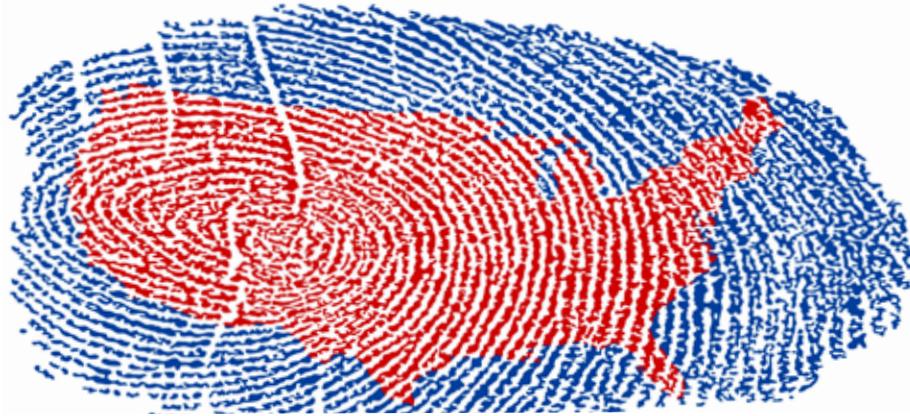


American Security Quarterly

Vision, Strategy, Dialogue

April 2012



Gary Hart: RETHINK OUR RUSSIAN RELATIONSHIP

Andrew Holland:

AMERICA'S CHANGING ENERGY CHOICES

Peter Choharis: FIVE BIG MYTHS ABOUT THE EUROPEAN DEBT CRISIS

Matthew Wallin: WHY THE STATE DEPARTMENT'S TWITTER DIPLOMACY ISN'T THAT IMPRESSIVE

Bryan Gold: SUPPORT FROM THE MILITARY FOR DIPLOMACY WITH IRAN

and

Kelvin Lum: The Intervention Dilemma

Harper Dorsk: Operation Green Strike: the Promise of Bio Fuels

INTRODUCTION

Our second edition of the American Security Quarterly contains a plethora of original work by our board members, staff, and adjunct fellows. ASP is staying abreast of the issues and is now being routinely quoted in all media forms. What follows is a compilation of our written efforts over the last quarter.

Although this issue appears voluminous, I encourage you to scan the index to get a good feel for what we cover. We are thrilled to have Senator Gary Hart address our country's relationship with Russia – as he states, “*It matters less how Barack Obama...gets along with Putin...and much more on whether we can identify and pursue, over several successive American administrations, those real and important permanent and mutual interests.*”

Andrew Holland has a summary of his “America's Changing Energy Choices” White Paper. Widely read and distributed, it is a perfect primer on energy alternatives. Adjunct Fellow Peter Choharis tackles the European Debt Crisis, and to wet your appetite, he dispels the myth that the Germans are more fiscally responsible. Also, ASP Analyst Matthew Wallin takes on the State Department's twitter diplomacy. Interested in Afghanistan, Syria, or Iran? ASP Fellow Josh Foust has a pieces on each.

I hope you enjoy this issue – I truly believe it will make you more educated about the issues that we believe are important to our national security.

BGen Stephen A. Cheney USMC (Ret.)

CEO American Security Project

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NATIONAL SECURITY STRATEGY



A long-term strategy for US National Security

Stephen A. Cheney and Joshua Foust

The Hill

January 5, 2012

The new U.S. Defense Strategy, personally released this morning by President Obama, marks a dramatic change for defense policy. Previous national security strategies have been defined, to a large degree, by the need to fight two major wars simultaneously. The new strategy, which also cuts ground forces to reorient the military on an air-sea battle in the Pacific, removes that old two-war requirement. What does this mean?

The old cliché that the military is always fighting the last war is truer than ever: the Obama administration thinks the limited intervention in Libya was a resounding success (even if the fate of Libya remains very much in doubt), and wants to replicate other successes with a sea-based airpower conflict. The most obvious target for this goal is China, and in the new defense strategy there is a lot of language detailing the “threat” of a competition in the Pacific Ocean.

It all sounds very retro: a return Great Power conflict, focusing on large naval conflicts, big geopolitical questions, reducing the ground forces to focus on high-technology precision conflicts. In August of 2001, then-Secretary of Defense Donald Rums-

feld made a similar call, reducing the ground forces and focusing on high-tech Great Power conflicts. A month later, the September 11 attacks happened, and altered those plans for a smaller force.

In his remarks, President Obama makes a very cogent point, that strategy must drive budgetary decisions. But, he references strategy without actually defining it (and references the budget crisis as a driver for the strategic review).

The U.S. military establishment seems desperate for a return to high-technology conflicts, where it has a crushing advantage. For the last 20 years, a succession of Presidents have rejected nation-building, stability operations, and interventions in small, weak states, only to have their foreign policies largely defined by them. Despite cuts to the ground forces in the 1990s, the U.S. military spent most of the decade sending its ground forces on interventions in weak or rogue states.

President Obama, however, wants to reorient the military to focus on the Asia-Pacific region.. It just doesn't match with the current and likely future geopolitical reality. What is America's place in the world going to be? How will we orient ourselves to it?

Since the end of the Cold War, Pentagon planners have been desperate for another peer competitor to orient the military around. And for almost as long, China has seemed the perfect competitor – a large country, with a large, modernizing military, and a big ocean in which to fight it. But the prospect of a major conflict with China is remote, and assuming one is inevitable poses the danger of becoming a self-fulfilling prophesy.

What should be in the new National Defense Strategy is a definition of America's place in the world, its leaders' vision for how to achieve and maintain that place, and a concrete plan for how the military will be oriented and structured to get it there. In some cases, like President Obama's vision for renewing American economic vitality, the military might not be the best vehicle to achieve that. And in others, such as the need to secure access to contested areas like the Strait of Hormuz, there will be a strong role for the military to play in ensuring American security.

The current reorientation, however, seems arbitrary

and short-sighted. No one denies that the Asia-Pacific region is important to American interests, but so are a lot of other regions in the world. The Middle East remains vital to global energy security; Latin and South America are vital to our economic growth. Assuming a strong military presence is necessary to secure American interests is typical in defense planning circles, but it, too, doesn't always match the reality of how the world is functioning.

We can all welcome a reduction in the growth of the defense budget, as President Obama advocates. But without being smart, and thinking in the long term, we risk repeating the same mistakes in force reductions and budget cuts that we did in the early 1990s, and the early 2000s. We should have a longer view than just the next few years, or what might seem easier, if we're to secure America's future.

Rethink our Russian relationship

Senator Gary Hart (D- Colo.)

The Hill

January 17, 2012

As an American with more than average interest and experience in Russia, it is a mystery to me why, unlike virtually every other country on earth, U.S. policy has tended to be so dependent on the personal relationship between the respective leaders.

This was especially true of Presidents Clinton, with the late Boris Yeltsin, and George W. Bush, with then-President Vladimir Putin ("I looked the man in the eye."). This mystery of Russian relations is not totally confined to U.S. leaders: Remember Prime Minister Margaret Thatcher's famous report to President George H.W. Bush on Mikhail Gorbachev as "a man we can do business with." A humorist might call it the vodka syndrome, except Clinton was never known as a drinker and, of course, the second President Bush had sworn off alcohol.

This is a cause for reflection, when the question is raised as to how the United States might go about

organizing its Russian relationship if Vladimir Putin were to be driven to the sidelines by an emerging, though putative, Russian Spring. Recent weeks have witnessed virtually unprecedented (for Russia) mass rallies in Moscow, St. Petersburg and other cities of what journalists have described as emerging middle-class Russians.

Those of us who have a history of frequenting Russia and keeping in touch with developments there are increasingly asked about what this means, whether it will continue or go away, and who is behind it. None of these questions is authoritatively answerable, at least for the time being. Like much of the uprisings of 2011 in the Middle East and North Africa, the Russian movement includes a number of factions and profiles. Together with middle-class protesters who seem, at least for now, not to have a cohesive ideology, there are Russian nationalist and aging communists, disgruntled pensioners and groups flying the banners of disparate causes.

At a distance they seem united, for now, by an attitude toward Putin that ranges from mild distrust to outright antipathy, even hatred. And again, like the Arab Spring, no single leader or small coterie of leaders has emerged to champion the uprising and give it direction. You can't beat something with nothing, as the old saying goes. And the Arab Spring has given way to faction fighting, sectarian struggles, and citizen-versus-security-forces clashes. To be charitable, the hard work of democracy has begun ... and without a Jefferson, Madison or Hamilton among them.

Those Russophiles among us, driven much less by dreamy nostalgia for Tolstoy and Tchaikovsky than by the certain realization that the United States and Russia have many more interests in common than we have differences, choose to believe that the incipient movement toward democracy embraces demands for multiple party elections; media freedom including protection from violence of reporters who uncover corruption; transparency in government operations; an end to cronyism; an independent and honest judicial system; and many of the other basic qualities and institutions normally characterizing democratic societies.

Even during the worst Cold War days, and certainly during the Gorbachev era of glasnost and perestroika,

everyday Russians would tell Westerners: “We simply want an ordinary life; we want to live like everyone else.” That could be this movement’s anthem.

But if the Russophobes among us could let up for a time (and there are more of those in foreign policy circles than we would like to imagine), we might have a chance to institute a far-reaching bilateral policy emphasizing our mutual interests, minimizing our differences and seeking Russian support where it would be welcome and meaningful. That includes dealing with Iran and its nuclear potential; quarantining North Korea; managing the five Muslim republics on Russia’s southern border; isolating and crushing terrorism; countering proliferation of weapons of mass destruction; stabilizing world energy distribution systems; and a host of similarly important problems.

This agenda, including lending moral support for the nominally democratic movement in the Russian streets, should operate regardless of whether Vladimir Putin is reelected Russia’s president. Great powers, it has been said even before the arch-realist Henry Kissinger came along, do not have permanent friendships — they have permanent interests. In the great scheme of things, it matters less how Barack Obama (or for that matter, even Newt Gingrich) gets along with Putin or his successor and much more on whether we can identify and pursue, over several successive American administrations, those real and important permanent and mutual interests.

It is manifestly in the interest of the United States to do so. Years from now it will finally come to our understanding that our relationship with Russia is one of our most important.

Hart is president of Hart International, Ltd. and chairman of the American Security Project. He served in the U.S. Senate from 1975 until 1987.

Syria and the World’s Troubling Inconsistency on Intervention

Joshua Foust

The Atlantic

March 2, 2012

Twice as many civilians die in Mexico’s conflict, a reminder that we still haven’t established a standard for who merits outside assistance and when.

On Wednesday morning, the Syrian army announced its intention to “clean” the rebel-held city of Homs, specifically the Baba Amr neighborhood. The sterility of the language to describe a massive offensive that will surely kill scores if not hundreds of civilians is reminiscent of another dry term for mass slaughter: ethnic cleansing.

The UN recently estimated that more than 7,500 civilians have been killed in the last 11 months of bloodshed in Syria, and is continuing at well over 100 per day. It is a stark, shattering number that has prompted renewed cries for the international community to do something -- anything -- to end the bloodshed.

There are several reasons why a direct military intervention would be a terrible idea: start with the opposition by Russia and China (which would make intervening a rejection of UN legitimacy) and end with the challenges of directly arming the Free Syrian Army rebel group. But there’s a bigger question to ask the chorus of demands that the West “do something”: why Syria? Why now?

Asking “why Syria” is not an excuse for the Assad regime, whose conduct the last 11 months has been inexcusable and unjustifiable. Its conduct is not so rare, however, at least in comparison to other governments attempting to quash rebellion. Compared to other rebellions, insurgencies, and plain old chaotic environments, Syria is unusual in sparking weeks of angry UN speeches and media hand-wringing. So why does Syria deserve such attention?

About twice as many civilians were killed in organized drug violence last year in Mexico -- 16,000 according to some estimates -- as in Syria. While the violence in

Mexico has become a political football in U.S. circles, the extremeness of it, with more than 47,000 dead since 2006, has not sparked the same international panic as Syria's terrible but substantially lower levels of violence.

There are lots of places that either are or were far more violent than Syria. The current crisis in Sudan and South Sudan is appalling and widespread, yet apart from a tiny Chinese peacekeeping force there is little transnational effort to mobilize the world to stop it.

The International Rescue Committee, in 2008, released a study that found that 45,000 Congolese civilians were dying each month in a conflict that killed an estimated 5.4 million people between 1998 and the report's release. Most of the deaths were from disease and hunger, according to the report, although another reason for the high death toll was fighting in the DRC's eastern region, near Rwanda. Despite the 5,000 or so UN peacekeepers, the country is still unstable.

According to the South Asia Terrorism Portal, more than 11,000 Sri Lankan civilians died in 2009 during the final phase of the civil war between the Sinhalese government and Tamil Tiger rebel movement. Nearly 7,000 civilians -- almost as many as have died in an entire year of fighting in Syria -- were killed in a single month. While there is international pressure to indict members of the Sri Lankan government for war crimes, the world's reaction at the time never focused on a direct intervention the way it does now with Syria.

Keeping Syria in the context of other civil conflicts does not excuse or justify the bloodshed. But it should lead us to ask why some people who advocate an intervention now in Syria did not do so with those prior conflicts. That doesn't mean they must necessarily be wrong, of course, but it does provide an opportunity for understanding the justifications and motivations for intervention.

It makes a certain kind of sense that intervention is a more attractive option for conflicts, such as Libya's, where intervention seems easier, less costly, and more likely to work. However, it's worth noting that this creates a perverse incentive for abusive regimes, which will understand that they can raise the costs of intervention sufficiently high to make intervention unpalatable for the West.

One lesson future tyrants will likely draw from Libya, for example, is that giving up a nuclear weapons program removes a major deterrent for intervention. So, too, is Syria teaching tyrants that a sufficiently large army, coupled with close relationships with UN Security Council members Russia and China, may make direct intervention distasteful for Western policymakers.

Some of the world's worst conflicts with the highest numbers of civilian dead go receive far less attention in the global media and Western capitals than does Syria. That's not an argument for ignoring Syria as well, of course, nor is it an argument for intervening in every conflict. But the discrepancy should lead us to ask why Syria gets so much more attention than, for example, Sri Lanka, and whether our metrics to evaluate who deserves an intervention are really fair or objective. Establishing standards matters, and when it comes to the relatively new idea of a "responsibility to protect," we're still figuring that out.

