

2. First Steps: The Transition and After Inauguration

People and Process

The most immediate task in foreign policy and national security is to create the core team and to determine the way that you want them to work together—and for you. These key officials and the working relationship among them must be firmly in place before you can exercise leadership in foreign affairs or carry out your duties as commander-in-chief. This task should be completed before the inauguration.

We suggest that you select your top foreign policy and national security officials as a team and announce them together: the Secretaries of State and Defense, your National Security Advisor, and—with the increased importance of economic issues for America's role abroad—the Secretary of the Treasury and the director of the National Economic Council (NEC). You may also wish to add your Director of Central Intelligence and Ambassador to the United Nations, as well as your chief of staff, domestic policy director, and assistant for congressional relations. These choices will send powerful messages to foreign capitals, to financial markets, and to the American people.

Making these choices promptly is important for an additional reason: Unless you decide to retain some top officials from the current administration, the only two senior members of the foreign policy team who can start work immediately on Inauguration Day are the members of the White House staff, namely the National Security Advisor and the director of the NEC. The others require Senate confirmation. To ensure speedy confirmation of cabinet-level and other senior appointees, you should consider consulting early with leaders in the Senate, and also in the House. This will also give you the chance to start rebuilding what has been a frayed relationship between the White House and Congress.

No less important is the organization of decisionmaking in foreign policy and national security. Since 1947, this has been done through the National Security Council (NSC) and a series of committees, the most important of which are now called the Principals' Committee and a Deputies' Committee, the former chaired by the NSC Advisor, the latter by his or her deputy. In the aftermath of the Cold

War, and facing the vast array of challenges that do not fit within a traditional definition of “national security,” the United States needs a system of management and decisionmaking that can encompass both the old and the new demands of policy. At the outset—and until you determine whether you are being well served—you can achieve this goal by adding officials to the structure of the NSC, including people from “nontraditional” areas, who represent the full range of your agenda. In fact, the current NSC system is highly flexible and gives you wide latitude; it can enable you to make choices, integrate policy, and exercise leadership across a broad range of issues. *Thus we counsel against trying to change the basic NSC system at the outset of your administration.* Experience will best inform you whether that is needed. You should consider setting out your decisions concerning the NSC in a Presidential Decision Directive or, for greater effect, an Executive Order.

We do recommend that you create a new body, within the NSC, charged with strategic analysis, long-range planning, and assessment of tradeoffs among the multiple issues that make up “national security” in the post–Cold War world. Classically, the lack of any such institutional capacity in the White House has been a cardinal weakness of presidential leadership in foreign affairs: The short term tends to drive out the long term. We believe that a capacity for strategic analysis and long-range planning will be created only if you insist upon it, appoint able staff under the chairmanship of the National Security Advisor, ensure that they fit within the decisionmaking process, and demonstrate that their work is important to you. This new body—a Strategic Planning Office—can provide you and the members of the NSC with a broad, long-term perspective; it should also draw upon the work of the National Intelligence Council (NIC), as well as policy planning staffs in the cabinet departments engaged abroad, and thus improve interagency coordination on longer-term issues.

Immediately on taking office, you should also consider directing a fundamental review of all major aspects of America’s engagement in the world. Other presidents have begun with an effort to rethink basic policies, although none has done so thoroughly for decades. In view of the major changes in the world since the end of the Cold War, including the onset of globalization, this is a critical moment to conduct such a review, begin developing long-range strategies for U.S. engagement abroad, and—in the process—involve both the Congress and the American people.

Finally, because of changes in global society and the nature of American involvement and presence, U.S. foreign policy will now be importantly affected by decisions made and carried out by non-governmental organizations (NGOs)

and the private sector, often without a direct role by the U.S. government. This is already true in international finance, global business, and areas like human rights, economic development, and democratization; globalization will accelerate the process and carry it to a wide and expanding range of activities. You should create a new body within the Executive Office of the President, analogous to the Office of Science and Technology Policy, to foster policy consideration of NGO and private sector activities, to help inform policy choices, and to provide for liaison with these groups.

Staffing the Administration in Foreign Policy and National Security

Among the most consequential choices you will ever make in foreign policy and national security will be the people you pick as your senior officials. They can set a tone—and establish a good deal of the substance—for your entire term of office. To ensure your capacity to lead, we suggest that you build the key elements of this team as rapidly as possible, choosing your cabinet-level officials no later than early December. We also recommend that you immediately select a head of the White House Office of Presidential Personnel who has senior-level experience in managing a complex personnel-recruiting process.

In the post–Cold War world, your effectiveness will depend in part on choosing at least one cabinet-level official—either the National Security Advisor or the Secretary of State—with capacity and experience at high-level strategic analysis and integration of policy. Even if you choose to provide regular, hands-on strategic direction of policy, you will be aided greatly by having such a top official. You should consider making clear, however, that neither the National Security Advisor nor the NSC staff will have operational responsibilities; that role should be clearly reserved to the cabinet departments, and you should vest primacy in the conduct of foreign affairs in the Secretary of State. By the same token, in recent years, representatives from a wide range of government agencies have proliferated at U.S. embassies and other missions abroad; we suggest that you affirm the authority of U.S. ambassadors as your principal representatives abroad, charged with overseeing and coordinating the overall conduct of U.S. diplomacy at their missions.

You will also benefit from deciding whether you want a core team that will tend to produce consensus on broad policy matters (thus reducing the attention you will need to pay on a routine basis), or a team that will sharpen debate and press a wide range of issues to you for resolution (thus ensuring that you will have to be regularly engaged). We judge that, in the new age, you, as president, will

need to be deeply engaged, on a sustained basis, in the making and carrying out of foreign policy.

