

# BEYOND THE CANAL

## A NEW ERA IN THE U.S.-PANAMA RELATIONSHIP?

Gina Marie Hatheway  
September 17, 1998

Policy Papers on the Americas

# Beyond the Canal

## A New Era in the U.S.-Panama Relationship?

Gina Marie Hatheway

Policy Papers on the Americas  
Volume IX Study 8

September 17, 1998

CSIS Americas Program

# Beyond the Canal

## A New Era in the U.S.-Panama Relationship?

Gina Marie Hatheway

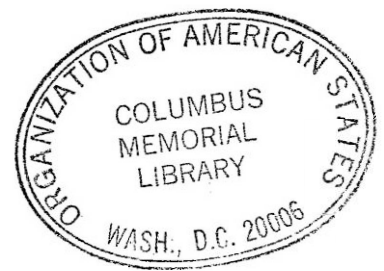
Policy Papers on the Americas  
Volume IX Study 8

September 17, 1998

CSIS Americas Program

# Contents

|                                  |    |
|----------------------------------|----|
| Preface                          | i  |
| Introduction                     | 1  |
| U.S. Military Presence in Panama | 2  |
| The Congressional Record         | 6  |
| Policy Options                   | 7  |
| Conclusion                       | 11 |
| About the Author                 | 12 |
| Appendix: Description of Bases   | 13 |



The author would like to thank the following people who provided tremendous assistance during the course of this research, which initially started in 1994 for completion of a masters thesis at the John F. Kennedy School of Government, Harvard University: Dr. Caesar Sereseres, Col (Ret.) Jay Cope, Mary Coffee, and Sonia Altamirano Duque. The author also thanks U.S. Southern Command for providing statistics and other important information.

**The Center for Strategic and International Studies (CSIS)**, established in 1962, is a private, tax-exempt institution focusing on international public policy issues. Its research is nonpartisan and nonproprietary.

CSIS is dedicated to policy analysis and impact. It seeks to inform and shape selected policy decisions in government and the private sector to meet the increasingly complex and difficult global challenges that leaders will confront in the next century. It achieves this mission in three ways: by generating strategic analysis that is anticipatory and interdisciplinary, by convening policymakers and other influential parties to assess key issues, and by building structures for policy action.

CSIS does not take specific policy positions. Accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author.

### **CSIS Americas Program Leadership**

Georges Fauriol, Director

M. Delal Baer, Deputy Director and Director, Mexico Project

Joyce Hoebing, Assistant Director

Michael May, Director, MERCOSUR-South America Project

Armand Peschard-Sverdrup, Assistant Director, Mexico Project

Christopher Sands, Director, Canada Project

### **Editor**

Joyce Hoebing

© 1998 by the Center for Strategic and International Studies. This study was prepared under the aegis of the CSIS Policy Papers on the Americas. Comments are welcome and should be directed to:

Joyce Hoebing  
CSIS Americas Program  
1800 K Street, NW  
Washington, D.C. 20006  
Phone: (202) 775-3299  
Fax: (202) 466-4739  
E-mail: [hoebingj@csis.org](mailto:hoebingj@csis.org)

## Preface

The Panama Canal treaties decree that on the last day of 1999 all U.S. military presence in Panama will end. Despite years of “talking about talking” vis-à-vis maintaining some sort of U.S. military presence in Panama into the next century through a base-rights agreement, it now appears virtually certain that the United States will withdraw all its troops from Panama as envisioned in the treaties.

Is this, however, in the best interest of the United States and Panama? Gina Marie Hatheway argues that maintaining a traditional military presence in Panama would have benefited the United States, Panama, and the region as a whole. She outlines the possibility to negotiate a continued U.S. presence under the auspices of a Multilateral Counter-Drug Center (MCC). The window of opportunity for negotiating such an agreement, however, is also rapidly diminishing.

