

AN AMERICAN SECURITY POLICY:

Challenge, Opportunity, Commitment

National Security Advisory Group
July 2003

William J. Perry, Chair

*Madeleine K. Albright, Samuel R. Berger, Louis Caldera,
Ashton B. Carter, Wesley K. Clark, Michèle A. Flournoy,
Alfonso E. Lenhardt, John D. Podesta, John M. Shalikashvili,
Elizabeth D. Sherwood-Randall*

AN AMERICAN SECURITY POLICY:

Challenge, Opportunity, Commitment

Table of Contents

1. Message from the Chair	1
2. The Loose Nukes Crisis in North Korea	7
3. Proliferation of Weapons of Mass Destruction	11
4. Winning the War on Terrorism and Strengthening Homeland Security	21
5. Post-Conflict Reconstruction in Iraq	29
6. Strengthening U.S. Security through Alliances and Partnerships	35
7. National Security Spending and Priorities	41

Message from the Chair:

William J. Perry

Our national security advisory group was formed partly in response to the perception that Democrats have been indifferent to national security problems and weak on defense. This perception flies in the face of the historical role that Democrats have played in national security. Harry Truman *established* the Cold War's national security strategy — containment and deterrence — and launched the first programs to implement that strategy. John Kennedy took the nation safely through the single most dangerous national security crisis of the Cold War — the Cuban Missile Crisis. During Jimmy Carter's administration, the nation developed a new generation of deterrence systems: the MX ballistic missile, the Trident 2 submarine, the Trident 4 and Pershing missiles, the B-2 bomber, and air- and ground-launched strategic cruise missiles. President Carter's administration was also responsible for developing a new family of conventional weapons, including the F-117 Stealth fighter, precision-guided munitions, conventional cruise missiles, and advanced surveillance systems, all of which performed so brilliantly a decade later in Desert Storm. And the Clinton administration developed the JDAM precision guidance package, remotely-piloted reconnaissance aircraft, digitized army units, airstrike-on-demand targeting, and internetted joint forces — systems that played a key role in defeating in a matter of days Iraq's sizable military forces.

Today the country faces security problems that are very different from those of the Cold War. When the Cold War ended some thought that our security problems were behind us, a view described most eloquently in Prof. Francis Fukuyama's book, *The End of History and the Last Man*. But in the last decade it has become increasingly clear that history has not ended; that old Cold War dangers were being replaced by new dangers; and that a new security strategy was needed to deal with these dangers.

Five years ago Ash Carter and I wrote a book that attempted to spell out these dangers and outline the elements of a strategy for dealing with them. We focused on what we called "Type A threats," defined as those that could cause casualties in the United States comparable to those our forces suffered in World War II. We described how these massive casualties could be caused by an accidental or unauthorized launch of nuclear missiles, or from a rogue nation or a transnational terrorist group that had gotten access to weapons of mass destruction (WMD). Since 9/11, the public has joined us in focusing on the most fearsome of these dangers: the possibility that a terror group would detonate a nuclear bomb in an American city. No one should doubt that Al Qaeda would have the will if they had the weapon. And even one nuclear bomb in New York City could cause casualties comparable to all American casualties in World War II.

President Bush implicitly recognized that danger when he stated that keeping the worst weapons out of the hands of the worst people was his highest priority. But the national security programs put in place by his administration do not adequately protect Americans from this danger. The United States needs the clear articulation of a security strategy for these dangerous times, and it

needs national security programs better designed to serve that strategy. And Democrats should take the lead in articulating this strategy and working for those national security goals, just as they did in the most dangerous years of the Cold War. Senator Daschle, believing that, asked me to bring together a National Security Advisory Group to advise the Democratic leadership, and through them the entire Congress and the nation, on what that strategy and what those programs should be.

Our group began with a fundamental belief: preventing the spread of nuclear weapons should be a top priority goal of America's security programs. During the Cold War the success in preventing proliferation exceeded anyone's expectation. But today this whole effort, this success resulting from decades of hard work, could be unraveling. India and Pakistan have gone nuclear; North Korea is about to start serial production of nuclear weapons; and Iran is only a few years away from production. Unless this tide can be stemmed, the proliferation game will be irretrievably lost. And if lost, it is likely that before this decade is over, nuclear bombs will be used in regional wars and in terror attacks on American cities. The *acid test* of America's national security programs is the extent to which they make less likely that catastrophic outcome.

Our group has written six papers evaluating American security programs and recommending how to improve them to better meet this acid test. Our first paper deals with the most imminent danger of nuclear weapons being detonated in American cities — the nuclear program underway in North Korea.

There are three basic alternatives for dealing with this dangerous situation. The administration can continue to refuse to negotiate, "outsourcing" this problem to the concerned regional powers. This approach appears to be based on the hope that the regional powers will be able to prevail on North Korea to stop its nuclear program. But hope is not a strategy! Their efforts are unlikely to succeed in the absence of a clear American negotiating strategy in which they can play a part. Multilateral efforts can be a potent ingredient in a US strategy but are no substitute for one.

A second alternative is to hope for "regime change" in North Korea, or to take military actions to bring this change about. While the regime may one day collapse on its own, there is no reason to believe that this will happen in time — the nuclear threat is *imminent*. Taking military action to force a timely regime change could result in an intensity of conflict comparable to the first Korean War, with casualties that would shock the world.

The third alternative is to undertake serious negotiations with the North Koreans to determine if there is a way to stop their nuclear program short of war. The administration is clearly reluctant to negotiate with the North Koreans, calling them loathsome and cheaters. It is easy to be sympathetic with this position, but here is where strategic clarity matters. A North Korea without nuclear weapons is a deplorable dictatorship, probably short-lived; whereas the nuclear weapons they could make if we do not act are the highest order of security threat we face, a threat that will long outlive the regime.

Any negotiation with the North Koreans should be predicated on a prior agreement that they will freeze their nuclear activities during the negotiations. It would need to have a positive dimension, making it clear to North Korea that foregoing nuclear weapons could lead it to a safe

and positive future; but it also would need a negative or coercive dimension, both to induce North Korea to take the right path and to give us and our allies more credible options if diplomacy should fail. President Kennedy said it best: “Let us never negotiate out of fear. But let us never fear to negotiate.”

Our second paper deals with the global nuclear proliferation problem, and recommends ways to get the world back on the non-proliferation track. America needs a multi-faceted approach to preventing proliferation, one that includes arms control regimes and other cooperative international programs. The Bush administration’s actions to counter proliferation do not match its rhetoric — it is simply not doing enough to overhaul the panoply of counter-proliferation tools, which should have been our highest priority immediately after 9/11. Instead, the administration’s actions suggest that it believes that military preemption is the preferred way of dealing with this problem, elevating this option to the level of a supposed “doctrine.” Military preemption is and must be one option open to the United States, and because of the dominant power of our military it is generally a plausible option, though our difficulty in locating WMDs in Iraq should be a caution that the preemption tool is not a silver bullet. Military operations involve casualties, political costs, and unintended consequences, and most of all are subject to intelligence uncertainties that arise from the very nature of WMDs (they can be easily concealed) — as we are seeing in Iraq today. Therefore as a matter of policy, preemption should be reserved for those cases of proliferation where the danger is unambiguous and imminent, and considered only after the failure of serious efforts to curb the proliferation through coercive diplomacy. As a matter of practicality, preemption is no replacement for a comprehensive approach, especially when it comes to nuclear weapons.

Even before exercising diplomacy, the United States should work, in a comprehensive way, to create the conditions that make proliferation less likely in the first place. For example, the United States should take the lead in broadening and deepening the Nunn-Lugar Cooperative Threat Reduction Program by fostering an international coalition designed to secure and eliminate the ingredients of WMD and to establish strict safeguards on the creation of the components of WMD — all such ingredients are “sleeper cells” of catastrophic terrorism. And the United States should not be suggesting to the world that our preeminent conventional military power is more reliant on nuclear weapons in this era — for example, by pursuing new nuclear weapon designs, and by giving hints of the need for new underground testing of nuclear weapons.

The success in preventing proliferation during the Cold War was not happenstance. It required a modicum of American restraint on its own nuclear programs; it required an enormous investment of political capital on the part of successive American administrations; and it required skillful and determined diplomacy to create the necessary international cooperation. The same restraint, the same investment of political capital, and the same determined diplomacy are required today, but have not been forthcoming from the Bush administration.

So the first barrier to nuclear bombs being detonated in American cities is a robust program to prevent proliferation. But even with a determined, multi-faceted, and creative overhaul of our entire set of non-proliferation programs, we should not rely on these programs as our only strategy. It is also necessary to take the offensive and attack and disrupt trans-national terror

groups that might use such weapons if they got them. The administration has attacked Al Qaeda in Afghanistan, destroying their training camps and some of their leaders. They have impounded the funds of Al Qaeda whenever possible. And they have pursued terror cells around the world with law enforcement and intelligence operations. These operations have been vigorous and deserve our support. But this is the beginning of a long and dangerous war on terrorism, and much more needs to be done.

Our third paper accordingly deals with counterterrorism and Homeland Security, and especially with the paramount need to prevent terrorism with WMD. Efforts underway to protect the homeland from a terror attack have been poorly organized and implemented. A clear set of homeland security priorities and a coherent interagency strategy and spending plan compatible with these priorities are long overdue. The threat reduction efforts that should receive highest priority are not clearly defined as a part of the homeland security effort.

As a result, the increase in funding for Homeland Security has too often been used to pursue pet programs of an agency rather than high priority programs that protect the homeland from real threats. And almost two years after 9/11, America's front line forces — the first responders — are not adequately funded or organized. In fact, the combined effect of the recession and the administration's tax cuts are dramatic decreases in State budgets and the drying up of funds available to support the police and fire departments and local public health facilities — the first responders that are so critical in minimizing casualties after an attack like 9/11.

Finally, the administration is losing the war of ideas in the world. Democrats, in addition to working to achieve domestic security goals, should take the lead in promoting the indispensable third leg of the war against terrorism — rigorous and principled global leadership and engagement. We must isolate the extremists, not ourselves.

Our fourth paper points out that the administration is in danger of undoing much of the good work of the American military in Afghanistan and Iraq by failing on the post-war reconstruction efforts in those countries. To date, the reconstruction effort in Iraq has been executed poorly, partly because the administration apparently underestimated just how difficult this task would be. There is a real danger that Iraq will degenerate into another Gaza strip, only much larger, with American soldiers the continuing victims of ambushes and suicide attacks. The concomitant risk, then, is that the administration, caught without a viable reconstruction plan, will respond by departing prematurely, leaving the entire region to descend into chaos and instability.

The opposite danger is that we will respond by over-reaching and using the heavy-handed tactics of a permanent army of occupation, creating a backlash against the United States and abetting the forces of Islamic extremism. Democrats should support a program of modernization and reform throughout the region and should insist on an honest accounting of what this program could cost, which objective observers have estimated to be \$30 to \$50 billion per year, with a probable duration of many years. Democrats should also support a serious effort to bring our allies and partners into the reconstruction effort to share this burden, instead of rejecting their help because they did not support the war effort.

Our fifth paper suggests ways of working cooperatively with allies and partners that are very different from the approach of the Bush administration. Pervading all aspects of America's national security objectives is the role of allies and partners in achieving those objectives. Anyone who has traveled abroad this past year has learned that regard and respect for the United States is at an all-time low around the world. But this alienation is not just a condition that makes us uncomfortable when we travel; unless corrected, it could have a profoundly negative affect on America's national security.

