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David Cameron Must Press for U.S. Ratification of the U.S.–U.K. Defense Trade Cooperation Treaty

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The U.S.–U.K. Defense Trade Cooperation Treaty, which was signed in 2007 and ratified by Britain in 2008, has the support of the Obama Administration. But the Administration has not worked hard enough to allay the concerns that have so far prevented the U.S. Senate from ratifying the treaty.

During Prime Minister David Cameron's visit to the United States, he should press President Obama to demonstrate his commitment to advancing the Anglo–American Special Relationship and improving the efficiency of defense procurement in both countries by announcing his intention to work with the Senate to secure the rapid ratification of this treaty.

The Problem the Treaty Addresses and Its Possible Risks. The treaty (along with a similar one with Australia) permits the U.S. to trade many defense articles with Britain without an export license. The U.S. ultimately refuses few export licenses for defense trade with the U.K.: In a typical year, over 99.9 percent of requests are approved. The treaties, though an administrative innovation, would not open formerly restricted trade. Rather, they would reduce bureaucratic burdens on a well-established trade and thereby encourage it to grow to the benefit of all concerned.¹

The treaties do not decontrol defense-related trade or create a free trade area for defense. Under the treaties, the U.S. has negotiated with the Australian and British governments an approved list of private sector defense- and counterterrorism-related entities in these

countries that are allowed end-user access to U.S. items. Both the U.K. and Australia would protect U.S.-origin items as classified and require prior U.S. approval for the re-export of these items. The U.S. has also excluded certain particularly sensitive items from eligibility under the treaties.

Because the treaties will spur international collaboration, competition, and innovation, it is impossible to predict which firms would benefit from them. Even if most existing firms do not take advantage of the treaties, the treaties would create opportunities that new firms may find attractive: the defense market, like all markets, is not static.

The treaties would provide an additional avenue for the innovation on which the U.S. military in particular relies to retain its edge. In a time when defense budgets are under pressure in both the U.S. and Britain and the efficiency of defense procurement has again become a political issue, the opportunities offered by the treaties are particularly important.

It is true that any change in the U.S. export control system poses risks. But leaving the system as it is could be dangerous as well to both American commercial interests and the nation's defense and

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security partnership with Britain and Australia. The risks of action and inaction must be weighed against each other. Given the fact that almost all requests for export licenses for defense trade to both countries are approved, the risks of the proposed change are low, while strengthening the U.S.'s close ties with Britain and Australia would yield tangible benefits.

Broad British Support for the Treaty. The Select Committee on Defence of the House of Commons issued a report on the U.S.–U.K. treaty on December 11, 2007. Its conclusion was cogent:

[W]e are confident that Congressional scrutiny of the Treaty will show that it is as much in the US interest as it is in the interest of the UK... The US and the UK are very close allies, cooperating closely on defence and security. Our soldiers are fighting side by side in Iraq and Afghanistan. It is vital to the interests of both the US and the UK that the system should not prevent our Forces from getting access to the equipment they need to fight effectively alongside their US allies in current and future operations.²

In response to the U.S.'s delay, Shadow Defense Procurement Minister Gerald Howarth said in early

2008 that “we’ve been pressing for this for two years and it’s a pretty poor show that Congress has failed to accord more support to its number one ally.”³ In a recent speech at The Heritage Foundation, Liam Fox, the U.K.’s Secretary of State for Defence, strongly condemned the continued delay, now entering its fourth year.⁴

What the U.S. and Britain Should Do. The Senate has raised legitimate concerns about these treaties that could be addressed if the Administration invested the necessary energy and leadership; it has not done so. As a result, the U.S. is not dealing in good faith with Britain—a position that is contrary to American interests, a poor reflection on British support in Afghanistan, and an embarrassment for the Obama Administration.

During his visit to the United States, David Cameron should speak frankly to President Obama about these failings and urge him to act decisively to redress them.

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1. For a fuller assessment of the advantages of this treaty, and a similar treaty with Australia, see Ted R. Bromund, “The U.S.–U.K. Defense Trade Cooperation Treaty Merits Early Consideration,” Heritage Foundation *WebMemo* No. 2542, July 13, 2009, at <http://www.heritage.org/Research/Reports/2009/07/The-US-UK-Defense-Trade-Cooperation-Treaty-Merits-Early-Consideration>; Baker Spring, “Defense Trade Cooperation Treaties with Australia and the U.K. Will Improve Security,” Heritage Foundation *Backgrounder* No. 2107, February 8, 2008, at http://www.heritage.org/Research/NationalSecurity/upload/bg_2107.pdf.
2. Select Committee on Defence, House of Commons (U.K.), “UK/US Defence Trade Cooperation Treaty,” December 11, 2007, Section 4, paras. 1–2, at <http://www.publications.parliament.uk/pa/cm200708/cmsselect/cmdfence/107/10708.htm> (July 16, 2010).
3. Sylvia Pfeifer and Demetri Sevastopulo, “Defence Treaty Delay to Hit UK,” *Financial Times*, September 22, 2008, at <http://www.ft.com/cms/s/0/2af58b4a-883e-11dd-b114-0000779fd18c.html> (July 16, 2010).
4. Kim R. Holmes, “A Treaty That Actually Helps Us and Our Allies,” Heritage Foundation *Commentary*, July 7, 2010, at <http://www.heritage.org/Research/Commentary/2010/07/A-treaty-that-actually-helps-us-and-our-allies>.