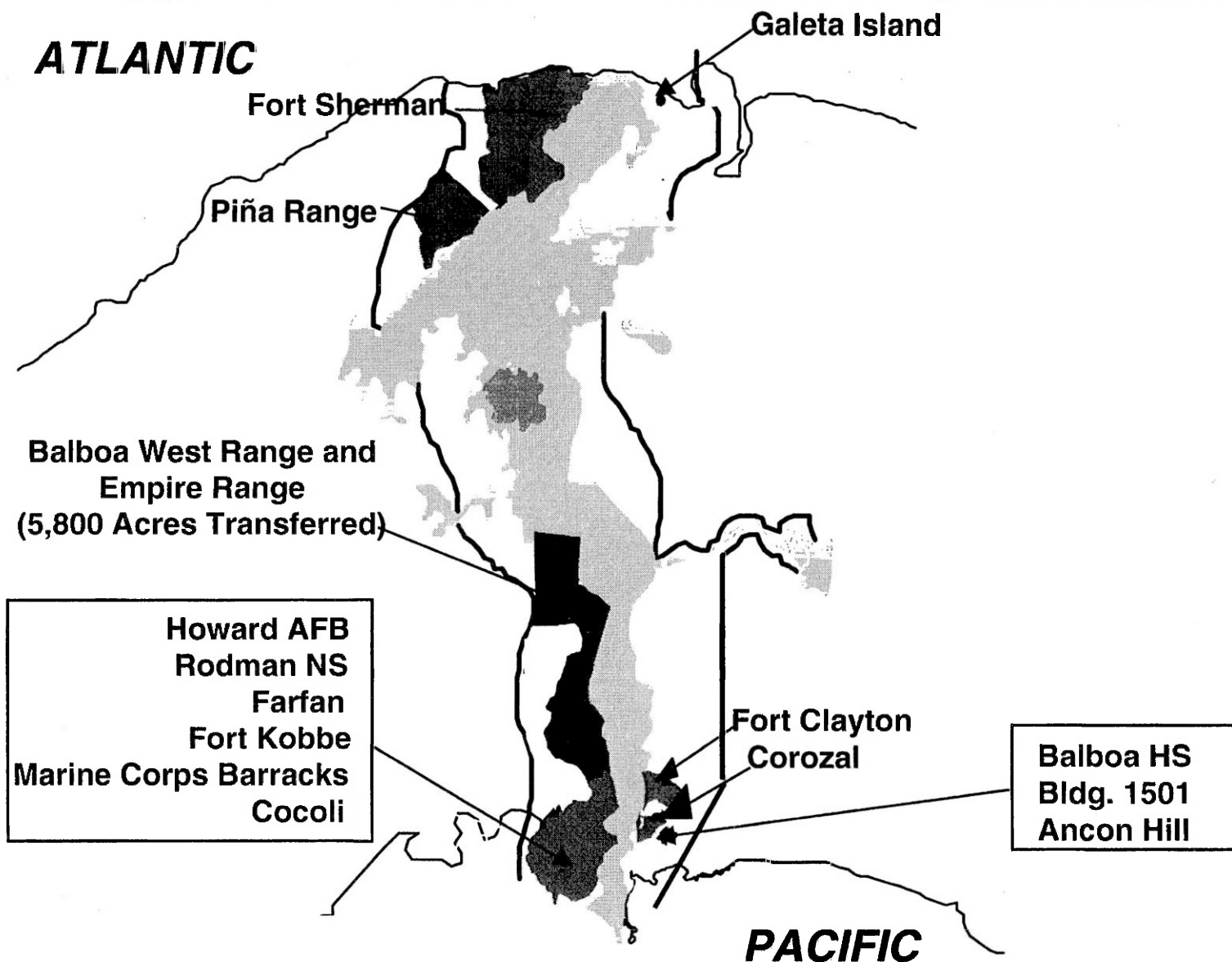
Hatheway details the many benefits that have resulted from the U.S. military presence in Panama. She points to the military’s role in promoting democratic transitions, facilitating regional cooperation on humanitarian missions, providing an example of a civilian-controlled military, protecting the canal, and combating narcotics production and trafficking. While these missions can still be coordinated through the Southern Command’s Florida headquarters, the Panama facilities provided a convenient and cost-effective base, while at the same time underscoring the United States’ commitment to the region.

Recognizing that the political realities in both countries make it highly unlikely that a base-rights agreement could be negotiated at this point, Hatheway argues that it is in the best interest of the United States to maintain a presence in Panama, preferably through a base-rights agreement, or, alternatively, through the proposed MCC, with specific conditions. The failure to do so will mean that the United States will miss perhaps a final opportunity to use a presence in Panama to further its own agenda while greatly benefiting the region.

Joyce Hoebing  
Assistant Director  
Americas Program

# DOD-Controlled Properties in 1998

From approx 10,200 to 4,823 Military PCS



# Introduction

On December 31, 1999, in accordance with the 1977 Panama Canal treaties, the U.S. government will completely withdraw all military presence from Panama. The U.S. flag will come down for the last time, after having flown there for almost a century, bringing to a close a historical and unique relationship between the two countries.

As of mid-1998, there are more than 4,100 troops in Panama, a nearly 60 percent reduction from 1992 troop levels. There will be a relatively steady linear reduction of these levels and reversion of facilities from now until the end of 1999. Howard Air Force Base, Rodman Naval Station, Fort Kobbe, and Corozal, all located near the Pacific entrance of the Panama Canal, and Fort Sherman and Galeta Island on the Atlantic side, are in the last group of base closings, which will occur in late 1999.

It is important to delineate between the two Panama Canal treaties. Article IV of the first treaty states that the U.S. military will depart Panama by noon, December 31, 1999. The second treaty, the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, takes over after the first treaty is executed and is permanent. The second treaty states that the U.S. government has a responsibility to protect and defend the canal beyond 2000 and that it can intervene unilaterally if needed to protect and defend it.

Since the signing of the treaties in 1977, there has been periodic talk in both countries about the possibility of the United States maintaining a military presence in Panama after the year 2000. There is nothing in the treaties that prohibits an agreement on a post-2000 U.S. presence in Panama. In fact, a protocol in the permanent neutrality treaty makes provisions for the negotiation of a forward presence after 2000 if both countries express an interest to maintain such a presence.

