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# NATO's Wales Summit: Expected Outcomes and Key Challenges

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## Summary

On September 4-5, the leaders of the North Atlantic Treaty Organization's (NATO's) 28 member states will meet in Wales for the alliance's 2014 summit. This will be their first meeting since Russia began providing large-scale military support to separatist forces fighting in Ukraine, and their last before the planned completion by the end of 2014 of NATO's mission in Afghanistan, the longest and most ambitious operation in NATO history. As such, some analysts portray the summit as an opportunity to consider a possible strategic shift for NATO, away from the broad, "out of area" focus embodied by the Afghanistan mission, toward a more narrow focus on territorial defense and deterrence, largely in response to a resurgent Russia. Although the allies are considered unlikely to make such decisive declarations, summit deliberations are expected to center on responding to Russian aggression in Ukraine and elsewhere in the region.

NATO leaders have outlined three formal agenda items for the Wales summit: (1) enhancing allied readiness and strengthening collective defense capabilities in response to Russian aggression; (2) marking the planned withdrawal at the end of 2014 of NATO's International Security Assistance Force (ISAF) in Afghanistan, and launching a non-combat security sector training mission in the country; and (3) boosting NATO support for partner countries outside the alliance, including through a new "Defense Building Capacity Initiative."

The cornerstone of NATO's collective defense initiative is expected to be a "Readiness Action Plan" focused on Central and Eastern Europe that could include enhanced military infrastructure and pre-positioning of equipment, designation of bases for increased troop rotations, and more military exercises in the region. Although some allies have called for permanent NATO troop deployments in Central and Eastern Europe, others are reluctant due to concerns about the possible ramifications of further militarization in the region.

Perhaps the key challenge facing NATO is whether the allies have the political will to make the defense investments necessary to achieve the commitments they make at the summit. Many analysts point to a long and ongoing decline in European defense spending—in 2013, only four allies met the alliance's target to spend 2% of GDP on defense—and continued economic difficulties as key impediments.

A top U.S. Administration priority for the summit is to secure allied commitments to increase defense spending, enhance military capabilities, and boost contributions to NATO defense initiatives in Europe. In addition, President Obama is expected to seek to reassure European allies, particularly in Central and Eastern Europe, that the United States remains prepared, capable, and willing to honor its collective defense commitments in Europe.

Congress can continue to play an important role in guiding the U.S. and NATO response to Russian aggression in Ukraine and in addressing broader concerns regarding NATO's future. This includes consideration of the Administration's request for \$925 million to fund a proposed European Reassurance Initiative. Many Members of Congress have consistently called on NATO's European allies to enhance their contributions to NATO collective defense efforts. They have also advocated a more proactive NATO enlargement policy, which they argue would send an important signal to aspiring members that NATO's "open door" policy will not be scaled back in the face of Russian opposition. The proposed Forging Peace through Strength in Ukraine and the Transatlantic Alliance Act (H.R. 4433), for example, calls for additional NATO and U.S. military

assistance to Ukraine and calls for immediate NATO membership for Montenegro and the granting of a NATO Membership Action Plan (MAP) to Georgia.

This report provides an overview of the summit's main agenda items and expected outcomes, highlighting key challenges, U.S. policy priorities, and potential issues for Congress. For more on the situation in Ukraine and NATO's response, see CRS Report R43478, *NATO: Response to the Crisis in Ukraine and Security Concerns in Central and Eastern Europe*, coordinated by Paul Belkin; and CRS Report RL33460, *Ukraine: Current Issues and U.S. Policy*, by Steven Woehrel.

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## Overview and Context

The North Atlantic Treaty Organization's (NATO's) 2014 summit is to be held in Newport, Wales, United Kingdom (UK), on September 4-5.<sup>1</sup> This will be the first meeting of NATO's 28 heads of state or government since Russia's annexation of Crimea and subsequent military support of separatist fighters in eastern and southern Ukraine—actions that some allies view as having fundamentally altered the European security environment. Accordingly, summit deliberations are expected to be dominated by debate over the appropriate NATO response to Russian aggression and the extent to which the alliance should alter its longer-term strategic approach and defense posture toward Russia. The summit will be the last presided over by NATO Secretary General Anders Fogh Rasmussen, who will be succeeded by former Norwegian Prime Minister Jens Stoltenberg.<sup>2</sup>

The formal summit agenda is expected to focus on three main issues:

- Enhancing allied readiness and strengthening collective defense and military capabilities, including through increased troop rotations and military exercises in Central and Eastern Europe;
- Marking the conclusion of NATO's decade-long mission in Afghanistan at the end of 2014 and launching a planned follow-on training mission; and
- Enhancing NATO's support of partner countries outside the alliance, including through a new "Defense Capacity Building Initiative."

