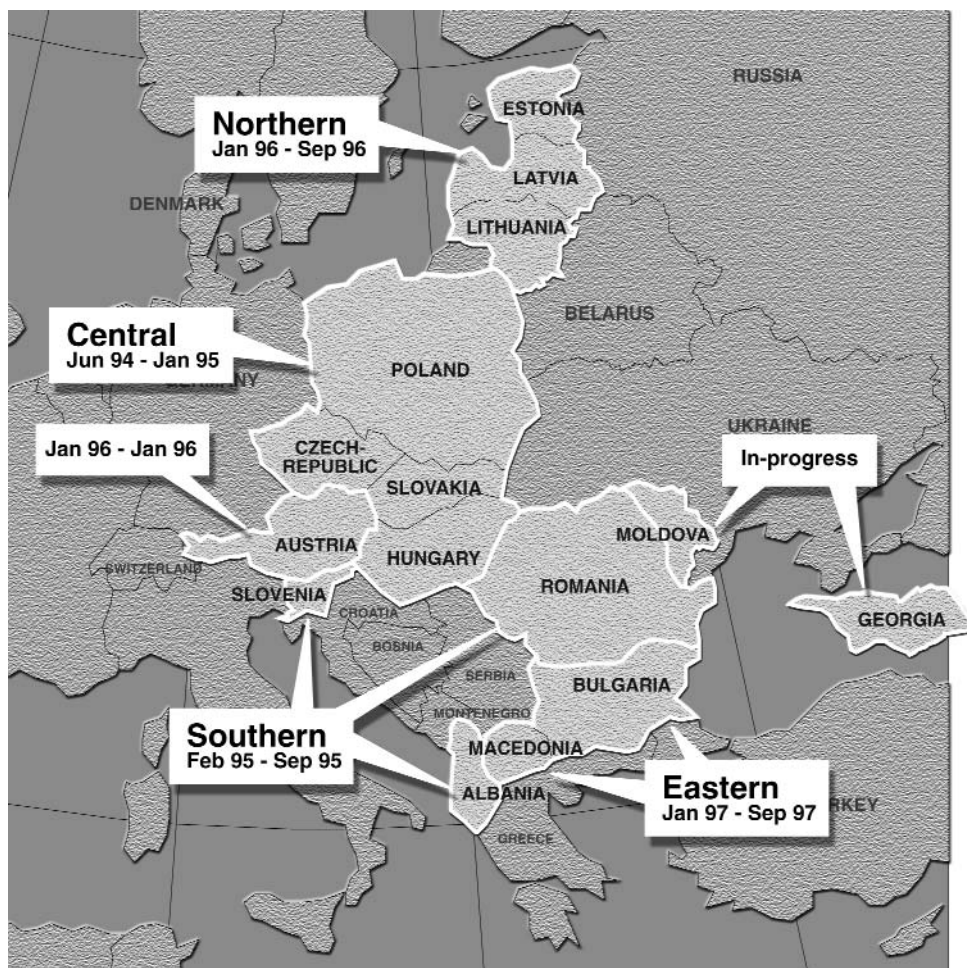


Figure 1. Nations Involved in RAI

Air Sovereignty Operations Center

The ASOC grew out of the recommendation for a centralized surveillance and control capability from the RAI studies. By pursuing a common air sovereignty core system under a single program, participating nations could obtain a basic capability at a lower cost than if they pursued this type of modernization effort individually. In addition, the key concepts of promoting cooperation internally between civil ATC and military and regional information sharing were intended to be incorporated into the ASOC program.

ASOC supports the processing of radar data from both civil ATC and military radars to support situation awareness and the processing of ICAO flight plan data to support aircraft identification. The Eurocontrol ASTERIX format was selected as the standard format for radar data inputs to the ASOC to ensure that data from military radars could more easily be used in support of civilian ATC. The use of a standard radar data interface also supported cross-border radar data exchange in accordance with bilateral agreements. The ability to exchange air track data using a NATO tactical data link interface also supported regional information sharing in accordance with bilateral and multi-lateral agreements. This tactical data link interface was instrumental in facilitating the integration of the Czech Republic, Hungary and Poland into the NATO air defense system.

The majority of the nations participating in the RAI studies have elected to participate in the ASOC program. ASOCs are currently installed in the Czech Republic, Estonia, Hungary, Latvia,

Lithuania, Poland, Romania, Slovakia, and Slovenia. Bulgaria is currently in the process of obtaining an ASOC.

Radar Interoperability and Life cycle Upgrade Study

In January 1998, a new study effort known as RADIUS was initiated to determine the feasibility of modernizing existing Soviet-legacy two-dimensional radars in the PfP nations to provide digital output compatible with the ASOC, and to reduce maintenance and operation costs. A second aim of the program is to devise a plan for redistributing surplus radars offered by individual PfP nations to meet surveillance deficiencies elsewhere in the region. Because of the very high cost of purchasing new three-dimensional radars and the fact that these nations had little capital to invest, this radar re-engineering program could provide a reasonable air defense radar coverage for a fraction of that cost for approximately eight to ten years. This would give receiver nations time to develop a procurement plan that will meet both operational needs and budget constraints.

Navigation Aids

Since 1989, Central and Eastern European countries have moved rapidly to modernize and improve civil and military communications, navigation, surveillance/air traffic management (CNS/ATM) systems for both en route and terminal service. In several areas, great strides have been made, particularly in civil CNS/ATM infrastructure modernization. On the military side progress has been significantly slower due to budget constraints and deliberation over alternatives and their impacts on avionics. The sustainment cost of aging Soviet-legacy air base navigation equipment is rapidly increasing, but an equally important problem continues to remain, the incompatibility between civil and military CNS/ATM systems, which restricts military operations and negatively impacts training. As some of these nations join NATO, and others continue their pursuit of NATO membership, the compatibility of their units and airfields with NATO/ICAO systems and procedures also adds an additional layer of complexity. Through the conduct of NAVAIDS studies, the U.S. has been able to make substantive recommendations to the host nations that markedly improve the margins of flying safety for aircraft in the host nations' area of operations, and identify modernization alternatives that facilitate increased military and civil cooperation.

Observations made while conducting the RAI studies led the U.S. to suggest that a broader look at command and control (C2) functions and NAVAIDS be initiated. These NAVAIDS studies result in recommendations for modernizing airfield and aircraft navigation systems based upon appropriate consideration of civil, military, NATO requirements and issues. Within the basic framework of the study country's requirements and modernization planning, alternative NAVAID system configurations are defined. These alternatives reflect military options consistent with the available funding, required upgrade time frame, NATO/ICAO guidance, and expected developments and constraints in the use of landing system options. Both current and advanced navigation techniques are considered in the evaluation and recommendations process. Particular attention is placed on identifying modernization solutions that closely integrate military and civil operations, and provide a synthesized architecture that satisfies both military and civil interoperability requirements. The study evaluates the following interoperability areas: en route navigation, precision approach, non-precision approach, air-ground communications, avionics, and approach lighting.

Hungary was the first country for the initial effort in 1996. Since then, NAVAIDS studies have been completed in Bulgaria, Czech Republic, Latvia, Lithuania, Poland, Romania, and the Slovak Republic with several of those nations directly using the results of the study to modernize their navigation systems. Studies are currently being conducted with Albania and Croatia.

Command, Control, Communications and Computers Studies

Because of the RAI studies and the derivative ASOC, NAVAIDS studies and RADIUS program were so successful in promoting civil, military and regional cooperation in air traffic control, in 1996 OSD decided to extend the RAI concept. Building on the theme of cooperation and collaboration, both domestic and international, in concert with USEUCOM and its theater engagement strategy, OSD decided to apply the RAI lessons to the world of military command, control, communications and computers (C4).

Historically, the U.S. Department of Defense had focused its efforts on improving the organic C4 system capabilities of the U.S. armed forces. In the 1990s, as multinational coalition peace keeping and peace enforcing became the dominant military operations, it became important for U.S. forces to have C4 systems that were interoperable with those of our potential partner countries. Consequently, in order to address U.S. and coalition partner C4 system interoperability issues, it became necessary to extend U.S. C4 systems modernization activities to address critical C4 systems interoperability issues for multinational partner countries as shown in Figure 2. This extension of U.S. C4 systems planning was, in fact, fully consistent with the enhanced military cooperation objectives of the PfP initiative.

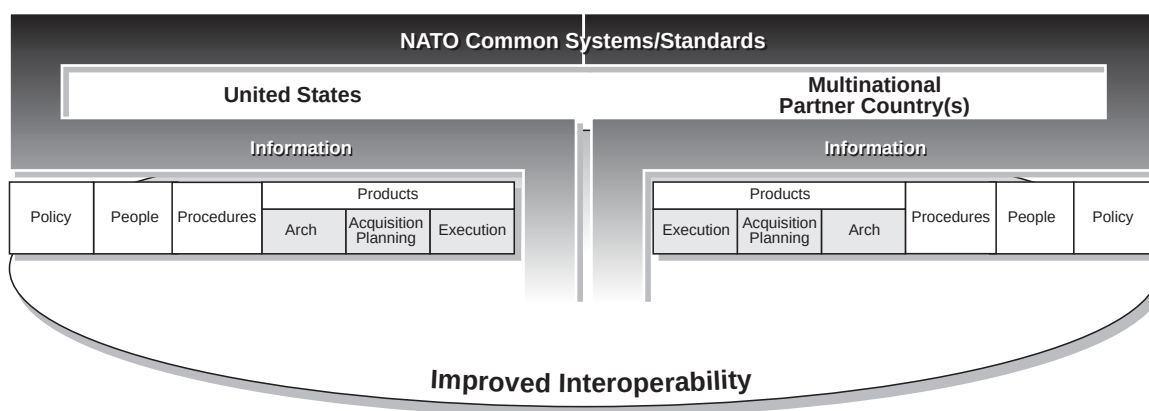


Figure 2. Improving C4 System Interoperability

The principal objectives of the C4 studies program were twofold: to evaluate the readiness of potential U.S. partner's C4 systems to support interoperability with NATO and U.S. forces in multinational coalition operations, and to propose low cost modernization actions designed to improve the C4 systems interoperability posture of potential partner nations. To achieve this objective, NATO systems and standards provide a common ground where nations can meet. The scope of the C4 studies is very broad, addressing a wide range of information exchange mechanisms. Components include voice, message and data communications, military command and control information systems, air and naval mission planning systems, air defense systems and automated collaborative planning tools to promote international cooperation in coalition operations. At present, studies have been conducted for Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovenia, and the Slovak Republic. Studies are ongoing in Albania and Croatia. These countries have used the study results to develop road maps for funding modernization and prioritizing the application of limited national funds to attain the most effective, cooperative military C4 system capabilities.

National Military Command Center

In the course of executing the C4 studies discussed above, a common thread emerged from the analysis of national capabilities and on-going modernization plans. All nations involved in

the studies were engaged in planning for the introduction of centralized information collection and processing systems to support the management of resources (both military and civil) in crisis situations. In response to the apparent need for a centralized crisis management capability, the U.S. Air Force Electronic Systems Center developed a concept for implementation of a national command center for crisis management. This command center, identified as the National Military Command Center (NMCC), would support both national civil and military crisis situations and, in keeping with the over-arching objectives of OSD policy and the PfP initiative, would also support regional collaboration in response to regional crisis situations. Thus, this concept grew from the C4 studies program just as the ASOC grew from the RAI program. In both cases, the fundamental objective was to promote cooperation between military and civil authorities within a nation and collaboration among nations to apply limited resources to solve regional problems.

The NMCC is a centralized data integration, information processing, display and distribution facility to provide national-level coordinated management for military and civil crisis response. It is controlled and operated by the Ministry of Defense, with civil agency participation. The NMCC uses interfaces with service headquarters, national military information sources, national civilian agencies, and regional or foreign organizations to receive and disseminate information. Figure 3 illustrates different scenarios in which the NMCC can provide support to manage crisis response operations.

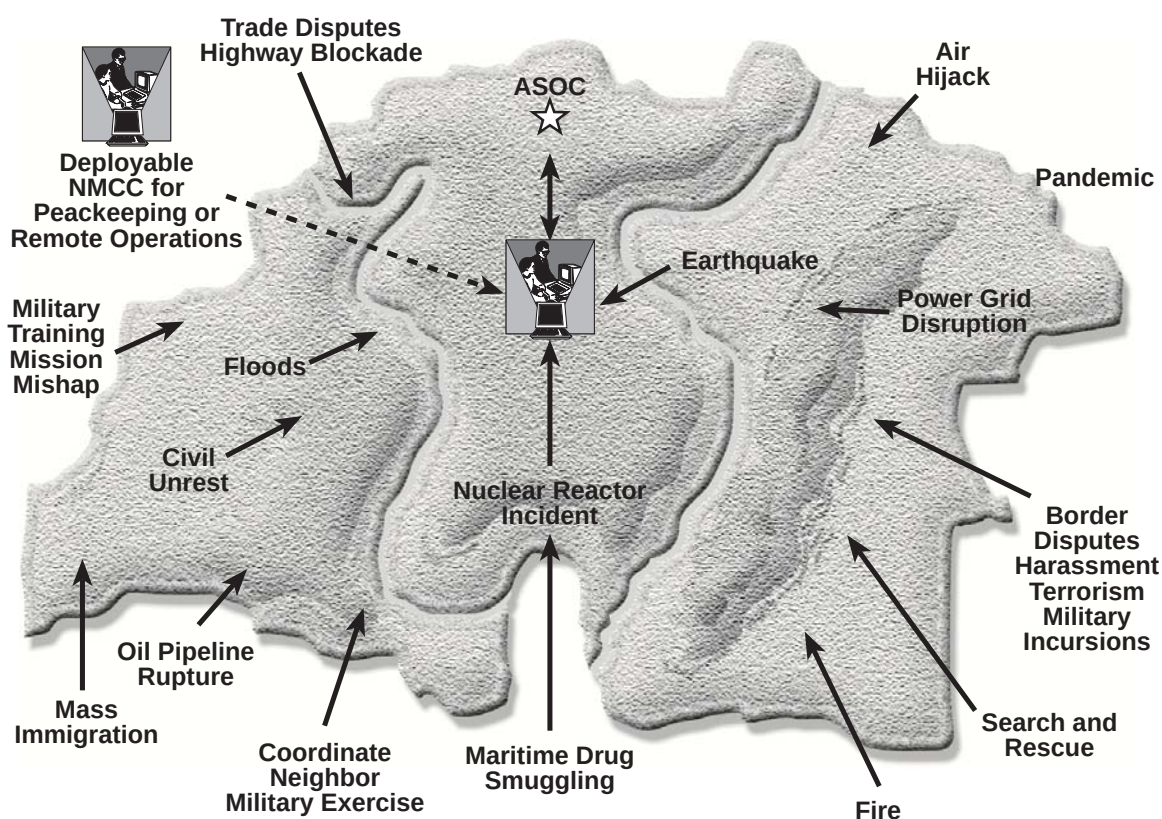


Figure 3. NMCC Support to Crisis Management Operations

In support of crisis management activities, the primary functional capabilities of the NMCC are as follows:

- Situation Monitoring - Collection and correlation of crisis information from military services, intelligence sources, civil sources, commercial news services, etc.
- Situation Assessment - Evaluation of force capabilities, planning for resource application, use of mapping displays, access to national emergency planning information, access to flight plan information and air situation awareness via the ASOC, etc.
- Crisis Relief Action Coordination - Coordinate civil and military relief actions and resource allocation to help ensure critical needs are satisfied and avoid duplication of efforts. Examples of relief actions might include coordination and prioritization of flight plans for search and rescue actions, coordination of extraordinary airlift requirements during disaster responses and coordination of air traffic management during multinational disaster relief missions. In this capacity, the NMCC may serve a liaison role with the Committee for European Airspace Coordination (CEAC) and Eurocontrol.

At present, some 12 PfP nations are actively involved in planning for the NMCC system. Operational capabilities have been defined and the technical architecture developed.

Summary and Conclusions

On the behalf of OSD and in conjunction with USEUCOM, ESC has assumed the role of a catalyst for promoting cooperation and collaboration in Central and Eastern Europe, cooperation between military and civil national entities and collaboration among disparate nations. The individual studies and acquisition programs which grew from a simple RAI initiative have had a profound impact in causing formerly isolated nations to address mutual problems, including airspace and air traffic management, from a combined perspective. The relationship and synergism between OSD initiatives and the Partnership for Peace program is illustrated in Figure 4. As shown in the figure, OSD initiatives directly support the work program elements which have been established under the PfP work program.

As illustrated in the figure, executing the OSD initiatives for Eastern European countries is not only a mechanism to improve coalition partner capabilities, but is also in the best interests of the U.S. These initiatives will improve the ability of U.S. forces to interoperate with coalition partners and, consequently, make the conduct of U.S. operations more effective and less costly.

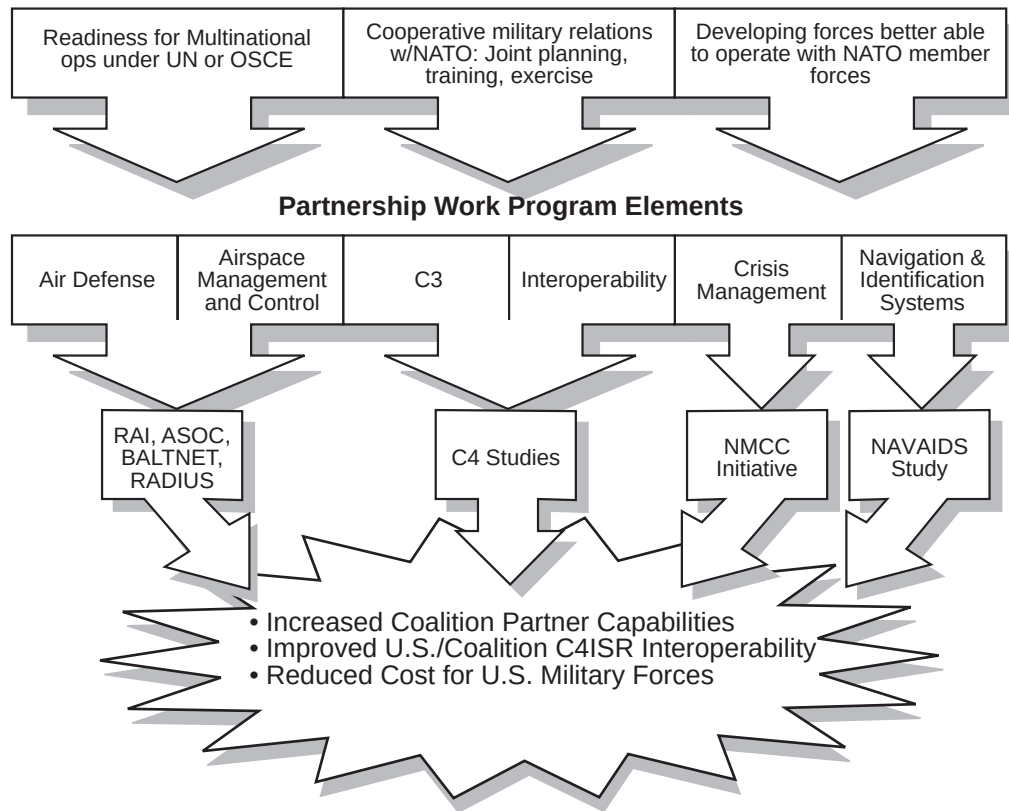


Figure 4. OSD/PfP Policy Integration Activities

About the Author

Neil R. Planzer is Associate Director for Civil Aviation, Office of the Deputy Chief of Staff for Air and Space Operations, Headquarters U.S. Air Force, Washington, DC. He also serves as Executive Director of the Department of Defense Policy Board on Federal Aviation. In this role, he is responsible for civil aviation interface and policy formulation for all department matters associated with federal aviation, air-space management, air traffic control and international aviation. Neil served as a flight engineer while on active duty with the U.S. Air Force and while assigned to the Pennsylvania Air National Guard. He began his civil service career in June 1973 as an air traffic controller for the Federal Aviation Administration. During twenty-five years with the Federal Aviation Administration, he held a variety of controller and management positions in aviation.

LEGISLATION AND POLICY

Progress in Developing New Attitudes and Laws to Help Americans with Disabilities

By

President George W. Bush

[The following are excerpts of remarks President Bush presented to the CAPTEC Assistive Technology Center and the U.S. Department of Defense, in Washington, D.C., 19 June 2001]

My fellow Americans, when the *Americans with Disabilities Act* was signed in 1990, our nation made a promise we will no longer underestimate the abilities of Americans with disabilities. We will treat Americans with disabilities as people to be respected, rather than problems to be confronted.

Our nation has made progress in both attitude and law. Navigating through buildings and buses is far easier than it was just a decade ago. Now, the growth of new technologies creates new hopes and new obstacles.

The internet brings a world of information into a computer screen, which has enriched the lives of many with disabilities. Yet, technology creates challenges of its own. The brilliant graphics that add life to many web pages can make it difficult for a visually impaired person to get the information he or she needs from a web site. Video technology is turning many computers into television sets.

Yet, without closed captioning, many see a picture and no words. And complex keyboard commands make it difficult for a person with impaired motor skills to tap a computer's full potential. As a result, computer usage and internet access for people with disabilities is half that of people without disabilities.

Researchers here at the Department of Defense and at other agencies throughout the federal government and in the private sector are developing solutions to these problems. I have just had the opportunity to tour the department's assistive technology center, and I saw technologies that are helping people with disabilities enjoy the full range of opportunities made possible by the technology boom.

Software allows hearing impaired people to communicate with their co-workers by computer. Screen reading technology makes it possible for the visually impaired to access information on a monitor. And voice recognition software unlocks new computing possibilities for people with impaired dexterity.

The technologies on display here have helped more than 20,000 defense department employees enjoy greater access to communications and computing equipment. And they will help countless individuals in the public and private sectors become fully integrated into the workplace. I'm committed to bringing that technology to users as quickly as possible. And I'm committed to ensuring that government web sites become compatible with this evolving technology.

And that is why I'm pleased to announce that when Section 508 of the *Rehabilitation Act*, offered by Jim Jeffords, becomes effective for all federal agencies next Monday, there will be more opportunities for people of all abilities to access government information. Section 508 requires federal agencies to make sure that the electronic and information technology they use is accessible for people with disabilities.

Increasingly, Americans use information technology to interact with their government. They rely on thousands of government web pages to download forms, learn about federal programs, find out where to turn for government assistance, and communicate with elected officials, such as the President. And because of Section 508, government web sites will be more accessible for millions of Americans who have disabilities.

Section 508 will also make the federal government a better employer, as roughly 120,000 federal employees with disabilities will have greater access to the tools they need to better perform their jobs. This is one example of the successful public-private partnerships that are removing barriers to full community participation by Americans with disabilities. I thank the leaders from the technology industry who are with us today for your innovation and your ongoing cooperation.

Full implementation of Section 508 is a key element of an agenda I announced a year ago, and began implementing in February. It is called The New Freedom Initiative, and its goal is to prepare and to help Americans with disabilities realize their potential and to achieve their dreams.

We have asked Congress to increase funding to bring assistive technologies to market more quickly, to help make them more affordable for the people who need them, and to speed research in developing new technologies. We have sought to make it easier for Americans with disabilities to enter the work force by finding new ways to get people to their jobs, relying on new technologies to help people work from their home.

We recognize the small businesses and community groups like churches, synagogues, mosques and civic organizations may have trouble finding the resources to fully comply with the ADA. So we've asked Congress to support efforts to help them make their facilities more accessible. And we understand that new policies will mean little if we don't fully enforce the ADA. So my administration is doing just that.

While these federal efforts are crucial to guaranteeing full accessibility for Americans with disabilities, we must also help them connect with their local communities. So I've signed an executive order requiring full implementation of the Supreme Court's 1999 Olmstead Decision. Olmstead and the ADA rightly mandate that individuals with disabilities who can receive support and treatment in a community setting should be given a reasonable opportunity to live close to their families and friends when appropriate.