To date, these periodic informal negotiations regarding a continued military presence have not led to a formal agreement between the countries. It now appears highly likely that the withdrawal of the U.S. military and the reversion of all military bases will occur on schedule and as envisioned in the treaties.

Ultimately, political realities in both countries seem to have precluded meaningful negotiations. Panama has insisted that the United States pay rent (or grant some sort of economic assistance) in return for the right to keep troops in Panama, and Panamanian government officials have stated that it would be politically difficult to cede this point. This is true even though a number of opinion polls have suggested that Panamanians are open to the idea of maintaining a U.S. presence, despite historical ambivalence. The U.S. government steadfastly refuses to consider such conditions and points to the reality that it does not pay rent on any of its overseas bases (and, in fact, charges some countries a fee to help support the presence). In the time remaining before the turnover of the canal properties and the withdrawal of all troops from the area—about 18 months at the time of this writing—it would be very difficult for either party to change the fundamentals—for Panama on nationalist grounds, and for the United States because neither the Congress nor the administration would want to be seen as “giving” money to Panama in order to



keep bases open while at the same time insisting that military bases in the United States be closed as a cost-saving measure.

As it stands now, there is a remaining window for the United States to maintain a presence in Panama beyond the year 2000. That possibility, though talks here are also faltering, is through the proposed Multilateral Counter-Drug Center (MCC).

This paper will focus on the U.S. policy implications of the fast-approaching December 31, 1999, deadline for a complete withdrawal of U.S. troops from Panama. Other important issues pertaining to the transfer—such as how successful Panama will be in reverting U.S. property into civilian uses, how well Panama will administer the canal, and how Panama's own sense of identity will evolve—are beyond the scope of this paper.

The first section will focus on the historic role of the U.S. military presence in Panama and describe current U.S. military missions in the region. The second section will assess the congressional perspective. Finally, a set of policy options and a recommendation will be presented. The appendix provides a description of the more important bases and facilities in Panama and the consequences of their closure.

## U.S. Military Presence in Panama

The bases and facilities in Panama constitute the largest and most symbolic U.S. military presence in the region. They have historical roots dating back to the turn of this century when the U.S. government decided to build a canal in Panama. With the exception of a temporary and limited presence in Soto Cano, Honduras (a Honduran Air Force base), Panama is the only country outside sovereign U.S. territory in the Western Hemisphere where the United States maintains a significant military presence.

The U.S. military presence in Panama has been instrumental over the years in implementing U.S. policy in the region. Its presence in Panama was vital during World War II, when adversaries hinted of bombing the canal, used by the U.S. military to transport vessels from the Pacific to the Atlantic Ocean. Since the 1960s, when the Soviet Union was actively trying to export communism to the region, it has served as an important psychological deterrent and a reminder of the U.S. commitment to promote and sustain democracy in the Western Hemisphere. It played a vital role in protecting American lives and ultimately defending the Panama Canal during the Noriega regime.

Many of the threats that emanated from the region in past decades no longer exist. With the exception of Cuba, communism and dictatorships have faded from the scene. With Haiti's return to democracy in October 1994, all countries in this hemisphere with the exception of Cuba have democratically-elected governments, a far better picture than 15 years ago when close to half of the region's 33 countries were governed by a variety of military and civilian authoritarian regimes. The concern of terrorists sabotaging the Panama Canal has also abated, because the canal in essence benefits all.

Yet, other threats remain in the region, among them international terrorism and crime, insurgencies, border disputes, government injustice and corruption, arms trafficking, and the potential dislocation of large populations to include illegal immigration to the United States. The largest threat to the hemisphere is drug production and trafficking, and U.S. military forces currently play an important role in addressing this matter. These are genuine national security threats, and it is not inconceivable that at some time a U.S. military role might be required to respond to and/or resolve a crisis. Latin America is neither small nor homogenous, and crises happen and will continue to happen in the region, whether they are threats to democracies, insurgencies, hostage crises, natural disasters, or humanitarian emergencies such as massive immigration. A complete withdrawal of U.S. troops might leave a power vacuum in a sometimes unpredictable and unstable region.

It is therefore useful to explore further how a U.S. military presence in Panama has worked toward U.S. goals in Latin America. Three broad areas of impact are reviewed below.

### ***Promote Stable Democracies and Regional Cooperative Security***

One of the key U.S. military missions in the region is to help promote stable democracies and regional cooperative security. While one of the primary objectives behind U.S. Southern Command's missions is to provide valuable training for U.S. forces, it also promotes democratic interests in the region by encouraging Latin American militaries to support civilian control and respect of human rights. (Southern Command, or SouthCom, is the regional military command whose area of responsibility includes the Caribbean and the region south of Mexico.) It promotes this interest through engagement programs, including humanitarian and civic action projects between U.S. and Latin American militaries; professional military and civilian education programs; combined military exercises; training programs; assistance for humanitarian and disaster relief efforts; security assistance programs; joint planning and information sharing; and participation in international peacekeeping missions. The U.S. military presence in Panama facilitates the implementation of this mission by providing facilities, personnel, logistics support, and equipment.

