

Casualty Liaison

Family Support is the conduit to maintain contact and intercommunication between DPMO, the Services, and the Department of State casualty offices to ensure mutual understanding and unity of purpose on POW/MIA issues. Members of the Family Support Team have contact with these organizations on a daily basis.

Casualty Conferences

DPMO chairs bi-annual DoD Joint Casualty Affairs Conferences each year. These conferences help organizations that work the POW/MIA issue to understand DoD policy in order to provide clear, consistent and credible information to our constituents.

File Reviews

DPMO implemented a policy that fully supports approved family member access to case files from Southeast Asia, Korean War and Cold War cases. Through this program family members can view DPMO's files on their missing relative.

Informational Handouts

The Family Support Team coordinated the development of the DPMO informational pamphlet "Personnel Recovery and Accounting". More than 5,000 copies of this pamphlet have been provided to family members, veterans groups, and concerned citizens.

The Public Affairs Outreach Team

DPMO and JTF-FA are staffed with public affairs specialists to meet this part of the outreach commitment. Additionally, AFDIL receives public affairs support from its parent headquarters, the Armed Forces Institute of Pathology. All of these agencies receive necessary support from the ASD for Public Affairs.

CILHI has one authorized slot for a public affairs officer, and is expected to receive the authority to fill it in FY 2001.

The Constituencies

DPMO's outreach task centers on ensuring that national media and national-level VSOs understand the broad policy work done to enable the accounting work to take place around the world. Daily, the DPMO public affairs staff is in contact with media representatives throughout this country, as well as those outside the U.S. Media interest in this issue is often intense, depending on the news peg and its significance. For example, during the DoD effort to

identify the remains in the Vietnam crypt of the Tomb of the Unknowns in 1998, national media were briefed jointly on several occasions, and all carried in-depth coverage for a period of at least two months. Their stories covered the policy and scientific work leading to the final identification of the remains. DPMO, CILHI, JTF-FA and AFDIL public affairs representatives worked closely for many months to maximize the positive outcome of this historical event. All were supported by the ASD for Public Affairs in reaching the right media with the right story. The Secretary of Defense's policy decisions regarding the disinterment and scientific testing of the remains in the Tomb, were portrayed in a highly positive and credible manner by the media, due in large part to the efforts of the public affairs team.

Since its establishment in 1993, DPMO has established itself among the media community as credible and responsive. As a result, DPMO sees a continuing stream of high-visibility, positive stories flowing to the American public. It has twice been featured in *Reuters' Digest*, an accomplishment virtually unheard-of in the professional community. DPMO initiated coverage on *ABC's 20/20*, the *History Channel*, the *Discovery Channel*, the *Learning Channel*, and each of the major national television networks. DPMO's relationship with *USA Today*, the *Washington Post*, the *New York Times*, the *Wall Street Journal*, the *Associated Press*, and the *Knight-Ridder News Service* – among many others – generates story after story on the work done by the USG to account for missing Americans.

The impact of these national-level stories is directly related to DPMO's efforts to ensure that families of our missing are fully informed. For example, on two occasions in the last several years, DPMO has enlisted the support of *USA Today* and the *Associated Press* in carrying stories to help it locate family members of specific World War II crashes. In both cases, its professional relationship with those media facilitated quick and thorough coverage, which ultimately led to the government's locating the families of these World War II aircrews. The *Associated Press* story generated interest at *ABC's 20/20*, which resulted in a yearlong effort and an hour-long show. It also resulted in similar coverage on the *Discovery Channel*.

DPMO's work with the *Wall Street Journal* illustrates the interest in the POW/MIA issue by journalists, irrespective of their publication's general slant. The *Journal's* Moscow bureau chief worked with DPMO, and its investigative/research staff attached to the U.S. Embassy in Moscow, on a story, which grew out of DPMO's research into Russian archives on the Korean War. DPMO's researchers found Russian documents, which clarified the fate of an American pilot missing in action from that war. DPMO assisted the *Journal* in locating the surviving son of the Korean War pilot, and saw the true benefit with a front-page story in that paper. As a result of that story, DPMO did follow-on stories with the *BBC*, and with other competing media outlets.

DPMO's work with the local media is equally important as it keeps families, their hometown neighbors, and their congressional representatives, informed on the worldwide work being done. Hometown newspapers are particularly interested in full coverage when service members from their readership areas are accounted-for. With full respect for families' privacy, DPMO works directly with the next-of-kin in assisting local news media, which cover the story. DPMO ensures, with consistency, that local media stories are crafted with sensitivity

and with respect for the sacrifices of the local serviceman. The USG's credibility is also enhanced when local readers see the results of dedicated people carrying out this humanitarian mission for the benefit of servicemen who have made the supreme sacrifice.

The Internet

DPMO has also capitalized on the burgeoning power and access of the Internet. With a meager beginning, DPMO went "on-line" in 1996, and quickly saw upwards of 2,000 weekly "hits," or individual requests for files. DPMO's concept was to make available general and specific information that would serve the needs of both serious researchers as well as those with only a passing interest in this issue. As a result of the learning generated during four years of operations, DPMO has improved the contents and attractiveness of its web site, and has seen as many as 152,000 "hits" per week during peak periods. DPMO also tracks the general groupings of requestors who visit the site (foreign countries, academics, military, civilian *etc.*) and finds a steady growth in every category. DPMO also observes an increasing use of its web site by the news media, which have told DPMO that they value the credibility of the government's information, when compared to some of the "conspiracy-oriented" information occasionally found on the Internet.

Outreach to Veterans

Another aspect of DPMO's public affairs outreach is that of direct contact with and support of veterans and VSOs. DPMO maintains regular contact with the leadership of all the major organizations, and is invited to make presentations at all of their national and regional plenaries. Each of these appearances generates additional interest at the state and local levels, and DPMO finds the invitations for public speaking engagements growing well beyond its early expectations. The DASD, POW/Missing Personnel Affairs meets with the national leadership at least three times yearly, and has spoken to all of their national conventions. Additionally, at the request of national and local groups, DPMO mails out thousands of copies of pamphlets and other literature to meet the interest and demand of veterans across the country.

Special Events

"Special events" also play an important role in DPMO's outreach. Each year, DPMO leads the planning effort for National POW/MIA Recognition Day. The centerpiece of the observance in Washington is the Pentagon ceremony, usually hosted by the Secretary of Defense and featuring a keynote speaker of some stature in the POW/MIA community. Past speakers have included former Vietnam War POWs Lieutenant Colonel (U.S. Air Force, retired) Gene Smith, Colonel (U.S. Air Force, retired) Norm McDaniel, and Senator John McCain. With the legislated flying of the somber, black POW flag of the National League of Families, this event is recognized in many cities across the country. In response to demands by media, veterans and families, DPMO created a special section within its Internet web site which offers background and visual material to assist local military and civilian planners with their ceremonies.

Team Coordination

DPMO Public Affairs works closely with public affairs representatives of the JTF-FA and AFDIL. Even though CILHI's public affairs authorization is not filled, the leadership of CILHI clearly recognizes the benefit of credible exposure through the various channels of communications including national and international media. Both CILHI and JTF-FA leadership have capitalized on the unique nature of their missions, and regularly host visits by media representatives of local, national and international outlets. Each of these organizations is eager to expose the public to the "hands on" mission of their specialists in the field, often working under hazardous conditions to bring closure to families of missing servicemen. The men and women in the field are very proud of their mission and very dedicated to it, which is clearly demonstrated in virtually all media coverage.

Though the operational field units are not in the direct chain of command of DPMO, coordination of public affairs matters remains effective. Each agency recognizes its relationship to the other, especially in dealings with the news media. The synergism of media exposure of the varied missions – focused on the one single humanitarian goal – offers media a unique and exotic story, very appealing to both news and feature producers in both print and broadcast.

Public Outreach, The Future

All of the agencies involved in this mission will continue their aggressive outreach efforts. DPMO will continue to improve its availability to the public through the Internet web site, and will create special channels whereby the missions of JTF-FA, CILHI, AFDIL and the U.S. Air Force Life Science Equipment Laboratory may be explained in easily understood terms. The Internet appears to be a tool with powerful communications potential that many have not yet understood, and DPMO intends to exploit it.

Legislative Affairs

Congressional and public interest was consistently high during the Clinton Administration evidenced by continuous growth in the volume of written and telephonic inquiries received by DPMO. Congressional inquiries, both those forwarded on behalf of constituency interests and involvement, individual member interest, and congressional committee interests and involvement also experienced significant and consistent growth during the Administration's tenure.

DPMO was created five months into the Clinton-Gore Administration. From its inception, DPMO initiated an aggressive legislative and external affairs system focused on delivering accurate information in a prompt manner for a poignant issue that was uniquely American. The effects of the Vietnam War POW/MIA issue were still echoing loudly in Congress, in the American media, and with the families of the missing and the American public. There was an absence of public and legislative trust for the United States Government

concerning the sincerity of its efforts to account for Americans that had yet to be found and returned from the Vietnam conflict. This distrust was further stimulated with the U.S. Government's seeming inability to breakthrough the Vietnamese government's wall of intransigence to provide cooperative assistance in our POW/MIA accounting efforts. However, under the Clinton-Gore Administration, the initial accomplishments in achieving cooperation with the Vietnamese started by the previous Administration were capitalized upon and President Clinton supported the Department of Defense's efforts and direction.

With the Administration's full support, DPMO developed and implemented an aggressive strategic plan to gain the support of the Congress and the American people that has been continuous. The plan has enabled the Department to all but eliminate the distrust while expanding the accounting efforts to the Korean War, Cold War, and World War II theaters where American service members were lost. Testimony provided by DPMO personnel during numerous congressional hearings readily attest to the high priority that is assigned to the accounting and recovery missions by the Administration. This, coupled with regular and frequent visits with members and staff, assistance, at their requests, with information briefings on issues pertinent to their personal and constituent concerns and committee assignments, and routine circulation of written communications media ensure that critical information is always available that clearly enunciates the program's success. A significant factor in the program's success has been visitations with members of Congress. Any opportunity to gain audience with a member of Congress or a staff member is seized to relay our efforts. The visitation program has proven to be instrumental in providing timely and accurate information to the members and key staff, thus allaying many of their concerns with the issue.

Our close working relationships with the staffs of the House and Senate subcommittees with oversight of DPMO's activities continued to improve throughout the Clinton-Gore Administration. On numerous occasions, DPMO has provided briefings, information papers, and testimony on U. S. Government accounting efforts --all have been well received. Through consistently delivering results and executing a concerted and responsive information program backed with the support and personal involvement of key officials at the highest levels of the Administration, DPMO has led the way in restoring the congressional and American public faith in the Government and its concern for missing Americans and the impact of such on the American public.

DPMO legislative and external communicative efforts have netted it the trust and respect of key congressional leaders and staff who rely upon and seek DPMO's knowledge and understanding of the international affairs issues acquired through its comprehensive dealings and operations with key leaders and officials of foreign governments. This respect and trust has been repeatedly demonstrated by repeated requests for DPMO officials to provide information to members before, during, and following decision-making sessions. It is further amplified by the invitational inclusions of DPMO officials in the veterans' community, individual and family organizations, and general public audiences that seek knowledge of the accounting and recovery issues and express their sincere appreciation for the efforts being expended on this complex and highly emotional humanitarian issue.

CHAPTER 5: COUNTERPROLIFERATION & THREAT REDUCTION

A. The Counterproliferation Initiative

Lessons from the Persian Gulf War

The American experience in Operation Desert Storm inspired the development of a new approach to counterproliferation. Although U.S. forces performed spectacularly, the implications of nuclear, biological, and chemical weapons and missiles became clear.

First, Saddam Hussein's nuclear weapon program was farther along and of a different technical character than was thought before the war, although not yet to the point where he had enough fissile material for a bomb. Second Saddam had a large stock of chemical weapons and had already used them in a war. His reasons for non-use must be understood. The third surprise had to do with biological weapon threats. Saddam Hussein was known to have certain biological weapon facilities and the full extent of his biological weapons program was not known until it was revealed by Iraqi defectors several years after the war. Consequently, U.S. forces did not understand fully how to destroy them while minimizing collateral contamination.

Developing the Defense Counterproliferation Initiative

Secretary of Defense Aspin launched the Defense Counterproliferation Initiative in December 1993. The initiative was part of the reorganization of forces and plans after the Cold War and is best understood within the context of the Bottom-Up Review (BUR) that changed the focus of DoD planning from global war with the Soviet Union to two nearly simultaneous major theater wars (MTWs). As DoD's understanding of these MTWs developed, it became clear that there was a very high probability that aggressors would threaten, wield or use NBC weapons. Earlier assumptions that conflicts not involving the Soviet Union would not involve these weapons needed to be reviewed and new planning and acquisition guidance issued.

The Counterproliferation Initiative identified three major policy goals:

- To prevent further proliferation;
- To roll back proliferation where it has occurred; and,
- To adapt U.S. forces and planning to conduct military operations against or despite proliferation threats.

The initiative identified a range of means for accomplishing these goals, including: counterforce; active defense; passive defense; military intelligence and C3; inspection and monitoring; export control and interdiction; and, nonproliferation intelligence. It also brought into use the term "counterproliferation" to distinguish DoD activities to combat proliferation from the broader political, economic and military tools applied by the U.S. government under the rubric of "nonproliferation."

Joint NBC Defense Program

The FY 1994 National Defense Authorization Act also mandated the consolidation of all DoD chemical and biological (CB) defense programs, which ultimately led to the creation of the Joint NBC Defense Program. The objective of the program is to enable U.S. forces to survive, fight and win in NBC warfare environments. To accomplish this objective, an integrated and balanced program is essential. Forces must have aggressive, realistic training and defensive equipment that allows them to avoid contamination, if possible, and to protect and decontaminate personnel and equipment, and sustain operations throughout the battlespace. Troops must also have the capability to provide medical casualty management.

In February of 1994, the Secretary of Defense designated the Assistant to the Secretary of Defense for Nuclear, Chemical and Biological Defense Programs (ATSD(NCB)), as the focal point for NBC defense within the Office of the Secretary of Defense. In addition, the Secretary appointed the Army as the Executive Agent for DoD to coordinate and integrate research, development, test, evaluation, acquisition, and military construction requirements of the military departments for the NBC defense program.

During FY 1996, DoD completed implementation of the process to consolidate, coordinate and integrated the CB defense requirements into a single program. Ongoing reviews conducted by the Joint Service Integration Group and the Joint Service Materiel Group have proved to be an appropriate organizational method to accomplish the coordinating and integrating function.

Counterproliferation Program Review Committee

The research, development and acquisition component of counterproliferation is monitored by the interdepartmental Nonproliferation/Counterproliferation Program Review Committee, which was chartered by Congress in the FY 1994 Defense Authorization Act. Renamed simply "Counterproliferation Program Review Committee," the committee is composed of the Secretary of Defense, the Secretary of Energy, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence.

CJCS Missions and Functions Study

One of the most important activities toward fully integrating counterproliferation in to the functions of the Department was the implementation of the Chairman of the Joint Chiefs of Staff (CJCS) May 1995 Counterproliferation Missions and Functions Study. The study concluded that each commander in chief (CINC) should be responsible for executing U.S. counterproliferation policy within his area of responsibility, and that implementation would be executed directly through each CINC's standard deliberate force planning process. Based on this study, Secretary Perry approved a counterproliferation charter prepared by the CJCS to supplement top-level policy guidance and to provide a military focus for implementing the counterproliferation initiative. By issuing a concept plan, the CJCS subsequently provided

guidance to the CINCs for developing their own concept plans for the counterproliferation mission.

Counterproliferation Council

A DoD Directive on Counterproliferation issued in July 1996 delineated specific responsibilities, formalized relationships among DoD organizations, and established common terms of reference for counterproliferation. It also established the DoD Counterproliferation Council to ensure that the implementation of the initiative was integrated and focused. The CP Council, chaired by the Deputy Secretary of Defense and composed of senior civilian and military officials, continues to monitor departmental progress in developing the strategy, doctrine and force planning necessary to execute counterproliferation objectives effectively. It also monitors DoD-wide efforts at training, exercising and equipping U.S. forces for the counterproliferation mission.

1997 Quadrennial Defense Review

The 1997 Quadrennial Defense Review instructed DoD to institutionalize counterproliferation into every aspect of department operations, and to internationalize these efforts to include our allies and coalition partners. The QDR concluded that NBC weapons will likely be used by adversaries seeking to counter overwhelming U.S. dominance on the conventional battlefield. In particular, the QDR concluded that the threat or use of chemical and biological weapons (CBW) is a likely condition of future warfare, including in the early stages of war to disrupt U.S. operations and logistics. As a result, the QDR directed that the U.S. military continue to improve its capabilities to locate and destroy CBW, and defend against and manage the consequences of CBW if they are used. Equally important, the QDR required that U.S. doctrine, operational concepts, training, and exercises be adapted to take full account of the threat posed by CBW as well as other likely asymmetric threats. Moreover, given that the U.S. will most likely conduct future operations in coalition with others, the QDR states that the U.S. must also encourage friends and allies to train and equip their forces for effective operations in CBW environments.

Institutionalizing Counterproliferation

DoD reorganized in order to meet the mission of institutionalizing counterproliferation. As part of the 1997 Defense Reform Initiative, the Defense Threat Reduction agency was created to provide a single agency supporting nonproliferation and counterproliferation objectives. DTRA supports the bulk of DoD arms control, technology security and NBC defense-related research, development, test and evaluation programs. DTRA additionally manages the implementation of the Joint Service Chemical and Biological Defense Program and the CTR program. Through these programs, DTRA addresses the full spectrum of NBC threats. The DRI also designated the Assistant Secretary of Defense for Strategy and Threat Reduction as the policy focal point for counterproliferation, threat reduction activities, and treaty compliance.

In order to ensure that the implications of chemical and biological weapons (CBW) for warfighting were properly addressed, DoD also institutionalized counterproliferation in guidance, plans, and doctrine. The FY 2001-2005 update of the Defense Planning Guidance, for example, required the Joint Staff and the CINCs to develop a counter-CBW concept of operations that integrates C4ISR, counterforce, and active and passive defense measures for ground, air and sea operations, including logistics.

Recognizing the critical role of civilian employees and contractors in executing military operations, DoD also published a policy on vaccination of "other than U.S. forces personnel" against validated biological warfare agents.

Internationalizing Counterproliferation

Since U.S. forces are likely to fight in coalition with other nations' forces in a future combat situation, combined readiness of the coalition to deal with NBC threats or use is of utmost importance. Allies and friends who are not prepared to confront NBC threats or attacks may increase the vulnerability of a U.S.-led coalition. Furthermore, potential coalition partners cannot depend on U.S. forces to provide passive and active defense or consequence management capabilities.