New Obama Strategy Looks Misguided, Predictable, Underwhelming

August Cole

AOL Defense

January 4th, 2012

Elections, as President Barack Obama knows, are a time of big ideas.

So it would seem fitting that Defense Secretary Leon Panetta will roll out a new Pentagon national defense strategy just a few days into a make-or-break election year for the White House. [Panetta is expected to formally unveil the new strategy tomorrow and President Obama should be introducing the new strategy at the Pentagon.]

With U.S. forces out of Iraq and Osama bin Laden dead, the country is primed for the sort of transformational thinking about government that President Obama used as part of his pitch to get elected in 2008.

Unfortunately, Panetta is poised to offer up another missed opportunity for the Obama administration to

do something grand, and necessary, something which could improve the country's standing for decades to come.

A basic tenet of good defense policy is that strategy should drive the sort of armed forces the country requires.

A strategy document should not be a bureaucratic apology note.

This one looks ready to justify the political pain of hundreds of billions of dollars in unpopular defense spending cuts that are already in the works.

So far, the Obama administration's repositioning of U.S. grand strategy post-Iraq is predictable and underwhelming.

Take China, for example. Playing up threats in the Pacific when power plays in the Persian Gulf remain an acute concern is misguided. Trying to square off the Pentagon against China requires just the kind of military the White House says the country no longer can afford. Another U.S. aircraft carrier won't keep Chinese cyber spies out of sensitive government and corporate networks.

Indeed, depriving the military, and defense contractors, carries great political risk. Defense isn't the signature political issue right now in this presidential election; it's the economy – particularly what many Americans now find to be a spirit-crushing labor market. Cuts equate to job loss in and out of government. Certainly not as many pink slips are in the offing as defense industry trade groups claim, but it is hard to imagine voters turning out to support a president who cost them their livelihood.

That's no excuse to fob off a fundamental reexamination of how the U.S. defines national security until 2013 or later. The country will be worse off with another consensus showdown over appropriations budget lines. It is time for a defense strategy informed by unconventional metrics such as successful conflict prevention overseas or the risks posed by our own country's failed education system. This is the moment for a strategy that acknowledges the military's current dominance of American foreign policy, and cedes room to the government's civilian arms.

This is a very uncomfortable dialogue to begin within the defense community, but it is the right thread to follow.

President Obama, as Commander in Chief, shoulders heavy responsibilities. Giving wing to transformational ideas is one of them. He of all people should know that whoever creates a compelling narrative about the interconnection of politically disparate elements, such as education and foreign aid and sea power, will lead the defense debate in a time of austerity.

It is possible to spend less, as a country, and be stronger. In these times, that is perhaps the biggest idea of all.

August Cole is a fellow at the American Security Project, where he focuses on defense industry issues. The former Wall Street Journal defense reporter is based in the Boston area.

No options left in Syria

Joshua Foust

PBS Need to Know

February 7, 2012

The reports coming out of Syria are heartbreaking. From cities like Homs, the news media has been broadcasting a steady stream of images (many too graphic to show without selective redaction) featuring injured children, rocket attacks on residential neighborhoods, and thousands of brave Syrians facing down machine guns and tanks to demand an end to the Assad regime. It's a dramatic and distressing story.

Yet, this weekend a U.N. Security Council draft resolution that condemned the crackdown on protesters and demanded Bashar al Assad step down from power was vetoed by two of the Council's permanent members: Russia and China. The veto drew sharp condemnation from western diplomats, with U.S. Ambassador to the U.N. Susan Rice calling the decision "disgusting." Now, with few options left to facilitate a cessation of violence, western diplomats are scram-

bling to cobble together some sort of vote in U.N. General Assembly that supports the use of sanctions.

Despite the post-veto panic on the part of the US, Russia and China's resolution vetoes were hardly surprising. Both Russia and China were cool, if not openly hostile, toward the intervention in Libya. For starters, there's the clear hypocrisy on the part of the U.S. supporting Bahrain's violent and abusive crackdown on protesters while condemning those in Libya and Syria. And then there was NATO's blatant disregard of the guidelines and constraints laid out in the UNSC resolution 1973 (2011) that legitimized the Libyan intervention: Alliance countries expanded the mandate from protecting civilians to arming rebels to overthrow Gaddafi in very short order. That France, Britain, and Qatar used Gaddafi's fall to divvy up Russia's commercial interests in Libya is just further proof that the Western intervention was motivated less by a concern for civilians than advancing their own interests at Moscow's expense.

So when it came time to bring the Syria crisis before the U.N., the U.S., France, and the U.K. already had credibility problem: They had expended their good will (Russia, for example, abstained from voting on the Libyan intervention), and both Russia and China had no reason to believe the west would abide by the terms of the new resolution.

Far from a miscarriage of justice, the Syria veto is a stark reminder that unprincipled decisions about a strategic backwater – awful as Gaddafi's crackdown on the rebels could have been, Libya is not central to U.S. national interests – have resulted in the loss of leverage with Russia and China regarding a Syrian intervention. Both countries had already suffered losses to their respective national interests from the Libyan campaign – not catastrophic but worrying nonetheless – so it's not surprising that they dug in their heels over Syria, where the stakes are much higher.

Now, Russian envoy Sergei Lavrov is in Damascus to offer public support to the Assad regime, making it less likely that there will be proper U.N. consensus to stop the killing. Again, this should be no surprise: Syria is a major Russian ally, the only real Russian ally in the Middle East. It's positioned strategically

between Iran, Israel, Turkey, and the Mediterranean. As Dmitri Trenin bluntly puts it: "Where much of the Western world now sees a case for human rights and democracy, and where the Soviets in their day would have spotted national liberation movements or the rise of the masses, most observers in Moscow today see geopolitics."

The U.S. and its allies have ignored the geopolitics of Syria and of intervention more broadly. It's of course possible that Russia could have never been brought around to accepting action in Syria; China, however, very likely could have been if the West hadn't behaved so irresponsibly in its rush to depose Gaddafi. And now that the west – the U.S. in particular – has nothing left to bargain with, Russia can act with impunity.

At this point, the best option left is to cut some sort of deal with "the devil," as Nicholas Noe puts it. In this Faustian pact, the west would renounce the goal of regime change implicit to the UNSC resolution and instead work toward deescalating the conflict – an imperfect solution that may now have a slim chance of success, given how high tensions are running in the protesters' camp (many of whom also hold grievances against the Assad regime for injured or dead relatives).

Sadly, the rush to save Libya last year means that there are far fewer options for the international community to effectively deal with Syria. Political capital is finite, and President Obama spent his on Libya far too quickly for a low-stakes crisis. Now, when a crisis threatens to create a civil war that spills over into Turkey, Israel, or even Iran, powers that were previously brushed aside and boxed out are now drawing a line in the sand.

For the U.S., there are few options left. What happens next is anyone's guess, but we already know that the people who will suffer the brunt of America's failure to navigate the politics of the U.N. Security Council are the Syrians.

The Stratfor Files: Much ado about nothing

Joshua Foust

PBS Need to Know

February 28, 2012

WikiLeaks has released another enormous tranche of documents, this time from Stratfor, a self-described “private intelligence agency.” Stratfor suffered a serious data breach last year when the hacking collective Anonymous stole their email lists and credit card numbers, and now WikiLeaks is publishing the stolen data in full.

Like their last few leaks from the U.S. government, what we have seen so far is notable only for its banality. For example, we learn that corporations like Union Carbide used Stratfor to keep tabs on anti-corporate activists — hardly nefarious activity. The company would be negligent to pretend such activists either don’t exist or can’t harm the company. We learn that Stratfor had clients in the U.S. and foreign governments — something they bragged about in their documents. But this hardly qualifies as top-secret intel. I routinely saw Stratfor analyses cited and quoted when I worked for the U.S. intelligence community a few years ago.

So if most of Stratfor’s business practices can be described as usual and customary, why does WikiLeaks describe the group in the darkest possible terms? To wit, on their website, WikiLeaks says, “The emails show Stratfor’s web of informers, pay-off structure, payment-laundering techniques and psychological methods.” But aren’t these activities one would normally associate with any investigative organization? Stratfor works at the intersection of private intelligence and media, mixing elements of each while never being properly classified as either.

WikiLeaks doesn’t do much to clarify the situation when it uses loaded terms to describe fairly routine tradecraft. A “web of informers” is a rather loaded way to refer to Stratfor’s self-described “global network of human sources.” What investigative organization wouldn’t have a network of sources to gather information? And how different is that from reporters at papers like The New York Times cultivating friendly insiders to funnel it information?

A pay-for-play structure for an analysis shop is similarly not that unusual. Max Fisher, an editor at The Atlantic, outlined his magazine’s investigative process in terms similar to the ones used by WikiLeaks to describe Stratfor’s operations. Fisher not only underscores how easy it is to create a sense of illegality where none exists, but also hints at a larger truth: In the world of for-profit information brokerage, many sources expect to be paid for information. After all, Stratfor is not a news organization — both CEO George Friedman and Julian Assange go to great lengths to point this out. So why would sources provide them information sans fee?

Similarly, the “psychological methods” WikiLeaks describes — having a woman use the promise of sex to elicit information — is hardly groundbreaking. Ingratiating oneself to a source with desirable information — through flattery or flirtation — is a common practice, hardly restricted to the intelligence community. (One could go as far as to call it human nature.)

So far, WikiLeaks hasn’t paid off on its promise of “money-laundering techniques,” and, with the exception of a possibly unethical joint venture with Goldman Sachs on a co-branded investment firm, there’s not really anything illegal in the emails. Which raises the question: Why, exactly, did WikiLeaks go after Statfor?

It certainly can’t be because they’re good at what they do. For a firm so brassy about its information, Stratfor has surprisingly poor information security — even the Vatican was better prepared to fend off an attack by Anonymous late last year. Furthermore, outside of a narrow slice of government officials Stratfor is widely derided for its poor, unsourced analysis. (At my personal blog, I’ve been laughing at their terrible work for years). And despite its impressive roster of clients, one would be hard pressed to argue that Stratfor has much of an effect on policy.

Perhaps a clue can be found in WikiLeaks’ latest press release, which notes Statfor’s focus on the document-leaking organization. Stratfor clearly disliked WikiLeaks, and WikiLeaks clearly did not take kindly to being criticized. Just today, WikiLeaks released an email by Stratfor’s Vice President for Intelligence, Fred Burton, boasting last year to have acquired a “sealed indictment” of Julian Assange. That indictment still hasn’t been made public, but Burton’s email might

explain why WikiLeaks focused on such a seemingly marginal group.

But really, what's the point? The cause of whistleblowing to expose wrongdoing is a noble one that needs support. Hacking an unpopular company's emails and publishing them is not whistleblowing. In the few emails discussed so far there are certainly prurient details of how a corporation conducts its business and solicits clients but there isn't any criminal wrongdoing.

Even potentially explosive news, like the claim by two Stratfor analysts that Israeli and Kurdish commandoes blew up an Iranian nuclear facility, ultimately fails to deliver. Keeping in mind the reports in early February about Israeli commandos trying to kill Iranian nuclear scientists, the Stratfor claims remain unsubstantiated and unsourced — like much of their other, questionable analyses they've sold to gullible clients over the years.

Neither interpretation of this leak really makes a moral argument for exposing a private company's proprietary information. Disliking Stratfor — as I do — does not give one the right or remit to steal their information and publish it on the Internet, especially when that theft does not expose any criminal wrongdoing. Much like WikiLeaks' last major data dump, this one is filled with lots of banal information that was either public already or not furthering a noble goal like transparency. And like the Cablegate, it will go a long way toward making both the government and the corporations who work with government agencies more secretive and less transparent.

When compared with dedicated researchers who legally uncover and declassify national security secrets, like George Washington University's excellent National Security Archive or Steven Aftergood's Project on Government Secrecy, the reckless data vandalism of WikiLeaks seems amateurish and shortsighted. Using strong-arm tactics like data theft to "force transparency" is counterproductive, and the huge volume of data makes it difficult to isolate important information. As time goes on, it is increasingly difficult to understand just what WikiLeaks is trying to accomplish.

Fighting Pirates With Paper: How the Law of the Sea Is Important in the Fight Against Piracy

Harper Dorsk

Flashpoint Blog

March 6, 2012

The United States, though supportive of this international precedent, has failed to adopt its premise. Some policy makers perceive it as constricting U.S. foreign policy, but ratifying it would do quite the opposite. The Law of the Sea would expand U.S. policy by guaranteeing rights to the rich energy resource and mineral deposits contained within the North American continental shelf.

As Mark Vlasic, an Adjunct Professor of Law at Georgetown University, writes:

Much has already been written about how our failure to ratify the Convention prevents us from reaping billions of dollars from the rights to oil, natural gas and rare earth mineral resources in our extended continental shelf (indeed, puzzling considering our country's current financial situation). What is left unsaid, however, is how we continually strain our credibility with allies who wish to work with us, despite our failure to ratify the Convention. This tension plays out every day at the International Maritime Organization, where the United States must gain global support to fight piracy, and keep our sea lanes safe and our waters clean

Vlasic's main point is that the Law of the Sea would greatly aid the U.S.'s legal stance in fighting pirates, specifically around the horn of Africa and Gulf of Aden. Security is the focus in this, but energy is the subtle undertone throughout as that's what needs securing. Rigs and U.S. bound tankers can be protected by the Law, as laid out below:

The Convention removes all ambiguity. It specifically spells out criminal laws and jurisdiction throughout world's oceans. It locks-in freedom of navigation, asserting that no state may subject any part of the high seas to its sovereignty. It gives every state the right to sail ships flying its flag on the high seas, conduct military exercises, fight illicit drug trafficking, and gather intelligence —

all essential to our national defense. For these reasons, our military commanders have long advocated for its ratification.

Better than a good insurance policy one could take out for their oil tanker, the Convention of the Law of the Sea would protect U.S. interests, and clarify the reach of international law on the High Seas. This is important in light of increased tensions between Iran and the U.S., especially those centered around the Strait of Hormuz.

Why the State Department's Twitter Diplomacy isn't that Impressive

Matthew Wallin

Flashpoint Blog

February 22, 2012

NPR reports that the State Department is engaging in so-called “twitter diplomacy,” using the tools of social media to communicate with audiences overseas. As it should be. If it wasn't, it would merely be another check on the list of things that modern public diplomacy is lacking.

The important factor about U.S. engagement via web 2.0 is not that that the government is using it, but rather that it doesn't address the core problems of engagement overseas: fortress embassies, a lack of understanding, and failures to follow through on commitments.