As with the staffing of other departments and agencies, a key issue is how deeply to involve yourself and your White House staff in the selection of officials immediately subordinate to the cabinet-level national security officials. Some presidents have entrusted their cabinet secretaries with choosing their own teams, with the White House playing only an overseeing role. Others have retained significant authority for themselves, sharing in the choice of key sub-cabinet officials, in order to demonstrate that these officials clearly owe their appointments, and their loyalty, to the president and not just to a cabinet secretary.

Even more than in other areas, a high premium should be placed on expertise and experience in key appointments in foreign policy and national security. Political talents, especially for dealing with Congress and explaining policy publicly, are valuable assets in the Secretaries of State and Defense. But in the overall staffing of the key departments and agencies, great emphasis should be placed on knowledge, background, and experience. Many critical decisions do not primarily reflect political choices, a role for constituencies, or key factors that are essentially limited to the confines of the United States and its domestic politics—as is usually the case in domestic policy—but depend, rather, on a capacity both to respond effectively to events and actions emanating from abroad and to craft coherent strategies for the United States in the world. You will also need talented people from nontraditional areas, to ensure that issues such as globalization, as well as the congeries of newer concerns, can be dealt with effectively within the overall framework of U.S. foreign policy

For many years, between one-quarter and one-third of ambassadorial appointees have come from the ranks of political supporters. However, in appointing ambassadors, we suggest that you be sensitive to relations with particular countries where the ambassadors' knowledge and expertise are important for the successful pursuit of U.S. goals, as well as to those countries where the U.S. ambassador's personal or political relationship with the president is highly prized. You should consider creating an independent advisory panel to vet possible ambassadorial appointees, both career and political; this can help search out talent and provide you with some insulation from the politics of appointment.

In recent years, the requirements of qualifying for senior-level government appointment, whether imposed by law or by presidential decision, have become increasingly complex, cumbersome, and often self-defeating, in that they have

dramatically reduced the ranks of talented Americans who are prepared to accept public service. Conflict-of-interest regulations have become especially burdensome and inhibiting. As president-elect, you cannot escape most of the complex requirements for government service that have built up over time; *but we strongly believe that you should resist imposing any more requirements, and, as soon as possible, you should review—with an eye to reform—those that fall within your discretion.* We also recommend that you ensure that the clearance process for senior officials moves rapidly within the White House and the cabinet departments, and that nominations reach the Senate as soon as possible. Indeed, most delays in qualifying senior officials occur in the Executive branch, not in the Senate. Later, you should consider seeking congressional support in reducing the burdens on government service, including excessive conflict-of-interest regulations, and in increasing the financial compensation.

Forging Effective Relations with Congress

For some time, relations between the White House and Congress have been strained, in foreign policy no less than in many areas of domestic policy, even beyond the natural competition between the branches. You have an opportunity to “turn the page” and develop a new relationship with Congress. This is not just a call for greater civility in public life in Washington, nor is it an effort to blunt partisanship; despite the old adage that “politics stops at the water’s edge,” too much of foreign policy is inextricably mixed with domestic issues and concerns to be separated out and preserved from partisan debate. The question is the limits—and the overall atmosphere within which Executive-Legislative relations are conducted.

“Bipartisanship” in foreign policy should be a priority, even if it cannot always be attained. And leadership begins with you, as the official who, in law and in practice, has most authority and capacity for initiative. Indeed, we believe that a primary rule of presidential leadership in foreign policy should be to build congressional and popular support for whatever course of action you deem in the best interests of the country.

You could begin, soon after the election, by saying clearly that you seek a new partnership with Congress in foreign policy and national security—without, of course, giving up any of the prerogatives that accrue to any president. These words would be matched in deeds, beginning with presidential meetings, held regularly throughout your administration, with congressional leaders of both parties.

You might also ask for reciprocity, as a gesture of mutual good faith, in prompt Senate action on your nominees for senior offices in foreign policy and national security. To this end, you should ensure high credibility and “confirmability” for the appointees and be willing to sacrifice some partisan benefits—for example, in ambassadorial appointments based primarily on campaign contributions—in exchange for speed of Senate action.

Every department and agency engaged in foreign policy should keep Congress fully informed of plans and programs; the “default position” should be sharing too much information rather than too little. One step in this direction would be to strengthen the various legislative affairs offices and to ensure that they work closely with the relevant substantive offices. You should also consider how to engage members of Congress in aspects of diplomacy that will lead to congressional (especially Senate) requirements for action. This might include exploring with congressional leaders areas where institutional partnerships can be created, patterned on the successful Legislative-Executive Commission on Security and Cooperation in Europe. And when the United States is engaged in major international negotiations that will lead to treaties subject to Senate ratification, you should to the extent possible invite congressional observers to be involved.

Finally, early in your administration, you should consider submitting to Congress an integrated “foreign policy and national security budget,” to accompany the annual foreign policy report that is already required, along the lines of the annual consolidated budget and economic report. The budget and report should include explanations of connections, choices, and tradeoffs among different instruments of foreign policy and national security. While providing greater understanding in Congress of your overall goals, these submissions could also form the backdrop for broadening the policy dialogue between the administration and Congress—as well as fostering consideration of budget priorities, especially on the nonmilitary resources needed to sustain and advance U.S. foreign policy.