NATO Defense Group on Proliferation (DGP): Even before the QDR, the Department began by working with America's long-standing allies in Europe and elsewhere to develop common approaches to counterproliferation. Notably, DoD played the leading role in moving counterproliferation to the top of NATO's agenda. The NATO Senior Defense Group on Proliferation (DGP), co-chaired by the United States and a European ally, was established in 1994 to prioritize Alliance and national capabilities and to recommend improvements for NATO's defense posture to counter emerging threats from NBC weapons and missiles. As part of NATO's strategic reorientation toward greater security responsibilities beyond Europe, the DGP has recommended ways of improving the protection of deployed allied forces and has recommended steps to accelerate the development of critical defenses and response capabilities for countering chemical and biological weapons. Through the DGP, DoD has led NATO to focus on difficult issues unique to biological weapons defense.

In 1996, NATO initiated a special, "fast-track" effort within its Force Planning process to create and approve new force goals, or planning targets, to enhance NATO forces' capability to operate in a WMD environment. These goals represent a core set of integrated capabilities that will provide a basis for improvements as NBC risks evolve.

At its 1999 Washington Summit, NATO agreed on a WMD Initiative, which includes establishing an information inventory to improve NATO's ability to respond to biological or chemical weapons use against civilian populations, and creating a WMD Center to coordinate activities and support the NATO groups on proliferation.

Cooperative Defense Initiative in Southwest Asia: In 1999, Secretary of Defense Cohen introduced the Cooperative Defense Initiative (CDI) against NBC weapons and missiles in Southwest Asia. Led by U.S. Central Command (CENTCOM) and the Office of the Secretary of Defense, the CDI is designed to enhance the ability of the states of the Gulf Cooperation Council, Jordan and Egypt to prepare their forces to operate in chemical and biological weapons (CBW) environments and to manage the consequences of CBW use on ports, airfields and population centers. It involves educating coalition partners about CBW threats and available responses, identifying requirements for active and passive defenses, identifying the training needed to put those systems to proper use, developing realistic plans to procure equipment and initiate training programs and validating them through bilateral and multilateral exercises.

Bilateral Cooperation in Europe: The Department also conducts bilateral counterproliferation dialogue with European allies as part of ongoing defense consultations. Notably, in June 1998, Secretary Cohen and then-Secretary of State for Defense George Robertson called for senior-level staff talks to enhance cooperation between the United Kingdom and the United States to combat chemical and biological weapons (CBW). The Joint Venture Oversight Group (JVOG) was formed subsequently to conduct regular bilateral policy consultations regarding the preparedness of our military forces to conduct and sustain operations in a CBW environment. The JVOG seeks greater common understanding of the overall implications of the threat of use, or use, of CBW on complex combined military operations and supports enhancement of defense technical cooperation through joint consideration of policy issues to which such cooperation gives rise. It also addresses intelligence requirements and focuses operational analysis as required to address a range of policy issues. Subordinate working groups supplement the JVOG when tasked to pursue specific activities.

Bilateral Cooperation in the Asia-Pacific Region: DoD counterproliferation efforts in the Asia-Pacific region focus on the Republic of Korea (ROK) and Japan. These efforts are aimed at establishing an ongoing dialogue with each of these allies to discuss proliferation concerns in the region, improve military capabilities in the face of NBC threats, and identify areas for cooperation in counterproliferation programs and activities.

DoD places a high priority on counterproliferation cooperation in Korea, in particular, since it faces the greatest military threat of NBC use in the form of North Korea's considerable inventory of chemical weapons and means of delivery. The U.S. and the ROK have formed a Combined Counterproliferation Working Group to serve as a forum for discussion of policy issues and a source of guidance for an affiliated CP Operations Group, co-chaired by U.S. Forces Korea (USFK) and ROK JCS military experts. The ROK has demonstrated its commitment to address the threat through increased spending on CB defense capabilities for its military forces. USFK has also launched a Family and Force Protection Initiative to extend CB protection to dependants of U.S. military service members, civilian DoD employees, and their families through the distribution of protective masks and hoods.

Two specific incidents captured worldwide attention and led the government of Japan to steadily increase its capability to respond to NBC incidents: The Tokyo subway sarin attack in March 1995 and the 31 August 1998 Taepo Dong I multi-stage missile launch over Japanese territory. Under the auspices of the long-standing U.S.-Japan Security Consultation Committee, the United States and Japan are exploring opportunities for cooperation to improve both nations' consequence management and WMD defense capabilities.

CONCLUSION

Future efforts in counterproliferation will address issues such as the unique challenges that are posed by biological weapons and the possibility for improvements in chemical and biological defense training and operational standards and readiness reporting so that the Secretary of Defense and CJCS have increased visibility into the ability of U.S. forces to fight and win in a chemical and biological weapons (CBW) environment. Subsequent editions of the Annual Defense Report to Congress and "Proliferation: Threat and Response" will inform the public and Congress about further developments.

CHAPTER 6: EXTENDING SECURITY IN EUROPE

The 20th century taught us that Europe's security is inextricably linked to our own. When Europe is at peace, the U.S. is more secure. NATO is the bedrock of the U.S. commitment to Europe. The lesson of the past 51 years is that when Europe and the U.S. pool their resources and act together -- as in NATO -- we advance our interests and our values more effectively than any of us can alone. The commitment to collective defense embedded in Article 5 of the North Atlantic Treaty is the core function of the Alliance. Though the direct threat to Euro-Atlantic territory has declined dramatically since the end of the Cold War, we still need NATO to defend against any threat that may arise. NATO is a unique forum for transatlantic security cooperation. It is a place where Allies plan together, train together, assess interests and threats together. An integrated military structure is the best way to ensure that doctrines and procedures are compatible, equipment is interoperable, and Allies can operate as a defensive coalition. NATO promotes stability throughout the Trans-Atlantic area by planning and executing non-Article 5 crisis response operations, like in Bosnia. It can also employ the credible threat of military action to avoid humanitarian catastrophe, as in Kosovo. Working through NATO, Allies are better able to face new transnational security threats, like weapons of mass destruction and their means of delivery. NATO also serves a broader political purpose. By extending and strengthening security and stability throughout Europe, NATO helps democracy grow and flourish. Through the addition of new members, Partnership for Peace (PfP), Euro-Atlantic Partnership Council (EAPC), special relationships with Russia and Ukraine, NATO is helping to make war in the Euro-Atlantic area unthinkable.

The security of Europe has been a vital interest of the U.S. throughout this century, and it remains so, including for the new democracies to the east. The Clinton Administration seized the historical opportunity to help integrate, consolidate and stabilize Central and Eastern Europe. Failure to do so would have risked a much higher price in the future. The most efficient and cost-effective way to guarantee stability in Europe is to do so collectively with our European partners, old and new, through NATO. Collective defense is both cheaper and stronger than national defense.

As President Clinton said, "NATO can do for Eastern Europe what it did for Europe's West: prevent a return to local rivalries, strengthen democracy against future threats and create the conditions for prosperity to flourish." A decision to defer enlargement, much less to withhold it altogether, would have sent the message to Central and Eastern Europe that their future does not lie with NATO and the West. It would falsely validate the old divisions of the Cold War. The resulting sense of isolation and vulnerability would be destabilizing in the region and would encourage nationalist and disruptive forces throughout Europe. NATO would remain stuck in the past, in danger of irrelevance, while the U.S. would be seen as inconsistent and unreliable in its leadership and withdrawing from its responsibilities in Europe and the world.

A. Defense Capabilities Initiative (DCI)

The goal of the DCI was to transform Allied defense capabilities towards more mobile, flexible and interoperable forces. Military operations in the late 1990s, especially the Kosovo air campaign, revealed the need for improvements in a number of areas, particularly in NATO's ability:

- To move forces quickly to where they are needed;
- To support them for as long as necessary, including through rotation;
- To provide them with the means they need to fulfil their mission properly and within the limits of acceptable risk; and,
- To enable them to communicate and operate smoothly and effectively with one another.

Background

The genesis of the Defense Capabilities Initiative (DCI) began with Secretary Cohen's June 1998 NATO Defense Ministerial intervention. The Secretary's premise was that NATO Allies must transform their defense capabilities in order to meet the security challenges of the future. These challenges include "new" missions like Bosnia; biological, chemical, and missile threats; rapid technological change; and transnational threats like terrorism. The April 1999 NATO Washington Summit launched the DCI with the goal of ensuring that future operations have more mobile, flexible and interoperable forces, without implying increased defense budgets or a "buy American" approach.

At the Washington Summit, Heads of State endorsed decision sheets in five functional areas: deployability and mobility; sustainability and logistics; effective engagement; survivability of forces and infrastructure; and C3. These decision sheets include 58 short and long-term objectives. NATO Heads of State also established a High Level Steering Group to ensure that the DCI is implemented effectively.

Implementation

The Alliance's record thus far in achieving practical results on DCI objectives has been mixed. The impetus of the Summit and the creation of the High Level Steering Group (HLSG) have caused a much greater synergy between traditional NATO committee "stovepipes" and have pushed NATO committees, in many cases, to accelerate project timelines.

An aspect of DCI implementation that has been extremely successful is the integration of NATO Force Proposals – developed every two years by the Strategic Commands (ACE- Allied Command Europe and ACLANT- Allied Command Atlantic) as part of the NATO defense planning process – with achievement of DCI objectives. Force goals must be sufficiently robust so as to clearly signify and allow measurement of how each member nation is being called upon to enhance Allied capabilities. Once approved by Defense Ministers,

Force Proposals become Force Goals and are intended to represent a "reasonable challenge" to nations. This means that in each NATO force planning cycle, nations are expected to meet this "reasonable challenge" by providing the forces and capabilities requested by the Strategic Commands.

The United States has consistently encouraged all nations to accept and fully implement their DCI-related Force Goals. Furthermore, the NATO Secretary General, in a March 2000 letter to Alliance Heads of State, stated that the DCI is crucial to NATO's ability to face 21st century challenges and urged all nations to increase defense spending and actively pursue increased capabilities. In May, the Secretary General again wrote Ministers to express his concern that there had been little change in the overall picture of Force Goal implementation, and stressed again that the DCI objectives will only be met if nations fully implement their Force Goals.

This point was reiterated by both SYG Robertson and Secretary Cohen at the June 2000 Defense Ministerial meeting. To paraphrase the Secretary, whether one views the acceptance rate as the glass half full or the glass half empty, we should remember that it still is only half, and half will not move the Alliance to where it needs to go. Both SYG Robertson and Secretary Cohen stressed that Defense Ministers needed to carry this message back to their Finance Ministers and Parliaments. While improved Force Goal implementation is critical, the integration of the Force Goals and DCI does bode well for long-term improvement of the Alliance's overall capabilities – it has moved DCI from being a one-time initiative to a fully integrated part of NATO's force planning process.

As noted above, the DCI has made some important process improvements, and the Alliance as a whole has fully accepted and integrated the DCI objectives into its daily work, the challenge now is to get Allies to actually increase capabilities and resources. The main responsibility for the successful implementation of the DCI rests with nations. Kosovo demonstrated that key deficiencies include: strategic lift (especially for outsized cargo); air-to-air refueling; suppression of enemy air defenses; support jamming; precision-guided munitions; and, secure communications. The NATO Foreign Ministers' recognized that for some Allies, cooperative multinational arrangements are likely to provide the most viable solutions to some of the current capability shortfalls, so collective efforts, including the pooling and sharing of resources, will be important. Yet the Foreign Ministers also emphasized that all nations must be ready to provide the resources necessary to achieve DCI objectives. The United States has consistently impressed upon Allies the need to improve both *how much* they spend on defense and *how* they spend.

In light of the steady decline in defense budgets on both sides of the Atlantic, the United States has encouraged nations to re-evaluate the percentage of their GDP that they devote to defense spending, and have seen recent hopeful signs that at least one nation's defense budget's long slide downward is reversing. Canada announced a 5 percent increase in its 2000-01 defense budget, and has projected increases programmed in the out-years. Similarly, the UK announced a small real increase in its defense spending. However, several nations, without increasing their military budgets, have re-focussed their spending to acquire

some capabilities to meet DCI objectives. For example, Portugal is in the final stages of negotiating a purchase of C-130J aircraft and has recently joined the F-16 group of nations (Belgium, Denmark, the Netherlands and Norway). The Dutch are spearheading the cooperative acquisition of precision guided munitions (PGMs) for the F-16 group. Italy has agreed to purchase C-130Js and has purchased aerial refueling kits to convert some of its C-130s to tankers. And although the UK has chosen to purchase European Meteor instead of US BVRAAM, the capability improvements from its recently announced lease of four C-17s and acquisition of 25 Airbus A-400s will be substantial.

Although we have seen little concrete progress to date by our European Allies, those eleven NATO Allies that are also members of the European Union (EU) may be motivated to spend resources to meet the EU's Headline Goal. The United States supported this development, as many of the Headline Goal capabilities, especially those related to deploying and sustaining forces, will automatically further achievement of the DCI objectives. The US also pushed the EU to ensure that doctrine, standards, and procedures are compatible, since both NATO and the EU will be drawing on the same pool of forces and capabilities. The EU has assured the US that the capabilities sought for each are virtually identical. We believe that successful development of the Headline Goal will contribute to a successful DCI, thus producing a stronger NATO Alliance.

U.S. Implementation

While the United States has fewer capability shortfalls to ameliorate, the Clinton Administration has believed that we must also do our part to meet both the letter and the spirit of DCI. The United States has taken a number of steps in response to lessons learned in Kosovo and in support of the DCI that are now included in our spending plans and in our Force Goals.

The United States also embarked on an ambitious plan, the Defense Trade Security Initiative (DTSI), to revise and reform its export control procedures to make it easier for NATO Allies to improve their capabilities. The United States radically streamlined its technology transfer and export control process in order to become a better industrial partner with our Allies. At the NATO Foreign Ministers in May 2000, Secretary Albright unveiled DTSI, which represented the first major post-Cold War adjustment to the U.S. defense export control system. DTSI entailed seventeen specific measures designed to streamline the munitions export licensing system and forge closer industrial linkages between the U.S. and allied defense suppliers while maintaining the necessary export controls to safeguard mutual security.

The DCI, as launched at the Washington Summit, was taken up by nations and the relevant Alliance bodies as a means to focus their efforts to enhance the defense capabilities the Alliance needs to meet the challenges of the present and the expected future security environment. Many of the proposed capability improvements rely on development and procurement of advanced systems. It is therefore too early in the transformation process to have measurable indices of increased capabilities. Yet Allies have repeatedly expressed their commitment to rectifying the shortfalls in capability outlined by the DCI, and many efforts are

now underway to meet the DCI objectives. The United States will need to continue to work closely and intensely with its NATO Allies to ensure these initial efforts mature and broaden into substantial further capability improvements.

B. NATO Enlargement

The Accession of the Czech Republic, Hungary, and Poland

One of the highlights of the April 1999 Washington NATO Summit was the presence, for the first time, of the Heads of State and Government of the Czech Republic, Hungary, and Poland. These three countries formally joined the Alliance on 12 March 1999, bringing the number of member countries to 19. The entry of these three democracies into the Alliance, under Article 10 of the Washington Treaty, is part of a continuing process.

A number of measures were successfully completed by each of the new members prior to accession, in order to ensure the effectiveness of their future participation in the Alliance. These included measures in the security sphere (e.g. arrangements for receiving, storing, and using classified information), as well as in areas such as air defense, infrastructure, force planning, and communication and information systems. However, work on the integration of the Czech Republic, Hungary, and Poland did not finish on accession day. Full integration will require continuing efforts over a longer period.

These are the main stages that preceded the accession of the three new member countries:

- 10 January 1994. At the NATO Summit in Brussels, the 16 Allied leaders said they expected and would welcome NATO enlargement that would reach to democratic states to the East. They reaffirmed that the Alliance, as provided for in Article 10 of the Washington Treaty, was open to membership of other European states which were in a position to further the principles of the Washington Treaty and to contribute to security in the North Atlantic area.
- September 1995. The Alliance adopted a Study on NATO Enlargement. Without giving fixed criteria, the Study described a number of factors to be taken into account in the enlargement process. It also stipulated that the process should take into account political- and security-related developments throughout Europe. The Study remains the basis for NATO's approach to inviting new members to join.
- During 1996, an intensified individual dialog was undertaken with 12 interested Partner countries. These sessions improved their understanding of how the Alliance worked. They also gave the Alliance a better understanding of where these countries stood in terms of their internal development, as well as the resolution of any disputes they might have with neighboring countries. The Study identified this as an important precondition for membership.

- 10 December 1996. The NATO Allies began drawing up recommendations on which country or countries should be invited to start accession talks. This was in preparation for a decision to be made at the Madrid Summit of July 1997.
- Early 1997. Intensified individual dialog meetings took place with 11 partner countries, at their request. In parallel, NATO military authorities undertook an analysis of relevant military factors concerning countries interested in NATO membership.
- 8 July 1997. Allied leaders, meeting in Madrid, invited the Czech Republic, Hungary, and Poland to start accession talks with the Alliance. They also reaffirmed that NATO would remain open to new members.
- September and November 1997. Accession talks were held with each of the three invited countries. At the end of the process, the three countries sent letters of intent confirming commitments undertaken during the talks.
- 16 December 1997. NATO Foreign Ministers signed Protocols to the North Atlantic Treaty on the accession of the three countries.
- During 1998, Allies countries ratified the Protocols of Accession according to their national procedures.
- 12 March 1999. After completing their own national legislative procedures, the Foreign Ministers of the Czech Republic, Hungary, and Poland deposited instruments of ratification of accession to the North Atlantic Treaty in a ceremony in Independence, Missouri. This marked their formal entry into the Alliance.
- 16 March 1999. The national flags of the three new member states were raised at a ceremony at NATO Headquarters in Brussels.

Enlargement and the Post-Cold War Strategy

NATO enlargement is one part of a much broader, post-Cold War strategy to help create a peaceful, undivided and democratic Europe. That strategy has included many other elements: support for German unification; assistance to foster reforms in Russia, Ukraine, and other new independent states; negotiation and adaptation of the Conventional Forces in Europe Treaty; and the evolution and strengthening of European security and economic institutions, including the European Union, the Organization for Security and Cooperation in Europe, the Council of Europe, and the Western European Union. NATO enlargement is also part of a much broader series of steps to adapt NATO to the post-Cold War security environment, including adaptation of NATO strategy, a revised strategic concept, command arrangements and force posture, and its new willingness to carry out missions beyond NATO's territory, as it has in Bosnia and Kosovo. As part of this broad series of steps, NATO enlargement aims to help the U.S. and Europe erase outdated Cold War lines and strengthen shared security into the 21st Century.