The United States has demonstrated that it can successfully conduct significant military operations, unilaterally if necessary. But unilateral efforts cannot effectively prevent proliferation. Unilateral efforts cannot effectively cut off international funding for terrorists. Unilateral efforts cannot effectively preempt terror cells in other countries. Unilateral efforts cannot effectively deal with a biological attack or, for that matter, a SARS epidemic. And Unilateral efforts cannot effectively and economically deal with the reconstruction programs in Iraq and Afghanistan.

Since a prime threat to our security is a trans-national terror group detonating a nuclear device in an American city, it follows that working cooperatively with nations around the world to contain and disrupt this threat should be a top national security priority.

So-called "coalitions of the willing" are not a substitute for established alliances and partnerships. Indeed, without allies and partners who have trained and exercised with our military, we will have no effective coalition members to draw from.

Our sixth paper deals with the American defense program and budget, which, of course, affects all aspects of national security. At the end of the Clinton administration, the United States had the dominant military force in the world. This was essentially the same force that this past year performed brilliantly in Afghanistan and Iraq, as it had earlier in Bosnia and Kosovo. The Bush administration, in its first year, proposed very nearly the same defense budget as had been planned under Clinton. However, in the wake of 9/11, an opportunity arose to make significant increases in the budget, and they seized it. What are they doing with that opportunity?

While their rhetoric has been about the "transformation" of America's military forces, their proposed defense programs essentially continue the programs initiated by their predecessors. Indeed, to the extent that "transformation" is the aggressive application of information technology, smart weapons, and unmanned vehicles, that transformation is already well advanced, as the American military demonstrated in Desert Storm and Kosovo, as well as in Iraq. In fact, most of the budget increases have been used to sustain the "transformation" programs started by previous administrations, and to fund an overdue increase in military pay, cover rising health costs, and fund procurement programs that were underway but not adequately funded.

We believe that Democrats should continue to support those programs and the budget increase to \$400 billion that made them possible. But the Bush administration is proposing further increases in the defense budget (to \$500 billion) in the later years. We believe that a further increase in security spending is warranted to deal with the national security problems described in this paper, but that the bulk of this increase should go to other national security accounts. In essence,

we are calling for a rebalancing of national security spending, where the non-military activities that contribute to security receive some of the increases that military spending has had. These activities include homeland security, post-conflict reconstruction, foreign assistance and foreign affairs, non-proliferation and threat reduction, and intelligence. We believe that national security should be seen as a total package, with the world's best military complemented by a greatly improved non-military dimension; only then will Americans get adequate protection in the 21st century.

And we believe that spending more on the non-military aspects of national security, while at the same time spending *yet more* on the military puts national security on a collision course with other budget imperatives. Another big increase in defense spending — on top of the substantial increase we have seen and support — is not sustainable; moreover, it is not needed. We believe that the defense budget should be held at the current levels, plus allowances for inflation and reasonable cost of living increases. This will require DoD and Congress to find ways of achieving efficiencies in the management of defense programs. There are many such opportunities, including:

- Closing of unneeded bases;
- Building on the acquisition reforms initiated ten years ago;
- Using private capital sources to fund badly-needed new military housing, following up on the program initiated eight years ago; and
- Negotiating assistance from other nations in the costly reconstruction efforts.

But seizing these opportunities will require the investment of political capital by the Secretary of Defense and the cooperation of Congress. Democrats in Congress should both prompt the administration to take these actions and then support them when they do.

In spite of the incredible dangers our nation and people faced, we survived the Cold War without the destruction of American and Russian cities by nuclear weapons. But that was only because President Truman had articulated a clear security strategy focused on that objective, and because successive administrations aggressively pursued national security programs designed to implement that strategy.

We can do no less today, when the nation is faced with the threat of nuclear bombs being detonated in American cities by a terrorist group. To protect Americans, we need today, as in the Cold War, a clear security strategy focused on that threat.

Democrats must have the courage and must bear the responsibility to lead the way in articulating and implementing this strategy. It is our hope that the ideas that are in this report will serve as a rallying point for Democrats, and will encourage the party to resume its historical role as the protector of American's security.

July 2003

The Loose Nukes Crisis in North Korea July 2003

A RAPIDLY UNFOLDING CRISIS

North Korea's move to unfreeze its plutonium program at Yongbyon presents profound and urgent dangers to U.S. security. It poses the specter of nuclear weapons in the hands of terrorist groups and rogue nations. It is a massive failure for U.S. counter-proliferation and counter-terrorism policies. **This crisis will unfold within the next few months. It can only be forestalled by U.S. leadership.**

The fuel rods apparently being reprocessed at Yongbyon contain five or six nuclear weapons' worth of weapons-grade plutonium. They are now being put out of reach of both IAEA inspectors and the possibility of U.S. airstrikes – for the first time since the Agreed Framework of 1994. North Korea also is restarting its reactor, allowing it to produce plutonium for several more bombs within a year.

- The United States has successfully prevented North Korea from obtaining plutonium since 1989, when North Korea is suspected of reprocessing (extracting plutonium from spent reactor fuel rods) enough plutonium for one or two bombs. Had North Korea's plutonium program not been frozen during this period, by now it could have produced a large nuclear arsenal. This nonproliferation success is in danger of being lost.
- The issue is not Iraq versus North Korea. It is whether we can afford to put North Korea on the back burner while we continue to focus on Iraq. The answer is no. Indeed, the threat posed by North Korea's recent moves with its nuclear program is far more immediate than Saddam Hussein's Iraq ever was.

GRAVE DANGERS FOR U.S. SECURITY

A North Korea with a nuclear weapons assembly line would gravely imperil U.S. and international security.

- North Korea has a proven record of selling its weapons technology indiscriminately. Once it has a handful of nuclear bombs, North Korea might sell some of them – or the plutonium to make them -- to other proliferators or terrorists. Those bombs could eventually be detonated in any city in the world.
- A nuclear North Korea might miscalculate that by threatening nuclear use against the United States and its allies, it had tipped the balance of deterrence on the Korean peninsula, which would make a destructive war there more likely.
- A nuclear North Korea would cause South Korea, Japan, Taiwan, and other non-nuclear powers in the region to reconsider their own nuclear programs, a scenario the United States has successfully prevented through several decades.

- If North Korea – a small, impoverished, communist country – successfully defies the international norm against nuclear proliferation embodied in the Nuclear Non-Proliferation Treaty, particularly without robust efforts by the United States to prevent it, that norm and treaty regime would be critically weakened.
- If the North Korean regime collapses as a result of its economic and political failures, its nuclear weapons could be commandeered, diverted, or sold in the chaos of transition to a new government.

AN INCOHERENT U.S. APPROACH

The Bush administration has not developed a strategy for immediately heading off the developments at Yongbyon.

And while the U.S. military maintained a two-theater capability throughout the 1990s to deal simultaneously with crises in the Persian Gulf and the Korean Peninsula, our current civilian leadership – preoccupied with the effort to disarm Iraq of its chemical and biological weapons, and the war’s aftermath – has failed to pay sufficient attention to the nuclear-weapons situation developing on the Korean peninsula.

Time is not on our side.

- The situation at Yongbyon has progressively and rapidly deteriorated, as North Korea has successively withdrawn from the Agreed Framework, expelled international inspectors, restarted a nuclear reactor, and apparently relocated and begun reprocessing plutonium-containing fuel rods.
- U.S. options are narrowing. By moving the fuel rods, North Korea has put them out of reach of both inspectors and the possibility of U.S. military action. Once it reprocesses the fuel rods, it can fashion five to six nuclear bombs from the plutonium within weeks.

In the absence of a coherent, articulated strategy for dealing with North Korea’s nuclear threats, U.S. statements to date might inadvertently be leading North Korea and others to believe that:

- A nuclear North Korea is not a serious and urgent threat to the security of the United States and its allies. As North Korea prepared to unfreeze Yongbyon in December 2002, Secretary of State Powell declared that the situation was “not yet a crisis.”
- Reprocessing does not cross a U.S. red line.
- Going nuclear will guarantee safety from the United States and will only result, as President Bush put it in his State of the Union message, in “isolation.” North Korea is already the most isolated country on earth.

- Military action to head off these threats has been taken off the table.
- The United States does not stand firmly with South Korea in defense against North Korea.
- The United States believes its security can be adequately protected through the interventions of others – South Korea, Japan, China and Russia – without U.S. involvement.
- The United States will not take action to deal directly with North Korea on the crisis until North Korea halts its nuclear program, whereas North Korea is accelerating its program.
- The United States cannot handle more than one crisis at a time.

TIME FOR A NEW APPROACH: START WITH DIRECT TALKS

The only way to know whether North Korea is willing to engage in meaningful diplomacy, or whether it is determined to seek a nuclear arsenal regardless of what we do, is to test it in talks.

President Bush has stated that he seeks a diplomatic solution to the North Korea crisis but has not suggested a roadmap for talks. Our allies and friends in the region expect us to try a serious diplomatic effort and will not be prepared to stand firmly with us unless such an effort has been tried and has failed.

The U.S. should move immediately on a new and aggressive diplomatic approach incorporating the following initial features:

- Undertake immediate, parallel efforts to repair relations with our ally South Korea, and to forge a common front with South Korea and Japan. Japan is the focal point of U.S. policy towards the entire Asia-Pacific region, and no U.S. strategy toward North Korea can succeed unless it is shared with South Korea. In particular, South Korea can contribute greatly to diplomatic success; it can undermine our diplomacy if it does not agree with us; and without its participation more coercive approaches to North Korea become unavailable in practice. We have lost considerable leverage in dealing with North Korea over the past two years by allowing our relationship with South Korea to deteriorate.

Pursue direct U.S. talks with North Korea (direct talks mean that U.S. and North Korean representatives are in the same room, though representatives of other nations might also be present in the room at the same time). China, Russia, and others can play an important role in pressing North Korea to comply with the NPT and accept the IAEA inspectors.

- Direct talks can and should be conducted in parallel with efforts at the United Nations to raise international concern over North Korea's nuclear moves; the UN has an important role to play in holding North Korea responsible for complying with its obligations under the NPT, and for providing the vehicle (IAEA) for verifying that compliance.
- But issues at the very heart of American security cannot simply be outsourced to China, Russia, or the United Nations. North Korea itself maintains that only the

United States, as the leading power in the region and the world, can address its security concerns, and that these concerns are the source of its nuclear program. Our allies and friends in the region also urge direct talks. Their efforts can be powerful ingredients in a U.S. strategy, but they are not a substitute for a U.S. strategy.

- Begin talks with North Korea with the firm objective of complete and verifiable elimination of North Korea's nuclear weapons (both plutonium-based and uranium-based) and long-range missile programs nationwide. This objective includes, but goes beyond, all the obligations contained in previous agreements made by North Korea.
- Be prepared to begin these talks immediately, with the understanding that as long as the talks are under way North Korea will freeze all activity at Yongbyon (under IAEA supervision), and the United States will refrain from any military buildup on the Korean Peninsula.
- Articulate a red line, making clear to North Korea that the United States cannot tolerate North Korean progression to serial production of nuclear weapons, and that we are prepared to take all measures of coercion, including military force, to prevent this threat to U.S. security.
- Offer to pledge that the United States will not seek to eliminate the North Korean regime by force if North Korea agrees to the complete and verifiable elimination of its nuclear weapons and long-range missile programs.
- Offer assistance for weapons elimination, as the United States has done with the states of the former Soviet Union under the Nunn-Lugar program.
- Broaden talks over time to encompass other issues of deep concern to the United States, such as conventional forces, avoidance of incidents on the DMZ, and human rights; and to North Korea, such as energy security and economic development.
- Promote a gradual and conditional relaxation of tension. Within the context of a shared diplomatic approach, South Korea and Japan should be encouraged to expand their contacts with North Korea. Important economic benefits to North Korea could result from these expanded contacts, but if, and only if, North Korea curbs its weapons programs.