Let's look at some of the problems with the now-evacuated American Embassy in Syria's approach to online engagement. Alec Ross, a State Department senior adviser on “innovation,” is quoted by NPR as saying, “Today if somebody is lying about you in the media...we now have the tools to get the real facts out there.” Does this imply we were unable to address disinformation before? Are we now relying on twitter in order to do this? If this is how the State Department is “innovating,” it points to a larger systemic problem.

Former Assistant Secretary for Public Affairs, PJ Crowley states, “Twitter is the ultimate tool for one-liners.” This misses the point. The traditional news media is

still the ultimate tool for one-liners, and it reaches far more of the population through access mediums such as satellite TV. Twitter is a tool for rapid, networked communication. It's a medium for spreading your message amongst a very narrow segment of the population. It is not a substitute for on-the-ground or regional media engagement.

Interviewed by NPR, John Brown has it right when he says, “...what's more important about public diplomacy in my view is not Facebook to Facebook, but face to face.” Writing something on the internet is easy. But getting on the ground and putting it into action is hard. In all fairness, the Embassy Staff in Damascus faced an extremely difficult and dangerous situation, and were rightly evacuated in fear for their safety.

The U.S. Embassy in Damascus has also posted satellite photos on its Facebook page documenting the destruction in areas like Homs. It provides a link that requires unnecessarily tedious registration in order to download a “print quality” image, which in fact is a low quality image that fails to show anything intelligible to the average viewer. Despite labeling “armored vehicles” which look more like a collection of semi-trailers than anything else, and “impact craters” that you can't actually make out, the image isn't notable. The registration process alone impedes the rapid, unfettered communication that the internet normally provides.

Ultimately, what's the point of showing the Syrian people pictures taken from space which they see up close and personal — shooting at them — every day? It's not the Syrian people that need to be confronted with this.

Potential Issues in Arming the Syrian Rebels

Kelvin Lum

Flashpoint Blog

February 21, 2012

As the situation in Syria continues, the numerous calls for US involvement grow as well. These calls have included arming the Syrian opposition forces, including the indirect supplying of arms through the Arab League.

However, there are several issues that arise when discussing the possibility of arming the Syrian opposition.

The first main issue is who exactly are the Syrian forces opposing the Assad regime?

The Free Syrian Army (FSA) is made up of defectors from the Syrian Armed Forces but they do not comprise the whole opposition movement. There has been a desire to coordinate actions with the Syrian National Council, a coalition of Syrian opposition groups, but there has been no official unification of the two organizations. Without a true and unified movement to provide support, it would not be a wise decision to arm them at this time.

Second, if the opposition was to unify into a single unit and then arms were provided to them, there would most likely be a significant increase in the bloodshed, prolonging the conflict. It is likely that both the Syrian armed forces and the FSA would engage in larger-scale interaction if military support was given to the FSA opposition group.

More potential issues loom even if the revolt is successful in removing the Assad regime from power.

How will the arms be recovered from the opposition fighters following the conclusion of military operations? There will have to be recovery programs for the weapons and an effective DDR (disarmament, demobilization and reintegration) policy in place after the end of the conflict. If the fighters are not properly disarmed, militias may form and these militias may

prevent the country from moving forward. This hypothetical situation would be similar to the current situation in Libya.

More importantly, the root problems causing the revolt need to be resolved.

Supporting the Syrian opposition forces requires a firm commitment from the United States and the international community. Their support must be more than the provision of military supplies. There has to be a commitment to the aftermath of the Syrian rebellion and a serious concern in improving the post-conflict situation. Hopefully the desire of the US and the international community to support and arm the Syrian uprising is a genuine one. Their desire should be to build a better and safer Syria and it should more than a desire for toppling Assad.

The Dollars and Dimes of Hearts and Minds

Matthew Wallin

Flashpoint Blog

March 1, 2012

On Wednesday, USA Today published an article exploring the efforts to “win hearts and minds” in Afghanistan and Iraq. The authors, Tom Vanden Brook and Ray Locker, did a fantastic job in gathering information on the cost and activities of the military and its contractors in pursuing “information operations.” This is a rarely explored topic that deserves a lot of attention as a key aspect of our overall “war winning” strategy.

The article reveals a great deal about how we have pursued our goals (or lack thereof) in conflict zones over the past decade. According to the article, spending on information operations reached upwards of \$580 million in 2009, a number which may be staggering to professional public diplomacy practitioners. On top of that, exactly how that money is spent is not being disclosed, making it difficult to maximize its benefit.

More worrying than the actual dollar amount is who is spending it. For example, Leonie Industries, a company contracted to perform information operations for the military, was established in 2004 by a brother and sister pair who were previously involved in direct-to-video movies and advertising. It has received “at least \$120 million in contracts in recent years.” Yet despite being involved with such a large amount of money, Leonie also neglected to pay for heating and medical care for its Afghan employees, until the Army “threatened to drop [its] contract.” How is it that the military trusts this company to help win hearts and minds?

Based on the information presented by Vanden Brook and Locker, the military appears to have a basic understanding of what many of the problems are with regards to communicating with foreign publics, but fails to understand how to connect all the dots to workable and effective solutions.

For instance, there is a general understanding that the U.S. lacks a certain amount of credibility when attempting turn minds in favor of its strategic goals. It understands that the messenger is important, but fails to understand that the message and the messenger must be on equal footing.

Rear Admiral Hal Pittman, who oversaw information operations in Afghanistan, is cited as stating:

“The honest truth is that because we are outsiders and not Muslim, we have a lower believability and credibility rating than people within the Afghan Government or Afghans.”

Pittman gets this only half correct. He correctly identifies the credibility issue of Americans, but falsely attributes the Afghan Government, which is rife with corruption, as having an effectively higher credibility rating. It may in fact be higher, but in absolute terms, it may still not be high at all.

Vanden Brook and Jackson rightly point out that “In Afghanistan, information operations campaigns are often used to bolster local officials, who are viewed with suspicion by many Afghans because of their ties to corruption.” Therein lies the problem.

If in the eyes of Afghans, both the U.S. military and Afghan Government aren’t credible messengers,

what’s the best way to create a credible message in such volatile environments? According to the article, both the Pentagon and its contractors practice the dissemination of unattributed TV and radio content, posters, and billboards intended to counter Taliban propaganda, promote the Afghan government’s accomplishments, highlight the work of NGOs and recruit for the Afghan security forces.

There are several problems with this strategy. Though separating the message from the Afghan government and the U.S. military is an appropriate tactic, issuing completely unattributed messages fails to create a captivating narrative and identifiable branding. If you are trying to sell an idea, then you need to sell it. Give it a brand, give it a voice, and demonstrate why your option is better than the opposing narrative. Give people a choice. If necessary, give the idea to a third party, whether that’s an NGO or newly created organization that can establish and carry the narrative.

In a separate, but related article, Vanden Brook and Jackson note a 2008 effort by the U.S. Military to tap the popularity of Iraq Star, a hit show in Iraq similar to American Idol, by sponsoring it with pro-Iraqi-government messages. Though the plan fell through, it’s understandable why this was perceived to be a good idea, as there is value to tapping popular media in order to promote the maximum spread of a message. This is especially important given the inability of American-created media like Alhurra to generate a significant audience.

But in the case of Iraq, which has by all accounts struggled with unity and the ability to find a common voice of its own, Iraq Star was best left alone to thrive without outside interference. Iraq needed its own success story to survive on its own merits without being tainted.

Public diplomacy, strategic communication, or information operations — whichever label you want to give it — is suffering from a lack of professionalism. You cannot merely fill the communication vacuum with leaflets, advertisements and dollars. You must employ communication professionals who have the expertise to listen to and effectively understand their audience, comprehend the strategic goal, and can create material that resonates with the target audience. That is key.

CLIMATE AND ENERGY SECURITY



America's changing energy choices

Andrew Holland

The Hill

March 5, 2012

This week, the American Security Project released the 2012 edition of its annual White Paper, “America’s Energy Choices”. The paper details a range of options for America’s energy future, ranging from coal to natural gas and solar to tidal power. It shows how each contributes to America’s energy make-up and how our business and political leaders should weigh the competing priorities of energy security, economic stability, and environmental sustainability when making decisions.

In preparing the update for this year’s report, it is clear that fundamental changes are underway in America’s energy supply and demand structure. While these changes will take decades to play out, the trends show that the U.S. is moving away from its consumer-oriented energy structure towards an economy that shows an interest in energy production, and even exports.

The proof is in the numbers: America imports around 9 million barrels per day (mbd) of crude oil, a level that has stayed mostly steady since the ’08 financial crisis – well below our peak of 10.6 mbd in the summer of ’06 (all numbers quoted are from the Energy Information Agency). However, since July of 2011,

America has become a major net exporter of refined petroleum products, to a peak of 1.1 mbd just this past week.

Two other major factors are changing the supply equation. The first is the continued boom in natural gas from shale, which is pushing down prices and leading to calls to export gas. This has been apparent for about two years, but there is still significant potential for growth. The second is the astounding technological development in biofuels that will allow non-food feedstocks to replace petroleum products as gasoline or jet fuel.

Fundamental changes in American demand for energy are also happening. Oil passed ‘peak oil demand’ sometime around 2006. The agreement finalized last November between the Automakers and the Administration that will double automobile fuel economy standards to 55 MPG combined with structural changes in the U.S. economy will ensure that oil demand doesn’t go back up. Outside of oil, we are seeing electricity demand move away from coal in exchange for natural gas.

However, even though it may feel good to say that we’re on track to be a net exporter of energy, it has not had the benefits we were promised. Our consumers are still stuck paying the global price for oil – set by the whims of speculators and the most recent threat of war in Iran. Our energy supply is still insecure, economically unstable, and environmentally unsustainable.

We need a program to invest in long-term research and development into clean, secure sources of energy. It must include much-needed investments in energy efficiency, as well as continued development of wind and solar power. However, that will only get us so far: we need an energy source that can provide always-on baseload power without harmful emissions. That research program should focus on next generation nuclear power, including cleaner, safer fission power plants along with a long-term program to develop fusion – the holy grail of energy production. With sustained investment, American leadership in these sectors could create a new global industry.

Unfortunately, the politics of energy remain as fraught

and divisive as they were when the report was released then. Clean energy has become an even greater political football than it was last year. The spike in oil prices has brought out the most short-term instincts in politicians. The department of Energy's budget focuses only on short-term energy, while sacrificing long-term research on basic energy science: the areas that will provide real breakthroughs.

America did not create its energy problems overnight; finding solutions to these problems requires concerted, long-term research and development.

An “All of the Above” Solution: Tidal Power

Harper Dorsk

Flashpoint Blog

March 1, 2012

In following the theme of exploring different options to meet the “All of the Above” solution, let's take a look at tidal power.

Tidal power, like hydropower, is a means of generating electricity using the kinetic energy contained in water currents. It is one of the oldest forms of energy, dating back to the 700's when European shore villages built tidal mills for use in grain production. There are several mechanisms for generating tidal power, ranging from barrages that look like traditional hydroelectric dams to stream generators that act almost like undersea wind turbines to floating buoys that use wave movements to generate power. They usually resemble dams, stretching across an entire bay, or pylons, standing isolated in a strait or sound.

There are a few tidal power stations scattered across the globe, the largest of which is in Sihwa Lake, South Korea with a 254MW output capacity. Unlike other renewable sources, which may be subject to wind or light deficiencies, tidal power is very predictable. Its primary drawbacks are cost and impediment to local ecosystems, such as fish habitats, though this effect can be mitigated. Ideal placements are uncommon, so siting is also a challenge.

This emissions free source of energy is steadily gaining more recognition in the renewable energy world. A report released by the Electric Power Research Institute estimates that there is 1.17 billion megawatt hours per year of recoverable tidal power along the continental U.S., representing one third of current electrical consumption. A similar report from the Georgia Tech Research Corporation theorizes that 15% of U.S. energy demand could be satisfied using tidal and other water based power generation by 2030.

Two examples of companies currently working on this technology are Ocean Renewable Power Company (ORPC) and Ocean Power Technologies (OPT). ORPC has projects spanning from Nova Scotia to Alaska. A new project taking off in Maine seeks to make use of the 100 billion ton current which runs in and out of the Bay of Fundy each day. OPT, also with projects in Maine and other parts of the country, has been demonstrating the use of tidal power as a substitute for fossil fuels at Navy and Marine bases.

Iran's threat to Global Oil Prices

Andrew Holland

Flashpoint Blog

January 5, 2012

The situation in Iran is becoming a serious threat to global oil supplies.

As Iran claims to become closer to building the capacity to develop a nuclear weapon, the rest of the world, led by the U.S., has worked to ratchet up sanctions. The U.S. has had an economic embargo on all imports from Iran since the fall of the Shah in 1979. Just last week, President Obama signed legislation to strengthen those sanctions by imposing restrictions on the Iranian central bank, making it harder for them to sell their oil. This is already causing problems for their economy, with a run on the Iranian Rial.

There's many moving parts in this situation, and I won't pretend to be an Iran-policy expert. However, as Europe and the U.S. move towards more sanctions

on Iran, the response from Iran could have significant impacts on global energy markets.

Iran is the 5th largest oil producer in the world, with about 4.2 million barrels per day. In addition, Iran sits perched on top of the Strait of Hormuz, through which over 15 million barrels of oil per day transit – about 20% of the world’s consumption. Iran claims that the Strait of Hormuz is an inland waterway under international Maritime Law, but virtually no other country recognizes that claim. Instead, the Strait of Hormuz is recognized as an international waterway through which safe passage is guaranteed.

Earlier this week, the Iranian military threatened to close the Straits of Hormuz to oil traffic, while also cheering the routine departure of the U.S. aircraft carrier John C. Stennis. Around 20% of global oil consumption passes through this strait every day, making it the world’s most important choke-point for oil. The threat of closing the Strait of Hormuz alone has already pushed oil prices back up above \$100 a barrel. Traders, quoted in the NY Times, say that an actual closure of the Straits would push oil prices up by “\$50 per barrel or more” in just days.

The U.S. Fifth Fleet, based in Bahrain, has been the guarantor of safe passage throughout the Persian Gulf since the 1970s. Any military action to impede traffic through the Strait would be a de facto breach of international law, and a response would be justified. This should not simply be a U.S. Navy operation, as some claim. Instead, it should be a joint operation with all of our Persian Gulf allies against a clear breach of international law.

But – any military operation would have severe consequences for the U.S. economy, because of our dependence on oil, as ASP has written. The U.S. is slowly developing some resilience to this threat by increasing average fuel economy and diversifying auto fuel sources, but American consumers should prepare for significant hardship if military action comes. Reason enough to do everything possible to avoid that.