Through enlargement, the U.S. and its Allies extend solemn security guarantees to new members, and NATO members must provide the capability to back them up. Enlargement does not, however, require a change in NATO's military doctrine which has already shifted from that of positional defense against an identified enemy to a capacity for flexible deployment to areas of need. Because the U.S. already has the world's pre-eminent deployment capability, and substantial forces forward deployed in Europe, there is no need for

additional U.S. forces. Current European NATO members are already investing in improved capabilities to operate beyond their borders, and Central European states, including potential new members, are likewise investing in modernizing and restructuring their forces. These efforts have already begun and will continue whether or not NATO adds additional members.

Future Enlargement

The successful integration of the Czech Republic, Hungary, and Poland into the Alliance in 1999 has demonstrated that enlargement has indeed served the political and strategic interests of the Alliance well and has enhanced overall European security and stability. We have said publicly that we do not believe these three nations will be the last to join NATO.

Adding Central and Eastern European states to the Alliance helps:

- Foster democratic reforms and stability throughout Europe;
- Gives NATO a stronger collective defense capability;
- Improves relations among the region's states; improves burden-sharing within NATO;
- Improves general security that will benefit Russian security and the security of the other former Soviet states by improving general European stability;
- Creates a better environment for trade, investment and economic growth in Central and Eastern Europe; and,
- All of Europe becomes a stronger partner for the U.S. in political, economic, and security affairs.

NATO is committed to a strong open door policy, consistent with Article 10 of the North Atlantic Treaty. We expect to welcome future new members in a position to further Treaty principles and contribute to Euro-Atlantic peace and security. No democratic European nation will be excluded from consideration. As agreed upon at the Washington Summit in April 1999 by Heads of State and Government, the enlargement process should be reviewed at the next Summit meeting which is to be held no later than 2002. Until that time, the Membership Action Plan (MAP) presents potential NATO members with the guidance and planning to prepare them for possible future membership. Moreover, we have very active U.S. bilateral programs with each of the aspirants.

Membership Action Plan (MAP)

Nine Partners -- Albania, Bulgaria, Estonia, the Former Yugoslav Republic of Macedonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia -- are self-declared aspirants for NATO membership. As an expression of its commitment to the Open Door policy, NATO Allies adopted the MAP at the Washington Summit in order to acknowledge the aspirations of these nine countries and to help them become better candidates for possible membership. New

members of the Alliance must be prepared to share the roles, risks, responsibilities, benefits and burdens of common security and collective defense. MAP offers aspirants a concrete prospect of more effective cooperation with NATO, with a clear focus on improving their candidacies for future membership. MAP will have a central role to play in future NATO enlargement and will contribute substantively to Euro-Atlantic stability and security.

The key features of MAP are:

- The submission by the aspirants of Annual National Program documents covering five areas of preparations for NATO membership: political and economic issues; defense and military issues; resource issues; security (of classified information) issues; and legal issues.
- An extensive, focused, and candid feedback mechanism assessing aspirants' progress on their programs through a cycle of MAP-related meetings. These meetings, usually in the "19+1" (all the Allies plus individual aspirant) format, involve several distinct and simultaneous streams operating at the expert-level. In addition, there are meetings at the policy-level, including annual "19+1" format meetings in the North Atlantic Council (NAC). At the close of every round of MAP, a consolidated progress report is prepared and issued at the Ministerial-level. Decisions made by aspirants on the basis of Allied guidance remain national decisions and are implemented by the country concerned.

Although MAP is a distinct program of activities for aspirant countries, it builds upon methodology and tools that have been tested in the Euro-Atlantic Partnership Council and the Partnership for Peace, in particular the planning and review process. However, its feedback and assessment mechanisms, its enhanced military preparation program, and its framework for reviewing bilateral and Alliance assistance, constitute measures designed specifically for aspirants that are qualitatively different from other PFP programs.

MAP's unique feedback and assessment mechanisms are designed to help aspirants to reform and develop the capabilities of their armed forces. Enhancing interoperability, for example, is a vital priority as it furthers contributions to the effectiveness of NATO and its peacekeeping missions, and helps demonstrate aspirants' suitability for NATO membership. Examples of the feedback and assessment mechanisms for MAP in the military area include: tailored Individual Partnership Programs to better focus aspirants' participation in PFP directly on the essential membership related issues; annual Clearinghouse meetings in a 19+1 format with aspirants; and a defense planning-type process above and beyond PARP for aspirants to develop and review planning targets covering areas most directly relevant for nations preparing their force structures and capabilities for possible future membership.

Though aspirants participate on the basis of self-selection and focus on specific elements of the program at their discretion on the basis of self-differentiation, MAP does not imply pre-designation or automaticity as to future NATO membership. Any decision to invite an aspirant to begin accession talks with the Alliance will be made on a case by case basis by the Allies. Participation in MAP does not imply any timeframe for any decision on possible

invitations, nor a guarantee that invitations are forthcoming. Thus, active participation in PfP and EAPC mechanisms remains essential for aspiring countries that wish to further deepen political and military involvement in the work of the Alliance. MAP has proven to be a success.

C. NATO-Russia Founding Act

The U.S. and its NATO Allies are committed to building a strategic partnership with a democratic Russia; indeed, that effort and NATO enlargement are both part of the same enterprise of building a peaceful, undivided and democratic Europe. While many Russian leaders have expressed opposition to NATO enlargement, this initiative can serve Russia's own long-term security interests by fostering stability to the west. The U.S. and NATO have already worked with Russia on specific tasks, including the peace process and military operations in Bosnia. Parallel to NATO enlargement, the U.S. and NATO launched a series of initiatives, including a NATO-Russia Charter and a permanent consultative mechanism, in order to ensure that Russia plays an active part in efforts to build a new Europe even as NATO enlargement proceeds.

Background

The basis for cooperation between NATO and Russia was established in the NATO-Russia Founding Act on Mutual Relations, Cooperation, and Security between NATO and the Russian Federation, signed in Paris on 27 May, 1997. It represents a reciprocal commitment to help build a stable, secure, and undivided continent on the basis of partnership and mutual interest. A Permanent Joint Council was set up as a forum for consultation and cooperation, enabling NATO and the Russian Federation to embark on a substantial program of security and defense-related cooperation activities.

The signing of the Founding Act was the climax of a period of gradually expanding relations going back to December 1991, when Russia joined the newly-created North Atlantic Cooperation Council (NACC), along with other Central and Eastern European communist countries. This was the first formal NATO body bringing NATO member countries and non-NATO countries together, after the collapse of communist rule in Eastern Europe. In 1997, the Euro-Atlantic Partnership Council replaced the NACC. Russia went on to join the Alliance's Partnership for Peace program in June 1994 and agreed to pursue a broad and enhanced dialog with NATO beyond the Partnership.

Other practical aspects of the NATO-Russia relationship included: the opening of a NATO Documentation Center in Moscow, in February 1998; and plans to open an Information Center in Moscow to help retired military personnel find new jobs in civilian life, drawing on know-how and assistance from NATO countries.

Permanent Joint Council

The NATO-Russia Permanent Joint Council met for the first time on 8 July 1997. It is a venue for consultation, coordination, cooperation, and consensus-building between the Alliance and Russia in many fields of common interest. Its function is to develop trust and cooperation by bringing together representatives of the 19 NATO member countries and Russia to tackle security problems of common concern. Regular (usually monthly) meetings of this body quickly led to a new pattern of dialog and to an unprecedented level of contacts at many different levels.

Meetings are conducted on the understanding that both sides retain the right to take decisions independently of the other. They take place at various levels, involving heads of state and government, foreign and defense ministers or ambassadors. Foreign and Defense Ministers meet twice annually. Chiefs of defense staffs and military representatives of NATO and Russia also meet under the auspices of the Permanent Joint Council. Russia established a Mission to NATO headed by a representative with the rank of Ambassador. A senior military representative and his staff is part of this Mission for the purposes of military cooperation. NATO continues to discuss with Russia the possibility of establishing an appropriate presence in Moscow.

Apart from the situation in the Balkans and peacekeeping issues, discussions cover non-proliferation of weapons of mass destruction, arms control, defense conversion, air traffic safety, terrorism, and nuclear weapons. Joint activities have also been conducted on defense-related scientific cooperation.

NATO sees the NATO-Russia Permanent Joint Council as a forum where differences can be aired. It should not merely be a consultative body for use in "fair weather". Its role is not only to cement agreement but also to focus on topics of mutual interest and to bridge disagreement on contentious issues of common concern. It is already demonstrating its potential as an effective crisis management tool and as a mechanism for improving security and promoting a lasting and inclusive peace in the Euro-Atlantic area.

D. NATO'S New Strategic Concept

Background

As part of the Alliance's adaptation to address new security challenges, at the April 1999 Summit in Washington, NATO revised its Strategic Concept to ensure that the Alliance has the capabilities and forces to deal with the challenges of the new security environment. The revised Concept:

- Reaffirms the commitment to collective defense and the transatlantic link;
- Describes the challenges facing the Alliance;

- Includes a commitment to improving defense capabilities needed to pursue the full spectrum of Alliance missions;
- Highlights the enhanced role of Partners;
- Includes an operational vision for the Alliance to be more mobile, sustainable, survivable and able to engage effectively; and,
- It provides guidance to the NATO military authorities to continue and enhance their efforts to transform Allied military capabilities in response to these new circumstances.

As set out in the updated Concept, the Alliance will carry out for the Euro-Atlantic area the fundamental tasks of providing for collective defense of its members, promoting regional security, serving as a main forum for transatlantic consultation, responding to threats to regional stability, and reaching out to Partners.

The Changed Security Environment

For the foreseeable future there is no threat of a large-scale conventional military attack against NATO territory. The emergence of any such threat would take years, if not decades, to develop. The United States and its Allies would therefore have considerable warning and preparation time in the very unlikely event of such a dramatic change in the European security environment.

The Alliance nevertheless faces a range of risks that are multi-directional, multi-dimensional, and difficult to predict. While most of Europe is more secure than at any time in this century, the Alliance confronts actual and potential dangers from a variety of sources.

Nuclear weapons retain a key role in NATO strategy by ensuring uncertainty in the minds of potential aggressors. This is especially important in an era of proliferation of weapons of mass destruction (WMD) -- whether nuclear, biological, or chemical (NBC) -- and their means of delivery. NATO captured the immediate post-Cold War security landscape in the 1991 version of the Strategic Concept: substantial reductions in nuclear weapons and changes in doctrine have followed. These, and subsequent arms control developments, are reflected in the revised Concept.

Proliferation of nuclear, NBC weapons and their means of delivery constitutes a real threat to Allied populations, territory, and military forces. Over the past several years, a series of events have underlined these concerns, including nuclear tests in South Asia, continued concern about Iraq's WMD programs, accelerated missile development in South Asia, Northeast Asia, and the Persian Gulf area, and the broader availability of technologies relevant to producing chemical and biological weapons.

Particularly worrisome is the security of materials in Russia and other Newly Independent States (NIS) that could be used for WMD production and delivery, increased cooperation among states of proliferation concern, and more effective efforts by proliferants to conceal

illicit activities. These and other developments emphasize that improved Alliance efforts are required both to stem proliferation and to deter, prevent and protect against attacks employing such weapons. Russia and other NIS states will continue to need assistance in securing stockpiles of WMD, most of which are slated for eventual elimination under arms control agreements.

Terrorist attacks on Alliance territories and against Allied citizens, military forces and installations by individuals and organizations also pose serious concerns. In addition to conventional bombings, kidnappings, and assassinations, it is alarming that about a dozen terrorist groups have expressed an interest in or have sought chemical, biological, radiological, and nuclear agents. Combating the intersection of proliferation and terrorism will present difficult challenges for the United States and its Allies in the years ahead.

Thus, despite the virtual disappearance of a large-scale threat, the Alliance continues to face a range of serious risks on its periphery that put a premium on improved awareness, readiness, cooperation and adaptability.

Revised Strategic Concept

NATO's Strategic Concept was revised to reflect the changed security environment. At the Madrid Summit in 1997, NATO leaders recognized that the strategic environment had changed significantly since 1991, and agreed to examine and update the Strategic Concept as necessary to ensure its consistency with the new security situation and its corresponding challenges. The effort was predicated on a re-affirmation of collective defense and the transatlantic link. Foreign and Defense Ministers approved terms of reference for the review at their meetings in December 1997, and further discussed political objectives and provided guidance for the overall approach to adopt at their meetings in 1998.

NATO's updated Strategic Concept describes the roles and functions of the enlarged Alliance as it enters a new century. Updating the Concept involved more of an evolutionary than a revolutionary approach, reflecting the enduring value of NATO's basic purposes as pursued through the adaptation of missions, forces and operations to meet changed and changing circumstances. The revised Strategic Concept charts a course for the Alliance into the 21st century -- a larger, more flexible NATO capable of meeting threats to Allies' common interests while retaining collective defense as its core mission. To carry out its strategy more efficiently and effectively, NATO has adapted its integrated military command structure. Reflecting changed circumstances since the end of the Cold War, it reduced the number of headquarters from some sixty elements at four levels of command to twenty at three levels of command. In addition to being more efficient, this structure enables NATO to provide European command arrangements that can prepare, support, conduct and command operations led by the Western European Union (WEU) or perhaps some day in the future, by the European Union (EU). The updated Strategic Concept will guide military planners as they implement the new command structure. Similarly, the Strategic Concept recognizes that Combined Joint Task Forces (CJTF) constitute an essential element of the Alliance's ongoing internal adaptation. They will provide the military flexibility required to address a wide range of contingency

operations, facilitate the involvement of partner nations in NATO-led operations, and provide headquarters for WEU or EU-led operations using NATO assets.

Additionally, the new Concept welcomed Russia's and Ukraine's deepening partnerships with the Alliance and highlight the successful process of cooperation in Bosnia and elsewhere. Changes in the Alliance's strategic environment since 1991, especially in regard to threats to regional stability caused by ethnic strife, internal collapse or territorial conflict, have placed a premium on an increased role for partner nations, and the revised Concept accords due recognition to this situation. The revised Strategic Concept directs that NATO defense requirements reflect the full range of new missions that respond to changes in the strategic environment. It clearly outlines a scheme of force improvements that give an impetus to Alliance efforts to develop and field or deploy significantly enhanced military capabilities, enabling European NATO countries to contribute more effectively to military operations. The concept calls for forces that are versatile, deployable, mobile, sustainable, survivable, lethal, and interoperable, in the proper mix, and capable of conducting operations in the face of asymmetric threats such as chemical or biological weapons. The updated Concept reflects Allied agreement on a common operational vision incorporating four core defense capabilities of mobility, effective engagement, sustainability, and survivability, enabled by the three underlying factors of interoperability, information superiority, and the exploitation of new technology.

Mandated by the revised Strategic Concept, ongoing and intensified NATO defense transformation will ensure the capability of NATO members to work together more effectively across the spectrum of requirements the Alliance will continue to face, from collective defense through non-article 5 crisis response operations to humanitarian relief operations. The process of adaptation will also contribute to an increasingly effective European defense capability, within the context of NATO, able to carry out operations as needed without direct U.S. support, and may eventually ease the burden on U.S. forces in maintaining security in the Euro-Atlantic area. Finally, effective adaptation of NATO forces in Europe will be especially important in supporting the strategy of reinforcement that will constitute NATO's essential contribution to the defense of NATO's new member states.

CHAPTER 7: PREPARING FOR WAR IN CYBERSPACE

A. ELIGIBLE RECEIVER

ELIGIBLE RECEIVER was the first large-scale exercise designed to test our ability to respond to an attack on our information infrastructure. Designed to test DoD planning and crisis-action capabilities, it also evaluated our ability to work with other branches of government to respond to an attack on our National Infrastructures.

ELIGIBLE RECEIVER revealed significant vulnerabilities in our Defense information systems and the interdependence of the defense and national information infrastructures. It showed that we had little capability to detect or assess cyber attacks and that our “indications and warning” process for cyber events was totally inadequate.

B. SOLAR SUNRISE

SOLAR SUNRISE was not an exercise. It was a series of attacks during the month of February in 1998 that targeted DoD network Domain Name Servers, exploiting a well-known vulnerability in the Solaris Operating System. The attacks were widespread, systematic and showed a pattern that indicated they might be the preparation for a coordinated attack on the Defense Information Infrastructure. The attacks targeted key parts of Defense Networks at a time we were preparing for possible military operations against Iraq.

SOLAR SUNRISE validated the findings from ELIGIBLE RECEIVER and served to focus the legal issues surrounding cyber attacks. Because of the world situation it was a high interest incident that significantly increased pressure for a quick response. It also demonstrated the need to establish a standing response team.

Because of the ELIGIBLE RECEIVER/SOLAR SUNRISE experience, the Department embarked on a number of defensive actions:

- Increased our situational awareness by establishing a 24-hour watch;
- Established positive control over the identification and repair of information systems at risk;
- Installed intrusion detection systems on key system nodes;
- Expanded computer emergency response teams to perform alerts, critical triage and repair;
- Developed contingency plans to mitigate the degradation or loss of networks;
- Improved our ability to analyze data rapidly and assess attacks;
- Established a working relationship with the National Infrastructure Protection Center (NIPC), teaming with law enforcement agencies and developed procedures to share information with the private sector; and,
- Increased red team exercises to improve our operational readiness.

To address the operational response problem in a coherent and integrated manner the Department created the Joint Task Force for Computer Network Defense. Established in December 1998, it became under the operational control of United States Space Command on October 1, 1999, when the Command officially assumed the computer network defense mission for the Department. Space Command, in conjunction with the CINCs, Services and Agencies, is responsible for coordinating and directing the defense of DoD computer systems and computer networks. Its mission includes the coordination of DoD defensive actions with non-DoD government agencies and appropriate private organizations. This was a major first step in restructuring the Command and Control regime in the Department to address the incredible importance of computer network defense in both our warfighting and business operations.

The JTF-CND is co-located with the Defense Information Systems Agency's Global Network Operations and Security Center to leverage their technical and operational capabilities.

Chapter 8: Exploiting the Revolution in Military Affairs

Background

In response to recommendations from the 1995 Commission on Roles and Missions, the Secretary of Defense encouraged the Chairman of the Joint Chiefs of Staff to propose a “future joint warfighting vision to help guide Service force development efforts.” Joint Vision 2010, approved by the Chairman in 1996, and its successor, Joint Vision 2020, approved in 2000, provide a broad blueprint to help focus our efforts on innovation.

