

Defense Security Cooperation Agency

Partners

April 2006



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ON THE COVER: Villagers watch through the fence while waiting to register for medical treatment during a medical civic action program in Adelaie, Ethiopia, Feb. 1, 2006. (U.S. Air Force photo by Staff Sgt. Nic Raven)

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From the Director

Nearly 600 people joined us last month in Tyson's Corner for our 2006 Security Cooperation Conference.

Security cooperation professionals from around the world explored topics supporting our conference theme, "Security Cooperation: New Challenges, New Opportunities." Speakers representing the U.S. government, U.S. industry, and our foreign partners, offered the audience candid perspectives on the role security cooperation plays around the world today.

Deputy Secretary of Defense Gordon England took time away from his busy schedule to shed light on future security cooperation initiatives and current discussions being held by the Pentagon's senior leadership. He spoke of the need to update DoD legal authorities to better match the challenges of the 21st Century. He said, "In the longer war, the nation cannot afford to forgo willing partners; and cannot predict with any certainty when and where we will need friends."

The Deputy Secretary said DoD is working with other agencies and the U.S. Congress to get some flexibility in working with old and new partners; getting them to the battlefield, making sure we are interoperable, and laying the ground work for new partnerships.

House Foreign Operations Appropriations Subcommittee Chairman Jim Kolbe, (R-Az) examined the challenges of balancing domestic priorities against international priorities in the Global War on Terrorism. He talked about some of the challenges lawmakers face in getting security assistance initiatives through the Congress.

The value of DoD's partnership with State, and how the departments strategically adjust to the array of political and economic changes across the security cooperation landscape, was the focus of Assistant Secretary of State for Political-Military Affairs (PM) John F. Hillen's comments.

He said there is an extraordinary amount of cooperation between State and Defense, but we need to work harder with Congress to make sure they put the trust and tools



Lt. Gen. Jeffrey Kohler (center) discusses security cooperation issues with guests during the recent DSCA 2006 conference at the Sheraton Hotel in Tysons Corner.

in State and Defense to allow us to deploy money. "We need to do it sooner and do it with more flexibility to respond to the threat environment today," he said.

Lt. Gen. (USAF, Ret.) Lawrence P. Farrell Jr., President and CEO, National Defense Industrial Association, told the audience that security cooperation is one of the most important topics we could be discussing today. He stressed the importance of good relationships between U.S. business industry and foreign customers.

During a breakout session there was also an opportunity to answer questions about the anticipated FMS rate increase.

The timing of our conference event could not have been better, coinciding as it did with the release of the 2006 Quadrennial Defense Review (QDR). The QDR charts the Defense Department's way ahead for the next 20 years, and it has a special relevance for our community. As articulated by Ryan Henry, principal deputy undersecretary of defense for policy, the QDR *recognizes the continued need to defend against conventional threats, conduct humanitarian missions at home and abroad, and help U.S. allies and partners develop their own defense capabilities*. It is in the areas of humanitarian missions and building partner capacity that our security cooperation community excels. This is why we must continue to refine our programs in order to

increase our community contribution to DoD's goals.

This year's conference was a perfect venue to highlight the value of the entire security cooperation community and how we collectively tie into the National Security Strategy. We focused on some of the significant strides made last year, and how shifts in direction, as well as program and organization changes impact the community.

I applaud all of you for what you do each day to support our security cooperation programs. A special thanks goes out to those of you who made our conference a success. We owe a salute to Fred Beauchamp, of the DSCA strategy directorate, for piloting the conference and pulling the DSCA team together. Everyone did a magnificent job.

As we move forward, let us embrace the valuable messages and information disseminated at the conference, and continue communicating with others in the community. By aggressively sharing information and refining strategies, we will continue enhancing the effectiveness of security cooperation programs for years to come.



Photo courtesy Department of Defense

Navy Vice Adm. Evan Chanik (left), Joint Staff, director of force structure, resources and assessment, and Ryan Henry, principal deputy undersecretary of defense for policy, speak with reporters at the Pentagon about the Quadrennial Defense Review during a Pentagon press briefing in Feb.

QDR sets tone for DSCA programs

The Defense Department unveiled the Quadrennial Defense Review in February, charting the way ahead for the next 20 years as it confronts current and future challenges and continues its transformation for the 21st century.

