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**Strategic Drift in Military-to-Military  
Relationships and its Effect on U.S. Foreign Policy**

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Relationships and its Effect on U.S. Foreign Policy**

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**Report**

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## **Abstract**

# **Strategic Drift in Military-to-Military Relationships and its Effect on U.S. Foreign Policy**

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Abstract: The United States has different methods by which it leverages its influence on allies throughout the world. Military-to-military partnerships constitute one of the most effective methods, particularly when the U.S. seeks to influence developing nations or ones that are in the midst of difficult political transitions. However, recent events demonstrate that these mil-to-mil partnerships are not as effective as they should be.

This paper seeks to examine one aspect of the mil-to-mil partnership, namely sales of U.S. military equipment through the Foreign Military Sales (FMS) program and the complementary Foreign Military Financing (FMF) program, through which the United States provides the funding to finance said purchases. This paper argues that the United States has continually “moved the goalposts” in justifying its FMF outlays and FMS authorizations, to the effect that the United States is dependent on the continuation of the very programs that are designed to be little more than tools that allow the foreign policy establishment to influence its partners.

This “strategic drift” in the mil-to-mil relationship as evidenced through the FMS/FMF program is examined in detail in Egypt, with a focus on events that have transpired since longtime President Hosni Mubarak’s ouster in February 2011. The paper seeks to demonstrate that when FMS/FMF is tied to external agreements upon which the United States is dependent - whether diplomatic or military - it creates an incentive for planners in both the Departments of Defense and State to resort to self-justifying analyses bearing little resemblance to the original purpose of the FMS/FMF agreements or to the United States’ legitimate national interest in a given region.

Large scale reforms of the architecture of security assistance, both political and administrative, are unlikely to occur for a variety of reasons that are touched upon in the paper. By looking at the historical, political, and military aspects of security assistance more broadly, the paper argues that if the United States wants to achieve clarity on whether its security assistance programs truly serve the United States’ best interests, it will need to do so at lower levels in the relative implementing agencies.

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## **Chapter One: Introduction**

The relationship between the U.S. and Egyptian militaries (mil-to-mil relationship) has received renewed scrutiny in the past few years as political protests upended Hosni Mubarak's 30-year rule. The nation's military, commanded by senior officers representing the Supreme Council of the Armed Forces (SCAF), forced Mubarak from power in 2011 and assumed temporary authority while preparing for democratic reforms. As any observer knows, all did not go according to plan, and the election and subsequent deposing of the nation's first democratically-elected president Muhammad Morsi is but a memory. Although the nation held a notionally democratic election in May of this year that installed former Minister of Defense Abd al-Fattah al-Sisi as the president, the military retains its traditionally influential role in the Egyptian political system amid what appears to be a regression in the nation's political evolution.

Despite a very close relationship between the American and Egyptian militaries, U.S. displeasure with the SCAF and its crackdown on democratic reforms highlighted the uncomfortable realization that the mil-to-mil relationship cannot be effectively leveraged to serve the State Department's foreign policy goals. This is a result of the strategic drift within American foreign policy that has occurred because of the dependencies created by the mil-to-mil relationship in Egypt, from the time of the signing of the Camp David Accords in 1979 until now.

It is not difficult to understand why U.S. policymakers relied so much on the mil-to-mil relationship in Egypt. The institutional relationships that had been built between the two militaries since 1979 are deep and enduring. For its part, the Egyptian military remains incredibly popular among Egyptians.<sup>1,2</sup> In a poll from May 2013, public support for the military was at 94%; even after the SCAF overthrow of President Morsi in July

2013 the military's popularity remained at 70%, with the only discernable decline in support coming from Morsi's now-disenfranchised Muslim Brotherhood supporters. The relationship is a conduit that provides tangible material benefits for both parties but also allows for the kind of diplomatic access the U.S. needs to rightly understand the region's political developments when crises occur. This relationship has 35 years of history behind it, and tracing this military history is critical to understanding the political relationship between the two nations.

Institutional relationships between the United States and allied militaries is the subject of this paper. Egypt is the most recent example, and lends itself best to complex analysis of the problem. But strategic drift in foreign policy occurs frequently as a result of mil-to-mil relationships, and it needs to be examined in both historical and contemporary contexts in order to fully understand the problems as well as possible solutions. This paper will give a brief historical background of U.S. security assistance in the Near East, and then it will detail two of the region's largest recipients of security assistance: through Foreign Military Funding (by which the United States funds another nation's defense acquisitions; in this case Egypt) or Foreign Military Sales (by which a nation purchases its own defense acquisitions from American suppliers; in this case Saudi Arabia).



## **Chapter Two: The Framework of Security Assistance Policy**

This paper will focus primarily on two programs within the U.S. security assistance architecture that are used aggressively in the Near East: Foreign Military Financing (FMF) and Foreign Military Sales (FMS). There are many programs that qualify as security assistance, but most of them are outside the scope of this paper and if they are touched upon it is only to briefly illustrate a larger point. Security assistance is a massive program with a long and controversial history, and trying to untangle each element in order to subject it to proper analysis is not the goal of this paper.

To understand the strategic drift that has occurred in the mil-to-mil relationships though, FMF and FMS represent the best opportunities for analysis. Although FMS does not technically qualify as “aid” in the sense that it is covered by stipulations in the Foreign Assistance Act of 1961 (covered below), it is important because it still creates the same kinds of dependencies that security assistance does, and it plays an important role in how the Department of State establishes foreign policy. But first, in order to understand how FMF and FMS work, it is imperative that a short history lesson be presented to put both of these programs in historical context.

### **The Foreign Assistance Act of 1961**

Security assistance did not start with the Foreign Assistance Act of 1961. That part of security assistance history will be addressed below when discussing the Cold War period. For the purposes of this section and in order to gain an understanding of the current legislation governing the programs’ operations, I am addressing this issue first.

All security assistance programs and especially Foreign Military Sales, are subject to a host of laws. The first and most important of these was the Foreign Assistance Act of 1961, which separated military and economic aid programs that had been administered together during the Truman (1945-1953) and Eisenhower (1953-1961) administrations. It kept the military programs in place but established the U.S. Agency for International Development (USAID) as the agency responsible for disposition of economic assistance, and it prohibited both types of aid to any government that engaged in systematic human rights abuses.<sup>3</sup>

This act also established many of the principles of foreign military aid that continue to this day, some of which have been the subject of controversy. For instance, in Section 505(a) of the Act it states that military assistance be used “for internal security, for legitimate self-defense...”<sup>4</sup> and to help the recipient country participate in regional or multilateral military alliances subject to United Nations oversight. This specification about military assistance being used for internal security has led, in many cases, to the United States being seen as complicit in human rights violations, even though those violations were not severe enough to warrant revocation of the military aid during congressional oversight of the very same Act and its successor, the Arms Export Control Act (see below).

Furthermore, Section 505(b) states that “to the extent feasible and consistent with the other purposes of this part [Section 505(a)], the use of military forces in less developed friendly countries in the construction of public works and other activities helpful to economic development shall be encouraged.”<sup>5</sup> This has led to the politicization and corruption of military elites in some countries who, for personal economic reasons, support governments that privilege stability ahead of reform. Both of these points will be addressed in more detail later.

## **The Foreign Military Sales Act of 1968**

The Foreign Military Sales Act of 1968 further clarified how the United States would provide military aid to less developed countries, specifically Foreign Military Sales. In Section 2(b) of this Act, it states:

Under the direction of the President, the Secretary of State, taking into account other United States activities abroad, such as military assistance, economic assistance, and food for freedom, shall be responsible for the continuous supervision and general direction of sales under this Act, including, but not limited to, determining whether there shall be a sale to a country and the amount thereof, to the end that sales are integrated with other United States activities and the foreign policy of the United States is best served therein.<sup>6</sup>

The Department of State is also tasked with ensuring that the United States' Chief of Mission (i.e. the ambassador) in each country coordinates recommended sales with political and economic considerations. In other words, the Secretary of State is responsible for ensuring that the benefits derived by the United States from Foreign Military Sales are integral to broader foreign policy goals.

The Department of Defense's roles and responsibilities are also outlined in Section 42(1)(c)(1) of the Act:

The Secretary of Defense shall, under the direction of the President, have primary responsibility for – (A) the determination of military end-item requirements; (B) the procurement of military equipment in a manner which permits its integration with service programs; (C) the supervision of the training of foreign military personnel; (D) the movement and delivery of military end-items; and (E) within the Department of Defense, the performance of any other functions with respect to sales and guaranties.<sup>7</sup>

It further specifies that the “priorities in the procurement, delivery, and allocation of military equipment”<sup>8</sup> shall be determined by the Secretary of Defense. So although overall supervisory authority for security assistance is given to the Secretary of State, the Department of Defense is responsible for virtually all aspects of planning, implementation, and supervision. This is an important point to which I will return in more detail later.

The Act also required in Section 35(a) that a rigorous oversight process be in place to ensure that recipients of U.S. equipment are not “...diverting [their] own resources to unnecessary military expenditures, to a degree which materially interferes with [their] development.”<sup>9</sup> In this event, the president is required to immediately render the recipient country ineligible for further sales until the country can prove that it is no longer making such diversions.

Finally, Section 36(a) of this Act included a biannual report to Senate Foreign Relations Committee by the Secretary of State outlining all exports to any “foreign government, international organization, or other foreign recipient or purchaser”<sup>10</sup> in the preceding six months so that Congress could ensure it exercised proper oversight regarding its specifications and restrictions on arms sales.