The United States should not give in to blackmail, but neither should it be frozen into paralysis. The objective of negotiations should not be simply to return to the status quo ante, but to achieve a more comprehensive curb on North Korea's nuclear and ballistic missile programs than ever before, backed by extensive verification and international monitoring.

Proliferation of Weapons of Mass Destruction (WMD)¹
July 2003

COUNTERING PROLIFERATION: A HISTORY OF SUCCESS

U.S. administrations of both parties have long maintained a comprehensive policy toward proliferation of WMD, especially nuclear weapons. While the use of military force has always been an option, it has been one tool among many. This multi-faceted approach has had significant success over the history of the nuclear age.

- Steady and reliable alliances and security partnerships with the United States have made it unnecessary for nations – Japan, Germany, South Korea, and Taiwan, among many others – to turn to nuclear weapons for their security.
- Focused U.S. diplomacy, supported by international opinion embodied in the Nuclear Non-proliferation Treaty (NPT) and other nonproliferation regimes, has confronted and reversed proliferation in such nations as Brazil, Argentina, South Korea, Taiwan, South Africa, Ukraine, Kazakhstan, and Belarus.
- U.S.-led efforts such as export controls, covert action, and the Nunn-Lugar program have denied weapons technology to potential proliferators.
- Sound technical intelligence on WMD has frequently given the U.S. an accurate picture of nascent proliferation threats, essential to policy implementation.
- Where determined proliferators have proceeded to obtain nuclear weapons despite U.S. opposition, the United States has sought to isolate and punish them, as in the sanctions applied to India and Pakistan in the two decades after they went nuclear in the 1970s and 1980s.
- The United States has sought to deter those who might use WMD against U.S. territory, forces, or allies by promising “overwhelming and devastating” response to such use with both non-nuclear and nuclear weapons.
- The United States has deployed defense against ballistic missile and chemical and biological weapons attack to reduce our vulnerability.

¹ This memorandum follows traditional usage by collecting nuclear, biological, and chemical weapons into the category of “weapons of mass destruction” (WMD) despite the fundamental differences among the three types in terms of their lethal effects, ease of access to technology, ease of production, and ease of use. The focus of this memorandum is on nuclear proliferation, though many of the points made apply to all three categories of WMD. The text makes it clear where “nuclear” or “WMD” proliferation is intended.

- The United States has recognized that punishment, deterrence and defense after proliferation has already occurred are insufficient and increasingly unsafe, and we have accordingly threatened and used military force preemptively to foreclose WMD programs before they can be fully realized, as in North Korea in 1994 and Iraq in 2003.

As a result of U.S.-led efforts, only a handful of the world's 200-odd nations pose a threat of nuclear proliferation today.

- Most countries perceive no need to proliferate. We need to preserve the peaceful and lawful international order that will keep them thinking that way and ensure that we get their help to confront the small number of countries that do become proliferators.
- Some “rogues” appear determined to proliferate. While few in number, these determined proliferators are the most difficult cases, as many of the tools that work with others do not work with them.
- A large number of “in-between” cases involve countries that have flirted with proliferation in the past or that might proliferate if conditions are not maintained that both assure them their security and threaten them with U.S. and international repercussions if they proliferate.

An effective U.S. counterproliferation policy must cover all three categories.

NEW TIMES DEMAND NEW TOOLS

While the U.S. should be proud of the record of its comprehensive approach to proliferation, and should retain and strengthen the tools that comprise that approach, the new urgency of stopping WMD proliferation requires new tools as well. Why the new urgency?

- In the post-cold war world, some nations perceive a new incentive to proliferate: The unmatched power of America's military has led some potential opponents to believe that WMD are their only hope of deterring the United States from defending its interests.
- Terrorist groups like Al Qaeda are actively pursuing WMD. If these fanatics acquire such weapons, they will use them – and the resulting destruction will be orders of magnitude more severe than what we experienced on 9/11. Yet traditional forms of deterrence do not work against extremist non-state actors who are willing – even eager -- to die for their cause.
- State and non-state proliferation are linked. In the past we worried about the risk of WMD use by the governments that made them. Today we also must consider that every nuclear weapon a government makes might someday be sold to, or otherwise fall into the hands of, terrorists. No proliferation is “safe” in the 21st century.
- Stronger tools are needed to deal with determined proliferators who cannot be stopped by diplomacy, denial of technology, or threat of isolation, as the cases of India and Pakistan in the 1970s and 1980s, and Iran and North Korea today, illustrate. The tools of a

comprehensive counterproliferation policy must therefore be accompanied by the credible threat of force.

THE BUSH ADMINISTRATION SCORECARD: UNIFORMLY POOR

President Bush has correctly emphasized that “keeping the worst weapons out of the hands of the worst people” is the highest security priority of the United States as it enters the 21st century. But deeds have not followed words. Twenty-two months after 9/11, America’s efforts to counter WMD in the hands of rogues or terrorists have focused almost exclusively on one proliferator – Iraq, and one tool – preemption. Otherwise the scorecard has been uniformly poor, and the administration’s efforts either inadequate or counterproductive. As a result, the United States is not better prepared to stop the worst people from getting the worst weapons than it was before 9/11. Indeed, in the case of North Korea, U.S. nonproliferation policy risks suffering a dangerous setback.

- North Korea’s bid to make itself a nuclear power, and its move to acquire five or six nuclear weapons and proceed to a larger nuclear arsenal, go unchecked as the administration fails to develop and implement a coherent strategy.
- The administration’s promotion of preemption of WMD (attacking a proliferator’s weapons of mass destruction with a U.S. attack using conventional weapons) as a “doctrine” in its National Security Strategy might well backfire, fostering rather than countering proliferation.
 - Over-emphasizing preemption devalues the other tools in the comprehensive approach to countering proliferation that have proved successful in other situations.
 - In the first application of its supposed “doctrine” – the successful war in Iraq – the administration left the world confused about whether the “doctrine” is supposed to trigger preemptive strikes when the objective is elimination of WMD or, alternatively, change of a regime to which the United States is opposed.
 - While brandishing preemption might be theorized to have the effect of intimidating Iran and North Korea into forbearance in their nuclear weapons programs, in practice it might have the opposite effect: they might instead conclude first that they had better hasten their programs to get nuclear weapons to fend off an imminent American attack, and second that the United States is not serious about trying a diplomatic approach first.
 - After we adopt such a “doctrine,” other nations might exploit it for their own purposes, such as legitimizing attacks on their neighbors.
- Nunn-Lugar “loose nukes” efforts stagnate. After an extensive “review” that dragged on long after 9/11, the Bush administration finally decided to support the decade-old Nunn-Lugar (Cooperative Threat Reduction) programs but did little to expand the scale, scope, and pace of these key programs so that they can work to eliminate nuclear, biological, and chemical weapons threats worldwide.
 - The last Clinton administration budget for DOD’s Cooperative Threat Reduction (Nunn-Lugar) program (Fiscal Year 2001) was \$443 million, but the Bush

administration's request for Fiscal Year 2004 – after the events of September 11, 2001 and after the war over Iraq's WMD – is only \$451 million.

- The Department of Energy's nonproliferation programs have increased from \$864 million to \$1304 million from 2001 to 2004, but almost all of that increase is for programs to strengthen security of, or dispose of, American fissile material, not foreign fissile material.
 - The Bush administration's proposal to the G-8 group of industrial nations in Kananaskis, Canada to form a "Global Partnership" against WMD terrorism (the so-called "10 + 10 over 10" initiative) pledged no increase in U.S. spending on control of WMD compared to what we were planning to spend before the September 11 terrorism attacks.
 - The stagnation of the WMD threat reduction programs under the Bush administration stands in stark contrast to the recommendations of the bipartisan Baker-Cutler Commission, which recommended a tripling of DOE threat reduction spending.
 - Similarly, the Bush administration's modest funding of these programs contrasts sharply with the administration's \$4 billion surge in annual missile defense funding between 2001 and 2004.
- DOD counterproliferation programs remain in disarray. Despite a large increase in the defense budget, DOD counterproliferation programs – for protective suits, vaccines, detectors, and other protections for troops and civilians – remain underfunded and poorly organized.
 - Homeland security programs give inadequate attention to the priority threat of WMD. While large sums are committed to preventing other types of terrorism, the White House Office of Homeland Security has established few new innovative programs specifically directed against WMD terrorism (in the new Department of Homeland Security or in other involved agencies), despite President Bush's correct assertions that WMD terrorism is the most dangerous threat we face.
 - The manner in which the administration's Nuclear Posture Review was presented contributed to a harmful misperception around the world that the importance of nuclear weapons to U.S. military power is growing, whereas in fact it is decreasing as U.S. conventional superiority continues to grow.
 - By suggesting that such steps as enhancing readiness to conduct nuclear tests and exploring "bunker-busting" and other new applications of nuclear weapons are the first steps towards a renewal of nuclear dependence in the U.S., the administration has created the perception of a lowered nuclear threshold at the very moment in history when doing so is least warranted and most detrimental to our security.

A COMPREHENSIVE OVERHAUL: NINE RECOMMENDATIONS

It is well past time for President Bush to drop the single-minded preemption approach and instead undertake an urgent, comprehensive overhaul and strengthening of all facets of

national policy to counter WMD proliferation and terrorism. This overhaul should have begun immediately after 9/11. We should:

1. Undertake a dramatic expansion in the scale, scope, and pace of the Nunn-Lugar and other threat reduction programs in DOD, DOE, and State. It makes no sense that these programs are nearly the same size they were before 9/11. The goal should be to secure the means of WMD terrorism worldwide within this decade.

- Accelerate existing Nunn-Lugar Cooperative Threat Reduction programs, which have already proven greatly successful at eliminating WMD threats to the United States.
- Extend the scope of Nunn-Lugar CTR planning and programs, on an urgent basis, to additional projects specifically associated with prevention of WMD terrorism.
- Adopt and meet the specific goals and timetables for securing former Soviet Union nuclear weapons and fissile materials described in the Baker-Cutler report.
- Extend the authority and funding of Nunn-Lugar CTR programs to permit threat reduction programs in states beyond the former Soviet Union. The current limitations on the program are a remnant of the Cold War.
- Further expand the scope of the Nunn-Lugar CTR programs to give more attention to chemical and biological weapons.
- Build on the G-8 Global Partnership Initiative, adopted by the G-8 nations at the Kananaskis, Canada summit of June, 2002 to pool the resources of the G-8 to counter the threat of “loose nukes” and other WMD, by increasing the U.S. contribution and extending the partnership’s membership beyond the G-8.
- Using either the G-8 Global Partnership or flexible partnerships of the willing, design international Nunn-Lugar CTR-like programs to secure stocks of research reactor enriched uranium, plutonium produced in power reactors, and other potential sources of WMD terrorism worldwide.
- Adapt the Nunn-Lugar CTR method to the elimination of WMD in post-conflict Iraq, including international cooperation if possible.
- Adapt the Nunn-Lugar CTR method to reduce the risk that Pakistan’s nuclear weapons will one day fall into the hands of extremists or terrorists.
- Devise a plan to adapt the Nunn-Lugar CTR method to eliminating North Korea’s nuclear and missile programs if diplomacy succeeds in an agreement requiring their eradication.

2. Allocate more resources to DOD’s counterproliferation programs in the defense budget. Counterproliferation should be an essential element of the “transformation” of the U.S.

military to meet the threats of the 21st century. These programs include new vaccines, protective masks and suits, and detectors.