My executive order directs key federal agencies, like the Departments of Housing and Urban Development, Labor, Health and Human Services, Education and Justice and the Social Security Administration to work with states to implement the Olmstead decision and the ADA. It directs those agencies to explore how we can increase community-based services for people with disabilities. And it directs Attorney General Ashcroft and Secretary Thompson to fully enforce Title II of the Americans with Disabilities Act, and ensure that no one is unjustly institutionalized.

Secretary Thompson has also made seed money available to help every state develop a plan for implementing Olmstead. The Olmstead Executive Order will increase freedom for people with disabilities. It is compassionate. It is needed. And it is now the federal official policy of

my administration. Americans must have the opportunity to live independently, work productively and participate fully in community life.

Many Americans achieve this independence through home ownership; but, too often, the high cost of therapeutic care and assistive equipment and technologies make the goal of home ownership unattainable for people with disabilities. That's why I'm optimistic about a pilot program led through the Congress by Representative Mark Green, and soon to be implemented by Secretary Mel Martinez at HUD, that will allow many people with disabilities to buy their own homes. By making the Section 8 low-income rental assistance program more flexible, the federal government can make home ownership a reality for more Americans.

The new Section 8 HUD pilot program, the Olmstead Executive Order, and the full implementation of Section 508 will help eliminate the barriers that many Americans with disabilities face. The proposals I sent to Congress will build on our society's commitment to welcome all Americans as friends and neighbors. When governments, business and individuals work together, to build a welcoming society, Americans of every ability will benefit.

The President's International Affairs Budget for Fiscal Year 2002

By

Secretary of State Colin L. Powell

This budget represents a needed increase in the Department of State's dollars for the upcoming fiscal year, and we are pleased with that. This is a good start. It is the first fiscal step in our efforts to align the conduct of America's foreign relations with the dictates of the 21st century.

As Secretary of State I wear two hats, one as CEO of the Department, the other as the President's principal foreign policy advisor. Since the primary interest of this subcommittee is in my role as foreign policy advisor to the President, I will wear that hat for this testimony.

Of the \$23.9 billion in the President's fiscal year 2002 budget request including a 5 percent increase over this year, there is \$15.2 billion for foreign operations or about 2 percent more than this year. Let me give you some of the highlights of that part of the budget request and let me begin with a significant change we are making in the way the U.S. Agency for International Development carries out its business.

U.S. Agency for International Development

The President's fiscal year 2002 budget marks the beginning of a new strategic orientation for U.S. Aid (USAID). At the center of this strategic orientation is a new way of doing business to ensure that USAID's long-term development assistance and humanitarian/disaster relief programs better respond to U.S. national interests.

Increasing levels of conflict, degraded economic performance, and widespread disease are causing regional instabilities, complex humanitarian emergencies and, in some cases, chaos. These conditions threaten the achievement of USAID's development objectives and broader U.S. foreign policy goals. The new administration intends to address these particular conditions by concentrating USAID resources and capabilities for a more effective method of delivery.

To improve USAID's effectiveness, several important changes are outlined in the budget:

- Reorientation of USAID programs to focus on "Four Pillars," each of which supports achievement of USAID's objectives.
- As the first pillar, introduction of the global development alliance as USAID's new model for doing business.
- The simplification, integration and reorientation of current programs and their alignment with three new program pillars:
 - Economic growth and agriculture
 - Global health
 - Conflict prevention and developmental relief

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- Adjusting the agency's budget priorities to target increased funding for agriculture, HIV/AIDS, basic education, and conflict prevention and resolution
 - Directing senior management attention to the sweeping overhaul of the agency's management, procurement, and operating systems.

The Global Development Alliance Pillar

The global development alliance (GDA) is USAID's business model for the 21st century and is applicable to all USAID programs. As USAID's first pillar, the GDA is based on the agency's recognition of significant changes in the economic development assistance environment. No longer are governments, international organizations and multilateral development banks the only assistance donors nor is official development assistance the only source of funding for international economic development. Rather, over the past twenty years a growing number of new actors have arrived on the scene:

- Non-government organizations
- Private voluntary organizations (PVOs)
- Foundations
- Corporations
- Higher education community
- Individuals

These organizations are providing development assistance. As a result, the U.S. government is not the only, nor perhaps even the largest, source of American funding and human resources being applied to the development challenge.

The GDA will be a fundamental reorientation in how USAID sees itself in the context of international development assistance, in how it relates to its traditional partners and in how it seeks out and develops alliances with new partners. The USAID will use its resources and expertise to assist strategic partners in their investment decisions and will stimulate new investments by bringing new actors and ideas to the overseas development arena. USAID will look for opportunities where relatively small amounts of risk or start-up capital can prudently be invested to generate much larger benefits in the achievement of overall objectives. USAID will increasingly fill the role of a strategic alliance investor, a role akin to that of a venture capital partner, in the resolution of serious development issues. Unlike a venture capital fund, however, the agency will not try to establish equity positions or seek early exits from the activities in which it invests. Sustained improvement over the long haul will remain a prime objective. Of course, the agency will continue to deploy resources where private funding is not available and for activities where the governmental role is clear and pre-eminent to stimulate institutional and policy change.

In order to launch the GDA, a special unit will be established to expand outreach into the private for-profit and not-for-profit sectors. To stimulate movement towards the global development alliance in its early years, USAID has identified \$160 million in the fiscal year 2002 request to be used to initiate the new business model and to help fund alliances by Washington bureaus and/or field missions, with a view toward fully integrating GDA concept into the three program pillars not later than fiscal year 2004. Global development alliance is not expected to become a separate funding account.

The funds for initiating the GDA are proposed from the following appropriations accounts:

- \$110 million in development assistance (DA)
- \$25 million in the child survival and disease program fund (CS/D)
- \$25 million in international disaster assistance (IDA)

Uses will be consistent with the authorized intentions of these accounts.

Program Pillars

The three program pillars are part of the justification for the proposed overall program level of \$3.4 billion for USAID's directly-managed programs, including food aid and excluding USAID's administrative expense accounts and programs jointly managed with the Department of State. Details on the three program pillars follow.

The Economic Growth and Agriculture Pillar (\$928 million)

Assistance provided under this pillar will work to create economies that are viable over the long term. Special emphasis will be directed at integrating growth, agriculture and environmental objectives and concerns in a manner such that "market forces" play an increasingly important role in our strategic approach and in determining a program's long-term viability. Activities funded will assist the productive sectors, especially agriculture, the environment and energy sectors, human capacity development (including basic education), micro-enterprises, and improvement of the business, trade, and investment climate. The interrelationship and interdependence of economic growth, environmental sustainability and the development of a country's human capital will be highlighted in this pillar.

- The request for fiscal year 2002 is \$928 million compared to an equivalent figure of \$871 million in fiscal year 2001 (both including \$28 million for the African and Inter-American Development Foundations).

- Given the importance of agriculture and basic education (especially for girls and women) in most recipient countries, USAID plans to increase its emphasis in these sectors.

The Global Health Pillar (\$1.276 billion)

Under this pillar, USAID will group its programs related to maternal and child health, nutrition, family planning and many of the related transnational issues confronting the world, such as HIV/AIDS and other infectious diseases. This budget includes a major initiative to combat HIV/AIDS and other infectious diseases, mainly malaria and tuberculosis, which have significant public health impact.

Child survival interventions target the major childhood killers, including vaccine-preventable diseases, e.g., polio, diarrhea disease, malnutrition, acute respiratory infections, and malaria. USAID programs continue an aggressive effort to eliminate vitamin A and other micronutrient deficiencies. Maternal health activities aim to reduce maternal deaths and adverse outcomes as a result of pregnancy and childbirth. In family planning, USAID programs seek to promote family health and allow couples to achieve their desired family size. For HIV/AIDS and infectious diseases, USAID will aggressively promote public and private partnerships and provide technical leadership for programs at the national and grass-roots levels.

The global health programs are funded from the CS/D account with the exception of family planning, which is currently financed from DA funds and other accounts. The fiscal year 2002 request for global health, \$1.276 billion, compares to an equivalent figure of \$1.259 billion in fiscal year 2001 (both include \$110 million in transfers to UNICEF).

- The Global Health request for HIV/AIDS funding has increased from \$299 million in fiscal year 2001 to \$329 million to address more effectively this major public health issue. The total amount available for HIV/AIDS from all appropriated accounts, including ESF, is expected to be \$369 million.

- The remaining \$947 million is proposed for child survival and other global health activities. These funds would support efforts to improve maternal and child health and nutrition, reduce infant and child mortality and support programs that promote family health, and allow couples to achieve their desired family size. The total amount available for family planning is \$425 million from all appropriated accounts.

The Conflict Prevention and Developmental Relief Pillar (\$1.217 billion)

Given the rising number of collapsed states and internal conflicts in the post-Cold War period, some of which have become focal points of U.S. foreign policy, USAID will undertake a major new conflict prevention, management, and resolution initiative. This initiative will integrate the existing portfolio of USAID democracy programs with new approaches to anticipating crisis, conflict analysis, comprehensive assessment, and will provide new methodologies to assist conflicting parties resolve their issues peacefully. This initiative will also address on-going efforts to bridge and integrate foreign policy and foreign assistance in a way that accommodates both short-term operational and longer-term structural prevention needs.

USAID continues to stand at the forefront of agencies around the world in its ability to respond to man-made and natural disasters. The budget request will enable USAID to maintain this capability (unique within the United States) to provide needed help rapidly when international emergencies occur.

- The request for fiscal year 2002 is \$1.217 billion compared to an equivalent figure of \$1.181 billion in fiscal year 2001 (both include *PL 480 Title II* at \$835 million).

- International disaster assistance funding increases from \$165 million (excludes the fiscal year 2001 \$135 million supplemental) to \$200 million in recognition of the increased demands generated by complex emergencies and natural disasters.

- The request includes transition initiative funding of \$50 million to meet challenges in conflict-prone countries and those making the recovery from crisis.

- Democracy and local governance funding continues at \$132 million.

USAID Budget Accounts

- While the three program pillars embodied in USAID's new strategic orientation are a valuable way to focus, manage, and report on activities, they do not correspond neatly to the five program accounts for which the agency is currently responsible.

- The three program pillars discussed above will be funded by the following five program accounts:

-
- Child survival and disease programs fund
 - Development assistance
 - International disaster assistance
 - Transition initiatives
 - Development credit program

The development credit program is funded mainly through transfers from the other accounts. In addition, USAID administers *Public Law 480 Title II Food for Peace* programs.

Child survival and disease programs fund (CSD)

- The fiscal year 2002 request is \$1.011 billion, compared to an equivalent figure of \$961 million in fiscal year 2001, both include \$110 million for UNICEF.
- This account includes funding for
 - infectious diseases at \$110 million
 - HIV/AIDS at \$329 million
 - basic education at \$110 million (with an additional \$13 million from development assistance)
 - \$454 million for child survival and other health activities

Development assistance (DA)

- The Administration's fiscal year 2002 request is \$1.325 billion, compared to an equivalent figure of \$1.302 billion in fiscal year 2001, both years include \$28 million for the Inter-American and African Development Foundations.
- This account includes funding for;
 - agriculture at about \$210 million;
 - micro-enterprise and improvement in business trade and investment climate activities at \$284 million;
 - environment at \$251 million
 - human capacity development (non-basic education) at \$52 million
 - basic education at \$13 million
 - family planning at \$425 million

These are funded from development assistance and other appropriation accounts.

International disaster assistance (IDA)

- The fiscal year 2002 request of \$200 million supports emergency relief and transitional activities provided in response to natural and man made disasters and other emergencies often accompanied by the displacement of large numbers of people.

Transition initiatives (TI)

- The fiscal year 2002 request of \$50 million supports programs administered by USAID's Office of Transition Initiatives. This office addresses the opportunities and challenges facing conflict-prone countries and those making the transition from the initial crisis stage of a complex emergency to a more stable political and economic situation.

Development credit program (DCP)

- For fiscal year 2002, the Administration is requesting transfer authority of up to \$25 million from USAID program accounts for the newly consolidated development credit authority. This brings together various separate agency credit programs under one credit umbrella.

- The change will allow USAID to use credit as a flexible development tool for a wide range of development purposes and will increase the flow of funds to urban credit and micro and small enterprise development programs.

- In addition, \$7.5 million is requested for administrative costs for the consolidated authority. It is envisioned that all future agency credit activities will be carried out under the reforms embodied in development credit program regulations and the *Federal Credit Reform Act of 1992*. This program augments grant assistance by mobilizing private capital in developing countries for sustainable development projects. The development credit program is not intended for sovereign risk activities.

USAID's operating expenses

- The fiscal year 2002 request of \$549 million will provide resources needed to maintain current staffing levels associated with USAID's presence in key developing countries, continue to build the agency's information technology and financial management capabilities, and strengthen staff capabilities through training.

- These funds cover the salaries, benefits, and other administrative costs associated with USAID programs worldwide, including those managed by USAID and financed through

- Development assistance
- Child survival and disease programs fund
- Economic support fund
- Support for *East European Democracy Act*
- *Freedom Support Act*
- *P.L. 480 Title II Food for Peace* programs

- The request includes \$7.5 million for facility security where USAID is not co-located with embassies. There is also a request of \$50 million for co-located USAID facilities included in the State Department's embassy security, construction, and maintenance request.

Economic Support Fund (including International Fund for Ireland)

The fiscal year 2002 economic support fund (ESF) request of \$2.289 billion supports the economic and political foreign policy interests of the United States. Highlights of the fiscal year 2002 request include:

- **Near East** \$1.682 billion to continue restructuring assistance levels in the Middle East and promote regional stability and a comprehensive peace between Israel and her neighbors. Funding includes \$720 million for Israel, \$655 million for Egypt, \$150 million for Jordan, and \$75 million for the West Bank and Gaza. In addition, the fiscal year 2002 request provides funding for the Iraqi opposition and for programs that support U.S. efforts to strengthen regional cooperation, promote democracy and civil society, and encourage economic growth and integration through increased trade and market-oriented reforms.

- **Europe** \$39.6 million, including \$15 million for Cyprus and \$19.6 million for the International Fund for Ireland, as well as \$5 million for the third and final year of a program to bring youths from Northern Ireland and designated disadvantaged areas to the United States as outlined in the *Irish Peace Process Cultural and Training Program Act of 1998*.

- **Western Hemisphere** \$170.5 million, including \$54.5 million for democratic institution building and economic growth programs in Peru, Ecuador, Bolivia, Venezuela, and Panama under an Andean regional initiative; \$21 million for earthquake assistance in El Salvador; \$5 million for Cuban democracy programs; \$11 million for Eastern Caribbean stabilization; \$35 million for humanitarian non-government organizations in Haiti; \$10 million for reform in Mexico; \$10 million for administration of justice throughout the region; \$15 million to support the Ecuador/Peru border and Guatemala peace processes; and \$9 million for other regional democracy-building programs.

- **Africa** \$105.5 million, including \$25 million to assist Nigeria in rebuilding its democratic institutions; \$20 million to support countries in transition, especially those countries emerging from conflict; \$15 million to support the education for development and democracy in Africa program, with an emphasis on girls' education; \$15 million for regional initiatives, including democracy programs; \$10 million for the Africa Great Lakes Initiative designed to build credible and impartial civilian and military justice systems in the region; \$9 million for Sierra Leone to help fund a special court and rebuild infrastructure; \$2.5 million for Ethiopia/Eritrea to assist in efforts to recover from the war; \$2 million to strengthen civil society and lay the foundation for political institutions, democratic reform, and good government in Angola; and other programs designed to foster African integration into the global economy, enhance the safety and reliability of air transport on the continent, and support conflict management and prevention.

- **East Asia** \$169.75 million, including \$50 million to support democratic and economic strengthening in Indonesia; \$25 million for East Timor's transition to independence; \$25 million for humanitarian, justice, and democracy programs in Cambodia; \$15 million for anti-corruption and peace-promoting programs in the Philippines; \$14 million for South Pacific Fisheries Treaty commitments; \$12 million for democracy and free market support in Mongolia; \$5 million for rule of law programs in China; and other programs that support democracy promotion, regional environmental initiatives, regional women's issues, and economic technical assistance.

- **South Asia** \$30 million, including \$7 million to fund programs in India to promote judicial reform and rule of law and address the growing problem of trafficking and forced labor of women and children; \$7 million in Pakistan to help restore democratic institutions and build civil society; \$3 million each in Bangladesh, Sri Lanka, and Nepal to help combat child labor and violence against women and promote democracy and judicial reform, human rights commissions,

and civil society participation in local and national government; and \$7 million to fund programs to promote regional energy cooperation and use of clean energy technologies, help eliminate cross-border trafficking in women and children, and fund projects promoting cross-border confidence-building measures between the civil societies of India and Pakistan and among elements of societies struggling with strife in Afghanistan, Nepal, and Sri Lanka.

- **Oceans, Environmental, and Science Initiative** \$4 million for environmental diplomacy activities. These funds will be used for targeted activities in support of ongoing international negotiations on global environmental issues including climate change; biodiversity; the production, use, and trade of hazardous chemicals; and numerous bilateral and regional fisheries and oceans negotiations. Funds will also be used to support regional cooperation efforts and respond to emerging environmental crises and priorities.

- **Human Rights and Democracy Funds** \$13.5 million to respond to emergencies to prevent or forestall further human rights abuses; to exploit unanticipated opportunities to promote democracy; to help establish institutions that serve human rights and democracy efforts, especially those that address concerns raised in the Human Rights reports; and to support multilateral initiatives that respond to human rights or democratization opportunities.

- **Innovative Partnerships to Eliminate Sweatshops** \$5 million to continue funding for non-government organizations, labor unions, and corporate groups to support the promotion of core labor standards, model business principles, and monitoring of labor conditions. The program is targeted at eliminating sweatshop conditions in overseas factories that produce or sell consumer goods for the American market.

- **Policy Initiatives** \$69 million designated for policy initiatives of the new Administration.

Assistance for East Europe and the Baltic States

- The Support for East European Democracy (SEED) Act is the foundation for U.S. assistance to Eastern Europe and the Baltic States. SEED is a transitional program designed to assist those countries through their difficult passage to democracy and a market economy. The fiscal year 2002 SEED request is \$610 million.

- For fiscal year 2002, the SEED request includes \$145 million for the Federal Republic of Yugoslavia. These funds will be used in both the Republics of Serbia and Montenegro to support economic reform and promote democracy and civil society by assisting judicial reform, independent media, non-government organizations, and local government. In Southern Serbia, continued support is needed for community development projects designed to reduce ethnic tensions.

- The request for Kosovo is \$120 million. These funds will further implementation of United Nations, Security Council 1244 by supporting security including the U.S. contingent to UNMIK police, democratization, and respect for human rights and rule of law. The United States is completing its emergency assistance programs and is now focusing on longer-term development goals such as building transparent economic and political institutions and a strong private sector.

- The increase for Macedonia to \$45 million will help the government move more rapidly in bringing the benefits of democracy to all of the country's citizens. Funds will target efforts to decentralize the government and allow a broader range of Macedonians to play a direct role in building their society. Economic programs will promote a strengthened private sector to extend

prosperity to the wider populace. Finally, additional resources will support ongoing programs that promote inter-ethnic harmony and strengthen the fabric of civil society.

- Funding for the Bosnia-Herzegovina program is \$65 million, down from \$100 million in fiscal year 2000 and \$79.8 million in fiscal year 2001. This decrease reflects progress on the political commitments under the Dayton Peace Accords and the fact that Bosnians are taking on a greater role in managing their own affairs. The remaining reconstruction effort will focus on encouraging returns of dispersed minorities, which have increased in recent years.

- Eight of the fifteen original SEED countries have graduated, and USAID missions there have been closed. Regional funding, at reduced levels, continues for Northern Tier countries to help ensure the success of their transitions and to meet limited special or emergency needs.

- In Southeast Europe, SEED-funded regional programs help build stability by fostering cooperation among neighboring countries in key areas such as good governance and anti-corruption, the fight against organized crime and smuggling, and developing cross-border solutions for energy, transportation, and pollution.

Assistance for the Independent States of the Former Soviet Union through the *FREEDOM Support Act*

- The fiscal year 2002 request for the *FREEDOM Support Act* (FSA) for the New Independent States (NIS) totals \$808 million.

- This request sets aside funding in the regional account to support a settlement of the Nagorno-Karabakh conflict. These funds will enable the U.S. to contribute to post-settlement reconstruction in Azerbaijan and Armenia as part of a coordinated international donor effort.

- This budget directs a larger share of funds than last year towards promoting change at the grassroots of NIS societies, by supporting exchanges that bring NIS citizens including large numbers of young people to the United States for first-hand exposure to our system; strengthening non-government organizations; increasing internet access; and aiding pro-reform regional and local governments. With freedom of the press under threat in most countries of the region, emphasis will be placed on programs that support the independence and viability of the media. Support will also be continued for law enforcement cooperation to combat organized crime and corruption.

- Several of the NIS are now experiencing economic growth for the first time. To help sustain this growth, FSA programs will support small and medium-sized private businesses through training, exchanges, and greater access to credit. Technical assistance to central governments will be limited, focusing on those countries that show the greatest commitment to economic reform. In Russia, Kazakhstan, and Ukraine, funds will support initiatives designed to facilitate growth in pro-reform regions. Programs will also support U.S. investment and trade throughout the NIS.

- FSA programs will address some of the most serious socio-economic problems in the NIS, particularly in the fields of health, nuclear safety, and the environment. Health programs will include hospital partnerships and efforts to combat infectious diseases and improve maternal health. Resources devoted to humanitarian assistance will help mitigate the suffering caused by poverty, natural disasters, and regional conflicts.

- The potential proliferation of weapons of mass destruction (WMD) remains a significant threat in the NIS. To address this threat, the request funds several programs aimed at channeling WMD expertise in the direction of civilian research and development of new technologies.

- The FSA-funded export control and border security program will continue to strengthen the ability of NIS countries to prevent illegal cross-border movements of narcotics, arms, and WMD materials. This program also enhances regional stability by helping several countries in the region better maintain their territorial integrity in the face of terrorist threats and border zone conflicts. FSA funds will also facilitate the removal of Russian troops and military equipment from Moldova and Georgia.

Debt Restructuring

For fiscal year 2002, the administration is requesting \$224 million for the heavily indebted poor countries (HIPC) trust fund to provide multilateral debt relief. This fund helps regional multilateral development banks, such as the African Development Bank and Inter-American Development Bank, meet their costs of HIPC debt reduction.

In 1999, the United States committed to a \$600 million contribution to the HIPC trust fund. In fiscal year 2001, \$360 million was appropriated for this purpose. The fiscal year 2002 request of \$224 million, combined with \$16 million in previously appropriated but unexpended debt account balances, will fulfill the U.S. commitment in full and leverage participation from others.

For fiscal year 2002, the administration is not requesting any funding to provide bilateral debt relief under the *Tropical Forest Conservation Act of 1998* (TFCA). However, the request does include authority to transfer up to \$13 million from USAID's development assistance account for debt relief under this program. The administration may also use carry over funds from the debt restructuring account for TFCA implementation.

International Narcotics Control and Law Enforcement (INCLE)

Mr. Chairman, we are profoundly concerned about the recent shoot down of a civilian aircraft by the Peruvian Air Force and the tragic deaths of an innocent woman and her child, as well as the injury of another civilian and the destruction of private property. A full investigation is underway. We will work with the countries in the area to do all that we can to prevent any such tragedy in the future. Meanwhile, however, our counter narcotics effort will remain robust:

- The fiscal year 2002 request includes \$217 million for base programs of the Bureau of International Narcotics and Law Enforcement (INL).

- The request provides \$162 million to support counter-narcotics programs outside of the Andean region. These INL programs will grow 30 percent worldwide. They include regional programs for Latin America, Asia, and the Middle East; participation in the U.N. drug control program and other international organizations' counter-narcotics efforts; and increased support for drug awareness and demand reduction.

- The request also provides \$55 million for programs to counter transnational crime, including trafficking in women and children, an increase of 22 percent. These programs include establishing a center to counter international migrant smuggling and trafficking in persons; continuing support of a civilian police contingent for deployment as part of international relief efforts in post-conflict situations; an African regional anti-crime program, focused particularly on Nigeria and South Africa; and support to five international law enforcement academies.

