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OP-631E5, 692-1611
13 May 1980

SUBJECT

USN Security Assistance Training for South America (SA);
Overview of

HIGHLIGHTS

With the decrease in USN representation in SA, coupled with the decrease in USN material sales, the navy-to-navy rapport and influence derived from the Security Assistance (FMS & IMET) training program is becoming increasingly important in South America. However, in the past 4 to 5 years human rights considerations and other legislative constraints and policies have impacted adversely on the Security Assistance training program for South America.

IMET: The number of countries in SA eligible for IMET has decreased from 10 in FY75 to 4 in FY80 (Bolivia, Colombia, Ecuador and Peru). Also, there has been a continued reduction in IMET dollars for each country. Currently, the trend for FY81 appears to be toward slightly higher country dollar levels (as compared to the past two years), with the possible addition of one or two countries (Guyana and/or Surinam).

FMS: In addition to IMET, Ecuador and Peru are also purchasing training under FMS. Venezuela, terminated from IMET in FY78, is currently receiving training under FMS. Brazil last eligible for IMET in FY77, was recently reinstated for FMS. Two FMS training cases are currently under preparation for Brazil. Argentina last received IMET in FY77 and became ineligible for FMS training in FY78. Chile last received IMET in FY 75 and became ineligible for FMS training in FY77. Paraguay and Uruguay last received IMET in FY78 and FY77 respectively; however, both remain eligible for FMS training. To date neither Paraguay nor Uruguay have purchased USN training under FMS.

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DISCUSSION

Navy to Navy Activities

- IMET and FMS: Past, present, and future statistical data are summarized by country in Attachment No. 1 and 2 respectively. The type of training provided SA countries ranges from professional military education at the Naval Postgraduate School and USN/USMC Command and Staff Colleges to Coast Guard Search and Rescue and OCS courses in CONUS and to SCIATT and IANTN in Panama.
- USN Command College, USN Staff College and USMC Command and Staff College: The statistics on participation in these colleges is detailed in Attachments No. 3, 4 and 5 respectively.
- IANTN (Inter-American Naval Telecommunications Network) Training Facility: IANTN, staffed with four EM instructors, trains an average of 30 students per year in Panama in communication operations and repair/maintenance of communications/electronic equipments. Additionally, instruction can be provided by MTT. IANTN students are funded by IMET, with exception of Venezuela which is FMS. In FY 80/81, only Bolivia and Colombia are receiving IANTN training.
- SCIATT (Small Craft Instruction and Technical Team): Participation in SCIATT by SA countries is limited. SCIATT is aimed primarily at the Spanish-speaking countries of Central America, who have small "Coast Guard-type" navies. In FY 80/81, Bolivia, Ecuador, and Peru are utilizing SCIATT training. A separate Point Paper on SCIATT is at Attachment No. 6.

Impact of Past Events

- Human rights considerations and legislative constraints have had a severe impact on the Security Assistance Training Program as relate to Argentina, Brazil, Chile, Paraguay and Uruguay.
 - Argentina: Public Law 95-92 (International Security Assistance Act of 1977): Excludes Argentina from all Security Assistance training.

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-- Brazil: The recent change of events has resulted in reinstatement of eligibility for FMS and a training program will commence in the next couple of months.

-- Chile: Public Law 94-329 (International Security Assistance and Arms Export Control Act of 1976): Excludes Chile from all Security Assistance training.

-- Paraguay: Eliminated from IMET.

-- Uruguay: Eliminated from IMET.

- In addition to the foregoing impacts, the Foreign Assistance Act (FAA) of 1961 and the Arms Export Control Act (AECA) were amended in 1976 (Public Law 94-329) to include two provisions that have resulted in an adverse impact on the success as well as the flexibility of the Security Assistance Training Program (the specific sections of each Act are detailed in Attachment No.7):

-- Full cost reimbursement in US dollars required for all training provided.

-- The definition of "training" was defined so as to be all inclusive, and now encompasses, for example, such things as correspondence courses, publications, training film, and other training aids.

- These two provisions in each ACT had the following effects on the Security Assistance Program:

-- Drastic increase in tuition pricing. The impact of this action has been well documented in several studies in the past few years. Hopefully, the proposed Yatron Amendment, which would authorize incremental fixed costs for IMET and FMS training for those countries authorized IMET, will provide some relief if enacted.

-- Elimination of quid-pro-quo arrangements that had previously existed on service-to-service basis. For example: At the invitation of the Brazilian or Peruvian Navy, the USN would send an officer to the Brazilian or Peruvian Naval War College. In return, a Brazilian or Peruvian officer would be invited to attend the US Naval War College without payment of tuition costs. Now that we must recoup full cost of training in US dollars, such arrangements are no longer possible.