### **The Arms Export Control Act of 1976 (and since amended)**

The International Security Assistance and Arms Export Control Act of 1976 essentially replaced the Foreign Military Sales Act of 1968, took elements of the Foreign Assistance Act of 1961, and combined them to form a cohesive narrative regulating arms control. The public laws have been codified in law as 22 US Code, Chapter 39: Arms Export Control.<sup>11</sup> All of the relevant passages pertaining to this analysis are preserved in

this Act. Only Section 2(b) of the Arms Export Control Act, as taken from the Foreign Military Sales Act and pertaining to the responsibilities of the Secretary of State, has been rewritten slightly. However, its applicability to the subject of this paper has not been altered.

The AECA did add some important language though, which can be said to be a direct result of controversy surrounding American security assistance to Vietnam and other controversial programs in Latin America during this same time period. The first was an explicit acknowledgement that arms sales contribute to regional conflict, and that the United States has an obligation to “bring about arrangements for reducing the international trade in implements of war.”<sup>12</sup> This was done so partly through the creation of the Coordinator for Human Rights and Humanitarian Affairs at the State Department (now known as the Assistant Secretary of State for Democracy, Human Rights, and Labor)<sup>13</sup>, part of whose responsibility is the determination of a country’s eligibility for U.S. aid based on its human rights record.

Congress also asserted its responsibilities in the program’s oversight, insisting that it receive at least 30 days notification of arms sales totaling at least \$25 million.<sup>14</sup> It also limited the size of existing Military Assistance Advisory Groups (MAAGs), which are usually referred to as Offices of Security Cooperation (OSCs) or Offices of Military Cooperation (OMCs), and it required congressional approval for the establishment of new overseas advisory missions.<sup>15</sup>

Although there have been minor tweaks to security assistance since 1976, the program remains largely the same. Despite the evolution of security assistance law and the congressional efforts at influencing its application in foreign policy, the president retains the ability to provide aid to nations that violate human rights and other developmental goals in “extraordinary circumstances.”

As a result of this loophole, Congress routinely writes earmarks into the annual appropriations budgets to restrict the executive branch's freedom of action in using security assistance as a foreign policy tool. The amount of money that is appropriated without earmarks is very small as an overall percentage of the bill, a situation that has major consequences for how the nation's foreign policy is executed. There is also little congressional incentive to make further reforms. Security assistance, despite being a valuable foreign policy tool, is a controversial program with many critics. For a member of Congress, reform of the program means that their name will become associated with a recommendation or set of recommendations that will invariably offend someone. It is a minefield into which few dare tread. It is not surprising then Congress routinely avoids the problem of reform by passing continuing resolutions (CRs) with data from the previous year's Foreign Operations Appropriations Bill that are tucked further into omnibus spending bills.<sup>16</sup>

### **Chapter Three: Security Assistance Policy on the Ground**

As noted above, both the Department of State and Department of Defense have defined roles when it comes to planning and implementing security assistance policies. For the State Department, this supervisory authority resides in the office of the Under Secretary of State for Arms Control and International Security Affairs, who are responsible for “...arms control, regional security and defense relations and arms transfers and security assistance”<sup>17</sup> as it relates here. Most importantly, the State Department’s Bureau of Political-Military Affairs, which reports to the Under Secretary, is “the Department of State’s principal link to the Department of Defense,” and provides “policy direction in the areas of international security, security assistance, military operations, defense strategy and plans, and defense trade.”<sup>18</sup>

Within the Bureau of Political-Military Affairs are several important subordinate offices. The first is the Office of Regional Security and Arms Transfers (RSAT)<sup>19</sup>, which is responsible for the “management of bilateral/ multi-lateral political-military and regional security relations and the sale/transfer of U.S.-origin defense articles and services to foreign governments,” of which RSAT’s Foreign Military Sales (FMS) and Regional Security (RS) teams are responsible for implementing the policies relevant to this paper. They work in coordination with the Security Assistance (SA)<sup>20</sup> and Global Security Contingency Fund (GSCF)<sup>21</sup> teams within the Bureau of Political-Military Affairs’ other relevant major subordinate office, the Office of Security Assistance (PM/SA).<sup>22</sup>

The military personnel who work these missions do so through what are called “security assistance organizations” located at or affiliated with U.S. embassies abroad, and they have different names depending on the location. For the Near East, they are generally referred to either as Offices of Military Cooperation (OMC) or United States Liaison

Offices (USLO)<sup>23</sup>; the U.S. security assistance organizations in Saudi Arabia have different designations. I will return to them later in this paper.

These military personnel undertake their Department of Defense-related responsibilities as specified in the Arms Export and Control Act for Foreign Military Sales in 22 U.S. Code Section 39, as well as other security assistance responsibilities specified in the Foreign Assistance Act and codified in 22 U.S. Code, Section 32.<sup>24</sup> They do this by working within the framework of guidance issued by the Department of Defense's Geographic Combatant Commands (COCOMs) in the form of Theater Security Cooperation (TSC) plans, and also within the legal guidelines and policies established by the Defense Security Cooperation Agency (DSCA) and its subordinate regional entities. For the Near East region, this is the Near East and South Asia Center for Strategic Studies (NESA)<sup>25</sup>, which is charged with building and sustaining relationships amongst senior defense officials of the United States and its regional partners. They work closely with their foreign counterparts on a range of security assistance initiatives, managing training events associated with Foreign Military Sales, separate subject-matter expert training events, the International Military Education and Training (IMET) program<sup>26</sup>, and other responsibilities.<sup>27</sup>

The purpose of laying out the administrative structure of security assistance, both the decision-making apparatus within the State Department and the personnel who plan, implement, and supervise the program within the Department of Defense is twofold:

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<sup>27</sup> IMET is a program through which the U.S. Military invites select individuals from partnered militaries to participate in U.S. military education programs. From the Defense Institute for Security Assistance Management "Green Book": International Military Education and Training (IMET) is the cornerstone of SA training and is how most developing US partners begin their cooperative relationship with the US. [The] military departments (MILDEPs) are reimbursed from annual foreign operations appropriations. The IMET program aims to provide long-term strategic benefits to both the US and partner nations, particularly when the partner's limited defense funding would otherwise preclude training with the US military. For many different reasons, IMET receives a significant amount of oversight from the US Congress, resulting in constraints and reports not required for other training programs.



to highlight that it is a complex structure with unclear organizational boundaries and overlapping responsibilities, and to lay the framework for this paper's main argument: that there are major impediments to reforming the administrative structure of the program both politically and organizationally, and that the Department of Defense must take more responsibility for ensuring that strategic drift does not occur.

## **Chapter Four: United States Security Assistance Policy in the Near East**

### **The Cold War**

The “Truman Doctrine” of the mid-1940s of providing military and economic aid to any nation facing the threat of Soviet Communism set the precedent for what, by the late-1950s, became a more Near East-specific policy referred to as the “Eisenhower Doctrine.”

Eisenhower did not elucidate a new policy position, really; his proscriptions, addressing the rise of Gamal Abd al-Nasser and pan-Arab Nationalism, represented more of a warning to the Soviets<sup>28</sup> not to take advantage of the fractured relationship between Egypt and Great Britain in the wake of Nasser’s nationalization of the Suez Canal Company in 1956 and the subsequent “tripartite aggression” of Great Britain, France, and Israel in the Sinai Peninsula that sought to retake possession of that critical waterway.<sup>29</sup>

Although Eisenhower was instrumental in resolving the Suez Canal Crisis in Egypt’s favor, he had a difficult diplomatic history with the Egyptians. For several years Eisenhower had been working to develop some type of regional alliance to counter Soviet influence in the Near East: first with the Near East Defense Organization (MEDO) in 1950 that never got off the ground due to Egypt’s refusal to participate<sup>30</sup>, and then with the Baghdad Pact in 1955. The Baghdad Pact was meant to be a Near Eastern military alliance that would serve as a geographic linkage between the world’s other two major anti-Soviet military alliances, the North Atlantic Treaty Organization (NATO) and the Southeast Asian Treaty Organization (SEATO).<sup>31</sup> The Baghdad Pact consisted of Iraq, Iran, Great Britain, Turkey and Pakistan. Turkey’s membership in NATO and Pakistan’s membership in

SEATO served to effectively complete the encirclement of the Soviet Union so that it could not further expand its influence, or so was the intent of the policy.

The Baghdad Pact suffered from several problems right from the start. The United States could not join because Israel objected to what it saw as a consolidation of regional power against its interests, and senior officials in the Eisenhower administration knew that they would not get congressional approval for ratification of the agreement due to opposition from pro-Israel members. In the Near East, several Arab states - namely Egypt and Syria - saw the Baghdad Pact as a threat to pan-Arab Nationalism and by early 1958 decided to establish the United Arab Republic as a direct counter to its influence.

Still, Eisenhower was able to join the United States to the Baghdad Pact through an executive agreement in 1958 by bypassing Congress.<sup>32</sup> Shortly thereafter, the region saw the first application of the Eisenhower Doctrine on July 15th, 1958, when the United States sent Marines into Lebanon to protect Camille Chamoun's pro-Western government<sup>33</sup>, one day after Iraq's July 14th Revolution toppled the British-backed Hashemite monarchy of King Faisal II and led to the establishment of the Republic of Iraq under Abd al-Karim Qasim.<sup>34</sup> Although Qasim did not align immediately with Nasser and his UAR, there was a general feeling amongst pro-Western Arab states that pro-Nasser popular sentiment would topple them one-by-one, and their American ally was eager to listen in order to shore up its remaining interests in the region.

In response to the American expedition into Lebanon, Iraq formally withdrew from the Baghdad Pact – although this had been inevitable since Faisal II's ouster. As a result, the remaining members renamed their alliance the Central Treaty Organization (CENTO). However, CENTO never developed into the kind of security alliance the United States needed in the region, and it was formally disbanded in 1979 after the Islamic Revolution in Iran toppled the pro-American regime of Muhammad Reza Pahlavi.

