

THE DEFENSE MONITOR

The Newsletter of the Center for Defense Information

Toward a New Trans-Atlantic and European Security Structure

A Preview of France's Upcoming European Union Presidency

BY MARK BURGESS, WSI BRUSSELS DIRECTOR

ON JULY 1, 2008 when France assumes the European Union (EU) presidency for six months, one of French President Nicolas Sarkozy's top priorities will be the European Security and Defense Policy (ESDP). According to *Le Monde*, Sarkozy is planning a "Saint-Malo (B)" – a reference to the Anglo-French declaration signed on Dec. 4, 1998, relaunching movement towards an EU defense capacity, and leading eventually to the birth of ESDP.

France also wants to revisit the EU's 2003 Security Strategy and will shortly produce its own national defense paper. Until this "Livre Blanc" (or White Book) appears, and until the French EU presidency proper actually begins, the precise scope and nature of Sarkozy's plans with regard to defense will be somewhat unclear.

What is more certain is that these plans will affect the nature of both the trans-Atlantic and the European security structure. But realizing them may prove far from easy; while Sarkozy is approaching the upcoming French presidency with a plethora of ideas, what he has in mind requires a realignment of the three-way relationship between France and the other two key players in the trans-Atlantic and European defense arena – America and the United Kingdom.

However, such realignment is long overdue and necessary if America or Europe hope to be adequately prepared to manage the security and defense dilemmas of the 21st century.

Les Propositions Françaises

At the end of January, Pierre Lelloche, an Elysee counselor and the defense delegate for Sarkozy's Union for a Popular Movement party, outlined the eight "principal axes" that he argues the French presidency must lay out for any future European defense architecture.

Lelloche's list starts with his insistence that a common European defense requires a "hard core of reinforced cooperation." This core would be comprised of the EU's higher spending military powers – France, Germany, Italy, Poland, Spain and



French President Nicolas Sarkozy, who is scheduled to take the reigns of the rotating EU presidency this July.

Photo: European Community

the U.K. – although Lelloche insists that others would be able to join this "pioneer group." His second point sees each of these countries committing to spend 2 percent of their gross national product on defense – a figure only two of the six (France and the U.K.) currently meet.

The third item is the creation of a European defense industry com-

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Tech. Sgt. Jeffrey Allen

mon market that would cut down on the inefficiencies and duplications of the existing uncoordinated and decentralized system. Lelloche's fourth proposal is for the establishment of a 60,000 EU common intervention force – with 10,000 personnel contributed by each of the new G-6 powers. In a related vein, item five calls for the Europeanization of individual member states' overseas military bases, while item six calls for the establishment of common defense-related infrastructure projects in areas such as communications, intelligence, missile defense and the military use of space.

France is particularly keen to devote attention to this last area, and its prospective plans include the re-establishment of a Space Command for its armed forces, as well as doubling its space budget to over €1 billion [approximately \$1.5 billion] per year. According to Sarkozy, who is advocating the deployment of a European Space Situational Awareness System and a second generation optical/radar reconnaissance system, this year will mark a watershed in the EU's space program. He has also stated that, in the long term, he wants

to make the French-owned space launch facility at Kourou, French Guiana "a true part of the European Union's infrastructure."

No less ambitiously, the seventh French proposal calls for the establishment of a common protection plan against any terrorist use of weapons of mass destruction, while the final one calls for an EU-wide policy on arms control, including the reduction of nuclear stockpiles, and the creation of a European nuclear fuel bank to enable emerging nuclear powers to develop these capacities in a measured and responsible way.

Lelloche contends that these proposals constitute a true common European defense in the face of the security challenges of the 21st century. Once adopted, they will, he argues, serve as the basis for a rebalanced alliance with America and the next U.S. administration.

France and America: Friends Once More?

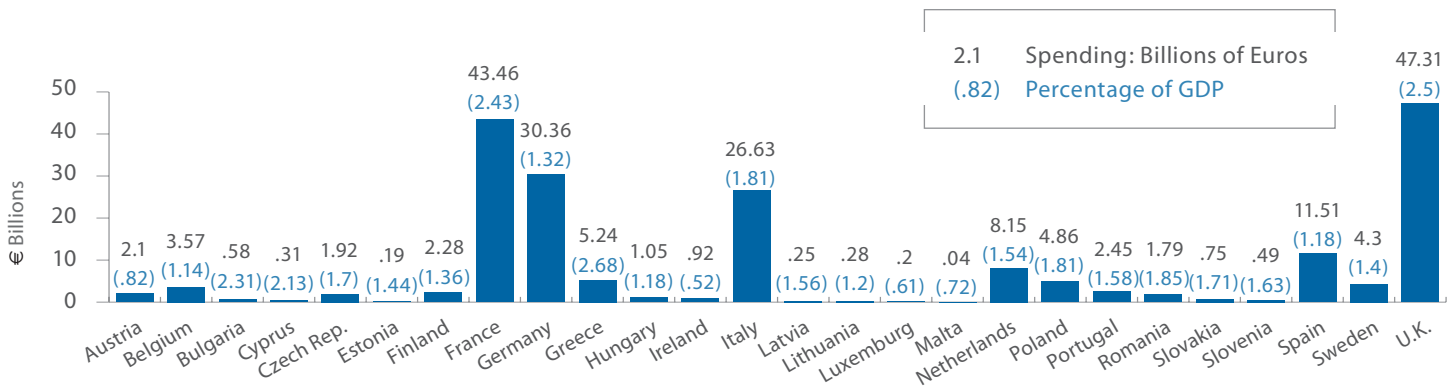
As Lelloche's comments acknowledge, with regard to defense, France's relationship with America is crucial. Work on repairing that relationship

has already begun, with Sarkozy's relatively well-received trip to the United States and, more importantly, his announcement at the recent NATO summit in Bucharest of France's reintegration into the Atlantic Alliance's military structure, as well as the decision to deploy the equivalent of a much-needed additional battalion of troops to Afghanistan.