The 92-page report, sent to Congress, represents “a common vision of where we need to go and what we need to do,” Ryan Henry, principal deputy undersecretary of defense for policy, told Pentagon reporters during a Pentagon briefing.

He said the report was driven, managed and authored by senior leaders throughout the department, including Secretary Donald Rumsfeld, Gen. Peter Pace, chairman of the Joint Chiefs of Staff, the service chiefs and secretaries, and the combatant commanders.

Its release corresponds with that of the fiscal year 2007 DoD budget request, which President Bush sent to Congress Feb. 6.

The QDR aims to shift military capabilities to fight terrorism and meet other nontraditional, asymmetric threats, while shaping a defense structure better able to support and speed up this reorientation, Henry said.

At the same time, it recognizes the continued need to defend against

conventional threats, conduct humanitarian missions at home and abroad, and help U.S. allies and partners develop their own defense capabilities.

One of three QDRs conducted during wartime, this year’s report focuses on the need for the U.S. military to continue adjusting to an era of uncertainty with asymmetric challenges, he said.

It incorporates lessons learned from operational experiences from Iraq and Afghanistan, according to Henry. Similarly, it incorporates experience gained in other operations associated with the so-called “long war” against terrorism in places like the Philippines, Horn of Africa, Georgia and Northern Africa.

As a blueprint for shaping the force to carry out these far-reaching responsibilities, the QDR shifts from traditional thinking in pointing the direction forward, Henry said. “It’s not about numbers. Numbers don’t tell you if you can get the job done,” he said, “it’s about capabilities.”

The report focuses on a lighter, more agile, more deployable force that operates more jointly with a streamlined, more efficient defense operation supporting it, Vice Admiral Evan Chanik, the Joint Staff’s director of

force structure, resources and assessment, told reporters.

It promotes more special operations, intelligence gathering, language and cultural capabilities, improved communications and enhanced security cooperation activities.

Chanik called the QDR evolutionary rather than revolutionary and said it reflects an ongoing DoD transformation that began in 2001. The terrorist attacks on the U.S. on September 11 of that year and the war on terror that resulted accelerated this transformation, he said.

“We’re making sure we have a range of capabilities into the future,” Chanik said. “Service members won’t be surprised by what’s ahead for them in the QDR,” Chanik predicted.

“The average military guy out there understands we live in a changing world and that as this world changes, we need to change with it,” he said.

With its emphasis on education and training, the military ensures that its members have the skill sets they need to meet evolving requirements, he said. **(By Donna Miles, American Forces Press Service)**

Rules of Engagement Discussed

Combating Terrorism Focus of DIILS Seminar in Thailand

In early March, members of the Thai Ministry of Defense (MOD), various civilian government agencies, and members of the Defense Institute for International Legal Studies (DIILS) gathered in Bangkok, Thailand for training on the Legal Aspects of Combating Terrorism.

The program focused primarily on the legal rules surrounding the effort to combat terrorism and the practical application of those rules by soldiers on the ground.

Fifty-two military officers and civilian officials participated in the week-long seminar. Participants received lectures and three hours of seminar problems and case studies daily. During the seminar problems, participants were divided into four working groups by the DIILS team. This allowed members from different organizations to collaborate and address a myriad of issues.

The DIILS team included Air Force Col. Russell Friemel, Navy Cmdr Dick Chema, Army Lt. Col. Gary Sargent,



Army Lt. Col. Gary Sargent, DIILS instructor, addresses terrorism during a week long seminar in Thailand.

Air Force Maj. Nathan W. Kearns, and Marine Corps Capt. Jim Gordon.

In addition to speakers from DIILS, members of the Thai Government lectured and co-presented four blocks of instruction.

Once the program began, the DIILS team realized the

MoD's need for training and experience as it related to the participant's understanding of the practical application of the Rules of Engagement (ROE).

This led to an immediate change in the DIILS team curriculum and schedule adjustments. After a few

calls and emails to their home-base in Newport, R.I., the team was able to adjust the lecture content and add interactive presentations on ROE. In just a few hours, Gordon put together a well-received interactive ROE lecture with scenarios for the attendees. The adjustments highlighted the need for follow-on training in this area, especially for the Thai Judge Advocate Generals who provide training to their troops.

The discussion problems and real world examples of failed or successful case studies involving ROEs and combating terrorism were well received by the audience.