Some analysts argue that the allies should also make a more concerted effort to address the security implications for NATO of ongoing instability in North Africa and the Middle East.<sup>3</sup> However, given the extent of current concerns regarding Russia, such discussions are not expected to feature prominently.

Ongoing disagreement within the alliance over whether Russia poses a sustained threat to European security exposes longer-standing tensions regarding NATO's strategic focus. Since the end of the Cold War, NATO has evolved from maintaining an exclusive focus on territorial defense in Europe to overseeing a range of military and crisis management operations across the globe. This transformation was predicated largely on the perception that Russia no longer posed a security threat to NATO, and on a conviction that the primary security challenges facing the allies emanated from beyond the Euro-Atlantic region. However, some allies, including many former members of the communist bloc, have consistently expressed concern that NATO's transformation could come at the expense of its capacity to uphold its commitment to collective defense, enshrined in Article 5 of the North Atlantic Treaty.

After more than a decade of war in Afghanistan and against the backdrop of a resurgent Russia, allies such as Poland and the Baltic states are calling for a renewed NATO focus on collective defense and deterring Russia. Among other things, they have called for a permanent eastward

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<sup>1</sup> The last NATO summit was held in Chicago in June, 2012.

<sup>2</sup> Rasmussen has served as Secretary General since 2009.

<sup>3</sup> See, for example, James Stavridis, "NATO's Brave New World," *Foreign Policy*, August 21, 2014.

shift in NATO's defense posture. Others, including Germany and Italy, have cautioned that permanently basing NATO forces in Eastern Europe could unnecessarily provoke Russia and impede efforts to restore more cooperative relations with Moscow.

Debates about NATO's mission come against the backdrop of continued economic stagnation in Europe and long-standing U.S. concerns about a downward trend in European defense spending, shortfalls in European defense capabilities, and burden sharing within the alliance. NATO Secretary General Rasmussen and others have argued that Russian aggression should spur allied governments to boost defense spending and cooperation, or at least to allocate projected savings from the end of military operations in Afghanistan to defense modernization initiatives. However, since the annexation of Crimea in March, only a handful of allies have announced defense spending increases. Some analysts caution that NATO's latest effort to boost defense spending and enhance military capabilities could face the same challenges as the long line of similar post-Cold War capabilities initiatives that have had mixed success, at best. They contend that the limited outcomes may reflect a general lack of public support for military engagement, as well as divergent threat perceptions both across the Atlantic and within Europe.

No substantive progress on NATO enlargement is expected to be announced at the Wales summit. U.S. Administration officials have said they favor strengthening Georgia's membership prospects by granting the country a Membership Action Plan (MAP) at the summit. However, many Western European governments oppose the proposal, largely due to a perception that NATO has enlarged too quickly and that the alliance should first agree on resolving a host of other issues, including relations with Russia.

Obama Administration officials have outlined several key objectives for the Wales summit, including securing additional European contributions to reassurance and military readiness initiatives in Central and Eastern Europe and pledges to increase defense spending and enhance military capabilities. The Administration is also expected to underscore its commitment to the transatlantic security relationship and to defending NATO allies, particularly in response to Russia's action in Ukraine.

President Obama is likely to highlight the proposed \$925 million European Reassurance Initiative (ERI), for which the Administration has requested congressional approval in the Department of Defense's FY2015 Overseas Contingency Operation (OCO) budget request. However, the Administration's efforts to reassure its allies come on the heels of broader developments that have raised questions in Europe about future U.S. commitments to European security. These include far-reaching U.S. defense budget cuts, the "rebalance" to Asia, and the withdrawal over the past two years of two of the U.S. Army's four Brigade Combat Teams based in Europe.

### NATO-Russia Relations

Russian actions in Ukraine since early 2014 have prompted a reassessment of post-Cold War efforts to build a cooperative relationship with Moscow. In April, NATO suspended all practical civilian and military cooperation with Moscow.<sup>4</sup> In the words of NATO Deputy Secretary General Alexander Vershbow, “For 20 years, the security of the Euro-Atlantic region has been based on the premise that we do not face an adversary to our east. That premise is now in doubt.”<sup>5</sup> According to some analysts, Russia’s annexation of Crimea validates the concerns long expressed by some NATO member states, especially in Central and Eastern Europe, regarding Russia’s commitment to partnership, its unpredictability, acts of hostility toward NATO and its partners, and perceived attempts to sow disunity within the alliance. On the other hand, while Russian actions have drawn uniform condemnation from NATO and the European Union, many in Europe and the United States emphasize that engagement with Russia will be a key to Europe’s long-term security.