What sets CENTO apart from NATO and SEATO is that it never developed a “permanent command structure or armed forces.”<sup>35</sup> It served no real purpose and provided no promise of collective defense for its member states. However, it did provide them a formal means through which they could request “economic and technical cooperation” from the United States. In other words, Turkey, Pakistan, and Iran did receive a significant portion of aid even if it was uncoordinated or not particularly aligned with regional security considerations. Other recipients of bilateral aid were the region’s non-signatories to CENTO but nations with whom the United States wanted to ensure continued political influence, and these included Jordan, Lebanon, Egypt (after 1975), and all the countries of the Gulf excluding Oman.<sup>36</sup>

Foreign aid became a subject of considerable political controversy starting in the 1960s as a result of the Vietnam War. Senator William Fulbright argued that it was “not possible to talk about foreign aid, or indeed any problem of [the United States’] foreign relations, without discussing the war in Vietnam.”<sup>37</sup> There was a sense in the Congress that military aid was at least partly responsible for American involvement in that war, and congressional members charged with its oversight began to object strongly to grant aid. Indeed, by the end of the 1960s almost 60 percent of the arms trade was in the form of sales (versus grants), up from only 20 percent during the 1940s and 50s.<sup>38</sup>

But still, Congress’ frustration with its inability to stop the Executive from using foreign aid funds in Vietnam led to significant congressional reforms from the 1970s onwards and which are discussed below. Vietnam also changed the thinking of senior foreign policy leaders as well. Henry Kissinger, who was Secretary of State during this time, noted: “The deepest cause of our national unease was the realization...that we were becoming like other nations in the need to recognize that our power, while vast, had limits.”<sup>39</sup> In other words, officials began to realize that the United States could not shoulder

the burden of security by themselves as they had tried to do in Vietnam. Furthermore, détente had been achieved with the Soviet Union by this point and the United States felt that it could engage in some retrenchment of its foreign aid obligations.

By 1975 and the end of America's involvement in Vietnam, fully 70 percent of security assistance went to the Near East. Most of the aid went to Israel (which in 1974, the year after the Yom Kippur War, received an astonishing aid package worth nearly \$2.4 billion to rebuild its forces destroyed in that war), but Egypt, Jordan and some other regional partners also received aid packages. As Kissinger put it at the time, the money was meant "to further the momentum [of] the peace process."<sup>40</sup>

This is really the first instance of a rationale other than opposition to communist or socialist influence being used to justify American involvement in the Near East. This is also the first time that massive aid obligations were made in order to secure a purported peace in the region. Aid was also used to incentivize signing of the 1979 Camp David Accords between Israel and Egypt, and annual appropriations to these two nations were continued after the signing to ensure both parties' adherence to the Accords' stipulations. In fact, this aid continues in the form of annual congressional earmarks to the present day.

Partly as a result of these outlays to Israel and Egypt and its effect on the overall budget, security assistance as a tool of foreign policy became more difficult in the 1980s. Not that the Reagan Administration did not make security assistance an important element of its foreign policy in the first term. Unlike the Carter Administration, which sought to reduce America's fixation on countering the Soviet threat, Reagan believed that the aggressive export of conventional arms to American allies in diverse regions of the globe represented as "essential element" of the U.S.'s defense posture.<sup>41</sup> Initially, the program expanded so that by 1985, the security assistance outlays were nearly double what they were in 1981.<sup>42</sup>

However, since the earmarks to Israel and Egypt were not pegged as a percentage of the overall foreign aid appropriations, and because Congress sought to reduce foreign aid spending as a result of legislative budget tightening in the second half of the Reagan Administration in response to thawing Cold War relations, some countries saw their aid allocations reduced significantly or cancelled altogether.<sup>43</sup> By the end of Reagan's term, fully 99% of all aid was allocated as earmarks<sup>44</sup>, which meant that the president and his representatives had little flexibility in executing foreign policy. This was not to say that earmarks did not serve a legitimate purpose; it was Congress' way of exerting its influence over foreign policy, which Congress became increasingly apt to do ever since the controversy over security assistance's role in the Vietnam War's escalation became a focal point for legislators. Although bothersome to the president, it did provide one unintended "benefit": if security assistance went disastrously wrong somewhere, the president could claim plausible deniability by asserting that Congress, and not his administration, was the cause. This avoidance strategy for both Congress and the executive branch is something that continues even now and is one of the primary causes of the strategic drift that we see in FMF and FMS.

### **Security Assistance in the Near East: End of the Cold War to the War on Terrorism**

Several years before the official dissolution of the Soviet Union, it became clear that change was on the horizon, and forward-looking members of Congress made attempts to reform security assistance in anticipation of a new global reality. In 1989, the House Foreign Affairs Committee issued a report under the name of the "Hamilton Task Force" that sought to address many of the issues noted above that affected the efficacy of the security assistance programs. In essence, it sought to modernize the two pieces of

legislation governing security assistance: the Foreign Assistance Act of 1961 and the Arms Export Control Act of 1976.<sup>45</sup> It recommended a host of legislative and administrative reforms that would make the program more flexible. Although some of the report's minor recommendations were taken, the program as a whole did not change.

Internally, the Bush Administration knew that the world was changing. Yet when examining the administration's justifications for its security assistance initiatives, very little had changed. As Duncan L. Clarke notes in his excellent history of U.S. security assistance *Send Guns and Money: Security Assistance and U.S. Foreign Policy*, "promoting peace in the Near East, maintaining base access, supporting allies against internal subversion, and sustaining cooperative relationships" were virtually identical to those put forth by the Reagan Administration. One area where the Bush Administration did differ was that by the time they released its final National Security Strategy in January 1993, it declared that:

Finally, it is time to refashion our security assistance budget [and we] need to increase funding for military and defense contact programs and other activities designed to facilitate the successful transition of foreign militaries to democratic systems, as well as ensuring their ability to defend themselves against aggression.<sup>46</sup>

This is the first time that the transition to democratic institutions had been explicitly mentioned as a focus of military aid. Compare this to Reagan's 1988 National Security Strategy, written in the wake of congressionally-mandated cutbacks in security assistance, lamenting the fact that friendly states in the Near East were now weaker because "the Soviet Union has become more aggressive in offering weapons to countries unable to obtain them from the United States."<sup>47</sup> Where the United States did provide aid, it did so

in order to create enough stability that development could take root. For instance, the Reagan NSS specified:

Our security assistance programs promote a stable political and economic environment that permits the exercise of individual choice and the development of human talent. Without that environment, sustained development is not possible.<sup>48</sup>

In other words, development before democracy. This particular quote was referring to Africa, but its rationale was equally applicable to the Near East. This kind of language was consistent through the Reagan NSS; when transitions to democracy were mentioned, it was in the context of consolidating the gains of transitions that had already occurred, mainly in Central and South America. But one must assume that this kind of thinking was consistent throughout Reagan's foreign policy team. In contrast, Bush's focus on democratic transitions was likely made possible by the Soviet Union's collapse, as there was no longer a hostile political entity ready to swoop in and take advantage of the inherent instability of transitioning democracies.

Although the Clinton Administration continued this policy of democracy promotion, it removed the explicit language present in the January 1993 Bush NSS. However, broadly speaking the Clinton Administration's goals for security assistance remained the same, except for some refocusing of the government's efforts at arms control and common defense. For instance, the first Clinton NSS from 1994 states:

Through training programs, combined exercises, military contacts, interoperability and shared defense with potential coalition partners, as well as security assistance programs that include judicious foreign military sales, we can strengthen the local self-defense capabilities of our friends and allies. Through active participation in regional security dialogues, we can reduce regional tensions, increase transparency in armaments and improve our bilateral and multilateral cooperation.<sup>49</sup>



One of Clinton's main concerns was the spread of arms globally; but instead of favoring unilateral arms reductions as President Carter was prone to do, Clinton supported regional arms reduction as a complement to making the global arms trade more transparent. Even still, the administration's justifications for its arms export policies were viewed in some circles as contradictory and self-justifying. In his report to Congress, Congressional Research Service analyst Richard Grimmett presented his views on Clinton's Conventional Arms Transfer Policy (Presidential Decision Directive 34):

President Clinton's Conventional Arms Transfer Policy represents a public articulation of a policy approach that has governed United States arms transfers at least since the Reagan Administration, if not earlier. Decisions to sell or not to sell American weapons will be made on a case-by-case basis. The guidelines set out in the policy are sufficiently broad so as to permit most U.S. sales on the grounds of advancing the national interest. The policy guidelines do not reflect more tightly drawn criteria for U.S. arms transfers such as the strict "code of conduct" test that potential arms recipients would have to meet under a proposal by some Congressional arms control advocates. The central multilateral arms control element of the policy is itself a continuation of general United States policy in this area. And, as with other efforts of this type undertaken in the past, it is essentially dependent for its success on securing the agreement of other major weapons suppliers to forego activities that might otherwise be to their financial benefit.<sup>50</sup>

As a quick aside: the "code of conduct" that Grimmett refers to in this report was put forward by some House legislators in 1995 and sought to limit arms transfers to nations that engaged in systematic human rights abuses.<sup>51</sup> It also urged unilateral action to limit United States arms sales. The code's authors were unsuccessful in getting the bill passed in 1995, but in 1999 they did pass a modified version of the bill part of a larger authorization act.<sup>52</sup> As part of the compromise, the bill urged the executive branch to

engage in multilateral negotiations instead of unilateral action by the United States in order to “promote global transparency with respect to arms transfers, including participation by countries in the United Nations Register of Conventional Arms.” While the bill did add some clarifying language as to what factors the president should consider when approving arms sales [specifically whether the country “promotes democracy” and “respects human rights”] it left in place the national security waiver the president can invoke to export arms to nations that are in technical violation of these stipulations, albeit subject to congressional approval. In other words, the bill actually accomplished very little. Most of the restrictions on recipient nations were in place well before this bill was passed, and it did not affect the president’s foreign policy team’s ability to export to whomever they chose. It really did nothing to alter the basis structure and administration of security assistance.