- *Humanitarian and civic action projects.* Tens of thousands of active duty, U.S. Army and Air Force national guardsmen and reservists from the United States and Puerto Rico come to Latin America annually to train and participate in humanitarian and civic exercises. These exercises are often done in conjunction with the country's host military. Humanitarian-civic action projects include constructing schools, bridges, and roads, and conducting health care visits. These exercises provide training for U.S. military personnel, build infrastructure in poor countries, and demonstrate to Latin American host militaries the values and principles of the U.S.

armed forces. These types of exercises have been instrumental in helping rebuild Central American countries as they emerge from civil wars.

- *Combined military exercises.* The U.S. military in Panama has also strengthened cooperative security among Latin American countries. SouthCom, like other unified commands, conducts multilateral exercises and programs with Latin American armies in order to increase confidence-building measures among them. These combined exercises include humanitarian and civic action programs (described above), peacekeeping operations, and counter-narcotics operations. These relatively low-cost programs foster defense and security ties among neighboring countries and, it is hoped, help diminish potential inter-state and regional tensions. SouthCom-sponsored multinational peacekeeping training exercises help improve the abilities of Latin American armies to participate in such operations, which can help lead to better military-to-military confidence-building measures among the participants.
- *Human rights.* Through bilateral and multilateral exchanges and programs, the U.S. military helps their Latin American counterparts better understand the military's human rights obligations and how a military should operate in a democracy subject to civilian control. This task is a serious one, and not always easy in a region where military establishments have historically been politically influential. The armed forces were often encouraged, both by military and civilian leaders, to intervene in the affairs of governments. Only recently has there been a sustained transition from military-backed or -directed regimes to democracies, and ensuring that the militaries provide ongoing support for the democratic transitions is a continuing challenge. With this in mind, SouthCom also established a Human Rights Steering Group to coordinate and oversee human rights issues and initiatives within the Command, and hold an annual human rights conference with the purpose of bringing together Latin American civil and military officials, along with key nongovernmental organizations.

### ***Minimize Drug Production and Trafficking***

A U.S. military presence in Panama provides critical assistance for this mission through manpower, platforms to gather intelligence for detection and monitoring, planning assistance, logistics, equipment, and training exercises. SouthCom supports lead U.S. government agencies (Customs, Coast Guard, Drug Enforcement Administration, and Department of Justice) in executing one of the key components of the National Drug Control Policy, which focuses on supply reduction in producing and processing countries, including Colombia, Peru, and Bolivia.

SouthCom has sophisticated equipment to gather intelligence to combat the narcotics-trafficking problem—equipment that otherwise would be lacking in the region.

Air Force Aerial Warning and Control System (AWACS), ground-based radars, relocatable over-the-horizon radars, and specialized tracer aircrafts, including those with night intercept capability, enable the United States and Latin American countries to better monitor and detect drug production and trafficking. Most Latin American countries simply cannot afford such equipment.

SouthCom has sponsored many counter-narcotics exercises in the region. It has actively engaged in counter-narcotic joint service training exercises with host nations such as the previous Operation Green Clover (a regional counter-drug surge operation featuring an inter-state cooperative effort with Colombia, Costa Rica, Ecuador, Panama, Peru, Venezuela, and the Netherlands Antilles) and the current Operation Laser Strike (which primarily focuses on the disruption of the Peru-Colombia air bridge, the air route used for movement of coca base from Peru to labs in Colombia, where it is further refined to the finished product for transportation to the United States).

One very important facility in Panama for counter-narcotics activities is the Joint Inter-Agency Task Force South (JIATF South), which serves as an information collection hub for the monitoring, detection, and interdiction of drugs. This task force, along with the Joint Air Operation Center which coordinates the counter-narcotic air activities, are both located at Howard AFB. Because of the well-established facilities, U.S. military bases also serve as an ideal gathering place for many regional conferences addressing narcotics issues.

Acting as coordinators and facilitators, U.S. military officials in Panama have also helped enable Latin American militaries to better work with one another to combat the production and trafficking of narcotics. In fact, the level of cooperation among Latin American countries, many of which have historic political tensions with others, has increased. Today, one will see military officers from two or three different countries board the same P-3 military aircraft and, through radar, look at what is going on with the movement of drugs. This type of cooperation helps better facilitate the exchange of raw intelligence data among these countries.

### ***Implement Panama Canal Treaties and Ensure Operation of the Canal***

The strongest bond that has united and continues to unite the United States and Panama is the Panama Canal. With the neutrality treaty the U.S. government has and will continue to have a responsibility to protect and defend the Panama Canal—even after the year 2000. In fact, the United States may be required under treaty terms to take unilateral action (in the event that Panama is unable to protect the canal—or even against Panama) to ensure that the Panama Canal remains open and secure to ships of all nations.

The canal has diminished as a vital U.S. military and economic interest, but it remains important. While modern U.S. naval aircraft carriers are too large to pass through the canal, much of the critical logistic support can and does go through the canal. And

while there are land-based alternatives to the transport of goods, approximately 14 percent of all U.S. seaborne international trade goes through the canal.

