



TRANSITION TO POWER: CHALLENGES FACING THE OBAMA ADMINISTRATION

Presentation to:
Institute of the Americas
XVIII Annual Latin American Energy Conference
Planning the Hemisphere's Energy Future During Economic Crisis

May 12, 2009

BARRY R. McCAFFREY
GENERAL, USA (RETIRED)
Adjunct Professor of International Affairs
United States Military Academy



NATIONAL SECURITY – SEVEN GENERAL INSIGHTS



1. Terrorist organizations threatening the U.S. have been badly damaged – but remain dangerous.
2. Global animosity toward U.S. is being reduced by President Obama and his senior team (SecDef Bob Gates, SecState Hillary Clinton).
3. Proliferation of WMDs remains principal threat.
4. Iraqi conflict has taken a turn for the better – U.S. combat operations will continue to diminish rapidly as troop withdrawals accelerate. The ultimate outcome is still in doubt.
5. War in Afghanistan has been economy of force effort, is badly supported by NATO, and is threatened by ineffective Afghan government and instability in Pakistan.
6. Mexico (our second largest global economic partner) is facing severe economic failure and an internal violent struggle with a 100,000 person narco-criminal force.
7. Homeland security is poorly organized and under-resourced.



CHALLENGES TO US MILITARY POWER



- Debate over defense policies, weapons systems, and budgets just getting started. (36,000 killed and injured. \$700 Billion.)
- This decade's defense spending levels are unsustainable; tough choices have to be made.
- However, Armed Forces are too small for current and anticipated demands.
- Congress will override the Administration on numerous programs – lobbying and jobs impacts will influence the debate.
- Equipment and training requirements for 'low intensity' wars are different from 'high intensity' requirements.
- History (to include our own) is full of examples of militaries that were unprepared for wars/conflict that should have been anticipated.



IRAQ – A GROWING SUCCESS



- General Dave Petraeus as CENTCOM Commander and General Odierno in Iraq have turned around the Iraq Civil War – for now.
- The morale, fighting effectiveness, and counter-insurgency skills of U.S. combat forces continue to be simply awe-inspiring.
- Secretary Gates and Secretary Clinton are beginning to repair foreign and national security policy in the Middle East. Tensions with Iran, Syria, and Turkey are somewhat reduced.
- Political reconciliation talks with the Sunnis show positive response. Most Shia militia forces maintain an uneasy “cease fire” with US and Iraqi forces. Iranian intervention in the Iraqi civil war is a decreasing factor.
- The Iraqi Army is real, growing, and much more willing to fight. However, they are still not adequately equipped. The Iraqi Police are now the focus of enormous new efforts in training, leadership development, and equipment. (558,000 military and police).
- The Maliki Administration is beginning to function. The nation is much less gripped with fear and distrust. The Shia dominated government is now beginning to respond to US pressure to reach out to the Sunnis and Kurds.
- US Special Operations Forces have largely succeeded in defeating the foreign jihadist threat at a tactical level. AQI has fled to the northwest – Mosul and Baquba.
- U.S. combat forces need to reduce their footprint to get down to 6 to 7 combat brigades. We are breaking the US Army.
- Iraq cannot sustain economic recovery (28.2 million people) without enhanced, long-term U.S. budgetary support.

GEN Barry R. McCaffrey, USA (Ret.)

May 12, 2009



AFGHANISTAN IN PERIL



- Afghanistan (32.7 million people) has become a nation with a struggling democratic government; a developing economy; a rapidly growing, disciplined Army; a mostly free press; and active diplomatic and economic ties with its neighbors and the world.
- The level of fighting against the Taliban has intensified rapidly. Fortunately – we have significantly increased US combat forces (32,000 troops) in Afghanistan. (Two infantry brigades). NATO now has lead for the entire effort (37 nations). 21,000 additional US Army and Marine troops (and 900+ US Civilians) are now deploying to Afghanistan.
- NATO (30,000 NATO troops) has the lead role in supporting the Afghan government. However, NATO is seriously under-resourced for the task at hand. The assumption of ISAF command by a US four star General has dramatically increased our command flexibility.
- Afghanistan is a Narco-state which produced more than 9000 tons of opium in 2007 (95% of the world's opium poppy) -- and is also the world's largest heroin producing and trafficking country. \$4 Billion in criminal money. 900,000 drug users. Two million people are employed in the opium trade.
- The rapid creation of 144,000 troops for Afghan National Army Forces and Police is an enormous success story. These soldiers are the most disciplined, and effective military force in Afghanistan's history. In general, these troops are very courageous, and aggressive in field operations. The Afghan Army is badly under-resourced. Fortunately – new resources have been requested. Afghan Army will be 134,000 strong. The Afghan Police are a disaster.
- The Obama Administration will triple non-military aid to Pakistan to \$1.5 billion a year for five years. (Since 2002 total \$12.3 billion total aid).



