



**Wanted:
A New Balance for NATO**

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Madame Chairwoman, it is a pleasure to appear before you and your colleagues to discuss the future of NATO and its strategic direction moving forward. Let me congratulate you personally on assuming your duties at the helm of the Subcommittee.

You asked for an assessment of the challenges facing NATO as it considers a new Strategic Concept. My testimony draws on *Alliance Reborn: An Atlantic Compact for the 21st Century*, a recent report on NATO's future by my Center for Transatlantic Relations together with the Atlantic Council of the United States, the Center for Strategic and International Studies (CSIS) and the Center for Technology and National Security Policy at the National Defense University. I was the lead author for the report, but want to acknowledge the many valuable contributions made by my colleagues.

I begin by suggesting that today and in the future the United States and its allies need NATO to perform a balanced set of "home" and "away" missions. I then outline a number of necessary internal reforms the Alliance should consider.

NATO Missions: Home and Away

During the Cold War, NATO never fought a day. Today, it is involved in six different operations -- fighting and securing stability in Afghanistan; keeping the peace in Kosovo; assisting defense reform in Bosnia and Herzegovina; patrolling the Mediterranean Sea in a maritime anti-terrorist mission dispatched under the collective defense clause of the North Atlantic Treaty; countering piracy and armed robbery at sea off the Horn of Africa; and training Iraqi security forces. It launched an extensive humanitarian relief operation for Pakistan after the massive earthquake in 2005, helped victims of Hurricane Katrina in the United States, and provided security support to

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the 2004 and 2006 Olympics and 2006 World Cup. It has welcomed new members, and others are keen to apply. Budding partnerships have been cultivated with the UN, the EU and nations from the Mediterranean to the Pacific.

NATO is busier than ever. But this operational reality has exposed differences among allies in terms of threat perceptions, strategic cultures, resources and capabilities. As a result, many see an Alliance lacking focus, driven more by outside events than by collective interests. This is troubling, because the need for transatlantic cooperation is rising, not falling. The U.S. and its allies must create a new Alliance consensus on the challenges to our security and NATO's role in meeting them. Such a consensus is as important today as it was when NATO was born. The security challenges we face have changed, but the need for a common response has not.

60 years after its founding, NATO's three-fold purpose remains: to provide for the collective defense of its members; to institutionalize the transatlantic link and serve as a preeminent forum in which allies can discuss issues of common security and strategy; and to offer an umbrella of reassurance under which European nations can focus their security concerns on common challenges rather than on each other. To meet this purpose today, each element needs urgent attention, and each needs more than NATO.

If NATO is to be better, not just bigger, it must transform its scope and strategic rationale in ways that are understood and sustained by parliamentary and public opinion. It must change the nature of its capabilities, the way it generates and deploys its forces, the way it makes decisions, the way it spends money, and the way it works with others.

Most importantly, NATO needs a new balance. For the past 15 years the Alliance has been driven by the slogan "out of area or out of business." Threatened with irrelevance by its Cold War success, the alliance reached across the old East-West divide to include new members and new partners. It has sent soldiers and peacekeepers to trouble spots beyond its boundaries, from the Balkans to Afghanistan. It has become an expeditionary alliance.

NATO's out-of-area transformation remains important. But a single-minded focus on "out of area" risks diverting us from NATO's enduring "in area" mission to protect North Atlantic nations from armed attack. Alliance leaders are right to say that Western security today begins at the Hindu Kush. But in an age of catastrophic terrorism, the front line tomorrow may run through Washington's metro, Frankfurt's airport, Rotterdam's port or Istanbul's grand bazaar.

If NATO is visible in expeditionary missions but invisible when it comes to protecting our own societies, support for the alliance will wane. Its role will be marginalized and our security diminished. NATO operates out of area, and it is in business. But it must also operate in area, or it is in trouble. If NATO cannot protect, it cannot project.

NATO today faces a related set of missions both home and away. At home, it is called to maintain deterrence and defense; support efforts to strengthen societal resilience against a host of threats to the transatlantic homeland; and contribute to a Europe that truly can be whole, free and at peace. Away, it is called to prevent and respond to crises; participate in stability operations; and connect better with partners to cover a broader range of capabilities.

NATO Missions	
Home	Away
Deterrence and Defense Transatlantic Resilience Europe Whole, Free and at Peace	Crisis Prevention and Response Stability Operations Working Effectively with Partners

These missions, whether close to home or far away, share five common requirements. All require intensive debate to sustain public and parliamentary support and receptivity by other partners. All require improved capabilities that are deployable. All require better synergy between NATO and partners. All require better cooperation between civil and military authorities. All require allies to match their means to agreed missions.

This outline of NATO home and away missions does not mean that NATO should always take the lead. Depending on the contingency at hand, NATO may be called to play the leading role, be a supporting actor, or simply join a broader ensemble. For deterrence and defense, for instance, NATO remains the preeminent transatlantic institution. In all other areas, however, it is likely to play a supporting role or work within a larger network of institutions. Knowing where and when NATO can add value is critical to prioritization of resources and effort.