Andean Counterdrug Initiative

As part of an overall Andean regional initiative, the fiscal year 2002 request includes \$731 million for Andean Counterdrug Initiative (ACI), a multi-year counterdrug assistance effort designed to sustain and expand programs funded by the Plan Colombia emergency supplemental. The ACI differs from Plan Colombia in several respects. ACI triples, to 45 percent, the share of counter-narcotics assistance going to countries other than Colombia. ACI increases to 40 percent the amount of international narcotics control and law enforcement funding going to social and economic programs, exclusive of other economic assistance accounts. Finally, ACI funding will be augmented from other accounts to support reforms directed toward strengthening democracy and economic growth.

Fiscal year 2002 funding for ACI includes Colombia, Peru, Bolivia, Ecuador, Brazil, Venezuela, and Panama.

Combined with Plan Colombia, ACI will make a significant, immediate impact on the flow of narcotics out of the Andes. The Administration's performance goals specifically include:

- Achieving a 30 percent reduction in Colombian coca production between fiscal year 2000 and the end of fiscal year 2002
- Eliminating all illicit coca production in Bolivia by the end of fiscal year 2002

Andean counterdrug initiative will support Colombia's push into the former coca-growing sanctuaries in Putumayo by backing joint operations between the Army's new, air mobile counter-narcotics brigade and the Colombian National Police's anti-narcotics unit. It will also support alternative development and assistance to internally displaced persons, maritime and aerial interdiction, the Colombian National Police's aerial eradication program with additional spray aircraft, and human rights and judicial reform in Colombia.

Additional support for the Andean regional initiative is being provided through economic support funds and foreign military financing. Development assistance and child survival and diseases accounts will also support this initiative.

Migration and Refugee Assistance

Mr. Chairman, the fiscal year 2002 request for migration and refugee assistance is \$715 million.

- The request includes \$509 million for overseas assistance. This amount will support the protection of refugees and conflict victims, the provision of basic needs to sustain their life and health, and the resolution of refugee problems through durable solutions. It will also provide funding for the focused "up to standards" initiative targeted on health and health-related problems that appear to have the greatest impact on refugee mortality and morbidity rates.

- The fiscal year 2002 request for refugee admissions is \$130 million. This \$20 million increase over the fiscal year 2001 level reflects a grant increase in the reception and placement program and the fact that \$14.7 million appropriated in fiscal year 2000 was available for admissions in fiscal year 2001.

- The request for refugees to Israel is \$60 million, the same amount appropriated in fiscal year 2002, prior to the rescission.

- The request for administrative expenses is \$16 million, an increase of \$1.5 million from the fiscal year 2001 level. This level will support the full-year salaries and operating costs associated with a staff of 110 positions. The increase includes funds to cover full-year support costs of several refugee coordinator positions to be established at the end of fiscal year 2001.

In addition to the this funding request, we are asking for \$15 million to replenish the U.S. emergency refugee and migration assistance fund. This request will preserve the President's ability to respond to unforeseen and urgent refugee and migration needs worldwide.

Nonproliferation, Anti-Terrorism, Demining, and Related Programs

The fiscal year 2002 Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR) request includes a total of \$332 million.

- \$14 million for the Nonproliferation and Disarmament Fund (NDF), a contingency rapid-reaction fund which can meet unanticipated challenges and disperse funds quickly in support of urgent nonproliferation objectives.

- \$17 million for export control assistance designed to provide training and equipment to establish or enhance export control systems. Funds support programs in Russia and the New Independent States, Central and Eastern Europe, and key transit states worldwide.

- \$37 million for the science centers to prevent former Soviet weapons experts in Russia, Ukraine, and the other New Independent State countries from emigrating to proliferant states by financing civilian research. It has redirected tens of thousands of New Independent State weapons of mass destruction and missile scientists to peaceful pursuits and remains a key component of U.S. nonproliferation policy.

- \$49 million for voluntary contributions to the International Atomic Energy Agency (IAEA) to support effective implementation of strengthened nuclear safeguards measures and growth in the area of nuclear inspections. The \$2 million increase will fund safeguards technology development relevant to verifying North Korea's initial nuclear inventory.

- \$20 million for the Comprehensive Nuclear Test Ban Treaty (CTBT) Preparatory Commission to pay the U.S. share of costs for the ongoing work of the Provisional Technical Secretariat, including development and implementation of the international monitoring system (IMS) to detect nuclear explosions.

- \$95 million for the U.S. contribution to the Korean Peninsula Energy Development Organization (KEDO) for administrative costs and heavy fuel oil purchases in fiscal year 2002. KEDO is responsible for implementing elements of the agreed framework between the United States and the Democratic People's Republic of Korea by financing and constructing light water reactors in North Korea and by providing annual shipments of heavy fuel oil to the North Korea until completion of the first light water reactor. The requested increase reflects a near doubling of the price of heavy fuel oil on world markets.

- \$38 million for the Anti-Terrorism Assistance (ATA) program to meet the widening and continuing terrorist threat. Funds will support ongoing core ATA programs, develop new courses (including a new cyberterrorism course), increase training to select Balkan and Central Asian states, and initiate an energy security-related training program in the Caspian region. The request also includes \$2 million to continue the weapons of mass destruction preparedness program, which is designed to help foreign government officials and "first responders" manage terrorist incidents involving weapons of mass destruction. Funds will support policy workshops

with senior host government officials and “first responder” training for hazardous material personnel, paramedics, and other security personnel who would be on the front lines dealing with an actual incident.

- \$4 million for the terrorist interdiction program to support the third year of a multi-pronged border security program designed to assist selected vulnerable countries in stopping terrorists from crossing their borders or using their territory as transit points or staging areas for attacks. Funds will support installation of an integrated personal identification database system and associated training for about five countries in East Asia, Africa, Europe, and the Middle East. A small amount of funds will also help upgrade INTERPOL’s communications system to complement the database network.

- \$16 million contribution toward the incremental cost of holding in the Netherlands the trial for the 1988 bombing of Pan Am Flight 103 over Lockerbie, Scotland.

- \$40 million for the humanitarian demining program, which supports a wide range of humanitarian mine action initiatives in nearly forty countries around the globe. The program’s emphasis is on mine clearance, surveys, and mine awareness, although some funds are provided for training and special projects that indirectly benefit mine-affected nations.

- \$2 million to support the second year of the small arms destruction initiative, which is designed to eliminate stockpiles of excess small arms and light weapons left over from Cold War and post-Cold War conflicts, particularly in Eastern Europe, Central Asia, Latin America, and Sub-Saharan Africa.

Military Assistance

International Military Education and Training

- The administration is requesting \$65 million for international military education and training (IMET) in fiscal year 2002. IMET encourages mutually beneficial relations and increased understanding between the U.S. and foreign militaries to help create a more stable and secure world community. Through more frequent and wide-ranging contacts, IMET promotes a shared set of values and a common approach to conflict resolution.

- The increase over the fiscal year 2001 level will allow additional personnel to enroll in courses offered on professional military education; military operations, with such subjects as tactics, strategy, and logistics; and technical training, such as aircraft maintenance. Approximately 2,000 courses are available for over 9,000 students at 150 military schools and installations.

- In addition, special courses known as expanded IMET (E-IMET) are designed to promote greater respect for and understanding of the principle of civilian control of the military, democratic values, and military justice systems that protect internationally recognized human rights.

Foreign Military Financing

The administration is requesting \$3.674 billion for foreign military financing (FMF) in fiscal year 2002, including:

- \$3.4 billion for Israel, Egypt, and Jordan military assistance programs

- \$39 million to support NATO's newest members — Poland, Hungary, and the Czech Republic

- \$97.5 million to strengthen cooperation with partnership for peace (PfP) partners in Central Europe, the Baltics, and the New Independent States. Requested funds will help support new and ongoing programs to help meet membership action plan goals and objectives and enhance interoperability with North Atlantic Treaty Organization (NATO).

- \$22 million for the East Asia and Pacific region. The majority of these funds will support a multi-year FMF program for the armed forces of the Philippines to sustain crucial military capabilities while promoting clear and positive action to correct significant budgetary and logistical deficiencies. Other funds for this region include continued funding to provide Mongolia robust communications equipment to help respond to security threats along its border and \$1 million to help support a new East Timor Defense Force.

- \$18 million for countries in the Western Hemisphere to help support the capabilities of militaries engaged in drug interdiction, search and rescue, and anti-smuggling operations, and help sustain small professional forces essential to regional peace and security. Funds will also aid in increasing the capabilities of key countries that participate in worldwide peacekeeping operations such as Chile, Argentina, Bolivia, and Uruguay, and provide assistance to help Andean and Central American countries counter the "spill-over" security problems caused by the effective implementation of Plan Colombia.

- \$19 million for the Africa region. These funds will aid in the reform and modernization efforts of the Nigerian military, enhancing its role in Nigeria's transition to democracy and supporting participation in U.N. peacekeeping operations. Funds will also support South African airlift capabilities and military reform efforts. The Africa Regional Stability account consolidates regional African requirements that will permit greater flexibility to respond to developing situations in countries such as Ethiopia and Eritrea and selectively support militaries that are willing to support humanitarian and peacekeeping operations.

- \$8 million for the Enhanced International Peacekeeping Initiative to provide assistance to key countries to improve their peacekeeping capabilities with an emphasis on peacekeeping doctrine and education, training, and communications systems. This program will create a bigger pool of potential peacekeepers, thereby reducing dependence on U.S. forces.

- \$10 million designated for policy initiatives of the new administration.

- \$35 million for Department of Defense (DoD) costs for the successful administration of global grant military assistance programs. The \$2.2 million increase above the fiscal year 2001 level is needed to cover costs in support of security assistance offices overseas.

Peacekeeping Operations

The administration is requesting \$150 million for Peacekeeping Operations (PKO) in fiscal year 2002.

Peacekeeping Operations funds are designed to advance international support for voluntary multinational efforts in conflict resolution, including support for international missions in response to crises around the world. These funds promote involvement of regional organizations and help leverage support for multinational efforts where no formal cost-sharing mechanisms exist. The budget includes:

- \$20 million for the African Crisis Response Initiative, which represents final funding for this multi-year program.

- \$54.6 million for Organization for Security and Cooperation in Europe (OSCE) peacekeeping activities in the Balkans preventive diplomacy missions elsewhere in Europe and the NIS.

- \$16.4 million to continue the Administration's commitment to the multinational force and observers in the Sinai.

- \$8 million to continue support for U.S. civilian police assigned to the U.N. Transitional Administration in East Timor mission.

- \$51 million for Africa Regional Peacekeeping Operations, an account that consolidates numerous peacekeeping needs on the African continent. These include assisting the Economic Community of West African States and other African countries that are committed to providing peacekeeping troops in support of the United Nations Mission in Sierra Leone and supporting the Joint Military Commission's efforts in maintaining the peace in the Democratic Republic of the Congo and the Organization of African Unity's efforts in support of military observers in Ethiopia and Eritrea.

Multilateral Development Banks and International Organizations and Programs

The fiscal year 2002 request provides \$1.210 billion for scheduled annual U.S. commitments to Multilateral Development Banks (MDBs). The banks lend to and invest in developing economies and private sector enterprises in countries where risks are too high for private financing alone and where leverage is needed to spur private financing.

- Bank policies and lending programs reflect U.S. priorities in promoting growth and poverty reduction in developing countries. These include financial sector reforms, anti-corruption measures, core labor standards practices, private sector development, and environmental management.

- The global environment facility provides grants and arranges financing for projects that address environmental management problems with global implications in developing countries.

- MDBs support U.S. foreign policy initiatives in Eastern Europe and the former Soviet Union, Latin America, Asia, Africa, and the Middle East.

- At the end of fiscal year 1997, U.S. arrears to the MDBs totaled \$862 million. But by the end of fiscal year 1999, arrears were reduced to \$335.3 million. Fiscal year 2000 and fiscal year 2001 appropriations resulted in overall arrears increasing to their current level of \$498.6 million. Since the administration is not requesting any funding for arrears in fiscal year 2002, it is important that the regular commitment request be fully funded in order to avoid any further increases in arrears.

The President is seeking the following funding for International Organizations and Programs.

- The fiscal year 2002 request of \$186 million provides U.S. voluntary contributions to international organizations and programs to help address global challenges through international cooperation.

- The total includes funding for the U.N. Development Program that coordinates U.N. development assistance to build countries' indigenous capacities to achieve sustainable development (\$87.1 million); the U.N. population fund that provides critical population assistance to developing countries and countries with economies in transition (\$25 million); and the World Trade Organization (\$1 million), supporting technical assistance and capacity building related to the world trading system.

- The request also includes \$25 million for a contribution to the Montreal Protocol Multilateral Fund that helps developing countries use substitutes for ozone layer-depleting substances; \$10.75 million for the U.N. Environment Program; and other contributions to international conservation programs addressing issues such as international forest loss and biological diversity.

- Funds will be also be used to promote democracy and provide humanitarian assistance worldwide. Specifically, they will provide U.S. contributions to U.N. voluntary funds for torture victims and human rights; to the Organization of American States, supporting development assistance and efforts to strengthen democracy in the hemisphere; and to the World Food Program (\$5.4 million).

Export-Import Bank

The administration is requesting \$633 million for Export-Import Bank's loan and guarantee programs and \$65 million for the bank's operations in fiscal year 2002.

These funds will assist American businesses in sustaining U.S. jobs by increasing exports, thus stimulating economic growth and job creation in the United States.

The fiscal year 2002 request proposes a 25 percent decrease in the bank's program resources, in part to reflect lower estimates of international lending risk. Within this level, Export-Import Bank will continue to serve exporters facing subsidized competition, as well as small and medium-sized enterprises.

The increase for administrative expenses will, among other things, enable the bank to modernize its computer infrastructure to provide better service to the exporting community.

Overseas Private Investment Corporation

In fiscal year 2002, Overseas Private Investment Corporation (OPIC) generated revenue from its private sector users and other sources will allow OPIC to make a contribution of approximately \$251 million in net negative budget authority to the International Affairs budget.

The Administration is requesting the authority for OPIC to spend \$38.6 million for administrative expenses. In keeping with OPIC's mandate to operate on a self-sustaining basis, this funding will come from OPIC user fees and earned income.

The Administration is not requesting credit funding for OPIC in fiscal year 2002. OPIC anticipates that sufficient unobligated amounts from the corporation's fiscal year 2001 appropriation of two-year funds will remain available to support new direct loans and loan guarantees in fiscal year 2002.

In fiscal year 2002, OPIC will continue to support the administration's priorities for investment in such areas as Southeast Europe, Sub-Saharan Africa, Central America, the

Caribbean, the Middle East, and the Caspian region. OPIC will continue also to emphasize activities and products that increase participation in its programs by American small businesses.

Since 1971, OPIC has supported \$138 billion worth of investments, generating over \$63 billion in U.S. exports and creating or supporting nearly 250,000 American jobs.

Trade and Development Agency

The Trade and Development Agency (TDA) assists in the creation of jobs for Americans by helping U.S. companies pursue overseas business opportunities. Through the funding of feasibility studies, orientation visits, specialized training grants, business workshops, and various forms of technical assistance, TDA helps American businesses compete for infrastructure and industrial projects in emerging markets.

The fiscal year 2002 budget request of \$50 million will enable TDA to continue to strengthen its core regional programs and help U.S. firms compete against heavily subsidized foreign competition. In particular, TDA has witnessed impressive growth in demand for its Asian, Eastern European, and African programs. While meeting this increased demand, TDA's fiscal year 2002 program priorities include expanding its high tech initiative in the areas of financial services technologies and emergency management.

Every dollar TDA invests is associated with \$40 in U.S. exports, estimated to total close to \$17 billion since the agency was established in 1980.

And finally, the fiscal year 2002 budget request provides \$275 million to permit the Peace Corps to continue its role as the leading international service organization engaged in grass-roots development. The increase of \$10.6 million will enable the Peace Corps to continue support of its approximately 7,000 volunteers. This money will permit enhanced security measures for overseas staff and volunteers and will allow completion of information technology initiatives in support of volunteers.

There are of course more details to the President's fiscal year 2002 budget request for international affairs. I invite the members' attention to an excellent Department of State pamphlet entitled "*Summary and Highlights: International Affairs Function 150 - Fiscal Year 2002.*"

European Testimony Before Senate Foreign Relations Committee

By

Secretary of State Colin L. Powell

[The following is a reprint of remarks made by Secretary of State Colin Powell before the Senate Foreign Relations Committee, in Washington, D.C., June 20, 2001.]

I returned Saturday night from a week in Europe with President Bush as he visited Spain, Belgium, Sweden, Poland, and Slovenia. We had the opportunity to attend historic meetings with other North Atlantic Treaty Organization (NATO) leaders and with leaders of the European Union (EU). We met also with President Putin of Russia.

Throughout the trip, President Bush emphasized the changing nature of Europe, change characterized by the cities we chose to visit as well as by the transforming nature of the President's message. And no city reflected this change more vividly than one of the oldest cities in Europe, Warsaw, a Warsaw whole, free, democratic, vibrant and alive. As President Bush said in Warsaw, "I have come to the center of Europe to speak of the future of Europe."

Make no mistake about this transformation, however. It is firmly anchored in what has made the Atlantic alliance the most powerful, the most enduring, the most historic alliance ever. Our common values, our shared experience, and our sure knowledge that when America and Europe separate, there is tragedy; when America and Europe are partners, there is no limit to our horizons.

The members of this committee know how fundamental are our security interests in Europe. You know that the transatlantic partnership is crucial to ensuring global peace and prosperity. It is also crucial to our ability to address successfully the global challenges that confront us such as terrorism, HIV/AIDS, drug trafficking, environmental degradation, and the proliferation of missiles and weapons of mass destruction.

So President Bush's trip was about affirming old bonds, creating new frameworks, and building new relationships through which we can promote and protect our interests in Europe and in the wider world. President Bush did not hesitate to address head-on the perceptions held by some Europeans and by some Americans as well of American disengagement from the world and of unbridled unilateralism. Over and over again he underscored America's commitment to face challenges together with her partners, to strengthen the bonds of friendship and alliance, and to work out together the right policies for this new century of unparalleled promise and opportunity. "I hope that the unilateral theory is dead," the President said. "Unilateralists do not come to the table to share opinions. Unilateralists do not come here to ask questions."

President Bush's presence at the meeting of the North Atlantic Council was historic, not only because it was his first but because it was undoubtedly, in my memory at least, the most robust and substantive discussion of real issues the council has ever conducted.

We discussed the five key challenges facing the Alliance:

- Developing a new strategic framework with respect to nuclear weapons
- Maintaining and improving our conventional defense capabilities
- Enlarging the Alliance

-
- Integrating southeast Europe
 - Reaching out to Russia

Since the day of President Bush's inauguration, our objective has been to consult with our allies on a new strategic framework for our nuclear posture. This framework includes our addressing the new challenges the alliance faces as a result of the proliferation of weapons of mass destruction and the missiles that might deliver them. But it includes much more.

As President Bush told our allies "We must have a broad strategy of active non-proliferation, counterproliferation, ... a new concept of deterrence that includes defenses sufficient to protect our people, our forces, and our allies, and reduced reliance on nuclear weapons." We must move beyond the doctrines of the Cold War and find a new basis for our mutual security, one that will stand the trials of a new century as the old one did the century past.

In this context too, President Bush praised NATO Secretary General Lord Robertson's call for the allies to invest vigorously in developing their conventional defense capabilities, including voting larger defense budgets. The President pledged to work with European leaders to reduce the barriers to transatlantic defense industry cooperation. Moreover, he welcomed an enhanced role for the European Union in providing for the security of Europe so long as that role is properly integrated with NATO. The union and the alliance must not travel separate roads for their destinies are entwined.

Also an important part of our relations with Europe is the reality of an expanding alliance and a growing union. "I believe in NATO membership," the President said, "for all of Europe's democracies that seek it and are ready to share the responsibilities that NATO brings."

The question is not whether but when. And the Prague Summit in 2002 is the next "when." We are not planning to go to Prague with damage limitation in mind but with a clear intent to advance the cause of freedom. And our vision of Europe whole, free, and at peace cannot exclude the Balkans. That is why the President welcomed and applauded the leading role of NATO in bringing stability to southeast Europe.

President Bush acknowledged also the critical place that America holds in this process. Though 80 per cent of the NATO-led forces in the region are non-U.S., our GIs are critical. "We went into the Balkans together, and we will come out together," the President told the Europeans. "And," he added, "our goal must be to hasten the arrival of that day."

President Bush also commended the work of NATO and KFOR in helping bring an end to the violent insurgency in southern Serbia and cited their partnership with the European Union. He stressed that, building on this experience, NATO "must play a more visible and active role in helping the government in Macedonia to counter the insurgency there."

Consistent with this call, NATO, the U.S., and our allies are taking a proactive approach in Macedonia. The day after the NATO meeting of heads of state and government, on June 14, NATO Secretary General Robertson and European Union High Representative Solana, assisted by the State Department's Deputy Assistant Secretary for Eastern and Southern Europe, James Swigert, met with Macedonian government officials in Skopje to insist that the parties begin discussions immediately to hammer out solutions to inter-ethnic problems.

We are now in intense consultations with our allies and with the European Union on how we and NATO can best support a political solution in Macedonia and protect Macedonia's territorial integrity. Both we and our European partners know that we must do all we can to help the

Macedonian people avoid the same tragedy of violence and warfare that has afflicted so many of their neighbors in southeast Europe.

Equally important to our relations with Europe, is Russia. We have a stake in that great country's eventual success, success at democracy, at the rule of law, and at economic reform leading to economic recovery. Russia must be closely tied to the rest of Europe and the only way for that to happen is for Russia to be as successful at practicing democracy and building open markets as the rest of Europe. And that day will come. President Bush and President Putin had a productive meeting in Slovenia. President Putin's assessment was that "reality was a lot bigger than expectations."

The two presidents discussed the importance of a sound investment climate including firm establishment of the rule of law to Russia's future economic prosperity. And President Bush made clear America's willingness to engage in meaningful economic dialogue with Russia, beginning with the travel to Moscow in July of Secretaries O'Neill and Evans.

The two presidents also agreed to launch serious consultations on the nature of our security relationship within the context of a new approach for a new era. The challenge is to change our relationship from one based on a nuclear balance of terror to one based on openness, mutual confidence, and expanded areas of cooperation.

President Bush proposed, and President Putin agreed to, establishing a structured dialogue on strategic issues, and the two presidents charged Foreign Minister Ivanov and me, and Secretary Rumsfeld and his Russian counterpart along with their respective defense establishments, with conducting and monitoring this dialogue. Among the first subjects for this dialogue will be missile defense, offensive nuclear weapons, and the threat posed by proliferation of weapons of mass destruction.

The presidents also agreed to continue their search for common solutions in the Balkans, the Middle East, Nagorno-Karabakh, and Afghanistan, and they discussed their common interests in developing the resources of the Caspian Basin.

President Bush also raised areas of concern such as Chechnya, arms sales to Iran, and religious and media freedom in Russia. He also expressed the hope that Russia would develop constructive relations with its neighbors such as Ukraine and Georgia.

Both presidents clearly look forward to continuing their discussions at the Genoa Summit in July. I believe we made significant progress in this first meeting and we will be working hard to ensure our follow-up is coordinated and productive.

The president also wanted to signal to European leaders — who themselves sometimes look too inwardly — that not only is our partnership crucial to our peace and prosperity but that the very fact we are at peace and are prosperous places obligations upon us.

President Bush said that "those who have benefited and prospered most from the commitment to freedom and openness have an obligation to help others that are seeking their way along that path." And he pointed to Africa. We must shut down the arms trafficking, fight the terrible scourge of HIV/AIDS, and help Africa enter the world of open trade that promises peaceful and prosperous days.

The President discussed these issues at the U.S.-European Union Summit in Goteborg. He made it clear that we must look even beyond Africa, to the challenges that confront us all as inhabitants of this earth. We must shape a balance of power in the world that favors freedom so

that from the pivot point of that balance we can lift up all people, protect our precious environment including dealing with global climate change, and defend and secure the freedoms of an ever-widening world of open and free trade, the rule of law, and respect for the rights of humanity and the dignity of life.

