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PROTOCOLS TO THE NORTH ATLANTIC TREATY OF 1949 ON ACCESSION OF BULGARIA, ESTONIA, LATVIA, LITHUANIA, ROMANIA, SLOVAKIA, AND SLOVENIA

APRIL 30, 2003.—Ordered to be printed

Mr. LUGAR, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany Treaty Doc. 108–04]

The Committee on Foreign Relations to which was referred the Protocols to the North Atlantic Treaty of 1949 on Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia, which were opened for signature at Brussels on March 26, 2003, and signed on behalf of the United States of America and other parties to the North Atlantic Treaty, having considered the same, reports favorably thereon and recommends that the Senate give its advice and consent to ratification thereof subject to 9 declarations and 3 conditions as set forth in this report and the accompanying resolution of ratification.

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I. The Future of NATO and the Enlargement of the Alliance

United States Membership in the North Atlantic Treaty Organization

The North Atlantic Treaty Organization (NATO) was established as an alliance of common defense among democratic and market oriented governments in North America and Western Europe on August 24, 1949, with the entry into force of the North Atlantic Treaty. Original members included the United States, Canada, and ten European countries emerging from the destruction of World War II (Great Britain, France, Belgium, the Netherlands, Portugal, Denmark, Norway, Luxembourg, Iceland and Italy). Subsequently, the Alliance has been enlarged on four separate occasions—to include Greece and Turkey in 1952, the Federal Republic of Germany in 1955, Spain in 1982, and Poland, Hungary and the Czech Republic in 1999. NATO has been central to peace and stability in Europe for more than fifty years and provides the United States with an ongoing and direct leadership role in European security affairs.

During the Cold War, NATO served as a bulwark against the threat of the Soviet Union and its Warsaw Pact satellites. The U.S. strategic nuclear guarantee served as a deterrent to Soviet aggression, and U.S. conventional forces stationed in Europe, reaching over 300,000 at their peak, were evidence that the United States would meet its commitment to collective defense under Article 5 of the North Atlantic Treaty. Since the dissolution of the Soviet Union in 1991, NATO members have made significant cuts in their military forces, including a substantial reduction in U.S. forces stationed in Europe. Since 1991, NATO has shifted from its Cold War strategy of mounting a massive, static defense against a significant military threat from a single direction. Instead, NATO's 1991 Strategic Concept revised the strategy to provide mobile response to diverse and multi-directional risks to the North Atlantic area. The Committee welcomes Secretary of State Colin L. Powell's statement about NATO's continuing relevance that he provided in testimony before the Foreign Relations Committee on April 29, 2003. In explaining the continuing relevance of the Alliance and enduring transatlantic relationship, Secretary Powell stated that:

> For over half a century NATO was indispensable to security on both sides of the Atlantic. That has not changed. Today, the Alliance remains indispensable to our security, and to meeting the security challenges in a world of diverse threats, multiple challenges, and unprecedented opportunities. The Alliance remains crucial to the link that binds North America to Europe and Europe to North America.

At the 1999 Washington Summit, the NATO allies approved a new Strategic Concept to "equip the Alliance for the security challenges and opportunities of the 21st century and to guide its future political and military development." In response to the terrorist attacks of September 11, 2001, and NATO's subsequent decision to invoke Article 5 of the Washington Treaty, the allies "approved a comprehensive package of measures, based on NATO's [1999] Strategic Concept, to strengthen our ability to meet the challenges to

the security of our forces, populations and territory, from wherever they may come," including ". . . the threat posed by terrorism and by the proliferation of weapons of mass destruction and their means of delivery."

And most recently, at the November 2002 Prague summit, NATO Heads of State committed the Alliance to transform NATO with new members, new capabilities and new relationships with its partners. The Alliance invited Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia to begin accession talks to join the Alliance and considered the membership of these seven countries as part of the Alliance's transforming role for the 21st century. The Alliance also defined part of its new mission as combating terrorism and the proliferation of weapons of mass destruction, matched by pledges to obtain the military capabilities to accomplish that mission.

NATO first established a forum for constructive dialogue and cooperation with the Russian Federation in the Permanent Joint Council in 1997, and in 2002 established the NATO-Russia Council to provide a forum for strengthening peace and security in the Euro-Atlantic area, and where appropriate, consensus building, consultations and joint decisions. NATO has also forged a relationship with Ukraine in the NATO-Ukraine Commission. Within the guidelines of its Resolution of Ratification, as in 1998, the Committee supports these initiatives as a way to demonstrate the defensive and stabilizing intentions of NATO. Nonetheless, the core purpose of the Alliance must remain the defense of its members. In order to fulfill this purpose, the forces of Alliance members must remain capable of defending against a significant military threat, and all members of the Alliance must fully meet their commitments as defined at the Prague summit.

During the Cold War, NATO played an important role. After two World Wars in the first half of the 20th century into which the United States was drawn, the close relationship among NATO members allowed countries to lay aside historical grievances and develop democratic traditions and market economies to the enormous benefit of themselves, their neighbors, and the United States. Under NATO's security umbrella, old enemies have not only been reconciled but now stand side by side as allies; national defense policies are coordinated; and, on a daily basis, consultation, joint planning, joint training and cooperation reinforce the trust and commitment to common principles that are the very essence of the Alliance.

As Poland and Germany, and Hungary and Romania, and several other former antagonists in Central and Eastern Europe build constructive, friendly relations in the post-Cold War era, the stabilizing influence of NATO membership, and potential membership, is illustrated yet again. The defensive nature of the Alliance, the democratic nature of its decision-making, and membership based not upon force of arms or coercion, but the willing choice of democratic governments, are the central reasons that association with the Alliance, and even membership, is a foreign policy priority for many European nations previously denied the rights of self-determination, freedom, and democracy. And for this reason, no country in Europe, with the exception of Belarus, has objected to the enlargement of the Alliance. Russia appears to accept enlargement as

inevitable and has put NATO-Russia and U.S.-Russia relations in a broader context rather than making enlargement a focal point as it did in the 1990s. In December 2001, NATO and Russian Foreign Ministers announced their intention to create a NATO-Russia Council, on the principle of "NATO at 20." In May 2002, NATO and Russian leaders meeting in Rome signed the "NATO at 20" agreement, in which Russia and NATO members participate as equals on certain issues. This new body replaces the NATO-Russia Permanent Joint Council.

With NATO's continued importance to European stability, and a new mission, as defined in Prague, to combat terrorism and the proliferation of weapons of mass destruction, matched by pledges to obtain the military capabilities to accomplish that mission, as in 1998, the Committee supports a continued United States commitment to, and leadership of, NATO. The Committee welcomes the strategic rationale for NATO that was provided by Under Secretary of State for Political Affairs Marc Grossman in testimony before the Foreign Relations Committee on April 8, 2003. In explaining the continuing relevance and purpose of the Alliance, and in referring to comments earlier in the hearing by Senators Lugar and Biden, Secretary Grossman stated that:

> NATO [is] the central organizing agent for transatlantic cooperation. It represents, as you both said, not just a military alliance, but a political-military alliance, a community of common values and shared commitments to democracy, free markets and the rule of law. NATO is key to the defense of the United States, and so therefore, as you both said, NATO must continue to lead and to adapt. [The] NATO Prague summit launched a transformation of NATO with a three-part agenda: new members, new capabilities and new relationships. The job you've given me today, Senator, is to discuss enlargement, which is key to that transformation.

THE STRATEGIC RATIONALE FOR NATO ENLARGEMENT

Notwithstanding the collapse of communism in most of Europe and the dissolution of the Soviet Union, the United States and its allies face continuing threats to their stability and territorial integrity, including the potential, if lessened threat of the emergence of a hegemonic power in or around Europe, conflict stemming from ethnic and religious enmity, the revival of historic disputes, or the actions of undemocratic leaders. Furthermore, the September 11, 2001 terrorist attacks in New York and Washington, DC heightened NATO's awareness of emerging capabilities to use and deliver weapons of mass destruction, as well as transnational threats such as terrorism, drug trafficking and organized crime that threaten both the new and old democracies in the transatlantic region. By providing a defense against many of these threats, NATO membership for Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia will expand the area in Europe where peace and democracy are not only present, but secure.

Through much of its history, Europe has seen many insecure and small powers, a few great powers, and far too many nationalist defense policies—a dangerous catalyst for collusion and conflagration.

Twice in the last century these dynamics have pulled the United States into conflict on the European continent. With the enlargement of NATO, the United States and its allies have an opportunity to build a more stable Europe, to lock in that stability, and to replace the dynamics of confrontation and conflict with trust and cooperation. NATO membership will extend to Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia the institutions, practices, and traditions that have made NATO an effective military alliance for the last half century. This structure has proven that vital U.S. interests in Europe can be guaranteed by a stable architecture of security and cooperation based upon a common commitment to the defense of democracy.

The Committee finds that the accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia to NATO will make the Alliance stronger and more cohesive. Each of the seven countries is an established democracy with a growing market economy. Each shares the commitment to democracy that unites the transatlantic community. Their militaries are firmly under civilian control. In addition, these seven countries have proven themselves ready to bear a share of the burden in support of American and Allied interests beyond their borders. Each has contributed to the peacekeeping missions in the Balkans, and more recently, contributed to Operation Enduring Freedom in Afghanistan and Operation Iraqi Freedom. All seven have contributed to the International Security Assistance Force (ISAF) in Afghanistan and have pledged contributions for post-conflict reconstruction of Iraq.

NATO enlargement is not a reaction to any single event or threat; rather it is a strategic opportunity for the expansion of a zone of peace and democracy in a continent that is of vital interest to the United States. As in 1998, the view of the Committee is that this is the best way to minimize the possibility that U.S. troops will be called upon again to fight in a major war in Europe. The invasion or military destabilization of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia would threaten the stability of Europe, jeopardize vital United Sates national security interests, and would quite likely lead to the engagement of United States forces. NATO enlargement is a prudent step to ensure that this does not happen.

NATO'S STRATEGIC CONCEPT

The Soviet Union's collapse in 1991 and the subsequent disarray of the Russian military have significantly reduced any immediate, conventional threat to Western Europe and the United States. Consequently, in 1991, NATO members agreed to their first Strategic Concept, reiterating the central importance of collective defense to the Alliance, but also noting that, with the emergence of independent democratic states in Central Europe, "the political division of Europe that was the source of the military confrontation of the Cold War period has . . . been overcome." At the 1999 Washington Summit, the NATO allies approved a new Strategic Concept to "equip the Alliance for the security challenges and opportunities of the 21st century and to guide its future political and military development." In response to the terrorist attacks of September 11, 2001, and NATO's subsequent decision to invoke Article 5 of the Washington Treaty, the allies "approved a comprehensive package

of measures, based on NATO's [1999] Strategic Concept, to strengthen our ability to meet the challenges to the security of our forces, populations and territory, from wherever they may come," including ". . . the threat posed by terrorism and by the proliferation of weapons of mass destruction and their means of delivery."

The Committee Resolution of Ratification declares that, in order for NATO to serve the security interests of the United States, the core purpose of NATO must remain the collective defense of the territory of all Alliance members but NATO must develop the capabilities to go beyond the treaty area to combat weapons of mass production proliferation and terrorism if necessary. With that focus, the Committee supports the 1999 Strategic Concept's leaner approach to security for the post-Cold War environment, provided that NATO's forces become more mobile and capable for high intensity conflict beyond the Treaty area.

The Committee supports the 1999 Strategic Concept's realistic force adjustments to meet new threats to the territory of NATO. The Committee considers some positional forces to have continued importance as an element of static defense, but emphasizes the importance of more mobile, expeditionary forces. As in 1998, the Committee Resolution of Ratification declares that as NATO develops forces with enhanced flexibility and mobility, it must continue to pursue defense planning, command structures, and force goals first and foremost to meet the requirements of Article 5 of the North Atlantic Treaty. The 1999 Strategic Concept continues to provide guidance for the development of detailed policies and military plans. It examines the Alliance's strategic perspectives in the light of the evolving strategic environment and security challenges and risks, and reconfirms the importance of the transatlantic link and of maintaining the Alliance's military capabilities, and examines the role of other key elements in the Alliance's broad approach to stability and security, namely the European Security and Defense Identity; conflict prevention and crisis management; partnership, cooperation and dialogue; enlargement; and arms control, disarmament and non-proliferation. But in keeping with the Kyl amendment of 1998, NATO should develop forces for high-intensity conflict to confront the threats of terrorism and proliferation. In 1998, Senator Kyl presented an amendment to the Resolution of Ratification for amendment of the North Atlantic Treaty to admit new countries to the Alliance. The amendment, which passed overwhelmingly, describes the principal threats to the Alliance as being the potential revival of a hostile Russia, "rogue states and non-state actors" that might develop weapons of mass destruction; terrorism; disruption of the flow of vital resources; and ethnic conflict.

As in 1998, the Committee strongly advises the Executive Branch to consult extensively with the Senate before undertaking any interpretation, reinterpretation, expansion, or revision of NATO's 1999 Strategic Concept.

Finally, as in 1998, the Committee finds that the Strategic Concept and burdensharing are inextricably linked. Because the United States is the leading military power in NATO and has force projection capabilities far superior to those of its allies, the costs associated with a mission to respond to diverse and multi-directional risks falls disproportionately upon the United States military. Active development of the Combined Joint Task Force con-

cept, in which European forces would undertake some NATO missions on their own, with support from the United States, also will reduce the burden on the U.S. military. However, differences exist among Alliance members over the extent and purpose of such missions, and there is some question of how well the European allies can accomplish such new missions on their own, with only limited U.S. involvement.

The current disparities between the United States and its NATO allies in transport, logistics, communications, and intelligence capabilities (made apparent in the first Persian Gulf War, in the Kosovo conflict, in the ongoing Balkans operations, and in Afghanistan) indicate that NATO is moving toward a two-tiered Alliance in which the United States and its NATO allies have vast differences in capabilities. The Committee notes, as it did in 1998, that in a February 1997 report to Congress on the rationale, benefits, costs, and implications of NATO enlargement, the Department of Defense concluded that in order to prevent such disparities the current allies would have to spend some $8-10 billion for force modernization by the year 2010.

At a NATO ministerial meeting in Reykjavik in May 2002, the allies agreed that they must be able "to carry out the full range of . . . missions, . . . to field forces wherever they are needed, sustain operations over distance and time, and achieve their objectives." While not all member states have sufficiently mobile or appropriately trained forces for the current tasks in Afghanistan and Iraq, a number of allies have an intelligence capability, transport, medical units, and political influence that might assist in such conflicts.

The Committee Resolution of Ratification requires a specific and detailed report on progress by members of the Alliance to meet their commitments in fulfilling force goals.

FUTURE NATO ENLARGEMENT

Article 10 of the North Atlantic Treaty provides that NATO members, by unanimous agreement, may invite any other European state in a position to further the principles of the North Atlantic Treaty and to contribute to the security of the North Atlantic area. The Committee emphasizes, however, that in the process of considering the qualifications and purpose for the admission of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia into NATO, the Committee did not state a view on when, or whether, the United States should invite any additional countries to join NATO. Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia have been invited by NATO members to join the Alliance. No other agreement or document should be construed otherwise.

As in 1998, the Committee points out that the Executive Branch must first consult the Senate before inviting any new aspirant countries to join the Alliance. The proposed candidates must be able to fulfill the obligations and responsibilities of membership, and their inclusion must contribute to the overall political and strategic interests of the United States. The Executive Branch has stated its understanding of the need for consultation with the Senate.

The Committee Resolution of Ratification reiterates that no action or agreement other than a consensus decision by the full mem-

bership of NATO, approved by the national procedures of each NATO member, including, in the case of the United States, the requirements of Article II, section 2, clause 2 of the Constitution of the United States (regarding the advice and consent of the Senate to the making of treaties), will constitute a security commitment pursuant to the North Atlantic Treaty.

SENATE ADVICE ON NATO ENLARGEMENT

On October 24, 2001, Senator Jesse Helms introduced to the Committee the Freedom Consolidation Act (S. 1572), which reaffirms support for continued enlargement of the NATO; designates Slovakia for participation in PfP and states that it is eligible to receive certain security assistance under the NATO Participation Act of 1994; and authorizes specified amounts of security assistance for FY 2002 for Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia. (an identical bill, H.R. 3167, was introduced in the House on the same day and passed on November 6, 2001). The Committee reported out the legislation on December 12, 2001. Cosponsors included Senators Durbin, Lieberman, Lott, Lugar and McCain. Unfortunately, consideration and passage could not be completed until the following year. The Senate took up S. 1572 again on May 16, 2002, and passed it the next day by a vote of 85-6. President Bush signed the bill into Public Law 107–187 on June 10, 2002.

An August 2002 report by the Republican staff of the Foreign Relations Committee recommended that Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia be invited to join NATO at the Prague summit if they continue to carry out political, economic and military reforms. The report stressed the importance of the Membership Action Plan (MAP) program during the ratification process in preventing backsliding on reforms among the invitees, and that the MAP process would also help to implement policies announced in Prague to fight the threats of terrorism and weapons of mass destruction.

NATO members preliminarily endorsed the expansion of the Alliance at a November 2002 summit in Prague, setting in motion a process to expand NATO for the fifth time since 1949. In the view of the Committee, the Executive Branch has consulted and sought the advice of the Senate, consistent with the requirements of Article II, section 2, clause 2 of the Constitution of the United States, as the membership of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia in NATO has been proposed and considered. Indeed, this consultation is a model of how the two branches should cooperate in exercising their treaty-making power.

As is evident in the Senate Action portion of this report, the Bush Administration and the Senate have been in constant dialog on this policy for two years. NATO foreign ministers signed the protocols to the North Atlantic Treaty to admit Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia on March 26, 2003. The President transmitted the protocols to the Senate on April 10, 2003 for Senate action.

LAST ROUND OF ENLARGEMENT

During the Clinton Administration, the Senate debated and approved legislation in support of NATO enlargement in 1994, 1995,

and 1996. On July 25, 1996, by an 81-16 vote, the Senate approved legislation stating that:

> The admission to NATO of emerging democracies in Central and Eastern Europe which are found to be in a position to further the principles of the North Atlantic Treaty would contribute to international peace and contribute to the security of the region.

Throughout 1996 and 1997 the Executive Branch worked closely with the Foreign Relations Committee as this policy was pursued in NATO. NATO foreign ministers signed the protocols to the North Atlantic Treaty to admit Poland, Hungary and the Czech Republic on December 16, 1997. President Clinton transmitted the protocols to the Senate on February 11, 1998 for Senate action. On April 30, 1998, the Senate voted 80-19 in favor of admitting Poland, Hungary and the Czech Republic to NATO.

II. QUALFICATIONS OF BULGARIA, ESTONIA, LATVIA, LITHUANIA, ROMANIA, SLOVAKIA AND SLOVENIA FOR NATO MENBERSHIP

Countries in Central and Eastern Europe first gained institutional access to NATO in late 1991 through the North Atlantic Cooperation Council (NACC), a forum which includes all former Warsaw Pact members. At the January 1994 NATO summit, the Alliance launched the Partnership for Peace (PfP), a U.S. initiative designed to develop military cooperation among NATO members and interested countries in Europe. By August of that year, each of the seven aspirants had signed the PfP framework agreement. Since 1994, the seven nations have actively participated in PfP military exercises, which have provided their militaries the opportunity to work with NATO military headquarters, and alongside NATO allies, in the field, and have contributed to increasing the interoperability between prospective new members and the Alliance.