NATO: Leading Role, Supporting Actor, or Ensemble Player?	
<i>Home Missions</i>	<i>Role</i>
Deterrence and Defense	Lead
Transatlantic Resilience	Support/Selective Lead
Europe Whole, Free and at Peace	Support/Selective Lead
<i>Away Missions</i>	<i>Role</i>
Crisis Prevention and Response	Lead/Selective Support
Stability Operations	Support/Selective Lead
Working Effectively with Partners	Support/Ensemble Player

Home Missions

Deterrence and Defense. NATO's collective defense commitment, as stated in Article 5 of the North Atlantic Treaty, is the core of the Alliance. NATO plays an essential role in deterring and defending against attacks on the transatlantic homeland, from whatever source. In recent years the focus has been on terrorism, but since the Russian invasion of Georgia there has been renewed concern among some members about the adequacy of NATO planning and defense capabilities to deal with more traditional threats by aggressor states. These concerns have prompted some allies to entertain the need for separate bilateral security guarantees. A NATO that continues to expand without having the capabilities to meet its core obligation to defend an enlarged treaty area runs the risk of becoming a hollow alliance. Moreover, lack of confidence in NATO's ability to carry out its fundamental commitment risks undermining another key element of NATO's purpose – to prevent the kind of renationalization of European defense and conflicting security guarantees that led Europe to disaster in the 20th century. Therefore, Alliance leaders should ensure that Article 5 is not just a paper commitment but is backed up by credible

planning to determine the military requirements to carry it out, as well as the means and political solidarity to implement it.

To strengthen Article 5 preparedness NATO could:

- Restore the military capability of the NATO Response Force (NRF) for the mission of “first responder” if a demonstration of military force is required after Article 5 is invoked. A fully capable NRF would express the commitment of Allies to meet their Article 5 commitment.
- Include in the Defense Planning Process a robust scenario that includes reinforcement of Allied territory. MC-161, NATO’s assessment of future threats, should also ensure that “the full range” of possible threats is included.
- Exercise plans for territorial defense where appropriate along NATO’s periphery. Exercises should be fully transparent and sized appropriately.
- Direct NATO military staffs to develop comprehensive plans for the timely handover of national forces to NATO control.
- Invest in essential infrastructure in appropriate Allied nations (especially in the newer Allies) to receive NATO reinforcements.
- Consider infrastructure upgrades in new members in order to base NATO common assets.

Transatlantic Resilience. Alliance leaders should consider the meaning of their Article 5 commitment to “ensure the security of the North Atlantic area” in light of the challenges to societal security facing our nations today. There are limits to the role NATO can and should play in this area – many issues of law enforcement, domestic intelligence, civil security and disaster response are well beyond NATO’s area of competence, and are better handled in national or bilateral channels, or in some cases between the U.S., Canada and the European Union (EU).

There are some areas, however, where NATO itself, or NATO and the EU together, could complement other efforts and do more to enhance transatlantic resilience. The Alliance has already been called upon to help member and non-member governments with security for mass public events and deal with the consequences of various natural disasters. It could well be called upon to play a role in dealing with a catastrophic terrorist event, particularly one involving agents of mass destruction. NATO efforts to enhance societal resilience in the transatlantic homeland would offer the Alliance both a 21st-century approach to Article 5 and new meaning and credibility in the eyes of NATO publics who are concerned about threats close to home. Alliance leaders have the opportunity to articulate a strategic direction for transatlantic homeland defense and societal resilience in the next NATO Strategic Concept.

NATO and its members already possess noteworthy capabilities in these areas, but their ability to act as a fully organized, capable alliance is not well developed. NATO will need improved physical assets, strengthened strategic planning and operating capacities. It will need to coordinate closely with national governments, many of which view control of societal security resources as vital manifestations of their sovereignty, and have diverse constitutional approaches to domestic uses of their military and to civil-military cooperation in crisis situations.

Moreover, NATO engagement in this area will require a fundamentally different relationship with the EU. Among the 21 NATO allies and 5 Partnership for Peace nations that also belong to the EU, there is strong support for housing within the EU a growing number of common

European capabilities related to societal security and emergency response (such as customs, police cooperation, environmental security and information-sharing). The EU has undertaken a range of activities and initiatives aimed at improving its military and civilian capabilities and structures to respond to crises spanning both societal defense and societal security, including cross-border cooperation on consequence management after natural and manmade disasters.

In short, NATO is likely to be a supporting player in more robust overall efforts at societal security in the North Atlantic space. Nonetheless, NATO efforts could build on promising yet modest developments already under way in several areas, to include:

- guarding the approaches and enhancing border security for the NATO region
- enhancing early-warning and air/missile defenses
- improving counterterrorism activities
- strengthening transatlantic capabilities for managing the consequences of terrorist attacks (including agents of mass destruction) or large-scale natural disasters
- cyberdefense
- biodefense
- political consultations on energy security
- incorporating transatlantic resilience into the Strategic Concept
- creating a Civil Security Committee

Europe Whole, Free and at Peace. NATO's third home mission should be to contribute to overall transatlantic efforts to consolidate democratic transformation on a European continent that at its broadest is not yet whole, free and at peace. NATO allies have an interest in consolidating the democratic transformation of Europe by working with others to extend as far as possible across the European continent the space of integrated security where war simply does not happen. Yet post-communist applicants for NATO membership are weaker than earlier aspirants and less well known to allied parliamentarians and publics. A number are beset with historical animosities and have yet to experience significant democratic reforms. When U.S. and European opinion leaders consider these countries as potential partners and allies, they will look closely at the nature and pace of domestic reforms and for evidence of a willingness and desire to resolve historic conflicts. In addition, Russia is opposed to further extension of NATO into the post-Soviet space. Finally, as discussed earlier, some allies question the current credibility of NATO's guarantees to its own members. They worry that continued enlargement, without complementary efforts to bolster NATO defense, could simply hollow out the Alliance.