What Grimmett was saying in his criticism of Clinton’s initiative was that it provided no coherent policy directing which countries should receive conventional arms exports from the United States, since most arms sales were conducted on a bilateral, case-by-case basis. Furthermore, efforts at reforming arms exports were essentially doomed to failure because the United States would be relying on the acquiescence of nations to which arms exports represent a major source of revenue. In looking at Clinton’s initiative, it might be sufficient to conclude that like other presidents before him, he was unable to challenge the prevailing thinking on security assistance in any meaningful way.

In fairness to President Clinton though, his administration did attempt a reform of security assistance - if not in function then in form. The Peace, Prosperity, and Democracy Act of 1994 (H.R. 3765 of the 103rd Congress)<sup>53</sup> would have repealed the majority of the Foreign Assistance Act of 1961 as well as several key provisions of the AECA of 1976 and other laws governing security assistance. Its main purpose was to restructure security assistance in such a way that it would be administered through a single,

centralized account, and its approval would be based off whether it met certain defined foreign policy criteria. This would have moved the system away from its focus on its functional accounts (e.g. FMF, ESF, IMET, etc.), which historically had made synchronizing the program's military goals with foreign policy objectives more difficult. The bill also would have nearly eliminated earmarks, which Congress viewed as its only effective method to influence the nation's foreign policy. Needless to say, the bill did not pass.

### **Efforts at Arms Control**

International arms control is a controversial subject. Reformers insist that it must be done, and defenders of the policy insist that if the United States scales back its arms exports then someone else will step into the void. This has certainly been a bigger concern since the end of the first Bush Administration, when exporting large numbers of conventional weapons to our allies abroad to confront Soviet aggression ceased to be a valid justification.

At the time that the Soviet Union collapsed, the Russian arms industry was large and comparatively advanced. Yet when Russia lost its satellite states in Eastern Europe, it lost its main recipient of arms exports almost overnight. Russia's post-Cold War leaders understood that expanding to new markets would be fundamental to the nation's economic survival in the 1990s. To exacerbate matters, Russian domestic defense spending became virtually non-existent because of the deep recession and the high rates of inflation. Clearly, arms exports were a way for the Russian defense-industrial complex to survive, as well as providing desperately needed revenue to the Russian government as it reformed its economy.

By 1994, Russian exports accounted for only 10 percent of international transfers, whereas in the late 1980s they represented nearly 40 percent. But by 1997 exports rose marginally to 15 percent as Russia reaffirmed its previous bilateral relationship with Iran and opened up new relationships with Turkey and the United Arab Emirates.<sup>54</sup> By 2012, the most recent year for which data is available, Russia accounted for 26 percent of international transfers, a 28 percent increase from 2007.<sup>55</sup> By 2012, Russia had expanded its influence in the Near East, and fully 14 percent of its total exports went to Algeria alone, with another 9 percent going to various other partners in the Near East.

The United States is able to blunt some of Russia's influence in the Near East because of how the Arab Spring of 2011 and the resultant civil war in Syria have affected Russia's mil-to-mil relationship with the Bashar Assad regime. Certainly, international pressure was successful in getting Russia to suspend some of its arms exports to Syria after the start of the civil war; in 2012, Russia announced that it would suspend delivery of any new weapons systems to Syria,<sup>56</sup> and in 2013 it issued a clarification that it would supply some air defense and maintenance systems but it would not supply combat aircraft that could potentially be used in offensive operations against civilians.<sup>57</sup>

Still, Russian president Vladimir Putin noted plainly that his country should use arms exports as "an effective instrument for advancing national interests, both political and economic."<sup>58</sup> This is an interesting and strikingly honest admission. Historically, the Russian Federation often acted out of cynical self-interest rather than in pursuit of a cohesive, long-term strategic plan. This was true during the Clinton Administration and it is true now. On the surface, the United States and Russia seem to have much in common in the Near East: the overriding concern for both nations is to ensure that regimes in the region are stable and have the resources necessary to suppress terror networks within their borders. Certainly for Russia, the threat of international terrorism has more geographic

immediacy given its proximity to Chechnya and other areas of instability in the Northern Caucasus.

Yet whereas the United States fundamentally uses security assistance programs as a way to create relationships that can be leveraged to further a particular administration's foreign policy, Russia uses security assistance programs to gain footholds that might lead to economic opportunity. As a result, Russia seeks large arms contracts with countries that the United States avoids for political or humanitarian reasons and then justifies its presence after the fact. In other words, Russia might appear to be at odds with the United States over its Near East policy, in fact appearing as if they are deliberately undermining U.S. interests. The truth is more likely that Russian economic interests – arms agreements that may lead to oil and natural gas agreements – put Russia into natural conflict with the U.S. and other Western powers that explicitly avoid collaborating with regimes known to violate their citizens' basic human rights. It would be incorrect to assert that the United States does not allow economics to factor into its decision-making where security assistance allocations are concerned; rather, the assertion here is that for the Russian Federation the interest is primarily economic, and all other considerations are ancillary.

Why point any of this out? Because when it comes to the Near East, the Russian Federation will aggressively seek economic gain wherever it can. Vladimir Putin is a nationalist with both “Slavophile” and “Westernizer” tendencies but who at his core is a pragmatist,<sup>59</sup> willing to do whatever he believes to be in Russia's national interest. This problem is compounded for the U.S. by the fact that Putin has made great strides centralizing both the energy and military-industrial sectors. Rosoboronexport is Russia's only authorized exporter of large defense end items since 2007 (e.g. tanks, planes, anti-aircraft weapons, etc.)<sup>60</sup> and it routinely accounts for 85-90% of total annual arms exports thanks to its position as guaranteed intermediary.<sup>61</sup> Rosneft and Gazprom, Russia's largest

oil and gas companies respectively, are both majority owned by the Russian government and benefit from government efforts to expand the oil and gas sector to new international markets. In other words, the success of the Russian economy is tied in closely with the success of these industries, which are some of the only industries Russia did not privatize after the end of the Cold War.

It is unlikely that the Russian Federation will be willing to curtail its bilateral defense exports in response to similar efforts from the United States; it is clear that the Russians would step into whatever void was left by the United States' departure, as the case study of Egypt below demonstrates. [Both the United States' and Russia's signing of the Arms Trade Treaty (ATT) in 2013 is a completely separate issue that will not be addressed in this paper, since the ATT does not govern bilateral or multilateral defense transactions].<sup>62</sup>

### **Security Assistance in the Near East: 9/11 to the Present**

The American invasion of Iraq in 2003 in response to the 2001 terror attacks on the World Trade Center and the Pentagon also fundamentally changed the U.S.'s strategic calculus in the Near East. Since the U.S.'s full withdrawal from Iraq in December 2011, Iraq has descended into chaos, experiencing daily sectarian conflict reminiscent of the dark days of 2005-2006. Elsewhere, the civil war in Syria is spilling over into Northern Iraq, where battle-hardened Sunni fundamentalists self-identifying as the Islamic State of Iraq and the Levant (ISIL) establish a nascent Islamic "caliphate" that straddles the boundary of the two nations.

What will happen to this region? It may take years or even decades to sort it out, and the geography of Iraq and Syria may be drawn anew based on changing political

realities. However, these events might explain why the U.S. is working so hard to fortify its allies in the Near East. For instance, in 2011, as the U.S. presence in Iraq was winding down, military planners discussed leaving a sizable military force behind in Kuwait in case a need for contingency operations arose<sup>63</sup> – similar to the battalion- to brigade-size force that the U.S. maintained in the region from first Gulf War (1990-1991) until 2003 in order to deter Iraqi aggression. Around that same time in 2011, Defense Secretary Leon Panetta also pushed for a formalized multilateral military alliance similar to NATO amongst the six members of the Gulf Cooperation Council: Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman.<sup>64</sup>

Particularly in light of ongoing Department of Defense budget cuts and waning political will, the U.S. is in no position to play any interventionist role in the Near East. Furthermore, the Arab Spring of 2011 has taught the United States a lesson about the limits of bilateralism that it did not learn from the wars in Iraq and Afghanistan. Egypt is a particular case in point on this issue that will be addressed in greater detail below. Essentially, the United States learned that military and political goals are achievable in the Near East when they are dealt with in an indirect manner, particularly through regional intermediaries with shared security concerns.