However, while all PfP countries seek some degree of interoperability with NATO, not all of them desire NATO membership. At the April 1999 NATO summit in Washington, NATO leaders announced a Membership Action Plan (MAP) to provide "advice, assistance and practical support" to countries seeking membership in the Alliance. Each NATO aspirant country submits an annual program on its preparations for possible future membership, and NATO provides feedback on aspirant countries' progress. All of the aspirants joined the MAP program and set Partnership Goals to help them prepare for NATO membership. In February 2002, U.S. Ambassador to NATO R. Nicholas Burns led an interagency team to visit Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia, as well as Albania and Macedonia (which were not invited to join NATO at the Prague summit in November 2002) to assess their progress toward meeting NATO standards. He held detailed discussions with officials from these countries on their military reform efforts and their ability to contribute militarily to the Alliance. In July 2002, Ambassador Burns again led the interagency team to Riga for the V-10 summit, and in October 2002, he led the team to the aspirant countries to evaluate their progress. The Committee supports the Administration's assessment of the readiness of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia to join NATO that was provided by Deputy As-

sistant Secretary of State Robert Bradtke in testimony before the Foreign Relations Committee on March 27, 2003. In explaining the Administration's engagement in working with the candidate countries to prepare for NATO membership, Secretary Bradtke stated that:

> We have held literally hundreds of meetings and traveled thousands of miles to learn as much as we could about the aspirant countries and to encourage their preparations to join NATO. By issuing the invitation at Prague to the seven countries we are talking about today to join the Alliance, President Bush and his fellow leaders signaled their belief that these intensive efforts to promote and encourage reform had been a success.
>
> Mr. Chairman, nothing has happened since Prague that should cause us to question their judgment. The evidence shows that all seven invitees have made an enduring commitment to the core values of NATO and that each is ready, both politically and militarily, to contribute to the defense of the Alliance.
>
> . . . All of the countries, as you mentioned, Mr. Chairman, are parliamentary democracies that have had free and fair elections, that have open market economies, and that respect the principles of free speech and free press. All have taken steps to improve governance by bolstering judicial independence and adopting anti-corruption measures. All have improved their protection of human rights, including minority rights and civil liberties. And all have taken steps to restitute property and to deal with complex and difficult issues from the past.

An important issue NATO countries confront is whether it is necessary for the new members to contribute substantially to NATO's collective defense or collective security functions in the near term. Indeed, many current NATO members need to upgrade their capabilities to carry out NATO's new missions. U.S. and NATO officials have dealt with this difficulty by urging aspirants to develop as quickly as possible specialized "niche" capabilities that the Alliance needs most. NATO's key priority for both current and future members is to develop capabilities to strike terrorism and other threats anywhere in the world.

After the September 11, 2001 terrorist attacks, each of the seven aspirants declared its determination to act as an ally of the United States in the fight against terror. Since then, all seven countries have provided support for Operation Enduring Freedom and Operation Iraqi Freedom, and have contributed to the International Security Assistance Force (ISAF) in Afghanistan. At a May 1, 2002 hearing of the Foreign Relations Committee, Under Secretary of State for Political Affairs Marc Grossman and Under Secretary of Defense for Policy Douglas Feith said that enlargement was needed to extend the zone of security and stability in Europe through the expansion of a united Euro-Atlantic community based on democratic values. Grossman asserted that enlargement was still relevant in the wake of the September 11 attacks because "if we are to meet new threats to our security, we need to build the broadest and strongest coalition possible of countries that share our values

and are able to act effectively with us." He noted that the aspirants declared their determination to act as allies of the United States in the fight against terror. Feith added that "an enlarged Alliance of democratic states with improved capabilities and interoperability, joint defense and operational planning, and realistic training will be better able to fulfill the Alliance's main purpose: to increase the security of its members and provide for the common defense against terrorism and other threats."

In considering the qualifications of the seven countries, the Committee has examined the degree to which each has satisfied the Membership Action Plan (MAP). The Committee believes that Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia have overcome obstacles to their candidacies. And of the seven aspirants, the Baltic states have made the most progress in meeting MAP requirements.

BULGARIA [1]

Democratic Reform

Bulgaria is a parliamentary republic ruled by a democratically elected government. Bulgaria's process of reform since 1989 from communism to an open, market-oriented democracy accelerated after 1997. The Bulgarian government generally respects the human rights of its citizens, but has problems with rampant corruption, as well as trafficking in persons and drugs, and mistreatment of its Roma (Gypsy) minority. The government is working to reform the judicial system and has taken anti-corruption initiatives. Implementation of these reforms remains an issue.

Free Market Economy

Bulgaria is a functioning market economy, and has made progress in privatization and structural reforms. Bulgaria's GDP was $13.6 billion in 2001 and $15.5 billion in 2002. The economy remains troubled by high unemployment, low living standards, and low levels of foreign investment. Economic priorities for the government include keeping tight controls over spending, completing delayed privatization, and combating corruption. The October 2002 European Commission report lauded Bulgaria's macroeconomic stability and progress in privatization and in structural reforms. Due to its late start in making economic reforms, however, it was not invited to join the European Union (EU) in December 2002, unlike all of the other candidate states, except Romania. EU leaders hold out hope that Bulgaria could reach its goal of achieving EU membership by 2007 if it continues its reforms.

Foreign Policy

Bulgaria's primary foreign policy goals are membership in NATO and the European Union. Bulgaria is a member of the Organization for Security and Cooperation in Europe (OSCE) and the Council of Europe and has been a member of the World Trade Organization (WTO) since 1996.

[1] The facts and figures in Qualifications, section II, are based on several memoranda by Carl Ek, Paul Gallis and Steve Woehrel of the Foreign Affairs, Defense, and Trade Division of the Congressional Research Service of The Library of Congress.

Located in an unstable region, Bulgaria has actively supported and, in some cases, led regional cooperation initiatives such as the Black Sea Economic Conference, regional summit and defense ministerial meetings, and the Stability Pact for Southeastern Europe. Bulgaria maintains favorable relations with its neighboring states.

Military Capabilities & Defense Issues

In the last few years, the Bulgarian armed forces (comprising the army, navy, and air force) have embarked on a comprehensive reform and restructuring process focused on moving away from large, offensively-oriented and top-heavy structures and toward smaller, flexible, and NATO-compatible forces. The process of downsizing the armed forces, while important for cost savings in the long run, has imposed short-term burdens on the budget, limiting available resources for modernization and training. Bulgaria plans to continue implementing its armed forces reform program and participating in international peace missions.

Bulgaria has developed and adapted several plans for reforming the armed forces, including reducing the strength of the armed forces. The goal of the reforms is to achieve a small but combat-ready army. In 2002, Bulgaria's armed forces numbered 53,400, and by the end of 2003, it expects to reduce the armed forces to 46,500 with 8,281 professionals. Its "Plan 2004," which is based on recommendations included in a U.S. study on the Bulgarian armed forces, calls for the armed forces to be reduced to about 45,000 by 2004, with 25,447 in the army and 2,569 in the army reserves, 12,116 in the air force, and 4,868 in the navy with 100,000 personnel in the reserves. The armed forces are being restructured into rapid reaction forces, main defense forces, territorial defense forces, and reserves. The term of conscription has been reduced to nine months, and the army will convert to a fully professional force by 2010. Other key reform priorities include increased interoperability with NATO in areas such as air defense, command and control, logistics, and training. Bulgaria signed a bilateral agreement with the United States on the destruction of its SS–23 SCUD, and FROG missiles. On October 31, 2002, Bulgaria announced that it had destroyed all of the missiles.

Bulgaria's defense budget has been increasing since 1999, and it is committed to sustaining over 3.0% of GDP for defense spending. Most of the defense budget goes toward personnel costs. Bulgaria has active and reserve forces, but only the army has reserves in activity during peace time. Bulgaria also has paramilitary personnel serving as border guards, security police, or railway/construction troops. Bulgaria remains saddled with equipment from the Warsaw Pact era, with attendant high costs of maintenance and repair. Bulgaria has no immediate plans to purchase expensive Western fighter aircraft, and has decided instead to upgrade most of its fleet of MiG–29 tactical fighter aircraft.

Bulgaria has participated in and hosted numerous NATO Partnership for Peace training exercises designed to improve interoperability with NATO forces. It has also participated in the Planning and Review Process under PfP, and agreed to work on Partnership Goals. Bulgaria participates in the NATO peacekeeping operations in Bosnia and Kosovo, contributed to Operation Enduring Freedom in Afghanistan and has deployed nuclear, biological and chemical

decontamination units to ISAF in Afghanistan. On February 5, 2003, Bulgaria joined the V-10 Statement on compelling Iraq to disarm, joined the coalition for the immediate disarmament of Iraq, and has indicated it will provide support for post-conflict and reconstruction in Iraq.

Illicit arms sales is a problem throughout southeastern Europe, and the so-called Terem case in Bulgaria has raised many questions about its commitment to tackle the issue of grey arms. The Terem case involved the sale of dual-use materials that, according to some reports, could have ended up in Iraq. The U.S. brought it to the attention of the Bulgarian government, which acted swiftly to stop the sale of the illicit arms, fire officials, and initiate investigation and prosecutions with respect to the Terem case. At the time of this report, the investigation into the Terem case is continuing. The United States is assisting the Bulgarian government, with a view to helping it get a firmer grip on grey arms sales in general.

Civilian Control of the Military & Oversight of Intelligence Agencies Under the Bulgarian constitution, the role of the armed forces is to guarantee the sovereignty, security, and independence of the country and to defend its territorial integrity. The President is commander-in-chief of the armed forces and appoints or dismisses the higher command of the armed forces. Civilian government and parliamentary authorities exercise administrative and budgetary control over the armed forces. As outlined in Plan 2004 and the MAP Annual National Programs, parliament has also adopted several other related laws and amendments to the Defense and Armed Forces Act.

Protection of Classified Information

NATO has expressed concern to Bulgaria about its procedures for ensuring the security of classified information. It is the hope of the Committee that Bulgaria will continue to improve these procedures for ensuring the security of classified information. The Committee urges the Executive Branch to assist the Government of Bulgaria to swiftly bring its protection of classified information into conformity with NATO standards.

ESTONIA

Democratic Reform

Estonia is a parliamentary democracy with a free market economy. It has held free and fair elections since the restoration of its independence in 1991. Estonia respects the human rights of its citizens, including the large ethnic Russian non-citizen community, and enjoys the rule of law. Problems exist in some areas, including the treatment of prisoners and the use of excessive force by police.

Free Market Economy

Estonia is a functioning market economy. Estonia's GDP was $5.5 billion in 2001, and an estimated $6.3 billion in 2002. Many experts believe Estonia has one of the strongest records on economic reform in Central Europe. It has pursued sound fiscal and monetary policies and has privatized much of its economy; the private sector accounts for 75% of GDP, one of the highest percent-

ages in the region. Unemployment is low, at 5.4% of the labor force in 2002. However, Estonia still needs to restructure its energy sector, including the oil shale industry. In 2002, the central government had a budget surplus of 1.9% of GDP and average consumer price inflation was 3.6%. However, Estonia suffers from a high current account deficit, which reached 12.4% of GDP in 2002. On April 16, 2003, Slovenia signed an accession agreement with the EU. It is expected to join the EU in 2004.

Foreign Policy

Estonia is a member of the Organization for Security and Cooperation in Europe (OSCE), the Council of Europe, NATO's PfP and the Euro-Atlantic Partnership Council (EAPC). It enjoys excellent relations with most of its neighbors, and has no ethnic or territorial disputes with them. It has very good ties with the Nordic countries, which are enshrined in a number of institutional frameworks. Links between Finland and Estonia are especially close. Estonia has also increased cooperation with Lithuania and Latvia in security, economic and political matters through the Baltic council, the Baltic Assembly and other intergovernmental organizations.

Estonia's relations with Russia have been strained at times, but both countries have initialed a border agreement.

Military Capabilities & Defense Issues

Estonia has about 7,200 men in its regular armed forces. In addition, it has about 8,300 men in the Defense League, a volunteer reserve force. Estonia's armed forces do not possess tanks or combat aircraft. It has 7 BRDM–2 reconnaissance vehicles, 32 armored personnel carriers, 19 105 mm artillery pieces, 44 81 mm mortars and 14 120 mm mortars. Estonia is building its armed forces around a light infantry brigade, supplemented by territorial defense troops. Estonia plans to have one battalion of this force equipped and trained by May 2003. Estonia is concentrating its efforts on developing specialized capabilities in air surveillance and naval minesweeping.

Estonia's defense spending in 2002 was about $125 million, or about 2.0% of Estonia GDP. Small in number, Estonia's armed forces can make a modest contribution to future NATO peacekeeping efforts, similar to that of smaller current NATO members.

Baltic defense cooperation is an important part of Estonia's efforts to improve its qualifications for NATO membership. Estonia joins Latvia and Lithuania in a range of regional defense forces and institutions, along with Latvia and Lithuania, agreed to form a Baltic Peacekeeping Battalion with the help of NATO countries, which have supplied equipment and training for the force. BALTBAT has not been deployed as a whole unit, although parts of the force have participated in the NATO-led force in Bosnia. By 2005, each of the three states plans to create its own professional infantry battalions from BALTBAT, which will form the core of its armed forces. These forces would be able to engage in a full range of international deployments, as well as to contribute to the self-defense capabilities of the Baltic states.

A Baltic naval squadron (BALTRON) is another joint Baltic military project. Since 1998, this five-vessel minesweeping unit has participated in exercises with NATO forces. A third important Bal-

tic military program is BALTNET, a joint air surveillance network. BALTNET became operational in 2000, but it will need additional, more modern equipment before it will be full effective. It is planned that BALTNET will eventually be integrated in NATO's air defense system. Finally, the Baltic states have established a joint Baltic Defense College (BALTDEFCOL) in Tartu, Estonia. BALTDEFCOL educates staff officers from the three states in NATO-based staff procedures, defense planning and management.

Estonia has made progress in achieving interoperability with NATO and from 1997-2002, had a company of soldiers serving as part of the Danish battalion of SFOR on several occasions, rotating with units from Latvia and Lithuania. A 22-man Estonian military police unit is deployed as part of an Italian-led Multinational Specialized Unit in KFOR in Kosovo. In February 2003, an Estonian infantry company was deployed to KFOR, where it will rotate with companies from Latvia and Lithuania. Estonia sent an explosives detection unit to assist Operation Enduring Freedom in Afghanistan in July 2002. An ordinance disposal unit was assigned to the ISAF peacekeeping force in March 2003. On February 5, 2003, Estonia joined the V-10 Statement on compelling Iraq to disarm and offered overflight and transit of U.S. coalition forces for Operation Iraqi Freedom.

Civilian control of the Military & Oversight of Intelligence Agencies

Legal mechanisms exist in Estonia to guarantee civilian control of Estonia's military and intelligence services. The President of Estonia is the Supreme Commander of National Defense. He can declare war and issue mobilization orders in case of an attack against Estonia. He also appoints and dismisses the leadership of the armed forces, and approves officer promotions, on the proposal of the government and the commander of the regular armed forces. The parliament approves the defense budget as well as defense policy guidelines and priorities. The parliament also approves the nomination by the President of the commander of Estonia's armed forces. The Estonian defense minister, a civilian, exercises control over the development and organization of the armed forces through the commander of the Regular Armed Forces. The President of the Republic is commander-in-chief of the armed forces, and appoints top military officers.

LATVIA

Democratic Reform

Latvia is a parliamentary democracy that has held free and fair elections since it achieved full independence in 1991. Latvia has a democratic political system, the rule of law, respect for human rights and for the rights of minorities, including integrating the Russian-speaking minority. Latvia has problems with police brutality, an inefficient judiciary, poor prison conditions, and trafficking in women and children.

Free Market Economy

Latvia has a functioning market economy. Its GDP was $7.6 billion in 2001 and $8.4 billion in 2002. Average consumer price inflation was 1.8% and the unemployment rate was 7.6% in 2002. Pri-

vatization in Latvia accelerated in early 2003, particularly in the banking sector. Latvia needs to privatize several companies in its vitally important energy sector, including the oil transit firm Ventspils Nafta, and the state energy company Latvenergo. Privatization of these firms has been hindered by a conflict with Russia, which is demanding a share of Ventspils Nafta, and by charges of corruption at Latvenergo. According to the European Bank for Reconstruction and Development (EBRD), Latvia needs to make progress in improving transparency, corporate governance and fighting corruption. On April 16, 2003, Latvia signed an accession agreement with the EU. It is expected to join the European Union in 2004.

Foreign Policy

Latvia is a member of the Organization for Security and Cooperation in Europe (OSCE), the Council of Europe, NATO's PfP and the Euro-Atlantic Partnership Council (EAPC). It enjoys good relations with most of its neighbors and has increased cooperation with Estonia and Lithuania in security, economic and political matters through the Baltic Council, the Baltic Assembly and other inter-governmental organizations. While Latvia's relations with Russia have been difficult at times, Latvia and Russia have completed negotiations on a border agreement, but have yet to sign it.

Military Capabilities & Defense Issues

Latvia has about 6,500 men in its active-duty armed forces, and 14,400 men in the National Guard reserves. It has 3 T–55 tanks, 13 armored personnel carriers, 2 reconnaissance vehicles, 26 100 mm artillery pieces, as well as five 82 mm mortars and 26 120 mm mortars, and no combat aircraft. Latvia spent $144.4 million on defense in 2002, or 1.75% of GDP. In 2003, It plans to increase defense spending to $184 million, or 2.0% of GDP,, the informal target set by NATO for the applicant states. Small in number, Latvia's armed forces will provide a modest contribution to future NATO peacekeeping efforts, similar to that of smaller current NATO members.

Latvia has had a company of soldiers serving as part of the Danish battalion of SFOR on several occasions, rotating with units from Estonia and Lithuania. Fifteen Latvian soldiers are deployed to KFOR in Kosovo. In March 2003, Latvia sent eight military medics to serve in the ISAF peacekeeping force in Afghanistan. On February 5, 2003, Latvia joined the V-10 Statement on compelling Iraq to disarm. On March 20, 2003, the Latvian parliament passed a resolution supporting U.S. military action in Iraq. Latvia has contributed overflight and transit of U.S. and coalition forces to Operation Iraqi Freedom; and the Parliament has approved allowing forces to deploy to Iraq for peace operations.

The main priorities of Latvia's defense policy are to enhance the country's ability to defend itself, develop interoperability with NATO, and participate in international peacekeeping efforts. In 2003, Latvia plans to equip and train a light infantry battalion that would form the core of the country's army as well as be fully capable of participation in NATO-led peacekeeping missions. Latvia also plans to train and equip three additional mobile reserve battalions.

A key part of Latvia's cooperation with NATO is the effort of the three Baltic states to develop joint defense projects. In 1994, Latvia, along with Estonia and Lithuania, agreed to form a Baltic Peacekeeping Battalion with the help of NATO countries, which have supplied equipment and training for the force. BALTBAT has not been deployed as a whole unit, although parts of the force have participated in the NATO-led force in Bosnia. By 2005, each of the three states plans to create its own professional infantry battalion from BALTBAT, which will form the core of its armed forces. These forces would be able to engage in a full range of international deployments, as well as to contribute to the self-defense capabilities of the Baltic states.

A Baltic naval squadron (BALTRON) is another joint Baltic military project. Since 1998, this five-vessel minesweeping unit has participated in exercises with NATO forces. A third important Baltic military program is BALTNET, a joint air surveillance network. BALTNET became operational in 2000, but it will need additional, more modern equipment before it will be fully effective. It is planned that BALTNET will eventually be integrated in NATO's air defense system. Finally, the Baltic states have established a joint Baltic Defense College (BALTDEFCOL) in Tartu, Estonia. BALTDEFCOL educates staff officers from the three states in NATO-based staff procedures, defense planning and management.