3. Within the Department of Homeland Security and Office of Homeland Security, create a dedicated effort to counter WMD, including funding for both R&D and deployment.

4. Strengthen intelligence regarding WMD proliferation and terrorism, which today suffers from too few technically trained analysts and too little technical and human collection.

5. Preemption: Retain the option but renounce the “doctrine.” The United States obviously has, and should have, the option of preemption against WMD proliferators, an option it has successfully exercised in Iraq. But preemption is an exception, not a doctrine.

- The U.S. should regard preemption as but one arrow among many in its quiver of counters to WMD, one viewed and used as a last resort. We cannot afford to attach low value to, or even suggest we have given up on, dissuasion, diplomacy, extended deterrence, alliance nuclear umbrellas, nonproliferation regimes, export controls, and other instruments that have proven powerful counters to WMD proliferation for decades.

6. Reaffirm the value of international nonproliferation agreements like the NPT, BWC, and CWC. Some in the administration have suggested that these agreements have no value because they can be all-too-easily ignored or cheated on by countries determined to proliferate, whereas they are not needed for countries that are not determined to proliferate. This all-or-nothing argument misses the point and risks sacrificing the benefits of these agreements.

- These agreements establish a global norm against WMD; through the transparency and inspections they require, they establish a level of risk of detection and consequent global condemnation associated with becoming a proliferator.
- The norm created by these agreements is by no means a total answer to proliferation, any more than the “doctrine” of preemption is a total answer. But the agreements help the U.S. stop proliferation in two ways.
 - First, when the United States acts to oppose the determined proliferators, we do so with the backing, and more importantly the assistance, of the many nations who are committed through this norm to resist proliferation.
 - Second, there is an in-between category of countries – examples in recent history are South Korea, Taiwan, Argentina, Brazil, South Africa, and Ukraine – that have contemplated becoming nuclear states but have not become determined proliferators, and the global nonproliferation norm has been an important contributing factor in their decisions.
- Moreover, the risks of detection and condemnation could be made greater if the provisions of these agreements covering verification and sanctions for violations were strengthened. The U.S. should be trying to strengthen and not weaken these agreements. It is contrary to the security interests of the United States to suggest that we would be better off if these regimes did not exist.

7. Take urgent steps to head off a catastrophic burst of proliferation and loose nukes in North Korea.

- Allowing North Korea to proceed to serial production of nuclear weapons would be a major disaster for U.S. national security.
- The U.S. should attempt a diplomatic resolution of the North Korean nuclear crisis, with the objective of the complete and verifiable elimination of North Korea's nuclear weapons and long-range ballistic missile programs.
- We cannot be sure that diplomacy will be successful, but we cannot move on to other options until diplomacy has been tried and has failed.
- To have the greatest chance of success, the U.S. diplomatic approach must have three components:
 - *Willingness to accept a diplomatic outcome.* This means that if the result of diplomacy is an agreement that achieves U.S. objectives without compromising U.S. security objectives, the United States must be willing to enter into that agreement.
 - *Red line.* Diplomacy must be backed up by a credible threat of coercive action, including military force, if North Korea proceeds to serial production of nuclear weapons.
 - *Forestalling WMD over regime change.* The United States must put achieving its critical objective of stopping and eliminating North Korea's nuclear and missile programs over inducing collapse of North Korea's government.
- If a diplomatic solution is not possible, the United States should be prepared to use coercive action, including military force, to preclude serial production of nuclear weapons by North Korea. Such a military action should have the clear objective of retarding the advance of North Korea's nuclear program, and this limited aim should be clearly communicated to the North Korean government.

8. Reconcile U.S. efforts to counter nuclear proliferation in Iran with overall U.S. policy towards reform in Iran.

- The U.S. faces two immediate security imperatives with respect to Iran.
 - To prevent Iran from going nuclear.
 - To support Iran's younger generation in casting off the yoke of the mullahs in favor of a normal relationship with the wider world.
- These objectives can be pursued simultaneously:
 - The United States should publicly offer Iran a full economic and political relationship if it renounces nuclear weapons and support for international terrorism.

- Conversely, we should make it clear that pursuit of nuclear weapons by Iran will preclude normal relations and will put Iran on a collision course with the United States.

9. **Ensure that U.S. policy toward the role of U.S. nuclear weapons supports, and does not undercut, our effort to counter proliferation.** With an unmatched conventional military, the United States has fewer military roles for nuclear weapons than at any time in the Atomic Age. There is therefore little advantage to emphasizing nuclear weapons, and a great disadvantage in suggesting to others that the U.S. is increasing reliance on nuclear weapons. We should:

- *Continue to reduce reliance on nuclear weapons.*
 - There are few, if any, operational requirements that cannot be met with non-nuclear forces. Advances in conventional precision strike, electronic warfare, and SOF have substantially delimited the missions for which nuclear weapons are needed and appropriate.
- *Preserve a long-term nuclear deterrent.* Nevertheless, nuclear weapons continue to serve a vital function of background deterrence against nuclear attack, and may be of some value in deterring biological and chemical weapons attacks.
 - A U.S. nuclear arsenal, greatly reduced through existing arms control agreements, will remain an essential ingredient of American security until we have been much more successful in ridding the world of WMD.
 - As long as countries hostile to the U.S. have or seek WMD, the United States will need credible nuclear forces to deter attacks against our homeland, our allies, and our interests abroad.
- *Ensure stockpile safety and reliability.* A reasonably funded and technically sound stockpile stewardship program is therefore a long-term necessity, and the current levels of investment (about \$6.4 billion this year) are appropriate.
 - We should make every effort to ensure that we can maintain the safety and reliability of our nuclear arsenal without a return to nuclear testing.
- *Make no further changes in deployed nuclear forces* – either dramatic reductions in numbers and types beyond those foreseen by existing arms control agreements, or the addition of new types of weapons or new doctrines.
 - Strategic forces, after planned reductions, will be fully adequate for deterrence. These weapons will not need replacement for many years, and R&D on their replacements should not receive high priority relative to other pressing defense “transformation” R&D needs.
 - The small arsenal of tactical nuclear weapons is non-provocative and provides reassurance to allies.
 - The strategic weapons stockpile represents a prudent hedge against problems with the reliability of the existing stockpile and should be retained, though its size could be reduced.
 - The United States has no compelling requirement for new types of nuclear weapons, and new programs of these types should not be pursued.

- Requirements for destroying hard and deeply buried targets (HDBTs) like command and control bunkers and WMD facilities can be met with non-nuclear capabilities (e.g. conventional munitions, electronic warfare, SOF) or the adaptation of existing nuclear weapons to that purpose.
 - Renewed underground testing is unnecessary and unwise. It would only be required for new designs – which are not needed -- or in the event of a serious suspected failure of reliability in the existing stockpile – which has not occurred and is not foreseen, though it cannot be ruled out.
 - There is, therefore, no need to resume underground testing or to pursue preparation for resumed underground testing. The United States should maintain its current moratorium on nuclear testing and eventually seek ratification of the Comprehensive Test Ban Treaty as a long-term goal.
 - Some operational “dealerting” steps could be taken through agreements with Russia and possibly China to further reduce the risk of accidental or inadvertent missile launches.
 - The United States should accelerate the deactivation and dismantlement of weapons slated for retirement, and encourage Russia to do the same.
- *Reject new departures for nuclear weapons design and testing.*
 - U.S. conduct with respect to its own nuclear arsenal has little effect on determined proliferators or on states that have no intention to develop nuclear weapons, but it could well have an adverse impact on the important category of “in-between” states where the political debate over nuclear weapons is active.
 - Although the Bush administration’s Nuclear Posture Review states that nuclear weapons will play a reduced role in the overall U.S. security policy, it also suggests that the United States may need to develop new low-yield, earth-penetrating nuclear weapons to destroy hard and deeply buried targets (HDBTs) and defeat WMD agents. Neither the requirement for, nor the effectiveness of, such weapons warrants such a departure.
 - Although the administration says that it is not planning to resume nuclear testing, it is taking steps to improve U.S. readiness to resume nuclear testing by reducing the time to test from the current 36 months to 18 months.
 - Although the administration says it has not made a decision to develop new nuclear weapons, it has sought funding for “advanced concepts” work on new nuclear weapons and the repeal of existing legislation prohibiting research and development of new, low-yield nuclear weapons.
 - These mixed messages are troubling, as they give others – both friends and potential foes – the impression that the United States envisions greater reliance on and wider uses for nuclear weapons in the future.
- *Preserve nuclear deterrent declaratory policy.*
 - The United States should maintain a declaratory policy of purposeful ambiguity and should not forswear nuclear retaliation against enemies who use biological or chemical weapons against U.S. territory, forces, or allies. Such a threat might contribute to deterring such use.

- At the same time, the emphasis in U.S. planning and resource allocation should be on non-nuclear responses to such threats. We should make clear that these are America's preferred responses, and that they are very effective and can be further enhanced. Non-nuclear responses include:
 - use of our conventional military power in ways that would be overwhelming and devastating to any party using BW or CW against us;
 - passive defenses like vaccines, protective suits and masks, and advanced detectors (such defenses are required for protection against terrorists, who might use BW and CW and for which retaliation might be impractical due to the absence of a "return address"); and
 - active defenses like theater and national missile defenses.
 - U.S. policy should emphasize that nuclear weapons are not just another arrow in our quiver. They are fundamentally different in nature, and U.S. policymakers should take care not to blur this distinction or lose sight of this reality.
 - The concept of integrating offensive nuclear forces, offensive long-range conventional forces, and missile defenses in a "New Triad" is not helpful in this regard as it risks suggesting to Americans and the world that the United States does not understand the profound difference between nuclear and conventional weapons. An American president should not view nuclear weapons in the same category as non-nuclear missile defenses and precision conventional weapons.
- *Overall guidelines for the U.S. nuclear posture:*
 - As a general rule, seek to maximize the non-nuclear capabilities available to the President, including in mission areas traditionally thought of as nuclear. We should seek to avoid a situation in which the President's only option is to cross the nuclear threshold.
 - Seek to make the set of missions for which only nuclear capabilities will suffice smaller and smaller.
 - At same time, ensure that U.S. nuclear options remain credible by maintaining adequate funding for stockpile stewardship, warhead refurbishment, modernization, and the supporting nuclear infrastructure.

**Winning the War on Terrorism
and Strengthening Homeland Security
July 2003**

THREE COORDINATED COUNTERTERROR CAMPAIGNS

To succeed in the war on terrorism we must simultaneously wage three closely coordinated campaigns:

- **Aggressively take the fight to the terrorists and to those nations that support them, particularly those that could be likely suppliers of WMD;**
- **Defend our homeland and our people; and**
- **Exercise America's leadership to create a less bitter and divided world – a world where extremists are isolated, not us.**

So far our record has been mixed. While we have had some impressive successes in taking the fight to the terrorists, our efforts to secure the homeland have been slow, underfunded, and woefully short of the mark. Our relations with most nations whose help we need have been inadequate and in many cases downright counterproductive; the Administration's unnecessary unilateralism hobbles effective cooperation.

This is no time for complacency on any front.

TAKING THE FIGHT TO THE TERRORISTS

We must be aggressive in taking the fight to the terrorists, acting forcefully where necessary to prevent further attacks upon the United States, our friends or allies. The fight against terrorists must be proactive, fought, to the extent possible, on their ground – not ours. Defense is essential, but defense alone will not guarantee safety.