The 1997 Quadrennial Defense Review (QDR) noted that the fundamental challenge confronting the Department of Defense between 1997 to 2015 would be to shape and respond to the international environment in ways favorable to U.S. interests while simultaneously transforming U.S. military capabilities to meet long-range contingencies. The 1997 Report of the National Defense Panel echoed and elaborated on these themes. The Department’s efforts to exploit the Revolution in Military Affairs (RMA) are improving the U.S. military’s ability to address future challenges. Transforming U.S. forces by harnessing the RMA is highlighted in one of the Department’s two corporate-level goals under the Government Performance and Results Act.

Since the development of Joint Vision 2010 and the 1997 QDR, the Department has steadily refined the strategy, organizations and processes necessary for a successful transformation effort. The Department’s transformation strategy (set forth in the Secretary’s *Annual Report to the President and Congress* for 2000 (Document 1.8.1.9)) guides these efforts, including the development of doctrine, innovative operational concepts, new organizational arrangements, and appropriate acquisition strategies. The Department’s transformation strategy integrates activities in six areas:

- Service concept development and experimentation;
- Joint concept development and experimentation;
- Robust processes to implement change in the Services and joint community;
- Focused science and technology efforts;
- International transformation activities; and
- New approaches to personnel development that foster a culture of bold innovation and dynamic leadership.

The Department has a robust joint concept development and experimentation effort underway. On 15 May 1998 the Commander in Chief of U.S. Atlantic Command—subsequently re-designated Joint Forces Command (JFCOM)—was chartered by the Secretary as the executive agent for joint experimentation. In this capacity, JFCOM is responsible for integrating the concept development and experimentation efforts of the Services and other components and for conducting its own independent activities to achieve improved capabilities in joint operations. It has created an organization with a strong joint perspective to carry out concept development and experimentation that complements the robust RMA efforts underway

in the Services. Additional joint concept development and experimentation efforts are being conducted under the auspices of the Unified Combatant Commands, the Joint Staff, and the Office of the Secretary of Defense and in the recently established Joint Advanced Warfighting Program.

Senior leader oversight mechanisms help to ensure that promising results from experimentation become a reality. As part of the Defense Reform Initiative, the Assistant Secretary of Defense (Strategy and Threat Reduction) was designated to lead the effort to develop a department-wide approach to transformation. In this capacity, he supports the Deputy Secretary of Defense, who chairs specially designated meetings of the Defense Resources Board to oversee the Department's plans and initiatives to exploit the RMA. Today, each Service, as well as the Joint community, has established processes for translating the results of experimentation into improved capabilities for our operating forces. The Joint Staff's Joint Vision implementation process and the ongoing evolution of the Joint Requirements Oversight Council are essential elements of this process.

Over the past four years the Department has made substantial progress toward developing and fielding transformed military forces capable of full-spectrum dominance. New organizational designs and innovative operational concepts are now emerging from the efforts of both the joint and service communities. They give us a window into the future of the joint force:

- Joint Forces: Attack Operations Against Critical Mobile Targets. Operations in the 1990s made clear the immense challenge involved in locating and attacking important mobile targets, such as missile launchers. In 1999, Joint Forces Command conducted its first experiment aimed at developing a new end-to-end operational concept for attacking critical mobile targets. The experiment explored innovative means for tracking and defeating mobile targets and developed a new paradigm, called "comprehensive tracking," to provide an engagement-quality picture for attacking selected ground vehicles.
- Army: Building the Objective Force. The Army has adopted a new strategic vision ultimately aimed at building a strategically responsive land force that is dominant in the full range of future military operations. To achieve its long-term Objective Force, the Army plans to field forces that are more rapidly deployable, versatile, lethal, survivable, and sustainable. The first step in this effort is the creation of a redesigned operational force capability -- Initial Brigade Combat Teams -- now being developed through field experimentation at Ft. Lewis, Washington. These teams will be used to validate operational capabilities and requirements for future tactical units.
- Navy: Network-Centric Warfare. The Navy is creating a knowledge-superior networked force able to dictate the operational tempo across an expanded, five-dimensional battlespace that includes sea, air, land, space and cyberspace. In the future, speed of command -- the ability to make timely, correct decisions inside an adversary's detection and engagement timeline -- will be as important as command of the seas to achieve dominance

across the battlespace. Under the Information Technology-21 program, the Navy is building the communications-and-networking backbone that will support the rapid exchange of information between naval and joint platforms envisaged by the Network-Centric Warfare operational concept. A key element of network-centric warfare is the Navy's Cooperative Engagement Capability (CEC) system, which passed its initial operational test and evaluation in August 1997. CEC links geographically dispersed radar and other sensors with all potential firing platforms to achieve a more effective, integrated air and missile defense "system of systems."

- Marine Corps: Sea Dragon Experimentation Plan. The centerpiece of the Marine Corps' transformation effort is its five-year experimentation plan, Sea Dragon. Under this plan, the Marine Corps has conducted a series of experiments to investigate concepts, tactics and technologies for the future force. The first experiment, Hunter Warrior, completed in 1997, examined naval power projection in a dispersed, non-contiguous littoral battlespace and considered how a Marine Air-Ground Task Force with small reconnaissance teams in the field could sustain itself and call in precision fires to halt an enemy advance. Follow-on experiments have included Urban Warrior in 1999, which addressed operations in an urban setting, as well as the ongoing Capable Warrior, which will evaluate new tactics and technologies to enable operational maneuver from the sea. Future experiments will focus on the interoperability challenges of joint and multinational operations.
- Air Force: Aerospace Expeditionary Force. The focal point of the Air Force's transformation effort is the development of the Aerospace Expeditionary Force (AEF). The Air Force is reorganizing most of its combat forces into ten AEFs that are more versatile, tailorable and highly responsive. This restructuring involves organizational, cultural, and operational changes designed to improve management of global engagement activities and to enhance the Air Force's warfighting capability. AEFs will be able to sustain operations with a reduced forward-deployed footprint by exploiting the seamless integration of information support and weapons technologies.

From successfully carrying out innovative concept development and experimentation to quickly integrating new systems and technologies into our forces—we are systematically creating an environment that will encourage innovation and deliver leaner, more agile, and more versatile forces needed to safeguard our future. This force will not just be technologically superior to any potential opposition—it will be doctrinally and organizationally superior as well—giving it the ability to secure our interests and achieve our policy goals with less risk to our forces, to our allies, and our homeland.

CHAPTER 9: BALLISTIC MISSILE DEFENSES

A. Origin's of the Clinton Administration's Missile Defense Program

The immediate roots of the missile defense program pursued by the Clinton Administration are to be found in the Strategic Defense Initiative (SDI) launched by President Ronald Reagan in a nationally televised speech on March 23, 1983. The main purpose of this program was to develop national missile defenses against a massive attack by nuclear-tipped Soviet missiles.

To oversee the SDI program, the Defense Department established the Strategic Defense Initiative Organization (SDIO). By the fall of 1987, SDIO had developed a national missile defense concept called the Strategic Defense System Phase I Architecture, which was composed of a space-based interceptor, a ground-based interceptor, a ground-based sensor, two space-based sensors, and a battle management system.

The end of the Cold War prompted a major re-evaluation of the U.S. missile defense program under President George Bush. This re-examination was followed by the Gulf War, which featured a major milestone in military history: the first operational engagement between a ballistic missile (an Iraqi Scud) and a missile defense system (the American Patriot). The dire nature of the threat now posed by theater missiles was graphically illustrated on February 25, 1991, when a Scud missile struck a billeting facility near Dhahran, Saudi Arabia, killing 28 Americans and injuring another 100.

Responding to the new conditions of the post-Cold War era, on January 29, 1991, President Bush announced the refocusing of the SDI program from its emphasis on defending against a massive Soviet missile attack to a system known as GPALS for Global Protection Against Limited Strikes. There were three main components to the new system: a ground-based Theater Missile Defense (TMD); a limited, ground-based National Missile Defense (NMD); and a Space-Based Global Defense. The increased emphasis on theater missile defenses that was reflected in GPALS was re-enforced during the presidency of William Jefferson Clinton, who took office in January 1993.

The Bottom-Up Review: Missile Defense for the Post-Cold War World

On May 13, 1993, Secretary of Defense Les Aspin announced that he was changing the name of the Strategic Defense Initiative Organization to the Ballistic Missile Defense Organization (BMDO). In his announcement, Aspin noted that the name change signified the end of the SDI decade and gave credit to SDI for helping to end the Cold War.

Under the leadership of Secretary Aspin, the Defense Department had also initiated a major review of America's post-Cold War defense requirements. Completed in September 1993 and called the Bottom-Up Review (BUR), this study laid out a missile defense program with three components that were prioritized by means of funding:

- The top priority of the BUR program was theater missile defense, which was to receive \$12 billion over the course of five years. Three projects constituted the core of this component: improvements to the Army's Patriot missile system (known as Patriot Advanced Capability-3 or PAC-3), a modification to the Navy's Aegis air defense system to give it the capability to intercept theater ballistic missiles (later known as Navy Area Defense or NAD), and a new Army missile defense system known as Theater High Altitude Area Defense (THAAD).
- Second priority went to national missile defense, which was to receive about \$3 billion over five years. This "technology readiness" program was designed to shorten the time required to field an effective national defense in case a new missile threat to the U.S. homeland should suddenly materialize.
- Third priority was assigned to a five-year development program to produce advanced technologies that could improve both national and theater defenses. A total of \$3 billion was earmarked for this third BUR component.

Later in the fall of 1993, the Senate confirmed Secretary Aspin's nomination of Army Lieutenant General Malcolm R O'Neill to serve as the first director of the Ballistic Missile Defense Organization. It fell to General O'Neill to oversee the major transition from the GPALS program of the Bush presidency to the Bottom-Up Review program of the Clinton Administration. One measure of the massiveness of this re-orientation is the size of the reduction in the five year budget for missile defenses. When President Clinton took office, the five year program for missile defenses called for the expenditure of \$39 billion. In about a year, General O'Neill and his staff had to downsize the program and restructure the organization to fit the \$18 billion BUR program. The task was complicated by further reduction in the program ceiling by another \$1.1 billion, leaving the overall missile defense program with about \$17 billion. This huge transformation was accomplished in a highly effective manner without disrupting the development schedules for vital theater missile defense programs. BMDO's success in this matter helped earn the agency a Defense Department Joint Unit Meritorious Award, which was presented to the organization on February 5, 1996, by Secretary of Defense William Perry.

B. The Theater Missile Defense Program Evolves

In addition to the three core TMD programs already mentioned, the BUR called for a fourth major program that would emerge from a competition between three projects: Corps-SAM (Surface-to-Air Missile), Navy Upper Tier, and a boost phase intercept option (such as the Air Force's airborne laser program). When Corps-SAM changed into an international program known as the Medium Extended Air Defense System (MEADS), it increased in importance and was designated a major defense acquisition program (MDAP).² Where Navy

² In order to be an MDAP, an acquisition program must either be designated by the Under Secretary of Defense for Acquisition, Technology, and Logistics as an MDAP or estimated by the USD(AT&L) to require an eventual total expenditure for research, development, test, and evaluation of more than \$355 million in FY 1996 constant

Upper Tier was concerned, it evolved into the Navy Theater Wide (NTW) program after its advocates, including several powerful congressmen, also succeeded in elevating this program to MDAP status. The addition of MEADS and NTW to NAD, PAC-3, and THAAD meant that the BMDO TMD program now included five MDAPS instead of the four called for in the BUR. This helped produce funding strains that were to plague the missile defense program throughout the remainder of the Clinton Administration.

THAAD was designed with range and altitude capabilities that exceeded those of the PAC-3 system. These capabilities would allow THAAD to serve as an overarching, upper tier defense to complement the capabilities of Patriot PAC-3, thereby achieving synergies that would significantly improve the effectiveness of the THAAD-Patriot combination. THAAD experienced testing difficulties during its program design and risk reduction phase (PD/RR). Indeed, prior to successful tests on June 10, 1999, and August 2, 1999, THAAD had missed its target in six straight tests, causing grave concerns about the viability of the missile's design and prompting major reviews of the program. These reviews concluded that THAAD's design was basically sound and that the test failures had been caused in part by poor quality control. As a result of these findings and the two successful tests, BMDO and DoD cancelled the two remaining tests in the PD/RR phase and moved the program forward into the engineering and manufacturing phase of the acquisition process. The revised THAAD program was to provide an early operational capability in the third quarter of fiscal year 2007 when the first Army unit received the first sixteen THAAD missiles.

THAAD's lower tier complement, the Army's PAC-3 system, was produced by integrating a new improved missile known as the Extended Range Interceptor (ERINT) into an upgraded version of the existing Patriot ground support system, which includes a radar and a command, control, and communications system. The decision to use ERINT as the PAC-3 interceptor marked an important milestone in missile defense history. Prior to this February 1994 decision, the only operational missile defense interceptors (earlier versions of Patriot and the Spartan and Sprint missiles of the 1970s Safeguard NMD system) had relied on warheads with either nuclear or conventional explosives to achieve their destructive effects. ERINT, a hit-to-kill (HTK) interceptor that destroys its target by physically colliding with it, would make PAC-3 the first operational system to employ this type of interceptor. HTK interceptors eliminate a number of problems that were associated with earlier interceptor designs.

The PAC-3 program was well along as the Clinton Administration began its final year in office. In December 1999, the contract for assembling the first twenty PAC-3 missiles was awarded. This action, along with others, was moving the program toward DoD's goal of providing the first Configuration-3 ground equipment to an Army unit during the fourth quarter

dollars or, for procurement, a total expenditure of more than \$2.135 billion in FY 1996 constant dollars. Once a program is designated an MDAP it is managed through a defined process that includes several phases such as concept exploration and definition, program definition and risk reduction (PDRR), and engineering and manufacturing. Before an MDAP can pass from one phase of the process to another, the program must meet established exit criteria such as the successful completion of a given number of tests. Transitions between phases are known as milestones and are designated by capital Roman numerals. For example, MS I marks the transition from concept exploration and definition to PDRR.

of fiscal year 2000 and deploying the first PAC-3 missiles in the fourth quarter of fiscal year 2001. Once operational, PAC-3 would defend critical fixed assets and Army units against theater ballistic missiles, aircraft, and cruise missiles.

The Navy's equivalent of PAC-3 is NAD, a sea-based, lower-tier system. This program entails upgrading the Navy's proven Aegis air defense system, including the Standard Missile-2 (SM-2) with its explosive fragmentation warhead, so it will have the ability to down theater ballistic missiles. The NAD acquisition strategy was established in October 1999 and calls for an initial capability of five missiles on a single ship in fiscal year 2003.

Complementing NAD in the sea-based arena is the NTW system that will incorporate a new HTK interceptor, the Standard Missile 3, that emerged from the design of the Standard Missile 2. SM-3's first three stages would loft a Lightweight Exoatmospheric Projectile (LEAP) kill vehicle outside the atmosphere where LEAP would then complete the intercept by crashing into its target. Once operational, NTW would give U.S. forces the vital capability to engage longer range theater missiles throughout a major portion of their flight trajectories, from the ascent phase, through mid-course, and into the portion of the descent phase that takes place outside the atmosphere.

The baseline plan for NTW was approved by a May 1999 acquisition decision memorandum that called for equipping the first unit in FY 2007, a date that was slipped to FY 2008 in a revised acquisition strategy approved in December 1999. A few months before the revised strategy was approved, SM-3 had successfully completed its first test flight (September 24, 1999).

As THAAD complements Patriot PAC-3, so also will NTW provide an upper defensive tier to combine synergistically with NAD. The layered defense provided by the NAD-NTW combination is designed to protect naval units and other assets during theater operations. Such naval-based defenses would be especially critical during amphibious lodgments when disembarking forces are especially vulnerable to missile attacks.³

All U.S. TMD systems will be fully compatible with each other to ensure they operate together synergistically, providing a single, integrated theater-wide missile defense system capable of protecting deployed U.S. forces and the forces and populations of America's friends and allies. To help ensure that Army and Navy TMD systems can operate together effectively and that these systems would meet the requirements of America's operational commanders, DoD and the Joint Chiefs of Staff issued a November 14, 1996, directive establishing the Joint Theater Air and Missile Defense Organization.

³ The vulnerability of lodgment operations to missile attack has been recognized since the advent of the Nazi V-2 missile during World War II. Speaking of the V-1s and V-2s, Dwight D. Eisenhower wrote in *Crusade in Europe* (Garden City, N.Y.: Doubleday & Company, 1948), pp. 259-260: "It seems likely that, if the German had succeeded in perfecting and using these new weapons six months earlier than he did, our invasion of Europe would have proved exceedingly difficult, perhaps impossible. I feel sure that if he had succeeded in using these weapons over a six-month period, and particularly if he had made the Portsmouth-Southampton area one of his principal targets, Overlord might have been written off."

C. Toward a More Viable NMD Program

While the TMD program outlined in the BUR proved to be reasonably sound when measured against the advancing threat posed by the post-Cold War proliferation of missile technology, such was not the case with the BUR's NMD component. Indeed, significant changes in the NMD program were already underway by August 1996, when Air Force Lieutenant General Lester L. Lyles became the second BMDO Director, replacing General O'Neill, who had retired from the Army at the end of the previous May.

One of the forces behind these changes was a Congress that had come under Republican control in 1994. Responding at least in part to congressional pressure for greater emphasis on national missile defense, DoD announced in February 1996 that NMD was being changed from a technology readiness program to a deployment readiness program. Known as the "three-plus-three" program, this new approach called for BMDO to complete three years of further developmental work leading to a systems integration test in 1999. Following this test, the United States would be ready to field a limited national missile defense in three more years if the threat warranted such a deployment. If a decision to deploy were not warranted in 1999, BMDO would continue improving and refining the NMD components under development, but would always be able to deploy a system in three years following any decision to do so.

On April 9, 1996, Under Secretary of Defense for Acquisition and Technology Paul Kaminski announced his decision to designate NMD a Major Defense Acquisition Program. To manage this new NMD program, Dr. Kaminski directed BMDO to establish the NMD Joint Program Office (JPO) that was officially activated on April 1, 1997. One of the most pressing tasks for the newly established JPO was to oversee the selection of a contractor to serve as Lead System Integrator (LSI) for the NMD program. The principal responsibility of the LSI was to be integrating components developed by the military services into an effective NMD system. On April 30, 1998, OSD announced that BMDO had awarded the LSI contract to Boeing North America of Seattle, Washington. The contract was for a \$1.6 billion, three-year development program, with a possible follow-on contract covering up to seven more years of developmental work.