It is our judgment that, in this new age, the demands on the United States for diplomacy and other nonmilitary involvement abroad will rise significantly, for all of the reasons set forth in our basic analysis above regarding the challenges and opportunities now facing the nation, including efforts to reduce the risks of conflict and the need for engagement of U.S. forces. We thus believe that nonmilitary spending on foreign policy and national security (the so-called “150 Account”) should be increased substantially, by at least 20 percent over current levels. But to achieve this, the Congress must be presented with a clear rationale; be convinced that diplomatic structures—especially the State Department—are

being reformed, modernized, and made fully relevant to tomorrow's needs; and be drawn fully into your confidence about the requirements and the means of U.S. leadership and actions abroad. This can best be achieved by presenting an integrated policy and budget request and creating a sustained dialogue on broad national strategy.

Issues for Immediate Decision

First Public Presentations

Your first public presentations after the election are important in creating a firm basis for leadership, doubly so because few of these issues have figured in the presidential campaign. At your first press conference during the transition, we suggest that you begin by publicly setting the foreign policy directions for your administration; this would include statements of reassurance about U.S. engagement abroad, which the allies, in particular, are always anxious to hear from a newly elected U.S. president. The following are the themes we recommend:

1. You will be active in leading the United States in the world. You are assembling a first-rate team with an international outlook to promote U.S. strength at home and U.S. interests and values abroad; the two will always go together in your administration.
2. Until January 20, Bill Clinton remains president and commander-in-chief, with the authority of his office for foreign policy and national security. You respect that role and support his exercise of his responsibility. No one should be in any doubt that President Clinton has the full powers of action during this transition period. You also want to make clear to everyone abroad that, unless and until you make changes after you become president, all of America's commitments remain firm and unaltered.
3. You are deeply committed to creating a new relationship with Congress; there has been too much division and discord in recent years. In foreign policy and national security, building American strength and purpose in this era demands a partnership between the president and Congress. The American people expect that of all their leaders in Washington, and you will do your part to make this happen.
4. Maintaining a strong economy at home is critical to being strong and able to lead abroad. You will also continue to lead in ensuring the effective workings of the global financial system and an open trading system.

5. America's alliances and partnerships will have your concentrated support and attention, from Europe to Asia, with Japan and others. You will place a high priority on strengthening these relationships, which will be at the core of U.S. security and economic policy, also reaching out to other regions, such as Africa.
6. The United States will continue to be deeply committed both to NATO and to U.S. relations with the EU. You continue to support NATO enlargement, but you will make precise decisions for the United States later. You will review U.S. policy toward the Balkans, but changes, if any, will be made only in concert with the NATO allies.
7. You will be deeply engaged in developing effective long-term policies toward Russia, China, South Asia, Latin America, the Persian Gulf, and other areas critical to America's future; it would be premature to lay out policies at this point, however.
8. You are committed to help Israel obtain peace with all of its neighbors and to Israel's security; there should be no doubt about that. You expect to be actively involved. You will decide the precise terms and timing of U.S. engagement in peace negotiations after the inauguration and in light of circumstances, including possibilities for advancing the peace process.
9. You are already becoming engaged personally in the crafting of the defense budget and policy, including the Quadrennial Defense Review (QDR) that is now under way. America's defenses will be tailored to the needs of the future; they will honor America's fighting men and women; and they will keep the nation secure and make the American people proud. Within the overall review, you will direct a fundamental analysis of all the factors in missile defenses, including the decision on National Missile Defense (NMD) postponed by President Clinton. You are committed to missile defense to protect the United States, its troops, and its allies, and you will ensure that the nation gets this right, in all dimensions; but you cannot now foreshadow the outcome of your analysis.
10. You will mandate, immediately upon assuming office, a root-and-branch review of U.S. foreign and national security policy, the first such in-depth review since the end of the Cold War, and long overdue. This will include all the classic concerns of the United States, but also newer concerns, including WMD, terrorism, and globalization, as well as issues such as democracy, poverty, and human rights.

Critical Decisions

As the new U.S. president, you will be accorded a grace period by the nation and much of the world in making basic decisions on U.S. foreign and defense policy. However, we believe that in several areas you will rapidly need at least to prepare for reaching decisions with long-range implications. These decisions relate to issues that were either in abeyance near the end of the current administration, are driven by external developments, or relate to your ability to shape major budget choices for Fiscal Year 2002. We have singled out three: missile defense, reshaping the defense program, and the Arab-Israeli peace process.

Missile Defense. The missile defense issue will be among the most critical for your administration. Indeed, mishandling this issue could have severe consequences across a wide range of concerns, including the nation's military security and relations with the allies, Russia, and China. On September 1, President Clinton postponed basic decisions on National Missile Defense (NMD) until the next administration, saying, "I simply cannot conclude with the information I have today that we have enough confidence in the technology, and the operational effectiveness of the entire NMD system, to move forward to deployment."

Within the membership of the Transition 2001 panel, there is a basic agreement that creating an effective NMD capability is part of an overall strategy not only of protecting the nation against a limited ballistic-missile attack but also of ensuring that the United States will continue to be able to project conventional military power credibly, even against threats from a state armed with a limited number of ballistic missiles and nuclear, biological, or chemical warheads. We also agree on the importance of developing and deploying effective theater missile-defense (TMD) systems in key locations around the world—perhaps combining boost-phase intercept with midcourse and terminal defense—and we agree on the need for reductions of strategic nuclear weapons, whether by treaty or unilaterally. Within the panel, however, opinions vary considerably about the best way to move forward with NMD. We do concur that plans for NMD deserve a fresh look and that this issue should be accorded the highest priority within your administration and in national discussion and debate. Promptly after inauguration, we suggest that you lay the groundwork for making basic decisions.