## Chapter Five: Case Studies in Security Assistance in the Near East

### Egypt

The U.S. began providing some military assistance to Egypt in 1975, likely as a result of the two nations' restoration of normal diplomatic relations in 1974 [diplomatic relations had been cut by Egypt in 1967 during the Six Day War]. However, it was not until the Carter Administration won a package arms sales agreement for fighter aircraft with Egypt and Israel (and Saudi Arabia) in 1979,<sup>65</sup> a result of the Camp David Accords (CDA)<sup>66</sup> and the 1979 peace treaty it facilitated, that the relationship began in earnest. Since 1979, the U.S. has provided Egypt with substantial annual military aid to incentivize its adherence to its portion of the CDA.<sup>67</sup> The vast majority of this money is in Foreign Military Financing (FMF), which allows Egypt to purchase U.S. military equipment through the Defense Department's Foreign Military Sales (FMS) program. In fact, according to statistics compiled between 1950 and 2012, Egypt is the third largest recipient of foreign military aid, after only Israel and Saudi Arabia.<sup>68</sup>

This money was initially structured not as foreign aid but as a loan guarantee that would be paid back over not less than 30 years with an initial grace period of 10 years on payment of principal. However, the US Code noted Israel and Egypt each had enormous external debt burdens at the time of the loans and that the terms of future loan guarantees could be modified as necessary.<sup>69</sup> In fact, by 1985 the US made the entire payment as a grant and it would remain that way up to the present.<sup>70</sup>

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<sup>66</sup> The Camp David Accords was an agreement brokered in 1978 between Egyptian President Anwar Sadat and Israeli Prime Minister Menachem Begin that led to the 1979 peace treaty that ensured Israel resumption of normal diplomatic relations with Egypt in exchange for the return of the Sinai Peninsula to Egyptian control, and the withdrawal of Israeli Defense Forces and 4,500 Jewish settlers in the region.



Also of note is that initially the payments were made “to finance procurements by Egypt and Israel through the fiscal year 1982.”<sup>71</sup> The additional economic aid allocated to Egypt was meant to “promote the economic stability and development of that country,” so that, ostensibly, Egypt could remain stable enough in the face of an inevitable political and economic backlash in the Arab world for signing the CDA. As regards the initial \$2.2 billion loan to Israel and the \$1.5 billion allocated to Egypt in 1979, the US Code says:

Congress finds that the legitimate defense interests of Israel and Egypt require a one-time extraordinary assistance package due to Israel’s phased withdrawal from the Sinai and Egypt’s shift from reliance on Soviet weaponry.<sup>72</sup>

In other words, the funding appears to have been meant for a short duration and for a specific purpose. However, subsequent laws and not the CDA itself ensured that Egypt would receive \$1.3 billion in annual military aid and \$250 million in economic aid for continued adherence to the terms of the CDA.

Fast forward to 2006, and look at a Government Accountability Office (GAO) report which outlines both the State Department’s Mission Performance Plan and the Defense Department’s Theater Security Cooperation Plan goals for this Foreign Military Funding. They include:

1. Modernizing and training Egypt’s military
2. Facilitating Egypt’s participation as a coalition partner
3. Providing force protection to the U.S. Military in the region
4. Helping guarantee U.S. access to the Suez Canal and overflight routes
5. Enhancing interoperability of Egyptian and U.S. armed forces

The report then lists several justifications given by the Defense Department as to what the aid has bought, and they include the deployment of Egyptian forces to the Darfur

region of South Sudan in 2004, assistance training Iraqi police, and deployment of Egyptian medical personnel to Bagram Air Base in Afghanistan. Intelligence sharing and other activities constitute the remainder of this cooperation.<sup>73</sup>

Few analysts would question the U.S.'s interest in obtaining these concessions and assistance from Egypt; from a strategic point of view, they make sense. The issue is that these outcomes are tied to financing arrangements beget by the Camp David Accords. As such, the financing is seen as a 'birthright' by Egyptian political and military leaders and not tied to the U.S.'s regional security objectives.<sup>74</sup> By the Egyptians' definition, the aid should be paid whether the Americans get anything for it or not. In other words, it is the price paid by the United States to secure Egypt's peace with Israel and nothing more.

Yet for Americans, this aid has become something that is vital to secure US interests in the region. By not decoupling FMF from the Camp David Accords, the United States has put itself in a position whereby it is dependent on the benefits that have historically been wrought from the funding, while the Egyptians believe that they can do without it.<sup>75</sup> The fact that former Egyptian Defense Minister Abd al-Fatah al-Sisi concluded a visit in Moscow in February 2014 where he is reported to have negotiated a nearly \$3 billion USD arms deal for Russian equipment underscores this point.<sup>76</sup>

This is especially convincing since in recent years this US military aid has accounted for as much as 90% of Egypt's annual procurement budget. In other words, the Egyptians want to make it seem as though they cannot afford U.S. equipment without U.S. financial aid and are forced to look for cheaper alternatives. This may or may not be true, but the lack of transparency within Egypt's defense budget and its independence from any legislative oversight in the new constitution passed in January 2014 make it impossible to draw firm conclusions.<sup>77,78</sup> Nevertheless, putting pressure on American officials is also an important goal. These American officials know that the loss of the Egyptian market to

American arms manufacturers would be an economic blow the U.S. defense industry can ill afford in a time of deep domestic budget cuts.<sup>79</sup>

Add to this economic dependency the regional political dependencies and resultant geostrategic posturing: namely, Russia, which has incentive to increase its influence in the region, particularly since its ally Syria is in the midst of a civil war in which the outcome is still far from decided. Thus when the US's historic Sunni allies in the region – particularly in the Gulf - bristle at the Americans' unwillingness to throw their full support behind Morsi's ouster and further military rule, Russia sees as opportunity to step in and fill the void. The easiest way to gain a foothold is through arms sales.

The discontinuity between what the US believes it is achieving with this aid and what is happening in reality is also stark when looking at the current situation in the Sinai Peninsula. In the U.S. House of Representative's annual foreign operations appropriations bills, military aid to Egypt is routinely granted specifically for "border security programs and activities in the Sinai."<sup>80</sup> This makes it evident that Congress views security in the Sinai as the most critical requirement for Egypt's adherence to the CDA. Yet U.S. policymakers have publicly expressed concern that under former Field Marshal Tantawi's leadership [General Tantawi was the Defense Minister under former President Mubarak for more than 20 years and retired shortly after the revolution in 2011], the Egyptian government used the American aid money to buy "big toys" that were good at providing a convincing visual deterrent against the region's main conventional threats but did not help the Egyptian Army face the kind of asymmetric threats that have been a growing concern in the Sinai Peninsula and along the Egyptian-Libyan border.<sup>81</sup>

An examination of Egypt's current struggles in the Sinai Peninsula elucidates this observation. Before that, however, it is important to understand the roles played by both the Egyptian forces and the Multinational Force and Observers (MFO),<sup>82</sup> the

independent multinational peacekeeping body charged with ensuring that both the Egyptian Armed Forces and the Israeli Defense Forces abide by the terms of the Camp David Accords. The MFO does not have a direct role in combatting the Islamist insurgency in the Sinai. This is the responsibility of the Egyptian Armed Forces to conduct these operations, within the territorial and force limitations imposed by the CDA and enforced by the MFO.

In any case, the insurgent presence in the Sinai first became active in early 2011 when it became clear that former Egyptian President Hosni Mubarak would be forced to step down. After insurgents took advantage of the worsening security situation created by the leadership vacuum, the Egyptian military set itself into action. It launched Operation Eagle in late 2011 to suppress this insurgent activity but it met with limited success. The insurgent operations only escalated after Muhammad Morsi's election in July 2012. After a large-scale attack that killed 16 Egyptian border guards near Rafah on the Egyptian-Israeli border on August 5th, 2012, the military launched a second operation - Operation Sinai<sup>83</sup> - to cleanse the area of all insurgent activity. Like Operation Eagle previously, Operation Sinai has met with limited success. Due to an increase in violence after Morsi's ouster and facing near-daily insurgent attacks,<sup>84</sup> the Egyptian military brought in two additional battalions and is now focusing its operations in a 40-kilometer area<sup>85</sup> in the northeast Sinai near the Israeli border. The operation is still ongoing as of this writing.<sup>86</sup>

The deployment of Egypt's military in the Sinai is already controversial because of the restrictions placed on Egyptian troop presence. While Egyptian defense sources claim that they have coordinated with their Israeli counterparts in order to attain the necessary authorizations,<sup>87</sup> several Israeli sources deny these reports. However, it is clear that the attacks continue and that the Egyptian military seems ill-prepared not only to address insecurity in the Sinai but to stop Sinai-based insurgents from expanding their

operations to target foreign civilians, mainly tourists.<sup>88</sup> Restrictions imposed on Egyptian forces within the Sinai can hardly explain the Egyptian Armed Forces' inability to get the problem under control. In a move designed to assist Egypt's government and to reassure Israel, the United States is supporting Egypt with intelligence sharing and communications intercept technology and other surveillance technologies that have been widely used in Iraq and Afghanistan.<sup>89</sup>

Despite this assistance, it is clear that previous arms sales contracts under the FMF/FMS program have not given the Egyptian military the equipment and expertise it needs to combat the low intensity conflict with insurgents in the Sinai. It is a complex situation that only seems to be getting worse, compounded by the fact that there is no one target: Bedouin criminal networks conduct armed robbery and smuggling operations, sometimes in conjunction with disparate groups that are loosely-affiliated with one another, all of which utilize secretive, Al-Qaida-style operational structures that obscure them from easy identification and targeting.<sup>90</sup>

The assistance that the U.S. is providing Egypt in the form of intelligence sharing might be necessary, but it is hardly sufficient. The Egyptians need their own capabilities to be able to conduct an effective counterinsurgency. A look at arms sales that were delivered to Egypt in 2013 but were approved by Congress prior to the 2011 Egyptian Revolution show why this will be difficult to achieve. Of \$188 million in approved purchases, only \$18 million went to equipment that would likely end up in the Sinai: a \$9.9 million contract to Raytheon Technologies to continue research and development of the Border Tunnel Activity Detection Systems (BTADS) that Egypt purchased in 2009, and an \$8.1 million contract awarded to DRS Radar Systems for the procurement of a border surveillance system. Less than 10% was going to support specific border operations in the Sinai. Even the allocation for FY 2012-2013, after the Egyptian Revolution and in the midst

of increasing violence in the Sinai, shows only \$106 million for equipment upgrades for the Border Guard Force (BGF), again less than 10% of the annual appropriation in military aid of \$1.3 billion.<sup>91</sup> [Note: the reason that only \$188 million is mentioned for 2013 is that this is what was actually delivered based on previous years' orders. Egypt is allowed to practice what is called "cash flow financing," which allows them to put their military aid in an interest-bearing account at the U.S. Treasury and spend it only as the current year's bills come due, rather than paying for allocations up front].