Thailand's Maj. Gen. Derekpol Wattanachote, chief military judge, military court of appeals and former DIILS and stateside PME graduate, presided over the opening and closing ceremonies.



DIILS instructor, Marine Capt. Jim Gordon, discusses rules of engagement with seminar participants in Thailand.



Lt. Gen. Jeffrey Kohler, DSCA director, opens the conference by welcoming nearly 600 participants to the event.

Professionals Share Information During DSCA 2006 Conference

Nearly 600 security cooperation professionals gathered in the Washington area for a two-day security cooperation conference in March.

Hosted by the Defense Security Cooperation Agency, the event was designed to bring members of the security cooperation community together to exchange information and address some of the current and future challenges.

Speakers, representing the U.S.

government, U.S. industry, and foreign partners offered an array of perspectives generating discussions in areas of both professional and personal interests.

The conference highlighted the important role security cooperation plays in supporting the war on terrorism, and how adjustments are being made to meet future security cooperation challenges.



During the conference military officers had an opportunity to share ideas and perspectives on security cooperation programs.



Maj. Gen. Byron Bagby, chief, U.S. office of military cooperation in Egypt, asks a question of a speaker during the DSCA Security Cooperation Conference.



Regional Center representatives issued pamphlets and flyers highlighting their role in the security cooperation community.



Dr. Jennifer Stewart, chairperson for the foreign procurement group, was one of many participants who asked pointed questions of the distinguished speakers.



Deputy Secretary of Defense Gordon England discusses the role of security cooperation programs and their importance to world security.



Navy Capt. Jim Mitchell, deputy director for the Defense Institute for Medical Operations, explains the institute's programs and mission to conference participants.

On the Hill

by Neil Hedlund
and
Lorna Jons

The February delivery of the President's FY07 budget request to Congress set in motion a number of hearings on security cooperation with our global partners.

SFRC Hearing on FY07 International Affairs Budget

On Feb. 15, Secretary of State Condoleezza Rice testified before the Senate Foreign Relations Committee (SFRC) on the FY07 International Affairs Budget request. The President's budget supports a foreign policy devoted to the creation of a more hospitable environment for the forward march of freedom and democracy. The foreign affairs budget focuses on national security spending—unless states are capable of governing themselves, governing their borders, fighting terrorism, dealing with the challenges of proliferation and terror, the US will not be safer. Secretary Rice stated that it is our goal to make our foreign assistance something that is not permanent for countries—as they transition to well-managed countries that fight corruption, that govern wisely, and that make investments in their people.

SACFO Hearing on FY07 Foreign Operations Budget

On Mar. 28, Secretary Rice also testified before the Senate Foreign Operations Appropriations Subcommittee (SACFO) on the FY07 Foreign Operations and State budget request. The President's FY07 budget request of \$35.1B includes \$23.7B for Foreign Operations—an increase of \$2.8B above the FY06 enacted level. While SACFO Chairman McConnell (R-KY) noted the request includes \$32M in military assistance for countries in the Southeast Asia region, it's actually a decrease of \$6M from FY06. He supports the increase

in military aid to Indonesia (\$.99M to \$6.5M); however, he seeks clarification for the \$12M cut to the Philippines (\$29.7M to \$17.6M). Secretary Rice indicated the President's budget encompasses a number of core missions, to include support for coalition partners and for front-line states that are literally on the front lines against the terrorists.

HIRC Hearing on FY07 International Affairs Budget

On Feb. 16, Secretary Rice appeared before the House International Relations Committee (HIRC) to discuss the FY07 International Affairs budget. The hearing covered a wide range of foreign policy issues but did not specifically address any areas of security cooperation.

HACFO Hearing on the FY07 Foreign Operations Budget

On Apr. 4, Secretary Rice appeared before the House Foreign Operations Appropriations Subcommittee (HACFO) to discuss the FY07 Foreign Operations budget request. HAC Ranking Member David Obey (D-WI) sharply criticized Egypt and threatened to block

all foreign assistance for Egypt this year if President Mubarak doesn't release opposition leader Ayman Nour and demonstrate progress toward democratization. Also, HACFO Chairman Jim Kolbe (R-AZ) and Rep. Obey told Secretary Rice that the committee would not be able to support the requested 14 percent increase in foreign aid given the severe domestic spending cuts that this would entail.