Given these various challenges, a strategy for democratic transformation and collective security in the region is likely to be more effective if its goals are tied to conditions rather than institutions. Western actors should work with the states in the region to create conditions by which ever closer relations can be possible. Such an approach has the advantage of focusing effort on practical progress. NATO allies share an interest in promoting democratic governance, the rule of law, open market economies, conflict resolution and collective security, and secure cross-border transportation and energy links, regardless the institutional affiliation of countries in the region. The West must keep its door open to the countries of wider Europe. NATO governments must remain firm on the Bucharest Summit commitments to Georgia and Ukraine and to follow through on subsequent pledges of further assistance to both countries through the

NATO-Georgia and NATO-Ukraine commissions and bilateral programs in implementing needed political and defense reforms.

In short, the West should be careful not to close the door to the countries of the region, but it should focus on creating conditions by which the question of integration, while controversial today, can be posed more positively in the future. A new focus on societal resilience, and transatlantic interest in “projecting resilience forward” to neighboring countries, would offer an additional means to engage and draw closer the nations of wider Europe in ways that strengthen overall transatlantic security. It could be an attractive mission for the Partnership for Peace.

Away Missions

Crisis Prevention and Response. NATO’s role has evolved from its singular Cold War focus on Article 5 defense of allied territory to a broader mission set that embraces non-Article 5 missions to assist the international community in crisis prevention and response. In some cases, consultations within NATO or diplomacy by NATO can help prevent a crisis from escalating. NATO also has a unique capability to respond quickly to a wide spectrum of man-made and natural crises. The NATO Response Force (NRF) can be used for missions requiring rapid reaction at strategic distance.

If the Alliance is to continue to play an effective role in this area, NATO needs a deeper pool of forces that are capable, deployable and sustainable. Maintaining the operational effectiveness of the NRF is essential to NATO’s credibility and should not be beyond the means of allied governments. Yet allies are stretched thin, and there is no easy fix. Either defense budgets must be increased for personnel, training and equipment, or spending on existing force structure, unnecessary command structure and bureaucracy must be re-mixed to prioritize deployable forces and force multipliers such as Intelligence, Surveillance and Reconnaissance (ISR) platforms and helicopters.

Stability Operations. North American and European operations in the Balkans, Africa and Afghanistan have highlighted the need for lengthy, demanding stabilization and reconstruction (S&R) missions. As conflict ends, peace depends on establishing public security, essential services and basic governance. These tasks often fall to the military forces at hand before competent civilian resources can be deployed safely to take over. A lengthy period can then ensue where a combination of civilian and military forces is required to stabilize the region and lay a security foundation to enable the population to rebuild governance and a secure society. These goals require allied forces to perform demanding and often unfamiliar and unplanned tasks, such as fighting terrorists and criminal gangs, pacifying ethnic violence, restoring distribution of electrical power, water, food, and fuel, and rebuilding armies, police forces, and other institutions of governance and law enforcement. Sustaining such missions over time is politically and operationally difficult. Future requirements for such missions could be large.

Although many of these capabilities exist within the EU, NATO and the Partnership for Peace, they are not organized into deployable assets. Consideration should be given to the creation of a NATO Stabilization and Reconstruction Force (SRF), an integrated, multinational security

support component that would organize, train and equip to engage in post-conflict operations, compatible with EU efforts.

Working Effectively with Partners. NATO has an interest in forging partnerships with others who face common security challenges. Moreover, in many non-European operations NATO is unlikely to operate or to succeed on its own; other partners are likely to want to add their strength to that of NATO, and NATO is likely to need partners for its own success. NATO efforts to train and build the capacities of others offer a low profile way to develop closer relations, help others cope with their own regional problems, and perhaps even turn them into partners and force contributors. Allied forces will also be better able to operate together, and with others, if they have trained together and have similar operational doctrines and procedures. NATO's patterns of multilateral training and joint command structures provide a firmer basis for shared military actions beyond Europe than any other framework available to the U.S. or any individual ally. Thus, NATO will remain a critical vehicle for ensuring interoperability between U.S. and European forces. Indeed, this may prove to be one of its most important military functions.