Nonetheless, analysts expect ties to continue to be marked by contention and mistrust, at least over the short to medium term. Moscow has objected to NATO and the United States’ military responses to the Ukraine crisis, calling into question the alliance’s 1997 commitment—codified in the NATO-Russia Founding Act—not to permanently station “substantial combat forces” in countries that joined NATO after the collapse of the Soviet Union. In light of this commitment, some allies have opposed calls for any permanent NATO troop deployments in Central and Eastern Europe. Others, including Secretary General Rasmussen, underscore that Russia “has violated every principle and international commitment it has made.”<sup>6</sup>

Recent debates in the European Union (which includes 22 NATO members) over arms sales to Russia exemplify the range of views toward Russia in the alliance. On July 29, EU member states agreed to end all future arms sales to Russia, after months of pressure from governments and analysts on both sides of the Atlantic. The embargo will not, however, apply to previously agreed sales. Chief among these is a 2011 French agreement to sell Russia two amphibious assault warships in a deal worth €1.2 billion (about \$1.6 billion)—the first ever sale of a significant offensive military capability by a NATO member to Russia. The first of these *Mistral* ships is scheduled to be delivered later this year. French President François Hollande has repeatedly stated that France would honor the existing contract.

Even before Russia’s annexation of Crimea, the U.S. Administration, some Members of Congress, and some NATO members repeatedly criticized France’s decision to sell the *Mistral* to Russia, expressing concern about Russia’s military intentions.<sup>7</sup> Meanwhile, French commentators have noted the economic and associated political benefits of the sale for France.<sup>8</sup> Some Members of Congress have called on NATO to offer to purchase the *Mistrals* from France to prevent their delivery to Russia.<sup>9</sup> Since Russia’s annexation of Crimea, Germany has cancelled the planned sale of a military training facility to Russia; the UK and United States also say they have halted military cooperation.

<sup>4</sup> The principal institutional mechanism for NATO-Russia cooperation has been the NATO-Russia Council (NRC), established in May 2002, five years after the 1997 NATO-Russia Founding Act provided the formal basis for bilateral cooperation. Most observers agree that despite having advanced NATO-Russia cooperation in some areas—including in Afghanistan—the NRC has failed to live up to its potential.

<sup>5</sup> NATO, “A New Strategic Reality in Europe,” speech by Deputy Secretary General Ambassador Alexander Vershbow to the 21<sup>st</sup> International Conference on Euro-Atlantic Security, April 4, 2014.

<sup>6</sup> NATO Secretary General Anders Fogh Rasmussen as quoted by Kathrin Hille and Peter Spiegel, “NATO Chief Defends Eastern Advance,” *Financial Times*, April 4, 2014.

<sup>7</sup> They note, for example, that in August 2009, Admiral Vladimir Vysotskiy, the commander-in-chief of the Russian Navy, declared that the *Mistral* would have allowed “Russia’s Black Sea fleet to accomplish its mission in 40 minutes, not 26 hours, which is how long it took us” during the Georgia conflict.<sup>7</sup> *CEDR*, September 13, 2009, Doc. No. CEP-950041.

<sup>8</sup> When then-French President Nicolas Sarkozy announced the sale in March 2011, he touted that the deal would bring “6 million hours of work and 1,200 jobs maintained over 4 years.” He added that he hoped to make the shipyard town of Saint-Nazaire, which has faced high unemployment levels, a symbol of French industrial achievement. Nicolas Sarkozy, as quoted in Open Source Center Analysis: *European Officials, Media Concerned about French Sale to Russia*, EUF2011031863900, March 18, 2011.

<sup>9</sup> See, Rep. Eliot Engel, Rep. William Keating, and Rep. Michael Turner, letter to NATO Secretary General Rasmussen, May 30, 2014. <http://engel.house.gov/latest-news/1/engel-stop-sale-of-french-warships-to-russia/>.

## Summit Agenda, Expected Outcomes, and Key Challenges

The formal agenda for the Wales summit is expected to focus on three main issues: adoption of collective defense and military capabilities initiatives aimed at reassuring allies and deterring Russia; marking NATO's transition in Afghanistan; and enhancing support of partner countries outside the alliance.

### Collective Defense and Military Capabilities: A "Readiness Action Plan" for NATO

NATO leaders have indicated that the alliance will adopt a slate of defense initiatives largely intended to demonstrate allied resolve in the face of potential threats from Russia. According to Secretary General Rasmussen, NATO's so-called "Readiness Action Plan" will include reinforcement measures in Central and Eastern Europe such as enhanced infrastructure, pre-positioning of equipment and supplies, and designation of bases for troop deployments. This includes the possible expansion of an existing NATO facility in Szczecin, Poland, to enable rapid deployment of a large number of NATO forces to respond to a security threat.<sup>10</sup> However, given the aforementioned reluctance of some allies to permanently station forces in Central and Eastern Europe, such a base expansion may host only rotating troop units and military exercises.