Blue Ribbon Commission: Disposing of our Nuclear Waste

Andrew Holland

The Hill

February 3, 2012

Last week, the Blue Ribbon Commission on America’s Nuclear Future (BRC) released its final report to the Secretary of Energy detailing how the country should dispose of its nuclear waste. This week, the co-chairs, former Congressman Lee Hamilton and former National Security Advisor Brent Scowcroft made the rounds to both the Senate and House for hearings on the issue.

This commission was tasked by President Obama in January 2010 with conducting a comprehensive review of America’s nuclear waste problem. The reason for creating this commission was that President had just fulfilled a campaign promise to close the Yucca Mountain Waste Repository in Nevada. But, closing Yucca Mountain would not address the problem of what to do with America’s nuclear waste.

So, in a time honored Washington tradition for dealing with an intractable problem, the President outsourced finding a solution to a commission. Some will say that just by creating this commission, the President was trying to kick the can down the road, and then bury the report in a drawer. But, the participants in the committee were important; including prominent nuclear scientists, leaders of advocacy groups, and some of Washington’s most distinguished senior retired policymakers, like Co-Chairmen Hamilton and Scowcroft or retired Senators Chuck Hagel and Pete Domenici. The stature of this group ensures that this commission will get the respect it deserves.

Even more importantly, this is a problem that isn’t going away. To the contrary, as the report says, the failure to deal with the problem of nuclear waste “has already proved damaging and costly, and it will only be more damaging and more costly the longer it continues.” There is over 65,000 metric tons of spent fuel here in the U.S. that needs to be permanently disposed of.

The commission released a list of 8 specific recommendations, ranging from working more closely with communities hosting nuclear waste to promptly initiating efforts to plan, site, and build both a permanent geologic disposal facility and a temporary central storage facility. The entire list provides a roadmap for how to constructively move forward on this issue. It is a balanced approach that deserves timely consideration from Congress and the administration.

The most important recommendations surround how to store the waste, both temporarily and permanently. The report notes that, even if Yucca Mountain were opened, the current, and growing, volume of spent nuclear fuel in the U.S. means that it would quickly be filled, and a new permanent repository would have to be built anyway. Even though the process could take twenty years, it is important to begin as soon as possible.

Even though most of the questions from members of Congress were clearly posturing on the status of Yucca Mountain, the commission's mandate specifically notes that this was not a siting commission, so they have no say on the future of Yucca Mountain or the efficacy of other sites.

The government has a legal requirement to provide a permanent repository for spent nuclear waste. Until this requirement is met, it is very difficult to foresee much further growth in nuclear power here. There is very little interest in financing the building of any new nuclear reactors at all. A big part of that reluctance is based on the uncertainty surrounding the long term handling of the waste.

The release of the BRC's report is a first step towards resolving that problem. However, it is just a reset back to the point where the country was 30 years ago when Congress was first considering the issue. That time, the process was short-circuited by a decision to move ahead with Yucca Mountain, without considering other possible sites. This time, lawmakers must allow the process for siting a new permanent waste repository to move ahead at its own speed. There are few things that would inspire a NIMBY (Not in my backyard) response quicker than a proposal to build a nuclear waste dump. But, the report shows instead that there are communities who will be willing to host such a facility, given the right mixture of incentives and reassurances.

If the United States can solve this puzzle, then we can provide a model for other countries around the world: as the report states, about 60 new reactors are currently under construction, and more than 60 countries that do not currently host nuclear power have expressed interest in them. The U.S. has a clear interest in making sure that our nuclear fuel cycle for these plants are secure, and an even more potent interest that the rest of the world has a model for how to deal with their waste.

Is the U.S. on Track to Join OPEC?

Andrew Holland

Flashpoint Blog

March 2, 2012

A Changing U.S. Energy Picture

This past weekend, Thomas Friedman posed a question in his Sunday New York Times column: "Should the US join OPEC?" I generally don't like to get into Friedman's columns, as his name-dropping and taxicab reporting will drive you crazy. However, he probably has the widest readership of anyone in this field, and he does a good job of simplifying complicated issues.

Friedman says the "debate we're again having over who is responsible for higher oil prices fundamentally misses huge changes that have taken place in America's energy output, making us again a major oil and gas producer — and potential exporter — with an interest in reasonably high but stable oil prices."

I hate to say it, but he's right — although we're nowhere near being a petroleum exporter today (a clear requirement for membership in the Organization of Petroleum Exporting Countries), I believe that fundamental changes in America's supply and demand over the next 20-30 years mean that we're moving towards a world where the U.S. has a real interest in exports — probably not of unrefined crude oil, but of all energy products.

The proof is in the numbers and the trends: America imports around 9 million barrels of crude per day, a

level that has stayed mostly steady since the '08 financial crisis – well below our peak of 10.6 mbd in the summer of '06 (all numbers here are EIA). However, since July of 2011 America has become a major net exporter of refined petroleum products, to a peak of 1.1 mbd just this past week. Combine this with the shale oil boom in onshore oil production, and the potential for more deepwater finds in the future, and you have a very different oil supply than we saw in the last decade.

From Consumer-Oriented to Producer-Oriented Energy Policy

Fundamental changes in American demand for oil mean that we have passed 'peak oil demand' in the U.S. Last year's deal between the Automakers and the Administration to more than double auto fuel economy standards to 55 MPG, a move from trucking freight to freight rail, as well as structural changes in the U.S. economy that make it more efficient add up to an economy that doesn't need as much oil.

Again, the proof is in the numbers: In February of 2007, U.S. oil use peaked at 21.8 mbd. Today, only five years later, U.S. oil use is 18.2 mbd – 17% less. Even though the period in between suffered a severe recession, our real GDP is 2.8% bigger today than it was then. We're producing more wealth with less oil – that's a victory.

So – if you combine an upwardly moving supply curve and a demand curve that seems to have bent inexorably downward, I think there is a good case that the U.S. is moving towards an economy that is a net exporter of oil products; not tomorrow, and not next year – but maybe in a decade.

This explanation has not even gotten into the current and potential exports in coal and natural gas that could really move the U.S. back into the position that it held until the 1960s as an energy superpower. In the realm of complete unknowns, we may also see manufactured alternative energy products like wind turbines, nuclear power plants, or solar panels become a major export as well.

The U.S. is on track to become a major exporter of energy, and that will change the political and business calculus of what policies to pursue. In the next essay, I delve further into what the implications are of a shift

from a consumer-oriented energy policy to a producer-oriented energy-policy. The changes may not be easy for American consumers, but I believe that over the long-term, this is a positive for the American economy.

Could Unlimited Clean Power Have Problems? Not Compared with Today's Energy Problems

Andrew Holland

Flashpoint Blog

January 31, 2012

I have been having trouble getting my head around this article in the New Scientist: Power paradox: Clean might not be green forever (h/t WSJ TechEurope). Basically, what they're saying is that the waste heat from all the energy we use will cause warming itself. The thesis is that all energy production and use give off some heat as waste. I have no problem with this; it's true, but it is so small as a part of the total heat that the earth takes in from the sun and radiates away into space that we don't contemplate it.

The article says that if we forever generate more energy – so long as it is external from the solar energy that the Sun sends us, like nuclear fusion or fission or fossil fuels – then that waste heat will eventually cause global warming on its own, regardless of greenhouse gas emissions. Again – this is true, but so far in the future that it's really not worth contemplating. In the science fiction world that this article is creating, it claims we could have access to almost limitless energy (they posit a world that uses 5000 Terawatts per year; we use 16 TW now).

My problem is that this is so far beyond any reasonable time horizon that it's not worth contemplating or planning for. If humanity is able to generate more than 300 times as much energy as we use now, then we'll also have limitless energy to build the giant mirrors to reflect some sunlight away or some such geo-engineering scheme.

To compare – if, say scientists in Edinburgh in the 1750s had determined that all the coal they were

burning was going to cause global warming in the first half of the 20th Century – 250 years ahead – would they have planned for that? I don't think so. Let's focus on the problems of today: energy security, economic instability, and environmental sustainability. We'll let our great-great-great-great grandchildren deal with these consequences.

An “All of the Above” Solution: Establishing a Market Basis

Harper Dorsk

Flashpoint Blog

February 29, 2012

I saw an interesting Tweet this morning from the Department of Energy that read: Sec Chu: “The President meant it when he said we need an all-of-the-above approach to energy.” This is of course referring to what Obama said in his last State of the Union address when he identified that America's energy problems would be mitigated by establishing a diverse energy portfolio. Some perceived this as a response to the political upheaval over Keystone. What he made clear is that the U.S. needs a solution broader than a pipeline.

The President was trying to convey that America's energy needs to come, not just from gas, coal, and oil, but from as many sources as possible. Correspondingly, the share of lesser used resources needs to be increased. Investment serves as a good analogy. A smart investor seeks to maximize his or her money and minimize risk with diversification strategy that focuses on short-term returns, long-term gains, and everything in between. That way, should one company, or even a whole sector, go down, he or she has other investments to fall back on.

I believe America should follow this sort of thought process in its commercial pursuit of energy. As it becomes harder to access certain resources due to political, social, or environmental instability, we will need others to fall back on. The U.S. experienced this in 1973 when OPEC members moved to drive up oil prices for the U.S. for political reasons. We've seen periodic spikes since then, mostly surrounding turmoil in the Middle East, in 1979, 1991, 2008, and 2011.

Gas prices are going up again today. Before, there were few diversification options, but today we are developing the technology to move away from oil, such as electric cars and biofuels. But, we are not yet diversified enough: this oil price spike is harming consumers who rely on their cars. The use of alternatives needs to have a greater market impact for these innovations to be effective. We have made this mistake too many times: let's hope that we're finally learning our lesson.

Gas Prices are Rising – Let's not Do Anything Stupid

Andrew Holland

Flashpoint Blog

February 29, 2012

Rising Gas Prices Prompt Calls For Release of Oil From SPR

Rising gas prices are back in the news again. Oil has gone back above \$100 a barrel, and gasoline prices are about to push through the \$4 a gallon price. This has led to President Obama sparring with Republican Congressional leaders and his potential opponents. It has also led to Congressional Democrats asking for a release of oil from the Strategic Petroleum Reserve (SPR) in an effort to dodge this issue any way they can. Fellow columnist, Robert Rapier, has often criticized the usage of the SPR as a political tool in an effort to lower gas prices.

Don't count me as one who thinks that, if only we allowed drilling anywhere, we would suddenly have \$2.00/gallon gas. I sat through Newt Gingrich's 30 minute speech on energy policy, and it drives me crazy that people actually expect that simply pushing more domestic drilling will fix the problem. I went on the record as supporting Jon Huntsman's energy policy because it lived in the real world and acknowledged that there were no quick fixes.

Oil prices are a factor of global supply and demand, both currently, and in the future. Prices are being pushed up by increased demand for oil from developing countries, combined with prospects of renewed conflict in the Persian Gulf. I would suggest reading Dr. James Hamilton's Econbrowser “Crude Oil and

Gasoline Prices: Betting on Iranian Tensions” post about what’s driving prices. Also, take a look at my previous two blog posts on what might happen if the Iranian military decides to attempt to close the straits of Hormuz.

How to Mitigate Against High Oil Prices

Ultimately, I actually don’t think that low gas prices should be the goal. Over the long term, low gas prices in America encouraged an auto-dependent lifestyle. And now, with oil prices going through the roof, American consumers are left without other options; they simply must drive, and our deliveries must be trucked across county. This acts as a drag on the economy. President Bush was correct when he said that “America is addicted to oil.” And that addiction has harmed us – but there’s no easy solution.

Increased efficiency of cars is important, as is encouraging alternative forms of transportation like mass transit. Those are ways to reduce our exposure to gasoline price spikes. But, the price of gasoline will remain very important to the economic well-being of the country for a long time, and we need a way to manage those prices better: I’m a free-marketeer, but the market is not delivering a stable, predictable price for oil. These ways must include greater fuel efficiency of our cars, as ASP has argued. They must also

Ultimately, though, we have to make sure that the most recent price spike doesn’t push our politicians into a “Do Something – Anything!” mode. There are good responses, and bad responses. I think getting rid of the gas tax is a bad response, as would price controls or investigations into price fixing. An export ban on oil or refined petroleum products would also be counterproductive. These are short-term responses that mess with markets, and they will have counterproductive effects. What we need are long-term responses that ween American consumers away from our dependence on oil.

More Threats in the Straits of Hormuz

Andrew Holland

Flashpoint Blog

February 10, 2012

About a month ago, I posted on how the Iranian threats to the Straits of Hormuz could threaten global oil supplies. It appears that American Navy threats that any closure of the Straits was a clear red line have defused the tension, at least for the short term. However, there is still a strong feeling that action, either military or more diplomatic, against Iran could bring

Threats to Hormuz are an asymmetric threat: Iran doesn’t have the power to challenge the American 5th fleet at sea, but it could use alternative means that would effectively close the Straits. The IISS has released a great briefing “Strait of Hormuz, Iran’s Disruptive Military Options” of what a military conflict over Hormuz would look like, saying:

“Such tactics would resemble the latter years of the ‘Tanker War’. Lasting throughout the Iran–Iraq War of 1980–88, but with a significant escalation in 1984, this primarily involved the targeting of vessels carrying Iranian or Iraqi/Iraq-allied Arab oil and offshore platforms. According to a comprehensive CSIS study, 259 tankers and carriers were attacked between 1984 and 1988.”

With the Republican candidates calling for a more hawkish stance against Iran’s efforts to build a nuclear bomb, and what looks to be an increasing likelihood of an Israeli attack, this is an issue that is not going away immediately. I am confident that Saudi excess capacity combined with a release of strategic reserves from IEA-member countries could replace a threatened cut-off of Iran’s 2 million barrels/day of oil, but a cut-off of all 17 million barrels per day of oil through Hormuz would be something different, causing global oil price spikes and real unrest in the region. This is a long-haul that will require constant vigilance.

Colombia's Climate Security Risk

Andrew Holland

Flashpoint Blog

February 23, 2012

I see that Refugees International, one of the most authoritative voices in the world on refugee issues, has been running a series of photo essays of the aftermath of last year's record flooding in the Ayapel, La Mojana, and Southern Atlantico regions of Northern Colombia. I have included several of these on this post.