You should consider leading a comprehensive effort, as part of a broader review of issues of military defense, nonproliferation, strategic stability, and diplomatic

relations. Among the most important elements of this comprehensive effort would be the following:

- A review by the intelligence community of emerging long-range threats posed by states such as North Korea, Iran, and Iraq, including the likely timelines for their appearance and an assessment of the prospects for avoiding them via diplomatic agreement (e.g., a possible deal with North Korea).
- Assessment of different NMD alternatives (including combination or layering of different alternatives) in light of the source and nature of emergent threats, U.S. technical capabilities, probability of mission success (including effectiveness against expected countermeasures), cost-effectiveness, areas of coverage (including allies and friends), and time of availability.
- Assessment of alternative or complementary means of dealing with emerging long-range missile threats, including denial of capabilities, diplomacy, deterrence, and preemptive action.
- Assessment of the relationship of different NMD alternatives to the ABM Treaty, the possibilities for withdrawing from the treaty or reaching an understanding with Russia for altering it, and the potential impact of either option.
- Assessment of the impact that missile defense programs could have on the funding of other U.S. military programs, including impacts on the pace and timing of development and deployment.
- Diplomacy with allies regarding the full range of issues, including threat assessment, alternative and complementary responses, the impact on relations with countries such as Russia and China, incentives for other countries to support U.S. missile defense plans, and/or possible accommodation to those plans, and adjustment in U.S. planning in response to allied concerns and suggestions.

There are several technological contenders for a U.S. NMD system, including the current land-based midcourse intercept system, boost-phase intercept systems, and some combination of air-based, space-based, and sea-based systems. Each has positive and negative attributes; any will involve tradeoffs among desirable objectives. The essential point for your decision is to evaluate each of these possibilities in light of the complex considerations discussed above and to embed your decision in broader policy deliberations. Because of the high costs involved, the many issues at stake, and the controversy—both at home and abroad—that

will attend any choice, it is critical to get this decision as “right” as possible, and to take sufficient time in doing so.

Whatever choice you make, you should also build a base of support within Congress; and you should use the entire process to develop a widespread sense within the country that overall U.S. security and foreign policy objectives have been served. To this end, creating a process for analysis and decision can enable you to consider a full range of options, factor in all the critical elements, and exercise leadership in building support, both at home and abroad.

Reshaping the Defense Program. Like your predecessors, you will need to make some of the most consequential decisions regarding U.S. defense and military forces during the first six to nine months of your administration—perhaps even before your new Pentagon team is fully in place. What you decide in these few, rather frenetic months will go far toward shaping the U.S. military posture for the balance of your administration and beyond.

For you to exercise leadership, we recommend that you and your defense team undertake four major sets of activities, more or less in parallel:

- *Strategy development.* To provide a sound basis for every other defense decision, your administration should develop, even if at first in rudimentary form, an overall concept of national security strategy that includes the most important military, economic, and diplomatic dimensions. This will provide the foundation for the formal National Security Strategy document mandated by Congress. In the process, you should begin confronting some basic defense policy choices, even if you do not immediately resolve them, such as whether to continue adhering to the doctrine of the United States being prepared to conduct two nearly simultaneous major theater wars (MTWs) as the primary criterion for force-sizing.
- *Alterations to the Fiscal Year 2002 budget submission.* You will inherit from the current administration a draft defense budget that, as a practical matter, must be submitted to Congress by April. Because of its size, complexity, and state of development, you and your defense team will not be able to review it in any detail, and it will be difficult to make radical changes. Thus, you should consider focusing on its key provisions to determine that they are consistent with the overall thrust of your defense strategy. You may also wish to highlight policy shifts by proposing one or more high-profile changes to the submission.
- *Producing your own defense program—the QDR.* The congressionally mandated QDR must be completed by the end of September. The purpose of the QDR

is to articulate a defense strategy (i.e., the military component of your national security strategy) and to produce an affordable defense program that will yield the capabilities needed to execute that strategy. The QDR should thus be produced in tandem with your basic national security strategy review and alterations to the Fiscal Year 2002 budget submission.

- *Signaling your intentions to allies (and others).* Your new administration's deliberations about its defense program and posture will be closely scrutinized by allies, friends, and adversaries. We suggest that, early on, you send some clear signals about your intentions (e.g., whether you plan any changes in the pattern and character of U.S. force deployments abroad), preferably without locking yourself into positions that might later need to be revised.

You will not, however, be starting with a clean slate. There is great momentum (some would say inertia) behind every major component of the defense program, and the Pentagon has been working for months on position papers, options, and analyses intended to present your new administration with available choices. Left on "autopilot," this process is quite capable of building a program and carrying it out without direction by you or your new defense team. But such a "business as usual" approach would be likely to avoid the tough questions, thus producing a total defense structure that is more costly than necessary.

Your administration will face many significant challenges in ensuring that U.S. military forces are able to meet the needs of the nation for the years ahead. But the chief problems that your new Secretary of Defense must confront all stem from the fact that for about the past ten years, the Department of Defense has, unwittingly but consistently, underestimated the cost of maintaining and operating its force structure. This has led to the following problems, which are becoming increasingly acute:

- Training opportunities have been reduced, and some accounts for spare parts and equipment maintenance have been starved, leading to sinking in-commission rates, more man-hours required for routine maintenance, and a consequent decline in morale and readiness.
- Programs to provide important new capabilities (e.g., a new generation of surveillance sensors, advanced munitions, TMD) have been delayed.
- More prosaic accounts, such as military housing and real property maintenance, have suffered, leading to a deterioration of the physical plant at many bases.