Moreover, in both crisis response and stability and reconstruction operations, the Alliance must be able to operate closely with civilian reconstruction and assistance agencies. A so-called "comprehensive approach" to such operations has been developed by NATO that focuses on both the civilian and military challenges that come with crisis operations. The importance of the Comprehensive Approach was acknowledged by NATO in its last three Summits. The core idea is that the mission of restoring order and progress to damaged countries cannot be accomplished by military forces alone. As seen in the Balkans and Afghanistan, military action can secure space for civilian action in complex crises, but militaries can not restore societies. A combination of military forces and civilian assets are necessary, deployed in a coordinated way. Civilian functions, in turn, cannot normally be performed by a single institution. Instead, they must be performed by a multiplicity of actors, including foreign ministries, development agencies, the EU, partner countries outside NATO, international agencies such as the United Nations and OSCE, NGOs such as the Red Cross, and numerous civilian contractors.

Fusing these civilian activities and blending them with ongoing S&R missions of military forces requires more structured relations between NATO, the UN, the OSCE, the EU and other established international actors to allow them to be more proactive in preventing future crises in the first place, and to work together more effectively, including with NGOs, in restoring peace and stability in crisis areas. NATO needs to retool to undertake more stability operations elsewhere in the world, not just focus on ways to improve its performance in Afghanistan. NATO's support for the African Union in Darfur, for instance, may be a model of global engagement for which the Alliance needs to prepare better.

Not only does the strategic logic for partnerships remain compelling, NATO's operational effectiveness is increasingly dependent on such partnerships. 16 non-NATO members are involved in NATO operations, 15 of them in Afghanistan. NATO's array of partnership initiatives, however, has languished and needs greater coherence. The multitude of partner groups constitutes a disparate collage of good efforts without measures of effectiveness or mutually supporting plans and programs. Moreover, NATO has yet to establish a truly strategic partnership with the EU or a meaningful partnership with the UN or such institutions as the

OSCE or the African Union. NATO should establish an Assistant Secretary General for Partnership to give direction to all engaged staffs.

NATO-EU Partnership: France’s re-entry into NATO’s integrated military structure offers an important opportunity to build stronger NATO-EU ties. France today is the largest contributor to the NRF, and it participates in all major Alliance expeditionary operations, including Kosovo and Afghanistan. Washington should offer clear support for stronger European security and defense capabilities that can enable Europe to be a stronger partner for North America and also tackle security challenges on its own as appropriate.

For the foreseeable future, NATO will remain the transatlantic partnership’s premier military alliance for high-end defense requirements, including force transformation, demanding expeditionary missions, and major war-fighting. The EU does not aspire to such high-end military operations, but it could help promote armaments cooperation, common R&D and procurement, standardization and interoperability, training, multinational logistics, and other activities in ways that conserve scarce resources and thereby benefit European and NATO defense preparedness.

Various initiatives to build a sound EU-NATO relationship could develop:

- institutional capabilities to enable rapid coordinated NATO-EU response to crisis;
- joint planning;
- a joint operations command in major operations where the EU and NATO are both engaged, such as in Afghanistan;
- a joint force generation mechanism to request assets from both EU and NATO members for a combined operation;
- a new NATO-EU partnership on WMD consequence management that delineates the role of each organization in a crisis; creates links between each and the WHO global health security network; and develops reliable channels for rapid communication among health and security officials;
- compatible capabilities. NATO and the EU should consider joint training exercises to improve interoperability, work toward common standards for unit certification, and be fully transparent in planning for rotations. The EU should consider making its battle groups and joint assets available for some NATO forces and missions.
- a strong relationship between NATO and the EU’s European Defense Agency (EDA) to rationalize European procurement and facilitate efforts by European governments to integrate military forces and structures across national borders.
- joint or complementary efforts to project “forward resilience” to partners.

NATO-UN Relations: In September 2008, after almost 60 years of coexistence, the UN and NATO agreed for the first time to a formal relationship and a framework for expanded consultation and cooperation. These organizations already cooperate to safeguard Kosovo’s fragile stability and struggle together in Afghanistan. NATO protects UN food aid shipments to Somalia against the threat of pirate attacks. The United Nations has the most diverse experience with peacekeeping operations, yet its record is uneven. Further reform of the UN Department of Political Affairs and Department of Peacekeeping Operations is needed to better enable them to lead crisis management and peace support operations.

In 1992 NATO became the first regional organization authorized by the Security Council to use force. The UNSC has mandated almost all ongoing NATO operations. It is a rare NATO operation where the UN is not engaged in some fashion. There are many UN operations with no EU, NATO or U.S. involvement. There are no EU, NATO or U.S. operations without some UN involvement. Despite its post-Cold War transformation, NATO depends on the capacities and expertise of the UN and its special agencies in the political, rule of law, humanitarian and development areas in places such as Afghanistan. If progress lacks in these fields, the Alliance will not be able to achieve its goals.

The NATO-UN relationship, however, has always been ad hoc. There is no routine and consistent joint planning or common crisis management. UN humanitarian bodies and agencies are concerned that closer cooperation with NATO could jeopardize their neutrality and impartiality in conflict areas and put their staff at risk, and NATO nations have been reluctant to provide their troops and assets to UN peacekeeping missions following the UN's failure to stop violence in Bosnia in the early 1990s. The NATO representation at the UN in New York is small and unable to undertake consistently the advance planning needed for NATO and the UN to work together efficiently. NATO needs to build up its presence at the UN with additional planners to develop the relationships and establish a routine planning capability; the UN should have representation at SHAPE; and the NATO-UN agreement should be operationalized.