Furthermore, before President Obama cancelled Bright Star 2014 over concerns surrounding Morsi's ouster and the resultant crackdown on Muslim Brotherhood supporters, U.S. officials talked of focusing the exercise on targeting unconventional threats.<sup>92</sup> Yet why is it suddenly the focus of interoperability exercises only now that the region has descended into violence? Assuming U.S.-Egyptian relations return to normal, can the U.S. work with its Egyptian counterparts quickly enough to engage this emerging threat?

The reasons for this seeming failure are likely two-fold: the first is that despite what it now says in the U.S. House appropriations bill, the Department of Defense chose to transition Egypt's Soviet systems to newer American systems that would allow for greater interoperability between the two nations [one of the original goals of the aid in the CDA] without systematically reviewing this strategy to ensure that it accommodated Egypt's rapidly changing security situation. Second, the mil-to-mil relationship created an interdependency that makes both the American and Egyptian defense industries reliant on the sales of these products. This interdependency creates a self-justifying process that inhibits policymakers' ability to structure the mil-to-mil relationship that is in better alignment with U.S. foreign policy goals.

When we examine the actual purchases and allocations of Egypt, this issue comes into sharper focus. As far as records indicate, the first major purchase that Egypt made with this funding was a memorandum of agreement for 42 Block 15 F-16 A/B fighter jets that was signed on June 25th, 1980 under the Foreign Military Sales' Peace Vector program. The first shipment of these jets arrived in Egypt in March of 1982.<sup>93</sup> The Peace Vector program continues to this day, with a total of 224 aircraft delivered as of early 2014.<sup>94</sup> However, some recent shipments were controversial due to concerns of some in the U.S. Congress that the Muslim Brotherhood consistently utilized harsh rhetoric against the U.S. and Israel [the shipments were also cancelled temporarily after Morsi's ouster in July 2013 in a signal that the U.S. was displeased with the military's anti-democratic actions].<sup>95, 96</sup>

The single largest Foreign Military Financing program is the coproduction of the Abrams M1A1 Main Battle Tank by the United States and Egypt. Established as a type of joint venture in 1988, General Dynamics assembles most of the parts in Ohio and ships them to Cairo, where they are assembled along with other minor parts manufactured in Cairo at a facility called Factory 200 and then put into operation. Of the 1,200 total tanks slated for assembly, 1,005 had already been coproduced by 2014 with only 75 percent of those being delivered to field units.<sup>97</sup>

Two of the main rationales used by defense officials for this coproduction came from the Egyptians themselves: that coproduction would boost the anemic Egyptian economy and it would provide self-sufficiency for tank production. Even though American officials felt it would be cheaper to simply send fully-built tanks to Egypt, they did not feel they had the leverage to insist upon it. Egypt felt that it possessed the stronger negotiating position on this issue and essentially demanded coproduction as the only viable option. The reason: four years prior, in 1984, the Defense Security Cooperation Agency (the US agency

that oversees FMS and other security assistance programs) allocated \$150 million to design and oversee Factory 200's construction as part of an earlier FMS agreement.<sup>98</sup> It is difficult, in retrospect, to understand why U.S. officials did not simply insist on providing fully-built M1A1 tanks. The original purpose behind building Factory 200 would not have been affected, and it would not have resulted in the entanglement of an American defense contractor with the Egyptian manufacturing sector.

By 1993, the program was already \$820 million over budget. While the rationale of the factory providing an economic boost to Egyptian workers was and continues to be true, other issues were of bigger concern for U.S. policymakers. Namely, whether Egypt could use the factory for other purposes, including depot-level maintenance of the older M60 tank fleets in Egypt, overhauls of other tank fleets throughout the Near East, and for production of light armored vehicles. The conclusion of the report from which these statistics are drawn indicates that U.S. analysts viewed these Egyptian plans with great skepticism. The U.S. could have easily met its security and economic objectives by providing fully-assembled main battle tanks to Egypt, but rather it appears defense officials made a political decision. On the one hand, defense officials believed in 1988 that "thousands" of potential tanks could be built at Factory 200 and that General Dynamics could maintain a skilled work force and an open production line even as U.S. Army requirements for the M1A1 declined. Second, senior Egyptian defense officials declared that they wished to expand their influence in the \$20 billion Near East arms market, with the implication that tanks co-produced at Factory 200 could be used for this purpose. General Dynamics eventually filed for an export license to accomplish this objective with its coproduced tanks, but the U.S. government rejected the request<sup>99</sup>; still, it demonstrates how closely aligned the industries became and how economic interests became a powerful incentive to exceed stated U.S. security requirements.



This is not to say that the U.S. government using its leverage to secure economic advantage for U.S. defense corporations is a misguided policy. The government has a clearly vested interest in aiding U.S. private sector expansion into foreign markets. At issue in this paper is whether 1) the military aid provided to Egypt furthers U.S. foreign policy goals, 2) whether and how it contributes to the corruption of military elites, and 3) whether the size and structure of the military aid allows both the U.S. and Egyptian defense industries to exert outsized influence on strategic decision-making.

### **Defense Industry Interdependencies and the Corruption of Egyptian Military Elites**

While over-flight rights, refueling contracts, expedited transit through the Suez Canal, and interoperability amongst the U.S and its allies are all critically important for the United States to implement its security strategy in the Near East, the institutional dependencies in the mil-to-mil relationship are the most important when analyzing political decision-making vis-à-vis U.S. policy in Egypt. This involves not only defense contractors, but also personal relationships with host nation military partners.

Egyptian military leaders have a vested interest in the annual military aid. It benefits them directly because of their involvement in the Egyptian defense industry and because a strong force allows them to maintain their other interests in the Egyptian economy. By some estimates, Egyptian military leaders have interests in the overall Egyptian economy estimated at between 5-40%. Ironically, this unspoken relationship seems to be one of the only legitimate leverage points the U.S. government possesses. U.S. aid is enabling this corrosive behavior, and even if U.S. defense officials wanted to reform this problem they would be unable to do so. Any effort at reform would require a public acknowledgement of the problem. This would not only draw criticism against long-

standing U.S. policy in Egypt but it would likely do irrevocable harm to the mil-to-mil relationship.

As noted previously, threatening to withdraw annual military aid is met indignantly by Egyptian leaders who feel like it is an obligatory amount due the country and not contingent on any strategic concessions the Egyptian government provides the U.S. However, Egyptian military leaders, when they control the country either explicitly or implicitly through constitutionally derived powers, would not want U.S. aid cut. U.S. aid represents not only 80% of Egypt's annual procurement of materiel, but a full third of Egypt's overall defense budget.<sup>100</sup>

Historically, the Egyptian military has been closely involved in the defense industry. The Arab Organization for Industrialization (AOI) was founded in 1975 as a joint venture between Egypt, Qatar, Saudi Arabia, and the United Arab Emirates (UAE) to produce advanced weaponry and increase the Near East's self-sufficiency in military matters. In 1979 Saudi Arabia issued a proclamation to dissolve the AOI when numerous Arab states broke relations with Egypt over the CDA. Still, the AOI persisted and even exported a great deal of arms to Iraq during the Iran-Iraq War in the 1980s. They were able to do so because they signed several joint ventures with British, French, and American defense firms to build a wide array of defense equipment.<sup>101</sup> The money garnered from these exports was never accounted for and is assumed to have been returned to the defense industry as 'off the books' funds.

As of 1993, the Egyptian government is the sole owner of AOI and it operates nine factories<sup>102</sup> and more than 19,000 employees producing both civilian and military wares.<sup>103</sup> Separately from the AOI is the National Organization for Military Production within the Ministry of Military Production, managing 16 factories and an unknown number of employees; they also produce a mixture of civilian and military wares.<sup>104</sup>

There is a close relationship between the AOI and senior military members as well. As an example, when Chief of Staff of the Egyptian Armed Forces LTG Salih Haliby retired in 1995 he was immediately appointed as the director of the AOI.<sup>105</sup> It is clear that Egyptian military leaders have an economic interest in Egypt's position as a regional security leader and arms producer and would not want the U.S.'s military aid cut or their relations with Western defense contractors jeopardized.

General Haliby's example is but one of many. As Susan Vogelsang notes in her excellent monograph on post-Revolution security cooperation between the U.S. and Egypt, annual U.S. military aid to Egypt frees up the other two-thirds of its budget to "support salaries and pursue its unusual domestic role in the economy, including supporting the draft."<sup>106</sup> Vogelsang's contention is that this draft provides labor for the military's economic ventures, of which there are many. Naturally, the draft does provide many Egyptian youth an opportunity for social mobility they otherwise would not be afforded, and the merit-based system that frees conscripts from the bonds of tribal or class affiliation is one of the reasons the military continues to demand high levels of respect from the population. But fundamentally, the Egyptian military has been deeply involved in the civilian sector ever since President Gamal Abd al-Nasser used the force to construct civilian infrastructure in his socialist economy in the 1950s.