Circumstances surrounding the defense of the Panama Canal have changed. The canal is not the target of any well-defined aggression. In practice everyone benefits, both legitimate and—though unfortunate—illegitimate businesses. All would be negatively affected by a temporary shutdown. The potential threats that do exist include terrorist attacks, vandalism, labor strikes, and an internal crisis in Panama. A well-trained and -equipped Panamanian police with an established intelligence apparatus can handle most of these threats.

There is little doubt, however, that the U.S. military presence in Panama has acted as a deterrent against threats to the canal, played a role in the relative political stability of Panama, and provided economic investors with confidence.

## The Congressional Record

The U.S. Congress has on numerous occasions publicly expressed its desire to maintain military forces in Panama beyond the year 2000. Even though at this point the likelihood of that happening is slim, that congressional interest is worth reviewing.

The U.S. Congress has gone on record many times suggesting that negotiations should be initiated for a continued presence beyond the year 2000. Most recently, during the 104th Congress, Senator Jesse Helms (R-NC) and seven others introduced a Senate resolution. Senate Con. Res. 14 urged the president to negotiate a new base-rights agreement with the government of Panama to maintain a military presence there beyond the year 2000. A similar version was incorporated into H.R. 1561, the American Overseas Interests Act, in the House of Representatives. The House passed this bill during the summer of 1995 and the Senate resolution passed by unanimous consent in September 1996. During the 105th Congress, two similar resolutions have been introduced by Representatives Phil Crane (R-IL) and Owen Pickett (D-VA).

Congressional members are being forced to close military bases in the continental United States, but an argument can be made to keep a military presence in Panama beyond the year 2000: (1) to retain a presence in the region; (2) to realize the marginal gain of logistics support that is afforded by keeping a presence in Panama, particularly in reference to U.S. involvement in drug interdiction; and (3) a feeling of responsibility to the Panama Canal.

The third point deserves some elaboration. Panama is unique—congressional members and the public are familiar with Panama and may feel the need to “protect and defend” the canal. The heated discussions and controversy surrounding the Panama Canal treaties illustrate that the treaties were not only a foreign policy matter, but a domestic affair as well. The U.S. Senate passed the treaties by a one-vote margin over the necessary two-third margin (68-32), and it is argued that some members lost re-election because of

that vote. The controversy occurred more than 20 years ago, but close to 25 percent of the senators in the 104th Congress were senators at the time of the vote. In the 105th Congress, that number remains close to 20 percent.<sup>1</sup>

## Policy Options

The United States has abiding interests in the region, and these interests have been well served by a U.S. military presence in Panama. There are three main options for the United States to consider vis-à-vis Panama and U.S. interests in the isthmus and throughout Latin America.

One is to negotiate quickly an agreement with Panama to maintain a military presence, through a base-rights agreement, after the end of the current treaty. This option may in fact be the best one, for reasons that will be outlined below. But, in fact, political realities in both countries have to date precluded any viable discussions. The second option is to adhere to the schedule as laid out in the treaties and withdraw all forces from Panama on the last day of this century. The final option is to pursue negotiations for a multilateral narcotics center (MCC). At this time, this is the only option on the radar screen that has the potential to keep a U.S. military presence in Panama. However, negotiations regarding the proposed MCC are also failing to produce any type of an agreement.

### ***Option 1: Retain Presence***

There are a number of legitimate reasons for maintaining a U.S. military presence in Panama—despite the fact that the window of opportunity to negotiate such an agreement has most likely passed. Still, it is useful to lay out the arguments in favor of a military presence, if only to ensure that the American people understand the costs in terms of lost opportunities of a full withdrawal of forces on December 31, 1999.

1. *Military readiness capability.* Having a military presence centered geographically in the region helps keep U.S. options open in times of crises, including occurrences such as national disasters, particularly if American lives are at risk. In the event of a crisis, a presence in Panama provides the U.S. government with readiness capability and a staging area to deploy forces or provide assistance to the region.

---

<sup>1</sup> The debate played a role in the 1976 U.S. presidential race. In his bid for the Republican nomination, Gov. Ronald Reagan commented on the canal, noting that “We bought it, we paid for it, we built it, and we intend to keep it.” (*To Restore America*, televised March 31, 1976, from California. The speech was done as part of Reagan’s bid for the Republican nomination over then-president Gerald Ford.)

The established communications, medical, and logistic infrastructure at current U.S. military facilities in Panama simplifies SouthCom's conduct of operations in the region. The secured runway at Howard AFB is of particular importance since it provides the United States relative flexibility and freedom of action. If the U.S. military has to resort to using the facilities of other Latin American nations, certain host-country restrictions will more than likely be enforced. These will be a mix of diplomatic, security, and economic restrictions, perhaps enforced on a case-by-case basis and therefore unpredictable.<sup>2</sup>