Another major force driving NMD program modifications was a change in understanding of the post-Cold War threat. The November 1995 national intelligence estimate (NIE) of the missile threat to the U.S. homeland concluded that such a threat was unlikely to materialize over the next fifteen years. After Republican law makers charged that this NIE had been unduly influenced by politics, an independent commission was established under former Secretary of Defense Donald Rumsfeld to evaluate the threat missiles posed to America. On July 15, 1998, the Rumsfeld Commission reported that "concerted efforts by a number of overtly or potentially hostile nations to acquire ballistic missiles with biological or nuclear payloads pose a growing threat to the United States, its deployed forces and its friends and allies." While these systems would not match those of the U.S. for accuracy and reliability, they would allow the nations that developed them "to inflict major destruction on the U.S. within about five years of a decision to acquire such a capability (10 years in the case of Iraq)."

As if cued by the Rumsfeld report, the Iranians flight tested their medium-ranged Shahab-3 missile on July 21, 1998. This was followed by a North Korean test of its Taepo Dong-1 missile on 31 August. This second test was especially troubling, for the North Koreans demonstrated important capabilities such as staging that are associated with ICBMs.

These unsettling developments prompted more changes in the NMD program. At the beginning of 1999, Secretary of Defense William Cohen announced that DoD was adding \$6.6 billion to the NMD program between fiscal years 1999 and 2005. This additional funding was to ensure that the U.S. could support a June 2000 decision to deploy. He also stated that the target date for deployment would be shifted from 2003 to 2005 to reduce program risk.

Five months after Cohen's announcements, General Lyles received his fourth star and assumed new duties as Vice Chief of Staff, United States Air Force. His successor, Lieutenant General Ronald T. Kadish, USAF, assumed the mantle of BMDO Director on June 14, 1999. Within six months of his arrival, General Kadish had carried out the most extensive reorganization of DoD's missile defense agency since the 1992 reorganization associated with the implementation of a new architecture in the SDI program. Additionally, General Kadish set the following as the focus of the agency's mission: "To deliver what we promise. And what we promise is missile defense--theater and national--that responds to a changing and growing threat."

To be sure the systems produced by BMDO would be responsive to "changing and growing" threats, General Kadish implemented the process of spiral development. In this process, the agency uses intelligence estimates to establish the configuration of the most likely threat a missile system will face. This threat then becomes the basis for designing a missile defense system that then remains fixed through deployment, even if intelligence information suddenly indicates the threat is likely to change shortly after the system becomes operational. To deal with the new threat, BMDO would draw on DoD's technology base to develop a modification to the fielded system that would allow it to cope with the new threat.

The general idea of spiral development is illustrated in the case of NMD. Plans for this system called for the first capability, twenty interceptors, to be fielded and operational by 2005. Included as part of this first NMD system would be a new X-band radar on Shemya Island in the Aleutians, up-grades to already existing early warning radars, operational space-based sensors, and a command and control system. Two years later, the system would be upgraded with the addition of eighty more interceptors, allowing it to deal with a larger, though still limited, threat that includes only simple countermeasures. Later still, a constellation of new Space-Based Infrared Sensor satellites would come on line to improve the NMD system's ability to find and track attacking missiles. Furthermore, three more X-band radars would be added. These changes together would provide a greater capability known as Capability 2. Still further in the future, Capability 3 would be achieved by making other changes to ensure continued operational effectiveness against a more advanced threat involving improved countermeasures.

By the time of General Kadish's arrival, BMDO and the JPO had already completed two highly successful tests of the candidate sensors for NMD's exoatmospheric kill vehicle (EKV). Based on these successes and other information, the LSI pushed forward with the down-select competition between the Boeing and Raytheon EKV candidates in December 1998, without holding a flight competition between the interceptors. The early down-select decision saved about \$100 million. This money was used to insert another test, IFT-5, in the NMD program. This test was to be followed in June 2000 by a Deployment Readiness Review that would help determine DoD's recommendation to the President relative to the deployment of the NMD system.

The Raytheon EKV, which won the competition, successfully intercepted a dummy warhead over the Pacific in the third integrated flight test (IFT-3) on October 2, 1999. However, the IFT-4 test of January 18, 2000, was not so successful.

For all but the last six seconds of the flight, IFT-4 proceeded flawlessly, validating the integration of the NMD system's sensor, interceptor, and battle management components. During the final seconds of the flight, when the interceptor was closing with its target at a speed of 15,000 miles per hour, a blockage occurred in a cryogenic cooler line causing a sensor failure. As a result, the interceptor missed its target by seventy-three meters. Ensuring that the cooler problem was fixed and would not cause another failure forced a slippage of the IFT-5 test, which in turn caused a postponement of the Deployment Readiness Review.

Like IFT-4, IFT-5 was designed to test the integration of NMD's far-flung system elements. The test's target system was launched from Vandenberg Air Force Base in California at 12:19 a.m. (EDT) on July 8, 2000. About twenty minutes later, the payload launch vehicle (PLV) carrying the EKV was launched from Kawajalein Atoll, 4300 miles away in the Pacific. During the ascent, the EKV failed to separate from the second stage of the PLV. As a result, the test failed to produce the intended intercept of the target. Although a success on IFT-5 was not considered essential for a presidential decision to field the NMD system, the second straight failure did not bode well for those who favored deployment.

D. The ABM TREATY: Succession and Demarcation Agreements

While the Defense Department was pushing forward with its NMD program, the State Department had been negotiating intensely with the Russians to gain acceptance for an amendment to the ABM Treaty of 1972 that would permit the United States to deploy an NMD site in Alaska. This treaty had emerged from the first round of the Strategic Arms Limitation Talks (SALT) that had begun in November 1969 and lasted two and a half years. The basic treaty prohibited a nation-wide missile defense and limited the U.S. and Soviet Union to two missile defense sites apiece, each site having no more than one hundred interceptors. In 1974, a protocol to the treaty reduced to one the number of sites each side could deploy. Once a country deployed a defensive system at a given location, it could not deploy at any other location, even if it closed the original site. In the 1970s the Soviet Union established its one ABM facility at Moscow, a facility that Russia continues to operate. The United States

established Grand Forks, North Dakota, as its one site, but closed its Safeguard ABM system in February 1976, a few months after the system first became operational.

Under the Reagan and Bush administrations, American arms negotiators had used the so-called broad interpretation⁴ of the ABM Treaty as a wedge for opening negotiations with the Soviets on a possible regime of arms agreements and cooperative programs to pave the way for a transition from offense-dominated nuclear deterrence to a deterrence paradigm based increasingly on strategic defenses. The Clinton Administration opted for another approach. It dismissed the broad interpretation of the treaty in 1993 and focused its energies on "strengthening" the ABM Treaty, which, the administration emphasized, was a cornerstone of strategic stability in the post-Cold War world. In pursuit of this policy, American diplomats negotiated the multilateralization of the ABM Treaty and secured a demarcation agreement that provided criteria for distinguishing TMD systems (not covered in the original treaty) from NMD systems.

By September 26, 1997, when these two changes were finally agreed to, the Administration's policy and negotiating efforts had aroused strong opposition in the Republican-dominated Congress. The Senate demanded the right to offer its advice and consent on the amendments, a process that would have almost certainly resulted in the rejection of the agreements had they been submitted for Senate approval. Furthermore, in fiscal year 1999 and again in fiscal year 2000, Congress passed measures that required presidential certification that the demarcation and multilateralization agreements were not being implemented before funds could be expended to support U.S. participation in the Standing Consultative Commission that had been established by the ABM Treaty.

By the time Congress moved to block the implementation of the multilateralization and demarcation agreements, the time was approaching when it would be necessary to initiate long lead time activities if the U.S. were to have an NMD system operational in time to meet the projected threat from rogue nations such as North Korea. Since NMD plans called for constructing a new X-band radar on Shemya Island and deploying an NMD site in Alaska, the United States would have to negotiate with Russia to amend the ABM Treaty.

When the Clinton administration began its efforts to amend the treaty, it met strong opposition from the Russians, who protested that the treaty was the cornerstone of strategic stability and could not be amended. In their protests, the Russians were supported strongly by elements of the international community, including China, France, and the United Nations.

⁴ The expression, broad interpretation of the ABM Treaty, derives from an intense debate in the 1980s over the interpretation of certain provisions in the treaty pertaining to futuristic systems that were based on technologies not used in the components and systems described and controlled in the ABM Treaty. These futuristic systems were said to be based on "other physical principles." Supporters of the "broad" interpretation argued that the treaty anticipated the development of futuristic systems and did not agree to restrain research, development, and testing associated with these new systems. Advocates of the "narrow" or "restrictive" interpretation held that the treaty prohibited the development, testing, and fielding of all but fixed land-based ABM systems, regardless of the technologies upon which they were based. The debate raged throughout much of the eighties and was never really resolved before the end of the Cold War, since the administrations of both President Ronald Reagan and President George Bush adhered to the narrow interpretation. For one discussion of the broad-versus-narrow issue by a participant in the SALT I talks, see Paul H. Nitze with Anna M. Smith and Steven L. Rearden, *From Hiroshima to Glasnost: At the Center of Decision* (New York: Grove Weidenfeld, 1989), p. 414.

Furthermore, during the summer of 2000, as the deadline approached for President Clinton's decision on whether or not to initiate an NMD deployment, the Russians played their trump card. Under the leadership of newly elected President Vladimir Putin, the Russian Duma approved in quick succession the START II strategic arms agreement and the Comprehensive Test Ban Treaty. The former had been agreed to by Presidents George Bush and Boris Yeltsin in 1993 and approved by the U.S. Senate in 1996. From this putative "moral high ground" the Russians now threatened to scrap the entire arms control structure if the United States insisted on changing or withdrawing from the ABM Treaty.

Stout Russian resistance to amending the ABM Treaty and NMD test failures were important considerations in intense, high-level government deliberations in the weeks following the IFT-5 test. These talks involved representatives of the State Department, the Department of Defense, and the National Security Council and included the proceedings of DoD's own Deployment Readiness Review of the NMD program. Based on the advice that flowed from these deliberations, President Clinton decided not to initiate an NMD deployment, announcing his decision in a September 1, 2000, speech at Georgetown University. In his remarks, the President noted that the world was, indeed, becoming in some ways a more dangerous place so that pursuing an NMD system was rational. Nevertheless, given the fact that the NMD program was still showing signs of technological difficulties and that all of America's security measures, including arms control, must complement each other, he had decided that the time was not right for a deployment. Moreover, given the technical difficulties, he believed that his decision to defer the NMD decision to the next president would not significantly delay the operational date of an American NMD system.

E. International Programs

In addition to its continuing arms talks with the Russians, the Clinton administration worked hard to improve strategic relations with Russia through the pursuit of various cooperative endeavors. One of these is a BMDO program called RAMOS, which stands for Russian-America Observation Satellite. This project evolved through several stages from a 1992 project. By the year 2000, RAMOS called for the Russians to build and launch two satellites, each of which were to be fitted with U.S. sensors. These satellites would then be used to gather various phenomenological data that the two countries would analyze independently, before sharing the results of their analyses. In addition to providing valuable technical information on the performance of infrared sensors in new frequency bands, the project is expected to help the U.S. and Russia move beyond the confrontational spirit of the Cold War.

RAMOS was but one of several cooperative international programs conducted by BMDO during the Clinton presidency. Another international program is the MEADS program already mentioned. MEADS had begun as a U.S.-only program known as Corps-SAM, which was to provide highly mobile air and missile defense units that could maneuver with and protect Army field units. In an effort to reduce development costs and enhance the security of the U.S. and its European allies, Corps-SAM was transformed into an international program through an agreement with Germany and Italy. In 1999, faced with competing priorities in its

missile defense program, the United States, in coordination with its partners, restructured the MEADS program. The new structure featured a three-year risk-reduction effort (RRE) and established the Patriot PAC-3 missile as the initial interceptor for MEADS. The transition to the new MEADS program was set to begin in the third quarter of fiscal year 2000.

In addition to MEADS and RAMOS, three other cooperative programs deserve notice here. The first of these is the Arrow cooperative project with Israel, which started in 1988 and is BMDO's longest running and most mature international program. In March 2000, the Israeli Air Force accepted the first production model of the Arrow II missile from Israeli Aircraft Industries; and the Israelis declared the Arrow missile defense system operational on October 16, 2000.

Another international program grew out of a U.S.-Japanese combined study that began in December 1993. The need for a cooperative missile defense program was made increasingly apparent to both countries as North Korea carried out a series of ballistic missile tests between 1993 and 1998. In response to this growing threat, Japan and the United States signed an August 1999 memorandum of understanding that defined a joint developmental program focused on four advanced components of the Standard Missile-3, which was to be the interceptor for the NTW system. These four components were the sensor, the advanced kinetic warhead, the second stage propulsion system, and a lightweight nosecone. This two-year effort was expected to cost \$72 million. Plans called for the jointly-developed missile to be flight tested in about five years.

The third cooperative project is America's work with its North Atlantic Treaty Organization (NATO) allies to develop an active, layered defense that can protect the NATO region against tactical ballistic missiles. By the end of the Clinton Administration, these efforts had produced a formal operational requirement for a missile defense system; and NATO was planning to initiate two industry-led feasibility studies in the spring of 2001. These studies would then become the basis for drafting the acquisition documents defining the system NATO will need to acquire. These acquisition documents were to be completed by 2004 and a full layered defense was to be in place by 2010.

Conclusion

BMDO's international projects, along with its TMD and NMD programs, were part of the broad strategy of the Clinton Administration to develop effective military systems while seeking to constrain and reduce threats to the United States and world community through arms control agreements. The missile defense component of the Clinton strategy places the United States in a strong position to deal with an emerging strategic order marked increasingly by non-deterrable threats created as ballistic missile technologies spread to states of concern like North Korea. Taken together, America's missile defense programs indicate that while the United States hopes for a new and long era of peace, she casts a wary eye to the future. Here, America would seem to be following the sound advice of the nation's patriarch, George Washington: "To be prepared for war is one of the most effectual means of preserving peace."

CHAPTER 10: COMMITTING TO THE TOTAL FORCE

A. Strengthening DoD's Commitment to the Total Force

Total Force Integration

Guard and Reserve forces, during the Cold War, numbered over one million personnel but contributed support to the Active forces at a rate of fewer than one million man-days per year. To serve in the Reserve components during that period meant being kept ready in reserve, waiting for the advent of World War III and the cataclysmic contingency that would call them to duty on the front lines in the fight against communism in Europe or Asia.

As the Cold War concluded, a new national military strategy and a restructured military force were needed. In embracing a new strategy for a new century, the Clinton Administration moved America's Guard and Reserve closer to the forefront of efforts to secure peace, engender democracy, and nurture market economies on a global scale beginning with Secretary of Defense Perry's efforts "to better leverage our National Guard and Reserve," and continuing with Secretary of Defense Cohen's charge to "recognize and address any remaining barriers to achieving a fully integrated Force."

The outcome of the Congressionally directed Commission on Roles and Missions of the Armed Forces was embraced by Secretary of Defense Perry. He told leaders of both chambers, "that [he] looked forward to ...making these significant recommendations a reality." For the Reserve forces that entailed reshaping and re-sizing to meet national security strategy requirements; reducing and reorganizing Reserve component forces; establishing a fully tiered resource allocation process; and improving the integration of Active and Reserve forces.

Total Force integration necessitated changing the nature and purpose of the Reserve forces. Moreover, it meant changing the terms of employment, so that individuals who serve in the Guard and Reserve have benefit parity and serve in an environment in which benefits are appropriate to the level of participation. Integration efforts were to establish a way of conducting military operations that fully utilize the unique capabilities of all components and all services, so that when U.S. military forces are employed, they fight as a joint force with inter-operable equipment and compatible doctrine.

To date, substantial progress has been made to integrate Active and Reserve forces. This progress is evident in the increasing levels of participation by Reserve component personnel in Department of Defense missions, both domestic and abroad. In striking contrast to Cold War levels of contributory support, today's Reserve forces are providing approximately 13 million mandays of support to the Active component on an annual basis. This is a thirteen-fold rise and the equivalent to adding 35,000 personnel to the Active component end strength. This stunning evolution has occurred within the context of a much broader change in recent years in the ways and places in which military forces—particularly the Reserve forces—have been deployed. For the first time in history, reservists are being called to active duty under three separate Presidential Reserve Call-Ups, in Bosnia, Kosovo and Southwest Asia. In

Bosnia, over 40,000 reservists have been called involuntarily since 1995, with another 14,000 having served in a voluntary capacity. For Southwest Asia, 2,500 have been called and some 11,000 have volunteered. For Kosovo, more than 6,700 have been called involuntarily, and these have been joined by more than 4,000 volunteers. The two other Presidential Reserve Call-Ups invoked this decade are Desert Storm and Haiti, with 265,000 and 8,000 reservists serving respectively. These numbers are evidence that the nation cannot undertake sustained operations anywhere in the world today without calling on Reserve assets.

Not only are the Reserve components no longer a force-in-reserve, they are increasingly included in many facets of DoD policy and practice. Examples of the stem-to-stern effect of the "remove the remaining barriers to integration" mandate, include the Public Key Infrastructure and Common Access Card or "Smart Card" programs wherein the Reserve is an equal participant.

While the role and use of the Reserve components in the Total Force has expanded dramatically over the past decade, the size of the Reserve force has declined by 26 percent. By fiscal year 2001, Selected Reserve end strengths will have nearly achieved the reduction goals established in 1997 by the QDR. This will result in a Selected Reserve force of around 866,000 personnel. Simultaneously, funding to support that force has been reduced proportionately. Funding for the Reserve components is about 8.4 percent of the total Defense budget. The President described his Total Force "vision" by saying, "... that as we reduced our forces in the wake of the Cold War, a strong role for the National Guard and the Reserve made more sense, not less. ... Our use of Reserve components has been one of the secrets of our success. As we decrease the number of our forces, but increase their readiness, capabilities and technological edge, we carried through on our pledge to retain the combat role of the Guard. And I reaffirm I will not let the Guard become a backup force of last resort."

Recognizing that there will be continued reliance on the Reserve components in the future and that the lower peacetime, sustaining costs of Reserve component units and individuals can result in a larger Total Force for a given budget, the Administration committed to building a seamless Total Force for the future. Secretary Cohen knew that building a seamless Total Force would have profound implications on the Reserve components: their accessibility; their quality of life; the rate at which their personnel are used (PERSTEMPO), as well as the number and frequency of operations that they are being called upon to perform (OPTEMPO). Reserve component personnel are being used more often, more widely, and for a broader range of missions and operations than ever before. "The Total Force concept is now a fundamental principle guiding the restructuring and reorientation of our nation's military forces to meet the realities of today's world. We implemented Total Force initiatives that optimized RC capabilities and core competencies to support current requirements. We promoted effective integration by replacing barriers with constructs that enhanced readiness and inter-operability. We eliminated many structural and cultural barriers to integration that underscore our recognition that the use of RC forces has changed considerably over the last thirty years."