NATO's Readiness Action Plan is also expected to include new early warning procedures, updated threat assessments, new defense and crisis response plans, and enhanced intelligence sharing arrangements among allies. NATO leaders assert that they will commit to more frequent military exercises intended to respond to the changed security environment in Eastern Europe.<sup>11</sup>

Some allied leaders, including UK Prime Minister David Cameron, have proposed that NATO establish a new high readiness force, capable of rapid deployment to respond to any threat against an ally, including with little warning. Such a force could be a smaller, more specialized arm of the NATO Response Force (NRF), a multinational rapid reaction force of about 13,000, comprised of land, air, maritime, and special forces components. Since its creation in 2003, the NRF has never been fully deployed. In recent years, however, NATO members have sought to reinvigorate the force, designating it as the primary mechanism for NATO training and interoperability exercises, particularly with respect to territorial defense.<sup>12</sup>

Some observers point out that any such rapid reaction force could be hard pressed to respond to the kind of "hybrid" or "ambiguous" warfare that has been a hallmark of Russia's intervention in Ukraine. A defining tactic is the deployment of non-traditional tools intended to disrupt, subvert, and create chaos, including sophisticated public information campaigns, cyber attacks, and

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<sup>10</sup> Deborah Haynes, "Russia Fears Prompt NATO to Look East for HQ," *The Times* of London, July 24, 2014; and "Denmark to Play Key Role in NATO's Russia Plans," *The Local* (Denmark), July 31, 2014.

<sup>11</sup> NATO, "Future NATO," Speech by NATO Secretary General Anders Fogh Rasmussen at Chatham House – London, UK, June 19, 2014.

<sup>12</sup> For more on the NATO Response Force, see NATO, "NATO Response Force," [http://www.nato.int/cps/en/natolive/topics\\_49755.htm](http://www.nato.int/cps/en/natolive/topics_49755.htm).



deployment of commando-style irregular forces to support pro-Russia separatist militias. Analysts agree that most NATO members, including those closest to Russia's borders, do not possess the kind of wide-ranging capabilities necessary to counter such a threat. They add that some allies could be reluctant to empower NATO to engage more proactively in sensitive areas such as cyber warfare that have been viewed as national competencies.

A key question underlying summit deliberations on collective defense will be whether the allies are willing to devote the resources necessary to meet their stated commitments. As such, a primary objective of NATO leaders and U.S. and UK officials, among others, is to secure allied pledges to reverse the ongoing downward trend in allied defense spending. In 2013, total defense spending by NATO European allies as a percentage of GDP was about 1.6%; just four NATO allies (Estonia, Greece, the UK, and the United States) met the alliance's goal of spending 2% of GDP on defense (see **Appendix** for more allied defense spending figures). Since 2001, the U.S. share of total allied defense spending has grown from 63% to 72%.<sup>13</sup>

Many analysts and U.S. officials have long asserted that defense spending in many European countries is not only too low; it is also inefficient, with disproportionately high personnel costs coming at the expense of much-needed research, development, and procurement. In 2013, only four allies (France, Turkey, the United Kingdom, and the United States) met a NATO guideline to devote 20% of defense expenditures to the purchase of major equipment, considered a key indicator of the pace of military modernization.<sup>14</sup> These trends correlate with significant, long-standing shortfalls in key military capabilities, including strategic air- and sealift; air-to-air refueling; and intelligence, surveillance, and reconnaissance (ISR).

Some allied officials and observers argue that despite the criticism and shortcomings, the forces of key European allies still rank among the most capable militaries in the world; this assessment remains particularly true for the UK and France, which rank fourth and fifth, respectively, in global defense expenditure.<sup>15</sup> Critics counter that far-reaching defense spending cuts in precisely these two countries—by far Europe's most militarily capable—should lead to heightened concern about diminished European military capability.<sup>16</sup>

Secretary General Rasmussen and others have argued that the threat posed by Russia in Ukraine should spur European allies to make the defense spending commitments long called for by NATO leaders. Rasmussen has welcomed the recent pledges from five allies—Latvia, Lithuania, Poland, Romania, and Turkey—to increase defense spending to meet at least 2% of GDP. However, he underscores that, while Russia has increased its defense spending by about 50% since 2008, on average, the allies have decreased theirs by about 20%.<sup>17</sup> The Secretary General has said that in Wales he will ask allies to focus on developing the 16 most critical capabilities necessary to meet

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<sup>13</sup> NATO, *Financial and Economic Data Relating to NATO Defence*, February 24, 2014.

<sup>14</sup> *Ibid.*

<sup>15</sup> See the Stockholm International Peace Research Institute (SIPRI), *Yearbook 2013: Armaments, Disarmament, and International Security*.

<sup>16</sup> The UK cut its defense budget by 8% over the 2011-2015 period; In 2013, France released a defense strategy that calls for halving the number of ground forces that can be deployed to a major, high-intensity combat operation at a given time (to 15,000).