Mediterranean Dialogue and Istanbul Cooperation Initiative (ICI): Allied interests in the stability and prosperity of the Mediterranean and the broader Middle East have increased greatly since these programs were first created. Alliance security depends on the stability that can be advanced through cooperation with these partners. NATO's engagement in Afghanistan and the training of Iraqi security forces have made the alliance more relevant to security in the broader Middle East. NATO's role could grow should the Alliance be called upon to provide forces to implement any future Palestinian-Israeli settlement – however unlikely such an accord appears to be at present. NATO, the Gulf States, and others in the region are also concerned about the implications of Iran's nuclear activities and missile programs, and have common interests in energy security. At the Riga Summit, NATO governments launched a Training Cooperation Initiative to expand participation by Middle East partners and to explore joint establishment of a security cooperation center in the region. Unfortunately, not much has come from this initiative. It should be re-energized so that NATO can share its expertise in training military forces to help partners build forces that are interoperable with those of Allies. ICI countries and NATO need to define future priorities, which might include combined peacekeeping operations, cooperation on crisis management and missile defense. The Alliance also needs a better public diplomacy strategy for the region.

Global Partnerships: In the process of taking on emerging global challenges, NATO must deepen partnerships globally. Since 2001, NATO has undertaken operational military cooperation with countries beyond Europe's periphery to counter terrorism and promote stability. Australia, New Zealand, Japan, and South Korea have either worked with the Alliance in Afghanistan or supported stabilization efforts in Iraq. The development of these relationships reflects NATO's need for a wider circle of partners to respond to complex global threats. At the Riga and Bucharest Summits, allies recognized the value of global partnerships with countries

that share our values. There has been real progress in building political dialogue and developing individual Tailored Cooperation Packages. Given that some of these countries are now offering to intensify their cooperation and to provide troops or civilian resources to NATO operations, they need to be accommodated through closer political and military ties.

NATO needs to:

- facilitate routine political consultations;
- better integrate partner armed forces into the planning and conduct of those NATO-led operations where partners elect to participate;
- improve partner interoperability with NATO forces;
- intensify its political dialogue with other major players, notably China, India and Pakistan.

Internal NATO Reforms

In addition to capacities tailored to specific missions, reforms are required in areas that cut across the mission spectrum. NATO should change the way it makes decisions; change the way it spends money; generate appropriate military capabilities; and match missions to means.

Change the Way NATO Makes Decisions

Modify the consensus rule. NATO decision making at every level of the Alliance has been governed by the consensus rule; all decisions, large or small, are unanimous. While this is an important symbol of unity, especially when the NAC votes to deploy forces, the consensus rule also allows one nation to block the wishes of all others and also leads to lowest-common-denominator decisions. It is time for a thorough review, with an eye towards consensus decision-making only taking place in the NAC and in budget committees, or perhaps only on certain decisions, such as deploying forces or spending money. Qualified majority voting, or upholding a simple majority, have each been suggested as alternatives, especially in committees lower than the NAC. Another important reform worth considering is allowing nations to opt out of participating in an operation (even after joining consensus in the NAC to approve an operation). In such a case, the opt-out nation would not bear the cost of an operation, but also would not participate in decision-making on how that operation is executed.

Merge NATO's Civilian and Military Staffs: The International Staff and International Military Staff (IS/IMS) are the backbone of NATO HQ, fulfilling many important day-to-day functions to support decision-making in the NAC and the Military Committee. However, both staffs have hardened into bureaucratic stovepipes, often performing duplicative functions and working in an uncoordinated fashion that undercuts efficiency. While both staffs should be reviewed by an outside working group to determine how they might be reorganized, a reform that could be undertaken now is to increase the integration of the staffs at NATO HQ, which was begun on an experimental basis a few years ago. Such a mix of civilian and military staffs is key to implementing the "comprehensive approach."

Revamp the NATO Military Committee (MC): In the past, the Military Committee played an important role in providing military advice to the NAC and in providing guidance to the

Strategic Commands. However, in recent years the MC has been used as an arena to fight political battles better fought elsewhere, undercutting the MC's credibility. Today, many question whether the MC is the best source for unbiased military advice and whether it has been effective in motivating nations to improve military capabilities and force generation. The MC's role, mission and processes should be closely reviewed.

Review Defense Acquisition: The creation of the EU's European Defense Agency (EDA) provides the potential for cooperation with NATO's Conference of National Armament Directors (CNAD). Both institutions share the same capability shortfalls and lack of political will by their members to increase defense budgets or otherwise improve capabilities. While there is a NATO-EU Working Group on Capabilities, cooperation is largely sterile. The role of the CNAD should be reviewed carefully by an outside group made up of industry and acquisition officials to determine if NATO acquisition procedures should be revamped, and to look for ways that the EU and NATO could cooperate in meeting common capability shortfalls more efficiently.