In this regard, President Bush and his European Union counterparts are committed to launching an ambitious new round of multilateral trade negotiations at the World Trade Organization (WTO) ministerial meeting in Doha. We seek a round that will lead both to the further liberalization of world trade and to clarifying, strengthening and extending WTO rules, so as to promote economic growth and equip the trading system to meet the challenges of globalization.

This new round must equally address the needs and priorities of developing countries, demonstrate that the trading system can respond to the concerns of civil society, and promote sustainable development. We will work closely together and with our partners in the coming weeks to secure consensus to launch a round based on this substantive and forward looking agenda.

At the end of the day, Mr. Chairman, it was a very momentous trip. We are embarked in a new era. We have set in motion with some of our most important allies a mighty debate to determine the path we shall take. On the outcome of that debate may rest our future peace and prosperity. In my lifetime and yours, and in the reasonable span of our memories and our fathers' memories it is mainly in Europe that the colossal struggles have begun, struggles that in their evolution's could well have determined another fate for our world.

At the mid-point of the last century, we devised a way to prevent such struggles. It is called the transatlantic alliance. For this present century, we must shape that alliance anew but without sapping the great strengths that make it what it is. A historic opportunity awaits this president, this congress, and this people. We must seize it for all it is worth.

United Nations Conference on the Illicit Trade in Small Arms and Light Weapons in All its Aspects

By

John R. Bolton

Under Secretary of State for Arms Control and International Security

[The following is a reprint of the plenary address to the United Nations Conference on the Illicit Trade in Small Arms and Light Weapons, Washington, DC, July 9, 2001]

The abstract goals and objectives of this conference are laudable. Attacking the global illicit trade in small arms and light weapons is an important initiative which the international community should, indeed must, address because of its wide ranging effects. This illicit trade can be used to exacerbate conflict, threaten civilian populations in regions of conflict, endanger the work of peacekeeping forces and humanitarian aid workers, and greatly complicate the hard work of economically and politically rebuilding war-torn societies. Alleviating these problems is in all of our interest.

Small arms and light weapons, in our understanding, are the strictly military arms, automatic rifles, machine guns, shoulder-fired missile and rocket systems, and light mortars that are contributing to continued violence and suffering in regions of conflict around the world. We separate these military arms from firearms such as hunting rifles and pistols, which are commonly owned and used by citizens in many countries. As U.S. Attorney General John Ashcroft has said, "Just as the First and Fourth Amendments secure individual rights of speech and security respectively, the Second Amendment protects an individual right to keep and bear arms." The United States believes that the responsible use of firearms is a legitimate aspect of national life. Like many countries, the United States has a cultural tradition of hunting and sport shooting. We, therefore, do not begin with the presumption that all small arms and light weapons are the same or that they are all problematic. It is the illicit trade in military small arms and light weapons that we are gathered here to address and that should properly concern us.

The United States goes to great lengths to ensure that small arms and light weapons transferred under our jurisdiction are done so with the utmost responsibility. The transfer of all military articles of U.S. origin are subject to extremely rigorous procedures under the *U.S. Arms Export Control Act* and *International Traffic in Arms Regulations*. All U.S. exports of defense articles and services, including small arms and light weapons, must be approved by the Department of State. Assurances must be given by the importing country that arms will be used in a manner consistent with our criteria for arms exports: they must not contribute to regional instability, arms races, terrorism, proliferation, or violations of human rights. Arms of U.S. origin cannot be retransferred without approval by the United States. To ensure that arms are delivered to legitimate end-users, our government rigorously monitors arms transfers, investigating suspicious activity and acting quickly to curtail exports to those recipients who do not meet our strict criteria for responsible use. In the past five years, the United States has conducted thousands of end-use checks, interdicted thousands of illicit arms shipments at U.S. ports of exit, and cut-off exports entirely to five countries due to their failure to properly manage U.S. origin defense articles.

All commercial exporters of arms in the United States must be registered as brokers and submit each transaction for government licensing approval. Our brokering law is comprehensive, extending over citizens and foreign nationals in the United States, and also U.S. citizens operating abroad. Believing that it is in our interest to stem the illicit trade in military arms, the United

States has avidly promoted and supported such international activities as the Wassenaar Arrangement and the U.N. Register of Conventional Arms. Bilaterally, we offer our financial and technical assistance all over the world to mitigate the illicit trade in small arms and light weapons. We have worked with countries to develop national legislation to regulate exports and imports of arms, and to better enforce their laws. We have provided training, technical assistance, and funds to improve border security and curb arms smuggling in many areas of the world where this problem is rampant. And in the past year, we have instituted a program to assist countries in conflict-prone regions to secure or destroy excess and illicit stocks of small arms and light weapons.

We are proud of our record, and would hope that the program of action would encourage all nations to adopt similar practices. Our practical experience with these problems reflects our view of how best to prevent the illicit trade in small arms and light weapons. Our focus is on addressing the problem where it is most acute and the risks are highest: regions of conflict and instability. We strongly support measures in the draft program of action calling for effective export and import controls, restraint in trade to regions of conflict, observance and enforcement of United Nations Security Council embargoes, strict regulation of arms brokers, transparency in exports, and improving security of arms stockpiles and destruction of excess. These measures, taken together, form the core of a regime that, if accepted by all countries, would greatly mitigate the problems we all have gathered here to address.

There are, however, aspects of the draft program of action that we cannot support. Some activities inscribed in the program are beyond the scope of what is appropriate for international action and should remain issues for national lawmakers in member states. Other proposals divert our attention from practical, effective measures to attack the problem of the illicit trade in SA/LW where it is most needed. This diffusion of focus is, indeed, the program's chief defect, mixing together as it does legitimate areas for international cooperation and action and areas that are properly left to decisions made through the exercise of popular sovereignty by participating governments.

We do not support measures that would constrain legal trade and legal manufacturing of small arms and light weapons. The vast majority of arms transfers in the world are routine and not problematic. Each member state of the United Nations has the right to manufacture and export arms for purposes of national defense. Diversions of the legal arms trade that become "illicit" are best dealt with through effective export controls. To label all manufacturing and trade as "part of the problem" is inaccurate and counterproductive. Accordingly, we would ask that language in Section II, paragraph 4 be changed to establish the principle of legitimacy of the legal trade, manufacturing and possession of small arms and light weapons, and acknowledge countries that already have in place adequate laws, regulations and procedures over the manufacture, stockpiling, transfer and possession of small arms and light weapons.

We do not support the promotion of international advocacy activity by international or non-governmental organizations, particularly when those political or policy views advocated are not consistent with the views of all member states. What individual governments do in this regard is for them to decide, but we do not regard the international governmental support of particular political viewpoints to be consistent with democratic principles. Accordingly, the provisions of the draft program that contemplate such activity should be modified or eliminated.

We do not support measures that prohibit civilian possession of small arms. This is outside the mandate for this conference set forth in *United Nations General Assembly Resolution 54/54V*. We agree with the recommendation of the 1999 U.N. panel of governmental experts that laws and procedures governing the possession of small arms by civilians are properly left to individual member states. The United States will not join consensus on a final document that contains

measures abrogating the Constitutional right to bear arms. We request that Section II, paragraph 20, which refers to restrictions on the civilian possession of arms to be eliminated from the program of action, and that other provisions which purport to require national regulation of the lawful possession of firearms such as Section II, paragraphs 7 and 10 be modified to confine their reach to illicit international activities.

We do not support measures limiting trade in small arms and light weapons solely to governments. This proposal, we believe, is both conceptually and practically flawed. It is so broad that in the absence of a clear definition of small arms and light weapons, it could be construed as outlawing legitimate international trade in all firearms. Violent non-state groups at whom this proposal is presumably aimed are unlikely to obtain arms through authorized channels. Many of them continue to receive arms despite being subject to legally-binding United Nations Security Council embargoes. Perhaps most important, this proposal would preclude assistance to an oppressed non-state group defending itself from a genocidal government. Distinctions between governments and non-governments are irrelevant in determining responsible and irresponsible end-users of arms. The United States also will not support a mandatory review conference, as outlined in Section IV, which serves only to institutionalize and bureaucratize this process. We would prefer that meetings to review progress on the implementation of the program of action be decided by member states as needed, responding not to an arbitrary timetable, but specific problems faced in addressing the illicit trade in small arms and light weapons. Neither will we, at this time, commit to begin negotiations and reach agreement on any legally binding instruments, the feasibility and necessity of which may be in question and in need of review over time.

Through its national practices, laws, and assistance programs, through its diplomatic engagement in all regions of the world, the United States has demonstrated its commitment to countering the illicit trade in small arms and light weapons. During the next two weeks, we will work cooperatively with all member states to develop a final document which is legitimate, practical, effective, and which can be accepted by all nations. As we work toward this goal over the next two weeks, we must keep in mind those suffering in the regions of the world where help is most desperately needed and for whom the success of this conference is most crucial.

United States Policy in East Asia and the Pacific Challenges and Priorities

By

**Assistant Secretary of State for
East Asian and Pacific Affairs James A. Kelly**

[The following testimony was presented before the Subcommittee on East Asia and the Pacific House Committee on International Relations, Washington, D.C., June 12, 2000.]

Mr. Chairman, thank you. I appreciate the opportunity you have offered me to testify before this subcommittee today. I am eager to do so; while it is almost trite to observe that change is a constant in East Asia and the Pacific, at the moment we are seeing more of it than usual, in some of the region's most important nations and on some of its most important issues.

Before I address these issues, Mr. Chairman, let me add a short foreword. A little over a month ago, I pledged in my confirmation statement before your colleagues on the Senate side that I intended to consult frequently and regularly with the Congress on matters of U.S. policy in East Asia and the Pacific. My pledge was directed to both the Senate and the House of Representatives.

This is my first opportunity as Assistant Secretary for East Asian and Pacific Affairs to testify before the House, and it is wholly appropriate that it be before this distinguished subcommittee. Let me add that I had hoped to accomplish this earlier in my five week tenure as Assistant Secretary. I was unable to do so is not from want of opportunities offered by the subcommittee or, for that matter, from a strong desire on my part to accept them.

I spent most of the month of May in East Asia. Deputy Secretary Armitage and I were dispatched by the President to brief allies and others in the region on the President's concepts on transforming deterrence, including missile defense. I visited seven countries and used the opportunity of this mission to build associations with our colleagues in each country, men and women with whom we will work closely in the coming years, and to discuss a wide range of bilateral and regional issues with them.

After meetings in Singapore, I traveled to Beijing, both to articulate the logic of which the opportunities for missile defense are a part, and to listen carefully to Chinese perspectives on this subject. As in other capitals, I also had discussions on bilateral and regional issues with my Chinese hosts. From Beijing, I traveled to Hanoi to participate in the Senior Officials Meeting (SOM) to prepare the way for the ASEAN Regional Forum Ministerial meetings in late July. The Hanoi visit was an especially useful opportunity to renew friendships and acquaintances with officials from many of the twenty-three countries participating in the SOM. I spent the last several days of a very busy month as I began it, in meetings about Korean Peninsula policies with our Japanese and Korean allies, the venue this time being the Trilateral Coordination and Oversight Group (TCOG).

These personal relationships, contacts, and friendships re-established or forged anew will be invaluable as we craft and implement our policy in the region. The earlier they are established, in my view, the better. I have not yet completed this critical first round of introductory visits and will look for early opportunities to travel to the capitals in the region that I was unable to visit during this first trip.

Let me first offer you a broad look at the region, focused on general political, economic, and security trends as we see them, our interests in the region, and what we're doing to realize them. Having sketched out this "scene-setter," we could move on to some specifics about our policy in China, including the cross-Strait relationship, Korea, and Indonesia. In keeping with my understanding of the subcommittee's interests on this particular occasion, I would like to focus on these areas today, possibly at the expense of offering you a more detailed overview in which every country in the region gets mentioned.

Regional Overview: Economic and Political

The overall picture of the Asia-Pacific region in 2001 is positive guardedly. I have to add the word guardedly, because in a region as vast and diverse as East Asia and the Pacific, all trends could not possibly move in the same direction. There's a mixture some of what we see is quite positive, some less so. Interestingly enough, though, there is not much that we see developing irretrievably in a distinctly negative direction.

Much of what we are seeing today China's emergence as a regional and global power, Indonesia's ongoing efforts at democratic transformation, Japan's struggle with economic reform, and the situation on the Korean Peninsula to offer just a few examples are tales in the telling. I would add the caution that our ability to influence events in these four areas varies widely. We are, nevertheless, pro-active on all of them, working hard to encourage the most positive outcomes.

The region's economy is no exception to this pattern. There's plenty on the positive side of the ledger. The East Asia and Pacific region is a place of enormous economic opportunity. The United States has enormous trade and economic interests in the region. It is our second-largest trading partner after North American Free Trade Agreement, with nearly \$500 billion in two-way trade over a third of U.S. total trade. Just to cite a local example, the Port of Baltimore handles over \$3 billion in two-way trade with East Asia every year, and about \$2.5 billion in trade with Japan and China alone. Local or national, these are big numbers, and they reflect the fact that East Asia and the Pacific now accounts for over a quarter of the world's gross domestic product.

The region hosts some of the fastest-growing economies and best markets for American products. The United States is working closely with countries in the region who share our views on trade liberalization, such as Singapore, with whom we are engaged in negotiations for a free trade agreement (FTA).

The region provides millions of jobs to American workers and billions of dollars of income to American investors, from large institutional investors to individual owners of mutual funds. In addition, the flow of U.S. sourced direct investment is enormous and is directly responsible for a large portion of our exports to the region. For example, in 1997, sales by U.S. affiliates in Japan were almost double export sales, \$114 billion versus \$65 billion. Bearing in mind that Japan has been relatively inhospitable to U.S. direct investment, this is still a startling figure. There have been dramatic increases over recent years in U.S. investment in Japan.

But there is a less encouraging side of the ledger. While most countries in the region have recovered at least partially from the devastating 1997-1998 financial crisis, unresolved problems remain. In some of the larger economies, bad debt and corporate restructuring remain as significant areas of concern, especially in Japan and Korea. So, too, is the restructuring of China's financial and state-owned enterprises. More work needs to be done throughout the region on structural reform to ensure that sustainable growth is achievable.

The recovery from the financial crisis of 1997 was largely driven by the phenomenal growth of the American economy. We kept our markets open for East Asian products. Unfortunately, Asian market liberalization was incomplete and we have more work ahead of us to encourage further reform. Trade is good for the U.S. economy and more access to Asian markets would assist U.S. exports. We intend to step up our efforts, through our trade compliance initiative approved by the Congress, to ensure that our trading partners comply with their international trade obligations to reduce and eliminate unfair obstacles to exports from the United States.

As growth slows in the United States, so it will in Asia as well. That makes it all the more essential that countries in the region accelerate the pace of reform this year. That said, the region is clearly and significantly better off today than we could have imagined only a couple of years ago. If governments rededicate themselves to their commitments to economic reform, the chances are reasonably good that we will be able to say the same thing two years from now.

On the political front, too, it is not hard to find the positive. The trends are clear: the development and consolidation of democratic governance, in South Korea, the Philippines, Taiwan, Mongolia, Thailand, and Indonesia is a profoundly important and positive trend. U.S. relations with our five Asian allies Japan, Korea, Australia, Thailand, and the Philippines are good. We also have excellent bilateral relations with Singapore.

We intend to nurture our key alliance relationships in the region and make them even better. These are countries which share with us certain basic beliefs in democratic governance, open markets, the rule of law, and human rights. Countries that share these beliefs tend to view the world around them and the events that fill it in similar ways.

Developing Regional Consciousness

The region is as diverse as it is vast. Technology and the communications revolution have given birth to a number of transnational interests among the Asia and Pacific states; yet its regional consciousness a collective sense of identification and of common cause remains relatively undeveloped and, far, far short of what Europe has achieved.

One consequence of this has been the absence of centripetal forces that Europe enjoys and that stem from the development of common strategic goals and objectives. I think over the longer term, more and more regional states will recognize and act on what they share in common, especially a lengthening tradition of democratic governance but also globalization, which increasingly will present the region with common challenges and opportunities.

The full effect of these trends is, for the most part, confined to the future, though perhaps not the very distant future. And, while we can be optimistic about the future, the present calls for a little more patience.

Today, the principal engines of regional coherence are multilateral organizations such as the Association of Southeast Asian Nations (ASEAN) and the Asia Pacific Economic Cooperation (APEC) forum. These, however, do not address security issues per se. Only recently, with the emergence of the ASEAN Regional Forum (ARF) has there been much regional attention paid to multilateral security cooperation on transnational problems such as smuggling, the environment, piracy, and conflicting territorial claims such as those in the South China Sea. And ARF is a limited forum, though one worth U.S. engagement and support. Progress both in deepening the debate on security issues and in sharpening its focus has been slow, but there has been progress.

The broader, regional political infrastructure that supports multilateral efforts to address these and other problems is undergoing profound change beyond the democratization process I mentioned a moment ago.

In Northeast Asia, four major powers intersect. Three of them China, Russia, and Japan are experiencing significant economic and political change. At the very heart of this intersection of powers, on the Korean Peninsula, there is important work being led by our ally, the Republic of Korea, toward the possibility of a dramatic change in the status quo. And in Southeast Asia, Indonesia's struggle to develop a functional democracy has diverted its attention away from its traditional leadership role in ASEAN. ASEAN, an important pillar of regional stability over the past three decades, recently expanded its membership to include the states of Indo-China as well as Burma, and as such has suffered a lack of focus. There are also potential flash points in the South China Sea and in the Taiwan Strait.

U.S. Regional Presence

The U.S. presence, diplomatic and military, in the region provides a crucial element of stability in a region undergoing such profound and dynamic change. The region faces continuing challenges to its economic and political stability, and remains a place in which armed conflict could occur with little warning.

The region's overall stability and our own national interests depend in great measure on our willingness and ability to maintain and apply successfully all dimensions of our regional presence. This allows us to play a key role as a regional balancer and security guarantor to allies. The United States is committed to continuing this role indefinitely. Overwhelmingly, the states of the region welcome and support our presence.

Today, in addition to forty-one embassies and consulates from Sapporo in the north to Wellington in the south, the United States maintains about 100,000 forward-deployed military personnel in the region. Roughly half of these U.S. forces are stationed in Japan, and close to 40 percent are stationed in the Republic of Korea.

The U.S.-Japan alliance is the linchpin of U.S. security strategy in Asia. Both nations have moved actively in recent years to update the framework and structure of joint cooperation and strengthen the bilateral relationship. Over the next few years we hope to build with Japan an enhanced strategic dialogue encompassing both economic and security issues, a dialogue built on the foundation of the wide range of beliefs and perspectives we share with Japan, and which taps the full potential of our alliance relationship.

We look forward to working with Japan's new Prime Minister, Junichiro Koizumi, who will meet with President Bush on June 30 at Camp David. During his early spring campaign for the presidency of the Liberal Democratic Party and since his election to that post and assumption of his duties as Prime Minister, Mr. Koizumi has placed considerable emphasis on reform, both economic and political.

A strong Japanese economy is critical to the regional and global economy, and we are prepared to do whatever we can to support Japan's reform efforts. We are especially encouraged by Prime Minister Koizumi's views on reforming and restructuring the economy, and we look forward to seeing details as they emerge. These, of course, are up to the Japanese government to develop, but they will have to be convincing to the markets and the Japanese people. As I noted a bit earlier, restructuring and cleaning up the banking sector in Japan will provide long term benefits not just to Japan but also to the global economy. Along with continued deregulation and restructuring, we think Japan's further opening to direct foreign investment will promote Japan's

growth and strengthen our economic relationship. When Prime Minister Koizumi meets the President at Camp David June 30, the leaders will announce a new mechanism to promote mutual prosperity. It will provide a broad framework to more effectively address the key issues: regular high level review of important bilateral and multilateral issues, and new focus on Japan's financial sector, regulatory reform, openness to foreign investment, and on sectorial and trade issues.

We also place enormous value on our long and durable alliance relationship with the Republic of Korea, which I'll address in more detail in a moment.

This year marks the 100th year of the Australian federation and the 50th anniversary of the U.S. - Australian alliance. As such, this is an appropriate time to be reminded that Australians and Americans have fought side by side in every war this past century. We continue to work together to promote shared values and common interests and to coordinate closely on all regional security issues. President Bush will welcome Prime Minister Howard to Washington on September 10, 2001 in order to reaffirm the strength and vitality of the U.S. partnership with Australia.

More generally, enhanced relationships with friends and allies will strengthen our efforts to build stability not only in Northeast Asia, but also in Southeast Asia, where we will also continue to work closely with our allies Australia, Thailand, and the Philippines, as well as with Singapore. Although not a treaty ally, we have a robust defense partnership with Singapore that facilitates our forward deployment and our overall strategy in the region. Southeast Asia is an area of growing economic and political importance, which has felt its share of the turbulence experienced by the region as a whole over the past few years.

Indonesia

Without question, the country that has experienced the greatest turbulence since the onset of the Asian financial crisis is Indonesia. Indonesia, the world's fourth-largest country and still Southeast Asia's largest economy, will continue to confront a difficult political and economic transition in 2001 and beyond.

The United States' support for Indonesia's transition to democracy is unwavering. We hope to see Indonesia achieve a timely resolution of the political crisis, ideally in a way that promotes reconciliation and effective governance. Whatever the outcome, we are prepared to support any resolution that can be achieved through peaceful and constitutional means. It is difficult to exaggerate the importance for Indonesia's future of avoiding violence or incitements to violence.

Indonesia will remain a high priority for U.S. assistance programs. Our bilateral assistance is focused on the development of civil society and democratization, strengthening the rule of law, and civilian control over the military. We continue to work with locally-based non-government organizations on good governance, human rights, and conflict prevention and resolution. We also coordinate our aid with the international community to ensure the most leverage for our assistance. Indonesia's central government is in the process of devolving political and fiscal powers to the provinces. As devolution proceeds, we are shifting our police training programs, designed to teach human rights and non-violent crowd control techniques, to the provinces.

While Indonesia grapples with the profound complexities of creating a democracy, it is also engaged in transforming its economy and decentralizing political power. Each task by itself is daunting; together they guarantee that change will be incremental and complicated, with no simple blacks and whites. Indonesia is dealing with multiple crises: in its political leadership, its constitutional institutions, its budget, in civil society and rule of law, in seeking redress for violations of human rights, in the role of the military, and in basic questions of national identity.

We have urged all parties to the current crisis not to allow the political drama to distract the government from the necessity of addressing pressing economic issues which, if not dealt with now, will only present a greater threat to the government as it emerges from the crisis. In the face of political uncertainty and the lack of progress on economic reform, economic growth remains minimal. Rupiah depreciation and resulting higher interest rates further burden the nation.

Our engagement with Indonesia must be with a view to the long term. As outsiders, we can exert little influence over immediate events and daily crises. A reformed and accountable military is vital if Indonesia's democracy is to prosper in the long term. We will work to support those within and without the military who will work for reform. Both by legislative restriction and by policy, full military relations will not be possible until the Indonesian military makes substantial progress.

Our task, in dealing with the world's third-largest democracy a nation of 210 million people spread across an archipelago comprising thousands of islands dotting vital sea lanes is to assist, to facilitate, and to provide support in these critical years as Indonesia works to establish the foundations for a lasting, democratic, and unitary nation with a transparent, market economy. We want Indonesia to succeed, and we will do whatever we can to help it succeed.

China

Our relationship with China is firmly grounded in pursuit of tangible U.S. national interests. We understand, and we believe China also understands, that our relationship will have a profound impact on the security of Asia. The United States seeks a constructive relationship with China that contributes to the promotion of our shared interests in peace, stability, and prosperity in the region.

Recent events have called into question where we stand in our relationship with China and where we want to go. They have highlighted the importance of not allowing our relationship to be damaged by miscommunication, mistrust, and misunderstanding about our respective intentions and objectives. We do not view China as an enemy. We view China as a partner on some issues and a competitor for influence in the region. The Secretary of State has been clear about our vision of this relationship, stating that "China is a competitor and a potential regional rival, but also a trading partner willing to cooperate in the areas, such as Korea, where our strategic interests overlap. China is all of these things, but China is not an enemy and our challenge is to keep it that way."