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-- Elimination of the flexibility to provide publications/ correspondence courses on no cost basis. Previously, correspondence courses were routinely provided at no cost. Now, a charge must be made, even though the cost may be only \$30.00 (for CNET courses). A further restriction was imposed by SECDEF policy that correspondence courses will be made available only under FMS, not IMET. This is known to have been an irritant to Peru and Uruguay. A charge must be assessed for all publications provided, even the CANTRAC.

-- Elimination of the flexibility to loan training films to the SA navies. In the past, films were loaned to the countries on a short term basis. This is no longer possible; films must be acquired by the countries through FMS or IMET. This also has become an irritant in Peru.

Impact on Countries' Policies

- The elimination of or reduction in the training received from the US certainly has a direct influence on the defense and/or national policies of the countries. The pro-US position of many senior foreign naval officers can often be directly attributable to the fact that they are graduates of US Naval War College or other US Navy training. These US-trained senior officers are now being replaced by officers who have not received US training/influence. Looking to the future, action should be initiated now to increase the number of SA junior officers attending US Navy courses.

Potential for US Policy

- New legislation required:
 - to bring Argentina and Chile back into the Security Assistance Training Program, preferably with IMET eligibility.
 - to reduce the training tuition costs. The Yatron Amendment would accomplish this if enacted.
 - to redefine training to allow a more flexible approach as to what constitutes training requiring reimbursement.
 - to eliminate/modify the words "in US dollars" to allow reinstatement of the quid-pro-quo arrangements on "student exchanges".

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- Change in policy required:

-- to reinstate Uruguay and Paraguay for IMET eligibility. It is unlikely that these two countries will purchase training under FMS.

-- to reinstate Brazil and Venezuela for IMET eligibility. Although economically capable of purchasing under FMS, a token amount of IMET would be a signal of renewed interest. Also, should the Yatron Amendment pass, IMET eligibility would give Brazil and Venezuela a break on FMS costs.

-- to increase IMET dollars for Peru. Traditionally, Peru has a known requirement for US Navy training that far exceeds the approved level of IMET.

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STATISTICAL SUMMARY
IMET - SOUTH AMERICA
(Dollars in Thousands)

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TRI-SERVICE IMET COUNTRY LEVELS

USN TRAINING PROGRAM LEVEL

| | FY 76/77 | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 | FY 76/77 | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 |
|-----------|----------|---------|---------|---------|---------|---------|----------|-------|-------|-------|-------|-------|
| ARGENTINA | 393 | 725 | 0 | 0 | 0 | 0 | 21 | 281 | 0 | 0 | 0 | 0 |
| BRAZIL | 758 | 59 | 0 | 0 | 0 | 0 | 81 | 14 | 0 | 0 | 0 | 0 |
| BOLIVIA | 776 | 602 | 734 | 350 | 298 | 398 | 27 | 10 | 32 | 9 | 79 | 75 |
| CHILE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COLOMBIA | 1,190 | 695 | 1,179 | 440 | 304 | 343 | 108 | 51 | 104 | 76 | 94 | 92 |
| CUBA | 500 | 404 | 743 | 375 | 305 | 346 | 107 | 66 | 210 | 46 | 98 | 130 |
| GUAYANA | 0 | 0 | 0 | 0 | 0 | 25 | 0 | 0 | 0 | 0 | 0 | 25 |
| PARAGUAY | 549 | 400 | 600 | 0 | 0 | 0 | 9 | 46 | 23 | 0 | 0 | 0 |
| PERU | 1,152 | 878 | 941 | 475 | 309 | 373 | 176 | 262 | 59 | 161 | 129 | 170 |
| URUGUAY | 583 | 0 | 0 | 0 | 0 | 0 | 51 | 0 | 0 | 0 | 0 | 0 |
| VENEZUELA | 686 | 77 | 100 | 0 | 0 | 0 | 129 | 19 | 15 | 0 | 0 | 0 |
| TOTAL | \$6,587 | \$3,840 | \$4,297 | \$1,640 | \$1,216 | \$1,485 | \$709 | \$749 | \$443 | \$292 | \$400 | \$492 |

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STATISTICAL SUMMARY

FMS TRAINING - SOUTH AMERICA
 (Dollars in Thousands)

| | FY 77 & Prior | FY 78 | FY 79 | FY 80 | FY 81 |
|-----------|---------------|-------|-------|------------------|----------------|
| ARGENTINA | 1,501 | 43 | | | |
| BRAZIL | 1,791 | | | 89 ^{1/} | 2 [/] |
| BOLIVIA | | | | | |
| CHILE | 798 | | | | |
| COLOMBIA | 13 | | | | |
| ECUADOR | 257 | 450 | 101 | 300 | |
| GUYANA | | | | | |
| PARAGUAY | | | | | |
| PERU | 1,356 | | 47 | 398 | |
| URUGUAY | | | | | |
| VENEZUELA | 829 | 21 | 290 | 255 | 3 [/] |
| TOTAL | \$6,545 | \$514 | \$438 | \$953 | |