<sup>17</sup> NATO, "Future NATO," Speech by NATO Secretary General Anders Fogh Rasmussen at Chatham House – London, UK, June 19, 2014.

current and projected security challenges. These include the aforementioned ISR and air-to-air refueling, as well as missile defense, cyber defense, and precision guided munitions.<sup>18</sup>

Despite uniform allied condemnation of Russian actions in Ukraine and support for NATO's new Readiness Action Plan, most analysts do not expect European allies to substantially increase defense spending over the short to medium term. A number of factors drive this reluctance, including significant fiscal challenges facing many governments and broad public skepticism of military action, particularly in Western Europe. In light of these realities, NATO and U.S. leaders could also call for more progress on existing allied defense cooperation initiatives, including the joint acquisition of shared capabilities, aimed at stretching existing defense resources farther. Analysts argue that the European defense industry remains fractured and compartmentalized along national lines; many believe that European defense efforts would benefit from a more cooperative consolidation of defense-industrial production and procurement. Progress on this front has been limited, however, with critics charging that national governments often remain more committed to protecting domestic constituencies than making substantive progress in joint capabilities development.<sup>19</sup>

## Transition in Afghanistan

This will be the last NATO summit before the planned transfer at the end of 2014 of full responsibility for security in Afghanistan to Afghan forces—marking the end of the longest and most extensive combat mission in NATO's history. Over the course of the 11-year NATO mission, European allies, Canada, and partner countries maintained a significant collective military presence alongside U.S. forces in Afghanistan, in recent years exceeding 40,000 troops. The military operation faced relatively consistent public opposition in many NATO member states, however. Along with the decidedly mixed perceptions about the mission's success, this has led many analysts to doubt whether NATO will embark on a mission of similar size and scope in the foreseeable future.<sup>20</sup>

At the summit, NATO leaders hope to finalize plans for a continued NATO presence in Afghanistan starting in early 2015 of up to 4,000 military trainers to advise and assist the Afghan National Security Forces (ANSF). The allies have adopted an operational plan for the training mission, dubbed Operation Resolute Support, but say that deployment is contingent on NATO and the United States finalizing Bilateral Security Agreements (BSA) with the Afghan government. Although both candidates in Afghanistan's 2014 presidential election have said they would sign the BSAs, an ongoing dispute over the election's outcome has prevented this. According to Secretary General Rasmussen, NATO would need to begin to plan for a complete withdrawal from the country soon after the summit if the bilateral agreements are not in place.<sup>21</sup>

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<sup>18</sup> Ibid.

<sup>19</sup> See, for example, Thomas Enders and Wolfgang Ischinger, "The Capability Gap," Munich Security Conference – *monthly discussion*, May 2013. <http://www.securityconference.de/en/discussion/monthly-mind/single-view/article/monthly-mind-may-2013-the-capability-gap/>.

<sup>20</sup> For more on the situation in Afghanistan, see CRS Report RL30588, *Afghanistan: Post-Taliban Governance, Security, and U.S. Policy*, by Kenneth Katzman.

<sup>21</sup> Adrian Croft, "NATO Chief Says Will Have to Decide on Afghan Pullout Soon," Reuters, August 11, 2014.

As of early August, 44,229 NATO forces were in Afghanistan, including 30,700 from the United States, just under 4,000 from the UK, and 2,250 from Germany.<sup>22</sup>

## **Working with Partners: The “Defense Capacity Building Initiative”**

A third summit objective is to strengthen relations with and assistance to non-NATO members interested in working with the alliance.<sup>23</sup> In particular, allies such as the United States and UK have called on NATO to be more effective in providing security assistance and training to countries in Central and Eastern Europe such as Ukraine as well as fragile states in North Africa and the Middle East such as Libya. Such security and defense capacity building programs could be viewed as an attempt to enhance regional and global stability with a lighter NATO footprint—or, in the words of Secretary General Rasmussen, “To help [partners] help themselves. To project stability without always projecting significant forces of our own.”<sup>24</sup>

In Wales, the allies are expected to launch a “Defense Capacity Building Initiative” aimed at better coordinating member state expertise and support for defense reform and military training both in partner states and in non-partner countries that express an interest in working with NATO. Programs could range from deploying small specialist advisory teams to larger-scale training missions. In pursuing the initiative, NATO members hope to capitalize on the alliance’s extensive experience assisting with security and defense sector reform, including in Central and Eastern Europe after the collapse of the Soviet Union, in Iraq, in Afghanistan, and in the Balkans.