Note how high the water came

Colombia is particularly vulnerable to security-related impacts of a changing climate. In 2009, the CNA Corporation released a report, "Impacts of Climate Change on Colombia's Regional and National Security" that details how changes to Colombia's climate and weather patterns could impact people's livelihoods, and ultimately the national security of. I have been told by people who have worked with the Colombian military that they take this threat seriously, even in the face of very immediate threats like drug smuggling and insurgency. They should take it seriously, because it poses unknown, overlapping dangers to both Colombian security, and broader regional and international stability.

Refugee Camps are Problematic for Sanitation

Colombia is a particularly worrisome area for climate impacts because we simply do not know how warming will affect the area. It is tropical, and its weather is very influenced by the el Nino/la Nina phenomenon in the Eastern Pacific. This creates a wet-season/dry-season dynamic that can lead to very heavy rains. And, Colombia's mountainous topography creates a funnel effect down which the rains can quickly become dangerous flash floods.

One of the prime ways that climate and weather changes can manifest into real regional and international security threats is through 'Climate Refugees'. As severe weather changes cause groups of people to move away from their home, they could come into conflict with the people residing in the places they

move to. The instability of being uprooted from your hometown can create a class of people highly likely to be radicalized and cause violence. We have seen refugee movements in Africa and South East Asia as a prime way for conflict to spread across borders.

Note the height of last year's floods

What is most worrying about this is that these essays show how the security effects of climate change is not simply speculation about an unknown future. Instead, it shows that this is happening now, and the international community should help to invest now for the future. There are two ways to prepare for this: the first is to prepare the Colombian military for interventions that could prevent conflict. The close working relationship between the American and Colombian militaries should allow sharing of best-practices between the two militaries. More effective, however, would be aid projects that reduce vulnerability to flooding, like wastewater treatment or floodplain management.

Operation Green Strike: the Promise of Biofuels

Harper Dorsk

Flashpoint Blog

March 9, 2012

The Navy is posed to sail a carrier strike group around Hawaii using a 50% biofuel blend during next summer's Rim of the Pacific Exercise (RIMPAC). Industry minds, who met Thursday at a briefing held by PEW Charitable Trusts, referred to this effort as 'Green Strike', not to be confused with 'the Great Green Fleet' due to sail by 2016. Biofuel has been garnering attention from the media and Department of Defense as a next generation source of energy. Creating a commercialized biofuel market is one of the Navy and Air Force's top priorities as both branches are seeking alternatives to offset petroleum use.

Harrison Dillon, president of biotech company Solazyme, spoke at the event and shared what his company is doing to promote the biofuel industry. Solazyme started 9 years ago in San Francisco as a startup

and is now a successful publicly traded company. It has developed an algae capable of turning biomass feedstock, such as corn, rendered animal fat, and the like, into fuel. The final chemical product acts just like crude oil. An AOL Energy article reports:

Solazyme is over half way through a 566,000 liter order for the military. In 2011 alone, it delivered 407,000 liters of fuel to the Navy and is working on additional contracts now.

Navy Secretary Ray Mabus has committed the Navy to a 50% reduction in the use of fossil fuels by 2020. The target includes nuclear but biofuels are a serious part of the future energy mix.

James Rekoske from UOP, a subsidiary of Honeywell, was also there. UOP invented 31 of the 36 processes used to refine crude oil and is now greatly contributing to progress on biofuels as well, specifically renewable jet fuel. In fact, their jet fuel was used in fueling the first transatlantic flight that ran on biofuel. The kicker to this is that airlines are interested in the technology as well. Like the DoD, their operations cost vary greatly depending on fuel price. According to Airlines for America, the fuel bill in 2010 was 300% greater than it was in 2000.

Former Senator John Warner, who was present, said “It is absolutely essential for the country to move forward on these programs.” Many of the speakers noted it took us a long time to get into our dependency on oil and it will take us a long time to get out of it. The progress that has been made on biofuels is just a start, but it is clear that this technology will allow us to diminish our reliance on oil.

AMERICAN COMPETITIVENESS



Five Big Myths About the European Debt Crisis

Peter Choharis

Forbes Magazine

February 15, 2012

Europe consumed more than a fifth of America's exports last year, yet U.S. markets seem to be ignoring Europe's current economic turmoil. Much of Europe is heading into a recession, Euro-zone unemployment is at record highs, and Europe's largest banks are struggling. With European governments imposing austerity budgets, a looming credit squeeze, and many countries facing shrinking tax revenues and overwhelming debt burdens, it is hard to see when growth will return. To understand how Europe poses a risk to the U.S. economy, it is important to dispose of some of the myths that surround Europe's debt crisis.

1. Germans are more fiscally responsible.

To ensure fiscal discipline, the Maastricht Treaty restricts the amount of public debt that countries in the European Union can assume to 60% of their gross domestic product. Yet Germany has violated this limit every year since 2003. That has not stopped German politicians from bragging about German fiscal discipline. A few months ago Bavaria's Christian Social Union party, a key member of German Chancellor Angela Merkel's governing coalition, almost derailed Germany's contribution to a European bailout fund

because Bavarians do not abide debt. “We are not prepared to accept zero debt here and total debt elsewhere,” declared CSU party leader Horst Seehofer, to a standing ovation.

But three years earlier the Free State of Bavaria secretly took a \$2.4 billion bailout from the U.S. Federal Reserve, and a 94% Bavarian government-owned bank, Bayerische Landesbank, took another \$10 billion secret bailout from the Fed, according to data uncovered by Bloomberg News. In fact, many other German and European banks secretly received \$500 billion in secret bailouts from U.S. taxpayers during the same period, according to Bloomberg, all on top of the \$50 billion they got from the U.S. government’s TARP bailout of AIG.

American bailouts of European (including German) banks continue. The Fed is quietly extending currency swap lines via the European Central Bank, thereby funneling billions of more U.S. dollars to European banks whose identities remain undisclosed thanks to ECB privacy rules. The ECB has also increased its own bailouts for 523 banks to €489 billion (\$640 billion), in the form of three-year, 1%-interest loans.

2. The European Union respects democracy.

Because so many Europeans feared that larger countries would dominate the EU, the Treaty on European Union promised more than half a billion people that “every citizen shall have the right to participate in the democratic life of the Union,” that “decisions shall be taken as openly and as closely as possible to the citizen,” and that the “functioning of the Union shall be founded on representative democracy.”

Despite that, Germany proposed that Greece’s receipt of a second bailout be conditioned on Greece surrendering its tax and spending sovereignty to a Euro-commissioner. Greece’s revenues were “to be used first and foremost for debt service,” and “only any remaining revenue may be used to finance” government activities, such as national defense or the judicial system. And in place of decisions made by democratically elected leaders, the Euro-commissioner would have “a veto right against budget decisions not in line with the set budgetary targets and the rule giving priority to debt service.”

Germany backed down after France and other coun-

tries objected, but the assault on democracy and self-determination in the EU is not dead. In December, European Council President Herman Van Rompuy secretly proposed that EU countries that did not meet strict fiscal rules should be subjected to “intrusive control of national budgetary policies by the EU” as well as “political sanctions such as the temporary suspension of voting rights.” And of course both Greece and Italy voluntarily surrendered their governments to unelected ECB “technocrats,” because their embattled political parties had lost credibility with other European governments as well as their own citizens.

3. The PIGS have only themselves to blame for Europe’s woes.

Northern Europeans have long told how Portugal, Italy, Greece, Spain, and Ireland, the peripheral or “PIGS” countries, caused the Euro-crisis by some combination of corruption, tax evasion, over-regulation, state-protected sectors, political dysfunction, incompetence, and market speculation.

All true, but not the whole truth. More than a third of Germany’s GDP derives from exports (the most of any country in the world), with 60% of those exports going to its European neighbors. Germany’s mercantilist economy relies on these countries’ purchases of German goods. With their sovereign debt denominated in Euros and backed by the Euro-zone’s overall credit, Greece, Portugal, and others were able to borrow at interest rates far below what their own GDPs would have allowed. With this cheap money and the worldwide credit surplus of the past decade, peripheral governments and citizens were able to gorge on imported Northern European goods.

While countries like Greece and Italy were using derivatives to cook their books when borrowing, European and American financial institutions were helping them do it. Moreover, because they share the Euro, peripheral countries cannot devalue their currencies in order to make the cost of their goods and services more cost competitive. And when the EU expanded eastward, foreign direct investment that had been flowing south shifted east, depriving peripheral countries of investment capital that would have demanded political and economic reforms.

4. Northern Europe is bailing out the South.

For weeks, Greece has been negotiating with a creditors' committee of more than 450 financial institutions, joined by a troika of the International Monetary Fund, the European Central Bank, and the European Commission, to deal with €205 billion (\$269 billion) of publicly-held Greek sovereign debt—with a €14.5 billion (\$19.1 billion) bond payment due March 20. In connection with an expected write-down of 50% or more of Greek debt and rescheduling of the remainder at around 3.5% interest, the troika is holding out the prospect of a second “bailout” of as much as €130 billion (\$171 billion) in loans.

This package, on top of the €110 billion (\$144 billion) in May 2010, is again being advertised by Northern European politicians as a second Greek bailout. And to sell it to German voters, Chancellor Merkel is demanding recessionary “austerity measures” from Greece. But the North is also bailing out its own banks and customers as well as the ECB, which wants to avoid principal losses on its €55 billion (\$72 billion) Greek bond holdings.

In fact, most of the bailout funds may never reach Greece, and instead may go to an escrow fund that will pay off German, French, and other banks directly. French banks hold about €43.5 billion (\$57 billion) in Greek debt, followed by German banks with about €18.2 billion (\$23.8 billion.) Although these and other private bondholders may take a “haircut” of 50% or more, a bailout will at least avoid the prospect of a total default. And with the EU experiencing around 10% unemployment and on the brink of recession, it is vital that the peripheral countries have access to public and private credit to keep buying northern goods. The best way to avoid a credit squeeze is a Greek rescue package that rescues Europe's banks.

5. Europe will avert a crisis after a Greek bailout and debt restructuring.

European markets appear optimistic that the debt crisis in Greece and elsewhere will be contained: Bond yields have been lower over the past few weeks and the Euro Stoxx 50 volatility index hit a five-month low last Friday.

But if Greece averts a default short-term, that will not ensure that Greece remains afloat. The International Monetary Fund predicts that that even if

Greece meets all of the troika's austerity demands, its debt-to-GDP ratio will be 135% by 2020, meaning that Greece has no prospect of borrowing at market rates for the foreseeable future. The Economist Intelligence Unit estimates that the Greek economy, which has already endured five years of recession, will shrink an additional 7% this year following last year's more than 6% drop. Unemployment in Greece is at 21% and rising; government services are crumbling; and the 12 largest Greek banks will probably need a government takeover. Meanwhile Spain, which is experiencing 22.9% unemployment, estimates that its economy will shrink 1.5% this year, exacerbating its budget deficit. Portugal's economy will shrink by 5% and may have difficulty refinancing its debt. Italy's debt-to-GDP is 119%, and some believe that Hungary may default on its debt before year's end.

The only help on the horizon is the possibility of the ECB's lowering the discount rate further and the hope of a second, €500 billion (\$655 billion) Euro-wide bailout fund. But Europe's banks are undercapitalized and are parking record amounts with the ECB instead of lending. And even if European countries and companies can refinance their debts, liquidity will not solve the Euro-zone's structural problems and chronic trade imbalances. Until Europe finds a solution, the crisis will continue.

This article is by Peter Charles Choharis, a principal in Choharis Global Solutions, an international law and consulting firm that represents both U.S. investors and foreign governments on a range of foreign investment issues. He is an adjunct fellow at the American Security Project and a visiting scholar at the George Washington University Law School.

A Tough Budget for Fusion

Andrew Holland

Flashpoint Blog

March 1, 2012

As many of you know, ASP has been doing a lot of work on fusion over the past year. Our White Paper and Fact Sheet show how important fusion energy is to America's energy future.

That's why we were so surprised – actually “Shocked and appalled” – by the budget for Fusion Research in the Department of Energy's Office of Science budget – the magnetic fusion program (inertial fusion is run through the NNSA). Today is “Fusion Day” where many of the scientists from around the country come to Washington to meet their Members of Congress to lobby for the budget. This year's fusion day events are particularly important because of the cuts to the budget, and because of the prospects for future budgets.

The details of the FY13 fusion budget are these:

The budget requests \$398.3 million for OFES, \$4 million less than FY12. This includes \$150M for the U.S. contributions to ITER – a \$45M increase from FY 2012, but \$50M short of the U.S. ITER project's plan. This includes approximately \$248M for domestic fusion research, a \$49M decrease from the current funding level.

The cut in the domestic fusion program would have a devastating impact on U.S. fusion research. It would shut down the Alcator C-Mod at MIT, one of the three facilities critical to continued U.S. leadership in fusion.

The truth is, that after years of operating on minimal budgets and essentially level funding, the domestic fusion program cannot absorb the proposed reductions without significant negative impacts to the program and our scientific and engineering contributions.

It is very important that this budget is changed, not only to save this year's budget, but to protect future year's budgets. The truth is that the U.S. has a growing commitment to ITER, the international plasma research reactor in France, that – without a change in

the budget picture – will crowd out the rest of the fusion budget. Some of the students at MIT, who's education is on the chopping block, have put together an excellent website, www.fusionfuture.org that details the importance of this budget.

They have also put together an excellent graph on the future of the fusion budget: as you can see on the graph that the MIT student put together (at left), the purple part is the U.S. budget commitment to ITER, which will crowd out over 3/4 of the total budget.

ASP believes that the fusion budget should be increased significantly, up to the point where we think that we need to spend \$30-40 billion over a 15 year period. But, until we get the political will for that level of funding, it is important in the short-term that the U.S. fusion program at least gets level funding. We need to meet our commitments to ITER and we need a vibrant domestic fusion program. These go hand-in-hand: one cannot exist without the other. If we allow our domestic program to languish away, we won't be able to capitalize on the advancements in fusion science that will come.

It's Time for the U.S. to Finally Make Economic Peace with Russia

Joshua Foust

The Atlantic

February 21, 2012

The country's ascent to the World Trade Organization is an opportunity to help U.S. businesses and continue ramping down tensions still leftover from the Cold War.

In December, Russia passed an important milestone: it was approved for full membership in the World Trade Organization. The decision still needs to be ratified by Moscow, but Russia's inclusion in the global community of trading partners seems all but assured. So what does this mean?