The severity of these problems is magnified by the fact that much of the force faces significant new charges to modernize or recapitalize the weapon and support platforms that were fielded in the 1970s and 1980s. Current U.S. strategy now demands capabilities (e.g., stealth) that old platforms simply cannot provide. Thus a sizable modernization bill cannot be avoided. As a result, the first and most important job of your new Secretary of Defense will be to build and execute an affordable defense program that is balanced over the longer term. This means putting enough resources into the chronically underfunded accounts so that near-term readiness does not suffer unduly, while providing as well for the future with modernization spending that keeps ahead of the obsolescence “bow-wave.” Striking this balance—the near term versus the long term—is one of the most important national defense program and policy tasks facing the U.S. military and your administration.

Experts differ on the exact cost of providing for adequate U.S. defenses over the next several years. A reasonable estimate, however, is that, without changes in other areas, the Department of Defense will need an increase of about \$30 billion per year in the procurement accounts, and an additional \$10 billion per year for real property maintenance, recruitment, pay and retirement, medical care, and the like. In all, this represents an after-inflation defense budget increase of at least 10 percent, sustained over many years.

The need for increased funding means that something must change in the underlying demands for resources within the Department of Defense program. The current U.S. strategy places heavy demands on our forces in peacetime and in conflict. Unless you change this strategy, cutting force structure may not be prudent. That said, we believe that with modification of the current strategy, cuts can be made, in part by introducing more modern and more capable systems and forces. Resources can also be saved over the long term by rationalizing the military base structure in the United States and adopting more effective business practices. Making such changes happen will involve some difficult and controversial decisions, and your best opportunity for overcoming resistance will come during the administration’s first year. This underscores the importance of producing a QDR that reflects key priorities and shapes basic decisions.

Past reviews have tended to ratify the status quo and have usually failed to address requirements for change. Experience suggests several lessons for increasing the chances that your administration can exercise command. Chief among these lessons are the following:

- *Change must come from the top.* You should empower the Secretary of Defense to make major changes in the allocation of resources. Extensive consultation

within the Department of Defense and with Congress will be essential. In the end, however, you must be prepared to spend political capital in order to make any major reallocation of defense resources.

- *Expand the range of scenarios used to evaluate future U.S. military forces.* The two basic, stylized scenarios used for most of the military's force evaluation today (a North Korean attack on the South and an Iraqi attack on Kuwait and Saudi Arabia) do not in themselves constitute an adequate yardstick for assessing capabilities needed in the future. U.S. forces might become engaged in entirely different contexts, including ones that involve more-modern forces than North Korea or Iraq can field or that involve less warning or non-armed-invasion threats—such as light forces or amphibious invasions supported by large numbers of ballistic and cruise missiles.
- *Understand that “the system” will provide options and supporting analyses that discount qualitative improvements in weaponry.* Most of the analytical tools used by the Department of Defense were developed prior to recent advances in information and precision technologies, and therefore they have difficulty reflecting the value of such innovations for military capabilities. Your new Secretary of Defense must take the initiative to ensure the introduction of better, higher-fidelity analyses into the deliberative process.

The Arab-Israeli Peace Process. For the past 30 years, the United States has played the leading external role in promoting Arab-Israeli peace, and its commitments—both to peace and to Israel's security—remain firm. Successive administrations—and presidents—have thus expended considerable time, effort, and political and financial capital on Arab-Israeli diplomacy. Indeed, President Clinton raised the level of U.S. and direct presidential involvement. His active engagement at the July 2000 Camp David Summit broke new ground on issues, including Jerusalem, which had previously been taboo, effectively reducing the option of making Arab-Israeli peace negotiations a second-order priority for your administration.

The recent breakdown of the peace process and the violence that followed have intensified levels of distrust among both Israelis and Palestinians, raised questions about the continued viability of the Oslo framework, and sparked concern about regression in wider Arab-Israeli relations and even the potential for regional conflict. Indeed, it is possible that the beginning of your presidency will be marked by continued fighting in the Middle East, imposing the requirement of U.S. efforts to bring the violence to a halt as a prerequisite of any further attempts at making a lasting peace.

It is not clear whether Yassir Arafat could again be a credible peace partner for Israel, whether Israeli politics would soon be amenable to a renewal of the peace process, or whether possible leadership changes on the Palestinian or Israeli side would affect the potential for diplomacy. Nevertheless, all parties look to you, as the U.S. president, to play a critical role. As your administration begins, you will need to judge whether the political temper in the area could support an early resumption of high-level diplomacy or whether more time and perhaps concrete acts of confidence-building are first required. More fundamentally, you will need to judge how seriously the fall 2000 violence threatens to deteriorate into a wider crisis that could threaten U.S. and allied interests, and you will need to decide what to do to prevent escalation and restore the prospects for diplomacy. On the Israeli-Palestinian front itself, you will need to decide whether to pick up where President Clinton left off, that is, to try resuming an active role in diplomacy on the basis of the Oslo/Camp David framework; to pursue a less-ambitious, modified version; or to explore alternative approaches.