THE SITUATION IN MEXICO



- The Mexican State is engaged in an increasingly violent, internal struggle against heavily armed narco-criminal cartels.
- Mexico's courageous and honest senior leadership – President Felipe Calderon, Attorney General Eduardo Medina Mora, and SSP Secretary of Federal Police leader Genaro Luna are confronting criminal drug cartels.
- The United States has provided only modest support to the Government of Mexico to date. (\$400 million).
- President Calderon has boldly used the tool of extradition to the US. (83 major drug criminals sent north.)
- Mexican Attorney General Eduardo Medina Mora has formed a strategy to break up the four major drug cartels into 50 smaller entities and strip away their firepower and huge financial resources.
- President Calderon has committed his government to the “Limpiemos Mexico” campaign to “clean up Mexico”. There is a clear understanding that this is an eight-year campaign—not a short-term surge.
- President Obama has endorsed the promising US-Mexican Merida Initiative. (\$900 million promised).
 - This vital program is under-funded and slow to be implemented.
 - Significant cross-border law enforcement and justice system cooperation remains inadequate.
- Much is at stake for future US economic and national security policy from 2009 through 2017.
 - The drug menace and drug addiction is central to much of the US criminal and social malignancy that has put more than 2 million Americans behind bars, clogged our courts, and placed enormous burdens on our health system. Drug legalization would intensify the addiction problem and incentivize the drug cartels.
- The Obama Administration has dramatically re-engaged with Mexico.



HOMELAND SECURITY



- America's critical infrastructure is enormous: 87,000 communities; 1,800 federal reservoirs; 2,800 power plants and 104 commercial nuclear power plants; 5,000 airports; 120,000 miles of railroads; 590,000 bridges; 2 million miles of pipeline; 80,000 dams.
- It is impossible to defend everything against every conceivable threat. We need to design security features into new infrastructure. We need new technology to protect potentially high-casualty targets.
- We must better organize and protect our land and sea borders with Federal law enforcement resources.



THE BASIS OF NATIONAL SECURITY – A POWERFUL US ECONOMY



- 2007 global GDP was \$56 trillion +
 - US contributed 25% (\$14 trillion)
 - China only contributed (\$3 trillion+)
- US tops the World Economic Forum global competitiveness report.
- US attracted \$2 trillion + in foreign direct investment in 2007.
(UK – Hong Kong – France next top three each @ \$1 trillion)
- US has manufacturing lead in pharmaceuticals and aerospace.
 - 25% of the world's total output.
- Giant US GDP:
 - Brazil GDP = Florida + Illinois GDP
 - Russia GDP = Texas GDP
 - India GDP = ½ of California GDP
- Leading global exporters -- US, China, and Germany all export over \$1 trillion each.



SEVEN INSIGHTS LOOKING TOWARD THE FUTURE



- Relations with Europe will dramatically improve with the President Obama Administration.
- US-Russia relations will grow more hostile – Prime Minister Putin has re-established authoritarian control of the state and its mechanisms.
- Political and economic relations with China will continue to remain strong even as the PRC emerges as a major Pacific naval and air force military power. (The economy of China is edging toward a disaster).
- North Korea will come apart. We must facilitate a soft landing for this dangerous, starving regional nuclear power. (Five+ possible nuclear weapons and 200 missiles that can range Japan and South Korea).
- The situation in Pakistan is unstable. (17% favorable views of US). Our position in Afghanistan would be untenable without Pakistani support. (80% all NATO logistics by truck thru Pakistan). Democracy is at peril. Confrontation with India.
- Iran (Persian/Shia) will go nuclear and create instability in the Persian Gulf. The Sunni Arabs will create a nuclear-military coalition.
- The death of Castro and confrontation with Chavez.