For its part, Washington has responded favorably to French overtures. Not only is U.S. President George W. Bush's relationship with his French counterpart unimaginably cozy compared to that with Sarkozy's predecessor, but America has expressed support for the idea of a stronger European security architecture, seeing this as complimenting rather than threatening the Atlantic Alliance. This turnaround in American thinking was articulated in February by the U.S. Ambassador to NATO Victoria Nuland. In back-to-back speeches in both Paris and London, Nuland called for "a stronger, more capable European defense capacity," adding (in a clear riposte to former-U.S. Defense Secretary Don-

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EDA PARTICIPATING STATES' DEFENSE SPENDING 2006*



Source: European Defense Agency, "2006 National Breakdowns of European Defence Expenditure."

*This is a reprinted and corrected version of the "EU Member States' Defense Spending 2006" graph on page 3 of the March/April 2008 *Defense Monitor*.



FRANCE'S NUCLEAR MANEUVERS

BY ERIC HUNDMAN, CDI SCIENCE FELLOW

Since his election in May 2007, the “hyperactive” French President Nicholas Sarkozy has succeeded in raising France’s profile around the world, if nothing else through the sheer scale of his travels – 25 countries in just over eight months. Interestingly, nuclear diplomacy – using both energy and weapons – has lately been one of his most prominent tools. France’s diplomatic efforts in this arena have been buoyed by two global trends: increasing concern about the proliferation of nuclear weapons, and surges of interest in nuclear power and climate change. As one of the world’s oldest nuclear powers and its second-largest generator of nuclear energy, France is uniquely positioned to capitalize on these changes.

Regarding nuclear weapons, much of the recent concern has focused on Iran, North Korea and other potential proliferators – states with which European players have been taking a much larger diplomatic role of late, particularly in the case of Iran. In addition, Europe and the United States have been hearing louder calls for moves towards nuclear disarmament – by former British Foreign Secretary Margaret Beckett, for instance, and former U.S. officials George Schultz, William Perry, Henry Kissinger and Sam Nunn.

In hopes of addressing both of these concerns, on March 21, Sarkozy announced that he will cut France’s nuclear arsenal to “fewer than 300 warheads ... half the maximum number of warheads that we had during the Cold War.” This move likely has several aims. Most obviously, it is a small move towards disarmament in keeping with France’s commitments under the nuclear Non-Proliferation Treaty.

Perhaps more consequentially, a French president revealing even approximate numbers for the country’s nuclear arsenal marks a significant policy change from the past. It is a political signal to countries like Iran and China who have been less

than transparent about their nuclear arsenals.

In addition, Sarkozy cited the need to balance budgetary constraints against the defense of the nation, specifically including the Iranian threat as a reason not to shrink the French arsenal further. So while Sarkozy’s change acts as a relatively neutral prod towards increased transparency in nuclear capable states, it is also a veiled warning to Iran.

The counterpoint to France’s nuclear weapons policies is its attempt to take advantage of growing international interest in nuclear power. In conjunction with Areva, France’s primarily state-owned nuclear energy provider, the French government has been working to position itself as the premier supplier of advanced reactor technologies to countries around the world. Since taking office, Sarkozy has signed nuclear cooperation agreements with Libya, Algeria and the United Arab Emirates, and laid the foundations for such deals with Qatar, Morocco, Jordan, Egypt and Saudi Arabia. In addition, France hopes to increase its role in the more mature nuclear markets of India, China, the United Kingdom, Japan, and possibly the United States.

This activity is probably designed in part to counter claims from Iran and other countries that the West is unwilling to share nuclear energy technology with the Arab world. It also seems intended to continue raising France’s international profile generally – nuclear energy technology is one area where France excels and, importantly, the French president faces relatively few domestic constraints when crafting new nuclear policies. Such deals are also potentially lucrative; for instance, the U.S.-India Business Council estimates that at least \$100 billion over the next 10 years will be needed to develop nuclear energy in India alone.

Despite concerns about spreading potentially weapons-useable technologies to the Middle East and other volatile regions, proliferation due to French nuclear agreements is unlikely to be a short-term concern for at least three reasons. First, the lead time required for building nuclear plants – not to mention the infrastructure to support them – is very long, on the order of 5-10 years in many cases. Second, the reactors that France is attempting to export are technologically very resistant to weapons proliferation activities. Third, International Atomic Energy Agency (IAEA) safeguards would help ensure that any attempt to use the reactors for a weapons program would be detected.