Thus, you will have key decisions to make about how negotiations and other diplomatic activity should be conducted, in addition to possible requirements for dealing with ongoing violence. These decisions include whether you should take the initiative or wait until the parties signal willingness to resume negotiations, whether you want to appoint a special negotiator or center diplomacy with the Secretary of State and his or her subordinates, and what your personal role, if any, will be. You should consider directing an internal assessment of the potential for proceeding with the Camp David approach versus pursuing alternative ways to achieve an Israeli-Palestinian “final status agreement,” such as a return to step-by-step diplomacy or the adoption of an alternative strategy of disengagement and “separation.” More widely, in working to prevent a worsening of the regional situation and in approaching a resumption of a U.S. role in negotiations, it makes sense to place emphasis on securing the support of key European allies and major Arab states, particularly Egypt and Saudi Arabia, both for the peace process and for the U.S. role in it.

Early in your administration, you should consider making clear publicly your basic approaches, even if you reserve your options—for example, whether the U.S. should take the initiative or wait to respond, and whether you should play a direct role from the beginning or reserve intense, active involvement for when it is needed to help the parties either to reach closure or to avert a breakdown in the process.

We recommend that you make clear the following:

- The United States is prepared, actively and vigorously, to support efforts to reach peace between Israel and its neighbors, building on what has been achieved in the past. But the circumstances have to be such that there is a basis for a viable peace process and an absence of violence.
- U.S. commitments, particularly security commitments to Israel, remain firm, unquestioned, and unlinked to this diplomacy.
- U.S. engagement can take place only on the basis of the firm commitment of all parties to the peaceful resolution of conflict, and the United States opposes unilateral acts outside the scope of negotiations that could damage prospects for peace.
- You are ready to assign a first-class team to advance the goal of Arab-Israeli peace when the timing is appropriate. As with all U.S. diplomacy, the Secretary of State will have overall direction, under your guidance.
- If the parties do support resumption of the peace process, as it develops, you will determine the appropriate level of your own engagement in diplomacy.
- Your commitment is clear: to continue the active role of the United States in creating a just and lasting peace between Israel and all of its neighbors and in engaging the entire region in the great promise of the global economy.

Possible Crises and Opportunities

Between your election and inauguration, it is likely that one or more foreign crises will occur that require some form of action by the United States. This is, of course, a sensitive period, when the outgoing president must make decisions, but the incoming president has to live with the results. This works best when the departing president draws his successor into his confidence—and even seeks his advice, while recognizing that the “buck (still) stops here.” Your staff and that of President Clinton should consult promptly after the election to ensure that you are at least kept fully informed and also to develop transition arrangements that will best provide for continuity and the protection of national interests at the time of changing administrations.

By the same token, in organizing your administration, we suggest that you place high priority on developing your basic crisis management team. That should begin with your top officials who are not subject to Senate confirmation, centering on your new National Security Advisor. In the event of a crisis just after your inauguration, you should also be able to draw on counsel from your designees for cabinet positions in foreign policy and national security, even if they have not yet been confirmed. We recommend that before doing so,

however, you consult with the Senate leadership; it is unlikely that in a crisis, your making use of these appointees would be objected to. In any event, you should have in place a streamlined team of crisis managers, chaired on your behalf by the National Security Advisor, as soon as possible after inauguration.

Iraq

At the beginning of the Clinton Administration, Saddam Hussein sought to challenge the new president by provoking a crisis in the Persian Gulf. He may do the same to you; and even without a crisis, you will face a difficult situation in Iraq. Saddam Hussein refuses to allow inspectors to assess his compliance with United Nations (UN) resolutions on WMD. At the same time, international support for sanctions and U.S. Iraqi policy in general has declined. The United States has declared its goal of changing the regime in Baghdad but has not yet developed a viable strategy for doing so.

In forcing an early crisis, Saddam could step up his efforts to shoot down U.S. aircraft enforcing the no-fly zones, move his forces into the autonomous Kurdish areas in support of one Kurdish faction, threaten Kuwait, or continue efforts to manipulate the oil market by reducing or stopping Iraqi oil exports. How you respond to such challenges will shape not only Saddam's future actions, but also those of others in the Middle East. It will also have an impact on long-term U.S. goals, including peace between Israel and the Arabs, limiting the proliferation of WMD, and the security of the oil-rich states.

We recommend that your short-term strategy in responding to Iraqi actions adhere to the following principles:

- If provoked, U.S. air attacks on Iraq should hit a wider range of strategic and military targets. Current U.S. strikes on air defense systems accomplish relatively little. As long as you are willing to pay the political and operational costs of a continued military campaign against Iraq, the campaign should be directed against targets that count: the forces of elite units, regime-protection assets, and suspected WMD sites.
- The potential operational, diplomatic, and other risks of such attacks argue for rapid analysis of the situation you inherit, consideration of alternatives, and decisions about the key elements of an overall policy. In few, if any, other areas of foreign policy is the development of contingency plans rooted in a longer-term strategy more necessary at the outset of your administration.
- The United States should continue its leadership in the struggle against Iraq, but it should be recognized that unless you are prepared to act unilaterally,

exercising this leadership will require some accommodation to allied reactions and interests. For example, leading both U.S. regional and global allies will be easier in response to an Iraqi threat to Kuwait than to a move by Saddam against the Kurds. You should communicate early your determination to protect U.S. redlines—on WMD, on threats to Kuwait or other U.S. allies, and on interference in the Kurdish areas. If you decide, for example, that Iraq must be prevented from making any substantial progress with any of its WMD programs, you must be prepared to act if credible intelligence indicates such progress. You would also need to demonstrate that U.S. actions in Iraq are directed against the regime and to discourage, to the extent possible, divisions among partners that encourage Saddam to take hostile action or that complicate responses to that action.