At NATO's urging, Latvia is focusing its efforts on developing specialized capabilities in air surveillance (as part of BALTNET), military medics, explosive ordnance disposal experts, military police, and nuclear, chemical and biological decontamination units.

Civilian Control of the Military & Oversight of Intelligence Agencies

Legal mechanisms exist to provide for civilian control of Latvia's military and intelligence services. The Latvian parliament adopts the defense budget and approves laws on national defense. The commander of Latvia's armed forces is subordinated to a civilian Minister of Defense.

Protection of Classified Information

NATO has expressed concern to Latvia about its procedures for ensuring the security of classified information. It is the hope of the Committee that Latvia will continue to improve these procedures for ensuring the security of classified information. The Committee urges the Executive Branch to assist the Government of Latvia to swiftly bring its protection of classified information into conformity with NATO standards, particularly its procedures for vetting individuals for access to the most sensitive materials.

LITHUANIA

Democratic Reform

Lithuania is a parliamentary democracy, which has held free and fair elections since achieving independence in 1991. Lithuania has a democratic political system and respects the human rights of its citizens, including the rights of national minorities. Lithuania has an independent judiciary, but police brutality and corruption and poor prison conditions remain problems.

Free Market Economy

Lithuania is a functioning market economy. Lithuania's GDP was $12 billion in 2001 and $13.9 billion in 2002. In 2002, average consumer price inflation was 0.3%, and unemployment was 10.7%. In February 2003, the International Monetary Fund (IMF) praised Lithuania's stringent fiscal and monetary policies and its excellent macroeconomic performance. Lithuania has privatized most of its industries. However, several key sectors remain to be privatized, including the natural gas company Lietuvos Dujos (delayed due to protracted negotiations with the main bidder, the Russian gas giant Gazprom), the national airline, and the power distribution networks. The European Bank for Reconstruction and Development (EBRD) notes that Lithuania has privatized its banking sector, but needs to bolster other parts of its financial sector, including the stock market and insurance companies. On April 16, 2003, Lithuania signed an accession agreement with the EU. It is expected to join the European Union in 2004.

Foreign Policy

Lithuania is a member of the Organization for Security and Cooperation in Europe (OSCE), the Council of Europe, NATO's PfP and the Euro-Atlantic Partnership Council (EAPC). It enjoys good relations with neighboring countries, and has no major territorial or ethnic disputes with them. Lithuania has increased cooperation with Estonia and Latvia in security, economic and political matters through the Baltic Council, the Baltic Assembly and other intergovernmental organizations. Lithuania has forged highly successful ties with Poland, a country with which Lithuania has historically had a complex and sometimes difficult relationship.

Lithuania has a generally good relationship with Russia. Russia and Lithuania signed a border treaty in October 1997. While Russia no longer opposes Lithuania's membership in NATO, a point of contention is Kaliningrad, a Russian exclave in eastern Europe, which would be surrounded by NATO member states if Lithuania gained membership in the Alliance. NATO and Latvia have said that this issue should be resolved through the European Union. Lithuania currently permits Russian military traffic to transit Lithuania on its way to Kaliningrad.

Military Capabilities & Defense Issues

Lithuania currently has about 6,900 men in its active-duty army. Lithuania possesses no tanks, combat aircraft or heavy artillery, and has 10 reconnaissance vehicles, 81 armored personnel carriers and 42 120 mm mortars.

Lithuania is making the transition from a force based on territorial forces to one based more on professional, better-equipped, rapidly-deployable ones. Lithuania is developing a Rapid Reaction Brigade that will form the core of its forces. This force, which will be composed of about 3,800 men in peacetime when it is completed by 2008, will be supplemented by territorial units, which are being reduced. When the Rapid Reaction Brigade is ready, Lithuania expects to provide a battalion-sized unit that can deploy with NATO forces overseas for combat missions.

In 2001, Lithuania spent $230.2 million on defense, or about 1.96% GDP. In 2002, Lithuania increased its defense spending to

2% of GDP. Small in number, Lithuania's armed forces will provide a modest contribution to future NATO peacekeeping efforts, similar to that of smaller current NATO members.

On a rotating basis, Lithuania contributes a company of 100 personnel with the Danish contingent to SFOR and maintains 30 Lithuanian soldiers in KFOR as part of a Polish battalion. Lithuania offered use of Lithuanian airspace and airfields and other support for Operation Enduring Freedom in Afghanistan, and in November 2002, the Lithuanian government sent 40 special forces soldiers to Afghanistan to assist U.S. and allied efforts, and these troops have participated in combat operations there. A team of Lithuanian military medics has also been deployed to ISAF in Afghanistan. On February 5, 2003, Lithuania joined the V-10 Statement on compelling Iraq to disarm, and on March 17 expressed support for the U.S. military campaign in Iraq. The Lithuanian parliament voted on March 25, 2003 to deploy cargo handlers and medical personnel to support Operation Iraqi Freedom, and Lithuania has offered medical and logistic support to a post-war peacekeeping force in Iraq.

Baltic defense cooperation is an important part of Lithuania's efforts to improve its qualifications for NATO membership. Along with Latvia and Estonia, agreed to form a Baltic Peacekeeping Battalion with the help of NATO countries, which have supplied equipment and training for the force. BALTBAT has not been deployed as a whole unit, although parts of the force have participated in the NATO-led force in Bosnia. By 2005, each of the three states plan to create its own professional infantry battalion from BALTBAT, which will form the core of its armed forces. These forces would be able to engage in a full range of international deployments, as well as to contribute to the self-defense capabilities of the Baltic states.

The Baltic naval squadron (BALTRON) is another joint Baltic military project. Since 1998, this five-vessel minesweeping unit has participated in exercises with NATO forces. A third important Baltic military program is BALTNET, a joint air surveillance network. BALTNET became operational in 2000, but it will need additional, more modern equipment before it will be full effective. It is planned that BALTNET will eventually be integrated in NATO's air defense system. Finally, the Baltic states have established a joint Baltic Defense College (BALTDEFCOL) in Tartu, Estonia. BALTDEFCOL educates staff officers from the three states in NATO-based staff procedures, defense planning and management.

At NATO's urging, Lithuania is attempting to develop specialized capabilities useful to the Alliance, such as air surveillance (as part of BALTNET), special forces, explosive ordnance disposal experts, and engineers.

Civilian Control of the Military & Oversight of Intelligence Agencies

Legal mechanisms exist to guarantee civilian control of Lithuania's military and intelligence services. The President of Lithuania is the Supreme Commander of the Lithuanian Armed Forces. Lithuania's parliament approves the defense budget. The Defense Ministry prepares plans and budget requests and supervises their execution.

ROMANIA

Democratic Reform

Romania is a constitutional democracy with a bicameral legislature. It has held four elections, deemed free and fair by outside observers, since the fall of communism. Romania's political life has been relatively stable since President Ion Iliescu and his Party of Social Democracy (PSD) were reinstalled in the 2000 elections. The PSD has ruled as a minority government, with the support of the ethnic Hungarian party.

The Romanian government generally respects the rights of its citizens, and the situation of the ethnic Hungarian minority has improved considerably over the past years. Nonetheless, the Greater Romania Party, a xenophobic organization, continues to command the support of about one-sixth of the electorate, and the notorious bias against ethnic Hungarians of a few local officials stands in opposition to the more enlightened policies of the national government. Other problems continue, such as police mistreatment of detainees, discrimination and violence against women, juvenile homelessness, and discrimination against religious minorities and its Roma (Gypsy) population. A major concern is corruption. Prime Minister Nastase has said that reduction of corruption is a top priority, and the government has initiated an anti-corruption campaign.

Free Market Economy

Over the last several years, Romania has continued to make progress towards being a functioning market economy. While GDP declined sharply during 1997-1999, it rose by 1.8% in 2000 and 5.3% in 2001; the 2002 growth rate was 4.9%. Inflation, which averaged 45% in 1999 and 2000, dropped to 30.3% in 2001 and was about 18% at the end of 2002. Unemployment for 2002 is expected to be 8.3%. Romania has natural resources and may prosper with successful market-oriented reforms, including taxation, investment and privatization. Pervasive corruption has been a continuing problem in Romania, and the government has created a new National Anti-corruption Prosecutor's Office and has recently introduced a clutch of laws to combat graft. Foreign observers are watching for signs of aggressive implementation of the legislation once it is passed, as well as for continuing privatization of large-scale enterprises, especially in the financial and energy sectors.

Romania continues to receive much-needed assistance from international organizations, including the International Monetary Fund (IMF), the World Bank and the European Union (EU). Romania is expected to join the EU in 2004.

Foreign Policy

Romania is a member of the Council of Europe, as well as NATO's PfP and the Euro-Atlantic Partnership Council (EAPC). In 2001, it was judged to have done an excellent job in the revolving chairmanship of the Organization for Security and Cooperation in Europe (OSCE).

Through a series of bilateral treaties and multilateral agreements, Romania has been seeking to normalize its relations with neighboring states and to increase regional cooperation. It has con-

cluded agreements intended to improve relations with Hungary and Ukraine, and has signed treaties that address disputes with Bulgaria, former Yugoslavia and Slovakia. Romania has also been working in cooperation with Moldova, Turkey, Greece, and other countries in the region on matters affecting trade, security, the environment, and law enforcement.

Military Capabilities & Defense Issues

In 1995, Romania started to take more active participation in the United Nations. It sent a battalion of troops and medical staff to Angola, and has military observers in Central Africa and the Persian Gulf, and has provided troops for the humanitarian assistance effort in Albania. It has participated in numerous NATO PfP exercises, and has contributed personnel to SFOR and KFOR. The Committee commends Romania's unusual airlift capability, as demonstrated in July 2002 when it used its own airlift to send a battalion to Operation Enduring Freedom (OEF) in Afghanistan. As President Bush stated in his March 25, 2003 Report to Congress on the Enlargement of NATO, "In support of OEF, Romania used its own C–130 aircraft to self-deploy an infantry battalion of 400 troops, the 'Red Scorpions,' to Kandahar, where the mission was recently extended until mid-2003." Since that Report, the "Red Scorpions" have been replaced by the "Carpathian Hawks." For ISAF, the peace keeping mission in Afghanistan, Romania has deployed military police, personnel and troops. On February 5, 2003, Romania joined the V-10 Statement on compelling Iraq to disarm, and offered the use of its territory for military action in Iraq. Romania has offered public support for all U.S.-led post-conflict and reconstruction initiatives in Iraq.

Romania's 2002 defense budget was 2.38 % of GDP. The defense minister announced in October 2002 that the 2003 budget would allocate 2.3% of GDP to the military. Romania is doing well on military personnel reform; it has been reorganizing its military structure in accordance with Western standards, and has created a rapid reaction force. The force size was reduced to 121,693 in September 2002, with a goal of 75,000 by 2007. In addition, the top-heavy officer ranks are being culled. The Defense Ministry also intends to move toward a more professional military.

Romania has been making progress in terms of NATO interoperability. It has been modernizing its military equipment and adding new weapons systems. Romania's MIG–21 fighter aircraft are being upgraded, as are navy ships, communications facilities, and missile launching systems. Romania has been developing "niche capabilities" to offer NATO, including airlift, minesweeping, UAVs, counter-NBC warfare, mountain combat troops, and special forces. With relatively large armed forces, Romania has the potential of significant military contributions and could serve as a geostrategic partner.

Civilian Control of the Military & Oversight of Intelligence Agencies

Romania has made progress in the area of civilian management of the military and intelligence services, though some problems remain from the Ceausescu era, including the presence of former Securitate officials in senior positions in the intelligence services, Romania has enacted legislation to ensure civilian control over the

military and intelligence agencies—the 1991 constitution declares the president to be commander-in-chief of the armed forces. Romania has had a civilian defense minster since mid-1994, and has sought to consolidate civilian control since then.

SLOVAKIA

Democratic Reform

Slovakia and the Czech Republic peacefully split from union in the Czech and Slovak Federal Republic in 1993. From a starting point generally equal to that of the Czech Republic, Slovakia's international standing quickly diminished during the controversial leadership of Vladimir Meciar and his party, the Movement for a Democratic Slovakia (HzDS). In the 1998 elections, a broad coalition of four opposition parties defeated Meciar's HzDS and its coalition partners, and Mikulas Dzurinda of the Slovak Democratic Coalition became Prime Minister. Meciar also lost to Rudolf Schuster in Slovakia's first direct presidential elections in May 1999.

Slovakia's most recent parliamentary elections were held on September 20-21, 2002, shortly before the NATO Prague Summit. Meciar's party won a plurality, but was unable to attract coalition partners. Dzurinda's party finished second in the voting and teamed up with three center-right parties to form a government. During his first term in office, Dzurinda focused on accelerating economic reforms, consolidating democratic development, combating corruption, and advancing accession negotiations with the European Union.

Slovakia has improved its human rights situation, but continues to have problems related to the treatment of its Roma (Gypsy) population in Slovakia. The government also passed amendments to its constitution that strengthened the judicial branch and constitutional court, facilitated public administration reform, and established an ombudsman's function for the public defense of citizens' rights.

Free Market Economy

Slovakia is a functioning market economy able to cope with the competitive pressures of European Union (EU) membership and market forces in the EU in the near term. Slovakia's GDP rose by 3.3% in 2001, 4.4% in 2002, and the outlook for 2003 and beyond is favorable, buoyed by increasing foreign investment and domestic consumption. Inflation is expected to rise temporarily to nearly 8% in 2003, mainly as a result of the passage of needed reforms in fiscal policy. Unemployment in Slovakia is currently at 17.1% (below the 2002 level by 2.5%), but remains a serious concern for the government. Joblessness is concentrated mainly in rural areas and among Roma settlements. Corruption, particularly in public procurement, has been identified as a problem. On April 16, 2003, Slovakia signed an accession agreement with the EU.

Foreign Policy

Slovakia was among the first countries to sign up for NATO's PfP program in 1994, and has since participated in numerous PfP exercises. Slovakia is a member of the Organization for Security and Cooperation in Europe (OSCE), the Council of Europe, and the

World Trade Organization (WTO). In December 2000, Slovakia also joined the Organization for Economic Cooperation and Development (OECD). Slovakia consults regularly with its "Visegrad partners" (Poland, Hungary and the Czech Republic).

Military Capabilities & Defense Issues

Since 1998, the Dzurinda government has given priority to reforming, restructuring, and developing the Slovak armed forces, ultimately to become fully compatible with NATO. The Slovak armed forces have been downsizing steadily, moving toward a smaller, more flexible, and less top-heavy force. In 2002, the Slovak armed forces numbered about 26,200 troops, including 10,400 conscripts; 13,000 served in the army and 10,200 in the air force. The government also has nearly 4,700 paramilitary troops serving in internal security and civil defense capacities. Current reform and restructuring plans call for the Slovak armed forces to reduce its personnel strength to 24,500 land force, air force, and civilian personnel by 2006. The term of conscription is currently 9 months. Compulsory military service is to be phased out as the army becomes fully professional by 2006.

After several years of decline, defense spending has increased in the last few years. Slovakia's defense budget in 2002 was $370 million, or about 1.89 GDP, most of which was designated for operations and support.

Slovakia's military reform programs call for the gradual modernization of armed forces equipment to enhance interoperability and standardization. The Dzurinda government has adopted numerous armed forces reform programs that have subsequently been adapted to take into account feedback from the annual MAP process and a U.S. defense assessment from 2000. In early 2000, the armed forces general staff was integrated into the defense ministry. In early 2001, parliament approved a constitutional amendment to facilitate joining collective defense alliances. Later, the government adopted and parliament approved legislation on a national security strategy, a defense strategy, and a military strategy. Also in 2001, the government prepared a long-term defense review and planning process for the structure and development of the armed forces. The process resulted in a long-term reform plan referred to as Slovak Republic (SR) Force 2010, which aims to establish by the year 2010 a small, well-equipped and trained armed force that is integrated into NATO military structures and capable of operating in allied military operations. SR Force 2010 calls for a streamlined force structure comprised of ground and air forces, a consolidated training and support element, and command and control through the integrated general staff and defense ministry.

Slovakia has provided troops to SFOR and KFOR, and immediately offered support and granted overflight, landing and refueling rights to Operation Enduring Freedom in Afghanistan. It has also budgeted for and initiated preparation of an Afghan Assistance Program. On February 5, 2003, Slovakia joined the V-10 Statement on compelling Iraq to disarm, and has contributed to Operation Iraqi Freedom. Slovakia has indicated that it will contribute to post-conflict and reconstruction in Iraq.

Civilian Control of the Military

Under the Slovak constitution, the President is supreme commander of the armed forces and is able to declare a state of emergency in the republic. The Slovak parliament considers all defense-related acts and provides financial support for the armed services. The parliament has been active and engaged in developing and shaping defense policy. Civilian control was enhanced with the integration of the armed forces general staff into the defense ministry in 2000. The establishment of a new legal framework for national security issues and strategy and the role fo the armed forces has been a priority under the MAP process. In response, parliament passed by wide voting margins three major pieces of legislation in 2001 relating to national security, defense, and the armed forces.

In December 2002, a Western media report severely criticized the Slovak Security Services for alleged undemocratic behavior, a charge which was vigorously denied by the Slovaks. The Committee urges the Executive Branch to work with the Government of Slovakia to assure that all remaining doubts about the activities of the Security Services are put to rest.

SLOVENIA

Democratic Reform

Slovenia has a democratic political system. It is a parliamentary democracy and has held free and fair elections since winning independence from Yugoslavia in 1991. Slovenia has an independent judiciary, the rule of law, and respects the human rights of its citizens and minorities.

Free Market Economy

Slovenia has a functioning market economy. Its GDP in 2001 was $18.7 billion, and $21.7 billion in 2002. Average consumer price inflation was 7.5% in 2002, which Slovenia needs to reduce to be in line with European Union (EU) requirements. Slovenia is the wealthiest of the candidate states, with a per capita GDP of $9,500 in 2001, but has suffered from low foreign direct investment (FDI). However, Slovenia has liberalized capital flows since 1999. Net FDI has surged from $110 million in 2000 to an estimated $553 million in 2002, and after a slow start, Slovenia has accelerated privatization of its industries. In 2003 and 2004, it plans to sell off parts of Slovenian Steelworks, the oil company Nafta Lendava, stakes in the Port of Koper and Ljubljana airport, and other assets. According to the European Bank for Reconstruction and Development (EBRD), Slovenia needs to make further progress in privatizing the financial sector. On April 16, 2003, Slovenia signed an accession agreement with the EU. It is expected to join the EU in 2004.

Foreign Policy

Slovenia is a member of the Organization for Security and Cooperation in Europe (OSCE), the Council of Europe, NATO's PfP and the Euro-Atlantic Partnership Council (EAPC), the World Trade Organization (WTO), the International Monetary Fund (IMF) and the World Bank. Slovenia is a member of Central European Free Trade Area and the U.S.-sponsored Southeast European

Cooperative Initiative. It participates in the Stability Pact for Southeastern Europe.

Although Slovenia has had some political disputes with Italy and Croatia in the past, Slovenia has made progress in improving relations with its neighbors, and has demonstrated good faith in attempts to resolve outstanding issues.