Sarkozy has set sustainable development and energy as one of the primary goals of the upcoming French presidency of the European Union, so the focus on French nuclear energy policy will only sharpen in upcoming months. Perhaps this will help shed light on the pressing problems that continue to arise as Europe and the world grow more concerned about climate change and nuclear proliferation. ■

ald Rumsfeld's infamous comments on America's need for allies) that "coalitions of the willing have their limitations." The choice of venues for Nuland's speeches was as telling as her words – any meaningful realignment of ESDP and trans-Atlantic security will require a corresponding realignment of the U.K.'s defense posture as well as those of America and France.

France and the U.K.

The Sarkozys' visit to the U.K. in March was a public relations triumph. More concretely, a joint communiqué was issued by the U.K. and France, covering areas such as international financial regulation and institutions reform, immigration, and defense. Both countries pledged to foster bilateral dialogue on nuclear deterrence and work together on cyber security, space security, missile threat, countering organized crime and narcotic trafficking, as well as in the development of European military capabilities that would be made available to both NATO and the EU. Areas addressed include Aircraft Carrier Group Operations; the A400 Common Standard Aircraft project; and European helicopter capability shortfalls.

On NATO, the communiqué commits both countries to work on organizational streamlining, defense planning reform, expeditionary operations capability improvement, and encouraging of burden sharing, as well as strengthening EU-NATO cooperation and interoperability. Bilateral industrial defense cooperation was also highlighted, namely the intent to increase joint research and development efforts, conduct a systematic review of possible cooperation on capability programs, and facilitate transfers between companies. The

communiqué summed up its intents with regard to ESDP:

Ten years after Saint Malo, which launched European Security and Defence Policy, we stress our continuing common determination to play a leading role in defence and security, both in Europe and within the Atlantic Alliance, and in close cooperation with our partners and Allies. We call on all our European partners to take decisive steps to strengthen European military and civilian crisis management capabilities during the French presidency of the EU.

Such a wide-sweeping declaration appears to go some way toward bringing the British on board with the European security and defense ambitions of Sarkozy's upcoming French EU presidency.

Meanwhile, some French officials had speculated that Brown will refuse to commit firmly to any big EU initiatives until the delicate issue of the U.K.'s ratification of the Lisbon Treaty (due this summer) is handled, with others opining that such a commitment will have to wait even longer and is unlikely to take place until after the next U.K. election. Sarkozy's drawing closer to Washington will also have to be carefully orchestrated lest it unsettle the British into believing their own "special relationship" with America will be weakened as a consequence – however notional this relationship may be and however uneasy Brown is with it compared to his predecessor Tony Blair.

The Need to Move Beyond Suez

The need for any such realignment of the dynamics of the relationship

between France, the United States, and the U.K. can be traced back to the 1956 Anglo-French invasion of Egypt's Suez Canal zone. Crucially, Washington was not informed of the operation beforehand – not least because they would have disapproved. Ultimately, U.S.-led pressure on the U.K. forced it to pull out and the operation turned into a fiasco, effectively signaling the last real imperial hurrah of either the French or the British. Its most enduring legacy was to serve notice that America, the new superpower, could curtail the actions of both when it wished.

Suez proved a harsh lesson for London and Paris. Both responded to it very differently. For Britain, this involved drawing closer to the Americans – albeit in a relationship in which London was the junior partner. Meanwhile France took a more isolationist path, building up its own capacities – including an indigenous nuclear capability – while also favoring its relations with its fellow Europeans over America, towards whom it maintained a lasting mistrust.

The dynamic created by the fallout from Suez has detrimentally affected the relationship between trans-Atlantic and European security – both inextricably linked however much some might wish it otherwise – for over half a century. If real movement is to be made towards a security architecture that will serve both America and Europe better – as Sarkozy's plans for ESDP and NATO arguably could – this dynamic will have to be changed. The required realignment of the strategic relationships between America, France and the United Kingdom has already begun. It will need to gather more momentum and purpose if it is to succeed. ■



CDI on the Hill

The Prospects and Costs of Missile Defense

The following is an excerpt of CDI Senior Adviser, The Honorable Philip E. Coyle, III's congressional testimony entitled, "What are the Prospects, What are the Costs?: Oversight of Ballistic Missile Defense (Part 2)." Coyle delivered his testimony on April 16, 2008 in front of the House Committee on Oversight and Government Reform, Subcommittee on National Security and Foreign Affairs. A complete version of Coyle's testimony can be found online at www.cdi.org.

"Chairman Tierney, Representative Shays, distinguished Members of the Committee, I very much appreciate the opportunity to appear before you today to support your examination of the Department of Defense (DOD) programs in missile defense ...

Mr. Chairman, there is a troublesome lack of clarity in public discourse regarding both the rationale for and the technical progress toward a U.S. missile defense network. The reason for this confusion is clear when one examines the historical record. Quite simply, the public statements made by Pentagon officials and contractors are often at variance with all the facts at hand. In the ongoing administration, which advocates to ensure continuing support for a missile defense program that is expected to cost hundreds of billions of dollars, it has become difficult to separate programmatic spin from genuine developmental progress, and claimed value from liabilities. In particular, there has been a lack of substantive discussion about the ways in which missile defenses can undermine America's arms control and nonproliferation objectives.