2. *Cost effectiveness.* It generally costs less to run counter-narcotics and miscellaneous peacetime engagement missions in the region out of Howard AFB than from the U.S. mainland. The Joint Operations Training Battalion at Fort Sherman costs far less (see appendix) than similar—but not comparable—training facilities in the United States. The two communications facilities at Corozal are important for collection and distribution of information to all U.S. forces, not just in Panama but in the entire region. It would cost over \$30 million to replicate these facilities elsewhere. The total transit time to conduct U.S. military operations and programs in the region would increase, as would related expenditures (because more equipment would be needed to run these operations and it would have to be brought from the U.S. mainland). In this context, one can speculate that this would affect U.S. policymaking options, diminishing the willingness to perform operations and the Department of Defense's multi-faceted presence in the region.
3. *Provide support for democracies.* Helping to shape democratic traditions by encouraging Latin American militaries to pursue their missions under civilian control is a key objective of U.S. policy. Through its engagement exercises and operations, SouthCom is promoting this concept both among active and non-active duty military personnel. Without an easily accessible U.S. military presence in Panama (i.e. personnel, established facilities, and logistics) the U.S. military will lose opportunities to help meet and sustain this key U.S. interest in the region. A lowered U.S. profile might lead or even encourage some Latin American militaries to look elsewhere for viable associations.
4. *Narcotics monitoring and interdiction.* Howard AFB is inexpensive, convenient, and cost-effective compared to running drug monitoring, detection, and interdiction missions from the United States or another country. JIATF South is located there.

---

<sup>2</sup> The United States still needs overflight rights regardless of where they fly from and to, but not having a military base that the United States uses will increase the burden and difficulty to pursue these missions, particularly if such missions are considered sensitive operations that directly affect U.S. national security.

Sensitive aircraft such as AWACS have to land at secure airfields, not at public international airports. To run these missions from the continental United States, for instance, would increase costs dramatically (because of the need for a greater number of tanker refueling support for the aircraft and the direct costs to run the mission, including landing fees, fuel expenses, and additional personnel to do the maintenance and security). All of this is also dependent, obviously, on the behavior and capabilities of individual Latin American countries to allow U.S. military aircraft to land and use their facilities.

5. *U.S. commitment in the region.* Latin America generally receives less policy focus than other regions of the world. Yet its proximity enhances its importance in both security (narcotics, illegal immigration, etc.) and broad economic terms. Mexico is the United States' second-largest trade partner; Brazil and the MERCOSUR countries represent a vast market that is often under-appreciated in the United States; a significant portion of our national energy needs are supplied by Latin American countries. As controversial as this may be to some, a military presence in Panama reinforces the perception that the United States maintains a strategic interest in the region. This provides a focus.

As it has done in Europe and Asia, the Department of Defense is drawing down its forces in Latin America. Yet, it retains forces of over 112,000 in Europe and over 90,000 in East Asia and the Pacific. The presence in Latin America, by contrast, is already minimal—consisting primarily of the current 4,100 troops in Panama. Any new agreement reached with Panama for some future presence would probably involve fewer forces (between 1,500 and 3,000 maximum troops), a low level but a baseline presence nonetheless.

6. *Military training.* Each year SouthCom oversees a deployment of more than 50,000 U.S. personnel to the region for involvement in joint and combined exercises, counter-drug operations, humanitarian and disaster relief operations, and other training activities such as jungle training. A significant number of troops deployed for these types of missions come from the U.S. National Guard and Reserves, which rely heavily on these exercises to train their personnel.

The U.S. military is already experiencing drastic cutbacks. Closing U.S. military facilities in Panama would likely result in fewer rotations into the region. For example, the Jungle Operations Training Battalion (JOTB) at Fort Sherman in Panama has been important in training personnel because of its low-cost, multi-diverse terrain training grounds. Over 8,000 troops pass through this center on a yearly basis. If the U.S. government closes Fort Sherman, it will lose the *only* facility of its kind for jungle training. Specifically, the U.S. military would lose out on a cultural familiarity of Latin American that is best understood by engaging physically in the region.



7. *Peacetime engagement and regional cooperative mission.* A military presence enables the U.S. military to pursue peacetime and regional engagement missions, including humanitarian, disaster relief, and civic action programs and exercises. A military presence in Panama can better help assist in disaster relief and humanitarian missions, to include mass dislocation of refugees. For example, this played a role in the past in connection with the exodus of refugees from Haiti and Cuba.

### **Option 2: Complete Withdrawal**

There are several arguments for adhering to the schedule as laid out in the treaties. These are listed below.

1. *Honor Panama Canal treaties.* The United States agreed to give the Panama Canal to Panama and completely withdraw all U.S. military forces, and it should honor this commitment. This is not a small matter. The good-will toward Panama implied by the original agreements, the domestic political pressures in both countries shaping the debate on the future of the relationship, the socio-economic dynamics of base closings in the continental United States, and the ensuing reluctance to promote foreign bases (especially those perceived to be “close to home”) over domestic ones has generated a fragile set of circumstances.
2. *Minimal conventional threats.* Current perceived threats in the region are relatively low and individual Latin American national defense capabilities are more secure—if limited. Outside of Cuba, communism has faded from the region, and the U.S. military does not currently confront the regime-changing threats in the region that it experienced up to the early 1990s.
3. *Military missions can be done from the United States.* This argument suggests that there are no Panama-specific or regional military interests that could not be serviced from the continental United States. U.S. logistical capabilities are so overwhelming and far-reaching that force deployment may be only marginally compromised. Admittedly, however, Latin America is large: Brazil, roughly half the landmass of South America alone, is about equal in size to the continental United States. Therefore, deployment from the United States to points south of Panama would result in time delays and much more complex logistical support needs.