Military Capabilities & Defense Issues

Slovenia's armed forces are engaged in a reform and restructuring effort. At the time of Slovenia's declaration of independence in June 1991, Slovenia's armed forces consisted of territorial defense forces, somewhat similar in nature to U.S. National Guard units. In 2002, Slovenia decided to move rapidly toward wholly professional armed forces, to abolish conscription by 2004, and to step up efforts to recruit professional solders. The peacetime strength of Slovenia's armed forces in August 2002 was 5,346 men. This number is expected to rise to 6,300 troops by the end of 2004 and 7,900 by 2008, all of whom will be professional soldiers. It is also working on a concept for volunteer reserve forces. Total wartime strength, including reserves, will be less than 18,000 men. An important part of Slovenian army reform efforts has been the creation of "reaction forces." These are composed of two battalions which can be deployed abroad within 30 days to conduct combat or peacekeeping operations. Slovenia is in the process of moving from a militia-based force to a professional one.

Slovenia inherited a significant amount of the former Yugoslavia's weaponry, much of which is obsolete, including tanks, APCs and artillery. Aside from equipping the peacekeeping battalion, other procurement priorities for Slovenia are air defense, anti-armor weapons and NATO-compatible communications systems. In 2000, U.S. military experts noted that Slovenia needed to better relate its procurement priorities to the country's overall national security strategy. In response, Slovenia has adopted or is currently working on a hierarchy of documents that will govern its defense planning. These include a new national security strategy, a national threat assessment, a long-term development plan for the armed forces, a document on force structure, and other documents. Slovenia has amended its Defense Law in order to make it easier for the Slovene government to send forces out of the country to assist an ally and permit the stationing of allied forces on Slovene territory.

Although it plans to continue to make equipment purchases according to the priorities listed above, Slovenia does not plan to undertake major increases in such spending over the next few years, but will focus on maintenance of current stocks.

Slovenia's 2001 defense spending was $274.5 million, about 1.46% of Slovenia's GDP. Slovenia's defense spending in 2002 amounted to about 1.5% of GDP. Slovenia plans to increase defense spending by 0.1% of GDP each year until it reaches 2% GDP by 2008. The Committee hopes that given Slovenia's position as the wealthiest of the post-communist countries of Central and Eastern Europe, it could accelerate this timetable.

Slovenia is working hard to increase interoperability with NATO within PfP. It participates in the NATO/PfP Planning and Review Process and has adopted Partnership Goals, aimed at increasing its

ability to participate in future operations with NATO. Small in number, Slovenia's armed forces will be able to make a modest contribution to future NATO peacekeeping efforts, similar to that of smaller current NATO members. Slovenia would also provide a strategic land link between current NATO members Italy and Hungary. Slovenia is providing troops and equipment to SFOR and KFOR. Slovenia granted overflight, landing and refueling rights to Operation Enduring Freedom, and has provided humanitarian and demining assistance to Afghanistan, as well as a police officer for training and assisting the Afghan Police. On February 5, 2003, Slovenia joined the V-10 Statement on compelling Iraq to disarm, and has indicated its willingness to look for ways it could contribute to post-conflict reconstruction in Iraq.

Civilian Control of the Military & Oversight of Intelligence Agencies

Legal mechanisms exist in Slovenia to provide for civilian control of the military and intelligence services. According to the Slovenian constitution, the National Assembly approves the defense budget and conducts oversight of military and intelligence programs. The Slovenian defense minister, a civilian, exercises control over the development and organization of the armed forces through the General Staff. The President of Slovenia is commander-in-chief of the armed forces, and appoints top military officers.

III. The Cost of NATO Enlargement

BACKGROUND [2]

The cost of NATO enlargement was an important, and at times contentious, issue during the last round of enlargement, when the Alliance was considering membership of Poland, Hungary and the Czech Republic. NATO had taken in new members several times since its creation in 1949, but this round was different for two reasons: less than a decade earlier, the countries under consideration had belonged to the Warsaw Pact; and they were, for the most part, weaker economically than earlier new entrants.

After NATO's 1997 Madrid Summit, during which Poland, Hungary and the Czech Republic were invited to begin accession negotiations, three major budget estimates—ranging to more than $100 billion—were prepared, but the need for large outlays failed to materialize. In fact, the cost of bringing in Poland, Hungary and the Czech Republic appears to have been relatively modest. The budget issue has almost disappeared during discussions of the current round of enlargement—even though some of the current invitees, particularly Romania and Bulgaria, are even less economically developed than the three former communist countries brought in during the last round.

After their admission to NATO, Poland, Hungary and the Czech Republic began making payments into NATO's three common budgets and the prorated contributions of the other member states fell accordingly. The total U.S. share dropped by approximately 1%.

[2] The Cost of NATO Enlargement, section III, is based on a Memorandum by Carl Ek of the Foreign Affairs, Defense and Trade Division of the Congressional Research Service.

CURRENT ENVIRONMENT

Since the admission of Poland, Hungary and the Czech Republic, NATO has moved even further away from the Cold War concept of maintaining a static defensive force—heavy ground forces prepared to repel a large-scale armored attack. The Committee notes, however, that although the conventional threat may have faded and new threats have emerged, were a conventional threat to emerge, the cost to NATO would be substantial regardless. As the September 11, 2001 terrorist attacks demonstrated, non-state actors such as al-Qaeda may seek to conduct asymmetric warfare on NATO member states. The Committee believes that the threat of weapons of mass destruction is a growing concern for the United States and its allies, and commends the Alliance's pledge at the Prague Summit to strengthen its ability to meet the challenges to the security of NATO forces, populations and territory, from wherever they may come, and to "go out of area" to fight terrorism and proliferation and to develop more mobile capabilities.

NEW MEMBER COST CONSIDERATIONS

The seven countries currently under consideration for membership present a different set of issues militarily than did the last round of new members. The two largest countries, Romania and Bulgaria, are much less affluent than Hungary, Poland, and the Czech Republic, and will therefore need to stretch out their procurement. On the other hand, the three Baltic states were left with virtually no armed forces after the Soviets withdrew.

Since 1999, the United States and many of the NATO allies have participated in wars in Kosovo, Afghanistan, and Iraq. These conflicts have pointed up the need for greater troop and asset mobility as well as the value of new capabilities, such as having special operations forces working in concert with aircraft capable of delivering precision-guided munitions. The MAP process in effect compels the invitees to take specific steps to reform and upgrade their militaries. The new states have also been strongly encouraged to commit to maintaining their defense spending at or near 2% GDP—a level higher than that of several current allies.

Rather than dollars and cents, policymakers have been focusing this time around on military capabilities; emphasis is being placed not on how long it will take for new members to become interoperable with current NATO members, but rather on what their militaries are able to offer. To complement the NATO Response Force, and ensure that it has the proper tools to conduct a range of operations, the Alliance at its last summit approved the Prague Capabilities Commitment, under which members obligate themselves to acquire specific military assets. The seven countries that have been invited to join have already begun developing "niche" capabilities that NATO can draw on to fulfill its new missions. There is also a growing recognition of the value of having countries pool their resources to develop big-ticket procurement items such as strategic airlift.

IV. Congressional Budget Office Cost Estimates of NATO Enlargement[3]

U.S. Congress,
Congressional Budget Office,
April 28, 2003.

Honorable Richard G. Lugar, *Chairman,*
Committee on Foreign Relations,
United States Senate,
Washington, DC.

Dear Mr. Chairman:

In response to your request, the Congressional Budget Office has prepared the attached report on the costs associated with ratifying the protocols to the North Atlantic Treaty of 1949 on the accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia to the North Atlantic Treaty Organization (Treaty Document 108–4). CBO estimates that integrating those seven countries into NATO would cost the 19 current NATO members about $2.7 billion dollars over the 2004-2013 period; the U.S. share of that amount would be about $650 million and would be subject to appropriation action. In addition, the seven prospective NATO members could incur significant costs to upgrade and modernize their militaries. The United States might help those countries in that process through the use of foreign military financing and other assistance. However, such assistance would be discretionary and would probably not be significantly larger than current levels of aid to those countries. CBO does not anticipate any direct spending to result from the ratification of the protocols.

If you would like further information about this analysis, we would be pleased to provide it. The CBO staff contacts are Matthew Schmit (in the Budget Analysis Division), and Robie Samanta Roy (in the National Security Division).

Sincerely,

Douglas Holtz-Eakin, *Director.*

[Attachment.]

Cost Implications of Implementing the March 26, 2003, NATO Accession Protocols

SUMMARY AND INTRODUCTION

On March 26, 2003, the United States and the other 18 members of the North Atlantic Treaty Organization (NATO) signed Protocols of Accession. Once ratified by the governments of the 19 NATO members, those protocols would allow seven more countries—Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia—to join the alliance.[1] The original North Atlantic Treaty was signed in 1949 by 12 countries. Since then, seven other members

[3] The information in section IV is taken directly from an April 28, 2003 report by the Congressional Budget Office entitled "Cost Implications of Implementing the March 26, 2003, NATO Accession Protocols."

[1] Those seven countries were formally invited to join NATO at the Prague summit in November 2002.

have joined NATO, on four separate occasions: Greece and Turkey in 1952; the Federal Republic of Germany in 1955; Spain in 1982; and, most recently, Poland, Hungary, and the Czech Republic in 1999.

Member countries bear the direct costs of maintaining the alliance through the contributions that all of them make to NATO's three common budgets—the civil, military, and infrastructure budgets. Those budgets fund NATO headquarters activities as well as common infrastructure projects needed to maintain interoperability between the forces of the member nations. Each member is obligated to pay a prenegotiated share of the common budgets. Last year, those three budgets together totaled about $1.7 billion; the U.S. share of that amount was just under 27 percent, or $442 million.

On the basis of data from NATO and the Department of Defense (DOD), the Congressional Budget Office (CBO) estimates that admitting the seven prospective members into NATO would increase overall costs associated with the common budgets for the 19 current NATO members by about $2.7 billion over the 2004-2013 period. The U.S. share of those costs would total about $650 million over 10 years (assuming appropriation of the necessary amounts)—or about 12 percent more than the United States would otherwise spend to support NATO's common budgets over that period.

Besides costs, another important consideration in enlarging NATO is whether the seven prospective members could meet their obligations to the alliance to provide certain military capabilities (obligations commonly referred to as burdensharing). Those obligations include such things as providing a certain level of air-defense capability and being able to deploy military forces rapidly during crises. Although NATO members agree in principle to meet all burdensharing obligations, each country's military programs and level of defense spending are generally left to the country's discretion. Each member's funding depends to a great extent on its long-term military modernization strategy and overall economic situation. One indirect measure of burdensharing is the percentage of gross domestic product (GDP) that a member nation allocates to defense. By that measure, each of the seven prospective members already funds, or is planning to fund, defense at or near the average level of current NATO countries.

In recent years, the United States has attempted to help new members modernize their militaries by providing them with grants and loans to purchase military hardware and training. Such assistance is not required, however, and would be subject to the annual authorization and appropriation process of the U.S. Congress.

NATO'S COMMON BUDGETS

Generally speaking, each NATO member is responsible for the costs associated with maintaining and operating its military forces, even when those forces operate under NATO's command structure. However, certain common costs—such as those associated with headquarters staff and command-and-control capabilities—are financed through the alliance's three common budgets:

- The civil budget ($174 million in 2002), which pays the cost of NATO's civil headquarters and personnel in Brussels;

- The military budget ($790 million in 2002), which funds the alliance's military headquarters and activities (including the Supreme Headquarters Allied Powers Europe in Mons, Belgium), the NATO Airborne Early Warning and Control (AEW&C) program, and the NATO command structure for peace keeping activities in Bosnia and Herzegovina and in Kosovo; and
- The infrastructure budget ($693 million in 2002)—also known as the NATO Security Investment Program (NSIP)—which underwrites the costs of common support facilities, including command, control, communications, and intelligence facilities; transportation; storage facilities; and investments in airfields, fuel pipelines, harbors, and navigational aids.

Taken together, NATO's common budgets totaled almost $1.7 billion in 2002 (see Table 1). The United States paid nearly 27 percent of that amount, or $442 million. The share that each member pays of each budget is determined by consensus among the members and is periodically renegotiated, particularly when new members join the alliance. The U.S. share of the civil and military budgets has remained fairly constant at around 25 percent since those budgets were established in 1951. Member contributions to the NSIP are more variable, since shares are frequently adjusted to take into account the location and national importance of individual infrastructure projects.

Within the U.S. Federal budget, contributions to the three NATO common budgets are provided through three separate appropriations each year. The U.S. contribution to NATO's civil budget is made from the "Contributions to International Organizations" account in budget function 150 (international affairs), which is funded through annual appropriations to the Department of State. Similarly, the U.S. contribution to NATO's military budget is made through the "Operations and Maintenance, Army" account in the annual Department of Defense appropriation act; and the U.S. contribution to the NSIP is made through a specific appropriation in the annual military construction appropriation act.

TABLE 1.—ALLIED CONTRIBUTIONS TO NATO'S COMMON BUDGETS IN 2002

[In millions of dollars]

	Civil Budget	[1] Military Budget (Minus AEW&C)	[1] AEW&C Program	Infrastructure Budget (NSIP)	Total	Percentage of Total NATO Budget
Belgium	4.8	16.2	8.2	27.9	57.1	3.4
Canada	9.3	30.0	23.0	25.6	87.9	5.3
Czech Republic	1.6	5.2	0	6.8	13.6	0.8
Denmark	2.6	9.6	4.9	22.6	39.7	2.4
France	26.8	47.8	0	37.2	111.8	6.7
Germany	27.1	89.5	68.5	152.0	337.1	20.3
Greece	0.7	2.2	1.5	7.1	11.5	0.7
Hungary	1.1	3.8	0	4.9	9.8	0.6
Iceland	0.1	0.2	0	0	0.3	(*)
Italy	10.0	34.4	17.7	59.2	121.3	7.3
Luxembourg	0.1	0.5	0.3	1.3	2.2	0.1
Netherlands	4.8	16.2	9.1	31.1	61.2	3.7
Norway	1.9	6.7	3.6	19.2	31.4	1.9
Poland	4.3	14.4	0	18.7	37.4	2.3
Portugal	1.1	3.7	1.7	2.6	9.1	0.5
Spain	6.1	20.4	8.8	24.8	60.1	3.6
Turkey	2.8	9.2	4.0	7.6	23.6	1.4

TABLE 1.—ALLIED CONTRIBUTIONS TO NATO'S COMMON BUDGETS IN 2002—Continued

[In millions of dollars]

	Civil Budget	[1] Military Budget (Minus AEW&C)	[1] AEW&C Program	Infrastructure Budget (NSIP)	Total	Percentage of Total NATO Budget
United Kingdom	30.1	93.3	0.2	76.8	200.4	12.1
United States	39.1	134.1	101.1	167.7	442.0	26.7
Total	174.4	537.4	252.6	693.1	1,657.5	100.0

Source: Congressional Budget Office based on data from the Department of Defense.

Note: AEW&C = Airborne Early Warning and Control; NSIP = NATO Security Investment Program; (*) = between zero and 0.05 percent.

[1] NATO's Airborne Early Warning and Control program is part of the military budget. However, it is shown separately here because not all countries contribute to the program, and therefore it has different sharing percentages.

COST IMPLICATIONS OF THE LATEST ROUND OF NATO ENLARGEMENT

Adding new members to NATO could affect costs to the United States in several ways. First, it would allow current NATO members, including the United States, to spread the costs of the common NATO budgets over more countries. Second, integrating the new members into NATO's military command structure would require up-front costs. Most of those costs would be eligible for funding from NATO's common budgets and therefore would increase costs for current members. Third, the United States might choose to assist the new member countries in modernizing and upgrading their military capabilities.

Impact on the U.S. Share of the Common Budgets

CBO estimates that adding the seven new members to NATO would most likely reduce the cost share that each country pays to support the three common budgets but the impact of that reduction would be insignificant in percentage terms. When Poland, Hungary, and the Czech Republic joined the alliance in 1999, the U.S. share of the common budgets declined slightly—from 28.5 percent overall in 1997 to 26.7 percent in 2002. In that instance, the new members' cost shares were established by NATO's Senior Resource Board and were largely based on each country's GDP. Together, Poland, Hungary, and the Czech Republic currently pay about 3.7 percent of NATO's common budgets.

CBO does not expect the U.S. share of the common budgets to decline significantly with the addition of the seven prospective members. Those countries have a combined gross domestic product that is about 40 percent of the total GDP of Poland, Hungary, and the Czech Republic. Assuming that the seven new members would together contribute about 40 percent of what Poland, Hungary, and the Czech Republic now pay, CBO estimates that their combined share would amount to about 1.5 percent of the common budgets. In that case, the resulting reduction in the U.S. share would probably be about 0.4 percent.

That reduction in the United States' cost share would not necessarily reduce U.S. payments to the common budgets, however. The reason is that the costs of those budgets, especially the NSIP budget, would most likely increase if the seven new members joined NATO. In other words, the slightly smaller percentage share of a larger base amount would probably require current NATO members to contribute more than they do now.

TABLE 2.—ESTIMATED COST TO THE NATO COMMON BUDGETS OF ADMITTING THE SEVEN NEW MEMBERS IDENTIFIED IN THE PROTOCOLS OF ACCESSION

[In millions of dollars]

	Ten-Year Total (2004-2013)	
	Estimated NATO Budget Without Enlargement	Estimated Additional Costs from Enlargement
Security Investment Program	$7,950	$2,750
Military Budget	6,500	200
AEW&C Program	3,050	0
Civil Budget	2,100	([1])
Subtotal	19,550	2,950
Contributions from the Seven New Members	n.a.	–300
Total Cost to Current NATO Members	19,550	2,650
Memorandum:		
Cost to the United States	5,250	[2] 650

Source: Congressional Budget Office.

Notes: The seven prospective members identified in the accession protocols are Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia.

AEW&C = Airborne Early Warning and Control; n.a. = not applicable.

[1] In addition to costs to the Security Investment Program and military budget, there would be costs to the civil budget. However, those costs would be insignificant and would be offset by the new members' financial contributions to that budget.

[2] Includes the costs of integrating the seven new members into NATO as well as savings from the reduction in the U.S. cost share of the common budgets.

Estimated Increase in Costs to the Common Budgets

As was the case with the 1999 round of NATO enlargement, CBO expects that if Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia joined the alliance, the costs associated with the three common budgets would increase. (For a discussion of the costs associated with the 1999 enlargement, see the appendix.) Admitting those seven countries would cost the 19 current NATO members an additional $2.7 billion in all during the 2004-2013 period, CBO estimates. The increase in costs to the United States would be $650 million, or about 24 percent of the additional expense to current members (see Table 2).

To estimate the costs of incorporating the seven prospective members, CBO assumed that their infrastructure requirements—such as upgrades to airfields, port facilities, and air-defense radars—would be analogous to the requirements that NATO identified for the three countries that joined the alliance in 1999. CBO's estimate of the costs of those requirements is based on information contained in cost estimates prepared by NATO's Senior Resource Board in 1997 for the 1999 round of NATO enlargement (adjusted for inflation) as well as on data provided by DOD. Although the costs and assumptions in the 1997 estimates are several years old, they represent NATO's only official statement about the minimum infrastructure that new members require to achieve the goals of the NATO defense strategy. (The details of those requirements are classified.) CBO compared the cost factors in the 1997 estimates with actual costs to date and concluded that they provide a reasonable basis for projecting future costs.

On the basis of those assumptions, CBO estimates that the total cost of integrating the seven new members into NATO would be about $3 billion over the 2004-2013 period. The new members would begin paying a share of the common budgets—about $300

million over 10 years, CBO estimates—leaving a net cost to the 19 current members of about $2.7 billion.