The Pentagon is developing a variety of missile defense systems –

land, sea, air and space-based – but the Ground-based Midcourse Defense system (GMD), formerly called National Missile Defense (NMD), attracts the most attention from lawmakers and the media. It is the largest and most complex of the systems, and will be the most costly. It is also the centerpiece in the current Defense Department plan for defending the United States from long-range intercontinental ballistic missiles (ICBMs) fired by a hostile enemy, and for those reasons I will concentrate on that system today.

The Threat, or Not

In your March 5, 2008 hearing, Joseph Cirincione testified that since 2001, the threat – especially the threat from intercontinental ballistic missiles that can reach the United States – has gone down, not up. Yet the Missile Defense Agency (MDA) claims that the threat from ballistic missiles is growing.

To motivate the need for missile

defenses, the MDA has pointed to missiles in 20 countries. However, all but two of these 20 countries – Iran and North Korea – are either friends, allies, or countries from which we have no missile threat, for example, Israel, India, Pakistan, Vietnam, South Korea, Moldova, Ukraine, Saudi Arabia and Egypt. Venezuela was recently added to the list. Further, with the exception of Russia and China, none of these 20 countries – including Iran and North Korea – has ballistic missiles that can reach the United States. In October 2007, the White House announced: "America faces a growing ballistic missile threat. In 1972 just nine countries had ballistic missiles. Today, that number has grown to 27 and it includes hostile regimes with ties to terrorists."

Vice President Dick Cheney reiterated that estimate in a speech on March 11, 2008. The White House has not explained how it came up with 27 countries, rather than MDA's already misleading claim of 20.

Operationally, such estimates are pointless since the MDA says that it can only handle "an unsophisticated threat," that is, just one or at most



Phil Coyle, alongside The Honorable Henry F. Cooper and Joseph Cirincione, testified at the second House Subcommittee on Oversight and Government Reform hearing on missile defense on April 30, 2008. This was a follow-up to the first hearing on April 16.

two missiles from Iran (or North Korea), with no decoys or countermeasures. This is not because that would be a realistic threat, but because it is the toughest threat that MDA claims to be able to deal with.

It is not credible that Iran (or North Korea) would be reckless enough to attack Europe, or the United States, with a single missile – with no decoys or countermeasures – and then sit back and wait for the consequences. As we know, ballistic missiles have return addresses.

Thus, if Iran were reckless enough to attack Europe or the United States, they wouldn't launch just one missile, and if they launched several missiles or used decoys and countermeasures, current U.S. missile defenses would not be effective.

Further, if Iran and North Korea were intent on attacking Europe or the United States, and if they believed that U.S. missile defenses worked, they likely would emulate Russia. Against Russian or Chinese ICBMs launched en masse, the most futuristic missile defenses would not be effective. This fact was recognized by Congress in 1974, when lawmakers voted to shutdown the Safeguard

system (which relied on nuclear-armed interceptors) almost immediately after it was declared operational. It had become obvious that the system could not defend against an all-out Soviet attack.

We will not have a safer world if U.S. missile defenses cause Iran, North Korea, or other countries to build up vast arsenals of ballistic missiles to overwhelm our defenses.

U.S. missile defenses could create new dangers for America, stimulating a new arms race, and encouraging U.S. adversaries to build more and more missiles so as to overwhelm our defenses. By responding to the perceived “unsophisticated threat,” we are motivating new threats for which we do not have technical solutions.

Cost and Cost Effectiveness at the Margin

The United States has already spent over \$100 billion on missile defense.

In fiscal year 2009 the president's budget request asks for \$13.2 billion for DOD spending on missile defense. The Missile Defense Agency itself accounts for \$9.4 billion of that total. In fiscal year 2009, the president's budget request calls for another \$62.5

billion to be spent over the next five years.

Since there are no criteria established for the system, not even the Missile Defense Agency itself can say what the eventual costs might be.

The costs are open-ended and there is no end in sight.

Some of the elements of the planned GMD system of systems do not yet exist. For example, SBIRS-High and the Space Tracking and Surveillance System (STSS) are billions of dollars over budget and years behind schedule. The Government Accountability Office (GAO) has reported repeatedly on the difficulties with these systems.

If, as the MDA asserts, the system can already defend the United States when two major satellite systems for missile defense – SBIRS-High and STSS – do not exist, why should the Congress appropriate funds for these satellite systems? And if these satellite systems are required, how can the MDA claim that the system defends us today?

While carried in the R&D portion of the DOD budget, the GMD program is one of the biggest procurement programs in history. MDA is planning to buy hundreds of new interceptors between now and 2013. This includes 20 more interceptors for the GMD system in Alaska and California, 111 SM-3 interceptors and 100 Terminal Sea-based interceptors for the Aegis BMD system, 96 THAAD interceptors, about 400 new Patriot PAC-3 interceptors, and 10 new interceptors for the proposed missile defense system in Poland. This adds up to about 635 new interceptors proposed to be bought in the next five years. The cost for these new interceptors does not include new Navy ships to be bought or modified, two

dozen new Patriot batteries, new THAAD fire control systems and FBX radars, nor the proposed new satellite systems, nor all the ground support equipment connected to these systems.