One remaining barrier to Total Force integration identified by the Reserve Forces Policy Board's Education Summit, was the inadequate knowledge and understanding of the

capabilities and resources of the Active, Reserve and Civilian components within the Total force. Lack of knowledge has led to less than optimum utilization of the forces. The Board noted that more effective education across all force elements is a key to effective force integration. There must be a greater understanding of the Total force and its components beginning early, and continuing throughout one's career. This education should include: constitutional and legal basis of military institutions, principles, and values of the civil-military foundation of the United States; history and evolution of the Active, Guard and Reserve forces; and the role of the citizen soldier as the linkage between national security policy and the will of the people. A follow-on curriculum could include wartime and peacetime missions; Reserve component structure and capabilities; accessibility processes; effects of activation relating to family, employers, and the community; and employment of RC units and individuals.

Increased employment of Reservists has led to increased sensitivity to the needs of Guard and Reserve members as civilians, and of their employers. The civilian side of Reserve service has become a new focus. As the nation continues to rely more on the Guard and Reserve, it is vital that the Department keeps them and their employers engaged and informed and disruptions affecting employers are kept to a minimum. The administration recognized this and declared November 2nd through November 8th, 1997, as National Employer Support of the Guard and Reserve Week.

Smaller force levels, smaller budgets and reduced overseas presence associated with the force drawdown of the 1990s resulted in more frequent use of Reserve component personnel to meet peacetime operational commitments, which highlighted the need to address quality of life concerns of Reservists as some of "the remaining barriers to integration."

B. Integration of the Active Army, Army Reserve, and Army National Guard

The Army, more so than any other service, had more to do in order to capitalize on the innovations brought about by recent Revolutions in Business and Military Affairs. This was the case for many reasons and the Army initially met the challenge by reengineering personnel levels, equipment modernization and allocations, and shifting unit assignment and missions. This process was seen by many as problematic in that all components of the Army had large stakes in the outcome and a "rift" developed as components fought for their people and programs.

Warfighting requirements developed by the FY03 Total Army Analysis process resulted in a force structure shortfall of 124,800 Combat Support (CS) and Combat Service Support (CSS) soldiers for the Army. This shortage is not an endstrength shortage but rather a force structure imbalance between combat and combat support units. To alleviate part of the problem, the Army developed a plan to convert approximately 66,400 existing spaces to reduce this critical shortage. Those 66,400 spaces will come from the conversion of 12 Army National Guard (ARNG) combat brigades. The study took place during the first Clinton Administration and was signed in an Action Memorandum by the Secretary of the Army on May 23rd 1996. This integrated program reduces the overall CS/CSS shortage to its lowest level in decades and

took a major step towards mending the division between the Active Army and the ARNG caused by decades of mistrust.

Secretary of Defense Cohen, knowing that a Total Force outcome with component wide buy-in was the only acceptable solution, directed that all Army components conduct an off-site to discuss implementation of the QDR objectives – the first initiative by the administration directed toward reconciliation of the split between the Army components. When the "Off-site" ended on June 4th, 1997, there was an agreement between the Active Army and the ARNG that the Reserve components would be cut 20,000 by FY02, civilian personnel would be reduced by 17,400 by FY06, and 15,000 would be cut from Active forces by FY99. The remaining 25,000 in cuts to the Reserve components would be postponed until after FY01, giving both components time to work the political process. It was also agreed that the National Guard's 15 enhanced brigades would have decreased "manning" levels, but be maintained at a 90% level of readiness. The off-site yielded much better results for the National Guard than the 70,000 initially proposed by the Army prior to the QDR announcement. This meeting between all components, although not harmonious, marked the beginning of the healing process.

Following the release of the QDR in 1997, the National Defense Panel (NDP) made several recommendations to the Department of Defense to further improve integration within the Army National Guard and the Active Army. Specifically, to "enhance the capability of the Guard as a component of the Total Force." This directive signed by the Assistant Secretary of Defense for Strategy and Threat Reduction in 1998 contributed to mending the division between both components because it forced the Army to consider the implementation of the NDP recommendations.

In Oct 99, the Army created two integrated divisions, one heavy and one light. Joining a newly created, small, active division headquarters and three existing National Guard enhanced brigades formed each division. Secretary Cohen lauded the initiative for helping to create a "seamless Total Army for the 21st Century" and increasing the Army's readiness and capability to respond in an ever-changing defense environment. Secretary Cohen reasserted in his praise of the initiative that the "creation of a seamless Total Force is one of my highest priorities."

C. Reserve Component Quality Of Life Initiatives

The President's Defense Funding Initiative intended to strengthen readiness and support the Bottom-Up Review. Important elements of this initiative included fully funding a military pay raise in FY96 – FY99 and adoption of Secretary of Defense's Quality of Life improvements. As the President said, "We will spend what is required to ensure that our military ... receive[s] the support they and their families need to serve our nation."

Senior Enlisted Advisors Forum

On June 22, 2000, the Secretary of Defense hosted the First Annual Senior Enlisted Advisors Forum to recognize and acknowledge the contributions and the dedication of the

senior enlisted leadership and to engage them along with their spouses in a dialogue on issues of concern to the enlisted members of the Total Force. The Forum was comprised of a select group of 80 Active and Reserve senior enlisted advisors from each of the military services, in the grade of E-9 and their spouses. At the conclusion of the discussions, the Secretary and Mrs. Cohen received an out-brief from a representative from each military service and one of the spouses on key issues in each topic area. The final report continued the legacy of the forum and tangibly demonstrated to the enlisted force that the dialogue with Secretary Cohen yielded results (currently being printed by GPO).

Family Readiness Instruction

The Persian Gulf War, Operation JOINT ENDEAVOR/JOINT GUARD and other recent deployments reinforced the importance of having strong Reserve family readiness programs. A business process analysis conducted soon after the Gulf War documented the essential elements of family readiness in the National Guard and Reserve. In September of 1994, the first-ever DoD guidance on Reserve component Family Readiness was published in DoD Instruction 1342.23. In July 1997, the Department ensured that baseline requirements were provided by all Services as directed in the Instruction. The DoD Instruction also encourages commanders at all levels to support Total Force Joint-Service family readiness efforts in maximizing regional cooperation, planning, and information sharing.

National Guard and Reserve Family Readiness Strategic Plan, 2000-2005

In September 1999, the Office of the Secretary of Defense hosted a Reserve component strategic planning conference to create a vision and develop a plan for Guard and Reserve family readiness in the new millennium. Stakeholders from all seven Reserve components participated and represented a diverse cross-section of constituencies that included Active and Reserve component officers and enlisted members, spouses, the American Red Cross, the National Committee for Employer Support of the Guard and Reserve, ombudsmen, key volunteers, and family program personnel. Their task was to develop a blueprint for Guard and Reserve family readiness with measurable goals and strategies. During the conference, participants recognized that they faced common challenges, such as easy access to and continuity of healthcare, employer support and the need to better utilize technology as a family readiness tool, to link family members with their military spouse. The participants identified many issues that impact family readiness and they committed to work together to address those issues by publishing an action plan. This plan seeks to: support mission readiness through Reserve component family readiness; standardize Service and inter-Service requirements for providing family support to the Total Force; provide Guard and Reserve members equitable and accessible benefits and entitlements; and develop family readiness programs and services that enhance recruiting, retention, and quality of life.

Summit and Report to Congress on Improving Reserve Component Health Care

In November 1997, Secretary Cohen announced the first-ever Reserve health care summit to address the full spectrum of health care issues, entitlements and legislation affecting

Reserve readiness in the post Cold-War world. The objective of the summit was to improve medical readiness of Reserve component personnel, and ensure that those who become ill or injured as a result of military service receive appropriate health care and medical benefits. The Summit was conducted in conjunction with a study and report to Congress on the means of improving the provision of uniform and consistent medical and dental care to members of the Reserve components. The report recommended sweeping changes in the statutes and policies covering health care benefits and entitlements for members of the National Guard and Reserve.

Reserve Component Incapacitation Management System

To address the systemic problems identified during the first-ever Reserve Component Health Care Summit and implement numerous changes in law affecting Reserve healthcare, a comprehensive review of DoD policy guidance for managing the Reserve component incapacitation system was conducted. This review resulted in a complete revision to DoD Directive 1241.1, "Reserve Component Incapacitation Benefits," to now address all Reserve healthcare entitlements and benefits and provides a systematic approach to the management of Reserve component members who incur or aggravate an injury, illness or disease while serving in a duty status.

TRICARE Dental Program

A new DoD TRICARE Dental Program (TDP) was developed and is scheduled to take effect February 1, 2001. This program combines the TRICARE Family Member Dental Plan (TFMDP) and the TRICARE Selected Reserve Dental Program (TSRD) while significantly expanding the number of Reserve component personnel eligible for TDP. Following 18 months of planning, conferences, and Government evaluation, the TRICARE Dental Program (TDP) was awarded to United Concordia Companies, Inc. on April 14, 2000. The National Defense Authorization Act for FY 2000 authorized the addition of Selected Reservists, Individual Ready Reservists and their respective family members. The TDP offers a comprehensive dental insurance program that is uniform for all enrollees worldwide. One important new feature will allow Reserve component personnel called to active duty in support of contingency operations to sign their family members up for the TDP by excluding them from the mandatory twelve month enrollment period.

Establishment of the Ready Reserve Mobilization Income Insurance Program)

The Ready Reserve Mobilization Income Insurance Program was instituted in response to growing concerns about the financial losses incurred by some Reserve component personnel who were activated for the Persian Gulf War (Operation Desert Shield/Desert Storm, 1990-1991). For a small premium, it provided monthly payments to enrolled reservists who were involuntarily mobilized. The payments helped to offset financial losses the reservists' experienced due to differences between the military and civilian pay, expenses incurred because of mobilization, and the decline in business experienced by self-employed reservists

during and after release from active duty. Given the Department of Defense's (DoD) increasing reliance on the Reserve components, DoD was especially concerned that this potential for financial loss would have a negative impact on recruiting and retention in the Guard and Reserve, ultimately undermining the readiness of the Reserve forces and their ability to carry out future missions. Approximately 26,000 soldiers and sailors enrolled, and many received payments while mobilized. Congress terminated the program in November 1997 after enrollments failed to reach a level that could sustain benefit payments under the program (10 USC 1412).

Reserve Transition Programs

Faced with the largest reduction of military forces since the inception of the All Volunteer Force, transition benefits for members of the Reserve forces were initiated in 1993 to reduce the hardships associated with downsizing and force structure changes. Separation pays, early qualification for retired pay, continuation of commissary, exchange and education benefits, and priority placement programs were implemented to ensure that Reserve component members were treated with fairness and respect for their service to the country, and with attention to the adverse personal consequences of unit inactivation and involuntary separations. Today, many of these programs continue in effect, providing essential tools for shaping Reserve forces in the post-Cold War era.

Uniformed Services Employment and Reemployment Act (USERRA) of 1994

On October 13, 1994, following several years of hard work involving the Departments of Justice, Labor and Defense and the Office of Personnel Management, President Clinton signed into law the Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994. The first law providing reemployment protection for military members was enacted in 1940. However, over the years, this law had become a confusing patchwork of statutory amendments, interpreted in over 1,000 different court decisions. Enactment of USERRA significantly revised the statutory protections provided to members of the armed forces and was particularly important to Reserve component members in protecting their civilian employment rights as they assume new and more active roles within the Total Force.

Reserve Officer Personnel Management Act (ROPMA)

Enactment of the Reserve Officer Personnel Management Act (ROPMA) in 1994 reflected the first comprehensive overhaul of Reserve officer personnel management statutes since the enactment of the Reserve Officer Personnel Act in 1954. Its primary objectives included: updating and consolidating the laws governing officers in all Reserve components; achieving uniformity and compatibility, where practical, with the active duty Defense Officer Personnel Management Act; and streamlining the way the Reserve components manage all aspects of appointment, promotion, tenure and separation of officers not on the active duty list.

D. Expanded Roles for Reserve Components

Reserve Component Force Contributions

Within the Army, the Selected Reserve elements of the Army National Guard and Army Reserve comprise 54 percent of the force. Their units provide essential combat, combat support and combat service support to the Army. Their contributions are particularly important in high-demand, low-density units. For example, by percentage of the Army, the Reserve components provide the following capabilities: public affairs (82%), civil affairs (97%), medical brigades (85%), psychological operations units (81%), engineering battalions (70%), and military police battalions (66%).

Naval Reserve contributions include mobile inshore undersea warfare units (100%), logistics support squadrons (100%), cargo handling battalions (93%), mobile construction battalions (60%), and fleet hospitals (40%). Naval Reservists make up about 50% of the Navy's mine countermeasures forces, with 13 mine warfare ships, including the Navy's only Mine Control Ship, USS Inchon. The Selected Reserve part of the Naval Reserve comprises 20 percent of the Navy.

Marine Corps Reserve contributions to the Marine Corps, by percentage, include civil affairs (100%), intelligence units (33%), headquarters and service battalions (25%), supply battalions (25%), and communications battalions (25%). The Selected Reserve part of the Marine Corps Reserve constitutes about 19% of the Marine Corps.

Since 1995, the Coast Guard has embraced a vision of integration that has essentially done away with the traditional Reserve structure within its force, moving instead to one in which the Coast Guard Reserve has evolved into a force largely comprised of Individual Mobilization Augmentees. Today, more than 80% of all reservists are assigned to and work directly for Active component units and assist in the performance of virtually all Coast Guard missions.

Air National Guard and Air Force Reserve contributions, by percentage of the Air Force, include strategic interceptor force (100%), tactical airlift (64%), aerial refueling and strategic tankers (55%), tactical air support (38%), strategic airlift (27%) and special operations (17%). The Selected Reserve elements of the Air National Guard and Air Force Reserve comprise 33 percent of the Air Force.

New Reserve Component Roles

In FY99, at the direction of Deputy Secretary of Defense Hamre, DoD established ten Weapons of Mass Destruction Civil Support Teams (WMD-CSTs) first known as Rapid Assessment, Identification, and Detection (RAID) teams. DoD planned to increase the number by five in FY00 but Congress established seventeen new WMD-CSTs, for a total of twenty-seven teams. Congress directed that five more teams be established in FY01 bringing the total to 32 teams. The WMD-CSTs' mission is to assess, advise and facilitate responses in a

chemical, biological and radiological incident with the local, state and federal agencies and is but one example of the re-missioning necessary to fully leverage Active, Guard, and Reserve unique cultures and abilities.

The mission landscape of U.S. armed forces is changing; and the Reserve component forces are changing with it. Such forces are increasingly viewed as inherently more applicable to today's global military requirements, ready for activation on short notice and able to perform an expanding range of missions in both peace and war. The future will likely hold an even broader concept of the National Guard and Reserve than now holds sway, unbounded by strict geographical limits and, to a lesser extent, political constraints. The demonstrated performance of the Reserve components in the post-Cold war era has helped clear some of the political obstacles and military barriers that once seemed inherent to any discussion about a wider role for the Reserve components.

America has traditionally returned to its militia-nation status following periods of armed conflict. During the waning days of the Cold War, the administration and key DoD leaders, with the help of Congress and the components, shifted missions, resources, and endstrength to the reserves. The fall of the Berlin wall and the – nearly simultaneous – victory in the Gulf, proved the wisdom of these decisions and the mettle of the reserves. In the nearly ten years since the end of the Gulf War, DoD continues to demobilize, downsize, remission, modernize, and leverage Total Force integration successes.

E. Reserve Component Employment 2005 (RCE 2005) Study

The Reserve Component Employment 2005 (RCE 2005) Study – as directed in the Fiscal Years 2000-2005 Defense Planning Guidance – reviewed the employment of the Reserve components and developed recommendations to enhance the role of the Reserve components across the full spectrum of military missions. The study examined the role of the Reserve components within the context of three overarching themes: homeland security, smaller-scale contingencies (SSCs) and major theater wars (MTWs). The study recommended a number of follow-on actions to examine in detail many of the areas that the original study lacked the time or resources to analyze in depth. The Secretary of Defense, in accepting the study, directed that Departmental components identified for leadership and participation in the follow-on actions accomplish those actions in accordance with the suspense dates contained in the Study.

An especially important aspect of RCE-05 is the spirit of Active and Reserve components' cooperation that is being carried into the follow-on studies, thus maximizing the value of study conclusions and recommendations. The level of understanding and cooperation that resulted from the process is a major success story of the RCE-05 effort and will pay continuing dividends in future Active/Reserve component discussions. The study is one step in an ongoing and rigorous process of identifying new and better ways of using the Reserve components. Both the study and the resultant recommendations will significantly enhance the Department's ability to respond to a wide range of missions well into the next century. In examining the role of the Reserve components in the future, the study focused on three core mission areas. In each

area, the study reviewed several different initiatives, and for each one, either recommended a near- or mid-term action, or determined that the particular initiative did not merit implementation in the foreseeable future.

Chapter 11: Adjusting the Industrial Base to the Post Cold War World

Introduction

The end of the Cold War brought dramatic changes to the Department of Defense's (DoD) relationship with the national and world economies. With changes in military missions and sharp reductions in defense spending, the Department's reliance on the broader commercial world heightened. DoD could no longer rely solely upon defense-unique industries and capabilities to equip its forces. Economic security became a vital issue for the Department in recognition that maintaining a strong military required a robust commercial and defense industry.

The Department responded effectively to this new environment by adjusting its policies. In the spring of 1993, William Perry, then Deputy Secretary of Defense, requested Secretary of Defense Les Aspin to host a dinner at the Pentagon for about twenty corporate leaders of the defense industry to discuss acquisition reform. John Deutch, Under Secretary of Defense for Acquisition and Technology, who would later implement the acquisition reforms, assisted in organizing the dinner. During the course of the dinner, which later became known as the "Last Supper," Dr. Perry spoke frankly to the executives regarding the large reductions to future defense procurement budgets. He indicated that the coming declines in the budgets were likely not cyclical or temporary and that a prolonged dry spell could be anticipated. Perry further suggested to the executives that consolidation of the defense industry would be necessary due to the Department's inability to support the excess overhead of unused and unneeded facilities. The consolidation that took place in the years following the dinner saw the creation of corporate defense giants such Lockheed Martin, Raytheon, Boeing, and Northrop Grumman.

Responding to Consolidation

In response to the declining defense budgets and the environment indicated at the "Last Supper," the defense industry began to consolidate through mergers, divestitures, and acquisitions. Although the Department of Defense recognized the benefits of consolidation, the Department was also concerned that specific transactions might threaten competition – affecting both price and innovation. Balancing these issues and concerns became a key component of the Department's antitrust review policy.

Shortly after "Last Supper," the Department asked the Defense Science Board, an independent advisory body to DoD, to form a Task Force on Antitrust Aspects of Defense Industry Consolidation to advise DoD on the role it should play in the antitrust review process. The Task Force, which was chaired by Robert Pitofsky, who would later be appointed as the Chairman of the Federal Trade Commission, issued its report in April 1994.