For one, Russia's WTO membership will have substantial economic consequences in the countries near abroad. Kyrgyzstan has been a WTO member since

1998, and has used neighboring China's WTO membership to create a lucrative re-export scheme for cheap Chinese goods heading to Russia, Kazakhstan, and Uzbekistan. Russia's Eurasian Customs Union has already been creating uncertainty for Kyrgyzstan's future export regime, and the prospect of Russia and China both enjoying lowered tariffs and easier trading could have a severe effect on Kyrgyzstan's economy. According to some economists, Kyrgyzstan's re-export business is one of its top-two economic activities.

The prospect of increased, lower-cost trade with China, however, will almost certainly supersede any concerns about potentially destabilizing the Kyrgyz economy. So what else will Russia's WTO ascension mean?

For one, it will open up the possibility of normalized trade relations with the U.S. -- something that could potentially be worth billions of dollars. However, there are substantial barriers to normalizing trade relations with Russia.

The most important is the so-called Jackson-Vanik Amendment, which has governed U.S. trade relations with the Soviet states (and, now, post-Soviet states) since 1974. Jackson-Vanik essentially forbids permanent normalized trade relations (PNTR, which used to be called Most Favored Nation status) with countries that restrict emigration. It was targeted at the Soviet Union in response to the USSR's interference with Soviet Jews trying to emigrate to Israel. The President has the authority to grant waivers to this amendment, but that is a yearly procedure and can sometimes get Congress worked up.

A recent Congressional Research Service report laid out the issues of normalizing trade relations nicely

PNTR is a major issue in Russia's accession to the WTO. If Congress does not grant Russia NTR the United States would likely invoke the non-application provision meaning that WTO rules and agreements (for example the dispute settlement process) would not apply in U.S. trade relations with Russia. It would also mean that some of the commitments that Russia will have made in joining the WTO might not necessarily apply to the United States.

In other words, denying Russia normal trade rela-

tions would essentially penalize American businesses. There is a very easy way for the U.S. to avoid such a problem: pass permanent normal trade relations and permanently exclude Russia from the Jackson-Vanik Amendment. As the world's 11th largest economy and the only member of the G8 with which the U.S. does not enjoy normalized trade relations, it's past time to engage economically with Russia. Lowering the cost of trade will make Russia's markets more accessible to American businesses, leading to growth and increased revenue in the U.S.

The real barrier to normalizing trade relations with Russia isn't economic, it's political, and it's domestic. Ever since President Obama's proclamation of a "reset" in U.S.-Russian relations, a group of Republicans has worked to undo that Reset. While the Congressional Russophobes are vocal in their opposition to any rapprochement with Russian -- they seem to prefer to believe Russia is still an adversary to be opposed (like when John McCain referred to the "old Russian Empire" during the 2008 Presidential campaign) -- the reality is, recent relations with Russia have been better than in almost a decade.

Better-than-ever, however, does not mean frictionless, and there remain serious issues for Washington to work out with Moscow. Besides permanent normalized trade relations, Russia will have to take major steps to curb corruption and the capricious behavior of its officials toward western businesses (such as Rosneft's \$20 billion seizure of Shell's gas mining operation on Sakhalin in 2006).

One important first step is Moscow's decision to join the Organisation for Economic Cooperation and Development's Anti-Bribery Convention. Of course, Russia's official ascension to the Convention takes place on April 17, 2012 -- quite some time after the scheduled presidential elections on March 4. (Needless to say, the likely re-election of Vladimir Putin will probably not be very fair or free, something that will make it tougher for American politicians who want to normalize trade relations.) So there is clearly some way to go before Russia's full inclusion as a member of the world's economic leaders.

But Congress can take a strong position supporting Russia's inclusion to -- and constraint by -- international financial and trade norms by voting to permanently normalize trade relations with Russia. It would

tougher for American politicians who want to normalize trade relations.) So there is clearly some way to go before Russia's full inclusion as a member of the world's economic leaders.

But Congress can take a strong position supporting Russia's inclusion to -- and constraint by -- international financial and trade norms by voting to permanently normalize trade relations with Russia. It would be an important part of further ratcheting down tensions and creating common interests between Washington and Moscow, and would benefit American companies looking for new markets. It is a win-win all around.

What America Can Learn From Detroit

Andrew Holland

The Atlantic

February 17, 2012

Thanks to a series of smart collaborations, the hollowed-out motor city may be slowly growing back.

No major city in America has been hit harder by the recession than Detroit. Even before the recent near-total collapse in auto demand, the city had been decaying for decades. In the 1950s, its population was around 2 million; today it is less than 750,000.

A few weeks ago, I participated in a study tour (with the Emerging Leaders in Energy and Environmental Policy program) to discover how Detroit's businesses, non-profit foundations, and residents are working to bring the city back. I saw the vacant neighborhoods, the urban prairie where houses once were, and marveled that the average price for a four-bedroom home was only \$48,000.

Superficially, it seems a stretch to look at Detroit as a model. But the long downturn that burned through the city's industry has made room for new green shoots that could grow the city back. My optimism about Detroit comes from the partnerships between universities, non-profit foundations, and entrepreneurs that incubating new companies and new in-

dustries. I saw three particular examples that of these burgeoning partnerships that can provide lessons for the rest of the country.

Tech Town is a small-business incubator based in Detroit's Midtown area. It connects scientific research being done at nearby Wayne State University with entrepreneurs who can monetize the new technologies. It also provides office space, business services, mentoring, and guidance to over 200 companies in industries ranging from human tissue sampling to web-design to hairdressing. Its success is founded on its location and its ties to the nearby research institution.

Next Energy, based across the street from Tech Town, is a non-profit company that provides support to alternative energy companies by linking them with potential funders and markets. One of its success stories was a cooperative venture between Titan Energy and the Defense Logistics Agency (of the U.S. Department of Defense) to develop an easily transportable solar power generator that is now being deployed with our troops in Afghanistan. Renewable energy is one of the fastest growing new industries in the country, but it is heavily dependent upon scientific research as it develops. Non-profits like Next Energy can provide crucial support to companies trying to commercialize the emerging discoveries.

In Downtown Detroit, just a few miles from Tech Town and Next Energy, a different sort of research center is emerging. Dan Gilbert, the wealthy owner of Quicken Loans, has decided to move the company's operations from the suburbs into a series of buildings stretching along Detroit's historic Woodward Street. This infusion of jobs and life into a previously moribund downtown district is an important step toward bringing the city back. Perhaps more important, though, is Gilbert's vision of turning Woodward Street into "Webward" Street by encouraging high-tech firms to locate downtown. The first example of this is the Madison Building, a repurposed old theater that has been turned into an open-concept venue to host start-up companies. By encouraging more initiatives like this, Gilbert hopes to catalyze a renewal of Detroit's long-empty urban center.

Detroit's rebirth is only beginning, and we should all count ourselves lucky that the rest of America never fell as far as Detroit did. But it can show us a way out

of our long troubles. A hundred years ago, Detroit was the model for the country: the large integrated assembly line, represented by Ford's River Rouge plant, showed us how to meet the needs of the 20th century. Today, by forging links between scientists and entrepreneurs, Detroit may provide a new model for re-energizing our cities.

ASYMMETRIC OPERATIONS



The Political Consequences of a Drones - First Policy

Joshua Foust

The Atlantic

January 27, 2012

The global counterterrorism mission imposes substantial political costs to the U.S. Yet policymakers are rushing ahead anyway. Why we should start thinking more about politics, and less about killing bad guys.

If you talk to any security or intelligence professional, they'll tell you that the consequences of the Arab Spring -- it turned one this week -- have been devastating to U.S. security interests in the region. Information gathering, operations, intelligence, and general context about the Middle East and North Africa had become so lopsided -- utterly reliant on the security services of the unpopular dictatorships in the region -- that their overthrow more or less crippled U.S. efforts.

Over the last year the U.S. bureaucracy has worked feverishly to reestablish itself in the MENA region. But while it does so it stands on the verge of making a similar mistake in its reliance on drones to achieve policy objectives. The first hints of this imbalance are manifesting themselves all the time in the politics of target countries -- places where U.S. drones fly and fire weapons.

Defense Secretary Leon Panetta unveiled this week a plan to dramatically expand the use of drones and special operations as the DoD tries to figure out how

to operate in a universe of limited resources. It is part of President Obama's shift toward smaller covert actions in place of bigger, overt wars. But this policy shift is not without cost, and those costs are rarely debated in the public or behind closed doors.

As one example, drones carry inherent political costs to the regime that allows them. Among domestic populations, drones are almost always unpopular, as they represent a distant and unaccountable foreign power exercising the right to kill them at will. The resistance to drones is debated heavily in Pakistani circles, but it's difficult to ignore the effects, like a walkout in Parliament. Given the precariousness of President Zardari's administration, the impending military resistance to his rule, and the intrigue over Memogate, it should concern U.S. policymakers deeply that the drone program is further destabilizing an already tenuous situation.

In Yemen, too, the situation continues to deteriorate. There remains society-wide unrest at the horrible rule of Ali Abdullah Saleh, and even his replacements and other contenders are finding it hard to placate public anger (which seems to be spreading). While Yemen has never been particularly stable, there is every indication that the drone strikes -- which will continue so long as officials feel threatened -- have only made the instability worse.

The problem with the drones policy isn't that drones themselves are bad, but that they are happening without broader political, social, and even economic policies that could mitigate their pernicious consequences. In Pakistan, the limp U.S. engagement has at the very least not helped the nasty politics of Islamabad (the case of Raymond Davis -- whose case became the source of deep, vicious public anger -- shows that the drones policy almost certainly made Pakistani politics and the government worse off). In Yemen, the limp U.S. political engagement with the Yemeni opposition groups has not only failed to mitigate the negative consequences of shooting missiles into desert villages, it has also crippled the U.S. ability to cope with a post-Saleh future.

In both countries, Pakistan and Yemen, the U.S. faces a future similar to what it faces in the Arab Spring countries: a sudden cut-off of information and cooperation it thinks critical to the global struggle against extremism. Yet that hasn't slowed down the pace of

drone warfare -- especially when they come to define U.S. policy in places like the Horn of Africa (another area where U.S. engagement is primarily through drones and special forces instead of through politics).

Already, some countries are reacting against this global assertion to fly airplanes and kill at will. Last December, Algeria denied the U.S. permission to fly drones over its territory to help contain negative spillover effects from the Libyan intervention. Needless to say, that has limited U.S. options in the area because the U.S. never bothered to come up with a policy that doesn't rely on drones. Thus, as there appears to be a growing gap between the CIA and Algeria on how to react to the threat posed by al Qaeda in the Islamic Maghreb, there just isn't the political foundation in place to work those differences through.

Future drone technology, which includes making the planes autonomous, are unnerving to many of us who wonder about the substantial costs imposed by the current, human-controlled aircraft. There are no immediate plans for an autonomous lethal drone yet -- all of the automated systems will be for surveillance and resupplying ground troops -- but the rush to robots in warfare is worrying. There just isn't enough thought about what consequences these systems impose on U.S. policy. There needs to be.

Speeding up the withdrawal: Is it more than bluster?

Kelvin Lum

Flashpoint Blog

February 29, 2012

The recent Afghan violence over US personnel burning copies of the Quran has fueled ideas that the United States should hasten its withdrawal from the region and it is likely that more critics of the war may jump aboard. However, this is not the first or only time that the US has been called to withdraw earlier. Given the circumstances, it would not be a wise decision.

At a Senate budget hearing yesterday, US Secretary of Defense Leon Panetta stated that "Our ultimate goal

here has to be an Afghanistan that can control and secure itself and make sure that it can never again become a safe haven where terrorists can plan attacks”. If this is our true goal, then a hasty withdrawal would not help to achieve this.

However, a well-trained military that can protect itself is not enough to deem Afghanistan a success. Political stability is more important and a well-trained military becomes inconsequential if there is no solid political framework behind it. The current central government in Kabul remains unpopular and only maintains its control as result of the US/ NATO presence in the region and its budget dependence on foreign aid.

Training an effective military without fixing the political problems of corruption and ineffectiveness prior to leaving the region would be a mistake on the part of the United States. Upon an early departure of the United States, the unstable central government would either use the military to assert their authority or it would collapse due to competing regional and outside interests. Our main goal before leaving Afghanistan should be creating a stable political framework that has both effective and appropriate government structures at both the state and local levels and a government that recognizes the competing regional interests surrounding it.

Setting an earlier withdrawal date would also create issues with the future Taliban negotiations. The earlier withdrawal date may embolden the Taliban to become less serious about negotiations with the US. The Taliban may be resigned to just wait until the pullout occurs.

It appears that the administration and military officials are committed to finishing the mission in Afghanistan and an earlier withdrawal is not likely. Unfortunately, until the majority of US forces leave sometime in 2013 and NATO pulls out in 2014, more events like this may occur again that test the resolve of the United States and Afghan forces. As in the past, calls for an earlier pullout of forces will return once again.

The Intervention Dilemma

Kelvin Lum

Flashpoint Blog

February 15, 2012

The international community is taking note of the ongoing situation in Syria and the calls for humanitarian intervention will continue until the situation has been properly resolved. There are two out of many sides to the debate over intervention that is worth mentioning.

One force behind promoting intervention is the idea of responsibility to protect or R2P. R2P was an idea that was adopted by the UN general assembly in 2005. R2P is the idea that in each state's right to sovereignty, it has the responsibility to protect their own people from "genocide, war crimes, ethnic cleansing and crimes against humanity". However, if the state fails to do so, it falls on the international community to protect those people. The international community is called to maintain international peace and security and according to proponents, R2P falls under this calling. R2P states that diplomatic, humanitarian and peaceful means must be exhausted before military intervention. R2P was offered as justification for the international community's actions in Libya.

On the other hand, there are those who prefer not to maintain a particular intervention strategy. By not establishing a particular limit before intervention occurs, it provides flexibility for the international community and keeps those threatened by intervention on their toes. Creating a line under which the situation is acceptable to the international community and above which intervention is necessary can be dangerous. This line gives those groups or states that are perpetrating deadly actions room to operate. Furthermore, they will do their best to remain below the threshold while continuing their activities. Instead of maintaining a specific intervention strategy, intervention would be determined on a case-by-case basis. Opponents to this strategy would state that intervention would then be based on political self-interests of the decision makers.

The intent of this post is not to advocate for one position but to rather inform the public about the differ-

ent viewpoints towards intervention. Both positions have both their own merits and faults and these are not the only approaches to intervention. Humanitarian intervention is a valuable tool for the international community and it is a tool that should be used wisely. If it is not used judiciously, the impact and threat of intervention is lessened. Unfortunately, Syria will likely not be the last situation where the decision to intervene or not intervene is debated.