However, the threat being used to justify these enormous purchases has been exaggerated, and if it were real, the proposed missile defense systems couldn't deal with it anyway.

This is an example of what Paul Nitze was talking about when he proposed the criteria of "cost effective at the margin."

It is easier for an enemy to increase its offenses than it is for the defender to increase its defenses against those new offenses. It is cheaper for an enemy to build more missiles as the Soviet Union did during the Cold War, cheaper for an enemy to add decoys or countermeasures, and cheaper to change the nature of an attack by firing many missiles at once or by firing them in unpredictable ways.

And if an enemy is going to attack the United States or Europe, the first thing they would attack would be the missile defense radars themselves, as those are the "eyes" of the system. To defend those "eyes" would require building defenses for U.S. defenses, ad infinitum, and would be prohibitively costly.

Conclusion

The level of debate both in America and in Europe has not been adequate to inform the public about the limitations and liabilities of missile defense.

Thanks to belated but successful negotiations with North Korea, and a new National Intelligence Estimate for Iran, there appears to be no urgent threat, and if there were U.S. missile defenses are not adequate to the task, because of the artificial constraint that

an enemy would only attack with one or two missiles, and would use no decoys or countermeasures.

The U.S. proposal to establish missile defense sites in Poland and the Czech Republic has alienated Russia to a degree not seen since the height of the Cold War, and for no good purpose since the proposed U.S. system in Europe has no demonstrated capability to defend the United States, let alone Europe, under realistic operational conditions.

It is a truism that Americans and the U.S. military have a tendency to count on technological breakthroughs to solve thorny national security problems. Many Europeans hope that U.S. technology could be relied upon to solve international conflicts, too. Technology has produced some amazing advances, such

as personal computers and the Internet which have changed our lives at home and at work. But too often America relies on technology as the first, best hope to save us from our problems. This is apparent in fields as diverse as defense, medicine, and the environment. By appealing to a single-point technological fix, we hope we can avoid dealing with the long-term problem. In national security, as in other fields, we use our hope for technological relief as an excuse to avoid dealing with our adversaries – sometimes at a very high cost in political and economic terms; sometimes in dangerous self-delusion about our own military capabilities in the global environment in which we all exist." ■

CDI ANALYST ASSESSES MISSILE DEFENSE IN ALASKA

CDI Research Analyst Victoria Samson was the closing speaker at the Nuclear Awareness Conference at the University of Alaska Southeast campus, held April 18-20, 2008 and co-sponsored by the Juneau World Affairs Council, The Leighty Foundation and several other organizations. Samson's speech, "Missile Defense: Billions spent, little achieved," went over the state of various missile defense systems and highlighted the fact that despite having spent over \$120 billion since 1983, the United States still does not have a system that has proven it can provide a reliable defense.

While in Juneau, Samson enjoyed the hospitality of longtime CDI friends Bill Leighty and Nancy Waterman (of The Leighty Foundation), who very graciously drove her around Juneau and its environs. Of particular interest was the site about 20 miles north of Juneau that is planned to host the AN/TPY-2 X-band radar for several months this year in order to provide tracking data during the next test of the Ground-based Midcourse Defense (GMD) missile defense system. The proposed X-band radar site is on Lena Point at the Ted Stevens Marine Research Institute, a fisheries research facility. After her speech, Samson entertained questions from residents concerned about the effects the proposed radar will have on their community.



CDI Research Analyst Victoria Samson in front of the X-band radar site near Juneau, Alaska.

Photo: Bill Leighty

The Small Arms Trade in Latin America

BY RACHEL STOHL, SENIOR ANALYST AND DOUG TUTTLE, RESEARCH ASSISTANT

SMALL ARMS AND GUN VIOLENCE present the most dramatic threat to public safety in Latin America and the Caribbean. After decades of uncontrolled proliferation, at least 45 million to 80 million small arms and light weapons – that is, any weapon operated by an individual or small group, including handguns, assault rifles, grenades, grenade launchers, and even man portable surface to air missiles – are circulating throughout the region. Gunshots kill between 73,000 and 90,000 people each year in Latin America, and guns are the leading cause of death among Latin Americans between the ages of 15 and 44, according to World Health Organization estimates.

A National Guard soldier, armed with an M16 weapon, stands watch on the U.S. border with Mexico, through which as many as 2,000 guns are smuggled daily.

Small arms flooded Latin America during the Cold War, most significantly during the Central American civil wars of the 1980s. Although diverse motivations, channels, and suppliers have had a hand in their proliferation, the Cold War and its legacies bear most of the responsibility. Both the United States and the Soviet Union supplied their Latin American allies with mass quantities of weapons through proxy arms dealers.

Today, most legal weapons in Latin America come from the United States, Europe, or the small but growing regional arms industry. According to data provided by the Norwegian Initiative on Small Arms Transfers, in 2005, Latin America legally imported at least \$175 million worth of small arms and light weapons, as well as ammunition and spare parts. The United States was the main supplier to the region, exporting almost \$50 million worth of these weapons.