Recent developments in NATO’s relations with Libya and Ukraine may demonstrate some of the challenges facing the Defense Capacity Building Initiative. In 2013, two years after a NATO-led air campaign helped oust Muammar Qadhafi, the then-Libyan government requested military training assistance from NATO. However, the persistently unstable security environment has prevented NATO from undertaking such a mission, even if the allies had been inclined to do so. In Ukraine, NATO has sent some military trainers to assist with defense planning and reform efforts, and has established four trust funds to fund programs to improve command and control, logistics, and other capabilities. Nevertheless, the allies have been unable to reach agreement on providing more substantive assistance, largely due to differing views on the shape and extent of NATO’s relations with Ukraine. Such political and security considerations could ultimately be a key factor in the success or failure of NATO’s defense capacity building efforts.

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<sup>22</sup> NATO ISAF, “Placemat,” August 4, 2014, [http://www.nato.int/nato\\_static/assets/pdf/pdf\\_2014\\_08/140804-ISAF-Placemat-final.pdf](http://www.nato.int/nato_static/assets/pdf/pdf_2014_08/140804-ISAF-Placemat-final.pdf).

<sup>23</sup> Since the end of the Cold War, NATO has developed a range of formal partnership and cooperation programs to work with countries in the Euro-Atlantic region, Mediterranean, and Gulf regions. It also has individual bilateral relationships with other countries across the globe. Today, NATO works with 41 formal partner countries. See: <http://www.nato.int/cps/en/natolive/81850.htm>.

<sup>24</sup> NATO, “Future NATO,” Speech by NATO Secretary General Anders Fogh Rasmussen at Chatham House – London, UK, June 19, 2014.

# U.S. Policy and Congressional Perspectives

## Administration Views

Perhaps the key summit priority for the U.S. Administration is to secure allied commitments to increase defense spending, enhance military capabilities, and boost contributions to NATO and U.S. defense initiatives in Europe.<sup>25</sup> A second top priority could be to reassure European allies, particularly in Central and Eastern Europe, that the United States remains fully prepared, capable, and willing to honor its collective defense commitments in Europe.

The crisis in Ukraine has renewed focus on the U.S. commitment to European security and on overall U.S. force posture in Europe. Since the end of the Cold War, as NATO and the European Union have enlarged eastward and as both organizations have pursued partnership with Russia, the perceived need for a robust U.S. military presence to defend the continent receded. Today, about 67,000 U.S. military personnel are stationed in Europe, primarily in Germany, Italy, and the UK; this is down from a Cold War high of about 400,000. Some allies in Central and Eastern Europe have consistently expressed concerns about the reduced U.S. force posture, and especially the withdrawal over the past two years of two of the Army's four Brigade Combat Teams. Other allies and U.S. policy makers supported the shift, particularly given other security challenges facing the United States and NATO. The adjusted U.S. force posture has coincided with U.S. calls for European allies to enhance their own military capabilities in order to boost NATO's effectiveness and reduce Europe's dependence on the U.S. security guarantee. As discussed above, such efforts have had mixed results, at best.

The Administration has moved to adjust its force posture in Europe in response to Russian actions in Ukraine. This includes rotational military deployments to Central and Eastern Europe, including 600 troops and additional fighter jets to carry out air policing activities in Poland and the Baltic states.<sup>26</sup> In addition, the Administration is seeking congressional approval for \$925 million to fund a European Reassurance Initiative, intended to reassure allies in Central and Eastern Europe and bolster the security and defense capabilities of allies and partner countries in the region (see text box below). Administration officials have also asserted that later this year the Department of Defense would launch a comprehensive review of the U.S. military footprint in Europe, adding that the U.S. response thus far may be a temporary solution to what could be a longer-term crisis in Europe.<sup>27</sup>

Although specific details of the proposed ERI have not been made public, some analysts posit that the program would essentially enable the Administration to prolong some of the measures already taken in response to Russia's annexation of Crimea and allow for additional U.S. contributions to NATO training exercises. While the ERI has been welcomed in the region, it falls short of the permanent basing of U.S. and NATO forces called for by some European leaders. Critics caution that contributions to the ERI from other NATO members could be essential, both to enable a sustained response and to demonstrate allied unity. On the other hand, some other

<sup>25</sup> See, for example, U.S. Permanent Representative to NATO Douglas Lute, "NATO Members Must Step Up and Spend More on Defence," *The Telegraph* (UK), August 8, 2014.

<sup>26</sup> For detailed information on U.S. deployments, see CRS Report R43478, *NATO: Response to the Crisis in Ukraine and Security Concerns in Central and Eastern Europe*, coordinated by Paul Belkin.

<sup>27</sup> Andrew Tilghman, "Pentagon May Review Force Levels in Europe, Senior Official," *Defense News*, August 6, 2014.