- The United States and other Western states should, in any event, prepare for the possibility of temporary reductions in Iraqi oil exports. You should consider an agreement with our allies that in the event of an Iraqi-inspired oil crisis, we will all draw on strategic reserves until other producers can replace as much of the shortfall as possible. Your preparations should include efforts to reach a prior agreement with Saudi Arabia, which has the largest excess production capacity.
- The UN must retain control over Iraqi spending, the main lever for keeping Saddam Hussein from rebuilding his conventional forces and expanding his WMD. By the same token, you should consult with partners and other states about the current sanctions and about changes that could make them more sustainable and more effective for achieving U.S. and allied interests. You should also consider changes that would allow increasing contacts between the Iraqi people and the outside world and an increased Iraqi capacity for oil production.

China and Taiwan

Critical differences between Mainland China and Taiwan about the future of their relations make the Taiwan issue the most intractable and dangerous East-Asian flashpoint—and the one with the greatest potential for bringing the United States and China into confrontation in the near future. The Chinese leadership still has not fully decided on its response to the March 2000 election in Taiwan of an independence-oriented president from the Democratic Progressive Party (DPP). That election sparked renewed fears in Beijing that Taiwan is drifting toward independence and prompted Beijing to reiterate its threats to use force to prevent Taiwan from achieving *de jure* independence. China now asserts that even Taiwan's refusal to negotiate "*sine die*" on reunification might force it "to

adopt all drastic measures possible, including the use of force, to safeguard China's sovereignty and territorial integrity."

Any of several apparently minor developments could upset the delicate status quo in the Taiwan Strait and generate a crisis. Of particular concern is the possibility that a crisis might evolve before your administration has a chance to articulate a coherent policy regarding Taiwan. Even without a deliberate move toward independence, the ordinary workings of Taiwan's dynamic democracy could produce words or deeds that would appear provocative to Beijing. If the Taiwanese and Mainland Chinese have different or inaccurate understandings of how the new U.S. administration would react to such a crisis, the situation might quickly spiral out of control.

China's military weakness, the ambiguous U.S. commitment to protect Taiwan against aggression, and Taiwan's own defense forces ought to suffice to deter Beijing from outright invasion for the next several years. But because of the emotional and nationalist element in Beijing's attitudes toward Taiwan, this assumption could prove unrealistic. Moreover, Chinese military options are not limited to an outright invasion but could entail harassment of Taiwanese shipping at sea, missile attacks on Taiwanese targets, or a forceful quarantine of the island's ports. Rather than conquer the island by main force, such attacks would be intended to panic the Taiwanese and, by raising the costs of refusal, coerce them into making a reunification deal on Beijing's terms.

Such a campaign would threaten not only Taiwan, but also U.S. political and economic interests in East Asia. Chinese action against Taiwan would also present a military dilemma for your administration. If the U.S. stood aside, its credibility in East Asia as a guarantor of stability would be severely damaged. If, on the other hand, the United States did intervene, it might damage—severely and perhaps for the long term—the important economic and diplomatic relationship with China, possibly setting the stage for a new Cold War with the world's most important rising power. And, of course, any Sino-U.S. confrontation would play out in the long shadow of the two sides' intercontinental nuclear arsenals.

Your ability to respond to such a campaign has clear limits—e.g., the United States can currently offer Taiwan little effective protection against Chinese ballistic missiles. While U.S. air and naval forces could help ensure freedom of navigation for all shipping through international waters, such an operation would need to be carefully managed to minimize the chances of a shooting war through misjudgment or mischance. Maintaining this type of response could require a sustained commitment and could become a dangerous showdown.

Attempting to avoid such a confrontation should be a top priority for your administration. You will need to decide whether to maintain the current policy of “constructive ambiguity”—accepting the principle of “One China” while simultaneously providing nonspecific assurances regarding Taiwan’s defense—or instead to adopt a clearer policy that fosters greater confidence that all parties know where the U.S. stands. Such a policy would have two central features:

- It would reiterate to both sides that the United States firmly opposes any unilateral moves toward independence by Taiwan but will also support Taiwan in the event of an unprovoked Chinese attack.
- It would reiterate that the United States has a commitment to fostering Taiwan’s economy and democratic way of life but also wishes to maintain strong, positive, and friendly relations with China.

In the event of a crisis between China and Taiwan, the primary U.S. goal should be to defuse the situation as quickly as possible. To this end, the United States could share intelligence information with both sides to help decisionmakers in Beijing and Taipei maintain an accurate picture of the situation and simultaneously to demonstrate the impossibility of achieving operational or tactical surprise. The United States should also make its intentions known early in any crisis. Particularly in the event of an actual or apparently imminent Chinese use of force, prompt and public force movements and firm statements of U.S. support for Taiwan might cause the Chinese to at least refrain from further escalating tensions.

The Korean Opportunity

Early in your administration, you could face either a crisis or an opportunity on the Korean peninsula. At this point, a breakthrough in diplomacy appears to be in the offing. While resolution of this last-remaining Cold War conflict would be a welcome development, it would also have important effects on the long-term U.S. goal of maintaining stability in East Asia as a whole. Even if the Korean conflict is resolved, that goal will require a strong and well-configured U.S. military presence in the region and ultimately a web of regional security arrangements. This is fully expected by America’s allies and friends in Asia, as part of the major transition in power and economic relationships that is likely to take place during the next several years.