On top of these officially approved arms transfers, the illicit small arms trade in Latin America is thriving. The region is a smuggler's paradise: a vast coastline, densely forested mountains, porous borders, clandestine airstrips, widespread government corruption, a lack of governmental resources and political will to confront the trade, and entrenched and powerful narco-traffickers – all have contributed to the unregulated flow of weapons, drugs and people. The U.S.-Mexico border is also a central route through which illicit small arms enter Latin America. A study released by the Mexican government suggests that as many as 2,000 guns are crossing the U.S.-Mexico border daily. As in Colombia, these guns are fueling an arms race, in this case between Mexican drug cartels, costing the lives of 4,000 people in 18 months.

In addition to international smuggling, the diversion of domestic production and privately owned stocks contributes to illicit ownership in Latin America. Craft production – crude, small-scale, handmade production of weapons – has been documented in Chile, Brazil, Colombia, Honduras and El Salvador, and also fuels the illicit trade.

Regardless of the source, small arms in Latin America have led to a variety of crises throughout the region. Uncontrolled small arms are responsible for increased firearm homicides and increasing gang violence. Furthermore, these weapons threaten economic development. Gun violence burdens communities with higher health care costs, reducing produc-

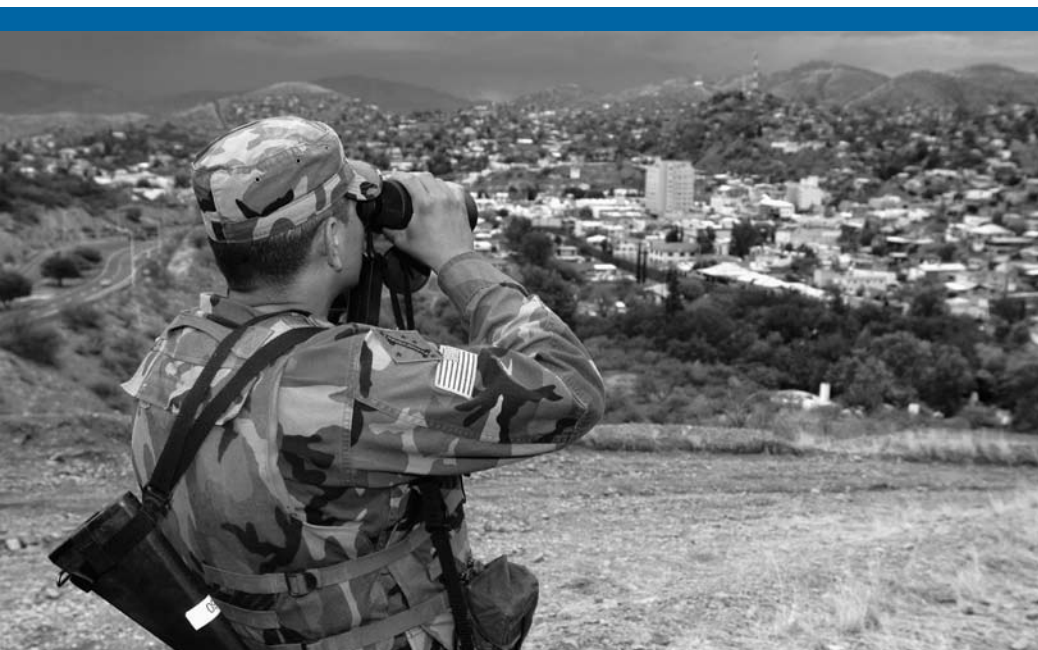


Photo: Sgt. Jim Greenhill, USA

tivity and discouraging investment. Small arms have become both the currency and commodity of the drug trade. A nebulous and mutually reinforcing relationship between firearms, narcotics and gangs fuels the trade in both guns and drugs.

The consequences of small arms proliferation and misuse are multidimensional, and thus control efforts require various, multifaceted solutions. Because they have legitimate police, military and civilian uses, simply banning small arms is both unpractical and unlikely. Therefore, policies and programs must be developed that address small arms proliferation and misuse both from the top down and the bottom up, taking place at international, regional, national and local levels, and implemented simultaneously and cooperatively. In general, small arms policies should control the supply of weapons, eliminate potentially dangerous stockpiles, end misuse, and attempt to lessen demand.

Many steps have been undertaken at the United Nations, but Latin America has a mixed record of participating in various programs and implementing policies. At the regional level, Latin America often uses criminal violence, urban violence and drug trafficking as lenses through which to view small arms proliferation. As such, the region has built many of its frameworks for small arms control based on experiences dealing with these interconnected issues. Individual countries within Latin America have also adopted national and unilateral small arms policies.

Although several treaties, international agreements, regional and subregional initiatives, and national policies on small arms exist, Latin American countries would benefit

from additional assistance for implementing treaties and agreements and undertaking programmatic initiatives, like disarmament, demobilization and reintegration (a process with an end goal of reintegrating former combatants back into society), weapons collection, weapons destruction programs, and stockpile security management. Such assistance would bolster strategies and programs and allow Latin America to take meaningful steps to stop the small arms scourge.