European governments, including Italy and Germany, have repeatedly cautioned against further militarization in the region.<sup>28</sup>

### The Proposed European Reassurance Initiative

During a visit to Poland on June 3, 2014, President Obama announced that he would seek congressional approval for up to \$1 billion of new funding for a European Reassurance Initiative (ERI) intended to reassure allies and bolster the security and defense capabilities of partner countries in the region. The Administration has since requested \$925 million in the Department of Defense's FY2015 Overseas Contingency Operations (OCO) budget request to fund the initiative. According to the request, the proposed ERI would fund reassurance measures in five main areas:<sup>29</sup>

- **Increased U.S. military presence in Europe (\$440 million).** Could include augmented U.S. Army rotations to the NATO Response Force (NRF); enhanced F-15 fighter jet deployments and increased participation in NATO's Baltic Air Policing mission; expanded naval presence in the Baltic and Black Seas; and expanded Marine rotations through the Black Sea Rotational Force in Romania.
- **Improved infrastructure to allow for greater military responsiveness (\$250 million).** Could include improvements to air fields and training ranges and operations centers in Central and Eastern Europe. Improvements would require agreement from host nations.
- **Enhanced prepositioning of U.S. equipment in Europe (\$125 million).** Activities could include adding U.S. air equipment in Eastern Europe; and improved prepositioning facilities for Marine equipment in Norway.
- **More extensive U.S. participation in military exercises and training with allies and partners (\$75 million).** Could include increased U.S. force levels in military exercises in Europe, as well as funding to enable enhanced allied and partner participation in such exercises. The exercises aim to improve allied and partner readiness and interoperability.
- **Intensified efforts to build military capacity in newer NATO members and partner countries (\$35 million, in addition to \$75 million from Department of State).** Activities could focus on building military capacity in Georgia, Moldova, and Ukraine. Areas of emphasis include filling critical operational gaps in border security and air and maritime awareness and strengthening civilian oversight of the defense establishment.

## Congressional Views

Members of Congress have expressed deep concern over Russian aggression in Ukraine, with many calling for a robust NATO and U.S. military response, and others advocating stronger European contributions to collective defense measures in Europe.<sup>30</sup> Congressional consideration of the European Reassurance Initiative and other proposed Administration responses to the crisis in Ukraine could enable further examination of U.S. force posture in Europe and the U.S. capacity and willingness to uphold its collective defense commitments. Deliberations could also highlight longer-standing concerns about European contributions to NATO security and defense measures.

<sup>28</sup> See, for example, "Troops In," *The Economist*, June 7, 2014; and Christopher Chivvis, "What Can Obama's \$1 Billion Investment in European Security Actually Buy?," Rand Corporation, June 9, 2014.

<sup>29</sup> See, Department of Defense Fiscal Year 2015 Budget Amendment Overview, *Overseas Contingency Operations*, June 2014.  
[http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/amendment/FY2015\\_Budget\\_Request\\_Overview\\_Book\\_Amended.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/amendment/FY2015_Budget_Request_Overview_Book_Amended.pdf).

<sup>30</sup> In a March 26, 2014, letter to President Obama, House Armed Services Committee Chairman Buck McKeon and seven other Members of Congress called on the President to "increase and enhance the alert posture and readiness of U.S. forces in Europe without delay, including maintaining forward-deployed U.S. quick-reaction forces." House Armed Services Committee, "Armed Services Leaders Urge President to Act on Ukraine," March 26, 2014.  
[http://armedservices.house.gov/index.cfm/press-releases?ContentRecord\\_id=AE52EEAE-20D7-4C07-AE4B-1520D8287DD2](http://armedservices.house.gov/index.cfm/press-releases?ContentRecord_id=AE52EEAE-20D7-4C07-AE4B-1520D8287DD2).

Congress could also take an increasingly active role in determining U.S. policy toward NATO and in guiding discussions about NATO's future more broadly. This could include holding hearings and/or drafting legislation on issues such as development of allied military capabilities and military burdensharing within the alliance, the allied commitment to NATO enlargement and its relations with partner countries such as Ukraine and Georgia, NATO relations with Russia, and NATO involvement in areas such as cybersecurity and energy security.

The prospects for further NATO enlargement, especially to the east, have been of particular interest to many Members of Congress, who argue that continued enlargement would send an important signal to aspiring members that NATO's "open door" policy will not be scaled back in the face of Russian opposition. They add that Russia would be less willing and less able to take the aggressive actions it has in Ukraine, Georgia, and elsewhere in its near-abroad if these countries were members of the alliance. In February 2014, a bipartisan group of 40 Members of the House sent a letter to Secretary of State Kerry urging the Administration to support granting NATO membership to Montenegro and Macedonia and a Membership Action Plan (MAP) to Georgia at NATO's September summit in Wales.<sup>31</sup> The lawmakers also called for intensified progress on advancing Bosnia-Herzegovina's MAP. The proposed Forging Peace through Strength in Ukraine and the Transatlantic Alliance Act (H.R. 4433) also calls for immediate NATO membership for Montenegro and the granting of a NATO Membership Action Plan (MAP) to Georgia.