HASC Hearing on Building Partnership Capacity

On Apr. 7, the House Armed Services Committee held a hearing on building partnership capacity. Administration witnesses

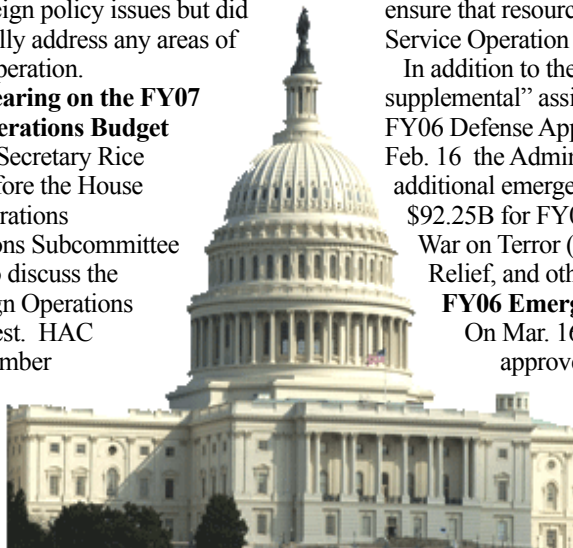
included Undersecretary of Defense for Policy Eric Edelman, Assistant Secretary of State for Political-Military Affairs John Hillen, and European Commander General James Jones. HASC Chairman Duncan Hunter (R-CA) acknowledged the need for DoD to play a larger role in training and equipping foreign military forces but sought more details regarding the implementation of the new authority to build the capacity of foreign military forces provided in Section 1206 of the FY06 Defense Authorization Act. Members are willing to provide the Department more flexibility but want to ensure that resources are not diverted from Service Operation and Maintenance budgets.

In addition to the \$50B of "emergency supplemental" assistance provided in the FY06 Defense Appropriations Act, on Feb. 16 the Administration requested an additional emergency supplemental of \$92.25B for FY06 to support the Global War on Terror (GWOT), Hurricane Relief, and other purposes.

FY06 Emergency Supplemental

On Mar. 16, the full House approved HR 4939, FY06 Emergency Supplemental Appropriations of \$91.9B, including \$71.9B for GWOT. On April 5, the Senate Appropriations Committee (SAC)

approved \$106.5B, including \$72.4B for ongoing military operations in the GWOT. The SAC bill is \$14.25B above the President's Supplemental budget request and \$14.53B above the House allowance. The SAC-approved bill was presented to the full Senate the week of Apr. 24 for further debate and final approval. Once the Senate bill is approved, Senate and House conferees will be selected and will meet to resolve their differences. Because there is a wide funding gap between the House and Senate versions, we do not expect final passage of the bill until the end of May or later.



HR 4939, FY06 Supplemental Emergency Appropriations	President's Request	House Recommendation	Senate Recommendation
<i>GWOT Supplemental</i>	<i>\$72.456B</i>	<i>\$72.092B</i>	<i>\$72.407B</i>
Accounts of interest:			
Afghanistan Security Forces Fund	\$2.198B	\$1.852B	\$1.908B
Iraq Security Forces Fund	\$3.703B	\$3.007B	\$3.703B
Iraq Freedom Fund	\$100M	-0-	\$25M
Commander's Emergency Response Program	\$423M	\$423M	\$423M
Economic Support Fund	\$1.64B	\$1.58B	\$1.76B
Peacekeeping Operations (\$30M--GPOI)	\$123M	\$ 173M	\$181.2M
DSCA-Coalition Support	\$1.410B	\$1.200B	\$.740B

Public Servants Recognized

Washington Event Expected to Draw Thousands

On May 2-7, the Defense Security Cooperation Agency will take its place beside more than 100 federal civilian and military agencies on the National Mall in Washington as the nation celebrates the 21st annual Public Service Recognition Week (PSRW).

Public Service Recognition Week began in 1985 as a time to honor the men and women who serve America as federal, state and local government employees. Throughout the nation and world, public employees use the week to educate citizens about the many ways government services make life better for everyone.

Public employees across the U.S. and abroad take part in PSRW activities each year. Festivals, open houses, parades, community clean-up days, and fund-raising events to benefit charities are just some of the ways public employees around the country reach out to their communities.

There are about 3.2 million public servants in the Department of Defense's work force today, including 800,000 civilians, 900,000 National Guard and Reserve service members, and 1.5 million active duty service members.