The United States is uniquely positioned to lead such efforts in Latin America, highlighting its complicated, often contradictory, arms relationship with the region. The country has long been the region's chief arms exporter, providing millions of dollars' worth of weapons, while at the same time providing substantial assistance on small arms control. Since 2001, for example, the United States helped four Latin American countries destroy thousands of surplus small arms and man portable air defense systems (MANPADS), and improve stockpile security. In El Salvador, the United States helped destroy 30,000 small arms in 2003; in Honduras, 13,680 small arms and 5,772 unstable aviation bombs were destroyed in 2006–07; in Nicaragua, 1,011 MANPADS were destroyed in 2004–2006; and in Suriname, 3 million .50-cal rounds, 20,000 WWII vintage rounds, and 20,000 small arms munitions (including grenades) were destroyed in 2006–07. Similarly, the United States has used its own national laws to prevent diversion and encourage improved national stockpile security practices by Latin American countries. Yet despite these efforts, the United States has frequently been on the opposite side of its hemispheric

neighbors by opposing international controls on the small arms trade.

Millions of small arms and lights weapons continue to circulate throughout Latin America, leaving a path of destruction, crime and conflict. Whether these weapons were provided to fight the Cold War or to fuel drug and gang wars, through legal or illicit channels, their presence is responsible, in part, for the crime and violence that has retarded devel-

“The [United States] has long been the region’s chief arms exporter, providing millions of dollars’ worth of weapons, while at the same time providing substantial assistance on small arms control.”

opment throughout Latin America. These weapons last longer than their intended purposes require, perpetuating a cycle of violence and underdevelopment that affects the entire region. Latin America is progressively taking steps to break this cycle, but significant work continues. Levels of crime and violence remain unacceptably high in much of the region, especially among young people. If Latin America is to prosper in the coming generations, continued resources, efforts and initiatives are needed to address the affects of gun proliferation and violence that threatens Latin America's future. ■

This is an excerpt from “The Small Arms Trade in the Americas,” which was originally published in the NACLA Report on the Americas. Reprinted with permission.

C-130J Fact Sheet

The Air Force's Cost Ineffective Aircraft

BY ANA MARTE, STRAUS MILITARY REFORM PROJECT RESEARCH ASSOCIATE AND VALERIE REED, RESEARCH ASSISTANT

HISTORY

The C-130 "Hercules" aircraft began production in 1954. With the capacity to carry up to 42,000 pounds, it can take off and land on short, unprepared runways and can be used for airborne assault, search and rescue, weather reconnaissance, aerial refueling and firefighting, and relief missions, in addition to cargo and personnel transport. Over the years, the Air Force has received a number of models, with about 2,300 C-130s purchased by 67 foreign countries.

The new J model was designed to replace aging C-130Es and C-130Hs. In 1996, the Air Force controversially awarded Lockheed Martin a five-year commercial contract for the C-130J, the first time a military aircraft had been declared a commercial item (that the public can supposedly purchase). Features of the J model include 15-

foot fuselage plugs for larger loads, 6-bladed composite propellers, Rolls Royce turboprop engines, and new avionics. However, as demonstrated in the figure below, the cost of the J has increased significantly more than its performance, particularly in the key measures of range and payload.

COMPLICATIONS

According to a 2004 Department of Defense (DOD) Inspector General Report, neither contract nor operational requirements were met by the aircraft, but the Air Force nevertheless paid 99 percent of the C-130J's contract price. In 2005, congressional lobbying and assertions by the Air Force that the cost of cancellation would be over \$1.78 billion saved the program from a threatened termination. An overestimation of cancellation fees by \$1.1 billion was later revealed, and the program was converted to a traditional procurement contract.

In 2006, the Air Force reported "unit costs" for the J at \$48.5 million (in 1998 dollars), \$30.1 million for the H and \$11.9 million for the E model. Such figures only represent "flyaway" costs that cover production expenses, not development or testing.

DOD's Selected Acquisition Report and a more inclusive "total program unit cost" indicate that cost of the J model is twice as much as the H (\$98 million versus \$45 million).

TEST & OPERATIONAL PERFORMANCE

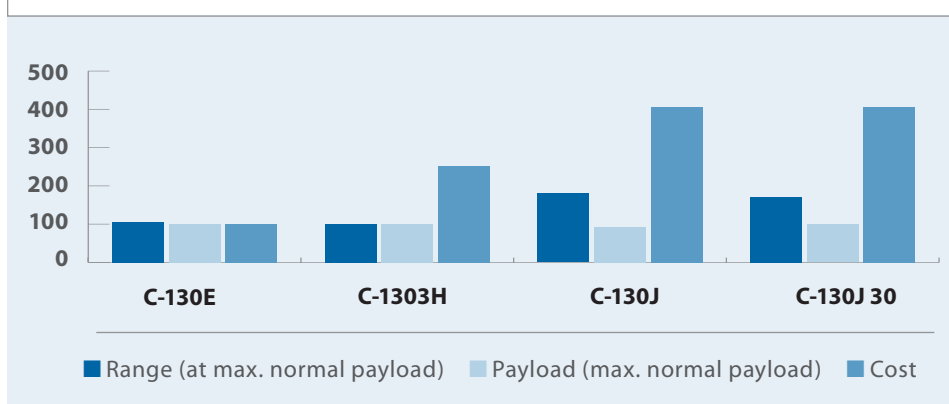
Advocates of the C-130J assured reduced manpower requirements, life cycle cost savings, digital avionics, advanced integration diagnostics, enhanced cargo handling, improved defensive systems, improved takeoff, climb and cruise performance, and a redesigned flight station with a two-person cockpit.

