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FOR SECRETARY OF DEFENSE

FROM: Peter W. Rodman, Assistant Secretary of Defense (ISA) *pm* MAR 13 2006

SUBJECT: Major Non-NATO Ally Status: Argentina and Chile (U)

- ~~(FOUO)~~ You asked whether Argentina should be a Major Non-NATO Ally (MNNA) and why Chile has not been granted this status. (Tab A)
- ~~(S)~~ The recent Principals Committee endorsed our "Strategic Partnerships" paper that proposed a path to confer MNNA status on Chile (as well as El Salvador and Colombia).
  - ~~(S)~~ Chile is a natural for MNNA. It has the best military in the region and is a steadfast friend. Chile bought F-16s, sends submarines to PACOM, works with us on securing the Panama Canal and participates in global peacekeeping, etc.
  - ~~(S)~~ Argentina, which got MNNA status in 1998, has been a helpful ally—and not only at the regional level. Their navy helped patrol the Persian Gulf in the Gulf War, and recently integrated the frigate *Sarandí* into our Mediterranean fleet. They are major contributors to global peacekeeping, have been leaders in nuclear nonproliferation, and are solid allies in our counterterrorism strategy for South America (especially in the Tri-Border Area). Their offer to send troops to Afghanistan was unfortunately derailed by the financial crisis of 2001/2002.
- ~~(S)~~ That was then...what about now? We should take a long-term view of Argentina.
  - Though still sorting out its financial and political mess, Argentina will likely bounce back. Even throughout the crisis they did not waver in playing a key regional security role in Haiti. And in the long term, the Argentines intend to be a global player. Despite ups and downs, they ultimately see their partnership with the United States and Chile as necessary counterweights to Brazilian dominance.
  - DASD Pardo-Maurer recently met with the new Argentine Defense Minister, who despite her hard-core leftist background publicly endorsed a robust agenda of military-to-military cooperation, including the new project of working with SOUTHCOM in setting up the combined Argentina-Chile peacekeeping force.
- ~~(S)~~ Article 98 Impasse with Chile. We are at an impasse with Chile over Article 98. The incoming legislature is certain to ratify the Rome Statute, by a wide margin if not unanimously, which will trigger automatic sanctions under ASPA.

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Prepared by: (b)(6) A/WHA (b)(6)

Classified by: R. Pardo-Maurer, DASD-WHA Reason or Reasons: 1.4 (d) Declassify On: 7 February, 2016

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- We should be very concerned about imposing sanctions (for the second time in a generation) on one of our few close friends in the region. Sanctions will unite the Left and Right in Chile against us, and raise questions about our reliability as an ally—especially after Chile's recent purchase of F-16's.
- MNNA status would let Chile off the hook for an Article 98, but we have made clear to the Chileans that the Administration is not entertaining this option, and there will be no MNNA until they sign an Article 98.
- Bottom Line: there is considerable potential upside to strengthening our formal strategic partnerships, including MNNA, with the two key military powers of the Southern Cone.
- Now that the Interagency has agreed to a plan, we should stick to it.

COORDINATION: Tab B

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