JOE JOHNS, CNN CORRESPONDENT (voice-over): Wanted, a few good men and women who speak Arabic. For the U.S. military in Iraq, Arabic translators are absolutely vital. In some cases Iraqis are preferred, because they understand a lot more nuance, but there aren't enough to go around. Plus Iraqi civilians generally cannot qualify for top-secret clearances.

So as of last year the Army had, by one estimate, about 1,850 Arabic speakers in uniform. That's right, fewer than 2,000 to translate for the tens of thousands of people they've had on the ground in Iraq.

IAN FINKENBINDER, FORMER ARMY TRANSLATOR: I was collecting information on the streets with Iraqi -- with Iraqi civilians.

JOHNS: At the start of the war, Ian Finkenbinder was in the Army, a trained cryptologic linguist, intercepting and interpreting intelligence information doing critical work in Baghdad.

COOPER: The location of weapon caches, location of insurgent headquarters, who was insurgents, et cetera, et cetera.

JOHNS: He was so good that when his tour in Iraq ended, everyone wanted him to stay. So if Arabic speaking soldiers are so essential, why are we meeting Finkenbinder in this Baltimore coffee shop instead of a forward operating base in Iraq. If you guessed the answers, it's because Finkenbinder is no longer trying to hide it.

FINKENBINDER: I said that I was a gay soldier and would like to continue serving in the Army as an openly gay
soldier.

JOHNS: And that decision to come out and finally say what everyone in his unit knew or suspected forced his commander to kick him out. It's really a waste -- a waste of time, talent and money.

FINKENBINDER: Over a 10-year period, it happened to about 11,000 U.S. military personnel, a study shows, at a cost of more than $363 million. Under the so-called "don't ask, don't tell," policy, gays in uniform have to keep their sexual orientation a secret or they're out.

Researcher Nathaniel Frank tracked this issue for years. He says a lot of people fired under the policy held sensitive jobs.

NATHANIEL FRANK, UC SANTA BARBARA: Eight hundred of those have been mission critical specialists. Over 300 have been linguists, and over 55 of those have been Arabic linguists. And we have a dire shortage of those. So we are really causing a brain drain here.

JOHNS: The policy has always been controversial, but even now, there are many who say there should be an outright ban on gays in the military.

PETER SPRIGG, FAMILY RESEARCH COUNCIL: It's not just a matter of prejudice. It's a matter of not wanting to put into those intimate situations with someone who -- of the same sex who may be viewing you as a sexual object.

JOHNS: Finkenbinder says many in his unit knew he was gay, and there were never any problems. But there is a problem for the military. The policy is costing hundreds of millions of dollars and leaving the military short of Arabic-speaking soldiers in a region where understanding the language can mean the difference between life and death.