The Task Force noted that competition among firms in the defense industry was significantly different than competition in other industries. For many products, DoD was the predominant, or even sole, customer. DoD had a unique role as a customer in setting requirements, determining the characteristics of the products or services to be acquired, and

quantities to be purchased. It could also, when appropriate, fund the entry of new suppliers while maintaining significant insight into the costs and profits of those suppliers. As a result, DoD had far greater information and leverage than normally existed for commercial buyers. Notwithstanding these differences, the Task Force believed that the merger guidelines used by the antitrust agencies (the Federal Trade Commission [FTC] and the Antitrust Division of the Department of Justice [DOJ]) were appropriate to assess the costs and benefits of mergers and acquisitions in the defense industry. It noted both that DoD possessed an important stake in the antitrust review and special expertise that was critical to the analysis.

The Task Force recommended therefore that DoD advise the enforcement agencies, of facts, concerns, and views relevant to the antitrust analysis and that the enforcement agencies likewise notify DoD of any knowledge they possessed that would be valuable to DoD's analysis. The Task Force also recommended a number of procedural reforms to permit DoD to participate more effectively in the formal antitrust agency review process.

That process typically begins when the firms involved in a transaction submit a Hart-Scott-Rodino notification filing with the FTC and the DOJ. The antitrust agencies decide which agency will address the case and the designated agency contacts the merging parties, customers, and competitors to better understand the industry and the likely effect of the transaction. Within 30 days of the Hart-Scott-Rodino filing, the agency either permits the merger to proceed or issues a Request for Additional Information (a "second request"). If a second request is issued, firms cannot proceed with the transaction until they have fully supplied all requested information, which often takes several months, but can occur more quickly. Once the parties advise the antitrust agency that they have complied with the second request, the agency generally has 20 days to decide whether to attempt to block the transaction.

Not all transactions proceed through the entire formal process. First, the antitrust agency may decide at any point that its concerns have been satisfied and permit the transaction to proceed. Second, the parties to the transaction may abandon the transaction and effectively withdraw their filing. Finally, the parties and the antitrust agency may negotiate a consent agreement which allows the transaction to proceed, but with conditions.

DoD's Role in Reviewing Proposed Mergers and Acquisitions

In response to recommendations of the task force the Department developed its own process for the investigation of merger and acquisitions. This review process was formalized in DoD Directive 5000.62, issued October 21, 1996 under the signature of the Under Secretary for Acquisition and Technology, Paul Kaminski. The review, lead by the Deputy Under Secretary of Defense for Industrial Affairs and the DoD General Counsel, proceeds simultaneously with the antitrust agency's review. The process begins by identifying each and every program (from research and development to production) and market area (for example, satellites, radar) where the two companies are competing, are likely to compete in the future, or are involved in a potential supplier relationship. In particular the department examines four areas:

- Horizontal overlaps in programs or market areas where the parties currently are competing or are likely to compete in the future.
- Vertical integration in programs or market areas where one party to a merger or acquisition is, or is likely to be, a key supplier to the other party or its competitors. We particularly look for areas where the parties, if combined, could represent preeminent technical capability for a subtier level product or technology that is discriminating for weapon system performance.
- Organizational conflicts of interest where one party is providing systems integration or technical assistance to a program office, and the other party is either a future competitor for programs managed by that program office or is currently performing work for that office.
- Savings that may result to the Department from the merger or acquisition

The objective is to ensure that DoD maintains competition consistent with our acquisition strategies. Competition involves not only the number of bidders in a competition, but also the quality of competition. In some cases, a business combination might improve the capabilities and continuing viability of weaker firms, thus strengthening the competitive environment. In other cases, a reduction in the number of competitors might have no significant effect on competition because an adequate number of suppliers remain to ensure continued pressure for technological innovation and price competition.

In order to make this assessment, DoD gathers information from a variety of sources – the experts within the Military Departments, the parties to the transaction, and their competitors. DoD also interacts directly and frequently with the antitrust agencies as the review proceeds. The Department facilitates the antitrust agency review by arranging interviews with DoD program personnel or other technical experts and by providing an overall perspective on Department programs. DoD also communicates to the antitrust agencies, as appropriate, its views concerning the effects of the transaction.

Experience Over Time

In the years following the establishment of its formal merger review process, the Department reviewed over 120 transactions, 12 of which required consent agreements, and only a few of which were withdrawn due to DoD and antitrust agency concerns. The most notable of these transactions occurred in the summer of 1997 when Lockheed Martin announced its intention to purchase Northrop Grumman.

On July 3, 1997, the Lockheed Martin Corporation announced a proposal to acquire the Northrop Grumman Corporation for \$11.6 billion. The transaction, involving two of the four largest U.S. defense firms, became the most complicated and difficult that DoD had ever reviewed. No prior merger had raised so many interrelated problems across so many markets; problems that were an outgrowth of significant consolidation in the defense industry which took place in the preceding years. Despite having encouraged this consolidation, DoD was now faced with the choice of protecting future procurements, competitive markets, and innovation over the risk of inducing a policy shift. The Department chose the former.

In reviewing mergers on a case-by-case basis, DoD possessed the responsibility of determining where a specific transaction had crossed the line of free and fair competition and adversely affected DoD and the aerospace and defense industry. Lockheed Martin's acquisition of Northrop Grumman created significant competitive problems so extensive in nature -- both horizontally and vertically -- that not even partial solutions would adequately address the individual competitive issues. In particular, DoD examined carefully the electronics businesses where the companies compete and found that the transaction would increase market concentration and adversely affect competition in a number of critical areas of defense electronics. The areas included electronic warfare, airborne early warning radar, and naval and undersea warfare. Several critical and sensitive product lines would be left with only one viable supplier.

The proposed transaction also created unprecedented problems of vertical integration throughout the electronics area. For several years prior to the transactions, DoD had been concerned that increased industry consolidation could have an adverse competitive effect by increasing vertical integration in the defense industry. These concerns were based on the view that increased vertical integration provides incentives for firms either to favor their own in-house systems, even when better or cheaper products are available from competitors, or to withhold critical technologies from platform and system competitors. Moreover, the potential for competitive problems increases if, as was the case in the Lockheed Martin transaction, there are only two viable suppliers for important product areas, and one or both of these suppliers is a vertically integrated firm. In fact, these concerns were the basis for the 1996 establishment of a Defense Science Board review of increased vertical integration. The Defense Science Board had confirmed the potentially harmful effects of vertical integration on competition for defense products.

Consequently, the acquisition of Northrop Grumman by Lockheed Martin led to an unacceptable level of vertical integration that could not be addressed adequately through behavioral remedies in a consent decree. Moreover, DoD found that combining Lockheed Martin's existing platform and electronics strength with Northrop Grumman's considerable platform and electronics systems capabilities would enhance the new company's ability to make both platforms and key electronic subsystems, and could thereby affect adversely competition at both the platform and subsystem levels. Any such remedies to address the vertical integration concerns would have required greater and more intrusive DoD management and regulation of decisions that are properly made by private contractors and would have been contrary to the thrust of DoD's newly implemented acquisition reform initiatives.

Northrop Grumman had a profitable aircraft business. It was a leader in stealth technology, possessing very capable and innovative design teams, and was an important subcontractor to other aircraft manufacturers. DoD believed that the proposed transaction would reduce the prospect for innovation and the likelihood of alternative competitive teaming arrangements in aircraft programs. DoD also believed that the Department would benefit from Northrop Grumman's availability to compete for future aircraft programs.

In addition to horizontal and vertical competitive concerns, DoD also found that the acquisition would create significant conflicts of interest in the context of systems engineering and technical assistance contracts. Northrop Grumman's Logicon division assisted the Department of Defense in managing some Lockheed Martin programs, including the Aegis weapon system, and in evaluating Lockheed Martin's performance. After a very thorough and careful review, DoD concluded, and the Department of Justice agreed that the Department's interests would be best served if Lockheed Martin and Northrop Grumman remained separate companies. The Department's opposition to this merger did not represent a change in policy, but reflected the fact that industry consolidation to date has changed the defense market significantly and future acquisitions/mergers are thus more likely to raise competitive issues. The Department of Justice's Antitrust Division after its own review concurred and took the necessary steps to block the proposed transaction.

A Global Defense Environment

The years leading up to and following the Lockheed Martin decision saw the global expansion of domestic businesses into foreign markets. Despite its unique characteristics, the defense industry is ultimately just one segment of the larger economy and cannot be divorced entirely from the broader economic trends. Several trends emerged over the previous two decades that had important impacts on the companies that comprise the transatlantic industrial base. First, the globalization of capital markets diversified the ownership base of many defense contractors. Second, the dramatic growth of investment vehicles like mutual and pension funds created powerful shareholder constituencies that management must consider in developing its business strategy. Third, the ease with which information flows across the globe and increased multinational manufacturing operations, facilities, and sources of supply altered the definition of "local" and "national" when used in a corporate context. As a result, these trends facilitated an increase of transatlantic aerospace and defense merger and acquisition activity in the mid-1990s.

In addressing increased globalization DoD was in the awkward position of having to protect the health and viability of its critical national defense suppliers while simultaneously calling for greater interoperability and burden sharing with allied and coalition partners, steps that could also call for greater foreign participation in the U.S. market. Thus, the dramatic changes underway in the global aerospace and defense market compelled the United States and its European allies to fundamentally rethink their traditional autarkic approach to managing their defense industrial bases. The U.S. now faced the challenge of determining under what conditions and in what ways it was comfortable accepting a greater degree of interdependence with its principal European allies. This challenge would present itself in a string of complex transatlantic mergers and acquisitions that began General Electric Company (GEC), plc's merger with Tracor, Inc.

On April 21, 1998, GEC, a United Kingdom company, signed a definitive agreement through its GEC-Marconi North America subsidiary to merge with Tracor, a Texas based company. The \$1.2 billion merger was the first transatlantic transaction of its size. Although the deal provided little in way of competitive concern, as able competition in defense

electronics would remain, Tracor possessed numerous sensitive and classified program contracts with DoD. DoD found that GEC already possessed U.S. special security agreements with favorable histories at its North American facilities. As a result, DoD recommended the approval of the merger.

When DoD began to consider how to achieve its policy objectives in earnest during the middle of 1998, the best way to obtain interoperable systems, increased domestic competition, and shared industrial incentives among Allied firms and governments alike was through transatlantic mergers and acquisitions, such as GEC/Tracor. The idea was to facilitate transactions among the major U.S. and European prime contractors and quickly build industrial constituencies for common technical solutions and joint requirements and programs.

As it turned out, the U.S. defense primes were hit with a rash of financial troubles that precipitated a massive devaluation of their stock prices and greatly hindered their ability to participate in attractive merger and acquisition activity. This occurred at the same time that the national champions in Europe went on a transaction binge that radically transformed the industrial landscape and created potential structural impediments to closer cooperation. These consolidation moves included British Aerospace acquisition of Marconi Electronic Systems, DaimlerChrysler Aerospace's acquisition of Construcciones Aeronauticas SA (Casa), and Aerospaziale Matra's merger with DaimlerChrysler Aerospace that would form the European Aeronautics Space and Defense (EADS) consortium.

The significant European consolidation activity in 1999 raised the risks of rival U.S. and European "fortresses" each dominating their respective geographic markets and competing vigorously for international sales in developing country markets (with attendant risks for arms proliferation). The European view was that these industrial restructurings would not result in a "Fortress Europe" marked by political procurement selections and instead were a necessary first step before enhanced transatlantic linkages. As a matter of fact, industrial linkages between the United States and its allies had already existed and were increasing. A number of European firms (for example, BAE SYSTEMS, Rolls Royce, Smiths Industries, and Thomson CSF) had significant U.S. footprints and already were transatlantic in character. Additionally, suppliers of subsystems and components had already provided products to militaries on both sides of the Atlantic. Joint ventures or teaming approaches were increasingly more common at the systems level and were spreading to weapons platforms such as the Joint Strike Fighter and the Future Scout and Calvary System.

Merged European firms, including the many cross country joint ventures, are now faced with the challenge of managing the transitions successfully and achieving the desired industrial rationalization. Successful mergers are difficult even in the best of circumstances (i.e., within national boundaries). The major U.S. defense firms encountered difficulties in producing synergies and efficiencies. The additional political, regulatory, economic and other circumstances that exist in Europe make the task that much more complex. One factor not to be underestimated is the pressure that increasing public ownership and declining governmental shareholding in European defense firms will bring for bottom-line results; this pressure may drive the merged firms to take actions to meet shareholder expectations.

CHAPTER 12 – UPDATING EXPORT CONTROL POLICIES

The globalization of the international economy, the defense industry in particular, and the transformation of the security environment present challenges and opportunities for the national security of the United States. At the same time, we find ourselves in the midst of a technology revolution--one that has dramatically improved military capabilities and led to a tremendous leveling of access for allies and adversaries alike. The result is an increasingly permissive and sophisticated conventional arms market.

- 0 Commercial integration of military technologies has made it increasingly difficult to protect technologies while not hurting our industrial competitiveness. Meanwhile, rogue states continue to gain access to sensitive technologies by taking advantage of the substantial increase in globalized trade. The threat of illegal diversion poses grave national security concerns and could lead to an upward spiral of arms acquisition with destabilizing consequences.
- 1 Kosovo served as a warning call that the capabilities gap, if left unresolved, could threaten the future operational viability of the entire alliance. To address this disturbing trend, NATO initiated the Defense Capabilities Initiative (DCI) and European Security Defense Identity (ESDI); each is designed to address the challenge of maintaining interoperability of allied forces in this era of rapid technological change. The US government is committed to the success of these two initiatives. We must be able to readily share and exchange military systems and technologies with our allies and future coalition partners. The U.S. defense industry's ability to work in collaborative cross-border arrangements with allied industries is key.

In May 2000, Secretary Albright announced the Defense Trade Security Initiative (DTSI), which represented the first major post Cold War adjustment to the U.S. Defense Export Control System. DTSI has a dual-purpose. First, it will help maintain a strong and robust trans-Atlantic defense industrial base that can provide innovative and affordable products needed to meet NATO's warfighting requirements for the 21st Century. Second, it strengthens nonproliferation by enhancing compliance and enforcement mechanisms.

The initiative involves a substantial improvement over the current U.S. export control system. The initiative's 17 proposals are designed to streamline our licensing processes, while at the same time improving the effectiveness of our controls and broadening their reach. The proposals are designed to improve and streamline our processes within four main areas: creation of new license authorizations; expanding the scope of existing licensing practices; enhancing and expanding existing ITAR exemptions; and streamlining transfers relative to government-to-government programs.

In analyzing our current processes we found that we were forcing industry to come back to the Department on many separate occasions to seek, in essence, incremental licensing for programs that had already been approved based on the initial request and review. Our process

imposed burdens on allies, industry and our licensing operations, without advancing our foreign policy or national security objectives.

The most significant measure proposes extending a Canada-style set of exemptions for export of unclassified items and services to qualified countries, and to reliable firms in those countries. We believe this measure will enhance technology security by allowing the US government licensing system to focus on higher risk license applications.

DTSI will enhance NATO interoperability by facilitating cooperation on defense equipment between US and allied defense industries, which have strong business incentives to promote interoperability if they are enabled to do so.

DTSI will strengthen US military capabilities by enabling DoD to readily access the best technology in the qualified countries. Current approaches to export controls impede industrial cooperation and DoD's access to all of the capabilities of their industry. DTSI exemptions create a powerful incentive for other allied governments to improve their export control system so that they too might one day enjoy the advantages.

Our past practice of merely exhorting our allies to tighten loose export control systems without any tangible incentives has limited effect. Many allied governments, however, will be strongly motivated to improve their systems if they believe doing so will lead to improved access to US markets and industrial cooperation.

DTSI benefits our industrial bases by facilitating access to and sharing of technology resulting in increased interoperability and improved coalition operations. Growth in trade was not a primary goal of the DTSI and, as such, is not expected to be sizable. However, government and industry participants also will reap rewards through the ensuing improved market access and increased competition.

CHAPTER 13: CHALLENGES POSED BY INTERNATIONAL LEGAL DEVELOPMENTS

A. The Ottawa Landmine Treaty and U.S. Anti-personnel Landmine Policy

On 3 December 1998, 134 nations met in Ottawa, Canada and signed the “Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction,” commonly called “the Ottawa Convention.” States that are party to this convention agree they will:

- ◆ Never use anti-personnel landmines (APL) under any circumstance;
- ◆ Never develop, produce, otherwise acquire, stockpile or retain APL;
- ◆ Never transfer APL to anyone, directly or indirectly; or
- ◆ Never assist, encourage or induce, in any way, anyone to engage in any activity prohibited to a state-party. The Convention entered into force on 1 March 1999.

The US is not a state party to the Ottawa Convention. Although the US participated in the preparatory conference to the Convention, the US could not join because the conference did not accept for inclusion in the Convention’s final draft the two critical conditions necessary for the US to meet our defense commitments. First, the US needed an adequate transition period to phase out the APL currently used to protect US troops, thus giving time to develop alternative technologies. Second, the US needed to preserve the mixed anti-tank mine systems it relies upon to slow down an enemy’s armor offensive in battle.

US policy regarding APL is that the US will end the use of all APL (excluding mixed anti-tank systems) outside of Korea—including those that self-destruct—by the year 2003; that the Department of Defense will pursue aggressively the objective of having alternatives to APL (including those that self-destruct) ready for Korea by 2006; and that the Department of Defense will search aggressively for alternatives to our mixed anti-tank systems. The US has pledged that it will sign the Ottawa Convention by 2006 if it is successful in identifying and fielding suitable alternatives to its APL and mixed anti-tank systems by then.

The US nevertheless continues to play a major role in efforts to end the humanitarian crisis caused by the irresponsible use of landmines, recognizing that such use threatens civilian life and limb, and hampers the economic and social recovery of many nations. The US has ratified the Amended Mines Protocol to the Convention on Conventional Weapons, which includes significant restriction against landmine use. The Protocol covers both APL and anti-tank mines (whereas the Ottawa Convention refers only to APL), and captures key states (such as China, India and Pakistan) that are not part of the Ottawa Convention. The US is also recognized as the world leader in humanitarian demining efforts. US government assistance has supported programs in 37 countries, with education, training, and equipment, and the US has contributed nearly \$400 million since 1993 to humanitarian demining efforts.