Under NATO's current membership, the NSIP and military budgets (not including the NATO AEW&C program) would cost about $14.4 billion over the 2004-2013 period, CBO estimates (see Table 2). The U.S. share of that amount would be about 24.5 percent, or $3.5 billion.[2] Integrating seven new members into NATO would raise the costs of those budgets to about $17.4 billion over 10 years. With the seven new members making contributions to the common budgets, the shares that NATO's current members pay would decline in percentage terms. In the case of the United States, CBO estimates that its share of the NSIP and military budgets would drop by about 0.4 percentage points, to 24.1 percent. Thus, the United States would contribute about $4.2 billion to NATO's NSIP and military budgets over the 2004-2013 period—about $650 million more than it would pay without enlargement.[3] That sum represents an increase of roughly 18 percent over what the United States would other wise contribute to the NSIP and military budgets (excluding the AEW&C program) during that period and a roughly 12 percent increase over what the United States would contribute to the entire NATO budget.[4]

CBO's estimate is very similar to the preliminary estimate that the Administration released on March 25, 2003, in its report to the Congress on the seven new members' status and eligibility to meet NATO obligations. In that report, the Administration estimated that the additional cost to the common budgets from this round of NATO enlargement would total about $2.6 billion over 10 years (in 2002 dollars) and that the U.S. share of that increase would amount to about $584 million. When converted from current dollars into 2002 dollars, CBO's estimate of costs to the NATO common budgets (before contributions from new members) is about $2.5 billion. The similarity between those estimates is not unexpected since the Administration and CBO used the same sources of data and similar methods in preparing their estimates. CBO's estimate of the U.S. share of that cost, about $600 million in 2002 dollars, is also similar to an estimate by DOD.

Other Potential Costs to the United States

The United States could incur other costs related to the admission of new members to NATO. For example, in the past, the U.S. government has helped new NATO members upgrade their defense capabilities by providing them with grants and loans for military equipment, training, and participation in joint exercises. However, none of that assistance results from prenegotiated commitments or obligations made on behalf of the United States; it is provided

[2] The United States' overall cost share (just under 27 percent) is higher than the shares that the United States pays to the NSIP and military budgets because of the larger share that it contributes to the NATO Airborne Early Warning and Control program (about 40 percent). That program is technically part of the military budget, but not all member nations contribute to it, which is why this analysis treats it separately. The three NATO members admitted in 1999 do not contribute to that program, and CBO assumes that the same would be true for the seven prospective members.

[3] Enlargement would also increase some costs for NATO's civil budget. However, the net effect of those costs would be insignificant; thus, they are not included in this analysis.

[4] CBO estimates that without enlargement, U.S. contributions to all of NATO's common budgets (including the NSIP, civil budget, military budget, and the AEW&C portion of the military budget) would total $5.2 billion over the 2004-2013 period. With enlargement, those contributions would total $5.9 billion.

through the annual Congressional authorization and appropriation process.

The most common form of U.S. military assistance is grants from the Foreign Military Financing (FMF) program. Over the past four years, the three newest NATO members—the Czech Republic, Hungary, and Poland—have received FMF grants worth a total of around $30 million a year, and the Administration has requested a similar amount for 2004 (see Table 3). In comparison, the seven NATO candidates have received a total of around $50 million a year in FMF grants. (Those amounts are comparable given the size of the two groups' militaries and populations.) Although the seven potential members have not yet joined NATO, they have been receiving grants through the Warsaw Initiative (which provides assistance to countries that participate in the Partnership for Peace program) at levels somewhat comparable to those of the three newest NATO members. Since the seven prospective members already receive similar amounts of FMF grants as the three NATO members admitted in 1999, they might not receive a larger share of FMF resources once they joined NATO.

TABLE 3.—U.S. FOREIGN MILITARY FINANCING GRANTS FOR THE THREE NEWEST MEMBERS OF NATO AND THE SEVEN PROSPECTIVE MENBERS

[In millions of dollars]

	2000	2001	2002	2003 (Estimate)	2004 (Request)
Members Admitted in 1999					
Czech Republic	6	9	10	11	10
Hungary	6	9	10	11	10
Poland	8	12	12	13	12
Total	20	30	32	35	32
Seven New Members Identified in the Accession Protocols					
Bulgaria	5	14	9	10	9
Estonia	4	6	6	7	6
Latvia	4	5	6	7	6
Lithuania	4	7	7	8	7
Romania	6	17	9	10	9
Slovakia	3	11	8	9	8
Slovenia	2	6	4	5	4
Total	28	65	48	55	49

Source: Congressional Budget Office based on data from the U.S. Department of State.

Foreign military financing can also take the form of loans, some of which can be substantial. For example, Poland recently finalized a $3.5 billion loan agreement with the U.S. government to help fund the purchase of 48 F–16 fighter aircraft from a U.S. manufacturer, and other NATO countries have received those types of loans in the past, although not frequently. Under the Federal Credit Reform Act, only the estimated net costs of such a loan need to be appropriated in advance. Those costs include the risk of nonpayment and any interest subsidy provided by the government. Whether such loans would be offered to the seven prospective NATO members would be a decision for the U.S. government.

ENLARGEMENT AND NATO BURDENSHARING

In addition to the possible budgetary impact, another issue to consider in evaluating this round of enlargement is whether the seven prospective members of NATO could meet their burdensharing obligations to the alliance. In the NATO context, "burden sharing" generally applies to the amount of spending and defense capability that each member country provides toward NATO's common defense. The overall level of NATO's collective defense is an issue that is discussed and debated among the members of the alliance, but it is not defined as a quantitative level of defense capability to be provided by each NATO country. Burdensharing has historically been an issue raised by the Congress as it seeks to understand whether the United States has been or is bearing an appropriate share of the burden of NATO membership.[5]

Perhaps the most common indirect indicator of burdensharing is a country's defense spending, often expressed as a percentage of its GDP. Other standard measures include defense spending per capita and the proportion of the population in the military. Another potential measure, increasingly important today, is contributions to global multinational peacekeeping operations.

On an unweighted average basis, NATO countries currently spend about 2 percent of their GDPs on defense (see Table 4). That average is slightly skewed by Greece and Turkey, which each spend more than 4 percent of their respective GDPs on defense, and by Iceland, which has no defense expenditures. (The United States is the third highest at 3.4 percent of GDP.) Without Greece, Turkey, and Iceland, the unweighted average for current NATO members would be 1.8 percent. Five of the seven prospective members are already at or above that average, and they have stated that they intend to maintain or increase their level of defense spending. The exceptions are Latvia and Slovenia, whose defense expenditures equal about 1.2 percent[6] and 1.7 percent of GDP, respectively. However, both countries have indicated that they plan to increase defense expenditures in the near future. The Latvian parliament has approved spending at least 2 percent of GDP on defense through 2008, and the Slovenian government has committed itself to boosting defense spending to 2 percent of GDP by 2008. It should be noted, however, that although defense spending as a percentage of GDP is comparable among the current and prospective members, the latter have much smaller GDPs.[7] Thus, their defense spending is far lower in dollar and per capita terms.

[5] For a more complete discussion of the issue of NATO burdensharing, see Congressional Budget Office, *NATO Burdensharing After Enlargement* (August 2001).

[6] The Committee notes that, in 2002, Latvia spent 1.75 percent of GDP on defense and the Latvian Government has enacted a law to require that 2 percent of GDP be spent on defense beginning this year (2003).

[7] The total GDP of both the 1999 and 2003 NATO expansion countries is only 2.3 percent of the total GDP of the other NATO countries.

TABLE 4.—MEASURES OF DEFENSE SPENDING FOR CURRENT AND PROSPECTIVE NATO MEMBERS

	Population (Millions)	GDP (Billions of dollars)	Defense Spending (Billions of dollars)	Defense Spending as a Percentage of GDP	Defense Spending per Capita (Dollars)
Members Admitted Between 1949 and 1982					
Belgium	10.3	248	3.2	1.3	312
Canada	31.9	727	8.2	1.1	256
Denmark	5.4	175	2.7	1.5	502
France	59.8	1,418	35.5	2.5	594
Germany	83.3	1,987	29.4	1.5	353
Greece	10.6	132	5.8	4.4	542
Iceland	0.3	8	0	0	0
Italy	57.7	1,175	22.6	1.9	392
Luxembourg	0.4	20	0.2	0.9	402
Netherlands	16.1	420	6.9	1.6	425
Norway	4.5	192	3.6	1.9	804
Portugal	10.1	121	2.8	2.3	273
Spain	40.1	643	7.7	1.2	193
Turkey	67.3	186	9.0	4.9	134
United Kingdom	59.8	1,549	36.8	2.4	616
United States	280.6	10,430	350.9	3.4	1,251
Total	737.9	19,422	525.3	2.7	712
1999 Round of NATO Enlargement					
Czech Republic	10.3	69	1.5	2.1	144
Hungary	10.1	64	1.1	1.8	113
Poland	38.6	182	3.6	2.0	93
Total	59.0	316	6.2	2.0	105
2003 Round of NATO Enlargement					
Bulgaria	7.6	13	0.4	2.7	47
Estonia	1.4	8	0.2	2.0	111
Latvia	2.4	7	0.1	1.2	37
Lithuania	3.6	12	0.2	1.9	64
Romania	22.3	40	1.0	2.5	44
Slovakia	5.4	22	0.4	1.9	75
Slovenia	1.9	22	0.4	1.7	192
Total	44.6	124	2.6	2.1	58

Source: Congressional Budget Office based on information from the Department of Defense; Central Intelligence Agency, ''The World Factbook, 2002''; and International Institute for Strategic Studies, ''The Military Balance, 2002-2003'' (Oxford: Oxford University Press, 2003).

Note: For the most part, the above data are current as of calendar year 2002. Where 2002 data were not available, data for 2000 or 2001 were used.

The defense capabilities of the current and prospective NATO countries can also be compared using various broad measures, such as the total number of personnel in their armed services and the number of airfields they have with runways longer than 2.4 kilometers (7,600 feet). Airfields are a key asset for military operations, including NATO Airborne Early Warning and Control operations, air defense, forward basing, and troop entry and exit points. Other broad measures of capability include the percentage of conscripts in a military force, which gives an indication of the professional quality of the force, and the number of military personnel employed in global multinational peace support operations (see Table 5). (All of the prospective NATO members have contributed troops for such operations.)

Comparing the seven prospective members with the three NATO countries admitted in 1999 shows similarities and differences. Although the total population of the seven prospective members is about 25 percent smaller than the total population of the three newest members, the number of people in their military forces is only 8 percent smaller. The military forces of the seven prospective members also have similar proportions of professional soldiers, with 49 percent of their forces being conscripts, compared with 52 percent for the members admitted in 1999. (However, those levels are generally higher than the number of conscripts employed by NATO members admitted before 1999.) In addition, both sets of countries have roughly the same number of airfields with long runways. Overall, it appears that the seven prospective members would expand NATO's military forces by 6 percent and increase the number of airfields with long runways available to the alliance by 6 percent (and the number available in Europe by 13 percent).

Each of the prospective NATO members has been asked to follow a NATO Membership Action Plan (MAP), which lays out broad political, economic, defense, resource, security, and legal objectives. The MAP is not specific in defining what capabilities each country is expected to contribute, aside from calling on members to provide "forces and capabilities for collective defense and other Alliance missions." However, each of the prospective members has certain specialized capabilities that NATO believes would contribute to the alliance (see Table 6). Those capabilities include light infantry; special forces; units to defend against nuclear, biological, and chemical weapons; explosive ordinance disposal teams; military police; medical units; small naval units; limited airlift; and engineer or logistics units. In addition, Romania possesses unmanned aerial vehicles, and Slovakia has air-to-ground training ranges. Geographically, Bulgaria offers the Black Sea port of Burgas, and Slovakia connects the three most recent members, the Czech Republic, Hungary, and Poland.

In short, from the perspective of burdensharing, the seven prospective members are committed to levels of defense spending that are equal to, or close to, the current NATO per-country average in terms of percentage of GDP. In addition, the military forces of those countries are relatively professional and could contribute some specialized capabilities that would enhance NATO's military mission.

TABLE 5.—BROAD MEASURES OF MILITARY CAPABILITY FOR CURRENT AND PRPSPECTIVE NATO MEMBERS

Country	Population (Millions)	Active Military Force (Thousands)	Military as a Percentage of Population	Active-Force Conscripts (Thousands)	Conscripts as a Percentage of Force	Number of Troops Involved in MPSOs	Percentage of Military Involved in MPSOs	[1] Number of Airports
Members Admitted Between 1949 and 1982								
Belgium	10.3	39	0.4	0	0	646	1.6	14
Canada	31.9	52	0.2	0	0	1,457	2.8	33
Denmark	5.4	23	0.4	6	25	869	3.8	9
France	59.8	260	0.4	0	0	6,624	2.5	41
Germany	83.3	296	0.4	107	36	6,841	2.3	65
Greece	10.6	178	1.7	98	55	1,382	0.8	21
Iceland	0.3	0	0	0	0	0	0	1

TABLE 5.—BROAD MEASURES OF MILITARY CAPABILITY FOR CURRENT AND PRPSPECTIVE NATO MEMBERS—Continued

Country	Population (Millions)	Active Military Force (Thousands)	Military as a Percentage of Population	Active-Force Conscripts (Thousands)	Conscripts as a Percentage of Force	Number of Troops Involved in MPSOs	Percentage of Military Involved in MPSOs	[1] Number of Airports
Italy	57.7	217	0.4	70	32	6,295	2.9	39
Luxembourg	0.4	1	0.2	0	0	25	2.8	1
Netherlands	16.1	50	0.3	0	0	1,348	2.7	9
Norway	4.5	27	0.6	15	57	994	3.7	14
Portugal	10.1	44	0.4	8	19	1,048	2.4	14
Spain	40.1	178	0.4	0	0	2,180	1.2	25
Turkey	67.3	515	0.8	391	76	2,731	0.5	46
United Kingdom	59.8	211	0.4	0	0	3,554	1.7	41
United States	280.6	1,414	0.5	0	0	5,312	0.4	405
Total	737.9	3,503	0.5	696	20	41,306	1.2	777
1999 Round of NATO Enlargement								
Czech Republic	10.3	50	0.5	25	51	604	1.2	11
Hungary	10.1	33	0.3	23	69	668	2.0	10
Poland	38.6	163	0.4	81	50	1,575	1.0	32
Total	59.0	246	0.4	129	52	2,847	1.2	53
2003 Round of NATO Enlargement								
Bulgaria	7.6	69	0.9	49	72	40	0.1	20
Estonia	1.4	6	0.4	1	24	3	0.1	7
Latvia	2.4	6	0.2	2	29	112	2.0	7
Lithuania	3.6	14	0.4	4	31	125	0.9	2
Romania	22.3	99	0.4	35	35	905	0.9	13
Slovakia	5.4	26	0.5	15	57	641	2.4	4
Slovenia	1.9	9	0.5	5	50	86	1.0	2
Total	44.6	227	0.5	111	49	1,912	0.8	55

Source: Congressional Budget Office based on information from the Department of Defense; Central Intelligence Agency, ''The World Factbook, 2002''; and International Institute for Strategic Studies, ''The Military Balance, 2002-2003'' (Oxford: Oxford University Press, 2003).

Notes: MPSOs = multinational peace support operations. Numbers for population, troops in MPSOs, and airports reflect 2002 data. Numbers for active military personnel and conscripts reflect 2001 data.

[1] Specifically, the number of airports that have paved runways larger than 2.4 kilometers.

TABLE 6.—SPECIALIZED MILITARY CAPABILITIES OF PROSPECTIVE NATO MEMEBERS

	Light Infantry	Special Forces	NBC Defense Units	Explosive Ordinance Disposal Units	Military Police	Medical Units	Small Naval Units	Limited Airlift	Engineer or Logistics Units
Bulgaria	X	X	X				X	X	X
Estonia	X			X	X				
Latvia	X	X		X	X	X			
Lithuania		X				X		X	X
Romania	X	X			X			X	
Slovakia		X	X						X
Slovenia	X	X		X	X	X		X	

Source: Congressional Budget Office based on information from the Department of Defense.

Note: NBC = nuclear, biological, and chemical.

APPENDIX: COST INSIGHTS FROM THE 1999 ROUND OF NATO ENLARGEMENT

One method of estimating the impact on NATO's common budgets of admitting Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia into the alliance is to examine the estimated costs for the previous round of NATO enlargement. Those costs are estimated because the integration of Poland, Hungary, and the Czech Republic into the NATO infrastructure is still a work in progress, whose total cost will not be known for some time. NATO's Senior Resource Board (SRB) estimated in 1997 that integrating Poland, Hungary, and the Czech Republic into NATO would increase the common budgets by about $1.5 billion over 10 years. The board has not officially updated that estimate. But according to data provided by the Department of Defense (DOD) and NATO, it appears that spending to date is in line with previous estimates, although the final cost will be somewhat less than originally anticipated, around $1.2 billion to $1.3 billion over the 1999-2008 period.

The 1997 SRB estimate was based on an evaluation of the infrastructure projects that were identified as necessary to maintain a minimum level of military interoperability between Poland, Hungary, and the Czech Republic and the other NATO members. Those projects had to be vital to the collective defense of all member nations to be deemed worthy of funding from the common budgets. The requirements were grouped and estimated in four categories:

- Consultation, command, and control (C3), which includes projects to link the communications of the new members' military headquarters into the NATO command structure;
- Air defense, which involves integration into the NATO Integrated Air Defense System as well as procurement and operation of common radars;
- Infrastructure needed to transport reinforcements and military supplies, which includes upgrades so that ports and air bases can receive cargo ships and aircraft from various member nations; and
- Training and exercises, which includes expenses related to common NATO exercises.

Through 2002, NATO had authorized about $497 million worth of commonly funded infrastructure projects in Poland, Hungary, and the Czech Republic through the NATO Security Investment Program (see the Table A-1). According to DOD, that $497 million figure represents a best estimate of the final value of the authorized projects. Because funds for many of the larger infrastructure projects are provided incrementally, the final value will not be known for some time. So far, NATO has provided about $236 million for those projects through 2002 (with the United States contributing about $52 million of that amount). On the basis of data from DOD and NATO on the total cost of the 1999 enlargement round, CBO expects that about $1 billion in funding from the Security Investment Program will eventually be dedicated to projects in Poland, Hungary, and the Czech Republic.

TABLE A-1.—ESTIMATED COSTS TO THE 19 CURRENT NATO MEMBERS FOR THE 1999 ENLARGEMENT ROUND

[By calendar year, in millions of U.S. dollars]

	Actual						
	1999	2000	2001	2002	1999-2002	Future (Estimate)	Total
Estimated Cost of Authorized Projects [1]	180	41	124	152	497	793	1,290
Funding Provided to Date and Estimated Future Funding	18	16	58	144	236	1,054	1,290

Source: Congressional Budget Office based on data from the Department of Defense.

[1] Authorized projects reflect projects that have been approved by NATO for common funding. Many larger projects are funded incrementally or may be cancelled altogether on the basis of the changing security environment.

Given the relatively large estimated 10-year cost of the 1999 round of NATO en largement ($1.3 billion), one might have expected to see more funding committed for projects in those countries over the past few years than has actually been committed. There are several reasons why that has not been the case. First, the original 1997 SRB estimate projected that most of the costs would occur during the latter half of the 10-year period. Comparing actual funding to date with the SRB estimate shows that the year-by-year amounts are very similar, which implies that the bulk of funding is still to come. Second, some of the more expensive projects, such as radar installations and upgrades to port facilities, are only starting to be constructed, and significant funds will be authorized for them in coming years. It is also possible that the SRB's $1.3 billion estimate may ultimately prove too high. Because the decision to proceed with commonly funded infrastructure projects is driven by financial resources as well as by the security environment that exists when funding decisions are made, it is possible that NATO could decide to reduce the requirements postulated in 1997. In that case, not only would the 1999 enlargement round cost less than originally anticipated but future rounds could cost less as well.