Mass slaughter shocking but not surprising

Joshua Foust

CNN

March 13, 2012

The shocking murder last weekend of 16 Afghan civilians -- 9 of them children -- by a U.S. soldier is raising many questions about the war. Coming right after the accidental burning of several Qurans at a U.S. base last month, which sparked mass protests across the country, it seems reasonable to ask: what is coming next?

The sad answer is that there probably won't be a huge public reaction to the killings. The burning of the Qurans -- which the U.S. claims was accidental -- was a fresh outrage to many Afghans.

While the Taliban often claims the U.S. disrespects Islam and wants to destroy it, few Afghans had any real reason to believe that in their daily lives. The Quran burning shocked the Afghan public enough for some political opportunists to whip up protests in response.

In contrast, Sunday's mass murder is not a new outrage for Afghanistan. While the deliberate killing of civilians is (thankfully) rare, many Afghans do not distinguish between accidental and deliberate civilian death.

Last May, U.S. helicopters in Kunar province came under rocket fire from insurgents; in responding they accidentally fired back at what turned out to be children gathering firewood, killing 9.

General Petraeus was quick to apologize for the in-

cident, but nevertheless the reaction in Kabul was angry and resentful: many simply could not believe that children could be accidentally mistaken for insurgents. Sunday's mass killing is still shocking and upsetting -- but it is no longer surprising.

Sunday's mass murder, in other words, is not a game-changing event. The game has already changed, and many Afghans are not surprised when the U.S. kills a bunch of civilians.

Al-jazeera interviewed some of the survivors and uncovered a darker angle as well: one reason the victims did not resist is that they were used to the so-called "night raids" -- nighttime special operations raids on housing compounds. They were so used to Americans kicking in the doors to their homes and even shooting their guns that at first the rampage didn't seem strange.

So where does the war go from here? A huge challenge facing President Obama is that the U.S. is fighting one war while the insurgency is fighting a very different one.

The U.S. war is obsessed with the traditional metrics of warfare: holding territory, killing or capturing bad guys, exacting details of building roads, schools, and hospitals. The insurgency, on the other hand, is obsessed with influence, undermining confidence in the government, and creating the perception that the U.S. is at war with Islam.

Put simply, the U.S. never put in place the strategic and political framework to make much headway in Afghanistan. Despite the renewed push for negotiations with the Taliban, there is no political strategy for the country. There is no end state for the war, either -- right now, the plan is to drawdown to about 20,000 troops or so -- similar to troop levels in 2008 -- and stay that way for the indefinite future. That's not a strategy, and it's not a plan.

Because there is no political strategy for the war -- nothing that takes Afghan and Taliban politics into consideration -- the U.S. has no concept of how to manage or react to the political consequences of incidents like Sunday's rampage. That's why the military was clueless in responding to last month's Quran burnings, or to January's Marine urination scandal, or to the "kill team" in Kandahar last year.

At this point, there is little the U.S. can do to salvage the situation in Afghanistan. Sunday's mass killing is tragic but it is not a game-changing event. Focusing on a long-term commitment to working through Afghanistan politics is a good start -- de-emphasizing the military's role in the conflict and shifting to a politically and socially engaged role would actually address some of these shortcomings.

But shifting Afghanistan from a military engagement to a political one would, by design, extend U.S. operations there. An ABC News-Washington Post poll released Monday shows 60% of Americans no longer think the war is worth the costs. From the public's perspective, the house of cards is falling and the U.S. would do best to just pull out and cut their losses.

Ultimately, Afghans will suffer the consequences -- of Sunday's raid, of the war, of America's withdrawal from the region. Abandoning Afghanistan will impose huge costs in Afghanistan but the last ten years of directionless fighting has left Americans tired and frustrated with a war that seems to go nowhere but down. There needs to be a long-term strategy for the country but, especially now, it probably won't happen.

Is it finally time to leave Afghanistan?

Joshua Foust

Salon.com

March 13, 2012

A shooting rampage could change the politics of war -- but calls for a rapid Afghanistan pull-out remain bad policy

Over the weekend, a U.S. soldier walked up to two villages in southern Afghanistan and killed 16 people, nine of them children. The incident has shocked the world as an appalling act of coldblooded murder, leading to increased calls for an American withdrawal. But, shocking as it may be, Sunday's killings don't fundamentally change the course of the war.

The Afghanistan war has been in a violent downward spiral for years. But violence in Afghanistan -- includ-

ing Sunday's rampage -- tells only part of the story. That is because there are two wars being fought in Afghanistan. There's a physical war of holding territory, killing bad guys and building things that is being fought by the United States. And there's a political war of influence, perceptions, as well as fear, that is being fought by the Taliban.

Judging by the statistics International Security Assistance Force releases, the war should be going smoothly: In 2011 violence was down slightly, though still higher than 2008, when then-Sen. Barack Obama said the war was being neglected and desperately needed more troops and attention.

But the war is not going smoothly. Clausewitz's dictum that war is politics by other means -- a phrase used so often, to such little effect, that it's nearly lost its meaning -- is truer now than ever. Some of the tangible aspects of the war have improved, but its politics are worse than they've ever been. ISAF assembles meticulous statistics about the physical metrics of combat; it does not measure the social and political consequences of its action.

In a speech outlining his strategy for the war, President Obama boiled it down to three goals: Deny al-Qaida safe haven; prevent the Taliban from overthrowing the government; and build up the Afghan security forces so they can take over as U.S. troops leave. It is a remarkable framework, defined as much by absence as by accomplishment, and in terms so vague as to be impossible to achieve definitively. But it is also a fundamentally political strategic framework, focused on the Afghan government as the defining characteristic of any future Afghan state.

Yet politics are completely missing from the American side of the war. In the last year, overall violence has decreased but has concentrated on a few key areas like Kabul, which has seen a wave of terrifying, sophisticated attacks meant to shake confidence in ISAF and in the Afghan government. Meanwhile, heavy-handed "night raid" tactics by special operations forces -- which the accused American shooter Sunday supported -- often ignore the social and political consequences of those raids in the rush to tick up dead or captured bad guys. As a result, Afghans don't look around and think that things are improving; by and large, they think things are getting worse.

In the U.S., the steady drumbeat of shocking news is also having an effect: A new ABC News-Washington Post poll shows plummeting support for the war in the general public; GOP support is falling quickly as well. This has led two of the GOP candidates for president, Newt Gingrich and Rick Santorum, to join forces with the anti-war left and voice opposition to the war and suggest a more rapid withdrawal.

But a more rapid withdrawal would be the worst possible outcome for Afghanistan right now. The desire to cut losses is understandable, even justified, but it would plunge Afghanistan into madness and anarchy.

That's because there remains no political process at work in Afghanistan than can address the fundamental conflict driving the war: a political contest between the current, corrupt government and the insurgency that rejects that government. The current line about so-called reconciliation – the negotiations process, which demands the Taliban accept the very Afghan constitution they're fighting to upend – doesn't account for any of Afghanistan's politics. It is merely a call to surrender.

President Obama missed a critical opportunity in 2009 to reorient the war away from a military-led battle with some political trappings, to a political strategy with a military component. It's not too late to make that shift in perspective and outlook – not yet, at least. While Sunday's mass murder is shocking, it does provide some space in Washington for a pivot point to reorient the war where it needs to be: on the politics of Afghanistan, and not on the insurgency of Afghanistan.

A reorientation on politics opens up new choices for reengaging with Afghans under a less militarist rubric. It can allow new doctrines like Expeditionary Economics to reshape the economic and political engagement of local communities. It creates space for addressing the systemic causes of corruption: a poorly designed government that cannot raise its own revenue. And it puts the ultimate, long-term American goal with the Afghan people, instead of the insurgency or even Afghan government.

The opportunity to turn the Afghanistan conflict onto a better path is being drowned out by the shock and outrage over Sunday's murders. And the administration has shown no interest in changing course, either.

But altering the war so it focuses on the political reasons for conflict is the only way to avoid a complete disaster when the withdrawal finally happens.

NUCLEAR SECURITY



Time to ratify nuclear test ban treaty

Stephen A. Cheney

CNN

January 5, 2012

It's been a year since the United States ratified the New Strategic Arms Reduction Treaty with Russia, and it's time to reflect on its benefits. By allowing us to restart inspections, verifications and the dismantling of nuclear assets, New START has established transparency, predictability and stability that serves the security of the whole world.

We know what the Russians have, and they know what we have, and together we are reducing our arsenals, allowing us all to sleep easier.

Keeping in mind the success of New START, the next logical step would be to ratify the Comprehensive Test Ban Treaty (CTBT), as Russia did in 2000. The establishment of such a ban on nuclear testing would further strengthen American security.

START I was first proposed by President Reagan. The United States and the Soviet Union signed the agreement in 1991, enhancing stability between the two nations and allowing for a drastic reduction in nuclear weapons. After the dissolution of the USSR, the treaty was inherited by Russia and continued until its expiration in December of 2009.

The expiration of the treaty risked a new arms race

that threatened the security gains of the past 17 years. Succeeding the original agreement, New START is the modern recognition that both our nations benefit by fostering transparency between our two strategic nuclear forces.

It is no secret that during the course of the Cold War, the United States and Soviet Union developed the nuclear capacity to destroy each other, and indeed the very existence of humanity, several times over. At the height of that conflict, the United States and USSR possessed more than 65,000 nuclear weapons between them. Nuclear strategy promoted the concept of "bouncing the rubble," signifying the premise of destruction that nuclear war would unleash.

Yet this era demands thinking outside the conventions of nuclear war. We need weapons for fighting the enemies of today, not the Soviets of yesteryear. In the wars in Iraq and Afghanistan, our greatest threat has not been nuclear weapons fueled by uranium, but buried homemade bombs fueled by fertilizer. Investments in equipment, technology and training designed to combat low technology threats have proven more decisive in protecting the lives of our troops than any of our nuclear assets.

Of course, the United States can and should maintain a strong, credible nuclear deterrent. It also can and should set an example for the rest of the world with responsible ownership of these weapons.

After conducting more than 1,000 nuclear test explosions, the United States has not explosively tested a nuclear weapon in nearly 20 years and instead maintains a stockpile stewardship program to ensure the reliability of the current arsenal. Still the U.S. Senate resists approving the test ban treaty, which would create worldwide networks to apply pressure against states like Iran and North Korea.

These networks of pressure are exactly what we need against rogue states that aren't deterred from nuclear development by the vast American arsenal. These states are more susceptible to pressure outside the nuclear realm, and our strategy must incorporate this understanding to be effective. This means taking a bold diplomatic leadership role. By ratifying the CTBT, at no consequence to our own nuclear capabilities, the United States further establishes an international norm that pressures Iran and North Korea

to ratify the treaty as well. We no longer need to test, but these states do in order to bridge their knowledge gaps.

The success of New START exemplifies the kind of diplomatic leadership the United States must embody. America became a reluctant global leader in the 20th century. But with global power comes global responsibility.

Thrust onto the world stage in periods that demanded leadership, we have seen the consequences of American reluctance to lead. The 21st century is a time of new challenges, be those challenges of economic, environmental or military nature. Leadership doesn't have to be expensive, and there are clear budgetary incentives for reducing our Cold War nuclear arsenal.

As commentators discuss the decline of American influence in the world, we must focus on the power of our example as a staple of international leadership and that means active participation in diplomatic processes and organizations.

Americans firmly believe in their commitment to ideals, principles and morality. New START is supremely representative of that. We should extend that commitment to ratification of the CTBT.

Why the US should ignore Iran for now

Joshua Foust

PBS Need to Know

January 26, 2012

Iran has received a lot of attention lately for its threat to close down the Strait of Hormuz, a strategic choke point in the world's energy supply. It has spurred a broad range of responses from Republican presidential candidate Mitt Romney declaring such a move "an act of war" to President Obama sending an aircraft carrier through the area as a show of strength.

An Iranian closure of Hormuz would have a pretty substantial impact on the world economy. The price of oil would almost certainly spike: Iran is the fifth

largest oil producer in the world, and 20 percent of the world's daily supply of oil go through the strait each day. And many countries will panic at the price increase and constricted supply. Oil traders recently speculated that closing the Strait could increase prices by \$50 per barrel or more.

The U.S., however, can weather such a scenario. Less than 20 percent of America's oil imports go through the Strait. And imports account for less than half of U.S. consumption, which means closing the Strait would only restrict about 10 percent of America's supply of oil (most imported oil comes from Canada, Mexico, Venezuela, and Saudi Arabia). While leaders should be wary of any threats Iran makes, it's important to keep in mind that closing the Strait of Hormuz would most likely have only a limited impact on the U.S. economy.

Closing the Strait of Hormuz would affect mostly Iran, and its largest customers. According to Reuters, China imports about half of its oil through the Strait, and Japan imports nearly three-quarters of its oil. Both of those countries have far bigger stakes in keeping the Strait open. So why is the United States government leading the global outrage over Iranian threats?

For one, the sheer volume of oil going through Hormuz makes it "the world's most important oil transit chokepoint," according to the U.S. Energy Information Agency. In other words, so much oil moves through this area that even threatening a disruption can have ripples in the global energy market.

For another, the U.S. has an overpowering military presence in the Persian Gulf. The Fifth Fleet, based in Bahrain, constitutes a military force larger than most nearby states: thousands of sailors and other personnel on dozens of ships. So there is an expectation that, as the primary guarantor of security in the region, it's the U.S.'s responsibility to keep the sea lanes open.

But here's the thing: why does that have to be the case? Unlike the U.S., China has far better relations with the regime in Tehran. In addition to selling weapons to Iran, China is also a major oil customer. Plus, Chinese companies have a growing presence in Iran. China, in other words, has the kind of leverage over Iran that the U.S. would need to prevent a closure of the Strait.

Similarly, Japan has an even greater stake in keeping the Strait open. Yet while Japan enjoys much warmer relations with Iran than the U.S., it still relies on the U.S. to take the lead in exerting pressure on Iran.

It's time to stop letting powerful, wealthy countries free-ride on the U.S. in the Persian Gulf. Closing the Strait of Hormuz is a disaster, not so much for the U.S., but for Asia. Asia should therefore take the lead in addressing Iranian concerns and ratcheting down tension.

Time seems to be running out in the Gulf. Israel is making no secret of its intentions should Iran acquire nuclear weapons, and the Hormuz closure threat has everyone on edge about what could happen next. Meanwhile the U.S., the country with arguably the least influence over Iran after Israel, has been left as the lead country pushing for more sanctions over Iran's nuclear program, and the only country even contemplating concrete steps to respond to a Strait closure.