- **Afghanistan:** Since 9/11, the Taliban has been defeated, al-Qaeda in Afghanistan has been dislocated, and a number of important al-Qaeda leaders have been apprehended. Despite these successes, there are signs that the Taliban is re-emerging in some parts of Afghanistan, that al-Qaeda is reconstituting itself and has safe havens not only in Pakistan, but in Afghanistan and elsewhere, and that a number of key al-Qaeda leaders remain at large. Therefore, we and our coalition partners must do all in our power to root out al-Qaeda from their safe havens and give all needed assistance to the new Afghan government to prevent the re-radicalization of Afghanistan. If we fail in this effort, we will very likely witness the return of conditions that made Afghanistan the welcome base of operations for al-Qaeda under the Taliban.
- **Iraq:** Conditions in Iraq, up to now, are considerably worse than the administration has hoped for. Our inability to find Saddam Hussein or to confirm his death significantly complicates the security environment throughout Iraq. In addition, our inability to find the

WMD continues to undermine U.S. credibility and leadership at a time when the world's support is essential if we are to win the global war on terrorism.

- **State Sponsors:** Countries that support terror groups or provide them sanctuary must be held accountable. Such support warrants retaliation. We must marshal international pressure on state sponsors to abandon their support for terror groups or face countermeasures.

A continuing, aggressive effort to root out and disrupt terrorist organizations will require more effective application of every component of our nation's power (diplomatic, intelligence, military, law enforcement, economic, and financial) in a collaborative effort with our coalition partners.

- **Intelligence sharing and cooperation on law enforcement and denying financial support to terrorists are fundamental tools in this war.** The United States needs to be prepared to provide financial and technical support to poorer nations that are willing to help us in the fight against terrorism.
- **Both DOD's special operations forces (SOF) and the CIA's covert operations group have key roles to play.** They have complementary characteristics, but both require change.
 - In the past, SOF has been seen largely as an adjunct to traditional large-scale military operations or as a tool for small-scale operations in exceptional circumstances. To support the fight on terrorism they will be required to operate on their own, on a continuing basis, in small groups and even as individual soldiers. These "SOF-centered" operations are new to DOD, but central to success in the war on terrorism. They need to be strengthened and fully supported, but caution must be exercised that expanded stand-alone SOF not be a pretext for avoiding the accountability procedures for covert operations.
 - CIA is ideally suited where deniability is of the essence. CIA's covert operations group is being asked to operate on a larger scale than heretofore, and with the aim not merely of collecting intelligence on terrorists but of disrupting or killing them. This dangerous, high-stakes work requires upgraded systematic and deliberate planning, exercise, simulation, and rehearsal of the kind that characterizes military planning – without losing the flexibility and innovation that have characterized CIA operations. At the same time, appropriate safeguards must be put in place to prevent recurrence of unfortunate misuses of the past.

We also need to invest in better offensive counterterrorism capabilities, notably in intelligence and technology.

- **Actionable Intelligence:** In the past, much of our intelligence on terrorist groups was directed toward understanding their motives, their personnel, and their plans for terror. That strategy must continue, but there is a new and urgent need as well: To support not just understanding of terrorists, but also attacks upon them when actionable intelligence is available.

- **Adequate Resources:** We will need to know with great precision where terrorists are in time and place, how they are armed, what their escape routes are, and anything else that will make their capture more certain. That is a significant tasking burden on the intelligence community. It requires adequate resources, and the intelligence community will have to adapt accordingly.
- **Robust R & D:** The United States fields the most capable military in part because it is supported by the best technology. DOD has a vast and deep R&D effort to support the military with stealth, precision weapons, space capabilities, and other technologies that give this nation the edge in warfare. We now need to use technology to give us the edge in the war on terrorism. That task will require a dedicated and focused R&D effort within DOD, CIA, and DHS.

DEFENDING THE HOMELAND

The Bush administration has increased spending for homeland security, established a new Department of Homeland Security, and published a Homeland Security Strategy – yet these efforts have failed to meaningfully enhance our security at home.²

The problems start at the top:

- The administration lacks an ordered set of homeland security goals and the strategy for achieving them.
- The creation of the new Department of Homeland Security has refocused much of the government's energies on fighting bureaucratic turf battles rather than changing the ways government operates to reduce the risks and consequences of terrorist attacks.
- The White House has not created an Office of Homeland Security strong enough to create a coherent interagency strategy, allocate roles and missions, develop (with OMB) an interagency spending plan, and ensure unity of effort.
- Consequently, the administration has failed to adequately invest in a number of critical homeland security areas that deserve priority attention.

The Bush administration needs to take a more systematic approach to defining our homeland security needs, including:

- A comprehensive assessment of threats and vulnerabilities
- A fundamentally new concept for organizing our resources – federal, state and local – to deal with threats and vulnerabilities
- A prioritization of shortcomings to be addressed

² The exception to this rule is aviation security.

- A clear strategy and multi-year implementation plan. Clarify agency roles and responsibilities and provide a framework for working with Congress to wisely allocate resources.
- Annual interagency reviews of homeland security progress to ensure that taxpayer dollars are being spent on the highest priority areas.

President Bush has identified preventing the acquisition and use of WMD by terrorists as one of our nation's highest national security priorities. In practice, his administration has done little to combat this threat.

- There is no integrated plan or strategy for countering this threat.
- Funds for securing vulnerable WMD stocks in places like the former Soviet Union have not been adequately increased. Little has been done since 9/11 to expand the scale, scope or pace of these programs.
- Spending on WMD detection, risk reduction, and consequence management in the United States remains inadequate.
- No organization or program of the new Department of Homeland Security is focused on this mission – nor is there a dedicated R&D program to develop effective countermeasures to WMD or adapt existing countermeasures to civilian use.

The administration and the Congress should increase investment in priority areas across the spectrum of prevention, risk reduction and consequence management.

- Prevention:
 - Enhance U.S. counterterrorism collaboration with foreign intelligence services.
 - Increase investment to address known deficiencies in U.S. intelligence capabilities (HUMINT, covert operations, linguists, area specialists, and technology).
 - Strengthen the new Department of Homeland Security's intelligence function to include vulnerability assessments and "red teaming" to develop new principles of operation.
 - Accelerate the integration of foreign and domestic intelligence tasking, collection and analysis; integrate users into both priority setting and analysis.
- Risk Reduction:
 - Based on threat/vulnerability assessments in critical areas of activity, develop a more systemic approach to reducing risks. For example, develop new approaches to:
 - *store dangerous chemicals* so as to reduce their vulnerability to terrorist attack;

- *increase container security* from point of origin through point of delivery; and
 - *increase the security of nuclear, chemical, biological, and radiological materials* in the U.S. and worldwide.
- Consequence Management:
 - Ensure that our front line forces – first responders – are guaranteed the resources they need.
 - Increase federal funding for state and local emergency responders to take on new missions, acquire new capabilities, and adopt best practices.
 - Secure adequate funding to support the new requirements that state and local responders will assume.
 - Enhance communication systems at and between all levels of government as well as critical private sector actors.
 - Clarify appropriate roles for the federal government, e.g.:
 - Provide response models and training in best practices to state and local first responders so that each locality does not waste resources in duplicated effort.
 - Host simulations involving federal, state, and local officials to identify strengths and weaknesses in current capabilities and practices.
 - Provide specialized, high-end capabilities – e.g., WMD detection and response technologies -- to high-risk localities.
 - Make homeland security the primary mission of the Army National Guard and reorganize, train, and equip units as necessary.
 - Emphasize their role in responding to WMD attacks.
 - Increase ARNG cooperation with civilian first responders to clarify roles and responsibilities as well as command and control relationships in advance of crises.
 - Launch a public-private initiative to reduce the risks posed by bioterrorism and to revitalize our public health system. Mobilize to develop a national arsenal of vaccines, antibiotics, and other means of disease control for every biological pathogen that could be used in a terrorist attack.

Finally, the administration must do more to foster innovation in the homeland security domain. Success or failure may be decided by our ability to innovate – to develop new technologies and ways of doing business that fundamentally reduce the risks of future terrorist attacks and improve our ability to respond to such attacks. Specifically, the administration should:

- Provide the private sector with clear standards that must be met by various industries or sectors as well as tangible incentives to invest in new homeland security technologies, services, and concepts of operation. As the engine of innovation – and as the owners and/or operators of much of the nation’s critical infrastructure – the private sector is a critical partner in developing new homeland security capabilities.

- Empower the new Department of Homeland Security with a significant science and technology budget and a DARPA-like agency to accelerate the development and prototyping of new, high-risk/high-payoff concepts and technologies.
- Establish an entity akin to “In-Q-Tel” to raise awareness of and help fund promising private sector technologies that could meet priority homeland security needs.
- Conduct regular interagency simulations to develop and test new concepts of operation.

LEADING IN CREATING A LESS BITTER, DIVIDED WORLD

Even as we aggressively pursue terrorists at home and abroad and intensify efforts to protect our homeland, we also must recognize that part of the war on terror is a campaign of ideas: ideas about what kind of world we want to live in and help create. Democrats believe that protecting U.S. interests in the long run involves not only countering today’s threats but preventing tomorrow’s from taking root. Terrorism can never and must never be justified, regardless of grievance. But we can, over time, dry up troubled waters and reduce the hostility toward us that terrorists exploit.

That is why the indispensable third leg of the war against terrorism is rigorous and principled global leadership and engagement.

We must isolate the extremists, not ourselves.

- First, we must stay the course in Iraq, helping the Iraqi people and the international community cooperate to create a successful, open, pluralistic society. If we fail in Iraq, radicalism and resentment will fuel anti-Americanism and extremism.
- We must sustain the effort to end the violence and create a new paradigm for Israel and the Palestinian people. America must lead the effort to ensure that a strategy of terror does not succeed and that a peaceful settlement is reached. Otherwise, the greater Middle East will remain mired in bitter and crippling conflict.
- More broadly, the United States must encourage the process of creating opportunity societies in the greater Middle East, supporting Arab countries in efforts to modernize and reform, and alleviating thereby choking the disaffection and anger that often are directed at us. This should include trade incentives for reform and supporting countries to become eligible for WTO entry.
- Internationally, we must work in concert and mutual respect with the governments that make up the coalition against terrorism. We cannot defeat the terrorist enemy alone. This includes pressing Islamic countries for greater efforts to fight terrorism within their societies, and to cut off financial support for terror-related organizations and extremist education like many of the madrassa schools.

- And globally, we also must address the broader agenda that defines the future for us and us for the world. In many respects, that future horizon is receding: the global gap is growing between those who will benefit from the global economy and those who won't, alliance relationships are eroding; pandemic diseases like AIDS and potentially catastrophic environmental trends like climate change and drought are increasing the risk of chaos and failed states; and regional disputes continue to roil in the Middle East and elsewhere that can foster another generation of anger and distrust.

America's effort to address these and other global challenges – to advance shared well-being – isn't simply altruism. In today's world, where terrorists gain strength from disorder, it is a vital investment in our security. If we use our power only for self-protection, it fuels the fires of resentment. But if we use our power, with others, to tackle common challenges, we earn the influence, the respect and the moral authority that power alone can never gain.

Post-Conflict Reconstruction in Iraq July 2003

OPPORTUNITY AND RISK IN IRAQ

With the success of the war in Iraq and the collapse of the Hussein regime, the United States stands at the crossroads of opportunity and risk.

- The opportunity is to help Iraqis build a peaceful, decent, representative, and forward-looking government and society that will encourage the process of modernization and reform throughout the region. The world, the region, the United States, and the Iraqi people are more secure now that the menace of Saddam Hussein's regime has been removed. If we proceed wisely, we can help Iraqis achieve freedom, build a more democratic Middle East, secure Arab-Israeli peace, and reverse the regional forces of extremism and terrorism.
- The risk is that we will either execute poorly and depart prematurely, allowing post-war Iraq to descend into chaos and instability; or overreach and be heavy-handed in Iraq or the region, creating a backlash against the United States and advancing the forces of Islamic radicalism.