V. NATO-Russia Relations

The Committee does not find NATO enlargement and the development of a cooperative NATO-Russia relationship to be mutually exclusive. NATO enlargement and cooperative NATO-Russian relations both have immense value for the United States and for the nations of Europe, if they are pursued properly. They are complementary and reinforcing objectives. The challenge for the United States, and for NATO, is to do both correctly. Toward this end, the Committee Resolution of Ratification supports NATO's policy to continue developing a constructive relationship with the Russian Federation as it pursues democratization, market reforms, and peaceful relations with its neighbors.

The enlargement of NATO, a defensive alliance comprised of democratic nations, does not threaten any country in Europe. In the view of the Committee, all of Europe benefits from the existence of NATO, including Russia. The Committee finds that admitting Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia into NATO will multiply this benefit, not only by securing

seven countries that embrace democracy and free markets, but also by calling upon those countries to lead in the defense of democracy and stability in Central and Eastern Europe. In appreciation of this fact, democracies throughout Europe—including those that are not seeking NATO membership—have endorsed NATO's plans to extend its membership to Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia.

In comparison to the Russian government's caustic rhetoric during the last round of NATO enlargement, when the Alliance invited Poland, Hungary and the Czech Republic, Moscow's message has softened. It is possible that President Putin now views a unified front against terrorism, in part due to Moscow's ongoing conflict in Chechnya, as more important than potential divisions with the allies over enlargement. The Committee notes that the Russian Duma and much of Russia's military and intelligence bureaucracy remain adamantly opposed to enlargement, which they view as a U.S.-led effort to move a military alliance closer to their territory. As in 1998, the Committee rejects any suggestion that by enlarging, NATO is encroaching upon Russia's legitimate space and that any sovereign state in Europe is within any other country's sphere of influence. It is also the view of the Committee that the proposed NATO membership of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia is unrelated to recent disagreement over taking military action in Iraq, the brutal massacre of civilians in Chechnya, as well as ongoing transfers of Russian technology and weapons to rogue states.

To provide a forum for confidence building and information exchange, NATO and Russia formalized consultative procedures in a document called the Founding Act, which was signed on May 27, 1997. The Founding Act established a Permanent Joint Council (PJC) for NATO-Russia consultations. Four years later, in December 2001, NATO and Russian Foreign Ministers announced their intention to create a NATO-Russia Council, on the principle of "NATO at 20." In May 2002, NATO and Russian leaders meeting in Rome signed the "NATO at 20" agreement, in which Russia and NATO members participate as equals on certain issues. This replaces the NATO-Russia Permanent Joint Council. Spurred by the tragic events of September 11, 2001, this decision demonstrates the shared resolve to work closely together as equal partners in areas of common interest and to stand together against common threats and risks to security. The Committee Resolution of Ratification reiterates the outlines of the consultation and defense-related cooperation as set out in the NATO-Russia Council.

The Committee notes that while there was a tendency during the last round of enlargement among opponents of NATO enlargement to lay every problem in the U.S.-Russia relationship—and every example of Russian misbehavior—at the doorstep of NATO enlargement, there have been few such examples during this round of enlargement. In the three years that Poland, Hungary and the Czech Republic have been NATO members, there have been no aggressive moves toward Russia, and Russia has seen that enlargement to Europe's east is not directed against Moscow's interests. Yet there are some concerns that the membership of the three Baltic states, which the Soviet Union illegally annexed in 1940 and occupied for a half-century, will bring new problems along NATO's eastern

edge. It is the view of the Committee that Russia should respect the NATO membership of Estonia, Latvia and Lithuania, and perhaps even be motivated to improve relations with those countries.

The enlargement of NATO would secure its members against domination by larger powers. Likewise, the ongoing development of a constructive relationship between NATO and Russia, as endorsed in the Committee Resolution of Ratification, may provide an avenue for Russia to contribute to the security and stability of Europe. The Committee notes that these goals are fully consistent with the effort the Alliance and Moscow are undertaking together to forge a new partnership through the NATO-Russia Council, designed to ensure that Russia is constructively and legitimately engaged in transatlantic affairs.

VI. The Balkan Wars

In the last decade, NATO has been involved in major peacemaking and peacekeeping roles in the Balkans. The Alliance's first major involvement in operational peacekeeping was in Bosnia and Herzegovina, beginning in December 1995 with the Implementation Force (IFOR), and continuing from December 1996 through today where NATO leads a peacekeeping mission, called the Stabilization Force (SFOR), that includes Partner countries and Russian troops. In 1996, the United States stationed about 16,500 troops in Bosnia, and roughly 6,000 support personnel in Croatia, Hungary, and Italy. All NATO members contributed personnel, along with 18 non-NATO nations, for a total of about 54,000 peacekeeping troops. Since that time, the size of SFOR has been reduced to a force of about 12,000 troops. The Committee recognizes that Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia continue to provide support for the SFOR operation. SFOR continues the mission of monitoring and enforcing the military aspects of the Dayton Peace accords—demilitarized zones and weapon containment. SFOR has also made some efforts to detain war crimes suspects, provide both logistical support for internationally monitored elections, and to give limited assistance for refugee resettlement.

To the south, NATO forms the core of the international peacekeeping mission in Kosovo, called Kosovo Force (KFOR), in which some 46,000 military personnel from 39 countries are deployed. NATO intervened in Kosovo in the spring of 1999 to halt a humanitarian catastrophe and restore stability in a strategic region lying between Alliance member states. NATO action was underway during the Alliance's 50th Anniversary summit in Washington. The air campaign lasted 78 days during which more than 38,000 sorties were flown without a single Allied fatality. The Committee recognizes that Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia continue to provide support for the KFOR operation.

VII. NATO Transformation

PRAGUE SUMMIT

At the November 2002 Prague summit, NATO Heads of State committed the Alliance to transform NATO with new members, new capabilities and new relationships with its partners. The Alliance invited Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia to begin accession talks to join the Alliance and

considered the membership of these seven countries as part of the Alliance's transforming role for the 21st century. In its Prague Summit Declaration, NATO stated that the Alliance will keep its door open "to European democracies willing and able to assume the responsibilities and obligations of membership, in accordance with Article 10 of the Washington Treaty." The Committee commends the Administration's commitment to NATO's open door, which President George W. Bush articulated at his address to faculty and students of Warsaw University on June 15, 2001:

> All of Europe's new democracies, from the Baltic to the Black Sea and all that lie between, should have the same chance for security and freedom—and the same chance to join the institutions of Europe—as Europe's old democracies have.
>
> I believe in NATO membership for all of Europe's democracies that seek it and are ready to share the responsibilities that NATO brings. The question of "when" may still be up for debate within NATO; the question of "whether" should not be. As we plan to enlarge NATO, no nation should be used as a pawn in the agendas of others. We will not trade away the fate of free European peoples. No more Munichs. No more Yaltas. Let us tell all those who have struggled to build democracy and free markets what we have told the Poles: from now on, what you build, you keep. No one can take away your freedom or your country.
>
> Next year, NATO's leaders will meet in Prague. The United States will be prepared to make concrete, historic decisions with its allies to advance NATO enlargement. Poland and America share a vision. As we plan the Prague Summit, we should not calculate how little we can get away with, but how much we can do to advance the cause of freedom.

The Alliance also defined part of its new mission as combating terrorism and the proliferation of weapons of mass destruction, matched by pledges to obtain the military capabilities to accomplish that mission. Recalling the terrorist attacks of September 11, 2001 and the Alliance's subsequent decision to invoke Article 5 of the Washington Treaty, the Alliance approved a comprehensive package of measures, based on NATO's 1999 Strategic Concept, to strengthen its ability to meet the challenges to the security of NATO forces, populations and territory, from wherever they may come. The allies agreed to a communiqué that acknowledged in principle the need to go "out of area" to fight terrorism and proliferation and to develop more mobile combat capabilities.

In order to carry out the full range of its missions, NATO decided to create a NATO Response Force (NRF) consisting of a technologically advanced, flexible, deployable, interoperable and sustainable force including land, sea and air elements ready to move quickly to wherever needed, as decided by the Council. NATO Heads of State also approved the Prague Capabilities Commitment (PCC) as part of the continuing Alliance effort to improve and develop new military capabilities for modern warfare in a high threat environment. In the view of the Committee, the NRF and PCC are vital components to NATO continuing to play a viable role in trans-

atlantic security. The Alliance also endorsed the agreed military concept for defense against terrorism, which is part of a package of measures to strengthen NATO's capabilities in this area. The Committee notes that the Prague summit helped to reconfirm U.S.-European ties.

In the view of the Committee, the transformation of NATO to meet new threats is at the center of its agenda. As U.S. Ambassador to NATO R. Nicholas Burns stated in his testimony before the Foreign Relations Committee on April 1, 2003:

> If NATO's past were centered in countering the Soviet threat to western Europe, its future must be devoted to meeting the greatest security challenge of this generation and that is the toxic mix of terrorism and weapons of mass destruction far from Europe's shores. NATO needs to pivot from an inward focus on Europe, which was necessary and appropriate during the Cold War, to an outward focus on the arc of countries where most of the threats are today, in the Middle East and Central Asia.

Ambassador Burns concluded that as NATO looks to the future, the United States and its allies have major challenges ahead. The Committee concurs with the six priorities for NATO as defined Ambassador Burns' testimony before the Foreign Relations Committee on April 8, 2003:

> First, we need to strengthen NATO's role in meeting threats outside of Europe, thus our wish that NAO play a larger role, as I have said, in Afghanistan and in Iraq post-conflict.
>
> Second, we need to complete the transformation of the military side of the alliance that we began at Prague—and Senator Voinovich was there with us at the Prague summit—a new command structure, NATO Response Force, asking the European allies to do more, to spend more and to spend more wisely to create a better and stronger military capability.
>
> Third, we will need to integrate these allies into the alliance if the Senate gives its advice and consent, and we need to keep our door open to future enlargement in the years ahead as other European countries seek membership and are capable of meeting the obligations.
>
> Fourth, Senator Lugar, you mentioned Russia. Russia, Ukraine, and the countries of Central Asia are on the front lines of the war against terrorism. We have new NATO relationships with them and we have to give them our full support.
>
> Fifth, Senator Biden mentioned the issue of NATO and the European Union. We have had some success. We now have a new NATO-EU arrangement which allowed the EU to take over yesterday NATO's peacekeeping mission in Macedonia, which is a step forward, and we would like to see the European Union continue to cooperate with us, use NATO resources, not to build their own on their own missions . . .
>
> Our sixth priority should be to maintain our commitments that we have got in Bosnia and in Kosovo. They are still

commitments we have to meet ant there is still a transition that has not been completed.

WAR ON TERRORISM

The Committee commends the ambitious agenda NATO heads of state set out at Prague, and in particular the recognition that the Alliance must adapt and respond to the very ripe threats of terrorism and weapons of mass destruction, as clearly stated by Deputy Assistant Secretary of Defense for NATO and Europe Ian Brzezinski on April 8, 2003. In reviewing the principles that serve as the foundation for the Administration's support for enlargement and more broadly the United States' relationship with Europe, Secretary Brzezinski stated that:

> The second principle is that the United States and Europe exist in the same global security environment. Before them lie the same opportunities, challenges, and dangers. Of the latter, none is more urgent and lethal than the nexus of weapons of mass destruction, terrorist organizations, and terrorist states. Cooperation with Europe is vital to the global endeavor under way to disrupt and destroy terrorist organizations, their leadership, their communications, and their sources of financial and material support.

The Committee commends the Alliance's decision on September 12, 2001, to invoke Article 5, the mutual defense clause of NATO's North Atlantic Treaty, in response to the terrorist attacks of September 11 on the United States. This action marked the first time that NATO has invoked Article 5. The war in Afghanistan, Operation Enduring Freedom, was not a NATO operation but did use some NATO assets and was under U.S. command. The peacekeeping mission in Afghanistan, called the International Security Assistance Force (ISAF), is also not a NATO operation but NATO member states are taking leading roles in the force, which is keeping the peace in Kabul. ISAF has a U.N. mandate, but U.S. Central Command has ultimate authority over operations. NATO will take over formal command of ISAF in the second half of 2003. The United States is not contributing troops to ISAF but is supplying lift and intelligence, despite appeals from some allies and the interim Afghan government both to provide forces and to expand ISAF beyond Kabul. The Committee recognizes that Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia have contributed to the war in Afghanistan and to ISAF.

Beginning in late 2002, the Alliance experienced sharp division over whether to use military force against Iraq should it fail to destroy stocks of weapons of mass destruction. In January 2003, Bush Administration officials applauded the decision of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia to sign a letter that endorsed the U.S. position on Iraq. The Administration at the same time criticized France, Germany and Belgium for blocking NATO efforts to provide preliminary allied assistance to Turkey, in the event of an attack by Iraq. The failure to achieve consensus in the North Atlantic Council over how and whether to aid Turkey in the event of an attack by Iraq exposed serious divisions in the Alliance. But the Alliance persevered and successfully

moved the vote on Turkey assistance to be taken in the Defense Planning Committee (DPC) at 18 (without France). The Committee commends the Alliance for working through this difficult period and supports NATO participation in post-war reconstruction Iraq. All seven of the candidate countries have indicated they would support NATO involvement in post-conflict Iraq.

VIII. Senate Action

On March 26, 2003, in Brussels, Belgium, U.S. Ambassador to NATO R. Nicholas Burns, on behalf of the United States, signed the Protocols to the North Atlantic Treaty of 1949 on Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia. The Protocols were transmitted to the Senate and referred to the Committee on Foreign Relations on April 10, 2003.

The Committee held two public hearings in 1999; one public hearing in 2000; one public hearing in 2001; one public hearing in 2002; and five public hearings in 2003. Both Administration and private sector witness appeared at these hearings.

April 21, 1999

NATO's 50th Anniversary Summit

Hon. Jon Kyl, U.S. Senator (R-AZ)
Hon. Marc Grossman, Assistant Secretary of State for European Affairs
Hon. Franklin D. Kramer, Assistant Secretary of Defense for International Security Affairs

October 6, 1999

The Conduct of the NATO Air Campaign in Yugoslavia

Hon. Zbigniew Brzezinski, Counselor, Center for Strategic and International Studies
Hon. William H. Taft, IV, Partner, Fried, Frank, Harris, Shriver & Jacobson
Dr. Eliot Cohen, Professor and Director of Strategic Studies, The School for Advanced International Studies, The Johns Hopkins University

March 9, 2000

NATO and the EU's European Security and Defense Policy

Hon. Marc Grossman, Assistant Secretary of State for European Affairs
Hon. Franklin D. Kramer, Assistant Secretary of Defense for International Security Affairs
Dr. Jeffrey Gedmin, Resident Scholar, American Enterprise Institute; and Executive Director, The New Atlantic Initiative
Dr. F. Stephen Larrabee, Senior Staff Member, the RAND Corporation
Hon. Robert E. Hunter, Senior Advisor, the RAND Corporation

February 27, 2001

State of the NATO Alliance

Gen. Wesley K. Clark, USA (Ret.), Former Supreme Allied Commander Europe (SACEUR)

Dr. Jeffrey Gedmin, Resident Scholar, American Enterprise Institute and Executive Director, New Atlantic Initiative
Dr. Ronald D. Asmus, Senior Fellow, European Studies, Council on Foreign Relations

May 1, 2002

The Future of NATO

Hon. Marc Grossman, Under Secretary of State for Political Affairs
Hon. Douglas J. Feith, Under Secretary of Defense for Policy
Gen. Wesley K. Clark, USA (Ret.), Former Supreme Allied Commander Europe (SACEUR)
Lt. Gen. William E. Odom, USA (Ret.), Former Director, National Security Agency

March 27, 2003

NATO Enlargement: Qualifications & Contributions (Part I)

Robert Bradtke, Deputy Assistant Secretary of State for Europe and Eurasian Affairs
Janet Bogue, Deputy Assistant Secretary of State for Europe and Eurasian Affairs
Heather Conley, Deputy Assistant Secretary of State for Europe and Eurasian Affairs
Ian Brzezinski, Deputy Assistant Secretary of Defense for Europe and NATO

April 1, 2003

NATO Enlargement

Hon. R. Nicholas Burns, U.S. Permanent Representative to NATO
Dr. Ronald Asmus, Senior Transatlantic Fellow German Marshall Fund
Mr. Bruce Jackson, President Project on Transitional Democracies

April 3, 2003

NATO Enlargement: Qualifications & Contributions (Part II)

Dr. F. Stephen Larrabee, Senior Staff Member, the RAND Corporation
Mr. Janusz Bugajski, Director, Eastern Europe Project, Center for Strategic & International Studies
Dr. Jeff Simon, Senior Fellow, National Defense University

April 8, 2003

NATO Enlargement: New Members, New Missions and The Future of NATO

Hon. Marc Grossman, Under Secretary of State for Political Affairs
Gen. Wesley K. Clark, USA (Ret.), Former Supreme Allied Commander Europe (SACEUR)
Mr. William Kristol, Editor, The Weekly Standard and Chairman, Project for the New American Century

April 29, 2003

The Enlarged NATO: Mending Fences and Moving Forward on Iraq

Hon. Colin Powell, Secretary of State

On October 24, 2001, Senator Jesse Helms introduced to the Committee the Freedom Consolidation Act (S. 1572), which reaffirms support for continued enlargement of the NATO; designates Slovakia for participation in PfP and states that it is eligible to receive certain security assistance under the NATO Participation Act of 1994; and authorizes specified amounts of security assistance for FY 2002 for Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia. (an identical bill, H.R. 3167, was introduced in the House on the same day and passed on November 6, 2001). The Committee reported out the legislation on December 12, 2001. Cosponsors included Senators Durbin, Lieberman, Lott, Lugar and McCain. Unfortunately, consideration and passage could not be completed until the following year. The Senate took up S. 1572 again on May 16, 2002, and passed it the next day by a vote of 85-6. President Bush signed the bill into Public Law 107–187 on June 10, 2002.

On November 15, 2001, Senator Richard Lugar, ranking member of the Foreign Relations Committee, co-chaired a study group with Dr. Ronald D. Asmus, Senior Fellow at the Council on Foreign Relations, to provide a focal point for addressing NATO issues that cut across Senate committee and Administration jurisdictions to help bridge the gap between Capitol Hill and the White House. The study group enjoyed the participation of Senator Biden, Chairman of the Foreign Relations Committee; Senator Levin, Chairman of the Armed Services Committee; Senator Warner, Ranking Member of the Armed Services Committee; and Senator Graham, Chairman of the Intelligence Committees, and Administration officials from the State and Defense Departments, as well as the National Security Council, and former Administration officials. The group met six times: October 20, 2001, November 15, 2001, April 10, 2001, September 10, 2001, December 10, 2001 and March 7, 2003.

Other than Foreign Relations Committee action, the Senate Armed Services Committee since 1999 has held several hearings on NATO enlargement.

At a markup on April 30, 2003, the Committee considered a Resolution of Ratification including 9 declarations and 3 conditions. The Resolution was agreed to by a unanimous roll call vote of 19-0 by all members of the Committee.

The conditions and declarations and the rationale for approving them are as follows:

Declaration 1: Reaffirmation that Membership in NATO Remains a Vital National Security Interest of the United States.

Declaration 1 reiterates that NATO membership is a vital national security interest for the United States. For more than fifty years, NATO has served as the preeminent organization to defend the territory of the countries in the North Atlantic area against all external threats. NATO prevailed in the task of ensuring the survival of democratic governments throughout the Cold War, NATO succeeded in maintaining the peace in disputes among NATO members, and NATO has established a process of cooperative planning that enhances the security of the United States and its allies while distributing the financial burden of defending the democracies of Europe and North America among the Allies.