Civilians make up approximately 25 percent of the entire DoD force. The Defense Department will show how civilians work closely with active-duty and reserve component service members around the world. Some civilians deploy with soldiers to various areas around the world in mission-support roles. Many stay behind to ensure operations run smoothly.

DSCA employees at the headquarters consist of about 155 civilians and 21 military officers to include a three star general officer as the director.

Over the course of four days, the Mall Event will bring together government agencies, non-profit groups, and corporations, offering



Photo by Staff Sgt. John Wiggins, U.S. Air Force

A heavy expanded mobility tactical truck from the Minnesota Army National Guard transports volunteers and sandbags down Highway 75 toward Halstad, Minn., April 4, 2006, to join flood protection efforts under way in communities along the flooded banks of the Red River.

each an opportunity to reach thousands of government employees, and tens of thousands of D.C.-area visitors, residents, students and others.

Numerous agencies will sponsor colorful exhibits that showcase the innovative and high-quality work of public employees. Children and adults alike will have numerous opportunities to experience activities such as climbing aboard an F-16, exploring space technology with NASA, searching government agency job databases, and receiving free health screening tests. All the while, government employees are on hand to answer questions about what they do and why they have chosen public service careers.

Visitors to the DSCA exhibit will also get an opportunity to understand the various roles that the security cooperation community plays in strengthening US allies by building partner capacity, supporting Humanitarian Relief, working to eliminate the scourge of anti-personnel land mines, and educating foreign militaries on the proper role of the military in a democratic society.

The Mall Event is a powerful, once-a-year opportunity for DSCA and other agencies to reach the American public and demonstrate the services provided to the nation. The Mall Event is the premier exposition offering government agencies the ability to reach out to the average American.

(Story compiled by C. E. Taylor)

Professor Konaré Earns Visionary Award Africa Center Recognizes Contributions to Democracy

Honoring His Excellency
Professor Alpha Oumar Konaré for his life-long contributions to democracy, the Africa Center for Strategic studies held its first Visionary Award Ceremony and African Ambassadors' Dinner at the Fort McNair Officers' Club in Washington on April 13.

This award recognizes Konaré's outstanding contributions to democracy and development in his country as well as his continued support of peace and security throughout the continent as Chairman of the African Union Commission.

The event was the first for the Africa Center and drew African and European ambassadors as well as U.S. government officials.

Evening festivities included a cocktail reception and dinner followed by speeches by His Excellency Roble Olhaye, Djibouti Ambassador to the United States and Dean of the Diplomatic Corps, and the Honorable Edward Perkins, former U.S. Ambassador to South Africa and Liberia.

General Carlton W. Fulford (USMC ret.), director of the Africa Center for Strategic Studies, presented the Visionary Award to Professor Konaré who addressed an audience of more than 40 African Ambassadors and distinguished guests.

"I came to accept your award on behalf of Africa, and because of what your great country has done for Africa," Konaré told the audience.

"Africa has made great strides and we must not forget that," he said. "The major challenge of the continent is to solve its problems of security, and the causes are well known. If Africa does not work, it will become a great risk, not just for its children but for the whole world."

His remarks invoked images of Africans, especially children,



General (ret.) Carlton W. Fulford, director of the Africa Center for Strategic Studies (right), greets Visionary Award Recipient and Chairperson of the AU Commission, His Excellency Professor Alpha Oumar Konaré before attending the Africa Center's first annual African Ambassadors' Dinner.



Konaré (right) speaks with Ambassador Abdoulaye Diop, Malian Ambassador to the United States.

who are dying of preventable diseases, are forced to become child soldiers, or are victims of Africa's conflicts. He issued a call to action and stressed that Africa's potential for greatness is strong.

"If Africa succeeds in addressing its challenges, all will be possible, but Africa needs partnerships. Today's Africa needs support," he said. "I wish you great success with your center, and I hope that your center will strengthen even more your country's commitment to Africa."

Senior U.S. representatives

attending included Dr. Cindy Courville, special assistant to the president and senior director for African affairs at the national Security Council, and Theresa Whelan, deputy assistant secretary of defense for African affairs, office of the secretary of defense.

The African Ambassadors' dinner is an opportunity for the Africa Center for Strategic Studies to bring together an influential community of Africans to celebrate U.S.-African partnership. The dinner also serves as a platform for

recognizing the Visionary Award honoree.