### **Option 3: Multilateral Counter-Narcotics Center**

The proposed Multilateral Counter-Narcotics Center (MCC) is described generally as a civilian counter-drug center with a military component, which would provide coordination, training, and logistics for personnel at the center who are involved in counter-narcotics efforts. The MCC was proposed in the late summer of 1996 as a

possible option for a limited continued U.S. military presence in Panama, when it was evident that a military base negotiation between the United States and Panama would probably not result in an agreement. In some ways, the already established JIATF South drug center at Howard AFB resembles such a center. There are currently several Latin American military officers stationed at the drug center.

Minimizing drug production and trafficking is a key U.S.-Latin American interest. The MCC under well-defined conditions could be an extremely useful tool for the United States (and the region) to fight the narcotics trade. In the late 1990s U.S. security concerns in the Western Hemisphere have been dramatically reconfirmed by the demands of drug policy cooperation.

In negotiating an MCC agreement several key criteria should be considered, without which the MCC's strategic impact for the United States would be reduced. The proposed MCC option can be a means for the U.S. government to demonstrate a commitment to the region, and for the military to continue engagement in the region. It could allow the United States to keep its "foot in the door" in Panama by leaving open the possibility for future agreements for a continued military presence outside the MCC. Since a base-rights agreement is not likely to be reached under current circumstances, the proposed MCC option can be an alternative venue for the U.S. military to remain engaged in the region. However, the talks have been faltering and there is speculation as to whether an agreement will ultimately be reached.

The specifics of a proposed MCC agreement should include: the ability to pursue non-counter-narcotics missions (including humanitarian/civic action programs, search and rescue operations, and the necessary logistics support for these operations); retain or at least have access to Howard AFB, Rodman Naval Station, Fort Kobbe, Fort Sherman, Galeta Island, and two communications buildings in Corozal; be allowed to have commensurate security of U.S. military personnel and facilities; and maintain a troop level in Panama adequate to conduct missions into the region. Unless renegotiated, these features would remain in force during the agreement's lifetime.

## Conclusion

The U.S. government should negotiate an agreement with the Panamanian government to maintain a military presence in Panama beyond the year 2000. This can be accomplished preferably through a separate bilateral base-rights agreement or alternatively through an MCC. In the event that the United States is unable to negotiate an agreement to maintain a military presence in Panama beyond the year 2000, it should immediately pursue negotiations with other countries to maintain a military presence in the region for the general reasons outlined in Option 1. Simply stated, it is in the best interest of the United States to maintain a physical military presence in the region.

The window of opportunity for pursuing an agreement to keep a U.S. military presence in Panama is closing. As December 31, 1999, approaches, particularly with the current troop reduction in force, it will become increasingly difficult to have the flexibility to maintain a sizable and selective military presence. If the U.S. government waits too long, there is practically no likelihood that the U.S. military would re-open bases in Panama after 2000: (1) it would be controversial and politically hard for congressional members and for the administration to support a new continued presence since a prior decision had been made to close it down; (2) it would be a classic example of money being wasted by the government since it would cost millions of dollars to re-open bases in Panama; and (3) it is possible that installations in Panama could be targeted for conversion toward use for other purposes. The latter issue alludes to the more dramatic scenario in which the Panamanian authorities agreed to allow another government and/or foreign commercial interests to use reverted areas that are still significant for the U.S. militarily.

Although there are no overwhelming organized external threats to the security of the hemisphere, the future is always uncertain. Whether the U.S. government chooses to have the military play a role in addressing regional crises is a political decision. Regardless of the option chosen, the best possible capability should be there for the U.S. military if called upon. A continued U.S. military presence in Panama in some form best gives the government this option and capability to promote key regional interests and also defends the United States from any potential or future threats.

## About the Author

Gina Marie Hatheway is a legislative assistant to Senator Mike DeWine (R-Ohio), where she concentrates on foreign affairs, trade, intelligence, and appropriations (relating to foreign policy). Prior to joining Senator DeWine's staff, she was a professional staff member of inter-American affairs for the majority staff of the Senate Foreign Relations Committee. She was one of the drafters of legislation to keep a U.S. military presence in Panama beyond 2000. She wrote two staff reports for the Committee on Panama, including *The Future of U.S. Military Presence in Panama* (February 1997) and *Privatization of Panamanian Ports* (May 1997). She has worked previously with the United States Information Agency and the U.S. Department of State, including in the Office of Weapons Proliferation Policy, Bureau of Politico-Military Affairs, and in the Office of Panamanian Affairs, Bureau of Inter-American Affairs. She holds two bachelor of arts degrees from the University of California at Irvine and a master in public policy from the John F. Kennedy School of Government, Harvard University.