Lieutenant Colonel Stephen Gotowicki, in a paper for the National Defense University in 1997, noted that in addition to major infrastructure projects that include power lines, sewers, roads, schools, and telephone exchanges, these military-owned industries also participate in the production of consumer goods and agricultural production.<sup>107</sup>

Military facilities now manufacture a wide variety of products such as washing machines, heaters, clothing, doors, stationary, pharmaceuticals, and microscopes. Most of

these products are sold to military personnel through discount military stores, but a significant percentage also reach commercial markets. Profits from these activities are, like military export earnings, off budget.

As far as agricultural production goes, the military is reported to have produced fully eighteen percent of the nation's total food production; even though this statistic is from 1985, it is doubtful that this production capacity has declined much since then. If the U.S. were to cut its economic aid, it would "force a rebalancing of effort away from domestic and export production to weapons and equipment modernization, or, an acquiescence in a slow decline and loss of military effectiveness," as Vogelsang says.<sup>108</sup> In other words, Egyptian military leaders have a powerful incentive not to lose this aid.

The fact that U.S. military aid to Egypt is given in the form of FMF creates structural dependencies that seem to actually hamper the development of what the U.S. would doctrinally consider to be the goals of security assistance funds. The Egyptian military, while competent and professional at the soldier level, is corrupt at the leadership level. It sees its role as the protector of the Egyptian people and remains highly interventionist in national politics. It is resistant to American attempts to influence its policies. The State Department is constrained in its ability to influence the direction of political reforms. The structural dependencies in the mil-to-mil relationship have not provided the American foreign policy establishment the kind of access and that it needs to influence events in the region, and the events in the nation since Mubarak's ouster in 2011 show the need for an honest reassessment of the nation's importance to American interests in the region.

## **Saudi Arabia**

One could argue that dependencies in the mil-to-mil relationship between the U.S. and Egypt create needs that are in search of a justification. If the decoupling of U.S. military aid and the Camp David Accords were to occur, it might result in a more honest assessment of the countries' needs that could then be handled in a manner similar to the U.S.'s other bilateral relationships with its regional allies, particularly Saudi Arabia.

Egypt's geography, unlike Saudi Arabia, does not make it as susceptible to conventional threats such as Iran, the U.S.'s strategic competitor in the Near East. Nor is Egypt a natural resource-based rentier state like Saudi Arabia, reliant on U.S. military technology for its survival against domestic and regional threats to its substantial resource-based wealth. It is evident, however, that the loss of the United States' ability to project its naval combat power into the Gulf and its ability to transport U.S. troops into the region to support contingency operations [as in Iraq] would be a "strategic disaster," notes James Phillips, senior Near East researcher at the Heritage Foundation.<sup>109</sup> The necessity of this strategic partnership with Egypt is what binds the U.S. to its CDA obligations and limits the U.S.'s leverage.

By comparison, the U.S. relationship with Saudi Arabia has a much longer history and is structured in a way that gives the U.S. more leverage when dealing with their Saudi counterparts. This is especially true in recent decades as Iran begins to challenge the Gulf States' hegemony and as Al-Qaida in Iraq (AQI) and Al-Qaeda in the Arabian Peninsula (AQAP) threaten Saudi Arabia's internal security.

The two main cooperation efforts are the United States Military Training Mission (USMTM) and the Saudi Arabian National Guard Modernization Program (OPM-SANG). The USMTM, which falls under the general guidance of the U.S. Ambassador to Saudi Arabia, is a military mission in existence since 1953 that works to "train, advise, and assist the Saudi Arabian Armed Forces in building defense capacity/capability through

military exercise and professional military education in order to promote regional security and to protect common interests of the United States of America and the Kingdom of Saudi Arabia.”<sup>110</sup> In other words, it is the primary vehicle through which security assistance is provided to Saudi Arabia’s conventional military forces. OPM-SANG, on the other hand, has been in existence since 1973 and works to modernize the Saudi Arabian National Guard, and the projects in which OPM-SANG personnel are involved cover the full range of needs necessary to “unilaterally initiate and sustain modern organizations and systems.”<sup>111</sup> Both the USMTM and OPM-SANG were initiated at the request of Saudi leadership and both are funded by Saudi purchases. The U.S. agreed to this arrangement, based on a desire to build a strategic partnership with a rising power in the Near East in the decades after WWII.

Unlike the USMTM, which is an advisory and training mission run by U.S. Military personnel and uses the full complement of security assistance tools available through the Defense Security Cooperation Agency, the bulk of work handled by OPM-SANG is awarded to a U.S. defense contractor. Since 1975, Vinnell Corporation,<sup>112</sup> a subsidiary of TRW Inc., which is itself a subsidiary of the second-largest U.S. defense contractor Northrop Grumman, has been responsible for carrying out these periodic multi-year contracts.<sup>113</sup> Vinnell’s subsidiary in Saudi Arabia, Vinnell Arabia, is also a joint venture that is co-owned by what appears to be a private company named Arab Builders for Trading in Riyadh.

In June 2013, the most recent multi-year contract was purchased in the amount of \$4 billion [most likely for a period of five years].<sup>114</sup> It will be used to fund support, maintenance, and training operations for OPM-SANG. OPM-SANG will also oversee the fielding of other major equipment purchases, the largest of which is a 25 billion dollar contract signed in 2010 for AH-64 Apache (Boeing), UH-60 Blackhawk (Sikorski), AH-6i

(Boeing), and MD-530F (McDonnell Douglas) helicopters. The helicopters support the creation of multi-billion dollar Air Wing that will give the SANG a ground attack capability to rival the Royal Saudi Land Forces (RSLF).

The SANG is controversial in some sense, because it represents a counterweight to the RSLF. The SANG is not just responsible for protecting against external threat; its primary mission is to protect the royal family against coups, guard sensitive and strategic facilities inside the Kingdom, and protect the holy cities of Mecca and Medina. It is composed primarily of tribal members loyal to the House of Saud, and even includes a 25,000-man tribal militia known as Fowj that is not part of the modernized force of 100,000 men in eight regular brigades.<sup>115, 116</sup>

While the U.S. defense industry does have a deeply imbedded historical relationship with Saudi Arabia, the nature of the U.S.-Saudi mil-to-mil relationship and the extensive oversight of defense contractor operations in Saudi Arabia ensures that the relationship meets both nations' strategic needs. The fact that Saudi Arabia possesses 18% of the world's petroleum reserves and runs an annual budget surplus of approximately \$80 billion is an important factor when understanding the mil-to-mil relationship,<sup>117</sup> because Saudi Arabia possesses both regional aspirations that align well with the U.S.'s regional strategy and the money to make it happen. The relationship is also flexible enough that it can adapt to changing circumstances within the Kingdom. As a case in point, the U.S and Saudi Arabia signed a bilateral cooperation agreement in 2008 establishing an "infrastructure protection advisory mission"<sup>118</sup> designated the Office of the Program Manager-Ministry of Interior (OPM-MOI) with the goal of embedding senior American advisors to the Saudi industrial, energy, maritime, and cyber security sectors. This effort works in tandem with the USMTM's effort to train and equip a Facilities Security Force

charged with protecting key infrastructure locations. It is difficult to envision a similar program standing up so rapidly in Egypt, were the need to arise.

While it is true that Saudi Arabia was and continues to be a focus for the United States because of its large oil stocks, the relationship goes far beyond providing Saudi Arabia the capacity to protect its supplies from domestic and regional threats. Saudi Arabia stands as a bulwark against Iranian hegemony in the greater Near East and it is a critical ally for the United States, sharing intelligence and conducting counterterrorism operations against extremist organizations. Even after rifts have opened up in recent years over the Syrian civil war, resolution of the Iranian nuclear issue, and Saudis' perception that the U.S. abandoned its longtime ally Hosni Mubarak in Egypt, the relationship remains strong. As Saudi Foreign Minister Prince Saud al-Faisal bin Abd al-Aziz al-Saud put it, "most of the differences are in tactics," not in the objectives themselves.<sup>119</sup>

Compare this to the situation in Egypt. The U.S. has no real leverage over Egypt, because Egypt knows that it will receive funding from its regional allies should the U.S. step back its support. Egypt's strategic interests align much more closely with its wealthy regional neighbors than they do with the United States, which is why the threat to withdraw support is met with derision by Egyptian officials. American military planners who believed that dependencies built into the mil-to-mil relationship after more than 30 years of cooperation and approximately 40 billion dollars in FMF purchases would ensure Egyptian compliance assumed leverage they did not possess. American officials provide money to Egyptians that they believe is owed them to use as they see fit. As a result, interoperability of equipment and coordination of effort is more difficult to achieve, and threatening to withdraw or limit aid to get the Egyptians to accede to U.S. demands is clearly ineffective. Dependencies in the relationship do not ensure American influence; they only seem to hinder America's strategic options.



This is not to say that Saudi Arabia might not react similarly should the U.S. threaten to withdraw support. But the relationship is different- it has deeper roots, with approximately 140 billion dollars in FMS purchases, mostly since 1973.<sup>120</sup> Dependencies still exist, but they do not place as many restrictions on U.S. foreign policy vis-à-vis Saudi Arabia. Of course no one knows how the situation in Saudi Arabia will ultimately play out, and although the U.S.'s strategic relationship is stronger, these dependencies still create one major liability: what role the U.S. might assume should a succession crisis occur.