From promoting peace and stability on the Korean Peninsula to non-proliferation to trade, we share common interests with China that are best served by a productive and forward-looking relationship.

Clearly, we have some differences. Taiwan has long been one; human rights is another, particularly freedom of expression and freedom to express and practice one's personal faith. Arms sales around the world and the proliferation of weapons of mass destruction are also important issues about which we have expressed concern to China.

We have been, and will continue to be, clear and straightforward with China about our interests, including our commitment to peaceful resolution of differences with Taiwan, to the *Taiwan Relations Act*, and to freedom of navigation in international waters and airspace.

We want to work both with the current leadership and with the coming generation of leaders in China. We will hold China to its bilateral and international commitments. If China chooses to disregard its international obligations in areas as diverse as security issues, human rights, non-

proliferation, or trade, we will use every means available to the administration to persuade it to move in more constructive directions.

The cutting edge of reform and positive social development in China is our trade relationship. We do have a significant trade deficit with China. In 1999, the deficit was \$69 billion. In 2000, we exported \$16 billion to China, but China exported \$100 billion to the United States, leaving us with a net trade deficit with China of over \$84 billion.

Nevertheless, our trade with China and our investment there are, without any doubt at all, in our interest. The marketplace promotes American values; trade encourages more freedom and individual liberties. U.S. investment establishes higher standards of enterprise behavior in regard to corporate governance, labor relations, or even environmental attention. You can see that happening today in China, where trade and investment have led to greater openness and fewer government controls on day-to-day life, particularly in the coastal region most affected by international trade and investment.

We therefore support China's World Trade Organization entry as soon as China is ready to meet WTO standards. Taiwan is ready for entry now, and we expect both to enter the World Trade Organization.

For the same reasons, we look forward to China's hosting of this year's Asia Pacific Econ Cooperation summit in October. The President has said that he plans to go to Shanghai and Beijing in the fall. His presence at the Asia Pacific Econ Cooperation Leaders' Meeting will speak volumes about our commitment to market-oriented economic reform in China.

Beyond the Korean Peninsula, non-proliferation, and open markets, there are additional areas where we share interests with China and would like to see it continue or expand constructive policies. We want to build on cooperation against narcotics trafficking; China realizes that drugs are a threat to the Chinese people. We want to work with China to combat the spread of HIV/AIDS. And we will continue to work together where possible to protect the environment and promote sustainable development.

China is in a position to chart a mutually beneficial course for our future relationship. This Administration wants a productive relationship with Beijing that promotes our interests and those of the entire Asia-Pacific region. The ball is in the People's Republic of China court. We encourage China to make responsible choices that reflect its stature in and obligations to the community of nations.

We will have to see how China deals with its own growth as a rising member of the community of nations and with the obligations and responsibilities that come with it. For our part, a productive relationship with China can only be based on a true reflection of our values, including human rights and religious freedom. These are our greatest strengths.

Turning to Taiwan, I think this Committee is quite familiar with our policy regarding cross-Strait issues. Let me say simply: the abiding interest of the United States is that differences be resolved peacefully. This interest lies behind the commitments undertaken in the three communiques, and it is at the heart of the *Taiwan Relations Act* (TRA).

The People's Republic of China continues to deploy forces across the Taiwan Strait specifically aimed at Taiwan and at U.S. capabilities. Some have suggested that our commitment to assist Taiwan in maintaining a sufficient self-defense capability, as articulated in the TRA, is at odds with our commitments in the three communiques. I disagree. The President disagrees. The defensive systems that we provide Taiwan do not make the peaceful resolution of cross-Strait

differences more difficult. On the contrary, they make such a resolution more likely. It is worth noting that Taiwan President Chen Shui-bian has repeatedly expressed his continuing commitment to cross-Strait dialogue in statements this spring.

The central question is how cross-Strait relations can move from a focus on the military balance toward a focus on ways to begin resolving differences between Taipei and Beijing. It seems to me that the answer lies in three areas.

The first priority for the People's Republic of China and Taiwan ought to be the resumption of direct dialogue. Both have said they support such dialogue, and such dialogue between authorized representatives has taken place several times over the past decade, including the meeting in Singapore in 1993 and the meetings in Shanghai and Beijing in 1998. The United States does not have a formula for resolving cross-Strait differences and we do not seek to play a role in this process. But we do have an abiding interest in seeing that the process is pursued only by peaceful means. The prospects are good for cross-Strait progress if the People's Republic of China has the political will to advance these important talks. The parties must be clear with regard to their actions in the area of the Strait to avoid any miscalculations that is a start. But we would like to see not just a start but real accomplishments in cross-Strait dialogue.

Even while progress on political dialogue seems stalled, economic relations across the Strait are growing exponentially. Taiwan businessmen have invested billions of dollars in the People's Republic of China annual cross-strait trade is estimated to be about \$32 billion. There were over two million visits from Taiwan to the People's Republic of China last year. Thousands of Taiwan businessmen and their families live and work in the Peoples Republic of China. Revenues generated by these businesses are fueling the growth of a wide range of Taiwan businesses. Taiwan is also taking initial steps to open its market to businesses from the People's Republic of China. The entry of both the People's Republic of China and Taiwan into the World Trade Organization may well accelerate the economic cooperation between the two sides.

The third area I would highlight is what I would call mutual understanding. Both sides need to have a better understanding of the other side and what it seeks from a closer relationship. In particular, we have urged the People's Republic of China to shift from seeking to put pressure on even intimidate Taiwan and instead appeal to the people of Taiwan. Beijing needs to explain to Taiwan the benefits of a closer relationship rather than the perils of a more distant one.

This is part of the challenge in working with a democracy. The Pople's Republic of China can not ignore the elected representatives of the people of Taiwan if cross-Strait dialogue is to resume and be revitalized. Instead, it must offer a case that is attractive to a democratically elected leadership. A combination of political dialogue, economic cooperation, and mutual understanding offers the prospect that both sides will find they have increased interests in common and therefore increasing reasons to find practical ways to resolve their differences.

A key provision of the *Taiwan Relations Act* (TRA), to which the United States remains committed, requires that the United States ensure that Taiwan has sufficient self-defense capability. We believe the TRA is working well.

Korean Peninsula

The United States and the Republic of Korea enjoy a strong relationship across-the-board. This relationship has grown warmer as democracy has taken root in the Republic of Korea. Kim Dae-jung's push for further democratization has been a hallmark of his presidency. We strongly support this effort, and believe President Kim's successes will strengthen stability and prosperity not only on the Korean Peninsula, but also throughout the region.

Our security alliance remains strong. President Kim's historic June 2000 summit with the North's Kim Jong Il raised the world's hopes that improved North-South relations could enhance the prospects for peace and stability on the Korean Peninsula. The Democratic Peoples Republic of Korea nevertheless continues to pose a military threat to the South, and the United States remains committed to its treaty obligations to assist in the defense of the Republic Of Korea.

President Kim has worked assiduously to strengthen the U.S.-Republic Of Korea alliance through meetings with President Bush, members of Congress, and cabinet officials. He has made it clear both publicly and privately that a strong bilateral relationship will continue to be key to progress in North-South relations and the central element of Republic of Korea diplomatic and security strategy. President Kim has also stated that, should reconciliation on the Peninsula be realized, a U.S. military presence on the Peninsula would still be needed an idea he has underlined in his talks with Kim Jong I in Pyongyang last summer.

Our economic relationship with the Republic of Korea also remains vital. Korea quickly pulled out of the financial crisis of 1997 with gross domestic product growth reaching 10 percent in 1999 and 9.3 percent in 2000. However, this resumption of growth masks an insolvent financial sector and highly leveraged conglomerates, both of which could threaten Korean economic prospects, particularly as the economy slows to a projected 4 percent this year. During the past year, the Republic of Korea has moved slowly to act on President Kim's plans for corporate restructuring and financial sector reforms to ensure continued economic growth and stability. The challenge for the Republic of Korea's government is to change its traditional interventionist policy and allow market discipline freer play. We are working with the Republic of Korea and with American industry to address specific trade issues with Korea, including trade in steel, beef, and automobiles, as well as broader issues related to the protection of U.S. intellectual property.

The Administration has just completed a thorough, deliberate review of our North Korea policy. The President has directed us to undertake serious discussions with North Korea on a broad agenda, including improved implementation of the agreed framework, a verifiable to the Democratic People's Republic of Korea missile production and export programs, and a less threatening conventional military posture. We will thus be pursuing a comprehensive approach to North Korea. If the Democratic People's Republic of Korea takes positive actions to demonstrate the seriousness of its desire for improved relations, we will expand our efforts to help the North Korean people, ease sanctions, and take other political steps.

Several principles guided our thinking:

- First, as President Bush has made clear, we strongly support President Kim's reconciliation efforts with North Korea. Tension on the Korean Peninsula is ultimately an issue for the Koreans themselves to resolve, and any U.S. and Democratic People's Republic of Korea contacts should be supportive of and consonant with North-South rapprochement.
- Second, we will continue to implement our commitments under the agreed framework while looking for ways to better achieve our non-proliferation objectives. We want to explore ways of improving implementation of the agreed framework, first with our allies and then with North Korea.
- Third, our national security interests remain consistent: we want to see an end to the North's missile program and its proliferation activity. We also want to explore ways of reducing tensions on the Korean Peninsula caused by conventional deployments. We are now prepared to enter serious discussions with the North Koreans to achieve these ends.
- Fourth, effective verification will be a prerequisite for any agreements with North Korea.

Finally, continued, close consultations among the United States, the Republic of Korea, and Japan are essential to maintaining a coordinated approach to North Korea. We have conducted two trilateral meetings with our allies this year, one in Honolulu, just last week. The Trilateral Coordination and Oversight Group is designed to ensure that cooperation among the United States, Japan, and South Korea on Korean Peninsula issues functions as smoothly as possible.

Andean Regional Initiative

By

Assistant Secretary for International Narcotics and Law Enforcement Affairs Rand Beers

[The following is a reprint of the testimony before the Senate Committee on Appropriations Subcommittee, Washington D.C., July 11, 2001.]

Good afternoon, Mr. Chairman, Members of the Committee. I am pleased to be here today to discuss with you the Department of State's programs envisioned under the Administration's proposed Andean Regional Initiative (ARI).

First, I'd like to provide you background on the origin of the President's Initiative. In July 2000, Congress approved a \$1.3 billion supplemental appropriation to carry out enhanced counternarcotics activities in the Andean region. Of that amount, approximately \$1 billion in Function 150 funding through the State Department was the U.S. contribution to what has become known as Plan Colombia, a comprehensive, integrated, Colombian action plan to address Colombia's complex and interrelated problems. The initial two-year phase of Plan Colombia focused on the southern part of the country. It began with an intensive counternarcotics push into southern Colombia, along with the expansion of programs aimed at social action and institutional strengthening, and alternative development. Plan Colombia is now well underway and showing good early results. In addition to stemming the flow of narcotics entering the U.S., our assistance is intended to support institutional and judicial reform, as well as economic advancement, in one of this hemisphere's oldest democracies.

Members of Congress, the non-government community, and other interested observers had previously expressed concerns regarding aspects of U.S. government support to Plan Colombia. Those concerns focused particularly on three areas: that we did not consult widely enough in putting together our support package; that we focused too much on security and law enforcement, and not enough on development and institutional reform; and that our assistance was too heavily oriented toward Colombia as compared to the rest of the region.

The Administration has taken to heart those concerns in formulating the President's proposed Andean Regional Initiative. ARI is the product of consultations with the staffs of committees and members of Congress, with the governments of the region, and with other potential donor countries and international financial institutions. ARI addresses the three issues that lie at the heart of the challenges facing the region: democracy, development, and drugs. ARI balances the need to address the continuing challenges in Colombia with the competing priority of working with the rest of the region to prevent a further spreading of Colombia's problems or backsliding in areas where progress already has been made.

The President has proposed \$882 million in Function 150 programs for the ARI. \$731 million of the \$882 million in ARI is for the Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) funding of the Andean Counterdrug Initiative (ACI). The ARI also includes funding for relevant Economic Support Funds (ESF), Developmental Assistance (DA), and Child Survival and Disease (CSD) programs, plus a small amount of Foreign Military Financing (FMF). The ARI covers programs in Bolivia, Colombia, Ecuador, Peru, and Venezuela, and those areas and programs in Panama and Brazil most affected by the region's problems and those where our assistance can best make a difference. In addition to being balanced geographically, our budget will likewise be balanced programmatically. About 50 percent of the ARI budget will be devoted to programs focused on development and support for

democratic institutions. Integral to ARI as well are the economic development and job creation afforded by expanded trade opportunities. The Free Trade Area of the Americas (FTAA) can help the entire region through increased investment and job creation. More immediately, renewal and enhancement of the Andean Trade Preferences Act (ATPA) can provide real alternatives to drug production and trafficking for farmers and workers desperate for the means to support their families.

Our support to Plan Colombia was the first step in responding to the crisis underway in Colombia. The Andean Regional Initiative is the next stage of a long-term effort to address the threat of narcotics and the underlying causes of the narcotics industry and violence in Colombia, while assisting Colombia's neighbors to ward off those same dangers in their own countries. Their success is vital to our own national interests in promoting the spread of strong democratic institutions, the enhancement of trade and investment opportunities for U.S. businesses and workers, and the reduction of narcotics production and trafficking that threaten our society.

My USAID colleague will describe in detail the status of our alternative development projects. However, I want to point out that alternative development is an integral part of our plan for weeding out illicit coca and poppy cultivation in the Andes. We have had large alternative development programs in Bolivia and Peru for many years, and they have been quite successful, combining with aggressive eradication and interdiction programs to produce significant declines in the coca crops of those countries. Colombia is trying to replicate that success in Plan Colombia, combining a substantially expanded alternative development program with aerial eradication and interdiction activities in southern Colombia, currently the largest concentration of coca cultivation in the world.

I am pleased to report that the Department is moving quickly to implement our support to Plan Colombia. Below, I will discuss delivery of helicopters, aerial spray aircraft, and other equipment which is proceeding smoothly. I will also describe our support for the Colombian government's aerial spraying program.

I'd then like to discuss the proposal we have submitted in our fiscal year 2002 budget request for INL's \$731 million Andean Counterdrug Initiative (ACI), as part of the larger \$882 million ARI. This initiative addresses holistically providing assistance for social and economic development as well as for counternarcotics and security efforts the narcotics scourge throughout the Andean region. We are hopeful that this macro approach will eliminate the balloon effect which we observe when programs are developed country by country. Finally, I will note our support for the ATPA.

Status of Spending on Plan Colombia

In less than one year, the department has committed approximately 75 percent of the \$1.018 billion two-year Plan Colombia supplemental. By committed, we mean that we have contracted for equipment or services, signed reimbursable agreements with other agencies or bureaus within the department, and contributed to the U.N. Taken together, these commitments total more than \$760 million of the supplemental.

Status of Equipment Deliveries

Turning now to our equipment deliveries, I can say that they have proceeded smoothly, generally adhering to the anticipated schedules. Some have even been accelerated from their original estimates. As of July 10, 2001, the status of UH-60, UH-1N, Huey-II and spray planes is as follows:

- COLAR and CNP Black Hawks - A contract was signed with Sikorsky on December 15th for fourteen Black Hawks for the Colombian Army (COLAR) and two helicopters for the Colombian National Police (CNP). Specifications for the aircraft configuration were based on SOUTHCOM recommendations with input from respective Colombian organizations. Arrangements are being made for delivery by the end of this month of the two CNP aircraft and the first COLAR aircraft. Remaining deliveries will be made in increments through December of this year. The contract includes one year of contractor logistics support (CLS). We expect to extend this contract pending availability of fiscal year 2002 funding.

- COLAR UH-1Ns - The UH-1Ns supplied to Colombia earlier continue to provide air mobility support to the troops of the Counterdrug Brigade. CNP Huey-IIs: INL and the CNP agreed to use the \$20.6 million CNP Huey-II and \$5 million CNP aircraft upgrade budget lines from the supplemental to modify nine additional aircraft to desired specifications and retrofit 22 of the earlier produced Huey-IIs to include additional options, such as floor armor and passive infrared (IR) countermeasures. A delivery order has been issued for four modifications to be accomplished by U.S. Helicopter (completion expected approximately August/September), and the other five modifications will be done by CNP in-country with kits furnished by INL. (Note: 25 Huey-II helicopters have been delivered to the CNP from previous fiscal year 1998 and fiscal year 1999 funding.)

- COLAR Huey-IIs - SOUTHCOM presented their recommendations on the configuration of the COLAR Huey-IIs on February 22nd. An interagency team then selected a configuration that includes a passive IR engine exhaust system, floor armor, M60D door guns, secure radios, and a radar altimeter, along with other standard equipment. We estimate that 25 Huey-IIs modified to this standard, along with individual crew equipment (NVGs, survival vests, helmets, etc.) and some spares will be possible within the \$60 million line item of the Supplemental Appropriation. We have established a contract delivery order for the accomplishment of the initial 20 modifications, with options for additional aircraft. Work is in progress on these aircraft and we believe that aircraft deliveries to Colombia can begin by approximately January 2002.

- Additional OV-10D Spray Planes - Three aircraft are currently undergoing refurbishment/modification at Patrick Air Force Base and are expected to be completed in August of this year.

- Additional Ayres Turbo-Thrush Spray Planes - A contract is in place for nine additional agricultural spray planes. The first aircraft should be delivered in August, with the balance phased in through February 2002.

Aerial Spraying

Plan Colombia-related aerial spray operations began on December 19, 2000, in the southern department of Caqueta and moved into neighboring Putumayo on December 22. Operations later shifted to the northern and eastern parts of the country.

Some allege that the glyphosate used in the spray program results in health side-effects to exposed populations. First, let me stress that glyphosate is one of the least harmful herbicides available on the world market. Glyphosate has been the subject of an exhaustive body of scientific literature which has shown that it is not a health risk to humans. It is used throughout the United States and over 100 other countries and has been rigorously tested for safety for animals and humans. Nonetheless, we feel compelled to probe assertions that it is making people sick. The Narcotics Affairs Section (NAS), with assistance from our regional Environmental Protection Agency representative in Embassy Lima, is sponsoring a study on the issue. A NAS-contracted physician, Colombia's leading toxicologist, completed evaluation and treatment of

several hundred individuals in Putumayo on June 20. His report is not complete, since the evaluations were so recently done. However, the same physician completed a similar study in Narino Department in May, concerning the same types of health problems as alleged in Putumayo, and found the several cases that he reviewed to be inconsistent with glyphosate exposure. He also discovered that, in fact, many of the cases were reported well before any aerial spraying was conducted in the area.

The timing of spray operations in Putumayo was based on a number of factors. Some were operational concerns, such as seasonal weather conditions. The timing of operations was also meant to discourage the return of an itinerant labor pool coca leaf pickers or raspachines who generally spend the December holidays at their homes in other parts of the country. Importantly, the timing also corresponded with efforts to recruit communities to enroll in development programs. While the intent of the Colombian government to conduct eradication in southern Colombia was well publicized, coca growing communities in the region initially showed little interest in participating in development programs, preferring instead to continue their illicit activity. Only after those initial spray efforts in Putumayo, which demonstrated the government of Colombia's resolve to address the growing problem of coca cultivation in the region, did these communities express real interest in abandoning their illegal activities in exchange for assistance. Funding was already in place for these programs at the time spray operations began and, as each community signed up for the program, the process began to tailor community-specific assistance packages.

Many safeguards are built into the selection of spray targets and further improvements are constantly being made to the system. And while the Department of State does not select the spray locations, those decisions are made by the government of Colombia, the Department, through the Narcotics Affairs Section (NAS) of U.S. Embassy Bogota, does consult on the selection and supports the Colombian National Police (CNP) efforts.

According to Colombian law, an Inter-Institutional Technical Committee (ITC) of Colombian government officials determines what areas of the country may or may not be sprayed. The CNP generates quarterly estimates of the illicit coca crop by flying over coca growing regions on at least a quarterly basis to search for new growth and to generate an estimate of the illicit coca crop. This information is reviewed for accuracy by technical and environmental auditors and is passed on to the ITC. The Directorate of Dangerous Drugs (DNE) chairs the ITC, which includes representatives from the Anti-Narcotics Police, Ministry of the Environment, the National Institute of Health, the National Institute of Agriculture, the National Plan for Alternative Development (PLANTE), regional environmental agencies, technical, and environmental auditors. The CNP notifies the NAS Aviation Office of all decisions as to which areas may not be sprayed. Spray operations are then coordinated and conducted in approved areas only.

Generally, reconnaissance flights are conducted over areas identified by the CNP in their quarterly coca crop estimates. With the use of SATLOC, an aircraft-mounted global positioning system, these flights identify the precise geographical coordinates where coca is being grown. Areas with large concentrations of coca are then plotted, and a computer program sets up precise flight lines, calibrated for the width of the spray swath of the spray plane to be used. Once the government of Colombia has approved spraying in a given area, spray pilots then fly down those prescribed flight lines and spray the coca located there.

Also, every effort is made to protect legitimate farming operations from possible damage from the aerial spray program. The spray aircraft apply glyphosate at low altitude against predetermined fields, identified by earlier reconnaissance. The planes carry computerized GPS monitoring equipment that records their position and the use of the spray equipment. This system serves to verify that glyphosate is being accurately applied to intended areas. After spraying,

combined U.S. and Colombian teams also visit randomly chosen fields, security permitting, to verify that the treated plants were indeed coca. To further aid in the identification of fields not subject to aerial eradication, the government of Colombia is currently working to produce a comprehensive digitized map indicating exempted areas.

Furthermore, the government of Colombia maintains a system to compensate farmers for damages caused by the program. Over the past few months, we have encouraged the Colombian government to streamline the process and efforts have begun to better educate the public about that option.

Recent field visits encountered evidence that coca growers in southern Colombia are using dangerous chemicals, such as paraquat. That is a concern to us as it presents a very real risk to the people of the region. The traffickers' utter disregard for human health and environmental security that pervades the illegal drug industry goes beyond the obvious examples of poisoning millions of drug consumers with their illegal products. It includes the clear cutting of rain forest; the contamination of soil and watersheds with acids and chemical salts; and the exposure of their workers and themselves to potentially deadly chemicals all in the name of profit.

For example, the expansion of coca cultivation, production, and trafficking in Peru, Bolivia, and Colombia has resulted in the destruction of, at an absolute minimum, 2.4 million hectares of the fragile tropical forest in the Andean region over the last twenty years. In addition, the very act of refining raw coca leaves into finished cocaine creates significant environmental damage because of the irresponsible disposal of large amounts of toxic chemicals used in the process. A study conducted by the U.S. Drug Enforcement Administration (DEA) in 1993 of cocaine production in the Chapare region of Bolivia showed that production of one kilo of cocaine base required the use of three liters of concentrated sulfuric acid, ten kilos of lime, 60 to 80 liters of kerosene, 200 grams of potassium permanganate, and one liter of concentrated ammonia. Processors discard these poisonous waste products indiscriminately, often dumping them into the nearest waterway, where the extent of damage is greatly increased. They also may dump these chemicals on the ground, where as point sources, they may infiltrate through the soil to groundwater. A report from the National Agrarian University in Lima, Peru estimated that as much as 600 million liters of so called precursor chemicals are used annually in South America for cocaine production. This translates to more than two metric tons of chemical waste generated for each hectare of coca processed to produce cocaine.

These environmental concerns are another reason why we must continue in our efforts to help the governments of the Andean region in their ongoing struggle against the narcotics industry.