Prompt and coherent U.S. action early in the process of a breakthrough on the Korean peninsula could promote these long-term goals, building on what has been achieved in late 2000, while at the same time helping to assure a smooth and

peaceful transition in Korea. Early in your administration, therefore, the United States needs to have a coherent strategy ready to deploy. This strategy should have the following features:

- Resolution of the Korean dispute is essentially an intra-Korean issue to be solved by the two countries. While pursuing changes in North Korean policy, especially in regard to U.S. concerns about nuclear and other critical military issues, the U.S. should not interfere in sensitive North-South negotiations where its presence might only complicate matters. The United States should also ensure that the South Koreans are fully informed of all U.S. contacts with North Korea and that they have no cause for concern that the United States is dealing with the North behind their backs. (Achieving such a split between South Korea and the United States has been a long-term North Korean goal.) Consistent with this policy, the United States should deploy its diplomatic resources to protect the negotiations from complications that might be introduced by other regional powers.
- At the same time, the United States has some critical interests that should be succinctly communicated to the South Korean government prior to any serious negotiations with the North. These conditions fall into two categories. First, the United States should underscore its desire that any WMD and ballistic-missile programs currently existing in the North be terminated. Second, the United States should communicate the benefits of moving North Korea away from the idea of building nuclear power plants toward alternative energy sources. Finally, the United States should seek a prior agreement with Seoul on the basic outlines of the U.S. force posture that will continue to be deployed in Korea after a breakthrough. The United States does not need a military presence in the North and would reduce its troop presence in the South, reflecting the fact that the U.S. mission would change from deterring aggression to promoting regional stability. This military reduction would also most likely involve a change in the types of forces deployed, from primarily ground troops to more air, naval, and logistics assets.
- In exchange, the United States would include the Korean peninsula, under any political arrangement the Koreans themselves should agree upon, beneath the U.S. security umbrella and would guarantee the security and independence of the peninsula. The United States would also provide economic assistance on both a multilateral and a bilateral basis, in order to help integrate the North Korean economy and society with the South.

- Any changes to the basic U.S. posture on the Korean peninsula should also be fully coordinated with our other regional allies, especially Japan, and in consultation with China.

Despite current optimism, there could still be a sudden reversion by the regime in Pyongyang to a more confrontational, isolationist posture. While that is not now likely, the United States should keep in place the policies, positions, and forces that would be needed to respond.

Colombia

Early in your administration, you could confront a crisis in Colombia, stemming from the Colombian government's loss of control over large parts of the country, as well as general instability. Such a development could cause a spillover of Colombia's problems into other parts of the Andean region, threatening stability throughout Latin America.

Instability in Colombia results from three interactive factors: the social and economic inequities prevailing in Colombian society, the underground drug economy and the growth of armed challenges to state authority by groups such as the Marxist Revolutionary Armed Forces of Colombia (FARC). This situation has created a major security problem, both for the immediate region and for the United States. The United States already provides significant assistance to the Colombian government. In July 2000, the U.S. Congress approved an emergency supplemental counternarcotics package of \$1.3 billion for the Andean region, of which \$862 million was allocated to support the Colombian government's Plan Colombia. However, the bulk of the assistance—Blackhawk helicopters for three new counternarcotics battalions—is not scheduled to be delivered for another six months to a year. The situation remains dire, with significant implications for the stability of the Andean region and the capacity of the United States to reduce the drug trade.

To test your resolve, the FARC might take one of the following steps: attack U.S. or U.S.-contracted aircraft used to support the Colombian's coca and poppy eradication missions; conduct major attacks against and even defeat Colombian army units; or even carry out a spectacular attack on Bogotá or other major Colombian cities. An escalating crisis in Colombia could confront the United States with two unattractive alternatives: to abandon its counternarcotics and regional stability interests or to become more deeply involved in a protracted internal conflict. To try to avoid such a choice, the United States needs a coherent

Colombian strategy in place early in your administration. We recommend that this strategy have three central goals:

- *To assist the democratic and friendly Colombian government.* The United States should rapidly provide additional equipment, such as transport and attack helicopters, reconnaissance assets, and communications equipment, and should help the Colombians develop intelligence collection and dissemination. Over the longer term, the Colombian Army will need U.S. assistance to increase its rapid-reaction capabilities. But U.S. involvement should exclude the involvement of American troops in military operations.
- *To develop a web of cooperation with concerned Latin American states, such as Panama, Brazil, and Ecuador, to deal with the Colombian crisis and to help promote regional stability over the longer term.* Regional leaders expect this effort from the United States, which is uniquely capable of providing it. Panama has become a key node in the Colombian narco-traffickers' and guerrillas' support structure. Ecuador is already the victim of cross-border raids from Colombia. To shut down the narco-traffickers' and guerrillas' pipeline, Panamanian security forces will need to be strengthened, and Ecuador will need to reinforce its borders with Colombia. Given Brazil's extensive border with Colombia, it should also play a central role in a regional strategy.
- *To use these regional relations to assist in containing and weakening the Colombian narco-traffickers and guerrillas.*

At the same time, we suggest that you fully engage the U.S. Congress in planning and carrying out your Colombian strategy. Because of the potential risks of being drawn in too deeply, U.S. engagement should be undertaken only under circumstances in which you can count on strong public and congressional backing. One means of attaining this support is to acknowledge that the risks that Colombia poses to regional stability in Latin America and U.S. interests in general justify treating Colombia not just as an extension of the war against drugs, but also as a national security issue.