Streamline the Command Structure: The NATO command structure is in a perpetual state of reform, and has transformed from the complex organization of the Cold War to a configuration more suitable for expeditionary operations outside the NATO region. However, as NATO evolves, so must its command structure, and there is still some unfinished business.

One criticism is that SHAPE, despite being a *strategic* command, still has too much operational control that should belong to the commander in the field. SHAPE should remain principally a strategic level command.

Second, NATO headquarters are not standard, often complex and at times incomprehensible. Command relationships can hamper rather than facilitate command. Most of the NATO command structure is still undeployable, necessitating the creation of ad hoc headquarters to serve as KFOR and ISAF, while large staffs sit almost idle at fixed locations in Europe.

Finally, the role of Allied Command Transformation (ACT) as an "engine for transformation" is also under the microscope. ACT is criticized as having a weak impact on transformation, failing to have acquisition authority, and lacking credibility at NATO Headquarters. Some have always been concerned that the current arrangement – a dual-hatted supreme commander as head of both ACT and U.S. Joint Forces Command (JFCOM) -- may not give that commander the time needed to devote to the difficult transformation task at NATO.

With these perspectives in mind consideration should be given to a reorganized and reoriented three-level command structure.

The strategic level is Allied Command Operations (ACO) commanded by the Supreme Allied Commander Europe (SACEUR) who should remain an American; and Allied Command Transformation (ACT) with a European Supreme Commander and two Deputies, one in charge of defense planning and acquisition and the other a U.S. deputy dual-hatted as the Deputy USJFCOM in charge of transformation. ACT's duties would also include developing doctrine and training for the comprehensive approach, transatlantic resilience and defense, including the Atlantic approaches, and with an element at USNORTHCOM to support that mission.

The second level should be operational and comprised of three JFC headquarters in Brunssum, the Netherlands; Naples, Italy; and Lisbon, Portugal. Each JFC headquarters should have a geographic and functional focus. JFC Lisbon's geographic focus should be on the Mediterranean Sea and Africa, and its functional priority should be NATO-EU collaboration. JFC Brunssum should focus on southwest Asia/broader Middle East as a geographic priority and the reappearance of a conventional threat as a functional priority. JFC Naples should focus on southeastern Europe and transatlantic resilience. Each JFC should be able to deploy a robust Joint Task Force, and there should be at least two Combined Air Operations Centers (CAOC) with a deployable CAOC capability. JFCs must be capable of operational oversight of multiple missions. All JFCs must be capable of backing one another, and must plan and exercise for Article 5 missions.

The third level of the NATO Command Structure should be comprised of three joint deployable HQs that deploy to the mission area to conduct operations (e.g. KFOR and ISAF). These HQs would replace most or all of the current 6 fixed component commands (2 air, 2 land and 2 maritime). If required, the three deployable HQs could be supplemented by the High Readiness HQs already in existence in some allied nations or other HQs at lower readiness.

Change the Way NATO Spends Money

The way NATO spends money for operations and infrastructure is opaque, complicated and does not go far enough to lessen the financial burden on nations deploying on missions. Changes are needed to improve financial efficiency, increase military capability and cover costs that otherwise give nations an excuse not to deploy on operations. Because additional common funding contributions will not come easily from nations, greater effort must be made to re-direct spending of common funds from political and military bureaucratic structure to improving deployability and capabilities. This is routinely done through such mechanisms as Peacetime Establishment reviews, but they have not produced the needed results. The financial crisis makes it imperative for NATO to develop a new approach to funding operations and common equipment:

- **Cost-share operations.** Although wealthier allies feel they already pay too much into common funds and do not feel it is fair for them to increase their contributions to common funding, poorer allies often cannot cover costs to deploy on missions. If wealthier nations do not contribute more to common funds, fewer allies will participate in Alliance missions.
- **Increase and broaden the use of common funds to procure common equipment for operations.** While the Alliance has increased the use of common funds to procure common equipment for operations, such use is often blocked by some nations who “do not want to pay for a capability twice.” Such a short-sighted view makes it easy for some nations to avoid shouldering the burden by pleading poverty. NATO military authorities should suggest additional equipment that NATO could purchase and make available to nations and so make it easier for them to deploy.
- **Coordinate equipment procurement with the EU.** This has the potential for the greatest efficiency, but is the hardest to implement. Both NATO and the EU share common capability shortfalls that could be met more efficiently if those shortfalls are met in a common procurement. Much of such cooperation has been stalled by political issues, industrial base

issues, as well as by the sheer complexity that comes with common procurement by nations. Most efforts, even on a small scale, have failed miserably in the past. However, a new approach at cooperative procurement should be considered by a working group that includes representatives of transatlantic industry.

Generate Appropriate Military Capabilities

NATO must generate the appropriate capabilities to meet its missions. Without credible capabilities, strategic concepts, treaty guarantees and summit declarations mean little to allies or those who would confront them. NATO credibility rests on a demonstrable capability for timely military response to threats to any member's territory. Credibility also requires the capabilities to carry out other missions that allies have agreed. Every NATO Strategic Concept has had at its core clear guidance on required military capabilities. A new Concept will have to address the increasing demand for usable capabilities alongside the reality that available resources will contract. NATO militaries need considerable further restructuring to achieve far more availability of resources. NATO itself needs greater efficiencies and better business practices.