The Visionary Award is given annually to a person of any national background whom the Africa Center for Strategic Studies deems to have made an outstanding contribution towards promoting democracy, good governance, improving civil-military relations, fostering cooperation in the security arena, and countering ideological support for terrorism. **(by Nitza Sola -Rotger Africa Center For Strategic Studies)**



Major General (ret.) Arnold Fields chats with Ms. Haja Kamara during a brief reception.

Senior Leaders Gather in Garmisch for Defense Transformation Workshop

Partnership in the face of change emerged as the theme of a defense transformation conference of senior officials from 28 nations throughout North America, Europe and Eurasia in Garmisch, Germany on April 10.

George C. Marshall European Center for Security Studies Director Dr. John P. Rose set the tone for the conference during the opening.

“This workshop is about change, and the change that is occurring in the geo-strategic environment. It’s not a change that occurs only in the United States, or only in Europe or Eurasia, but it is reflective of a worldwide change.

“The purpose of this two-day workshop is to bring together our friends, allies, our colleagues from North America, Europe and Eurasia to address these issues,” Rose said.

Principal Deputy Undersecretary of Defense for Policy, Ryan Henry led the U.S. presence at the conference, which was attended by three ministers of defense in addition to eight deputy ministers, three military service chiefs, four deputy chiefs and other flag officers and experts among its more than 50 participants. German Director of Policy Planning and the Advisory Staff for the Federal Ministry of Defense, Dr. Ulrich Schlie, also gave an opening address.

Henry briefed the group on the results of the U.S. Quadrennial Defense Review and what it meant for the U.S. and its international partners. He said the need for cooperation was one of the key lessons resulting from the QDR process.

“We took away four major lessons and insights as we commenced the QDR,” Henry said. “One is, we knew we had to change the force, but we realized we would be changing it under conditions which we referred to as operational uncertainty. We know very confidently that in the next 10 years that we will have our American forces, perhaps engaged with allies...somewhere in the world where they’re not engaged today. What we can’t do with any degree of certainty whatsoever, is predict when that might be, where it might be, or how those forces might be employed. That is all unknown, and there are really no indicators in what direction that might go.

“So the next big lesson that we take away is the fact that the mission set is so broad, that this is something that we in the Department



Marshall Center Director Dr. John P. Rose discusses defense transformation with Brigadier General Erhard Drews of the Federal Republic of Germany.

of Defense cannot do by ourselves, even if we chose to, even if we were given all the resources we wanted. It is something that we’re going to have to do with partnership. We are going to have to build partnerships, and build capabilities among the partnerships, to be able to meet the challenges that face us in the world.”

It’s not enough to agree to be partners, Henry explained. He said nations have to work together to make sure their partnerships are strong and effective when a crisis hits.

“While we’re building partnership capability, we also need to have a unity of effort, he added. “We need to have fluid working relationships, we need to be comfortable with each other, we need to have exercised our efforts in working together, and we need to look at new instruments by which we can cooperate.”

Schlie sounded a similar note during his remarks. Germany’s security policy is marked by the nation’s history and location, he noted.

“You have to deal with the geographic situation of Germany in the center of Europe. Germany has more neighbors than any other country in Europe. The German policy since 1945 is closely interconnected with the European policy.

“Germany finds its security in institutions, primarily that grand institution, the North Atlantic Treaty Organization, and European Union and also the United Nations,” Schlie said.

Such regional and global thinking must

be the new norm for security planners, he explained.

“We live in a period when security is no longer a geographically limited term. We live in a time when - as we heard this morning - borders become blurred, their separating character is lost, when information and communication travel the globe in seconds.

“We have to make sure that the security policy is a network-based security policy. The internal and external policy (divisions) seem to be outdated because the challenges we are facing now have become widespread. They don’t allow for these types of separations and divisions anymore. New demands, new challenges have arisen, and therefore we have to come up with a different type of situational awareness.”

The conference was one step toward creating the situational awareness of such changes, according to Rose.

“Whether we talk about terrorism, proliferation of weapons of mass destruction, the need for defense reform, fighting crime and corruption, addressing the curse of trafficking -- whether it be human trafficking or drug trafficking -- there is a serious requirement that exists to address change and assess, and continue to assess and reassess, the geo-strategic environment, he said.