CORE PRINCIPLES FOR SUCCESS

The United States must stay the course in post-Hussein Iraq. We cannot “cut and run.”

- In the immediate term, we must establish security – the sine qua non for progress in all other areas.

But we also must work with Iraqis and the international community to ensure that the costs and risks of reconstruction are shared widely and that the United States is not transformed in the eyes of Iraqis from liberator to occupier.

In supporting reconstruction in a way that seizes opportunities and minimizes risks, the United States should adhere to the following core principles:

- We must commit the resources of time, personnel and capital – both financial and political – to achieve our core objectives:
 - Account for Iraq's weapons of mass destruction capabilities and establish a viable international verification regime;
 - Preserve Iraq's territorial integrity;
 - Help establish an Iraqi regime that does not threaten the peace and stability of the region; and
 - Help Iraqis to build a new, more representative government on the path to democracy that is responsive to their needs, legitimate in their eyes, and respectful of minority rights.

- U.S. exit strategy should be driven by these objectives and realities on the ground, not by artificial or predetermined timelines. We have demonstrated our firepower on the battlefield; now we must demonstrate our staying power to win the peace.
 - Pressures undoubtedly will build for us to exit early:
 - Arab leaders will want U.S. forces to leave Iraq as soon as possible;
 - Operational pressures to redeploy the U.S. military to other missions will build over time;
 - Mounting costs of the operation (both human and financial) may decrease domestic political support; and
 - The administration's long-standing aversion to nation-building may reassert itself over time, increasing the temptation to declare victory before victory is actually achieved.
 - But the downsides of pulling out of Iraq before achieving our post-conflict objectives would be even greater:
 - Incalculable damage to U.S. credibility and future U.S. initiatives in the region and globally;
 - Increased likelihood of Islamic radicalism becoming a powerful force in Iraqi society;
 - Increased probability of long-term instability in Iraq and potentially the broader region.

- The administration must be honest with the American people about the costs and risks involved -- tens of thousands of military and civilian personnel, between \$178 billion and \$245 billion over the next five years, and years of effort.
 - Iraqi oil revenues (currently about \$10 billion annually) can help to pay for some aspects of reconstruction (e.g. repair of Iraq's oil infrastructure), but will fall far short of what will be needed.
 - Because pockets of armed resistance and civil disorder will likely persist for some time in post-conflict Iraq, a substantial presence of coalition military personnel will be required to provide security for the reconstruction effort for the first several years -- until reformed Iraqi security institutions can take on this task. A U.S.-led coalition of NATO, Muslim and other forces is the best choice for this role.
 - The risks are substantial. Our long-term presence in the region -- particularly if it is seen as overly Americanized vice international -- may:
 - Increase anti-American sentiment in the region;
 - Fuel terrorist attacks against U.S. personnel in Iraq and elsewhere;
 - Result in further American and Iraqi civilian casualties, which could weaken support for the reconstruction effort at home and abroad.
 - The American people need to commit to reconstruction with their eyes wide open. The President should provide a clearer explanation of the U.S. reconstruction plan and a candid assessment of the operation's potential benefits, costs, risks and duration.

- The United States should seek to internationalize the costs and burdens of rebuilding Iraq to the greatest extent possible. To minimize risks, we must build a much broader international coalition to win the peace than we did to fight the war.
 - The United States currently bears full responsibility for Iraq's post-conflict reconstruction. But an approach to rebuilding Iraq that relies almost exclusively on American force and resources is a prescription for failure, anti-American backlash, and a disproportionate U.S. toll in blood and treasure.
 - Greater international participation will require the United States to cede a modicum of control. This is a small price to pay for greater cost-sharing, burden-sharing, and an opportunity to repair important relationships that were strained in the run-up to the war.
 - The Bush administration is currently taking an approach to the peace that does not bring along as large a coalition as is attainable. The administration should make a concerted effort to reach out to engage those who did not support or participate in the war to be part of a broader international coalition for winning the peace. Specifically, the United States should:
 - Seek a UN Security Council resolution endorsing the post-conflict reconstruction effort. This will be difficult but may ultimately be essential to building the broad coalition necessary for success and to provide greater legitimacy to the creation of a transitional Iraqi government.
 - Engage Arab and Islamic countries in particular in the reconstruction effort, both to ensure that its results are sustainable in the Middle Eastern context and to counter perceptions of American occupation.
 - Work with other nations, the World Bank, the International Monetary Fund, and the UN to convene a donors' conference.

- U.S. strategy for post-conflict reconstruction must put the future of Iraq squarely in the hands of the Iraqi people. Any government, even an interim authority, that is seen by the Iraqis as handpicked by the United States will not have genuine legitimacy and authority within Iraq, regionally or internationally.
 - Such government authority, even on an interim basis, must be constituted by the Iraqis themselves, in a process that has legitimacy within Iraq and internationally. Although the United States will necessarily be heavily involved in the political administration process at the outset, we should actively seek to gain international support and preferably UN endorsement for the effort to ensure its legitimacy and its long-term sustainability.
 - Unless the Iraqi people and the broader Islamic world see visible evidence of Iraqis being given leadership roles in the reconstruction effort, the legitimacy of any U.S.-led effort, well intentioned as it is, will be undermined. The formation of the Iraqi Governing Council is a step in the right direction.
 - We must focus early on rebuilding indigenous Iraqi capacity to undertake key functions -- from providing for public security to creating a fair and humane judicial system -- and solutions that are sustainable in the Iraqi context.
 - We also should transition key functions back to Iraqi institutions as soon as can be done effectively. This will create a record of early successes and visibly counter charges of U.S. imperialism.

- The speed with which this can occur is hindered by the poor planning for post-conflict reconstruction that was done before the war began.
 - Now, the absence of a robust, authoritative interagency planning effort is undermining success and extending the timelines for several critical reconstruction tasks.
 - The United States should explain post-conflict plans now to the Iraqi people, Iraq's neighbors, and the international community to clarify U.S. intentions and reduce resistance to coalition forces.
 - The United States also should make clear what we expect from Iraq's neighbors, namely, non-interference from Iran and an end to Syria's support for destabilizing forces in Iraq as well as its support for terrorist organizations. The United States must also take steps to address Iran's destabilizing efforts in Iraq.
- Iraqi oil must be treated as the heritage of the Iraqi people. Long-term decisions about its development and exploitation must be made by a legitimate Iraqi government.
 - Oil is the basis for the long-term recovery of the Iraqi economy and the economic well being of the Iraqi people. The repair of the petroleum infrastructure, the restarting of oil production, and expanded exploration and exploitation of Iraq's vast petroleum reserves are all critical to the country's reemergence in the world economy. Control of this critical resource must be put in the hands of a legitimate Iraqi authority.
 - The Bush administration's proposal to take charge of Iraq's oil infrastructure and revenues until a new Iraqi government is formed threatens to fuel anti-American charges that the United States invaded Iraq for oil and undermine our ability to achieve our real objectives in Iraq.
 - We recommend putting all revenues from Iraqi oil production into a trust fund; the fund's outlays would be determined by a board of Iraqi, American and international trustees, and be used exclusively for priority reconstruction needs and rebuilding and modernizing Iraq's oil infrastructure. Any revenues remaining in this fund could be transferred to a new, legitimate Iraqi government once it is formed.
 - Recruiting experts from other countries to help in the oversight of Iraq's oil sector will demonstrate to Iraqis and the world that the United States is going the extra mile to ensure transparency in this vital industry.
- Contracting for reconstruction projects must be conducted in a transparent, open and competitive manner to avoid even the appearance of favoritism.
 - The awarding of initial contracts in a less than transparent fashion has created perceptions of an unfair process. The administration should take pains in letting subsequent contracts to ensure a more transparent and open process.
- The United States also must develop and pursue a more comprehensive strategy for peace and stability in the Middle East, including reenergizing the peace process, redoubling our efforts to accelerate political and economic reform in the region, enhancing cooperative efforts to combat terrorism and WMD proliferation, and defusing the strong currents of anti-Americanism in the region.

- We should actively encourage indigenous forces of change, reform and modernization in the region, and press our interest in fighting terrorism and WMD. But we cannot be heavy-handed or unnecessarily interventionist without compounding already strong anti-American sentiment in the region.

BEYOND IRAQ

As we undertake the rebuilding of Iraq, the United States now must broaden its focus to include other pressing national security priorities. For much of the year, the Bush administration's focus on Iraq has been all consuming. We need to give attention to other urgent priorities as well, such as the war on terrorism, the North Korean nuclear crisis, homeland security, and the Middle East peace process.

The United States also must take concrete steps to repair the damage done to its leadership and alliance relations in the run up to the war. Much china has been broken. The tremendous surplus of international good will that the United States enjoyed only a few years ago no longer exists. The United States must take pains to restore international confidence in its leadership and to heal and rebuild the partnerships that have been and will continue to be so central to protecting and advancing American security interests.

THE ROAD AHEAD

Ultimately, success in Iraq will require the United States to steer a steady course between two potentially disastrous alternatives: declaring victory before it has been achieved and defining victory in such a way that it cannot be achieved. We cannot afford to leave too soon or to stay too long. We must be realistic in defining our post-conflict reconstruction objectives and then we must stay the course to meet them.

But we cannot and should not undertake this effort alone. The United States must seek and engage the broader international community in post-conflict reconstruction and put ownership of the effort squarely in the hands of the Iraqi people.

Even if we manage to steer this middle course, helping Iraq to rebuild post-conflict will require hundreds of billions of dollars over many years. The Bush administration must do more to prepare the American people for and engage the international community in this complex and challenging effort.

Post-Conflict Reconstruction in Iraq

Estimated Cost in \$Billions

	<u>Per year</u>	<u>Over 5 years</u>
Humanitarian ³		
Security ⁴ (100-150K troops)	23-34	115-170
Reconstruction of infrastructure ⁵		30
Civil administration/institutional reform ⁶	5-6	
Oil infrastructure repair ⁷		<u>5</u>
TOTAL		178-245

³ The low end cost estimate for humanitarian efforts in Iraq is drawn from the administration's supplemental budget request; the high end estimate is based on William Nordhaus, *The Economic Consequences of a War with Iraq*, available at <http://www.amacad.org/publications/monographs/War.with.Iraq.pdf>. Because the humanitarian effort will peak in the near term and taper off over time, a yearly estimate is not provided.

⁴ This estimate is based on analysis by the Congressional Budget Office, *Estimated Costs of a Potential Conflict with Iraq*, September 2002, available at <http://www.cbo.gov>, which estimates a cost of \$1.4 billion per month (or \$16.8 billion per year) for a force of 75,000 troops and \$3.8 billion per month (or \$45.6 billion per year) for a force of 200,000 troops. By this measure, a 100,000 person force would cost almost \$23 billion per year and a 150,000 person force would cost almost \$34 billion per year. This estimate does not include the costs associated with securing and eliminating any weapons of mass destruction that may be found in Iraq.

⁵ A United Nations *Report to the Secretary General*, 15 July 1991, S/22799, available at <http://www.cam.ac.uk/societies/casi/info/undocs/s22700.html>, estimated that it would cost \$22 billion (in 1991 dollars) to return Iraq's infrastructure to 1991 levels. In today's dollars, the estimate is closer to \$30 billion.