I. Capabilities for Article 5 and non-Article 5 missions

A. Deployable Conventional Forces. Forces that cannot deploy are of almost no use for Alliance missions. About 70 percent of European land forces cannot deploy, due either to obsolete equipment, lack of mobility assets, reliance on fixed logistics, or a lack of plans or training for movement operations. Troop rotations mean that 30 percent of forces that are deployable yield no more than 10 percent sustained mission support. With a force almost half a million smaller, the U.S. deploys well over twice as many troops as Europe.

1. Major Combat Forces. Not only light forces must be deployable. Heavy armored forces that would anchor land defense of the Alliance must be deployable, strategically and operationally by aircraft, ship, rail or road. NATO boundaries are hundreds, often thousands of kilometers from where forces are located in the heart of Europe. Article 5 credibility is eroded by the absence of plans and assets for forces to get where they may be needed.

2. Intervention Forces. The focus today is on Afghanistan, as it must be, and on Kosovo, where security remains tense. These interventions strain allied forces because the reservoir of deployable lighter forces for non-Article 5 missions is just as inadequate as for Article 5 missions. In Afghanistan national caveats by some allies increase the demands on the forces of those allies without caveats. Rotational schemes, essential to long operations by volunteer militaries, exponentially increase force requirements. Europe has 1.3 million non-conscript land forces, yet in 2007 was only able to muster on average deployment of less than 80,000 for all operations – NATO, EU and national. As in the case of heavy armor, many lighter forces needed in Kosovo and Afghanistan are simply undeployable and therefore unavailable.

3. The NATO Response Force (NRF). The NRF is the most visible example of the shortage of ready, available forces, especially to meet Article 5 missions. Yet for many reasons allies are reluctant to meet force requirements. As a result, it has been scaled back both in terms of capabilities and mission. Although the NRF is intended to be NATO's most prominent response capability, pressure has been needed from the start to fill the modest NRF requirements of 25,000 combined land, air and naval forces, especially a brigade of land forces representing just 2,000-3,000. For example, in late 2008, just two months prior to its mission window, the 13th rotation of the NATO Response Force was reported to be at only 26% fill for land forces with no

commitments for helicopters or logistics. Shortfalls are due to the demands of meeting troop requests for current operations, particularly ISAF in Afghanistan, and many forces are simply unusable. The NRF must be kept robust and able for an array of missions, including disaster assistance and humanitarian relief.

4. Special Operations Forces and Stabilization Forces. Conflict regions like Afghanistan are inherently complex, with warfare and stability operations inextricably intertwined. Forces must understand their environment be able to work with a host of partners. Short tours frustrate continuity among multinational forces through turnover rates that destroy institutional memory and expertise. Tours of at least 6 months should be the norm. All allies maintain small contingents of Special Operations Forces (SOF) as well as the military police, engineering, civil affairs (CA)/civil-military (CIMIC), and medical units that are most needed to conduct stabilization or crisis response operations. However these types of forces are inadequate in number relative to the long nature of such operations.

B. Commonly Funded Force Enablers. Three critical sets of force enablers or multipliers should be approved by NATO for common funding under the NATO Security Investment Program (NSIP) or under the Military Budget, as appropriate. These enablers are too costly yet too critical to continue to depend primarily on national means. The dire result of that policy can be seen in ISAF shortfalls today.

1. Strategic and Theater Lift, including sealift and airlift as well as land movement to Alliance borders, is essential to respond to Article 5 indications and warnings as well as to crises well beyond NATO territory. While the Alliance has organized its sealift capabilities, some sealift capabilities should be NATO funded. Some airlift capabilities, including aerial refueling, should also be NATO funded. Strategic response requires mobility planning, training and exercises. Airfields and ports should be surveyed and upgraded to handle appropriate vessels/aircraft and numbers of movements.

2. Network Enabled Command, Control and Communications (C3). Communications and information systems are incompatible across NATO forces at the operational and tactical levels, and far too much of both NATO and national network systems (especially U.S. systems) remain non-interoperable.

3. Interoperable Intelligence, Surveillance and Reconnaissance (ISR). National capabilities span a wide, disparate range, and system incompatibility is far more common than synchronous systems. There must be greater willingness to share information across multinational elements. Procedural obstacles – especially in the U.S. -- are more daunting than technological ones. Common-owned and -funded systems would help to solve these problems.

If the Alliance is to be serious about common funding and procurement, the U.S. must modify its technology transfer procedures and the “Buy American” policy with respect to its closest allies.