Human Rights Progress

The government of Colombia's inability to prevent violence by the three illegal armed groups, the FARC, ELN, and the paramilitary AUC, is at the root of Colombia's human rights woes. Despite continuing institutional weakness, the Pastrana Administration has made a far greater effort than previous governments to improve the state's human rights performance. The government of Colombia has instituted greater human rights accountability for human rights crimes committed by military personnel. It has tackled the challenge of severing covert links between security force personnel and paramilitaries. Recently, Colombian security forces have scored significant successes against paramilitaries, shattering armed columns, arresting key leaders, and targeting major AUC financial backers for investigation. Indeed, these Colombian successes may have provoked recent AUC internal discord between those factions advocating retaliation against the government of Colombia, and those which prefer to continue the AUC's general practice of not targeting Colombian troops, police, or officials. AUC leader Carlos Castano resigned from overall military command of the AUC to become the co-leader of its

political arm, possibly hoping to distance himself from continuing atrocities by AUC elements. In spite of some significant recent successes against the paramilitaries, continued engagement with the government of Colombia on paramilitary impunity and other human rights issues is necessary. Pastrana's appointment of Vice President Gustavo Bell to serve concurrently as Defense Minister received plaudits from many, including the U.S., due to Vice President Gustavo Bell's vice presidential experience coordinating Colombian human rights policy. Still, given his relative inexperience with military matters, Vice President Gustavo Bell's overall effectiveness remains to be seen.

INL's Proposed Andean Counterdrug Initiative

The Andean region represents a significant challenge and opportunity for U.S. foreign policy in the next few years. Important U.S. national interests are at stake. Democracy is under pressure in all of the countries of the Andes. Economic development is slow and progress towards liberalization is inconsistent. The Andes produces virtually all of the world's cocaine, and an increasing amount of heroin, thus representing a direct threat to our public health and national security. All of these problems are interrelated. Sluggish economies produce political unrest that threatens democracy and provides ready manpower for narcotics traffickers and illegal armed groups. Weak democratic institutions, corruption and political instability discourage investment, contribute to slow economic growth and provide fertile ground for drug traffickers and other outlaw groups to flourish. The drug trade has a corrupting influence that undermines democratic institutions, fuels illegal armed groups and distorts the economy, discouraging legitimate investment. None of the region's problems can be addressed in isolation.

Of the \$882 million Andean Regional Initiative request, \$731 million is for INL's Andean Counterdrug Initiative. Our goals in the Andes are to:

- Promote and support democracy and democratic institutions
- Foster sustainable economic development and trade liberalization
- Significantly reduce the supply of illegal drugs to the U.S. at the source

Just as Plan Colombia represented an improved approach by considering drug trafficking as part of Colombia's larger crisis, the Andean Counterdrug Initiative benefits from its appreciation of the illegal drug industry as part of something bigger. Drug trafficking is a problem that does not respect national borders and that both feeds and feeds upon the other social and economic difficulties with which the Andean region is struggling.

No nation in the region is free of trafficking or the attendant ills of other crime forms and corruption. To combat these ills, we propose a regional versus Colombia-centric policy and a comprehensive and integrated package that brings together democracy and development as well as drug initiatives.

For this reason, we plan to allocate almost one-half of the requested \$731 million for this initiative to countries other than Colombia. In so doing, we intend to bolster the successful efforts and tremendous progress we have made in counternarcotics in countries such as Peru and Bolivia, while preventing the further expansion of the drug trafficking problem into other countries of the region, such as Brazil, Panama, Venezuela, and Ecuador.

In addition to ensuring regional balance, the ACI also spans all three of our stated goals counternarcotics, economic development, and support for democratic institutions. The full ARI budget of \$882 million breaks into an approximately 50/50 split between counternarcotics and

alternative development/institution-building programs. Its ACI component (\$731 million) breaks into a 60/40 (counternarcotics vs. development/democracy) split. \$293 million of the ACI budget will be devoted to programs focused on alternative development and support for democratic institutions.

All of Colombia's neighbors are worried about the possibility of spillover, specifically that the pressure applied by the government of Colombia in southern Colombia will result in the flight of refugees, guerrillas, paramilitaries, and/or narcotics traffickers across porous borders into other countries. We will work with the countries of the region to strengthen their capacity to cope with potential outflows. In Peru and Bolivia, we will work with those governments to continue their reductions in coca through a combination of eradication, interdiction, and alternative development. In all countries, we will work to strengthen democracy and local institutions in order to attack trafficking networks which move precursors, money, fraudulent documents, and people.

Since we believe Plan Colombia will result in major disruption of the cocaine industry, ACI's regional approach becomes even more of an imperative. Traffickers will undoubtedly try to relocate as their operations in southern Colombia are disrupted. We believe they will first try to migrate to other areas inside Colombia, then try to return to traditional growing areas in Peru and Bolivia. But if those options are forestalled, they may well seek to move more cultivation, processing and/or trafficking routes into other countries such as Ecuador, Brazil, or Venezuela.

The nations of the region are already heavily committed in all three of the major areas of concern: democratization, economic development, and counternarcotics. All devote significant percentages of their annual budgets to these areas and are willing to work with us in the design and integration of successful programs. Exact figures are impossible to come by, but the nations of the region in total are committing billions of dollars to economic development, democratization and counternarcotics efforts. For example, Ecuador has established a Northern Border Initiative to promote better security and development in the region bordering Colombia. Brazil has launched Operation Cobra, a law enforcement effort concentrated in the Dog's Head region bordering Colombia. Bolivia has been attacking drug production through its Dignity Plan and is developing a comprehensive poverty reduction strategy. Colombia continues to pursue its commitments under Plan Colombia. Panama has taken concrete steps to improve security and development in the Darien region. The new Peruvian Government has made reform of democratic institutions a national priority, and continues to pursue aggressively the counternarcotics missions. In Venezuela, local authorities have cooperated admirably on drug interdiction, exemplified by last year's record multi-ton seizure during Operation Orinoco.

Programs to provide humanitarian relief for displaced persons, to help small farmers and low-level coca workers find legitimate alternatives to the drug trade, and to strengthen governance, the rule of law, and human rights will also be incorporated into the ACI.

Andean Trade Preferences Act Renewal

Renewal of the Andean Trade Preferences Act (ATPA) is perhaps the single largest short-term contribution to economic growth and prosperity in the Andes. By renewing the Act and expanding its benefits, we can continue to provide economic alternatives to narcotics trafficking in Bolivia, Peru, Ecuador, and Colombia. The Act has already succeeded in doing so without adverse economic impact for the United States. The original justification for the legislation still stands, but it expires at the end of the year, and should clearly be renewed at the earliest possible date. ATPA renewal would serve to strengthen the credibility of democratically-elected governments in the region and provide them with a clear demonstration of the benefits of

continuing to cooperate on counternarcotics. It would also halt a potentially crippling exodus of U.S. industries that relocated to the region when ATPA was established.

PERSPECTIVES

Remarks at the University of Witwatersrand

By

Secretary of State Colin L. Powell

[The following is a reprint of the testimony given by Secretary of State Colin L. Powell at the University of Witwatersrand, Johannesburg, South Africa, May 25, 2001]

I have been looking forward to visiting Witwatersrand University. This is a place with a remarkable history, and it is an honor for me to be before you this afternoon. For nearly eighty years, you have stood for academic excellence, you have stood for equality in a time when it was very difficult to do so. You have stood for opportunity. And above all, you have stood for the future. And it is the future that I want to talk to you about today, your future, the future of South Africa, the future of Africa as a whole, and the future of the world that Americans and Africans will share together with all the other peoples of the world. A future that your generation will inherit, but also one that each of you can help to make. Unquestionably, you will inherit lingering problems from the past, but you will also benefit from the progress of recent years.

Your generation is the first to have come of age in a free, democratic and pluralistic South Africa. Yours is the last generation to have experienced the shame and daily humiliation of apartheid. The generations of men and women who came before you, your grandparents and parents and aunts and uncles, changed their own lives and your lives, and the destiny of an entire nation was changed because they dared to hope and they dared to act. And soon it will be up to the new generation, being educated here, to hope and to act. America will hope with you. America will act alongside you. America will be with you every step of the way into the future.

As President Bush put it in his inaugural address, America engages with the world by history and by choice. We share a proud heritage with every ethnic group on the planet. We are a nation of nations. We also choose to engage, because in today's world, America's prosperity and well-being are linked ever more closely to the growth of freedom, opportunity and security everywhere in the world. And I am here today to say on behalf of President Bush that Africa matters to America, by history and by choice.

We have almost 35 million citizens of African descent. Last year, the total United States and African trade approached \$30 billion, and America is Africa's largest single market. The United States is the leading foreign investor in Africa. Over 30,000 Africans are studying in the United States today. Our pasts, our presents and our futures are closely intertwined. As America's 65th Secretary of State and her only African-American Secretary of State so far, I will enthusiastically engage with Africa on behalf of the American people.

Only seven years ago in 1994, when most of the students here were teenagers, I had the privilege of being on the American delegation to President Mandela's inauguration. Chancellor Goldstone and I shared the stage at that time, and we were together for a brief period of time. I had the great privilege of experiencing in that rare moment, when you could see and feel history being made in front of your eyes, you could feel it under your feet. As an African-American, I

was proud; as a member of the human race, I was inspired; as a student of world affairs, I was thrilled by this act of national reconciliation.

All of you will have your memories of that day. My memory is a very specific one. I waited out in front of the Union Building with so many thousands of others. I could hear the swelling noise below the hill, as tens upon tens of thousands of people waited. And then finally the moment came when the announcer said, ladies and gentlemen, please welcome the new president of the new South Africa, Nelson Mandela. And as the cheers got even louder and I could see out of the corner of my eye Mr. Mandela approach the stage, I noticed suddenly that he was not coming up alone. In front of him were four white generals of the South African Defense Force, as his escort, as his guard of honor, showing their allegiance to their new president. And as a general and as a soldier, I saw that. I truly knew I was watching history being made. I knew that something remarkable was happening that day, and something remarkable would be happening in the days that followed. And in the seven years since that historic day, remarkable things have happened. South Africa has emerged totally from decades of international isolation and domestic turmoil. You have had a peaceful transition of power, from President Mandela to President Mbeki. You have extended democracy to the grassroots through local elections. You have adopted and given force to a model constitution. You have embraced open markets and initiated economic reforms. You have shown the world that revolutionary change can be made without violence, that great injustices can be redressed without revenge, that diversity does not have to be divisive.

And you have been working with other African nations and the international community as a whole to end conflict in troubled parts of this continent. You still have your problems, you still have your challenges. But you have accomplished so very, very much as a new nation. You have achieved all of this and more in seven short years. And seven years from now, or seventeen years from now, when your generation will have come into its own, what kind of South Africa, what kind of Africa, what kind of world will we see? What kind of world will you have helped to shape? The spread of democracy and market economies and breakthroughs in technology permit us all to dream of a day when, for the first time in history, most of humanity will be free of the ravages of tyranny and poverty. It is well within the reach of that possibility, it is well within the reach of your generation.

Nelson Mandela once said, "People do not want freedom without bread, nor do they want bread without freedom." The unfettered and the well-fed have argued endlessly over which option, freedom or bread, people ought to take if they had to make a choice. But can any of us really know what we would do until we ourselves, or worse yet our families, were faced with such a desperate choice? But I can say this: free trade is the powerful instrument of freedom. A vibrant and dynamic market is the most powerful force for economic growth and sustainable development. This is not ideology talking; the facts speaking for themselves, and they tell us that free trade means bread, bread for the neediest of our people. That is why we will work energetically with our African friends through the *Africa Growth and Opportunity Act* to help drive trade expansion, remove barriers to growth, and attract investment.

Just last week, President Bush announced that the United States will be pleased to host the first ministerial level U.S.-Sub-Saharan Africa trade and economic cooperation forum this fall in Washington, DC. We will also champion the Southern African Development Community's efforts to promote stabilizing economic integration in the region. I note that Southern African Development Community plans to work toward establishing a free trade area among its members, and we applaud that effort. America's own very positive experience with the North American Free Trade Agreement led President Bush just this month to join with thirty-three other democratic leaders to launch negotiations for such an agreement for the entire Western Hemisphere. And I can envision that someday this continent will reach the stage where free trade

will link all the nations of Africa. Sustainable economic development depends on wise management of the environment, as well as trade liberalization and sound governance. My government is engaged in a wide variety of efforts at the bilateral and multilateral levels with non-government organizations and with industry, aimed at conservation and responsible management of Africa's precious natural resources. And we very much look forward to the world summit on sustainable development, which South Africa is hosting in 2002. In addition to our substantial bilateral assistance programs, the United States government also plays a leading role in fostering self-propelled African growth and development through the capacity-building efforts of the international financial institutions and the United Nations agencies that are hard at work in this effort. I cannot state strongly enough, however, that all over the world experience has shown has shown that trade and private investment have to go hand in hand with openness within a country. Trade and private investment, hand in hand with openness in a country, lead to growth and to development. Money, simply stated, is a coward. Capital will run from those countries which are closed, which are corrupt, which do not have open systems, which do not believe in the rule of law, which are callous or which are caught up in conflict. Money loves security; money loves transparency, legality and stability. Create those conditions in any country, and money will flow in, that money will produce wealth, wealth that will benefit all the peoples, or can be made to benefit all the peoples within that nation.

Only when societies embrace sound economic and trade policies, when they embrace the rule of law, when they practice good governance, and when they can give official assistance and private investment working together the opportunity to play effective roles in development, then we can see the kind of success that we need, the kind of opportunity that will draw in more private investment.

We are, of course, aware that many nations straining to lift their people out of poverty also struggle under external and domestic debt burdens, serious debt burdens. As part of our efforts to promote development, America is leading international efforts to reduce debts of the poorest and most heavily indebted countries as they embrace sound policies and commit themselves to using the savings from debt relief to improve the lives of ordinary citizens through investments in education and health, and other sectors of society that increase growth and alleviate poverty.

Under this initiative, my government has already committed to forgo 100 percent of the bilateral debt owed to us by nineteen African nations. We will forgive that debt. Fortunately, Africa's most far-sighted leaders have come to realize what leaders all over the world are recognizing: that sustainable development is closely linked to wise economic policies and democratic, accountable government. If you take a good look around, the most successful countries are those where militaries understand their subordinate role under civilians in a democratic society. Where governments do not oppose peaceful opposition with force, but instead engage them with ideas, debate in the field of ideas, not the field of force. Where journalists who exercise their right to free expression are not sent on express journeys to jail. Where big men do not define foreign investment as depositing stolen billions in foreign banks. And where the model for democratic participation is one person, one vote, and frequently elections allow people to change their minds every few years as to the manner in which they will be governed.

The true test of a democracy is not the first election or the second or the third; democracy takes root when leaders step down peacefully, when they are voted out of office or when their terms expire. And here, the trends are encouraging. President Diouf in Senegal, Vieira of Cape Verde; President Konare of Mali respects term limits, I met with him the other day; President Rawlings also respected term limits in Ghana. We applaud President Chiluba's recent decision to step down at the end of his term. He came to office through free and fair elections, and he will secure his democratic legacy by leaving office in keeping with his country's constitution.

There are, however, many who seem reluctant to submit to the law and the will of the people. After more than twenty years in office, Zimbabwean President Mugabe seems determined to remain in power. As you know, it is for the citizens of Zimbabwe to choose their leader in a free and fair election, and they should be given one so that they can make their choice as to how they will be governed in the future. That is why your model is so important. That is why your experience is so important as an example to the rest of the world and the rest of the continent. The manner in which you transferred power was such an honor for all of us to watch first President Mandela and then President Mbeki take over in that peaceful transformation. And the president and I had good conversations last night about all the issues that you would imagine, regional issues. And I respect him so much, and I was so pleased to convey to him President Bush's invitation for him to visit Washington on June 26th. I can tell you, the American people are anxious to see your president arrive in Washington next month. He will have a great time, I can assure you of that.

It is very simple. The proposition is very simple. As Nigeria's President Obasanjo once put it: "Nigeria's people," he said, "yearn for honest, transparent and accountable leadership that they can trust, from which they can derive inspiration for hard work, and which fully utilizes their talents and capabilities." That's all people ask for. Across this continent, America is working with African governments and international and local non-government organizations to promote and strengthen civil societies, human rights, the rule of law and genuine democratic government. For example, United States funded efforts are building the capacity of Uganda's parliament. America is helping rebuild Rwanda's justice system after the genocide, and enhancing the role of women in building a tolerant civil society. We are helping to promote civilian oversight of the military and the reforming of the police in Nigeria. And here in South Africa, we are providing technical assistance in your drafting of the landmark civil rights legislation required by your constitution. America will continue to work with African countries in these and so many other ways to foster the political and economic conditions critical to growth. As President Bush said when he addressed his first joint session of Congress, "We will work with our allies and friends to be a force for good and a champion of freedom. We will work for free markets, free trade and freedom from oppression. Nations making progress towards freedom will find that America is their friend."

As we look into the future, a decade or two from now, I hope that in addition to greater democracy and economic growth, we will see a continent at peace, that the devastating conflicts that rage today in the Congo, the Sudan, Sierra Leone, Liberia, Guinea, Angola, the Horn and the Great Lakes region, will have long since been resolved. Tragically, the millions who have already perished in these conflicts are lost to the future. They are lost to Africa. We will never know the gifts that they may have brought to Africa and the gifts they may have given to all humanity. And to the millions more who are now among the driven and displaced, the future means little more than survival from one day to the next.

The United States will continue to work with our African friends to ease the suffering. We will continue to build on America's proud tradition of leadership in meeting the needs of the world's refugees and displaced. So that humanitarian crises can be prevented and not just relieved, we place great importance on addressing the underlying causes of conflict: poverty, inequality, intolerance, weak civil society, bad governance. We will redouble our efforts within the international community to curb trade, which fuels violence, such as trafficking in conflict diamonds and weapons. We must all do more to heal war-torn societies so that violence does not recur. The legacies of war, land mines and still-armed and unemployed ex-combatants continue to inflict suffering and undermine stability long after peace accords are signed. We are working with a dozen African nations to build a capacity to clear land mines and to assist their victims. And we support programs throughout the continent to disarm and demobilize former combatants and reintegrate them into society. Often the combatants themselves are the victims of conflict,

including children who have been forced to put their schoolbooks aside and to pick up AK-47s. Meanwhile, we will continue to work with the international community to resolve ongoing conflicts. The United States is actively supporting the December 2000 peace agreement between Ethiopia and Eritrea, as well as the United Nations peacekeeping missions in Congo and Sierra Leone. We also support peace-building missions in Guinea-Bissau, Angola and the Central African Republic. Through Operation Focus Relief, we are helping to prepare seven West African battalions for service in Sierra Leone.

Looking beyond these immediate conflicts, we support Africa's own regional efforts through Economic Council of West African States, and hopefully through the Southern Africa Development Community as well, to develop greater indigenous peacekeeping capability. Because at the end of the day, African regional forces are the best ones, best equipped and best able to deal with some of the conflict and peacekeeping situations that we find on the continent. Based on a series of discussions I have had since January with leading protagonists in the Congo conflict, for example, I am cautiously optimistic about the efforts under way to implement the Lusaka Agreement to bring peace to Congo. It is important that progress be achieved on three key fronts:

- disengagement of forces
- national dialogue
- demobilization and disarmament of negative forces operating in the Congo.

I want to state very clearly to the people of Congo that the United States will not support any outcome that does not preserve the territorial integrity and sovereignty of Congo. Partition will not bring lasting peace, and we will not support it. A peaceful solution to Burundi's internal conflict is also critical to overall stability in the Great Lakes region. We are grateful for South Africa's mediation efforts, and we fully support those efforts. And we will remain very closely engaged with our African partners in seeking to prevent an already dangerous situation from descending into chaos and catastrophe.

Many Americans, not least President Bush, are deeply concerned by events in Sudan, the scene of Africa's longest-running civil war and one of its bloodiest. Addressing humanitarian needs, ending human rights abuses and Sudan's support for international terrorism are all problems that have to be dealt with, and all sides need to work together to create a viable peace process to bring these problems to an end and to move Sudan in a more positive direction. The United States plans to take more action on our side to help with the humanitarian situation in the Sudan. We have just appointed the new United States Agency for International Development Administrator, Mr. Andrew Natsios, as Special Humanitarian Coordinator for Sudan. The United States is planning to appoint a special envoy to work on the peace process and to work for reconciliation within the Sudan.

The United States will be a friend to all Africans who seek peace. But we cannot make peace among Africans. Peace is not a foreign concept here, nor can it be a foreign import. Africans themselves must bear the lion's share of the responsibility for bringing stability to the continent. And I am so pleased that, especially here in South Africa, President Mbeki understands that and is working hard on conflict resolution throughout the continent. All the efforts that Africans and Americans make together, from fostering good governance and economic reform to promoting stability, will come to little unless African countries make deep growth-supporting infrastructure investments. We are therefore encouraged by the Millennium Partnership for Africa Recovery Plan, advanced by President Mbeki and other African leaders, which emphasizes fundamental issues of governance, economic management and infrastructure.

For much of Africa, problems with the quality and quantity of available transportation, potable water and electricity systems pose serious obstacles to development and growth. Firms, farms and factories cannot be started where there is no power grid or access to water. Goods cannot be delivered where there are no roads or trails to markets or to ports. Here again, experience shows that private investment is the most effective way to solve these problems. And so we strongly support the role international financial institutions play, including identifying needs and helping create the conditions that enable private sector involvement in infrastructure projects. American companies are active in this area across the continent, in sectors such as communication, safe power, health, agricultural development and transportation. More fundamental to success than sound infrastructure, however, is the well-being of Africa's greatest resource, its people. Young democracies depend on informed citizens. Growing economies depend on skilled labor and skilled management. To help free the enormous potential of the 800 million men and women of Africa, the United States is engaged in scores of education programs throughout the continent through the United States Agency for International Development, the Peace Corps, United States-based non-government organizations colleges and foundations. For example, the United States government launched the Africa-wide Education for Development and Democratization Initiative back in 1998 to give special attention to the needs of girls and women, to enhance the availability of technology for education and promote citizen participation in democratic governments. I am delighted that before the end of this year, Witwaterstrand will launch Africa's first international relations center with grants from United States-based foundations. Not only will the center welcome students from across the continent, it will send South African exchange students to other African countries to broaden their perspectives and to enrich their knowledge.

From time to time, perhaps we need to have an indaba or council meeting with African countries all coming together to discuss education and skills training and to assess what more we can do together especially for young people. This certainly includes bridging the digital divide. I am an internet addict. I live on the internet. And before I left home on this trip to Africa, I was surfing around and came across AfriCare's website. It features the digital village in Soweto which I just visited this afternoon, which provides community-based net access that promotes literacy and job training. This is the kind of investment we need to prepare young people for the future. In its first year, the Soweto digital village equipped more than five hundred children and young adults with the computer skills they need to compete for the jobs that are waiting for them in the 21st century economy. More digital villages are opening every year, and I am glad to report that AfriCare's very, very able leader, Mr. C. Payne Lucas, has found corporate partners in Microsoft, Eastman-Kodak, Hewlett Packard, Intel and the St. Paul Companies. AfriCare also hopes to use the centers to further its AIDS education and awareness work.

So much promise, so much progress here in South Africa and across this continent. So much has been done, and so much more yet to be done. Yet, it all can be undone by the unchecked plague of HIV/AIDS and other deadly diseases. The AIDS crisis is not just a health crisis across this continent, it is an economic crisis, a social crisis, a crisis for democracy, a threat to stability, a threat to the very future of Africa because it is decimating the very people who build that more prosperous, democratic, peaceful future that I have been speaking about. More 25 million African infected with HIV/AIDS, over 17 million deaths. Last year alone, there were almost 4 million new cases and 2 1/2 million deaths. In several Southern Africa countries, the adult infection rate exceeds twenty percent. The figures are both numbing and shocking, but each statistic has a name, a face, a family, a story. Probably many of you in the audience today have been touched by such a story.

I heard many of them earlier today at a place called The Village of Hope, sponsored by Hope Worldwide. Hope lives even where life is at its most precarious. I see it now in the AIDS wards of Africa, and I have seen it in the foxholes of war. The capacity to hope, to hope that we can

make something better, to hope that we can improve, to hope that we can fight these kinds of diseases. This capacity for hope is what makes us human. Let us be clear, our enemy is the HIV virus that causes AIDS. Our enemy is not its victims. All who carry HIV deserve compassion, not ostracism. They deserve to be treated with dignity, not disdain. All who combat this dread disease must work in greater concert. And I will say to you that the people of Africa are the key to fighting HIV/AIDS in Africa. Opinion leaders can send life-saving messages about people taking responsibility for their own behavior and about ending the stigmatization of the afflicted. The international basketball star, Congo's Dikembe Mutombo, is doing just that. Our first objective, he said, "is to find a way to solve the problem by preventing the spread of AIDS among men, and mostly we have to start with education." He went on to say, "And something is bothering us as Africans, the breaking of the silence. We have to come to the point to stop the taboo that is preventing us from talking about AIDS in our homes, in our families and in our communities. It is so important that we face this crisis with a sense of reality." People at all levels of society must stand up and be counted. Just as your Student Representative Council did here at Witwatersrand when in an inspiring act of personal and civic courage, they publicly had themselves tested for HIV/AIDS, and I salute them for that courage.