By stepping back and asking friendly countries like China to step in, the U.S. can de-escalate tensions in the Gulf while pressing emerging powers to shoulder the responsibility of maintaining access. It cuts against the American desire to take the lead, I know. But it's also the best way to ensure the free flow of goods through this vital area.

Four Reasons why the United States Should Not Attack Iran: Part 1

Bryan Gold

Flashpoint Blog

February 13, 2012

This is the first in a four part series refuting arguments for striking Iran's nuclear facilities.

This past week Niall Ferguson wrote yet another column downplaying the costs of a strike on Iran. Underlining his assertion is that diplomacy can't work because the Iranian's "revolutionary Shiite theocracy" is essentially a risk-seeking, extortionist and radical regime whose power would be exponen-

tially increase with the acquisition of nuclear weapons. This march to war is eerily similar to late 2002 and early 2003, when other academics played down the risks involved in Iraq and the Bush administration felt the United States would be met by flowers and open arms.

Nearly 10 years later, some nearsighted people are still pushing for strikes on Iran in the same way, by downplaying the risks and inflating the rewards. But under greater scrutiny; these points reveal a simplistic and superficial view of Iran's worldview and foreign policy.

First, the argument goes; the Iranian threat of retaliation is hollow. They claim that American firepower in the Strait of Hormuz or Persian Gulf is overwhelming, which prevents Iran from effectively retaliating against shipping. But Iran will retaliate against a strike, just not conventionally.

Iran's military disparity with the United States has forced the country to invest heavily in asymmetrical forces centered in the Iranian Revolutionary Guards Corps (IRGC) and their venerable Quds Force. Iran would deploy the IRGC's significant naval forces trained and equipped for irregular warfare by using small boats and fast attack craft for swarming tactics, naval mines, and land-based cruise missiles to attack various targets in the Gulf and the Strait.

Iranian naval forces are most likely to use a "hit, run, hide, repeat" strategy that limits the effectiveness of US naval defenses built around defeating a conventional opponent. This scenario was put to the test in the classified 2002 Pentagon war game called "Millennium Challenge 2002", where the opfor force lead by retired General Paul Van Riper, destroyed 16 major warships, including an aircraft carrier, to small-boat swarming tactics and cruise missiles.

By employing small boat tactics or cruise missiles to harass oil tankers or the US Navy in the Gulf or the Strait, Iranian forces can do significant damage to the roughly 14 tankers that transit the strategic choke point each day.

In addition to irregular combat in regional waterways, Iran would undoubtedly increase their military and financial support of Hezbollah and in the process, undermine Israel's security, further isolate the

Lebanese government, and broaden Hezbollah's intervention in the Syrian crisis.

Hezbollah has thousands of Katyusha rockets that can shower Northern Israel and hundreds of longer range Zelzal rockets with the range to reach Tel Aviv. An Iranian retaliation against Israel would involve the use of these longer range rockets, transforming an antagonistic neighbor into a major threat.

An attack on Iran may also lead to increased Iranian support for the Afghan Taliban echoing Iran's alleged support of Shiite insurgents during the Iraq War. Iran could provide training, Explosively Formed Penetrators to destroy vehicles, and money, making our difficult job in Afghanistan nearly impossible.

Just at the moment the United States is attempting to negotiate a settlement with the Taliban, Iran could significantly increase their support, reducing the Taliban's impetus for negotiations; allowing them to "wait out" the United States.

It is clear that strike supporters are wrong on this first point. The Iranians will not just sit on their hands after an attack on their soil, they will engage irregularly in their regional waterways, increase support Hezbollah, and increase their support of the Afghan Taliban.

Support from the Military for Diplomacy with Iran

Bryan Gold

Flashpoint Blog

March 7, 2012

As Iran continues to be the headline news, there is now pushing back against the talk of war.

It is clear that war with Iran would be costly, both to us and our allies, destructive, and unnecessary. There is no military solution to the Iranian crisis. At best a military strike would only delay their program while hardening their resolve and possibly convincing them that building a weapon is in their best interest. If they have not decided to produce a weapon now, they most certainly will after being attacked.

Experts, former military officers, and intelligence analysts have all been pushing back the notion of the necessity of strikes to remove the Iranian nuclear threat.

These experts have been showing that proponents of war with Iran are making the same mistake they made nearly a decade previous when advocating war with Iraq. Retired General Joseph Hoar, a Vietnam veteran and former CENTCOM commander is one of the experts that are opposing war with Iran. As CENTCOM commander from 1991 to 1994, Gen. Hoar oversaw enforcement of the southern no-fly zone in Iraq, ground operations in Somalia and the evacuation of US military personnel during the Yemini Civil War. He was an outspoken critic of the war in Iraq and believes, in this interview, the United States needs to have a national discussion on the costs of going to war with Iran:

"Nobody ever discussed eight or 10 years ago, what the cost was going to be for invading Iraq. The cost turned out to be a trillion dollars, 4,500 Americans killed, more than 20,000 wounded and not to mention the 100,000 Iraqis that we killed. This is the kind of toll of war that we need to think through.

Gen. Hoar also discussed the impact attacking Iran would have on oil prices, putting the fragile economic recovery in jeopardy. Cutting off oil from Iran or the Strait of Hormuz would leave Saudi Arabia as the sole exporter of Middle East oil driving prices up to \$10 or \$11 a gallon.

"The war is being fought in the Persian Gulf, so oil from UAE, oil and gas from Cutter and Kuwait isn't going out to the Persian Gulf. That's going to drive oil prices sky high not only here, but in Europe and every place around the world."

Iran cannot be allowed to produce a nuclear weapon, but the United States has not reached the point yet where attacking Iran is the best option. There is still time for a diplomatic solution to find a mutually agreeable agreement, reducing tensions and preventing war.

Gen. Dempsey is right about Iran

Joshua Foust and Bryan Gold

The Hill

March 14, 2012

Last month, Gen. Martin Dempsey, the Chairman of the Joint Chiefs of Staff, stated that he believed two things: it is not prudent to attack Iran at this point and he believes Iran is a rational actor that is weighing options and calculating decisions.

Since then, Dempsey has been the subject of increasing criticism, and Monday, MSNBC's Joe Scarborough implied Dempsey was unfit for command because his views on Iran were "disqualifying of a Chairman of the Joint Chiefs." These accusations are both unfair and untrue. Gen. Dempsey is right: Iran is a rational actor, and as such, they are making decisions on what they believe are the best options for their country.

All of Iran's foreign policy decisions have fit within the rational framework of improving their national defense and increasing regional influence. It is clear that Supreme Leader Khamenei believes that the goal for United States' sanctions against Iran is not the removal of the nuclear program but the destruction of the regime itself. Because of this belief, and the perceived dangers that the United States presents to Iran, Iran maintains strong relationships with Hezbollah and Syria, continues to improve its indigenous nuclear program, and retains potent asymmetrical warfare capabilities.

Iran's strategic environment sets the framework for its foreign policy. Since its modern founding as an Islamic Republic in 1979, Iran has been living in a dangerous neighborhood. It is currently within striking distance by American forces in Afghanistan, the Persian Gulf, Bahrain, and until recently, Iraq. It lives within an F-15 flight of Saudi Arabia and its U.S.-equipped military, and Israel, which has shown its willingness to strike at other countries when it feels threatened. Its military is underfunded and ill-equipped. Its economy, shattered by years of sanctions, is on the verge of collapse.

And some in the United States and Israel, have been

trumpeting the dangers emanating from Iran and the possibility of military strikes. It is no wonder then that Iran has decided to develop its nuclear program and ally itself with nefarious terrorist groups and bloodthirsty dictators.

Iran's alliance with non-state actors like Hezbollah, and dictators like Bashar al-Assad in Syria reflects not an irrational mindset, but Iran's inability to project military power beyond its borders. In order to counter the United States' overwhelming conventional military power, Iran maintains strong relationships with irregular forces and unsavory characters, giving it a retaliatory option for striking back if attacked. These efforts can be seen as low-cost means for Iran to project both power and influence in the region. Similarly, Iran's reliance on the Islamic Revolutionary Guards Corps' shadowy Quds Force demonstrates Iran's focus on countering US power with irregular warfare.

Iran's nuclear program can also be seen to serve as a safety mechanism to discourage invasion or attack. Even though, as intelligence sources demonstrate, the government has not yet made a decision to create a weapon, many in Iran could suggest a country with nuclear weapons is less vulnerable attack than a country without nuclear weapons. It has looked carefully at the fall of the Qaddafi regime in Libya, which gave up its nuclear "program". Iran understands that to deter an attack on its soil and ensure the survival of the regime it must be strong, and there is no stronger a deterrent than a nuclear weapon.

Gen. Dempsey's critics are wrong, Iran is not a radical, messianic, suicidal, and irrational rouge state, but one that realizes the danger of its strategic environment and is attempting, through its nuclear program and connections with non-state actors, to defend itself against overwhelming conventional force. They believe, rightly or wrongly, the United States is not trying to remove its nuclear program, but to remove the regime. And to protect itself, Iran could see, rationally speaking, the value of a nuclear program that is capable of producing a nuclear weapon as deterrence.

Dempsey understands this, and it is his duty to convey his understanding to the president and the American people. Many in the United States are unable to see that the rationality behind their strategic moves is self-interest, just like any other rational actor in the

world. Iran is making logical decisions according to its worldview, not ours. When you look at the situation through their eyes, their decisions are perfectly rational. When we understand this, we can create real opportunities to effect the changes we want.

Four Reasons why the United States Should Not Attack Iran: Part II

Bryan Gold

Flashpoint Blog

February 28, 2012

Continuing this four part series, part two describes how an attack on Iran coupled with Iranian retaliation in the straight would be bad for the United State's economic recovery.

Proponents of an American or Israeli strike against Iran's nuclear facilities tend to discount the repercussions to oil production or shipping in the Arabian Gulf and Strait of Hormuz. Some believe that any possible jump in oil prices in the wake of an attack is of no concern since Saudi Arabia is prepared to cushion any shock by increasing their output. However, this belief is built on an artificially narrow idea that Iran will not retaliate against oil interests if attacked and this idea that Iran will not retaliate against oil interests can only lead strike proponents to one possible outcome where oil prices will not be greatly affected.

Unfortunately, the situation with Iran is not as cut and dry; and as this recent Foreign Policy article pointed out this week, it is too difficult to predict with any accuracy what exactly the Iranians would do if attacked. Iran's possible responses are not as simple as no response or full closing of the Strait as proponents would argue because they are ignoring the wide range of retaliatory options available to the Iranian Republic.

The Iranians have four weapons in their arsenal to use for possible retaliation against oil production and transport, fast attack and speed boats, anti-ship missiles, naval mines, and sabotage operations. Each weapon and the targets in which they are used against can both affect oil flow and oil production, leading

to not only a speculation shock (which underpins the strike proponents' arguments) but to a supply shock as well.

Iran could use IRGC or Quds Force operatives to sabotage or destroy Iraqi or Saudi oil production or refining capabilities. This is not outside the realm of possibility; Iranian influence is very strong in the Southern parts of Iraq, where the oil terminals are located. Iran could also attack non-Iranian oil tankers in the Strait or Gulf with small attack boats with short range anti-ship missiles or with mobile, land-based missiles. Iran may launch missiles only occasionally, maybe once or twice per day, or every other day, posing a threat to commercial vessels attempting to traverse the strait.

If shipping companies and insurers believed that large areas of the channels and surrounding waterways were in range of active Iranian anti-ship missile batteries insurance premiums would skyrocket. And if the production or shipment oil was disrupted because of sabotage or missile attack, supply would decrease. All of these possible retaliatory options would involve higher oil prices or reduced production, leading to increased oil prices.

Once a wider frame of options for possible Iranian retaliation is established, it is easy to see that the prediction, based on the belief that Iran will not attack the Strait and that oil prices can be managed by spare Saudi capacity is ignoring other options available to Iran is too narrow to be of any use. But in the end, no one can predict what Iran would do if attacked, they may do nothing, and they may mine the Strait. So for strike proponents' to say with certainty that Iran will not respond and build a case upon that assertion ignores the other potential consequences that would have an impact on the United States.

The point here is not to contest the economic implications of higher oil prices, but to reframe the argument by including more than one viewpoint about how Iran could respond in the event of an attack. By adding these additional viewpoints, and the higher oil prices attached to them, it is clear that there is not just one retaliatory option for Iran after a strike.

Further Reading

American Security Quarterly First Edition: January 2012

20 Years After the Fall: The U.S. and Russia in the post-Soviet World

A collection of essays from our fellows, board members, and adjunct fellows analyzing the evolution of U.S. foreign policy in the 20 years after the collapse of the USSR. Published in partnership with The Atlantic Monthly. These essays examine the last two decades of change in nuclear security, energy policy, the defense industry, regional and bilateral politics, and U.S. posture and geostrategy.

ASP Major Reports:

- Climate and Energy Security** America's Energy Choices 2012
- Nuclear Security Initiative** Nuclear Security Index
- Climate and Energy Security** Fusion Energy: An Opportunity for American Leadership and Security
- Terrorism** Measuring Success: Are We Winning? 10 Years in Afghanistan
- Terrorism** Abu Sayyaf: The Father of the Swordsman

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Building a New American Arsenal

The American Security Project (ASP) is a nonpartisan initiative to educate the American public about the changing nature of national security in the 21st century.

Gone are the days when a nation's strength could be measured by bombers and battleships. Security in this new era requires a New American Arsenal harnessing all of America's strengths: the force of our diplomacy; the might of our military; the vigor of our economy; and the power of our ideals.

We believe that America must lead other nations in the pursuit of our common goals and shared security. We must confront international challenges with all the tools at our disposal. We must address emerging problems before they become security crises. And to do this, we must forge a new bipartisan consensus at home.

ASP brings together prominent American leaders, current and former members of Congress, retired military officers, and former government officials. Staff direct research on a broad range of issues and engages and empowers the American public by taking its findings directly to them.

We live in a time when the threats to our security are as complex and diverse as terrorism, the spread of weapons of mass destruction, climate change, failed and failing states, disease, and pandemics. The same-old solutions and partisan bickering won't do. America needs an honest dialogue about security that is as robust as it is realistic.

ASP exists to promote that dialogue, to forge consensus, and to spur constructive action so that America meets the challenges to its security while seizing the opportunities the new century offers.



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