Despite these calls, most analysts consider NATO unlikely to make any significant progress toward expanding over the next several years. They point to a perception in some Western European countries that NATO has enlarged too quickly and that the alliance should agree on how to resolve a complex range of issues, including managing relations with Russia, before taking in new members. For some allied governments, ongoing territorial disputes with Russia in countries such as Georgia and Ukraine could be a strong deterrent to extending membership invitations to these countries.

## **Assessment**

Before Russia's annexation of Crimea in March, NATO's Wales summit was expected to be defined largely by leaders' efforts to outline a new, and perhaps more modest, set of priorities for an alliance moving on from a taxing decade of war in Afghanistan. To many analysts, the end of the Afghanistan mission represents the next step in NATO's post-Cold War evolution from a regional defense organization focused exclusively on deterring the Soviet Union to an alliance confronting an array of complex security challenges across the globe. However, Russia's ongoing intervention in Ukraine has caused some allies to question one of the key premises on which NATO's transformation has been based—that Russia no longer poses a significant security threat to the alliance. Accordingly, these allies have advocated a renewed NATO focus on territorial defense in Europe and deterring Russia.

In Wales, NATO leaders are expected to reaffirm their condemnation of Russia's intervention in Ukraine and to announce collective defense measures intended to deter further Russian

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<sup>31</sup> NATO agreed that Macedonia met the qualifications for membership in 2008, but its candidacy has been stalled due to a protracted dispute with NATO ally Greece over the country's official name. The two sides have been unable to resolve the issue during talks sponsored by the United Nations.



aggression. However, they are considered unlikely to come to agreement on managing NATO's relations with Russia over the medium to long term. The lack of consensus on this question could have significant implications for NATO's future. Key areas of concern include member state decisions on the kinds of military capabilities to develop, the direction of NATO defense planning and overall force posture, and NATO's willingness and capacity to address other security threats. Evolving allied perceptions of the longer-term threat posed by Russia are also likely to be a key factor in U.S. decisions on future force posture in Europe.

In light of these considerations, Members of Congress could focus on several key questions regarding NATO's future in the aftermath of the summit. These might include:

- Addressing whether the alliance should adopt a new strategic concept that better reflects views of the security threat posed by Russia (NATO's current strategic concept was adopted in 2009);
- Examining NATO's capacity and willingness to address other security threats to the Euro-Atlantic region, including from the Middle East and North Africa;
- More seriously addressing the possible consequences of member states' failure to meet agreed defense spending targets;
- Assessing U.S. force posture in Europe and the willingness of European allies to contribute to U.S. defense initiatives in Europe such as the ballistic missile defense program and the proposed European Reassurance Initiative; and
- Revisiting the allies' commitment to NATO's stated "open door" policy on enlargement.

## Appendix. Allied Defense Spending Figures

**Table I. Defense Spending in NATO member states**

	Overall Defense Spending as % of GDP, 2013 <sup>a</sup>	% of Defense Spending on Equipment, 2009-2013 Average <sup>a</sup>	% of Defense Spending on Personnel, 2013 <sup>a</sup>
Albania	1.4	14.1	73.2
Belgium	1.0	5.5	77.0
Bulgaria	1.4	8.4	75.5
Canada	1.0	12.2	49.7
Croatia	1.5	11.9	68.0
Czech Republic	1.1	14.5	62.1
Denmark	1.4	10.5	50.1
Estonia	2.0	13.6	43.2
France	1.9	28.9	49.2
Germany	1.3	16.8	49.6
Greece	2.3	15.4	68.3
Hungary	0.9	10.5	52.0
Italy	1.2	11.3	76.9
Latvia	0.9	10.9	51.5
Lithuania	0.8	11.2	66.6
Luxembourg	0.4	21.3	51.1
Netherlands	1.3	14.8	55.6
Norway	1.4	18.2	41.1
Poland	1.8	15.8	57.4
Portugal	1.5	10.5	74.0
Romania	1.4	8.8	75.5
Slovak Republic	1.0	9.0	74.1
Slovenia	1.1	7.0	80.3
Spain	0.9	14.8 <sup>b</sup>	57.2 <sup>b</sup>
Turkey	1.8	24.0	57.6
United Kingdom	2.4	22.2	35.0
United States	4.4	25.0	36.5

**Source:** NATO, *Financial and Economic Data Relating to NATO Defence*, February 24, 2014.

**Notes:** Figures based on NATO definition of defense expenditures; defense expenditures used in first column do not include pensions; equipment expenditures include spending on and R&D devoted to major equipment; personnel expenditures include military and civilian personnel expenditures and pensions.

a. Figures for 2013 are NATO estimates.

b. Figures on Spanish personnel and equipment expenditures are through 2012 only.



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