B. DoD Policy on Blinding Lasers

The Department of Defense initially announced a policy in regard to blinding lasers on August 29, 1995. This policy was not substantively changed, but was clarified when on January 17, 1997, William J. Perry, then Secretary of Defense, announced the present policy with regard to blinding laser weapons systems:

"The Department of Defense prohibits the use of lasers specifically designed to cause permanent blindness and supports negotiations to prohibit the use of such weapons. However, laser systems are absolutely vital to our modern military. Among other things, they are currently used for detection, targeting, range-finding, communications, and target destruction. They provide a critical technological edge to US forces and allow our forces to fight, win and survive on an increasingly lethal battlefield. In addition, lasers provide significant humanitarian benefits. They allow weapons systems to be increasingly discriminate, thereby reducing collateral damage to civilian lives and property. The Department of Defense recognizes that accidental or incidental eye injuries may occur on the battlefield, as the result of the use of lasers not specifically designed to cause permanent blindness. Therefore, we continue to strive, through training and doctrine, to minimize these injuries."

The status of United States policy in regard to laser weapons is clear. Department of Defense prohibits the use of lasers specifically designed to cause permanent blindness. However, it recognizes that lasers are a legitimate combat system essential on the modern battlefield, and that accidental or incidental eye injuries may occur. This is consistent with both the Convention on Certain Conventional Weapons (CCW), which the United States has ratified, and with Protocol IV on Blinding Laser Weapons, which the United States has not ratified, but which has been ratified by other nations and has been in effect since 1998 for those ratifying nations. The Additional protocol prohibits the employment of "laser weapons specifically designed, as their sole combat function or as one of their combat functions, to cause permanent blindness to unenhanced vision..." The Department of Defense policy fully complies with this requirement although the United States is not a party to the Protocol, and its policy was in fact announced prior to the drafting of the Protocol at the Vienna review Conference in September – October of 1995.

C. The International Criminal Court (ICC)

One of the primary objectives of the United States has been securing universal respect for human rights and fundamental freedoms of individuals throughout the world. In this connection, few topics are of greater importance than the fight against impunity and the struggle for peace and justice and human rights in conflict situations in today's world. The establishment of a permanent international criminal court (ICC) was envisioned as a decisive

step forward. The international community met in Rome, Italy, from 15 June to 17 July 1998 to finalize a draft statute which, if ratified, would establish such a court.

The Rome Treaty for the International Criminal Court (ICC) is a very important international law document currently before Congress. According to experts, this has been a critical period of American leadership for both the Rome Statute and for United States policy with respect to it. So far, 113 governments have signed the Rome Treaty and 21 of them have ratified it. Sixty ratifications are required before the treaty enters into force. Important negotiations continue at the United Nations in New York regarding supplemental documents for the Rome Treaty, and the United States plans to remain fully engaged in these talks.

Confusion and some misrepresentation regarding the United States' policy toward the ICC has characterized the statute's formative period. The popular media and some scholarly works have criticized the U.S. position. Overall, there appears to have been a common perception that the United States stands in opposition to the creation of a permanent International Criminal Court. The Administration has declared this perception to be false. The Clinton-Gore Administration initially engaged in negotiations for an ICC, which formally began in 1995, and strongly supported the establishment of an ICC. The Administration demonstrated its support by being intensively engaged in the negotiations and producing a large number of papers commenting on and proposing text for the emerging draft treaty. On six occasions, President Clinton publicly expressed his support for the establishment of a permanent International Criminal Court. From the very beginning, however, the Administration never intended that the treaty's personal jurisdiction would extend as far as the Rome Treaty finally established under Article 12. Arguments that the Administration's position on personal jurisdiction reflected an underlying opposition to the whole concept of a permanent International Criminal Court or to the Rome Treaty itself has been roundly criticized by Administration representatives. The Administration has remained on the front line every day, since the first UN session in early 1995, negotiating to support the establishment of a permanent court in which the United States can participate with confidence and in a manner compatible with our national and international security responsibilities.

Since Rome, the United States has remained deeply engaged in the Preparatory Commission sessions. The Administration led the negotiations concerning the Elements of Crimes and provided the working draft for those negotiations. They also remained deeply engaged with regard to negotiations on the Rules of Procedure and Evidence. On June 30th, 2000, the Administration joined the consensus in support of both of those work-engine documents of the Court. These actions evidence the government's support for the ICC and firmly rebut any criticism the Administration has been retreating from its treaty commitments or waging an opposition campaign against it. The Administration is determined to remain engaged at every step to represent important U.S. interests in the process and to advance the cause of international justice. At the same time, that cause will fall far short of its potential unless the United States can be, at a minimum, a good neighbor to the Court when it is established. The reality is the ICC needs the United States' full support to be a truly effective institution.

With that in mind, the Administration has had some post-Rome concerns about the ICC statute that have since been addressed in the Elements of Crimes and the Rules of Procedure and Evidence. A couple of other issues are slated for consideration later in the ratification process. The Administration sees these as encouraging developments for both the United States and for the ICC. However, the Administration has a remaining fundamental difficulty with the Rome Treaty that it sincerely wishes to resolve so that, at a minimum, the United States can be a good neighbor to the ICC regardless of whether the U.S. achieves party status in the future. That fundamental difficulty is the exposure of our armed forces, which are deployed by the hundreds of thousands around the world at the request of governments and to ensure international peace and security, to prosecution before the Court even before the United States becomes a party to the Rome Treaty. The possibility that a U.S. soldier fighting to halt genocide could be accused by the other side of war crimes and brought before the Court before the U.S. has joined the Court is viewed as being untenable to the American people.

The United States is at a vital crossroads in world history, reflected in the latest Millennium Summit, when the resolve of the international community to confront evil is being tested every day. In any military action, the U.S. has to accept the possibility that things will not go as planned -- missiles or bombs may go off target, and human error could result in unintended destruction. Fear of being accused of war crimes for honest mistakes gives the Administration pause for concern. By the same token, the U.S. has resolved to act in order to confront evil immediately, not letting it fester until innocent civilians are slaughtered by fearless, thuggish leaders of tyranny. The Administration stands resolved to confront the perpetrators of human misery, but the U.S. does so recognizing the risks and the necessary balance that must be struck between our pursuit of international justice and our common quest to achieve international peace and security and respond to humanitarian calamities.

The United States strongly denied the criticism that it is reluctant to prosecute its own. The Administration fully recognized the significance in the Rome Treaty of the provisions on complementarity that it inspired and helped draft. The Administration acknowledged how important this logical deferral to national investigation and prosecution is in the treaty and acknowledged the views of other governments and non-governmental organizations and scholars about the sufficiency of complementarity in the treaty framework. The Administration pursued negotiation of a proposal not to amend the Rome Treaty but to permit a procedure that still requires a nation that is not yet a party to the treaty to act responsibly and bring its own to justice.

The Administration's position is based upon the reasoning that if a nation, whether a party or not to the Rome Treaty, acts irresponsibly and wages massive crimes against its own people or those of another nation, then that nation should not enjoy any special privilege; that nation's war criminals would stand trial before the ICC. The Administration intends to achieve the objectives that inspired the Rome Treaty and proposed to do so as a non-party until such time as it can join in the treaty.

The proposal issued in March, 2000, initially met with critical comments by other governments and non-governmental organizations. In response, the Administration adjusted its

proposal to 1) eliminate reference to the Security Council, and 2) revise the wording so that only non-party states acting responsibly in the international community and honoring the principle of complementarity could invoke a privilege of non-surrender of its nationals to the Court. The United States position is that imagination and pragmatic innovation ultimately can achieve common objectives in international justice. There is always a way to find a workable answer to a difficult problem if parties collectively labor long enough and do so recognizing that international politics just like domestic politics is the art of compromise. The spirit of this process needs to be recognized and practiced not only by governments but also by non-governmental organizations.

As further evidence of its resolve to support the International Criminal Court, the Administration offered the statement of David Scheffer, Ambassador at Large for War Crimes Issues and Head of the U.S. Delegation to the U.N. Preparatory Commission for the ICC. The Ambassador's statement was made before the Congressional Human Rights Caucus in Washington D.C. and was quoted in the *New York Times* in June, 2000, as follows:

The world needs a permanent international criminal court. We need it because the perpetrators of these heinous crimes must be brought to justice, and we need it as a deterrent over the generations that follow. The international system simply cannot continue to deal with these problems in an ad hoc manner indefinitely.

CHAPTER 14: CRISIS PREVENTION AND CONSEQUENCE MANAGEMENT

A. CRISIS PREVENTION

The eight years of the Clinton Administration saw major changes in the modus operandi of terrorists and a drastic increase in the potential for casualties. During this time terrorist operations escalated from kidnappings and hijackings to large truck/car bombs and the potential for the use of weapons of mass destruction (WMD) - chemical, biological, or nuclear. As terrorist methods of operations changed, the Defense Department internal organization was altered to improve capabilities to meet the new threats and streamline procedures within OSD.

Within OSD, the Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict (ASD(SO/LIC)) consolidated combating terrorism functions into one Deputate - Combating Terrorism Policy and Support (CTP&S). An ASD(SO/LIC) memorandum dated May 20, 1999, directed the formation of the CTP&S deputate. This Deputate assumed responsibility for policy formulation for counterterrorism, antiterrorism, international terrorism consequence management, and resourcing and legislative support required for these areas. While maintaining its counterterrorism mission, the new Deputate placed increased emphasis on antiterrorism, intelligence support, interagency coordination and liaison, and developed the new mission area of consequence management. New crisis management procedures were developed and interagency coordination was greatly improved, as was the focus on resourcing and legislative requirements.

After the Oklahoma City bombing in 1995, Secretary Perry identified the need for better visibility into the DoD response to terrorism and better coordination between the DoD Components. Consequently, OASD(SO/LIC) drafted DoD Directive (DoDD) 3025.15, military assistance to civil authorities, which defines the approval authorities and coordination processes for DoD assistance to other USG departments and agencies during crisis, disasters, or in planning for events that could involve the use of lethal force.

Under DoDD 3025.15, the Secretary of Defense retains approval authority for all DoD support to civil authorities involving CINC-assigned forces, civil disturbances, acts of terrorism, and planned events with the potential for the use of lethal force. The Secretary of the Army is approval authority for emergency support in response to natural or man-made disasters excluding disasters caused terrorist incidents. The U.S. Joint Forces Command is the approval authority for planning and execution of military assistance to civil authorities for consequence management of WMD incidents within the United States and its territories and possessions. The Directive also established the Crisis Response Group chaired by ASD(SO/LIC) for coordination of the DoD response within the Office of the Secretary of Defense.

In 1998 and 1999, several reports and resource requirements were submitted to the Congress on combating terrorism issues ranging from federal interagency support of domestic emergency preparedness to the Department's role in the protection of personnel and activities against acts of terrorism and political disturbance. Three reports were signed by the Secretary of Defense and the Deputy Secretary of Defense -- Joint Assessment of the Pulsed Fast Neutron Analysis Cargo Inspection System by Departments of Defense and Treasury,

Antiterrorism Activities of the Department of Defense and Protection of Personnel, and Department of Defense Combating Terrorism Program. In addition to the last report, Section 932 of the National Defense Authorization Act for Fiscal Year 2000 required the submission of an annual congressional budget justification display for all combating terrorism activities, to include antiterrorism, counterterrorism, terrorism consequence management, and intelligence support. The implementing Deputy Secretary of Defense memorandum outlined budgetary responsibilities and provided guidance to justify all resources requested for the Department's combating terrorism activities and to demonstrate the scale of efforts to combat terrorism.

B. Consequence Management

Background

In the event of a terrorist attack or act of nature on American soil resulting in the release of nuclear, biological, chemical, or radiological agents, the local law enforcement, fire and emergency medical personnel who are first to respond may become rapidly overwhelmed by the magnitude of the attack. The Department of Defense has many unique warfighting support capabilities, both technical and operational, which could be used in support of state and local authorities, if requested by the lead federal agency, to mitigate and manage the consequences of such an event. By Presidential direction, DoD and other federal agencies have undertaken a review to examine the federal response to a domestic weapons of mass destruction (WMD) incident.

Organization

Due to the increasing volatility of the threat and time sensitivities associated with providing effective support to the lead federal agency charged with WMD consequence management, in 1999 the Secretary of Defense appointed an Assistant to the Secretary of Defense for Civil Support (ATSD-CS) to serve as the Department's focal point for the coordination of DoD efforts in preparation for requests from civilian agencies. To manage the Department's efforts, the ATSD-CS chairs the WMD Preparedness Group, a coordinating body comprised of the Assistant Secretaries for Health Affairs; Reserve Affairs; Special Operations/Low Intensity Conflict; Command, Control, Communications, and Intelligence; and Legislative Affairs; the General Counsel; the Deputy Under Secretaries for Comptroller and for Acquisition, Technology, and Logistics; and senior representatives from the Joint Staff, the Department of the Army, and the Defense Threat Reduction Agency. The DoD WMD Preparedness Group ensures that DoD efficiently marshals its consequence management resources and its many capabilities in support of the lead federal agency in accordance with the Federal Response Plan. The ATSD-CS also represents DoD in the interagency consequence management policymaking body led by the President's National Coordinator for Security, Infrastructure Protection, and Counter-terrorism.

Domestic Terrorist Threat

The terrorist threat of today is far more complex than that of the past. Violent, religiously and ethnically motivated terrorist organizations now share the stage with the more traditional, politically motivated movements. State sponsors, including Iran, Iraq, Libya, Syria, Sudan, North Korea, and Cuba, continue to provide vital support to a disparate mix of terrorist groups. As recent history shows, homegrown organizations and disaffected individuals have also demonstrated an increasing willingness to act on U.S. soil. Not only is the threat more diverse, but the increasing sophistication of organizations and their weaponry also make them far more dangerous. The Oklahoma City and World Trade Center bombings demonstrate the devastating effects of conventional explosives in the hands of terrorists. Experts predict that it will not be long before the United States enters a more unconventional era where WMD are used.

A WMD incident in the United States will likely begin as a local event, but may rapidly develop into a national one requiring the support of many federal agencies. Consequence management refers to emergency assistance to protect public health and safety, restore essential government services, and provide emergency relief to governments, businesses, and individuals affected by the consequences of a terrorist incident involving WMD.

DoD Principles for Consequence Management

In accordance with Presidential Decision Directives 39 and 62 and the Defense Against Weapons of Mass Destruction Act of 1996, the federal government has taken comprehensive steps to enhance and support state and local authorities in responding to WMD incidents and to minimize their consequences. When requested, the Department of Defense will provide its unique and extensive resources in accordance with several key principles.

First, DoD will ensure an unequivocal chain of responsibility, authority, and accountability for its actions to assure the American people that the military will follow the basic constructs of lawful action when an emergency occurs. To this end, the Assistant to the Secretary of Defense for Civil Support will provide full-time civilian oversight for the domestic use of DoD's WMD consequence management assets in support of other federal agencies.

Second, in the event of a catastrophic WMD event, DoD will always play a supporting role to the Federal Bureau of Investigation and the Federal Emergency Management Agency (FEMA) in accordance with the Federal Response Plan and will ensure complete compliance with the Constitution, the Posse Comitatus Act, and other applicable laws. The Department routinely provides support and assistance to civilian authorities and has considerable experience balancing the requirement to protect civil liberties with the need to ensure national security.

Third, DoD will purchase equipment and provide support in areas that are largely related to its warfighting mission. However, many capabilities can be dual-use. Units

specializing in decontamination, medical support, logistics, and communications, for example, could assist in the domestic arena as well.

Fourth, whereas active duty forces are the United States' forward-deployed assets overseas, reserve and National Guard units are the forward-deployed units for domestic consequence management. In the event of a domestic WMD event, certain units would be able to respond rapidly due to their geographic dispersion and proximity to major American cities. Moreover, many of the applicable capabilities such as decontamination, medical support, transportation, and communications are contained in reserve and National Guard units.

DoD Capabilities for Consequence Management

As noted above, DoD assets are tailored primarily for the larger warfighting mission overseas. But in recognition of the unique nature and challenges of responding to a domestic WMD event, the Department recently established a Joint Task Force for Civil Support, headquartered at the new United States Joint Forces Command, to plan for and integrate DoD's support to the lead federal agency for events in the continental United States (CONUS). This support will involve capabilities drawn from throughout the Department, including detection, decontamination, medical, and logistical assets. The United States Pacific Command and the United States Southern Command have parallel responsibilities for providing military assistance to civil authorities for states, territories, and possessions outside CONUS. The United States Joint Forces Command provides technical advice and assistance to geographic commanders in chief conducting consequence management operations in response to WMD incidents outside CONUS.

Additionally, DoD has established ten WMD Civil Support Teams (formerly called Rapid Assessment and Initial Detection Teams), composed of 22 well-trained and equipped full-time National Guard personnel. Upon completion of training and certification in 2000, one WMD Civil Support Team will be stationed in each of the ten FEMA regions around the country, ready to provide support when directed by their respective governors. Their mission will be to deploy rapidly, assist local first responders in determining the precise nature of an attack, provide expert medical and technical advice, and help pave the way for the identification and arrival of follow-on military assets. By congressional direction, DoD has also established 17 WMD Civil Support Teams to support the U.S. population Domestic Preparedness Program

The Defense Against Weapons of Mass Destruction Act of 1996 (also known as the Nunn-Lugar-Domenici Act) required DoD to enhance the capability of federal, state, and local (FSL) emergency responders regarding terrorist incidents involving WMD. The Domestic Preparedness Program (DPP) consists of four elements: the City Train-the-Trainer Program, the Exercise Program, the Expert Assistance Program, and the Chemical Biological Rapid Response Team. The 120 city-training element provides for the training of senior local officials as well as those who will train emergency first responders; it also includes training equipment loans from DoD. Thus far, DoD has trained over 90 American cities. The Exercise Program element, in addition to conducting exercises during the city training program, consists of an annual FSL exercise and execution of the Improved Response Programs. The annual FSL exercise works to improve interaction among federal agencies and departments and further exercises that interaction among federal, state, and local agencies in response to a threat and/or actual WMD incident.

The Improved Response Programs effort is a set of individual technical investigations and exercises geared toward gathering information to improve procedures and tactics for responding to WMD incidents. It is focused on enhancing responses to chemical or biological incidents and systematically addresses the response at the federal, state, and local levels. The Expert Assistance Program is composed of the following elements: Helpline, Hotline, Web page, chemical-biological database, and equipment testing program. The final element, the Chemical Biological Rapid Response Team, leverages the capabilities of all the Services in providing the chemical/biological response capability dictated by the Act. DoD will transfer portions of the DPP to the Department of Justice on October 1, 2000.

CONCLUSION

Consequence management brings together the skills and assets of many government agencies at the federal, state, and local levels. By enhancing America's preparedness, the likelihood that an event will occur, or the consequences if it does occur, will be reduced. The Department of Defense is committed to providing preparatory assistance and stands ready to contribute its unique capabilities when called upon.