Perhaps it is an understatement to say that the political future of the Saudi regime is merely uncertain. The current leader, King Abdullah, is 89 years old. Saudi Arabia has seen its two most recent crown princes, Prince Sultan and Prince Nayef, both die within the last two and a half years. The current crown prince, Salman, is 78 years old, and the second deputy prime minister and crown prince in-waiting, Muqrin, is the youngest of Saudi Arabia's founder Ibn Saud's surviving sons, and he is 68 years old. Abdullah's establishment of a council of Ibn Saud's sons and grandsons to appoint future successors, known as the Allegiance Council, could lead to infighting and uncertainty in the Kingdom; when Muqrin dies and succession passes to a highly fragmented second generation of princes, disagreement amongst members of the Allegiance Council may provide an opening to the Wahhabi religious establishment to expand its influence over a weakened governmental structure.<sup>121</sup> Already, disharmony in the Allegiance Council may be one of the reasons why Abdullah selected former Crown Prince Nayef personally and shut the Allegiance Council out of the process.<sup>122</sup> He did the same when Nayef died and Prince Salman was appointed Crown Prince in June 2012.<sup>123</sup> When the last of Ibn Saud's sons

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<sup>121</sup> Wahhabism is the officially-sanctioned interpretation of Islam in the Kingdom of Saudi Arabia. It originally started as a revival movement in the 18<sup>th</sup> century CE but gained prominence after its founder, Muhammad Ibn Abd al-Wahhab, allied himself with Muhammad Ibn Saud, the founder of the first Saudi state.

dies, it is likely that there will be a succession crisis picking a new leader from amongst the second generation of relatives.

Considering this context then, it is imprudent that the United States is so aggressively arming the Saudi regime. The U.S.'s justifications include developing a counterweight to Iranian designs in the region, protecting the Saudi regime from internal threats, protecting the state's critical energy infrastructure, and enhancing coastal and land border defenses. Unstated, also, is the financial benefit that the American defense-industrial base derives from its largest single buyer outside of the United States.<sup>124</sup> Should the Saudi regime weaken, how will the population respond when the loyalist SANG is used to suppress dissent? It does not seem that many officials within the U.S. foreign policy establishment openly address these concerns, although most certainly these concerns exist.

As a recipient of U.S. security assistance, is the United States demanding that Saudi Arabia reform its civil institutions, demanding that its leaders take steps to ensure effective civilian control over the military, or demanding better accountability on human rights violations? U.S. foreign policy towards Saudi Arabia after 9/11 might have been rightly focused on ensuring the regime's stability, but at what point should that focus pivot once again towards development? The dependencies that have been built into the relationship over the course of the past sixty years make it difficult for the U.S. to execute this pivot – particularly when concerns over terrorism remain so paramount in the thinking of America's national security establishment.

Although not as restrictive as the dependencies in Egypt have become, the U.S. is limited in its strategic options. The stability that American security assistance helped to create in Saudi Arabia is now so vital to the U.S.'s perceived national interest that stopping it is seen as a virtual impossibility. In other words, the United States has put itself into the weaker position in its relationship in Saudi Arabia; the U.S. is now dependent on the

benefits of the mil-to-mil relationship, rather than the relationship being one tool in the State Department's broader foreign policy toolkit. The United States has not seen as much drift in its relationship with Saudi Arabia as it has seen in Egypt, chiefly because its relationship is based off of FMS and not fixed annual FMF allocations - but still, one must ask whether the mil-to-mil relationship can be leveraged in any meaningful fashion to effect American foreign policy goals. The case of Saudi Arabia is instructive because it is not simply a matter of selling arms to a willing buyer. It is a question of how much is necessary, and does the sheer size of the bilateral trade and the civilian contracting infrastructure necessary to support it create the incentive for self-justification?

## **Chapter Six: Conclusion**

The mil-to-mil relationships between the United States and Egypt and Saudi Arabia are not themselves the problem; the issue lies in policymaking at the national level that assumes the mil-to-mil relationship must be maintained for its own sake, rather than in the service of defined U.S. national interests.

As the Undersecretary of Defense noted, FMF is meant to be a political tool to enable U.S. foreign policy. Yet, by linking FMF to Egypt with the Camp David Accords, the U.S. government serves the foreign policy interest of its ally Israel rather than its own. This statement is not a condemnation of the agreement itself, nor is it asserting that peace between Egypt and Israel is not in the strategic interest of the United States. It is simply asserting that because the aid has been allocated under FMF since the early 1980s, it has created a structural dependency between the two nations that only provides limited benefit to the United States while enabling corrupt behavior by Egyptian military elites who care more about personal economic interests than fielding a military force capable of countering the nation's persistent, unconventional threats. The U.S. Military's efforts to build conventional capability have been largely successful, but recent insurgent activity in the Sinai Peninsula and along Egypt's border with Libya show that Egypt is having difficulty neutralizing even low-level asymmetric threats without U.S. assistance.

Ironically, the Department of Defense is responsible for implementing a program known as "Section 1206," approved as part of the 2006 National Defense Authorization Act and currently extended through 2017, which is designed to help U.S. allies deal with exactly the kinds of threats the Egyptians are facing in the Sinai by making counterterrorism funding and equipment available in an expedited manner. In a letter to Congress from the Undersecretary of Defense from 2009, Section 1206 is described as

being a flexible tool “to meet urgent and emergent threats and opportunities to build partner capacity [and] to address critical counterterrorism needs as defined by the U.S. Government.” This same letter presents FMF as a political tool “critical...for executing our foreign policy,” and “key to improving bilateral relationships, encouraging behavior in the U.S. interest, increasing access and influence, and building capacity where host-nation and U.S. interests align.”<sup>125</sup> Yet no Section 1206 money has been set aside for Egypt. Whatever funding is diverted to help Egypt contain the insurgency in the Sinai will have to come through FMF, which, according to Congressional Research Service report on the issue, takes on average three years to implement. Section 1206 funding can normally be used in one year or less.

There are few good options to reform the U.S.-Egyptian relationship. Perhaps one of the only ways to decouple FMF from the Camp David Accords and better align funding with the U.S.’s national interests is to implement a change in policy: leave the \$1.3 billion in place temporarily, but designate a larger share of that money for border security, counterterrorism, and facility protection operations. Then work on getting congressional authorization to increase the amount of Section 1206 funding to pay for these operations. Once that money is in place, it might then be prudent to simply transfer the \$1.3 billion in CDA funds to the State Department’s Economic Support Fund or to use that money to fund other initiatives related to democracy promotion and reform of civil institutions.

In the current economic environment, it would be difficult to get congressional approval for even more funding, but there are no easy options. The other alternative is simply to shut off the funds and let Egypt fend for itself, which would be dangerous for the United States given the current political instability in Egypt. Egyptian military elites would chafe at having one third of their entire budget removed from their purview because it

would affect their force posture in the Sinai and elsewhere, and also because of the effect it would have on the Egyptian economy and on the elites' own personal financial situations.

The U.S. ultimately faces a similar problem in Saudi Arabia without a good solution. Military planners and the State Department personnel who oversee these programs understand that pushing for too many political and economic reforms in Saudi Arabia too quickly will lead to instability. The United States seems to be taking steps in the right directions, though. Secretary of Defense Chuck Hagel is urging the members of the Gulf Cooperation Council (GCC), of which Saudi Arabia is a member, to accept block sales of American military equipment under the FMS program.<sup>126</sup> This would encourage the members of the GCC to solidify their commitment to their common defense, and it would take the burden for regional security off of the United States and place it squarely where it belongs: the member states. This step would break up the dependencies in the U.S.-Saudi relationship and would make American policy more adaptable to the region's changing dynamics. This type of multilateral approach to regional security should be replicated elsewhere in the region where possible.

More broadly though, very little consideration is given to the types of governments being aided by the United States, their levels of corruption, stability, social and demographic trends, economic growth, reform movements, etc. It seems that these metrics, while important to State Department planners engaged in implementing other aspects of U.S. policy, are largely ignored by DoD security assistance planners. If it is true that the U.S. should continue to provide security assistance lest other states like Russia step into the void, then more careful attention should be paid to how that aid is being provided, under what conditions, and whether its second- and third-order effects are counterproductive to U.S. foreign policy goals. This paper does not argue that security

assistance is wrong, only that its planning and implementation is in need of reform in a new highly-connected, multipolar world.

The larger and more salient point in this paper is that political dysfunction ensures that large-scale reform of the United States' security assistance programs is unlikely to occur. When reviews of the security assistance program do occur, they recommend reforms that have already been tabled and rejected in the past, such as those contained in the Hamilton Task Force and President Clinton's Peace, Prosperity, and Democracy Act. Other recommendations involve reorganizations of the systems that administer this aid, centralizing of accounts and decision-making processes, and additional oversight bodies within the State Department responsible for dispensing foreign aid.<sup>127</sup>

It might be more effective to simply suggest that the DoD shoulder a larger part of the oversight responsibility. It is imperative that the civilians in the State Department retain ultimate decision-making authority with respect to security assistance, but the military planners on the ground at U.S. embassies abroad are in the best position to assess whether FMF/FMS agreements are in alignment with foreign policy goals. Oftentimes, military commanders get mired in the details of ensuring interoperability [e.g. worrying about what percentage of Egypt's military equipment is U.S. vs. Soviet] or increasing the "capacity" of a foreign military to confront security threats. They focus on planning and implementing military policy. They rarely worry about whether their goals are aligned with the State Department's foreign policy objectives, which in the case of Egypt and Saudi Arabia are already poorly defined. Where there is alignment, one might ask whether it is simply the result of perfunctory self-justification. In other words, is the Department of Defense justifying a relationship simply because it exists, and is the State Department then rubber-stamping the DoD's recommendations?

Ultimately, it is beyond the scope of this paper to dictate the right answer to this complex problem. Rather, it is a case study in how the misapplication of FMF funds and FMS approvals can result in “strategic drift,” and how the dependencies that are created in any mil-to-mil relationship cannot be easily undone if they are not systematically aligned with U.S. foreign policy objectives. The DoD is the entity principally responsible for managing these programs, and it should insist on a larger role in managing the long-term consequences of how these sales and aid packages affect the U.S.’s strategic interests.



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