At the OAU summit in Abuja, African leaders pledged to give the fight against HIV/AIDS the highest priority in their national development plans. They pledged to increase resources from their own budgets for infectious diseases, and they supported the creation of a global fund to combat these deadly scourges. For our part, the United States has been and will continue to be the largest bilateral donor against HIV/AIDS, malaria and tuberculosis. On May 11th, President Bush announced the United States is prepared to commit an additional \$200 million to a global trust fund. We hope that this funding and the initiatives taken by others will catalyze the world community to more effective action. This is just the beginning. We will do more in the years ahead, and we will ask to do even more with partners by leveraging up our contribution to get others in the private sector, the business sector, private citizens to contribute to this global trust fund. We believe that only an integrated approach makes sense, an approach that emphasizes public education and prevention, but also includes treatment of the sick and care for AIDS orphans. It includes affordable drugs, effective delivery systems, training of medical professionals and research into possible cures. All of these elements must and will be actively pursued. But I will tell you that unless a strong emphasis is put on prevention, prevention and more prevention, the pandemic will continue to rage out of control. I am equally convinced that if all concerned adopt the right approach and combine our resources, we can stem the tide of HIV/AIDS and other infectious diseases in your generation.

When President Mandela cast his historic vote in 1994 in South Africa's first democratic election, he spoke Dr. Martin Luther King's words that Dr. King presented at the Lincoln Memorial, "Free at last, free at last, thank God Almighty, free at last." Through vicious crowds and attack dogs and tear gas and billy clubs and fire hoses, African-Americans marched with Dr. King armed only with faith, conviction and song. In the words of the old spiritual, they kept on walking and talking while their minds stayed on freedom. And from the path their minds had set upon, their feet would not be turned. Your parents' generation had their minds set on freedom, and thanks to them, they followed the spirit of Martin Luther King and followed the leadership of Nelson Mandela and Thabo Mbeki and so many others. As a result of their sacrifice and as a result of the fact that their feet would not be turned, your generation is free, free to be and free to do, free to use your excellent education to seize opportunities for yourselves, for your country, and for the people of this continent. I hope that your generation of Africans will have your minds set on the future and that you will not be turned from your path. I hope that you will not be discouraged by those who refuse to recognize Africa's potential. Your generation can prove them wrong. I hope that you will not be deluded by those who cling to bankrupt ideologies or who still view the world through the old 20th century prism. They will only delay your progress. In this new century, America no longer sees the world as East versus West, and in this increasingly inter-

dependent globalized world, we should no longer see Africa as North versus South. We are all one. We are all connected and we are all together.

Finally, I hope that today I will leave you in no doubt that the United States is committed by history and by choice to a mutually productive, long-term engagement with Africa. No one who has ever witnessed an African dawn can fail to believe in the future of Africa. Even the least romantic of souls is moved to metaphor. There have been countless magnificent African dawns here since the very morning of human kind. And many a daybreak, including some in your young lifetime, have brought incalculable African contributions to world civilization. We also know that this morning millions of African men, women and children again awaken to disease, destitution and despair. That is why I will not end my speech with just a rosy vision of dawn. It is far more useful to present a cleared-eye picture of the challenges that the people of Africa will face in the days ahead and include the challenges of building democracy, of creating free and prosperous market economies, of securing peace, of establishing the conditions for sustainable development. These challenges are not unique to Africa or even to America, but Africa must find her own means of meeting them with our help.

And so I ask all of you, all of you, to imagine this continent twenty, perhaps thirty years from now. Let's dream of an Africa of vibrant democracies, from the Sahel in the north to SADC in the south, from Economic Council of West African States in the west to the East Africa Cooperation entity in the east and every place in between. Let's dream of an Africa of economies thriving in global markets that stretch from Pretoria to Paris, Nairobi to New York, Timbuktu to Tokyo. A continent of countries at peace within their own borders and at peace with their neighbors. Let us dream of that. Let us dream of a continent where for the first time the majority of the her people have access to decent schools and medical facilities, to safe drinking water, to good roads and railways, to electricity and, yes, to the Internet. That Africa, which we should dream about today, is within your generation's reach, and America is committed to helping you reach it. In closing, my question to you, and to all the other well-educated members of your generation throughout this continent, is not whether such an Africa is possible but, instead, what will you do to make it happen? It is in your hands, and I know that you will do your part. You will do everything to bring about the promise that God has put in this marvelous continent. I thank you so very much.

United States Military Training Mission: A Paradigm for Regional Security

By

**Major General Silas R. Johnson Jr., USAF
Chief, United States Military Training Mission, Saudi Arabia**

As former coalition leaders celebrate the anniversary of the liberation of Kuwait and reflect on the ten years that have passed since the Gulf War, there has been renewed criticism with regard to U.S. policy in the Middle East. While the U.S. struggles to control the problems of guaranteeing the flow of Arabian Gulf oil, deterring Iran and Iraq, and moving the Arab-Israeli peace process forward, anti-American sentiment, increasing terrorist threats and regional conflict and tensions continue to overload the resources of the U.S. military.¹

In response to these trends, the United States Central Command (USCENTCOM) has developed a theater strategy that encourages regional security arrangements that includes the Arab countries themselves taking greater responsibility for the region's defense. Specifically, in the Kingdom of Saudi Arabia (KSA), the United States Military Training Mission (USMTM), USCENTCOM's security cooperation organization, has assisted the Saudi Arabian armed forces (SAAF) in developing, training and sustaining capable deterrent and self-defense forces for over forty years. This article describes the history, mission, organization, function, and role of the United States Military Training Mission and its relevance to the future of security and stability in the region.

Significance of the Region

The Arabian Peninsula and the Gulf Region have a distinct strategic location in the southwest corner of Asia. The Arabian Peninsula is at the crossroads of Asia, Europe, and Africa. Being surrounded by important international waterways (the Hormuz Strait - the gateway to the Arabian Gulf, the Bab Al Mandab Strait, the Suez Canal, and the Red Sea), the Arabian Peninsula enjoys a strategic position in terms of communications and transportation. From an economic point of view, the Arabian Peninsula is home to the largest producers and exporters of oil, the main source of energy for the industrialized world. Currently, the Arabian Peninsula houses over 65 percent of the world's oil reserves, and Gulf countries produce 33 percent of the world's oil. Because of its communication, transport, and economical importance as well as its strategic depth, the Arabian Peninsula, and Saudi Arabia specifically, will continue to be strategically important to the United States for the foreseeable future.

Background: U.S. and Saudi Arabia Relations

The United States and Saudi Arabia share common concerns about regional security, oil exports and imports, and sustainable development. Close consultations between the U.S. and Saudi Arabia have developed on international, economic, and development issues such as the Middle East peace process and shared interests in the Gulf region. The continued availability of reliable sources of oil, particularly from Saudi Arabia, remains important to the prosperity of the United States as well as to Europe and Japan. Saudi Arabia is the leading source of imported oil for the United States, providing more than 20 percent of total U.S. crude imports and 10 percent of U.S. consumption. The U.S. is Saudi Arabia's largest trading partner, and Saudi Arabia is the largest U.S. export market in the Middle East.²

Since 1933, when diplomatic relations with Saudi Arabia were first established, the Saudi Arabian government has cooperated with the U.S. government and private organizations for technical expertise and assistance in developing its human and mineral resources. The two countries established a Joint Commission on Economic Cooperation in June 1974. Under commission auspices, cooperation between the two countries has grown in technical training and education, agriculture, science and technology, transportation, government administration, industrialization, and solar energy research. In addition to economic ties, a longstanding security relationship continues to be important in U.S. and Saudi relations.³

The United States Military Training Mission

The U.S. Military Training Mission was formally organized in Dhahran, Saudi Arabia in 1953 under the terms of the Mutual Defense Assistance Agreement between the United States and Saudi Arabian governments. Specifically, it was agreed that USMTM would administer assistance under the terms of the *Mutual Defense Assistance Act of 1949* and the *Mutual Security Act of 1951* to assist and advise Saudi Arabian armed forces with respect to plans, organization, administrative principles, and training methods. Additionally, USMTM would provide training and support in the use of weapons and other security-related services as required. A Memorandum of Understanding dated 8 and 27 February 1977 governs the day-to-day relationships between USMTM and the Ministry of Defense and Aviation (MODA).

After the Gulf War, the role of USMTM changed, when, in an effort to overcome the financial burden of the Gulf War, the Saudis desired to significantly realign their financial commitments into a manageable system by reprogramming their financial obligations. This effort became a major focus of USMTM when they became the frontline managers of approximately \$60 billion representing 375 foreign military sales cases. In 1997, the security assistance role of USMTM changed once again. The focus of USMTM shifted from a focus on equipment procurement to enhancing the existing Saudi Arabian armed forces capability and sustainability from focusing on the transfer of technology to the transfer of technological know how.

Today, USMTM is a joint training mission and functional component command under the military command of the USCENTCOM, MacDill Air Force Base, Florida.⁴ USMTM's mission is to advise and assist the Saudi Arabian armed forces through security cooperation efforts in developing, training and sustaining capable deterrent and self-defense forces for Saudi Arabia in order to facilitate regional security. The mission of USMTM directly supports USCENTCOM's theater strategy to shape, respond and prepare, through forward presence, bilateral and multilateral exercise programs, security assistance activities, and foreign military sales⁵.

USMTM is organized into a headquarters, three service divisions, a joint advisory division and a directorate staff.

The Joint Advisory Division (JAD) advises the general staff of the MODA. This staff corresponds to the Joint Staff in the U.S. Department of Defense. Personnel of the JAD work with their Saudi counterparts in all aspects of planning, operations, and training generated by the Ministry of Defense and aviation joint and special staff for the Royal Saudi Land Forces (RSLF), Royal Saudi Naval Forces (RSNF), Royal Saudi Air Forces (RSAF) and the Royal Saudi Air Defense Forces (RSADF). In addition, they serve as principal assistants to the directors, Foreign Procurement Department, and Foreign Assistance and Cooperation Department in their management and administration of Saudi Arabian foreign military sales (FMS) cases as well as advise the faculty of the Saudi Armed Forces Staff College.

The Land and Air Defense Forces Division (L/ADF) is responsible for providing advisory, training, and security assistance support to the RSLF and the RSADF.

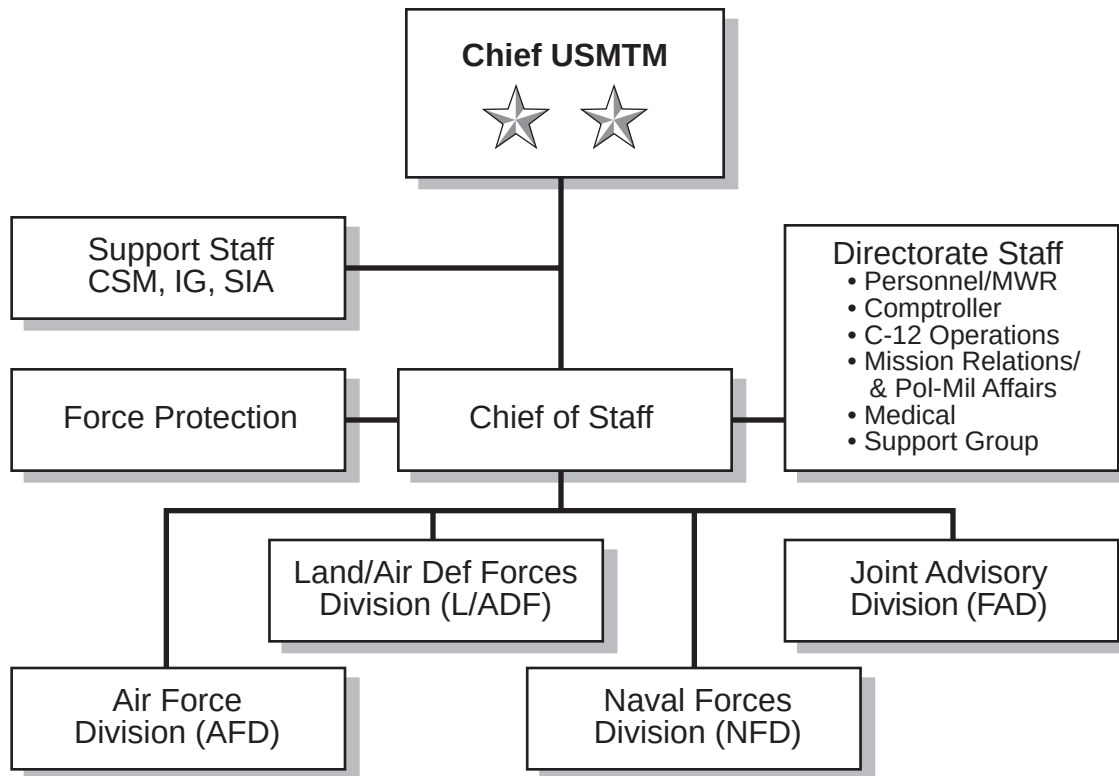


Figure 1: USMTM Organization

The Naval Forces Division (NFD) works with their counterparts in all aspects of operation, planning, logistics, and training for the RSNF and their Marine Force (RSNF-MF).

The Air Force Division (AFD) works directly with their RSAF Headquarters counterparts on all logistics, operational, and FMS issues.

The USMTM Strategic Plan

In 1997, in order to capitalize on the opportunities presented by the shift in the focus of the USMTM mission ... from a focus on equipment procurement to sustainability, USMTM developed a strategic action plan to transform its organization to continued to be responsive to the needs of our Saudi counterparts and to support the National Military Strategy. The strategic direction outlined in the plan is based on the needs of the Saudi Arabian armed forces, the mission and vision of USCENTCOM, the aims and objectives of the U.S. embassy country team, Defense Security Cooperation Agency guidance, the 1977 accords, and the uniqueness of the USMTM operational environment.

The plan focuses on synchronizing the six imperatives of modernization: doctrine, manning, force structure, training, leader development, and logistics systems in order to assist the Saudi Arabia armed forces in fully capitalizing their long term defense investment. Additionally, it recognizes the importance of improving the stewardship of FMS, increasing the efficient use of resources, enhancing quality of life, and ensuring force protection. Finally, you will see that we continue with our initiative to improve the productivity of USMTM in order to sustain its capability and capacity to achieve our end state vision. The action plan is a living document that is periodically updated to validate our strategic direction. The planning process that was used to

produce the updated plan validated the USMTM strategic direction that is defined by the USMTM mission, vision and guiding principles.

USMTM Mission

As previously stated, the USMTM mission is to “advise and assist the Saudi Arabian Armed Forces through coordinated security cooperation efforts in developing, training, and sustaining capable deterrent and self-defense forces for the Kingdom of Saudi Arabia in order to facilitate regional security.” Simply put, USMTM provides MODA with a single point of contact to facilitate coordination between the Office of the Secretary of Defense, USCENTCOM, the Defense Security Cooperation Agency, and the American Embassy in KSA.

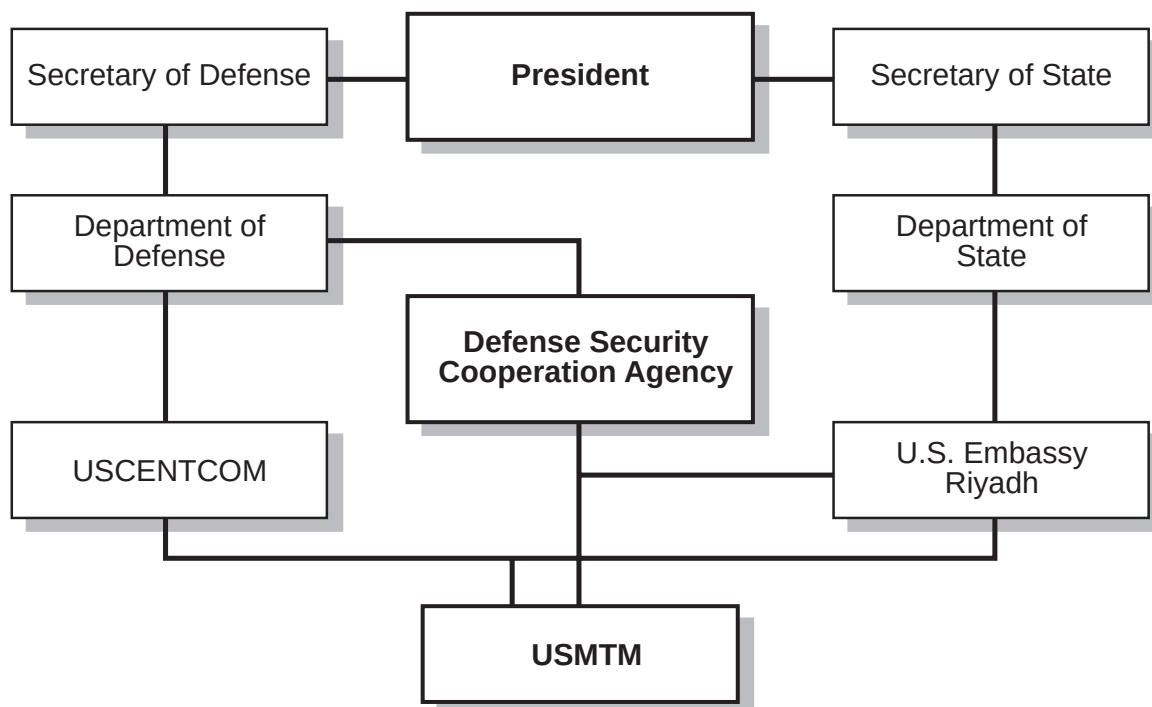


Figure 2: Organizational Relationships

USMTM Vision: Professionals Providing World Class Security Cooperation

The long-range vision of USMTM is as follows: a motivated diverse team of professionals operating in an environment of cooperation, innovation and continuous improvement; leveraging technology and proven management practices; executing a security cooperation program for the Kingdom of Saudi Arabia that thrives, based upon mutual respect and the value added of our expertise; and advising and assisting the most capable self defense force in the region.

Most readers will be familiar with mission and vision statements, guiding principles and other language akin to total quality management. Considering the long-term nature of our relationship with KSA, a strategic plan is the formula for long-range success in this region.

USMTM Goals

There are seven goals that USMTM has set to attain its strategic vision. Just as important as the goals are the supporting plans which each division and directorate must draft and execute. Each division's supporting plan better enables them to accomplish their goals.

- Advise and assist SAAF in maintaining capable deterrent and self-defense forces.
- Advise and assist SAAF in achieving and maintaining interoperability within SAAF and with their allies.
- Advise and assist SAAF in the development and implementation of a long range, requirements-based FMS Program.
- Effectively and efficiently use USMTM resources.
- Ensure the highest practical quality of life for the USMTM community.
- Execute a practical, effective force protection program.
- Improve the productivity of the USMTM Top Team.

New Initiatives

The USMTM staff is currently in the midst of planning for the next meeting of the Joint Planning Committee, scheduled to occur in October 2001.

The Joint Planning Committee is a forum for senior United States Department of Defense and Kingdom of Saudi Arabia Ministry of Defense and Aviation officials to review ongoing issues, provide an exchange of ideas, and continuously strengthen the military relationship between the United States and Saudi Arabia. As stated by General Saleh bin Ali Al-Muhayya, Chief of General Staff, Saudi Armed Forces, the purpose of the Joint Planning Committee is "... that the United States-Saudi relationship would benefit from a systematic annual review process that would address ongoing issues and provide a forum to exchange ideas on ways to enhance the military relationship."

The United States Department of Defense Near East-South Asia Center for Strategic Studies (NESA Center) celebrated its inaugural opening 31 October to 2 November 2000, and was attended by two Saudi general officers. The purpose of the NESA Center is to provide an inclusive, neutral institution where regional military, diplomatic and national security professionals can broaden their understanding of the national strategy formulation process, examine regional security issues, improve their defense-related decision-making skills and develop cooperative relationships with one another. As currently envisioned, the Center's program will address regional security within the context of four broad themes:

- The international and regional strategic environment
- Transnational security issues
- Security related decision-making (defense policy planning)
- Regional cooperation and conflict management

Participation will be open to military and official civilian representatives of all countries within the NESAs region that maintains formal diplomatic relations with the U.S. government. Non-NESA countries, which have strategic interests in the region, are also included.

The remainder of the JPC was dedicated to discussion of select KSA and U.S. proposed agenda items. The JPC concluded with an agreement between Assistant Secretary of Defense for International Security Affairs Franklin Kramer and General Muhayya that a JPC follow-up committee would be created with the purpose of addressing “whatever issues were necessary requiring immediate attention and expert level consultations.” In his closing remarks, Mr. Kramer thanked all the participants and stated the discussions had been extremely useful and productive and he would relay that to the Secretary of Defense. General Muhayya agreed with Mr. Kramer’s assessment that the JPC had been a very productive meeting. He also stated that it was important to establish a framework and direction for all future work.

Conclusion

The United States Military Training Mission has successfully assisted the Saudi Arabian Armed Forces in developing, training and sustaining capable deterrent and self-defense forces for the Kingdom of Saudi Arabia. Ongoing initiatives such as the Joint Planning Committee described above continue to show the relevance and importance of security cooperation organizations to the future of security and stability initiatives in the region. The continued success of USMTM show that it is a model for a theater strategy that encourages regional security arrangements which acknowledge the greater role for the region’s defense on the part of the countries themselves. USMTM has developed, nurtured, and reinforced the partnership between the U.S. and the KSA and continues to strengthen the relationship between MODA and DoD that has been ongoing for over forty years (and will continue long into the future.)

End Notes

1 For an overview of U.S. strategic interests in the Middle East, as well as a discussion of U.S. plans for increasing stability in the region, see Office of the Assistant Secretary of Defense, *United States Security Strategy for the Middle East* (Washington, D.C.: Department of Defense, Office of International Security Affairs, May 1995).

2 See “Background Notes: Saudi Arabia, September 1998,” on-line, Internet, 7 March 2001, available from www.state.gov/www/background_notes/saudi_0998_bgn.html.

3 Ibid.

4 Additionally, the Chief of USMTM also serves as the senior United States Department of Defense Representative (USDR) in Saudi Arabia and has been given coordinating authority over other Department of Defense agencies in country. These agencies include the Office of the Program Manager of the Saudi Arabian National Guard (OPM-SANG), and the Defense Contract Management Command (DCMC). The Chief of USMTM works under the general guidance of the American Ambassador to Saudi Arabia.

5 Saudi Arabia has spent \$83.1 billion in foreign military sales since its inception in fiscal year 1973. The United States has sold Saudi Arabia military aircraft (F-15s, AWACS, and UH-60 Blackhawks), air defense weaponry (Patriot and Hawk missiles), armored vehicles (M1A2 Abrams tanks and M-2 Bradley infantry fighting vehicles), and other equipment.