## Appendix. Description of Bases

### **Howard Air Force Base**

Howard Air Force Base is the most important U.S. military facility in Panama. It has a secured runway capable of accommodating large C-5 transport aircraft. It is used for drug-monitoring and -interdiction efforts, transiting U.S. military aircraft for other SouthCom contingency operations, and humanitarian and civic action programs. The base also supports U.S. Embassy and security assistance organizations in the region. In 1992, Howard AFB established the Joint Air Operation Center, which oversees all counter-drug air operations. Joint Inter-Agency Task Force South, the counter-drug hub used for detecting, monitoring, and coordinating drug operations, is also located at Howard.

### **Rodman Naval Station**

Rodman Naval Station coordinates U.S. Navy training and security assistance in the region, and serves as a transit point for U.S. Navy ships. It is home of the Naval Small Craft Instruction and Technical Training School, where courses are taught on riverine operations and small craft maintenance to Latin American navies and coast guards. It also supports drug-interdiction efforts and houses the bulk fuel for the service branch. Rodman has facilities for naval special forces and coordinates port visits and canal transits for U.S. Navy ships.

### **Fort Kobbe**

Fort Kobbe is capable of supporting counter-drug missions, disaster-relief missions, humanitarian assistance, civic actions, and joint and combined exercises throughout Latin America. Fort Kobbe previously housed the Theater Equipment and Maintenance Site (TEAMS) which consists of pre-positioned military equipment and supplies to conduct these missions. Without this site, there would be an increase in costs because more equipment would be needed to run these missions, as it would have to be brought from the U.S. mainland. One of the reasons why the Department of Defense decided to pre-position TEAMS in Panama was to reduce the overall costs to run these missions.

### **Fort Sherman**

Fort Sherman is home of the Jungle Operations Training Battalion (JOTB) for the U.S. military. It is being actively used not only by active duty but also by U.S. reservists and by the U.S. National Guard. It is considered to be a "one of a kind" jungle training facility by the U.S. Army. Approximately 8,810 soldiers train at Fort Sherman each year, with most programs running three to four weeks. Since the loss of a jungle training facility in the Philippines when the U.S. military withdrew there, Fort Sherman is the *only* U.S. Army site for jungle training. It has coastal areas, swamps, riverines, rivers, and multi-level jungle canopies that are all co-located. Given the unique terrain the facility provides, it would be extremely difficult to replicate this center elsewhere. There are two facilities in

the United States that provide U.S. military personnel with similar but not comparable training: (1) Brigade Task Force rotation to the National Training Center at Fort Irwin, California (though this facility focuses more on open desert terrain) and (2) the Military Operation in Urban Terrain (MOUT) site at the Joint Readiness Training Center (JRTC) at Fort Polk, Louisiana. These facilities, however, do not have the multi-diverse terrain that exists at Fort Sherman. Further, the annual budget for Fort Sherman is only \$764,000 as compared to \$6 million at the Brigade Task Force rotation and \$65 million at the MOUT Site at JRTC.

### ***Galeta Island***

Galeta Island is a communications facility that is important for intelligence gathering and for search and rescue operations.

### ***Fort Clayton***

Located in the Pacific side of Panama, Fort Clayton consists of a large military housing facility which can be very useful in negotiating the size of forward military presence in Panama. It also is the current home of U.S. Army South (USARSO), which supports regional disaster relief and counter-drug efforts and provides oversight, planning, and logistical support for humanitarian and civic assistance projects throughout the region. Its command also includes an infantry battalion, aviation, engineer, intelligence, logistics military police units, and the jungle-training center at Fort Sherman.

### ***Corozal***

Located between the former Albrook AFB (which was reverted to Panama in September 1997) and Fort Clayton, Corozal houses a large cold storage warehouse, which refrigerates food for the U.S. bases and facilities in Panama, and also houses the communication infrastructure and other satellite communication equipment. The latter is an extremely essential component for a U.S. military presence. This communications hub collects and distributes information to all U.S. forces in the entire region. It would cost over \$30 million to reproduce these facilities elsewhere to service U.S. military communication demands in the region.

### ***U.S. Southern Command (SouthCom) Headquarters***

One other significant facility needs to be mentioned, though it is no longer in Panama. This is the actual U.S. Southern Command Headquarters. SouthCom's area of responsibility (AOR) extends from the Guatemalan-Mexican border in the north to Cape Horn in the south. It includes the waters adjacent to Central America, the Caribbean nations, the Gulf of Mexico, and a portion of the Atlantic and Pacific Oceans. SouthCom's AOR encompasses 32 nations that account for approximately one-sixth of the landmass of the world assigned to regional unified commands. Still, it is the smallest of all nine unified commands.

The Clinton administration announced on March 29, 1995, that SouthCom Headquarters would be relocated to Miami, Florida. The move was made in September 1997. SouthCom consists of approximately 850 military personnel representing the four different service branches and 130 civilian employees, and includes liaisons from other U.S. government agencies involved in efforts that promote U.S. interest in the region, particularly those involved in counter-narcotics matters, including the Department of State, the Drug Enforcement Administration, the Coast Guard, and the U.S. Customs Service.