⁶ In recent years, it is estimated that about \$5.8 billion of Iraq's annual Oil For Food revenues have gone to government activities. In post-conflict Iraq, this category will include the costs of both day to day civil administration and of reforming some of Iraq's national institutions, such as its armed forces.

⁷ The cost of repairing Iraq's existing oil infrastructure is estimated to be \$5 billion. See Council on Foreign Relations, *Guiding Principles for U.S. Post-Conflict Policy in Iraq*, available at http://www.cfr.org/pdf/Post-War_Iraq.pdf.

Strengthening U.S. Security through Alliances and Partnerships July 2003

During the 2000 presidential campaign, candidate George W. Bush stated that his administration would strengthen our alliances. By its actions, however, the Bush team has made clear that it is not willing to invest in relationships with allies and accommodate allied perspectives in order to make alliances work effectively. As a result, alliance relations are at an all-time low, and the United States is in danger of squandering the hard-won admiration and support garnered over more than fifty years of U.S. engagement in the world.

This short-sighted state of affairs puts America's security at risk. Why?

- Most security problems cannot be addressed unilaterally. With military force, the United States can overcome some challenges on its own, such as eliminating Saddam Hussein's weapons of mass destruction programs and regime. But protecting the U.S. from international terrorism more broadly requires the cooperation of other governments. Stopping North Korea from going nuclear is made much easier with the solidarity of friends and allies in the region. Preventing "loose nukes" requires the cooperation of Russia and other former Soviet states. For us to obtain the cooperation our security requires, other nations must believe it is in their best interest to offer that cooperation.
- Dominating a situation militarily is usually only one component of solving a problem. After the U.S. uses its military power to defeat its opponents, difficult tasks remain, including maintaining security and order, providing humanitarian assistance, and rebuilding civil society. The U.S. has unmatched capabilities and a record of outstanding performance in application of military force, but other countries and international organizations (including non-governmental organizations) are more capable than the U.S. government at many post-war functions. Despite American military predominance, allies and partners make concrete and indispensable contributions to American national security.
- U.S. isolation from the rest of the world emboldens our enemies. Even when we can achieve our military objectives alone, by so doing we encourage opposition to U.S. policies, embolden those who seek to obstruct us, and energize anti-American extremism.
- The new threats we face challenge some of our basic values of freedom, tolerance, and democracy. Now is the time to strengthen, not undercut, the relationships that reflect and promote those values. In particular, we need to shore up our ties with Europe and Canada, the countries with which we have shared the fight for freedom for most of the last century, and bolster the U.S.-Japan relationship, the linchpin of American security in the Asia-Pacific region.

Ad Hoc "Coalitions Of The Willing" Are A Poor Substitute For Alliances.

- Alliances are the glue that binds like-minded nations together. They provide a forum for consultation and for the marshaling of political, economic, and military capabilities in pursuit of shared security goals. Over time, alliances have a force-multiplier effect; through our leadership of and participation in alliances, our power is greater than the sum of its parts.
- Alliances offer a vehicle for U.S. leadership in tackling the world's security threats without provoking a backlash against perceived American "hegemony." Many countries, including America's closest allies, are apprehensive about what they perceive to be overweening U.S. dominance. Alliances provide U.S. action with international legitimacy and support, avoiding the domestic and international political costs incurred when the U.S. is isolated.
- Alliances provide us with multinational military capabilities. They are the only way to ensure that when the use of force is necessary – whether for deterrence, coercion, or warfighting – we are prepared to operate alongside other capable militaries with which we have planned, trained and equipped. NATO, for example, is the only standing integrated military capability on earth, readying us to face any crisis together. Alliances also provide fertile ground from which to select coalition members. Without them, we cannot count on others to deploy alongside us on short notice or operate effectively with U.S. forces.
- The regular meetings, combined exercises, and daily contact among militaries that characterize alliances give the U.S. valuable opportunities to shape a common threat perception with other nations. When action is necessary, allies are more likely to share our sense of danger and urgency.
- Alliances offer enduring sources of reassurance to our friends. Without this reassurance, our long-standing partners may question the reliability of our commitment, which can generate new security problems for the U.S. For example, the nuclear umbrella provided by the United States has inhibited Japan and Germany from questioning their own non-nuclear status for half a century; their forbearance has, in turn, stemmed proliferation in Europe and Asia.
- Alliances are the best alternative to the burden of policing the world alone. Many Americans are apprehensive about the high price tag of our global responsibilities. Alliances allow us to share costs and risks.

Every American Pays The Price Of Neglect.

- Afghanistan: When the Bush Administration launched its campaign to rout the Taliban in Afghanistan, it did not find a mechanism for involving allied forces. This continues to rankle our European partners and has made the effort to stabilize and rebuild Afghanistan a longer, harder, and more costly one. It also contributed to the unwillingness of some to stand with the U.S. against Saddam Hussein.
 - By contrast, when the U.S. decided to use military force in Bosnia, it worked through NATO. Although at times allied forces were not as capable as U.S. forces, American leaders recognized the overall value of presenting a united front

against Slobodan Milosevic and therefore made an ongoing effort to give the allies meaningful opportunities to contribute. This was crucial both in terms of the outcome of the military operation as well as the requirement for major investments in post-conflict reconstruction.

- **Iraq**: During the run up to the Iraq war, the administration asserted that it sought the cooperation and assistance of allies and partners, but made clear by its actions that it would not give up any flexibility to obtain such support. As a result, despite our global leadership role, the U.S. failed to convince long-standing friends around the world to support us at the United Nations. The military mission was also complicated by the failure to secure international agreement to U.S. action; NATO ally Turkey refused to provide access to Northern Iraq, and only a handful of countries sent troops.
 - In the end, the American military – and the British – fought superbly, and were able to overcome that lack of support on the ground. However, we are now paying the price of our unilateral action, with U.S. taxpayers shouldering the burden of Iraq’s reconstruction – and U.S. soldiers bearing the brunt of the risks. And no one should conclude that because we were able to fight the war with a narrow, ad hoc coalition that we should try to win the peace the same way. Winning the peace is essential to winning the war, and allies and partners are essential to winning the peace.
- **NATO**: Failure to manage our alliances effectively also has been reflected in NATO’s marginalization as a security organization. As a result, the future of the Atlantic Alliance – the cornerstone of American security since the end of the Second World War – is in doubt.
- **North Korea**: By permitting severe strains to develop in our traditional alliance relationships with the Republic of Korea and Japan, the U.S. has weakened its case for pursuing either a diplomatic or military option in dealing with North Korea’s nuclear ambitions. For nearly half a century, we achieved extraordinary political and military solidarity among Washington, Tokyo, and Seoul in facing threats to the security of the region. Now our views diverge and the coordination of our policies has reached an historic low.
- **Anti-American Backlash**: The backlash against what is perceived to be American unilateralism and disregard for the views of others will limit our effectiveness and diminish our security. The Bush Administration’s apparent intent to “go it alone” will isolate us, not our enemies.

Alliances Are Enablers, Not Encumbrances.

- The United States must launch a major effort to repair its alliances and partnerships and transform them to meet the needs of a new era. This does not mean we need to subjugate our interests to others. It means we need to view allies and partners as enablers instead of encumbrances.
- Relationships require tending. This takes hard work, and an entirely different mindset than that espoused by the current administration.

- As a first critical step, the U.S. should make it clear that it welcomes international assistance in post-war Iraq . The long, hard task of reconstruction, and the challenge of locating and eliminating weapons of mass destruction, will be costly and time-consuming. U.S. taxpayers should not foot the entire bill. Instead, the Administration should focus on building a coalition of countries, international institutions, and NGOs with relevant capabilities. This will provide an opportunity to repair some of the damage done in the diplomatic train-wreck that preceded the war.
- Over the longer term, NATO must be revitalized and adapted to meet new security challenges that increasingly will take NATO “out of area.” We must continue to use NATO to build bridges across former dividing lines, giving meaning and content to relationships with countries such as Russia and Ukraine. We also should support the definition of a new institutional framework within which the emergence of a more united Europe makes the Atlantic Alliance stronger.
- We must mend fences with the new government and the people of the Republic of Korea. Our effort should be aimed at restoring a sense, especially among younger South Koreans, that a strong deterrent to North Korea is needed, that a U.S. presence on the Korean peninsula is in the long-term interest of Koreans, and that the necessary repositioning of U.S. forces is not an act of petulance or a sign of weakened American commitment to our alliance.
- We should sustain the program of reciprocal military-to-military contacts with China. Our goal should be to help China develop a stake in the international order that U.S. policy seeks to create, that recognizes the extent to which its own internal political and economic development rests on that order, and that actively cooperates in building that order. A China that works with us against rogues, terrorism, and weapons of mass destruction is vastly preferable to a China that seeks to block U.S. action or that sits on the sidelines as the U.S. acts.
- We should make a sustained investment in peacetime security cooperation with allies and other partners. Such long-term relationship building is vital to U.S. security. This kind of work, undertaken with the new Central Asian states in the mid-nineties, provided us with urgently needed access and basing rights in Uzbekistan, Tajikistan and Kyrgyzstan in the immediate aftermath of September 11, 2001.

Alliances Must Be A Two-Way Street.

- Partnership must be reciprocal. Our allies and friends must invest too. Rather than seeking to counterbalance U.S. power or to “free ride” on the international security that America provides, they should actively strengthen their capabilities to meet new security challenges.
 - Most of our NATO allies have allowed their military capabilities to atrophy. They continue to waste resources on bloated and duplicative forces. The development of the European Defense and Security Identity is potentially positive, but it has too often been used to challenge the U.S. rather than as a vehicle for building European strength. Instead, leading European nations should

make significant defense investments, especially in the integration of advance communications capabilities, so that they can make meaningful contributions to Alliance security.

- In addition, our allies and partners around the world will need to deepen their cooperation with us in domains previously considered “domestic” or “civilian.” We will need to network banking, intelligence, and law enforcement agencies to maximize our collective effectiveness against new threats.
- Finally, gratuitous sniping and concerted efforts to undermine American power only contribute to Western weakness in the face of new dangers. In the face of threats such as WMD terrorism, solidarity is essential. We should not permit any enemy to benefit from divisions among us.

The United States has emerged victorious in military battle but paradoxically less secure because of the damage the Bush Administration has done to relationships around the world. We must seize the opportunity now to repair that damage by rebuilding relationships with allies, partners, and international institutions. It is not a moment too soon to begin this vital effort to make America more secure.

National Security Spending and Priorities July 2003

INVESTING IN NATIONAL SECURITY: THE ADMINISTRATION'S RHETORIC VERSUS REALITY

During the 2000 Presidential campaign, then Republican Vice Presidential Nominee Dick Cheney said, "A commander-in-chief leads the military built by those who came before him. There is little that he or his defense secretary can do to improve the force they have to deploy. It is all the work of previous administrations." **The Bush administration came into office disparaging the state of the U.S. military, but it has found in Afghanistan and Iraq that the military it inherited from its predecessors is, in fact, superb -- a testament to the investment in high quality people, readiness, and the best equipment available that was made in the Clinton administration. (Indeed, the defense programs of the Clinton and Bush II administrations are remarkably similar, with the exception of spending on National Missile Defense.)**

Similarly, the ideas to which DOD applies the term "transformation" – new ways of warfare that rely on extensive use of information technology, precision weapons, unmanned systems, and smaller and more agile military formations – are not new. They have been under way for a decade, and with good reason: They are the right path for the evolution of the U.S. military.

DOD faltered on this path in the first year of the Bush administration, unable to cancel legacy programs to make room for transformation in the defense budget without resorting to force structure cuts or lowered readiness.