“No one country will be able to address these challenges alone,” he added. “The importance of partnership, the importance of dialogue is absolutely crucial to our overall joint success.” (By **Joe Ferrare, George C. Marshall European Center for Security Studies**)

DSCA Phases-in FMS Reforms Package

Effective Aug. 1, 2006 the Defense Security Cooperation Agency will phase-in a package of reforms related to the Foreign Military Sales (FMS) Administrative Surcharge. The reforms will increase the FMS Administrative Surcharge rate, clarify what is covered by this surcharge, and eliminate the logistics support charge.

The Arms Export Control Act (AECA) requires the U.S. Government (USG) to recover the full cost of administration of FMS sales and mandates collection of an Administrative Surcharge on FMS cases to recover the costs to execute, manage, and oversee the program.

At the current 2.5 percent Administrative Surcharge rate, FMS administrative costs exceed revenues. Although DSCA has been reducing expenses across the security assistance community, the

cuts have not been enough to ensure the continued solvency of the FMS Trust Fund Administrative Account.

Without this rate increase, it is projected that this account would effectively become insolvent sometime in FY09.

A DSCA team has been working for more than a year to analyze and develop solutions to ensure the continued solvency of the FMS Trust Fund Administrative Account.

After exploring several options, the team developed a plan of action. These actions, when combined with several cost-cutting measures already being planned and/or implemented, are designed to improve FMS administration and ensure full recovery of costs as required by law.

After receiving full interagency approval, DSCA officially announced the new policies in four "Roll-out" sessions in Washington D.C. on Mar. 14 and 15. During these

sessions, DSCA provided detailed information to representatives from DSCA headquarters, the military departments and other implementing agencies, international customers, and industry. The briefings covered the current financial concerns, steps taken to correct those concerns, the process by which interagency coordination was achieved, and detailed guidance on implementation of various actions.

According to Beth Baker, DSCA business operations, the Administrative Surcharge rate will be 3.8 percent for any new cases accepted on or after August 1, 2006 and all cases accepted prior to the rate change will be assessed the rate that was in effect at the time the cases were implemented.

She said any new amendment lines added to those cases and accepted on or after August 1, 2006 would be charged the new rate.

This is the first rate change for the program since 1999, when the FMS Administrative Surcharge was lowered from 3.0 percent to 2.5 percent.

Baker said the guidance in the Security Assistance Management Manual (SAMM) detailing the case-related services covered by this charge would be clarified for consistent application.

According to DSCA officials, customers who want additional support, over-and-above that covered by the 3.8 percent, may purchase that support directly on the case; however, all cases accepted on or after Aug. 1, must collect a minimum of \$15,000 in administrative-related charges.

Officials say the 5 percent Administrative Surcharge rate, currently applied to non-standard items, would be eliminated for cases accepted on or after Aug 1.

In addition, the 3.1 percent Logistics Support Charge will not apply to any deliveries after October 1, 2007.

Baker said DSCA would review the Administrative Surcharge annually to ensure problems are quickly identified and the appropriate policy changes are made.

Maritime Safety, Security Workshop Addresses African Gulf Vulnerabilities

The Maritime Safety and Security Workshop closed in Accra, Ghana on Mar. 22. The Africa Center worked in partnership with the United States European Command and the United States Naval Forces Europe to organize this workshop with two goals: to foster a deeper understanding of the multifaceted dimensions and implications of insecurity in the territorial waters of the Gulf of Guinea and to develop a collaborative strategy to address prevailing and potential threats.

The workshop culminated with an

interactive strategy development exercise that required participants to evaluate maritime threats and vulnerabilities in the Gulf of Guinea and identify elements of a sustainable strategy that would address these issues.

This workshop laid the foundation for a ministerial event that will take place in the Fall of 2006, where high-ranking decision makers from the sub-region are expected to commit to adopting and implementing a comprehensive and coordinated strategy to address maritime threats and vulnerabilities.

Rodman Keynote speaker at CHDS

On March 24, 77 students from Latin America and the Caribbean participating in CHDS' flagship "Strategy and Defense Policy" course heard Peter W. Rodman, assistant secretary of defense for international security affairs, give the keynote speech at their graduation ceremony, held at the end of the three-week academic marathon.

Rodman, a principal advisor to the Secretary of Defense on the formulation and coordination of international security strategy and policy, with responsibility for East Asia, South Asia, the Middle East and Persian Gulf, Africa, as well as Latin America, stressed the importance of fortifying multilateral efforts in fighting the Global War on Terror.