C. Missile defense of both territory and deployed forces has emerged as a potentially important requirement for future deterrence against missile threats from Iran and possibly other countries. Should diplomacy succeed in stopping Iranian acquisition of nuclear weapons, interceptor deployment may not be necessary. Yet current U.S. and allied efforts should continue now for two reasons. First, such efforts are prudent given the lead time necessary for deployment. Second, should diplomacy fail and Tehran acquire nuclear weapons capability, a defensive response is likely to be a more palatable and effective option than an offensive military

response. As NATO moves forward, it should seek to put missile defenses in place without rupture to NATO-Russia relations. At the Strasbourg/Kehl Summit, Alliance leaders committed to engage with Russia on missile defense issues. The Alliance also needs to follow through on its 2008 Bucharest Summit commitments to explore how the planned U.S. missile defense sites in Europe could be integrated into current NATO plans and to develop options for a comprehensive missile defense architecture to extend coverage to all Allied territory and populations not otherwise covered by the U.S. system.

D. Nuclear Forces. None of these considerations contradict initiatives such as Global Zero. Yet when it comes to practical implementation, it is important to keep in mind that historically, the presence of U.S. nuclear weapons in Europe has been a preeminent symbol coupling European and North American security. For this reason, a unilateral U.S. decision to withdraw its nuclear weapons could be seen in Europe as a U.S. effort to decouple its security from that of its allies and thus question the very premise of the Atlantic Alliance. If such a step is to be considered, therefore, the initiative should come from Europe. If European allies are confident that European and North American security is sufficiently coupled without the presence of U.S. nuclear weapons in Europe, the U.S. is unlikely to object to their removal. Alliance discussion of NATO's choices should be framed by the following:

- Careful consideration of future requirements in terms of theater nuclear delivery capabilities, i.e., the appropriate number of dual capable aircraft (DCA) and the number of devices to be prudently associated with them.
- Close and reflective negotiations among all allies, especially those who store these weapons. Allies should keep in mind that once withdrawn, it will be all but impossible politically to return them. Redeployment in time of tension would readily be seen as an act of war.
- If reductions or even elimination is considered, NATO needs a strategy for negotiating an equivalent reduction by Russia, the other holder of such weapons.

Match Missions to Means

A vision without resources is a hallucination. And yet the gap between the missions NATO is called to take on and the means it has to perform them is growing day by day.

NATO has tried the full array of incentives and mechanisms to encourage its members to maintain sufficient levels of ready forces and defense investment. In each case, the initiative fell short – sometimes very short -- of agreed goals. Moreover, we are in the midst of a deep economic crisis of indeterminate length. For these reasons, NATO cannot expect any growth in resource availability. The opposite is more likely -- declining defense resources on both sides of the Atlantic over a sustained period.

The only source of greater capability in the near term is to improve what is already on hand. That requires members to generate economies within current defense budgets. The Alliance needs to make a number of major changes:

- Reconsider NATO's ambition of two large and six small operations simultaneously, which it cannot fulfill for at least 10 years, and is not attuned to the mission set I have advanced here.
- Increase the usability of NATO's 12,500 person formal command structure, none of which is deployable.

- Look for capabilities where the pooling of assets by some members can be agreed, such as the C-17 airlift initiative among 12 members and partners.
- Reorganize where practical into multinational units comprised of national component forces or even national niche forces.
- Expand civilian capabilities available to NATO by energizing and implementing the Comprehensive Approach.
- Renew emphasis on consolidating R&D investment and sharing technologies.
- Look earnestly at collective procurement or contracting for transport helicopters; intelligence, surveillance and reconnaissance (ISR) assets; and centralized logistics, along the lines of the consortium purchase of strategic airlift by a group of NATO members described above.
- Redouble efforts to shift spending away from personnel and infrastructure costs in national defense budgets, and towards investment, training, and readiness. The goal is smaller, better equipped, more deployable forces.
- Bolster Alliance capacities to support member states' national efforts to safeguard against cyber attacks from whatever source.
- Put teeth in NATO's "Peacetime Establishment" (PE) Review to save military budget funds by cutting static command structure or cost-sharing with other institutions NATO's Cold War era research facilities.

Conclusion

Taken together, these reforms promise to reinforce each element of NATO's enduring purpose, while repositioning the Alliance within a broader, reinvigorated Atlantic partnership that is more capable of responding to the opportunities and challenges of the new world rising.

To succeed in this new world, Europeans and Americans must define their partnership in terms of common security rather than just common defense, at home and away. This will require the Alliance to stretch. Depending on the contingency at hand, NATO may be called to play the leading role, be a supporting actor, or simply join a broader ensemble. Even so, NATO alone -- no matter how resilient -- simply cannot stretch far enough to tackle the full range of challenges facing the Euro-Atlantic community. It must also be able to connect and work better with others, whether they are nations or international governmental or non-governmental organizations. And if NATO is to both stretch and connect, it will need to generate better expeditionary capabilities and change the way it does business.

At the April NATO Summit, Alliance leaders tasked work on a new Strategic Concept, to be presented at the 2010 Summit in Portugal. I respectfully suggest that this process take account of the many ideas advanced in *Alliance Reborn* and in this testimony.

Such an effort is likely to be moot, however, if Europe and North America are unable to quell the threat emanating from the Afghan-Pakistani borderlands, or to develop a common approach to Russia. The trick is to combine the urgent with the important, to forge the consensus needed to tackle current challenges while keeping the longer term health of our Alliance in mind.

Madame Chairwoman, thank you for allowing me to present my perspectives here today.