- 1/ Two FMS ^{cases} currently under preparation.
- 2/ FMS training program is anticipated for FY81 to cover a wide variety of training, including training to support the purchase of two LSD's.
- 3/ Anticipate open end case for approximately \$300,000 to cover primarily US Naval Postgraduate School courses and USMC training.

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SOUTH AMERICAN PARTICIPATION

IN

NAVAL COMMAND COLLEGE

| | FY 71 and Prior | FY 72 | FY 73 | FY 74 | FY 75 | FY 76 | FY 77 | FY 78 | FY 79 | FY 80 | TOTALS |
|-----------|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| ARGENTINA | 14 | 1 | 1 | 1 | 1 | 1 | 1 | | 1 | | 21 |
| BRAZIL | 16 | 1 | 1 | | 1 | 1 | | | | ? | 20 |
| CHILE | 14 | | | 1 | | | | | | 1 | 16 |
| COLOMBIA | 16 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | 23 |
| ECUADOR | 6 | | | | | | 1 | 1 | | | 8 |
| PARAGUAY | | | | | | | | | | | 0 |
| PERU | 16 | 1 | 1 | 1 | 1 | 1 | 1 | | 1 | 1 | 24 |
| URUGUAY | 7 | | | | | | | | | | 7 |
| VENEZUELA | 16 | 1 | 1 | 1 | 1 | | 1 | 1 | 1 | ? | 23 |
| TOTALS | 105 | 4 | 5 | 5 | 5 | 4 | 5 | 3 | 4 | 2 | 142 |

Invitations pending acceptance for FY80: Brazil and Venezuela

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SOUTH AMERICAN PARTICIPATION

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IN

NAVAL STAFF COLLEGE

| | FY 72 | FY 73 | FY 74 | FY 75 | FY 76 | FY 77 | FY 78 | FY 79 | FY 80 | TOTAL |
|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| BOLIVIA | | | | 1 | | | 1 | 1 | 1 | 4 |
| BRAZIL | 1 | 1 | 1 | | | | | | | 3 |
| COLOMBIA | | | | | | 1 | | | | 1 |
| ECUADOR | | | | | | 1 | 1 | | | 2 |
| PERU | | 1 | | | | | | | | 1 |
| URUGUAY | 1 | 1 | | 1 | | | | | | 3 |
| VENEZUELA | | | | | | | | | 1 | 1 |
| TOTAL | 2 | 3 | 1 | 2 | 0 | 2 | 2 | 1 | 2 | 15 |

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SOUTH AMERICAN PARTICIPATION

IN

USMC COMMAND AND STAFF COLLEGE

| | FY 71 and Prior | FY 72 | FY 73 | FY 74 | FY 75 | FY 76 | FY 77 | FY 78 | FY 79 | FY 80 | TOTAL |
|-----------|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| ARGENTINA | 13 | 1 | 1 | 1 | | 1 | 1 | | | | 18 |
| BRAZIL | 11 | | 1 | 1 | 1 | 1 | | | | 1 | 16 |
| COLOMBIA | 2 | | | 1 | | | 1 | | | | 4 |
| ECUADOR | | | | | | | | 1 | | | 1 |
| VENEZUELA | 7 | 1 | | 1 | | 1 | 1 | 1 | 1 | 1 | 14 |
| TOTALS | 33 | 2 | 2 | 4 | 1 | 3 | 3 | 2 | 1 | 2 | 53 |

PROVISIONS OF THE LAW

US law requires reimbursement under FMS or IMET for all training provided Armed Forces of foreign countries. This conclusion based on the following:

a. Section 644(N) of Foreign Assistance Act of 1961, as amended, provides that, military education and training includes formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aids, orientation, and military advice to foreign military units and forces. Section 47(5) of Arms Export Control Act (AECA) contains similar definition of "training" for FMS purposes.

b. Section 632(d) of Foreign Assistance Act of 1961 (FAA), as amended, provides, among other things, that reimbursement shall be made to any USG agency, from funds available for use under FAA, for any assistance furnished from, by or through such agency. The amount of such reimbursement shall be credited to current applicable appropriations, funds, or accounts of such agency. Section 21(A) (3) of AECA similarly requires full cost reimbursement to USG agency selling defense services from its in-house resources.

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