EDUCATION AND TRAINING

Revision to the Financial Management Regulation on the Horizon

By

**Gregory W. Sutton
Defense Institute of Security Assistance Management**

Despite numerous efforts over the past several years, there have been few significant updates to the *DoD Financial Management Regulation DoD 7000.14 R, Volume 15, Security Assistance Policy and Procedures* since the original publication date of March 1993. This trend took a dramatic change beginning in December 2000. Under the chairmanship of Tom Hafer, Office of the Under Secretary of Defense (OUSD) Comptroller, Business Policy, and David Rude, Defense Security Cooperation Agency (DSCA) Comptroller, Financial Policy, a team with members from all three military departments, DFAS deputate for security assistance, DSCA, Defense Institute of Security Assistance Management (DISAM) and the OUSD comptroller have been meeting monthly to revise the entire Volume 15 of the *Financial Management Regulation*, chapter by chapter, paragraph by paragraph. Some joint membership on the financial integrated process review team has also had a synergistic effect and several new topic areas are being incorporated in the *Financial Management Regulation*. A summary of major proposed changes is included below. These changes have not been formally coordinated and thus are not final, and therefore significant detail is not provided in this article. It is anticipated that those less complex chapters will be formally coordinated through the DoD comptroller and military departments in a thirty day period beginning in mid July. Each chapter will be posted after a complete review. You should expect to see this occur in late August. More complex chapters, i.e., chapters 7 and 8 will likely take longer in coordination with anticipated release in the early fall September through October timeframe. The *Financial Management Regulation* is available, on-line, in several locations including Deskbook, DoD comptroller, DSCA, and DISAM web pages disam.osd.mil.

The following is a summary of proposed major changes to the *Financial Management Regulation Volume 15*.

- **Global Changes**
 - Identified placeholders for future financial policy emphases.
 - Removed fiscal year 2001 start date previously proposed for change in policy regarding CAS, LSC, PC&H and Transportation. (Instead, a surcharge assessment team is being formed.)
 - Reflected new DFAS symbol (DFAS-AY/DE vice DFAS-DE/I).
 - Updated DoD component responsibilities.
 - Inserted hyperlinks to non-financial management regulation sites relevant to FMS.

•• Added requirements announced in Department of the Secretary of Defense 13 Dec 99 memo.

- **Foreword through Chapter 1**

- Updated abbreviations and acronyms.
- Updated existing definitions and defined newly established terms.
- Updated references and inserted web site linkages.
- Clarified OUSD(C)/DSCA relationship.
- Emphasized DoD FMR is now maintained electronically.

•• Refined the process by which suggested changes to *Financial Management Regulation* are staffed.

- **Chapter 2**

- Added new section 020107 (FMS Admin “safety” level).
- Updated admin/LSC/CAS budget processes.
- Revised 2060/2061 process.
- Updated pricing element codes (PECs).
- Overhauled case closure policy section.
- Rewrote the section on *Anti-Deficiency Act* and adverse financial condition.

- **Chapter 3**

•• Reinstated special billing arrangements as a second form of U.S. government official payment claim.

- Clarified accounting for attrition charges.
- Updated object class codes and list of activities.
- Overhauled Administration/LSC/CAS section.
- Updated chart of accounts and related definitions and illustrations.
- Revised management control section.

- **Chapter 4**

- Clarified cash management characteristics.
- Reiterated proper usage of Table 4-1.

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- Revised extensively the payment schedule section.
 - Updated wire transfer and check instructions and LOA signed copy distribution.
 - Reiterated requirement for EA to precede disbursement.
 - **Chapter 5**
 - Revised payment schedule review requirements.
 - Clarified legal and policy definitions of debt, late payments, averages and applicability of interest.
 - Added interest illustrations.
 - **Chapter 6**
 - Updated case file documentation requirements.
 - Clarified file retention guidelines.
 - Changed case planning milestones and case closure checklist.
 - **Chapter 7**
 - Rewrote reduced pricing section (e.g., EDA).
 - Revised pricing methodology for calculating accessorial.
 - Updated policy on what price and cost information that can be shared with FMS customers.
 - Ensured consistency with DWCF and revolving fund policies.
 - Updated cost elements.
 - Revised tables throughout.
 - Reiterated CLSSA progress payment reporting policy.
 - Updated training pricing matrix and related policies.
 - Added policy on distance learning pricing.
 - Updated publications pricing policy.
 - Included software pricing policy.
 - Reduced SDAF section considerably.
 - Moved case funding matrix and LSC table to SAMM.
 - Overhauled draw down policy section.

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- Inserted sections 607 and 632 policy.
 - In general, updated numerous pricing policies.
 - **Chapter 8**
 - Corrected information regarding DD645 columns.
 - Updated all codes (IA, Monitor, DSC, TBC, TA) as appropriate.
 - Reinstated Surcharge Matrix (Table 8-13) and updated all tables.
 - Moved transportation cost look-up table to SAMM.
 - Emphasized FMS delivery reporting and requirements.
 - Overhauled CAS billing process.
 - Overhauled transportation billing process.
 - Updated DFAS-AY/DE management control program.

To better appreciate the scope of this effort and where we are today, consider a few metrics. One hundred and forty-eight (148) action items were individually assigned for analysis in the period between working group meetings. Of those 148, 117 have been resolved and closed (79 percent), five are pending closure (3 percent), and 26 (18 percent) are yet to be completed. During this effort, it was noted that, while the majority are in Volume 15, there are also foreign military sales and security assistance cooperation guidelines and policies contained in other volumes of the *Financial Management Regulation*. A table with general topics linked to *Financial Management Regulation* volume and chapter is provided below for your use. This table, along with a data and a reference search capability in Deskbook, should prove helpful in working foreign military sales or security assistance cooperation issues outside one's normal area of expertise.

Once the new *Financial Management Regulation* is published in its entirety, the process by which it will be maintained as a "living document" begins. The military departments will be working with DSCA and OUSD comptroller to include annexes to provide a non-redundant consolidation of unique military departments financial policies and procedures. The normal updates resulting from legislative changes, data systems, policy changes, etc. will be processed and posted as they occur; however, the working group has also formulated a strategy to incorporate additional enhancements to the *Financial Management Regulation*.

These enhancements (nicknamed place holders as they were identified) will require further definition and refinement before incorporation in *Financial Management Regulation*. The group felt delaying the release of the revised *Financial Management Regulation* to complete the analysis was not warranted. Some of those enhancements include:

- Better focus on direct commercial sales cost recoupment policy
- General cooperative logistics supply support arrangements policy, viability, and reimbursement

- Improve clarity of diversion, buyback, and return procedures
- More precise guidelines on the use of estimated versus actual delivery prices

This effort ushers in a new era of cooperation between the Department of Defense agencies and the military departments that develop and execute the security cooperation programs and the policy makers who establish requirements and direction as dictated by law and sound fiscal and financial principles. The intended outcome, legislative requirements, and value added were watchwords of the team as each chapter, paragraph, and illustration were reviewed. The goal was to provide clear and concise guidance to the entire security cooperation community, not just the financial segments. I look forward to providing our community another update when the finalized changes have been formally adopted. Depending upon actual publication date, look for this summary in the fall or winter editions of the *DISAM Journal*.

The following is a list of other financial management regulation volumes with foreign military sales guidance.

Volume	Chapter	Title Definitions
1	9	Financial records retention
2a	1	General information
2b	4	Procurement appropriations
2b	9	Defense working capital funds activity group analysis
2b	19	Other special analysis
3	8	Standards for recording and reviewing commitments and obligations
3	11	Unmatched disbursements, negative un-liquidated obligations, and in-transit disbursements and suspense account
3	15	Receipt and use of budgetary resources - execution level
3		Table of contents
4	3	Receivables
4	18	Revenues, other financing sources, and gains
5	20	Assembly and transmittal of financial reports
5	21	Disbursing office records
6a	5	General purpose reporting
6a	9	Accounting and reporting for operation and maintenance of the family housing program
6a	12	Collecting and reporting of foreign indebtedness within the DoD
6a	13	International balance of payments reporting and estimating
6a	Appendix C	DFAS-DE Air Force IBOP reports
6b	2	General instructions for the financial statements
6b	9	Statement of custodial activity
6b	10	Notes to the financial statements
10	10	Payment vouchers - special applications
10	11	Payment as reimbursement - for personal expenditures
11a	5	Disposition of proceeds from Department of Defense sales of surplus personal property
11a	Appendix D	Contract administration services
11a	Appendix E	DoD owned fixed wing aircraft
11a	Appendix G	DoD owned helicopters
11b	55	Inventory and supply management operations
11b	63	Cost accounting requirements for depot maintenance
12	7	Financial liability for government property lost, damaged or destroyed
12	8	Foreign national employees separation pay account, defense

12	9	International agreements
12	10	Funding civilian separation incentives and civilian personnel transition initiatives
14	Appendix A	Procedures for the administrative control of appropriations

About the Author

Gregory W. Sutton is an instructor of security assistance management at the Defense Institute of Security Assistance Management. Gregory has been involved in security assistance since 1988, serving a tour of duty in Saudi Arabia with the logistics support group, as a division chief at the Air Force Security Assistance Center (AFSAC), and as an foreign military sales analyst and advisor to the F-15 program office, Peace Sun IX SAPM. Gregory has been an instructor at DISAM since 1994 and for the last six years has served as the financial management functional coordinator.

Defense Institute of Security Assistance Management Presents Foreign Purchaser Course and Senior Executive Seminar in Ankara, Turkey

By

**Colonel Karen Currie, USAF
Defense Institute of Security Assistance Management**

Defense Institute of Security Assistance Management faculty members Robert Hanseman, Frank Campanell, Lt Col Karen Currie, USAF, and Lieutenant Paul Dougherty, USN, traveled to Ankara, Turkey, to teach two DISAM courses from 24 April to 4 May 2001. A total of 44 students attended the Foreign Purchaser (SAM-F) and Foreign Purchaser Executive Course (SAM-FE) at the conference center at the Land Forces Logistics Command Headquarters in Ankara. Lieutenant Colonel Muzaffer Yuksel, the Logistics Command liaison officer, made all of the arrangements for the courses and provided outstanding support to the DISAM team. Brigadier General Saim Demirel, the Logistics Command Chief of Staff, welcomed the students and instructors on the first morning of the SAM-F course and conducted the combined graduation ceremony for both courses on 4 May 2001. Lieutenant General Kamuran Orhon, the Logistics Command Commander, hosted a luncheon for the DISAM team during the first week of the course. Captain Craig Galloway, USN, Deputy Chief of the U.S Office of Defense Cooperation (ODC), Ankara, provided an overview of ODC activities and active Turkish FMS cases to the SAM-F course.



Monument next to the Logistics Command Headquarters in Ankara, Turkey.

Both of the courses were conducted in English. Highly motivated, the students were military and civilian members of all of the Turkish military services. Many of the class members already had an excellent understanding of U.S. foreign military sales procedures. A number of students had attended other courses in the United States and several officers were preparing for liaison jobs in the United States. The students and instructors enjoyed lively discussions on a wide variety of foreign military sales issues. It was a useful and memorable educational experience for everyone involved. Major Gokhan Tokus, Turkish Land Forces, did a great job as class leader and ensured the courses ran smoothly. We also had excellent transportation and administrative support from

several enlisted members of the Turkish Land Forces. The Land Forces Logistics Command conference center was extremely modern and comfortable.

**From Left to right,
Mr. Bob Hanseman,
1st Lieutenant Kasal,
Captain Baran,
Ensign Kayhan and
Colonel Currie.**



Teaching two courses halfway around the world from your home station always presents great challenges. But members of the ODC Turkey made it very easy for the DISAM team. Our special thanks go to Captain Tom McGuire, USAF, and Major Irfan Karagoz, Turkish Air Force, for their tremendous efforts. They made all of the necessary arrangements with the Turkish military, as well as arranging social events and weekend sightseeing trips for the DISAM team. We cannot thank them enough for their hard work, good humor, and hospitality.

In summary, we believe the educational objectives of the DISAM Mobile Education Team visit to Turkey were successfully accomplished, and we hope that we also strengthened the ties of friendship between the U.S. and Turkey. We look forward to a return visit, and hope to see more Turkish students in our DISAM resident courses



**DISAM team members receive
commemorative gifts from Brigadier
General Demirel.**

SECURITY ASSISTANCE COMMUNITY

Defense Institute of Security Assistance Management Commandant Retires

Colonel Judy-Ann Carroll, U. S. Army, Commandant of the Defense Institute of Security Assistance Management (DISAM), was honored with a retirement ceremony in the DISAM auditorium on May 25, 2001, recognizing her 29 years of military service. Presiding over the ceremony was Lieutenant General Tome H. Walters, Jr., Director, Defense Security Cooperation Agency (DSCA), and special guest was Robert Keltz, Deputy Director, DSCA.

Lieutenant General Tome H. Walters presenting Colonel Judy-Ann Carroll the Defense Superior Service Medal.



Highlights of the ceremony included the presentation of the Defense Superior Service Medal and an American flag flown over the U.S. capitol to Colonel Carroll. The festivities concluded with a buffet lunch at the Wright-Patterson Officers' Club for the DISAM staff, family, and friends, including Colonel Carroll's sister and niece. The DISAM faculty and staff presented a shadow box of uniform insignia and career mementos to Colonel Carroll as a farewell gift.

A native of Bangor, Maine, Colonel Carroll graduated from the University of Maine in 1973 with a Bachelor of Science degree in foreign language education. She enlisted in the Army in 1972 and received a direct commission in 1973. She earned a masters degree in national security affairs from the Naval Postgraduate School as a European specialist. A graduate of the Defense Language Institute, Colonel Carroll has a dual military specialty of military police and European foreign area officer. She has received the Defense Superior Service Medal (with one oak leaf cluster), the Legion of Merit, the Defense Meritorious Service Medal, the Army Meritorious Service Medal (with two oak leaf clusters), the Army Commendation Medal (with one oak leaf

cluster), the Joint Services Achievement Medal, and the Army Achievement Medal, as well as the Army and DoD Staff Identification Badges.

Colonel Carroll attended military specialty schools including the Women's Army Corps Officer Basic Course, the Military Police Basic and Advanced Course, the Armed Forces Staff College, and the Defense Institute of Security Assistance Management. She is a 1997 Army War College graduate.

Throughout her career, Colonel Carroll held a wide variety of important staff and command positions. She orchestrated the peacetime engagement activities of security assistance with Western European allies and fostered the transition of the former Warsaw Pact Central European countries to democracy under the Joint Contact Team Program. She served two tours at Headquarters, United States European Command, one at the Pentagon, with a number of other assignments both in and outside of the Continental United States.

At Fort Huachuca, Colonel Carroll was the first Director of Public Safety in the Army, serving in that position where she was responsible for installation police, fire, safety and security. She also planned, executed and administered the prisoner of war operations for Desert Storm and managed the United States National Prisoner of War Information Center for all U.S. government agencies. Her operation was lauded by the International Committee of the Red Cross as "the best compliance of the Geneva Conventions of any country, in any war in history."

Colonel Carroll has extensive experience in force protection and resource management based on two tours as installation Provost Marshal at Darmstadt, Germany, and Fort Huachuca, Arizona, and assignment to the Pentagon, in the Army's Combating Terrorism Branch, managing security funds. She was also the Deputy Provost Marshal at Fort McPherson, Georgia, and commanded its Company B, Military Police, the Forces Command honor guard. Her anti-terrorism and force protection programs have won two Department of Defense awards. She is the recipient of an individual award for excellence in public safety from the Chief of Staff of the Army, and she is an honorary Arizona Ranger.



Lieutenant General Tome H. Walters presenting Colonel Judy-Ann Carroll a certificate of commendation on the behalf of General Tommy R. Franks, Commander in Chief, United States Central Command

Colonel Carroll served as the DISAM commandant from June 30, 1997 to May 31, 2001. Upon her assignment, she brought to her position familiarity with needs of the personnel serving in security cooperation abroad in the security assistance organizations and in the security assistance directorates of the unified commanders. Consequently, her first efforts at DISAM were to revise the Overseas Course to incorporate additional material relevant to the requirements of those stationed abroad. Her initial step was to augment the training in anti-terrorism and force protection (AT/FP), a topic of grave concern given the uncertainties in many regions of the world. As a result, all personnel going abroad were trained to Level I as required by current AF/FP regulations. By incorporating additional AT/FP requirements in the CONUS Course, DISAM could insure that all personnel in the security assistance community with the likelihood of going overseas would have completed the Level I requirements without the additional effort and loss of time of having to attend another course. The course of instruction instituted was such a success that the institute received the Most Outstanding Antiterrorism Innovation/Action DoD Component Award in 1999 given out by the Office of the Assistant Secretary of Defense for Special Operations/Low Intensity Conflict.

**Dr. Craig Brandt presenting
Colonel Judy-Ann Carroll
the DISAM Plaque.**



At the urging of the unified commanders, Colonel Carroll dedicated herself to creating an entirely new track in the overseas course for the chiefs of the security assistance organizations. The focus of this addition to the syllabus was the peculiarities of administering a joint military office within the confines of the embassy governed by the rules of the Department of State. In addition, Colonel Carroll emphasized rules covering the personnel system of foreign service nationals. This addition to the course acquainted officers with those management requirements that the typical officer would never have encountered. This enhancement was enthusiastically received by the class participants and was warmly welcomed by the unified commanders. As a consequence of her work in course development, Colonel Carroll was awarded Assistant Professor of the Security Assistance in 1999

With the mandate from the DoD Chancellor for Educational and Professional Development that all schools with primarily a civilian clientele must be accredited, Colonel Carroll sought to improve the institute's programs so that they were demonstrably among the best in the Department of Defense. She succeeded in receiving the recommendation from the American

Council on Education that upper-level undergraduate college credit be granted for all eligible DISAM courses. She achieved the recognition that DISAM courses fulfill the continuing education requirements of the Under Secretary of Defense (Acquisition, Technology and Logistics) for acquisition professionals in the Defense Acquisition Workforce. She started the process for institutional accreditation from the Council on Occupational Education. In addition, her personal work to promote the efforts of the Chancellor's office was notable. She served on the steering group responsible for guiding the fledgling organization and establishing its mission. She was an enthusiastic member of the resource management committee and was instrumental in setting realistic metrics for the DoD school system. Since some of her database programs used by DISAM were applicable to other institutions, she promoted sharing with other schools the software originally developed for DISAM alone.

Colonel Carroll was also a leader in DISAM's automation efforts. She was instrumental in adapting the Security Assistance Automated Resource Management Suite (SAARMS) by converting it from a local program to one used throughout the world. The SAARMS software suite has had the effect of linking remote defense cooperation offices abroad with stateside activities, constituting a big leap forward in the associated business processes. In addition, she adapted SAARMS for use in resource management at DISAM, giving the Institute an improved mechanism for budget and property accountability. She also was the driving force in DISAM's role in establishing web pages for DSCA and the Defense Institute of International Legal Studies, as well as the DISAM home page.

In a more personal vein, Colonel Carroll provided the conceptual framework for a core skills database to be used in guiding the professional development of all personnel at DISAM, both military and civilian. This mechanism proved to be readily transferable to other organizations, and there have been many inquiries about adapting it to other situations. In order to enhance personnel management in security assistance organizations, she proposed and oversaw the development of a joint manpower code database that can be used by all the regional unified commands in updating their Joint Manpower Program requirements.

With emphasis in the Department of Defense on measurable performance demanded by the *Government Performance and Results Act*, Colonel Carroll was a leader in the creation of the strategic plan for DSCA. As a member of the original study group, her ideas were employed throughout the process of implementing this plan. She was a driving force in the development of the DSCA master plan as well as the DISAM business plan. In order to keep track of tasks accomplished towards the strategic goals, Colonel Carroll designed a database that was subsequently used by DSCA as well as seven other business areas.

Colonel Carroll was closely involved with the relocation of the Institute to another building at Wright-Patterson Air Force Base. She negotiated an agreement with the local authorities and with great vision oversaw the design phase of the relocation, which will result in the creation of a modern, state-of-the-art educational facility.

The numerous members of the security assistance community who worked with Colonel Carroll over the years join the DISAM faculty and staff in wishing her continued personal and professional success in her retirement from active duty.

SECURITY ASSISTANCE CALENDAR

27-30 Aug SOLE International Logistics Symposium, Philadelphia PA
12-13 Sep DLA 2001 Expo, Orlando, FL (Contact Linda Kimberlin at DSN 427-7515)
26-27 Sep Security Assistance Cooperation Agency 2001 Conference
29 Oct-2 Nov USSOUTHCOM SA/DCS Conference, Miami FL

DISAM 2002 Course Schedule

Defense Institute of Security Assistance Management
Building 125, 2335 Seventh Street
Wright-Patterson AFB OH 45433-7803

Telephone Numbers for Registrar's Office (DISAM/DAS)

DSN: 785-4144
Commercial: (937) 255-4144
Data Fax DSN: 785-3441
Commercial: (937) 255-3441

http://disam.osd.mil/student_info/student1.htm

1st Quarter

<u>Course</u>	<u>Start Date</u>	<u>End Date</u>
SAM TO-1-2002	15 Oct	19 Oct 2001
SAM C-1-2002	15 Oct	26 Oct 2001
SAM F-1-2002	22 Oct	2 Nov 2001
SAM O-1-2002	22 Oct	9 Nov 2001
SAM IT-1-2002	5 Nov	7 Nov 2001
SAM E-1-2002	5 Nov	9 Nov 2001
SAM C-2-2002	26 Nov	7 Dec 2001
SAM O-2-2002	26 Nov	14 Dec 2001
SAM CF-1-2002	10 Dec	14 Dec 2001

2nd Quarter

<u>Course</u>	<u>Start Date</u>	<u>End Date</u>
SAM CS-1-2002	14 Jan	18 Jan 2002
SAM IP-1-2000	14 Jan	18 Jan 2002
SAM CM-1-2002	28 Jan	1 Feb 2002
SAM O-3-2002	28 Jan	15 Feb 2002
SAM C-3-2002	4 Feb	15 Feb 2002
SAM CO-1-2002	25 Feb	1 Mar 2002
SAM C-4-2002	25 Feb	8 Mar 2002
SAM E-2-2002	4 Mar	8 Mar 2002
SAM F-2-2002	11 Mar	22 Mar 2002
SAM O-4-2002	11 Mar	29 Mar 200
SAM IT-2-2002	25 Mar	27 Mar 2002
SAM CR-1-2002	25 Mar	29 Mar 2002

3rd Quarter

<u>Course</u>	<u>Start Date</u>	<u>End Date</u>
SAM A-1-2002	1 Apr	5 Apr 2002
SAM C-5-2002	1 Apr	12 Apr 2002
SAM CM-2-2002	22 Apr	26 Apr 200
SAM TO-2-2002	22 Apr	26 Apr 2002
SAM CF-2-2002	29 Apr	3 May 2002
SAM O-5-2002	29 Apr	17 May 2002
SAM C-6-2002	6 May	17 May 2002
SAM CS-2-2002	20 May	24 May 2002
SAM TO-3-2002	20 May	24 May 2002
SAM IP-2-2002	30 May	31 May 2002
SAM CR-2-2002	3 Jun	7 Jun 2002
SAM IP(5)-1-2002	3 Jun	7 Jun 2002
SAM F-3-2002	10 Jun	21 Jun 2002
SAM O-6-2002	10 Jun	28 Jun 2002
SAM IT-3-2002	24 Jun	26 Jun 2002
SAM CF-3-2002	24 Jun	28 Jun 2002

4th Quarter

<u>Course</u>	<u>Start Date</u>	<u>End Date</u>
SAM A-2-2002	29 Jul	2 Aug 2002
SAM CS-3-2002	5 Aug	9 Aug 2002
SAM TA-1-2002	5 Aug	9 Aug 2000
SAM C-7-2002	5 Aug	16 Aug 2002
SAM F-4-2002	12 Aug	23 Aug 2002
SAM O-7-2002	12 Aug	30 Aug 2002
SAM CO-2-2002	19 Aug	23 Aug 2002
SAM IT-4-2002	26 Aug	28 Aug 2002
SAM E-3-2002	26 Aug	30 Aug 2002
SAM IP-3-2002	5 Sep	6 Sep 2002
SAM C-8-2002	9 Sep	20 Sep 2002
SAM O-8-2002	9 Sep	27 Sep 2002
SAM TO-4-2002	23 Sep	27 Sep 2002
SAM CM-3-2002	23 Sep	27 Sep 2002

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 returning it to:

DISAM/DR
2335 Seventh Street
Wright-Patterson AFB OH 45433-7803

or

Data Facsimile Number: DSN 986-4685 or Commercial: (937) 656-4685

or via internet: research@disam.dsca.osd.mil.

1. Question/Comment: (Continue on reverse side of this page if required.)

2. Any Pertinent References/Sources:

3. Contact Information: _____

Name _____

Address _____

Telephone Number _____

4. Additional Background Information: _____

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