In 2004, the Pentagon's director of Operational Test and Evaluation (DOT&E), Thomas Christie, subsequently a Straus Military Reform Project adviser, reported "major issues" confronting the C-130Js. Problems with cargo loading, hardware and software, radar performance, and propeller damage inhibited the J from transporting and dropping troops and equipment in combat zones.

The J was modified to correct operational limitations, and in 2006, the Air Mobility Command asserted the C-130J had reached initial operational capacity. However, the DOT&E FY 2006 Annual Report indicated the C-130J was still not effective for operations in a nonpermissive threat environment. Noting the shortfalls in user suitability requirements and maintainability issues, the director stated that operational testing will need to continue after 2010, with recommended follow-on testing for various maintenance deficiencies.

Given the significant increase in cost and the only modest improvements in key transport measures of range and payload, it is hard – if not impossible – to label the C-130J as "cost effective." ■

INCREASES IN PERCENTAGE OF THE C-130 RANGE, PAYLOAD, AND UNIT COST



Sources: *AirForceLink*, 2006; *AirForce-Technology.com*, 2007; Project on Government Oversight, 2005; Office of the Inspector General of the Department of Defense, 2004; P-1 Book; DOD Director of Operational Test and Evaluation (DOT&E) Annual Report FY 2006; DOD Director of Operational Test and Evaluation (DOT&E) Annual Report FY 2004.

Drowning in Dollars

More Money is Sinking America's Armed Forces

BY WINSLOW T. WHEELER, STRAUS MILITARY REFORM PROJECT DIRECTOR

IT IS NOW CONVENTIONAL WISDOM

to say that the Pentagon budget is higher in “real” dollars than at any point since the end of World War II. What is not conventional wisdom – but should be – is that at today’s historic high level of spending, our military forces are smaller than they have ever been since the end of World War II; equipment is, on average, older than it ever has been before; and key elements of our most important fighting forces are not fully prepared for combat. Recently, the addition of substantial sums of money – separate from funding for the wars in Iraq and Afghanistan – has made things not better, but worse.

For the budget data, little if any analysis is required; they are all readily available in an annual DOD publication, known as the “Greenbook.” However, essential basic data not included in the Greenbook are the numbers that comprise the force structure of U.S. Armed Forces. Here and there, one can find the number of divisions in the Army for a given year, the number of aircraft in the Air Force, ships in the Navy, nuclear bombers in the so-called strategic forces, and so on. However, no one publishes the data in a reliable manner in annual increments for the post-World War II period.

Therefore, a simple analysis that tracks the budgets of the military services (readily available from the Greenbook) together with the annual force structure of the Army, Navy and Air Force is not easy to put together. Unless, that is, you consult a

remarkable analysis by Franklin C. Spinney, “Defense Death Spiral,” put together in the late 1990s.

While I should reveal that Spinney is a personal friend and colleague, I must also say his extraordinary analysis is far from simplistic; using unclassified data, he put together a comprehensive work of 75 briefing slides which addresses the Pentagon’s budget, the military services’ force structure and modernization programs, military readiness and training, and the resources spent for each. *Inter alia*, it stands alone as an evaluation of what we get for our money. Its conclusion – that America’s defense forces have been shrinking, aging and becoming less ready to fight, at increasing cost – is unassailable.

The problem is that Spinney’s briefing is now several years old; it does not include the additional funding that has been put into the Pentagon’s budget since 2001, both for the wars in Iraq and Afghanistan and additional money not related to the wars. One would hope that the fundamentally negative trends Spinney found in the 1990s would have been ameliorated. Indeed, the baseline DOD budget, which is supposed to exclude war-related spending, has increased – in constant dollars – from \$370.8 billion in 2001 to \$518.3 billion, a 40 percent increase, in 2009. It would be hoped that one of the largest increases in “peacetime” military spending since World War II would have brought some redress to the shrinking, aging, less ready nature of the higher-cost military that Spinney

Upcoming in the July/August issue:

Drowning in Dollars, Part I: Has a \$200 Billion ‘Plus-Up’ Helped the Air Force?

found and documented. And when one considers the non-war spending that has been crammed into the “war” supplementals each year since 2002 – such as for C-17, V-22, F-16, and other aircraft, which are highly unlikely to ever see service in Iraq or Afghanistan, as well as money for a reorganization of the Army, initiated well before the wars started – the 40 percent increase in the baseline Pentagon budget becomes an understatement of the funding available to address the deficiencies Spinney found.

Understatement or not, the amount is considerable. Comparing actual Pentagon base budgets to the base budgets planned at the start of the first George W. Bush administration for the years from 2001 to 2009 computes to over \$770 billion *added to* the base Pentagon spending plan since 2001.

In other words, almost three quarters of a trillion dollars has been added above the level of Defense Department spending planned in early 2001; none of it has been specified for the wars in Iraq and Afghanistan; it is a “peacetime” addition to the defense budget. One would hope that it has been used effectively to address the problems – the shrinking, the aging, the reduced readiness – that Spinney identified.

But as we shall see in three sections of this Force Structure Series that will follow in subsequent issues of *The Defense Monitor*, it has not reversed these trends, and unfortunately, some of them are now significantly worse. ■



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