Then came September 11. In the wake of devastating attacks on our homeland, Americans were ready to support dramatic increases in defense spending. These increases are needed and should be supported. They create an historic opportunity for true transformation – an opportunity that we should seize.

Implementing long-sought changes in our defense posture and practices will require DOD to make some hard choices – choices it has avoided thus far – and to spend more wisely on defense.

At the same time, there are serious problems with the Bush administration's spending on national security more broadly. After decrying the pace of U.S. military deployments to peace operations in the 1990s, the Bush administration finds itself making enormous overseas deployments and assigning U.S. forces policing and "nation-building" tasks in a number of operations. Yet the increase in funding for military activities has not been accompanied by a corresponding increase in non-DOD spending. We are enhancing our capabilities to win at war, but we are not making commensurate enhancements to our capabilities to win the peace. Ongoing chaos in Afghanistan and Iraq reflect this shortfall.

LOPSIDED NATIONAL SECURITY SPENDING

Since the terrorist attacks on September 11, 2001, U.S. spending on national security has increased from roughly \$450 billion in FY 2002 to over \$500 billion in FY 2004.⁸ However, this increased level of investment is not likely to yield a corresponding increase in security for the American people. Why? Because, whatever the Bush administration's rhetoric, its spending plans reflect an outdated national security strategy – one that ignores two fundamental and inescapable realities of the post-Cold War, post-9/11 era:

- The challenges we face – especially terrorism, the proliferation of weapons of mass destruction, and post-conflict reconstruction – cannot be met by military power alone. They require strategies that integrate *all* of the instruments of U.S. national power – diplomatic, economic, military, law enforcement, information, state and local first response, public health, and others.
- The cross-border nature of these challenges is such that no country, no matter how powerful, can deal effectively with them on its own. In crucial missions like countering terrorism, the United States simply does not have a unilateral option – our security depends on help from other nations. Nor should the United States be expected to provide global security by itself. The United States should encourage and not disparage the contributions and capabilities of allies and friends. There is much that only the United States can do, but also much that others have the capability and the responsibility to do with us.

Despite these new realities, the bulk of additional funding for national security post-9/11 has gone to pre-9/11 needs in the Department of Defense, while the non-military instruments of U.S. national security remain woefully under funded.

- Spending on national defense increased from \$335.5 billion in FY01 to 400.5 billion in FY04 – ostensibly in support of the war on terrorism.⁹ Yet most of the post-9/11 increase has gone to long-standing priorities like the ongoing program of weapons modernization, military pay, housing, health care and operations and maintenance. Only a small amount has been directed to accounts connected directly to the war on terrorism, such as Special Operations Forces and DOD support to homeland security.
- Meanwhile, the foreign affairs budget has gone from \$26.2 billion in FY02 to \$28.7 billion requested in FY04 – a marginal increase and a miniscule fraction of what the United States is spending on national defense.¹⁰ Embassies are forced to operate with inadequate personnel and security. Programs to advance goals such as civil society, democratization, and nonproliferation are strapped for funds. Our nation lacks effective public diplomacy mechanisms for getting out our message, especially in the Islamic world. In short, the anemic state of our diplomatic instruments keeps the United States from being as successful

⁸ Many of the DoD budget figures used in this paper are drawn from Steven Kosiak's *Analysis of the FY2004 Budget Request* published by CSBA in 2003.

⁹ The Bush Administration's FY04 request is already 10% above average Cold War defense budget in real terms. By FY09 it will increase to more than 20% above Cold War levels, exceeding the peak levels reached during the Reagan buildup.

¹⁰ Foreign affairs spending was unusually high – \$34.3 billion -- in FY03 due to post-9/11 supplemental appropriations.

as we could be on the world stage in areas ranging from managing alliance relations to building coalitions to winning hearts and minds abroad.

- Foreign aid and export assistance increased from \$17.2 billion in FY02 to \$18.9 requested in FY04. The one-time FY03 jump to \$24.1 billion was due in large part to the President's Millennium Challenge account, his HIV/AIDs initiative, and supplemental funding for post-conflict reconstruction in Iraq. These programs are welcome, yet the inadequate amount of funding requested in FY04 risks leaving other crucial foreign assistance programs without resources to affect the conditions that create fertile soil for anti-Americanism and terrorism around the globe. It is noteworthy that while the United States spends more on defense than the next 10 nations combined, it ranks twenty-second on the list of development assistance donors (based on a percentage of GNP devoted to development assistance).
- Intelligence baseline spending (exclusive of supplementals) is currently estimated to be \$28-30 billion per year, comparable to what it was before 9/11. Although the requirements placed on the intelligence community have ballooned since 9/11, the community has not been adequately restructured or resourced to meet new requirements in the long run.
- Finally, U.S. spending on homeland security remains inadequate, chaotic and unfocused. The administration requested only \$41.3 billion for FY04 – a modest increase in funding – and appears to have no plans for any significant increases over the long term. The integrated, multi-agency investment plan that the White House Office of Homeland Security was supposed to develop has been sidetracked by the immense bureaucratic task of constructing the new Department of Homeland Security.

This unbalanced approach to the allocation of resources for national security risks undermining U.S. security over the long term. Specifically, the lack of effective, adequately resourced civilian instruments will:

- Prolong the U.S. military's involvement in post-conflict reconstruction missions and sometimes involve it in tasks, such as fostering new governance structures, for which it does not have a comparative advantage;
- Undermine U.S. efforts to develop and execute integrated, successful strategies for dealing with the greatest threats we face;
- Render the United States less effective in assuring allies and deterring adversaries; and
- Leave Americans inadequately defended at home.

A MORE BALANCED APPROACH

The national security budget – consisting of spending on national defense (both DOD and DOE defense activities), homeland security, intelligence, and foreign affairs – should be considered as a whole – and Democrats should support a more balanced investment in military and non-military tools for protecting our security abroad.

U.S. national security can be significantly enhanced by rebalancing our national security spending priorities – reallocating resources within the U.S. government to create a more robust set of diplomatic, economic, information, and intelligence tools. The following steps can be taken within the overall amount of national security spending planned by the Bush administration:

- Increase the Foreign Affairs budget by 50 percent, especially in the areas of embassy personnel and security, and public diplomacy (particularly in the Islamic world).
- Double the U.S. foreign assistance budget (other than aid to Israel and Egypt) and refocus spending on addressing the conditions that give rise to terrorism, especially in the Middle East.
- Increase investment in post-conflict reconstruction efforts to win the peace in places like Afghanistan and Iraq, and invest in the development of more robust, rapidly deployable civilian capabilities for these missions.
- Increase investment in homeland security by at least 25 percent and invest more heavily in areas such as WMD detection, risk reduction and consequence management; protection of hazardous chemical plants; monitoring of commercial trucks that haul hazardous materials; increased screening of containers entering the country; improved defenses against the surface-to-air missile threat to airliners; and improved counterterrorism data sharing among the federal, state and local levels.
- Triple funding to expand the scope and accelerate the pace of WMD threat reduction programs worldwide.
- Increase efforts to draw upon the substantial capabilities of allies and partners in devising common strategies for dealing with shared threats. Provide more robust support to programs aimed at enhancing the military and civilian capabilities of allies and partners to contribute to coalition operations, such as programs to equip and train regional militaries for humanitarian and peacekeeping missions.

HIGH AND SUSTAINABLE DEFENSE SPENDING + REAL REFORM

Even as we must rebalance national security spending, Democrats should support sustaining the increased military funding level for DOD that has occurred since 9/11. Funding DOD at this higher level will keep the U.S. military second to none, now and in the future.

At the same time, the custodians of national defense must take a realistic view of the long-term budget future. Still higher levels of defense spending are not only not needed but not sustainable.

Democrats should call for more modest growth in defense spending (to keep pace with inflation) from FY05 on, at a level we judge fully adequate for DOD and likely to be sustainable. This is the only way that our country can afford to maintain the strategic advantage of the U.S. military while also giving adequate support to other critical national security tools.

- A consideration often missed in budgeting, but abundantly illustrated by history, is that plans premised on an unsustainable spending level do great harm to military programs when actual budgets fall short of optimistic projections. In 2001, the U.S. budget surplus was projected to be \$5.6 trillion over 10 years ('02-11). In the wake of the Bush administration's tax cuts and increased spending, the United States is now facing a deficit of some \$400 billion for same period. With further tax cuts and spending increased, this figure could soar to more than \$5 trillion over the '04-13 period.
 - The Bush administration's defense budget projections are simply not sustainable in this context, especially given competing national security needs, rising social spending (with the retirement of the Baby Boom generation) and public intolerance for massive deficit spending as a long-term solution to budgets that can't be balanced. An unsustainable defense budget will ultimately cause turbulence in the defense program that could be quite damaging to the health of the U.S. military. Stopping and starting programs is not a recipe for maintaining a strong military or for maintaining public confidence.

There is no "magic bullet" that will produce significant savings in the future DOD budget, but considerable room for rationalization exists:

- Operations and Maintenance funding should remain high as it is essential to sustaining the high readiness of the U.S. military. But greater efforts should be taken to control further cost growth in these accounts, especially health care. Overhauling the military health care system would enable DOD to purchase comparable or superior care for uniformed personnel at less cost while also eliminating much of the costly and duplicative U.S.-based infrastructure.
- Personnel spending also should remain high: The highest quality people are what differentiate the U.S. military from its competitors around the world. However, more creative efforts should be made to improve military housing and benefits in a cost-effective manner.
- Research and Development spending is critical to the modernization and transformation of the U.S. military, but too much of this important account is being diverted to National Missile Defense instead of Science and Technology accounts. (Since FY01, R&D spending has increased by 76%, whereas S&T spending has increased by only 10%.)
- Procurement spending should continue to shift from buying large numbers of next generation platforms to investing in the capabilities that will accelerate the transformation of the U.S. military, such as C4ISR networks, precision munitions, and unmanned systems like UAVs and UCAVs.

- **High Priority Missions:** Increase resources available to mission areas that have become far more urgent and important since 9/11, such as counterterrorism, WMD counter proliferation and threat reduction, and military support to homeland security.
- **Force Mix and Management:** Reexamine the mix of active duty and reserve forces in light of current and anticipated missions and develop better approaches to force management that reduce the corrosive effects of chronically high OPTEMPO and PERSTEMPO on recruitment, retention, and family life in parts of the force. Military police, civil affairs, airborne surveillance, and other “low-density/high demand” assets should receive sufficient resources to overcome chronic shortages of supply.
- **Defense Reform:** Defense management reform, called the “Revolution in Business Affairs” in the 1990s, remains an imperative for DOD, and one that will require a sustained investment of political capital by the Secretary of Defense and the Congress to deliver the efficiency Americans should expect in the conduct of DOD’s business.
 - We should aggressively pursue efforts to eliminate excess DOD infrastructure, get rid of unnecessary duplication between Services in key support areas, and modernize DOD’s 1960’s era business practices to free up additional resources for higher priority tasks over time.
 - The Secretary of Defense should present a detailed defense reform plan and expend substantial political capital with Congress to advance it.
 - Democrats in Congress, for their part, should fully support the 2005 BRAC round (as a first step) and work to enable greater outsourcing of depot maintenance. The need and the opportunity for meaningful reform have never been greater.

THE BOTTOM LINE

In order to meet the national security challenges we face, we must maintain the best military in the world while also funding a broader and more robust set of national security tools, from diplomatic instruments, to foreign aid, to intelligence, to homeland security. A more balanced approach to national security priorities and spending will not only enable the U.S. to be more effective in protecting and advancing our interests abroad, it also will strengthen the foundations of our security at home.