Declaration 2: Strategic Rationale for NATO Enlargement

Declaration 2 lays out the strategic rationale for the inclusion of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia in NATO. NATO members have determined that, consistent with Article 10 of the North Atlantic Treaty, Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia are in a position to further the principles of the North Atlantic Treaty and to contribute to the security of the North Atlantic area. This step has been taken with the acknowledgment that, notwithstanding the collapse of communism in most of Europe, NATO allies continue to face threats to their stability and territorial integrity. These threats stem from the possibility of the emergence of a hegemonic power in or around Europe, resumed conflict caused by ethnic and religious enmity, or the proliferation of weapons of mass destruction and increased terrorist activity in or around Europe. Extending NATO membership to Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia will strengthen NATO by extending the zone of security cooperation, serve as a deterrent to potential aggressors, and advance the interests of the United States and its NATO allies.

Declaration 3: Full Membership for New NATO Members

Declaration 3 emphasizes that, upon completion of the accession process, Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia will have all the rights, privileges, obligations, responsibilities, and protections that are afforded to all other NATO members. In particular, the Committee would view unfavorably any legally binding requirement arising from the adaptation talks of the Treaty on Conventional Armed Forces in Europe (CFE) that would have the effect of constraining the ability of NATO to fulfill its Article 5 guarantee to new member states. This provision also endorses the political commitments made by NATO to the Russian Federation in the NATO-Russia Council, including pursuing cooperative anti-terrorism efforts, crisis management, non-proliferation, arms control and confidence-building measures, theatre missile defense, search and rescue at sea, military-to-military cooperation and defense reform, civil emergencies and new threats and challenges. This provision emphasizes that the NATO-Russia Council is not legally binding and cannot preclude any decisions made by the North Atlantic Council or NATO's Defense Planning Committee.

Declaration 4: The Importance of European Integration

Declaration 4 emphasizes the important role that other European institutions such as the Organization for Security and Cooperation in Europe, the European Union and the Council of Europe must play in advancing the political, economic, and social stability of Europe.

Declaration 5: Future Consideration of Candidates for Membership in NATO

Declaration 5 declares that Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia are the only countries in Europe that have been invited to join NATO, and that the consideration of future members in NATO provided for under Article 10 of the North Atlantic Treaty is subject to the requirement for the Senate's

advice and consent under Article II, Section 2, Clause 2 of the United States Constitution. Article 10 of the North Atlantic Treaty provides for an open door to the admission into NATO of other European countries that are in a position to further the principles of the Treaty and that can contribute to the security of the North Atlantic area. The United States will not support any subsequent invitation for admission to NATO if the prospective member cannot fulfill the obligations and responsibilities of NATO membership in a manner that serves the overall political and strategic interests of the United States. The Senate emphasizes that no state will be invited to become a member of NATO unless the Executive Branch fulfills the Constitutional requirement for seeking the advice of the Senate, a consensus decision to proceed is reached in NATO, and ratification is achieved according to the national procedures of each NATO member, including the consent to ratification by the Senate.

Declaration 6: Partnership for Peace

Declaration 6 expresses the Senate's support for the Partnership for Peace (PfP) between NATO members and the PfP countries, which complements NATO in maintaining and enhancing regional security. The Partnership also helps aspirant countries improve their military force capabilities and interoperability with NATO members.

Declaration 7: The NATO-Russia Council

Declaration 7 reiterates Russia's role under the NATO-Russia Council, as well as the firewalls between the deliberations of the North Atlantic Council and the NATO-Russia Council, to preserve the integrity of decision-making and the security of NATO. The Senate declares that the NATO-Russia Council provides an important forum for strengthening peace and security in the Euro-Atlantic area, and where appropriate, for consensus building, consultations, joint decisions, and joint actions.

The Senate states that any discussions will be for explanatory, not decision-making purposes, and that these discussions will not extend to a level of detail that could in any way compromise the security of NATO. Within the NATO-Russia Council, the members of NATO and Russia work as equal partners in areas of common interest. But it is the understanding of the Senate that no issue will be discussed in the NATO-Russia Council until after NATO has reached consensus on its position. The Senate explicitly states that under no circumstances will the Russian Federation have a veto over NATO policy or any role in NATO decision-making under the auspices of the NATO-Russia Council.

Declaration 8: Compensation for Victims of the Holocaust and of Communism

Declaration 8 declares that Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia have implemented mechanisms for the compensation for property confiscated during the Holocaust and the communist era, and have expressed their openness and willingness to active dialogue, including with the United States, and with non-governmental organizations, on coming to grips with the past.

Declaration 9: Treaty Interpretation

The Foreign Relations Committee has taken pains to maintain the constitutional role of the United States Senate in the treaty-making process. To that end, the resolution of ratification of the Intermediate Nuclear Forces (INF) Treaty, approved by the Senate on May 27, 1998, included an important condition (1) that has been cited by reference in every subsequent resolution of ratification of an arms control treaty:

(A) the United States shall interpret a treaty in accordance with the common understanding of the Treaty shared by the President and the Senate at the time the Senate gave its advice and consent to ratification;

(B) Such common understanding is based on:

(i) first, the text of the Treaty and the provisions of this resolution of ratification; and

(ii) second, the authoritative representations which were provided by the President and his representatives to the Senate and its Committees, in seeking Senate consent to ratification, insofar as such representations were directed to the meaning and legal effect of the text of the Treaty;

(C) the United States shall not agree to or adopt an interpretation different from that common understanding except pursuant to Senate advice and consent to a subsequent treaty or protocol, or the enactment of a statute; and

(D) if, subsequent to ratification of the Treaty, a question arises as to the interpretation of a provision of the Treaty on which no common understanding was reached in accordance with paragraph (B), that provision shall be interpreted in accordance with applicable United States law.

In 1997, a similarly important condition was added to the resolution of ratification of the Flank Document Agreement to the Conventional Forces in Europe (CFE) Treaty, which condition has also been cited by reference in subsequent resolutions of ratification for arms control treaties:

Nothing in condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1998, shall be construed as authorizing the President to obtain legislative approval for modifications or amendments to treaties through majority approval of both Houses.

Each of these conditions applies to all treaties. For this reason, the Senate has not needed to restate them as conditions in subsequent resolutions of ratification. Rather, it has cited them by reference in declarations of its intent, as Declaration (1) does, so as to remind subsequent administrations of the continuing obligations imposed by the Senate's treaty-making role under the United States Constitution.

Condition 1: Cost, Benefits, Burden sharing, and Military Implications of the Enlargement of NATO

Condition 1 requires the President to reaffirm understandings on the cost, benefits, and military implications of NATO enlargement. Prior to depositing the instrument of ratification, the President is required to certify to the Senate that the inclusion of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia in NATO will not increase the United States' overall percentage share of the

NATO common budget. Similarly, the President is required to certify that the United States is under no obligation to subsidize the national expenses necessary for Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia to meet those countries' NATO commitments, and that the membership of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia in NATO will not detract in any way from the ability of the United States to meet its military commitments outside the North Atlantic area. This provision does not prohibit voluntary assistance programs by the United States such as the ongoing Warsaw Initiative.

Condition 1 further directs the President to submit an annual report to the Senate during the three- year period following the entry into force of the protocols. The report is to include detailed information on the annual defense budgets of all NATO members, their contributions to the common budget and cost-sharing arrangements of NATO, and an itemization of costs incurred by the United States in support of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia membership in NATO.

Condition 2: Reports on Intelligence Matters

Condition 2 requires the President to submit a report to the Congressional intelligence committees on the progress of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia for the protection of intelligence sources and methods.

Condition 3: Accounting of Captured and Missing U.S. Personnel

Condition 3 requires the President to certify to Congress that each of the governments of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia is fully cooperating with United States efforts to obtain the fullest possible accounting of captured and missing U.S. personnel from past military conflicts or Cold War incidents.

IX. Resolution of Ratification

Resolved (two-thirds of the Senators present concurring therein),

SECTION 1. SENATE ADVICE AND CONSENT SUBJECT TO DECLARATIONS AND CONDITIONS.

The Senate advises and consents to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia (as defined in section 4(6)), which were opened for signature at Brussels on March 26, 2003, and signed on behalf of the United States of America and other parties to the North Atlantic Treaty, subject to the declarations of section 2 and the conditions of section 3.

SEC. 2. DECLARATIONS.

The advice and consent of the Senate to ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia is subject to the following declarations:

(1) Reaffirmation that United States membership in NATO remains a vital national security interest of the United States.—The Senate declares that—

(A) for more than 50 years the North Atlantic Treaty Organization (NATO) has served as the preeminent organization to defend the countries in the North Atlantic area against all external threats;

(B) through common action, the established democracies of North America and Europe that were joined in NATO persevered and prevailed in the task of ensuring the survival of democratic government in Europe and North America throughout the Cold War;

(C) NATO enhances the security of the United States by embedding European states in a process of cooperative security planning, by preventing the destabilizing re-nationalization of European military policies, and by ensuring an ongoing and direct leadership role for the United States in European security affairs;

(D) the responsibility and financial burden of defending the democracies of Europe and North America can be more equitably shared through an alliance in which specific obligations and force goals are met by its members;

(E) the security and prosperity of the United States is enhanced by NATO's collective defense against aggression that may threaten the security of NATO members;

(F) with the advice and consent of the United States Senate, Hungary, Poland, and the Czech Republic became members of NATO on March 12, 1999;

(G) on May 17, 2002, the Senate adopted the Freedom Consolidation Act of 2001 (S. 1572 of the 107th Congress), and President George W. Bush signed that bill into law on June 10, 2002, which "reaffirms support for continued enlargement of the North Atlantic Treaty Organization (NATO) Alliance; designates Slovakia for participation in the Partnership for Peace and eligible to receive certain security assistance under the NATO Participation Act of 1994; [and] authorizes specified amounts of security assistance for [fiscal year] 2002 for Estonia, Latvia, Lithuania, Slovakia, Slovenia, Bulgaria and Romania"; and

(H) United States membership in NATO remains a vital national security interest of the United States.

(2) STRATEGIC RATIONALE FOR NATO ENLARGEMENT.—The Senate finds that—

(A) notwithstanding the collapse of communism in most of Europe and the dissolution of the Soviet Union, the United States and its NATO allies face threats to their stability and territorial integrity;

(B) an attack against Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, or Slovenia, or their destabilization arising from external subversion, would threaten the stability of Europe and jeopardize vital United States national security interests;

(C) Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia, having established democratic governments and having demonstrated a willingness to meet all requirements of membership, including those necessary to contribute to the defense of all NATO members, are in a position to further the principles of the North Atlantic

Treaty and to contribute to the security of the North Atlantic area; and

(D) extending NATO membership to Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia will strengthen NATO, enhance security and stability in Central Europe, deter potential aggressors, and advance the interests of the United States and its NATO allies.

(3) FULL MEMBERSHIP FOR NEW NATO MEMBERS.—The Senate understands that Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia, in becoming NATO members, will have all the rights, obligations, responsibilities, and protections that are afforded to all other NATO members.

(4) THE IMPORTANCE OF EUROPEAN INTEGRATION.—

(A) SENSE OF THE SENATE.—It is the sense of the Senate that—

(i) the central purpose of NATO is to provide for the collective defense of its members;

(ii) the Organization for Security and Cooperation in Europe is an institution for the promotion of democracy, the rule of law, crisis prevention, and post-conflict rehabilitation and, as such, is an essential forum for the discussion and resolution of political disputes among European members, Canada, and the United States; and

(iii) the European Union is an essential organization for the economic, political, and social integration of all qualified European countries into an undivided Europe.

(B) POLICY OF THE UNITED STATES.—The policy of the United States is—

(i) to utilize fully the institutions of the Organization for Security and Cooperation in Europe to reach political solutions for disputes in Europe; and

(ii) to encourage actively the efforts of the European Union to continue to expand its membership, which will help to strengthen the democracies of Central and Eastern Europe.

(5) FUTURE CONSIDERATION OF CANDIDATES FOR MEMBERSHIP IN NATO.—

(A) SENATE FINDINGS.—The Senate finds that—

(i) Article 10 of the North Atlantic Treaty provides that NATO members by unanimous agreement may invite the accession to the North Atlantic Treaty of any other European state in a position to further the principles of the North Atlantic Treaty and to contribute to the security of the North Atlantic area;

(ii) in its Prague Summit Declaration of November 21, 2002, NATO stated that the Alliance—

(I)(aa) will keep its door open "to European democracies willing and able to assume the responsibilities and obligations of membership, in accordance with Article 10 of the Washington Treaty";

(bb) will keep under review through the Membership Action Plan (MAP) the progress of those democracies, including Albania, Croatia, and the

Former Yugoslav Republic of Macedonia, that seek NATO membership, and continue to use the MAP as the vehicle to measure progress in future rounds of NATO enlargement;

(cc) will consider the MAP as a means for those nations that seek NATO membership to develop military capabilities to enable such nations to undertake operations ranging from peacekeeping to high-intensity conflict, and help aspirant countries achieve political reform that includes strengthened democratic structures and progress in curbing corruption;

(dd) concurs that Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have successfully used the MAP to address issues important to NATO membership; and

(ee) maintains that the nations invited to join NATO at the Prague Summit "will not be the last";

(II)(aa) in response to the terrorist attacks on September 11, 2001, and its subsequent decision to invoke Article 5 of the Washington Treaty, will implement the approved "comprehensive package of measures, based on NATO's Strategic Concept, to strengthen our ability to meet the challenges to the security of our forces, populations and territory, from wherever they may come"; and

(bb) recognizes that the governments of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have successfully used the MAP to address important issues and have showed solidarity with the United States after the terrorist attacks on September 11, 2001;

(III) will create "...a NATO Response Force (NRF) consisting of a technologically advanced, flexible, deployable, interoperable, and sustainable force including land, sea, and air elements ready to move quickly to wherever needed, as decided by the Council";

(IV) will streamline its "military command arrangements" for "a leaner, more efficient, effective, and deployable command structure, with a view to meeting the operational requirements for the full range of Alliance missions";

(V) will "approve the Prague Capabilities Commitment (PCC) as part of the continuing Alliance effort to improve and develop new military capabilities for modern warfare in a high threat environment"; and

(VI) will "examine options for addressing the increasing missile threat to Alliance territory, forces and populations centres" and tackle the threat of weapons of mass destruction (WMD) by enhancing the role of the WMD Centre within the International Staff;

(iii) as stated in the Prague Summit Declaration, Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have "demonstrated their commitment to the basic principles and values set out in the Washington Treaty, the ability to contribute to the Alliance's full range of missions including collective defence, and a firm commitment to contribute to stability and security, especially in regions of crisis and conflict";

(iv) Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have been acting as de facto NATO allies through their contributions and participation in peacekeeping operations in the Balkans, Operation Enduring Freedom, and the International Security Assistance Force (ISAF);

(v) Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia, together with Albania, Croatia, and the Former Yugoslav Republic of Macedonia, issued joint statements on November 21, 2002, and February 5, 2003, expressing their support for the international community's efforts to disarm Iraq; and

(vi) the United States will not support the accession to the North Atlantic Treaty of, or the invitation to begin accession talks with, any European state (other than Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia), unless—

(I) the President consults with the Senate consistent with Article II, section 2, clause 2 of the Constitution of the United States (relating to the advice and consent of the Senate to the making of treaties); and

(II) the prospective NATO member can fulfill the obligations and responsibilities of membership, and the inclusion of such state in NATO would serve the overall political and strategic interests of NATO and the United States.

(B) REQUIREMENT FOR CONSENSUS AND RATIFICATION.—The Senate declares that no action or agreement other than a consensus decision by the full membership of NATO, approved by the national procedures of each NATO member, including, in the case of the United States, the requirements of Article II, section 2, clause 2 of the Constitution of the United States (relating to the advice and consent of the Senate to the making of treaties), will constitute a commitment to collective defense and consultations pursuant to Articles 4 and 5 of the North Atlantic Treaty.

(6) PARTNERSHIP FOR PEACE.—The Senate declares that—

(A)(i) the Partnership for Peace between NATO members and the Partnership for Peace countries is an important and enduring complement to NATO in maintaining and enhancing regional security; and

(ii) the Partnership for Peace has greatly enhanced security and stability throughout the Euro-Atlantic area, with Partnership for Peace countries, especially countries that

seek NATO membership, and has encouraged them to strengthen political dialogue with NATO allies and to undertake all efforts to work with NATO allies, as appropriate, in the planning, conduct, and oversight of those activities and projects in which they participate and to which they contribute, including combating terrorism;

(B) the Partnership for Peace serves a critical role in promoting common objectives of NATO members and the Partnership for Peace countries, including—

(i) increasing the transparency of national defense planning and budgeting processes;

(ii) ensuring democratic control of defense forces;

(iii) maintaining the capability and readiness of Partnership for Peace countries to contribute to operations of the United Nations and the Organization for Security and Cooperation in Europe;

(iv) developing cooperative military relations with NATO;

(v) enhancing the interoperability between forces of the Partnership for Peace countries and forces of NATO members; and

(vi) facilitating cooperation of NATO members with countries from Central Asia, the Caucasus, and eastern and southeastern Europe.

(7) THE NATO-RUSSIA COUNCIL.—The Senate declares that—

(A) it is in the interest of the United States for NATO to continue to develop a new and constructive relationship with the Russian Federation as the Russian Federation pursues democratization, market reforms, and peaceful relations with its neighbors; and

(B) the NATO-Russia Council, established by the Heads of State and Government of NATO and the Russian Federation on May 28, 2002, will—

(i) provide an important forum for strengthening peace and security in the Euro-Atlantic area, and where appropriate for consensus building, consultations, joint decisions, and joint actions;

(ii) permit the members of NATO and Russia to work as equal partners in areas of common interest;

(iii) participate in joint decisions and joint actions only after NATO members have consulted, in advance, among themselves about what degree any issue should be subject to the NATO-Russia Council;

(iv) not provide the Russian Federation with a voice or veto in NATO's decisions or freedom of action through the North Atlantic Council, the Defense Planning Committee, or the Nuclear Planning Committee; and

(v) not provide the Russian Federation with a veto over NATO policy.

(8) COMPENSATION FOR VICTIMS OF THE HOLOCAUST AND OF COMMUNISM.—The Senate finds that—

(A) individuals and communal entities whose property was seized during the Holocaust or the communist period should receive appropriate compensations;

(B) Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have put in place publicly declared mechanisms for compensation for property confiscated during the Holocaust and the communist era, including the passage of statutes, and for the opening of archives and public reckoning with the past;

(C) Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have each adjudicated and resolved numerous specific claims for compensation for property confiscated during the Holocaust or the communist era over the past several years;

(D) Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have each established active historical commissions or other bodies to study and report on their government's and society's role in the Holocaust or the communist era; and

(E) the governments of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia have made clear their openness to active dialogue with other governments, including the United States Government, and with nongovernmental organizations, on coming to grips with the past.

(9) TREATY INTERPRETATION.—The Senate reaffirms condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe (CFE) of November 19, 1990 (adopted at Vienna on May 31, 1996), approved by the Senate on May 14, 1997, relating to condition (1) of the resolution of ratification of the Intermediate-Range Nuclear Forces (INF) Treaty approved by the Senate on May 27, 1988.

SEC. 3. CONDITIONS.

The advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia is subject to the following conditions, which shall be binding upon the President:

(1) COSTS, BENEFITS, BURDEN-SHARING, AND MILITARY IMPLICATIONS OF THE ENLARGEMENT OF NATO.—

(A) PRESIDENTIAL CERTIFICATION.—Prior to the deposit of the United States instrument of ratification, the President shall certify to the Senate that—

(i) the inclusion of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia in NATO will not have the effect of increasing the overall percentage share of the United States in the common budgets of NATO; and

(ii) the inclusion of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia in NATO does not detract from the ability of the United States to meet or to fund its military requirements outside the North Atlantic area.

(B) ANNUAL REPORTS.—Not later than April 1 of each year during the 3-year period following the date of entry into force of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Estonia, Latvia, Lith-

uania, Romania, Slovakia, and Slovenia, the President shall submit to the appropriate congressional committees a report, which may be submitted in an unclassified and classified form, and which shall contain the following information:

(i) The amount contributed to the common budgets of NATO by each NATO member during the preceding calendar year.

(ii) The proportional share assigned to, and paid by, each NATO member under NATO's cost-sharing arrangements.

(iii) The national defense budget of each NATO member, the steps taken by each NATO member to meet NATO force goals, and the adequacy of the national defense budget of each NATO member in meeting common defense and security obligations.

(C) REPORTS ON FUTURE ENLARGEMENT OF NATO.—

(i) REPORTS PRIOR TO COMMENCEMENT OF ACCESSION TALKS.— Prior to any decision by the North Atlantic Council to invite any country (other than Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia) to begin accession talks with NATO, the President shall submit to the appropriate congressional committees a detailed report regarding each country being actively considered for NATO membership, including—

(I) an evaluation of how that country will further the principles of the North Atlantic Treaty and contribute to the security of the North Atlantic area;

(II) an evaluation of the eligibility of that country for membership based on the principles and criteria identified by NATO and the United States, including the military readiness of that country;

(III) an explanation of how an invitation to that country would affect the national security interests of the United States;

(IV) a United States Government analysis of the common-funded military requirements and costs associated with integrating that country into NATO, and an analysis of the shares of those costs to be borne by NATO members, including the United States; and

(V) a preliminary analysis of the implications for the United States defense budget and other United States budgets of integrating that country into NATO.

(ii) UPDATED REPORTS PRIOR TO SIGNING PROTOCOLS OF ACCESSION.—Prior to the signing of any protocol to the North Atlantic Treaty on the accession of any country, the President shall submit to the appropriate congressional committees a report, in classified and unclassified forms—

(I) updating the information contained in the report required under clause (i) with respect to that country; and

(II) including an analysis of that country's ability to meet the full range of the financial burdens of NATO membership, and the likely impact upon the military effectiveness of NATO of the country invited for accession talks, if the country were to be admitted to NATO.

(D) REVIEW AND REPORTS BY THE GENERAL ACCOUNTING OFFICE.— The Comptroller General of the United States shall conduct a review and assessment of the evaluations and analyses contained in all reports submitted under subparagraph (C) and, not later than 90 days after the date of submission of any report under subparagraph (C)(ii), shall submit a report to the appropriate congressional committees setting forth the assessment resulting from that review.

(2) REPORTS ON INTELLIGENCE MATTERS.—

(A) PROGRESS REPORT.—Not later than January 1, 2004, the President shall submit a report to the congressional intelligence committees on the progress of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia in satisfying the security sector and security vetting requirements for membership in NATO.

(B) REPORTS REGARDING PROTECTION OF INTELLIGENCE SOURCES AND METHODS.—Not later than January 1, 2004, and again not later than the date that is 90 days after the date of accession to the North Atlantic Treaty by Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia, the Director of Central Intelligence shall submit a detailed report to the congressional intelligence committees—

(i) identifying the latest procedures and requirements established by Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia for the protection of intelligence sources and methods; and

(ii) including an assessment of how the overall procedures and requirements of such countries for the protection of intelligence sources and methods compare with the procedures and requirements of other NATO members for the protection of intelligence sources and methods.

(C) DEFINITIONS.—In this paragraph:

(i) CONGRESSIONAL INTELLIGENCE COMMITTEES.—The term "congressional intelligence committees" means the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.

(ii) DATE OF ACCESSION TO THE NORTH ATLANTIC TREATY BY BULGARIA, ESTONIA, LATVIA, LITHUANIA, ROMANIA, SLOVAKIA, AND SLOVENIA.—The term "date of accession to the North Atlantic Treaty by Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia" means the latest of the following dates:

(I) The date on which Bulgaria accedes to the North Atlantic Treaty.

(II) The date on which Estonia accedes to the North Atlantic Treaty.

(III) The date on which Latvia accedes to the North Atlantic Treaty.

(IV) The date on which Lithuania accedes to the North Atlantic Treaty.

(V) The date on which Romania accedes to the North Atlantic Treaty.

(VI) The date on which Slovakia accedes to the North Atlantic Treaty.

(VII) The date on which Slovenia accedes to the North Atlantic Treaty.

(3) REQUIREMENT OF FULL COOPERATION WITH UNITED STATES EFFORTS TO OBTAIN THE FULLEST POSSIBLE ACCOUNTING OF CAPTURED AND MISSING UNITED STATES PERSONNEL FROM PAST MILITARY CONFLICTS OR COLD WAR INCIDENTS.—Prior to the deposit of the United States instrument of ratification, the President shall certify to Congress that each of the governments of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia are fully cooperating with United States efforts to obtain the fullest possible accounting of captured or missing United States personnel from past military conflicts or Cold War incidents, to include—

(A) facilitating full access to relevant archival material; and

(B) identifying individuals who may possess knowledge relative to captured or missing United States personnel, and encouraging such individuals to speak with United States Government officials.

SEC. 4. DEFINITIONS.

In this resolution:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on Foreign Relations, the Committee on Armed Services, and the Committee on Appropriations of the Senate and the Committee on International Relations, the Committee on Armed Services, and the Committee on Appropriations of the House of Representatives.

(2) NATO.—The term "NATO" means the North Atlantic Treaty Organization.

(3) NATO MEMBERS.—The term "NATO members" means all countries that are parties to the North Atlantic Treaty.

(4) NORTH ATLANTIC AREA.—The term "North Atlantic area" means the area covered by Article 6 of the North Atlantic Treaty, as applied by the North Atlantic Council.

(5) NORTH ATLANTIC TREATY.—The term "North Atlantic Treaty" means the North Atlantic Treaty, signed at Washington on April 4, 1949 (63 Stat. 2241; TIAS 1964), as amended.

(6) PROTOCOLS TO THE NORTH ATLANTIC TREATY OF 1949 ON THE ACCESSION OF BULGARIA, ESTONIA, LATVIA, LITHUANIA, ROMANIA, SLOVAKIA, AND SLOVENIA.—The term "Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Es-

tonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia" refers to the following protocols transmitted by the President to the Senate on April 10, 2003 (Treaty Document No. 108–4):

(A) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Bulgaria, signed at Brussels on March 26, 2003.

(B) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Estonia, signed at Brussels on March 26, 2003.

(C) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Latvia, signed at Brussels on March 26, 2003.

(D) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Lithuania, signed at Brussels on March 26, 2003.

(E) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Romania, signed at Brussels on March 26, 2003.

(F) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Slovakia, signed at Brussels on March 26, 2003.

(G) The Protocol to the North Atlantic Treaty on the Accession of the Republic of Slovenia, signed at Brussels on March 26, 2003.

(7) UNITED STATES INSTRUMENT OF RATIFICATION.—The term "United States instrument of ratification" means the instrument of ratification of the United States of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia.

(8) WASHINGTON TREATY.—The term "Washington Treaty" means the North Atlantic Treaty, signed at Washington on April 4, 1949 (63 Stat. 2241; TIAS 1964), as amended.

X. LETTER FROM SENATE ARMED SERVICES COMMITTEE

UNITED STATES SENATE,
ARMED SERVICES COMMITTEE,
April 30, 2003.

Honorable RICHARD G. LUGAR, *Chairman*
Honorable JOSEPH R. BIDEN, *Ranking Member*
Committee on Foreign Relations,
United States Senate,
Washington, DC.

DEAR SENATOR LUGAR AND SENATOR BIDEN:

Traditionally, the Senate Armed Services Committee has provided to the Senate Foreign Relations Committee its views on the military implications of national security treaties. We are writing to express our views concerning the military implications of the Protocols to the North Atlantic Treaty of 1949 on Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia.

While we support the enlargement of the North Atlantic Treaty Organization (NATO) to include Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia, we note that NATO is still in the process of defining its future role and mission in an inter-

national security environment which is very different from that which existed when NATO was founded in 1949. We are concerned about how NATO will evolve and continue to function as an effective military organization in the future, and what the effect will be of further enlargement as NATO continues to adapt to a changing security environment. Therefore, we would like to suggest some items for inclusion in the resolution of ratification regarding these Protocols to address our concerns.

The Senate Armed Services Committee has a long tradition of strong support for the NATO alliance, and has played an important role in the Senate's consideration of the North Atlantic Treaty and its subsequent amendments. In March and April 2003, the Armed Services Committee conducted two hearings on the future of NATO and on NATO enlargement. The Administration witnesses at these hearings have direct responsibility for national security issues and policies related to NATO and its proposed enlargement. These witnesses included Deputy Secretary of Defense Paul D. Wolfowitz; Vice Chairman of the Joint Chiefs of Staff, General Peter Pace, USMC; Supreme Allied Commander, Europe and Commander, U.S. European Command, General James L. Jones, Jr., USMC; Under Secretary of State for Political Affairs Marc I. Grossman; and Under Secretary of Defense for Policy Douglas J. Feith.

The witnesses at the Armed Services Committee hearings unanimously supported ratification of the Protocols to the North Atlantic Treaty of 1949 on Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia. According to Deputy Secretary Wolfowitz in testimony before the Committee on April 10, 2003, "As we look to the future of NATO, we might see its further enlargement in terms of two imperatives: moral and strategic. The moral imperative calls us to help new democracies, formerly subjected to the yoke of tyranny, consolidate and secure their own freedom and sovereignty. The strategic imperatives suggest that a united Europe of common values will help avoid the major wars as experienced in the 20th Century. A united Europe will be a better partner to the United States in dealing with world affairs. A united Europe will provide a context of security that will encourage reform in Ukraine and Russia. A Europe so united is revitalized by nations who've recently thrown off the yoke of authoritarianism by their fresh commitment to freedom and democracy through NATO's responsibilities. And further enlargement of NATO remains based on sound reform of any aspiring nation—including military reforms of national strategy, secure communications systems, upgrading airfields and ports to NATO standards, improved training, logistical support, personnel, and military spending at a minimum level of 2% of gross domestic product."

While recognizing the moral and strategic imperatives stated by Secretary Wolfowitz, we note that NATO remains, first and foremost, a military alliance—the most successful military alliance in history. NATO's enlargement by seven additional nations—the largest enlargement in Alliance history—could have dramatic implications for NATO's ability to function as an effective military organization.

Today, the threats to NATO member nations do not come from NATO's periphery. There is no Soviet Union or Warsaw Pact. The threats—such as terrorism and the proliferation of weapons of

mass destruction—are transnational in nature, and they emanate from regions outside of Europe. This was recognized in the Strategic Concept adopted at the 50th Anniversary Summit held in Washington in 1999. The Strategic Concept envisioned "out of area" operations for NATO and specifically noted the emergence of non-traditional threats, including terrorism and the proliferation of weapons of mass destruction.

To remain a viable military alliance, NATO must remain relevant to these current threats. More than a decade after the fall of the Berlin Wall, NATO remains an organization in transition. NATO faces political and technical challenges as it seeks to define its role for the future and simultaneously expand its membership.

Although NATO faces very different threats today than it did in the past, we are mindful that the admission of seven additional nations into NATO would mean that the United States has made the commitment to treat an armed attack on any one of these seven as an attack on the United States—as called for by Article 5 of the NATO Treaty. This is a solemn commitment that we must not undertake lightly.

At the Armed Services Committee hearings, Committee Members examined a number of key questions. First, will these seven nations enhance the military effectiveness of the alliance? How would their entry into NATO affect the growing "capabilities gap" between the United States and many of the other NATO members that NATO has been facing for years? Second, should NATO consider changing its operating procedures so that it is not, in all cases, bound to act by consensus? Third, does NATO need a process for suspending the membership of a nation that is no longer committed to upholding NATO's basic principles and values?

The witnesses who appeared before our Committee testified to the efforts NATO is making to address the continuing problem of a capabilities and technology gap between the United States and many alliance members. The witnesses pointed to the decisions taken by NATO's leaders at the Prague Summit in November, 2002, to launch the Prague Capabilities Commitment and to create a NATO Response Force. Through the Prague Capabilities Commitment, NATO members agreed to spend smarter, pool their resources and pursue "niche" specializations. For example, Germany is leading a 10-nation consortium to acquire more airlift. The Netherlands is taking the lead on acquiring precision-guided missiles and smart bombs.

The NATO Response Force is intended to enhance NATO's ability to undertake out-of-area military operations with capabilities relevant to today's threats. The Response Force is envisioned to be a highly-ready force of approximately 25,000 troops with land, sea and air capability, deployable on short notice and able to carry out missions anywhere in the world. General James Jones, USMC, stated in testimony before the Committee on April 10, 2003, "I believe that it is quite possible that within a very short period of time that the NATO Response Force will become a transformational capability that will finally take the Cold War force that NATO is and has been, composed of 2.3 million people under arms with a vast array of legacy systems that are in dire need of transformation and modernization, to become a more capable force that will be more useful to respond to the array of asymmetric threats that not only

face the United States, but face all freedom-loving people who comprise the alliance." We share the view of our witnesses that NATO members must fulfill their commitments with respect to the Prague Capabilities Commitment and the NATO Response Force.

Regarding the military capabilities of the prospective new members, we note the testimony of our witnesses that each prospective member is engaged in a process of military reform, upgrading its secure communication systems and facilities to NATO standards, improving training, logistical support, and personnel capabilities, and establishing military spending at a minimum level of 2 percent of gross domestic product. In addition, prospective members, similar to some current members, are being encouraged to focus on specific "niche" capabilities where they can achieve a high level of expertise and procure high quality equipment to make a substantial contribution to NATO's military capabilities overall. Some invitees already possess specialized capabilities that have served the alliance in the Balkan operations and in the global war on terrorism, including: special forces; nuclear, biological, and chemical defense; mountain fighting; and demining. Each of the seven invitees has provided direct military support for the global war on terrorism, acting as *de facto* allies by contributing transit and basing privileges, military and police forces, medical units, transport support to U.S. and coalition efforts, and/or overflight rights. Many of the invitees have participated in the International Security Assistance Force (ISAF) in Afghanistan, and contributed actively to NATO efforts to stabilize the Balkans.

Two other issues that dominated the Committee's recent hearings on NATO were the so-called "consensus rule" by which NATO operates, and the question of whether NATO needs a process for suspending the membership of a nation that is no longer committed to upholding NATO's basic principles. With respect to the consensus rule, the recent divisive debate over planning for the defense of Turkey in the event of war with Iraq demonstrated that achieving consensus in NATO has become more difficult. Agreement was reached only by moving the discussion out of NATO's political body (the North Atlantic Council, or NAC) and into its Defense Planning Committee (DPC), in which France does not participate. Another example of this problem occurred with respect to NATO operations in Kosovo, when "command by committee" hampered NATO's military leaders' ability to wage the most effective, rapidly responsive military campaign. Target lists, weapons used, and forces deployed were all subject to prior approval by all NATO governments. This slowed decision-making and constrained operations. Such difficulties in reaching consensus are occurring in part because respective NATO members have different views about today's threats and how best to respond to them. Achieving consensus is likely to become even more complex as NATO enlarges its membership. This consensus rule must be reexamined to ensure that NATO will remain an effective military organization.

Regarding the issue of a suspension mechanism, some Committee members are concerned about the lack of a mechanism to suspend a NATO member if a member no longer complies with the fundamental tenets of NATO—democracy, individual liberty and the rule of law. This issued was examined at the Committee's recent NATO hearings.

We have received a letter from Under Secretary of State Marc Grossman dated April 21, 2003, indicating that, as a result of the questions raised at our Committee's hearings, U.S. Ambassador to NATO Nicholas Burns raised the matters of the consensus rule and an expulsion mechanism with our NATO allies and NATO Secretary General Lord Robertson on April 8, 2003. Secretary Grossman's letter stated that there was no support from NATO members for amending the Treaty on either the consensus rule or the question of expulsion. In this letter, Secretary Grossman underscored his belief, shared by Ambassador Burns, that the consensus rule works more in the U.S. favor than against it, and that compromise and persuasion, and use of the Defense Planning Committee, remain effective tools to enable NATO action today. The letter also asserted that NATO has ways other than expulsion to deal effectively with allies that "go bad," for instance by isolating them or excluding them from sensitive NATO discussions. The matters were raised only informally so far and given the tremendous interest and lingering concerns about these two subjects expressed by virtually all of our Committee's members, we recommend the inclusion of the following conditions, which would require two reports, in the resolution of ratification for these Protocols:

Begin text of proposed conditions:

The advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia is subject to the following conditions, which shall be binding upon the President:

(1) REPORT: Appropriate officials of the executive branch of government shall place on the agenda of the North Atlantic Council the issue of the consensus rule; and

Not later than 180 days after the date of adoption of this resolution, the President shall submit to the President of the Senate and the Speaker of the House of Representatives a report that: (1) describes the steps the United States has taken to place the issue described above on the agenda of the North Atlantic Council; (2) describes the views of the President as communicated by his representatives at the North Atlantic Council on this issue; and (3) characterizes the discussion of this issue in the North Atlantic Council, including any decisions taken to modify the consensus rule, or consider this issue further. The report shall also address methods of streamlining NATO's decision-making processes for conducting military campaigns.

(2) REPORT: Appropriate officials of the executive branch of government shall place on the agenda of the North Atlantic Council the issue of establishing a process for suspending the membership of a nation that is no longer upholding NATO principles; and

Not later than 180 days after the date of adoption of this resolution, the President shall submit to the President of the Senate and the Speaker of the House of Representatives a report that: (1) describes the steps the United States has taken to place the issue described above on the agenda of the North Atlantic Council; (2) describes the views of the President as communicated by his representatives at the North Atlantic Council

on this issue; and (3) characterizes the discussion of this issue in the North Atlantic Council, including any decisions taken to establish a process for suspending membership, or to consider this issue further.

End text of proposed conditions.

Finally, with respect to the anticipated costs to the United States associated with this proposed round of NATO enlargement, we note the Administration's estimate that, over ten years, U.S. NATO Security Investment Program (NSIP) costs will increase by $574 million, and U.S. NATO military budget costs will increase by $10 million. An estimate for the U.S. NATO civil budget costs is not currently available. The Committee has a long-standing concern about the costs of any proposed enlargement of NATO, and about how the military and financial burdens are shared among the NATO members. Condition 2 (B) of the April 30, 1998, resolution of ratification of the Protocols to the North Atlantic Treaty of 1949 on accession of Poland, Hungary and the Czech Republic, contains an annual reporting requirement pertaining to the costs, benefits, burdensharing and military implications of the enlargement of NATO. We recommend that a similar reporting requirement be included in the resolution of ratification for this proposed round of NATO enlargement.

Based on the hearings conducted by the Senate Armed Services Committee, and subsequent analysis, we believe the Protocols to the North Atlantic Treaty of 1949 on Accession of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia advance the national security interests of the United States and deserve the Senate's support. We ask your consideration of our recommendations as you draft the resolution of ratification for these Protocols, and ask that this letter be included in the official report of your Committee's consideration of these Protocols. We appreciate the opportunity to share our views with you.

Sincerely,

JOHN WARNER, *Chairman.*
CARL LEVIN, *Ranking Member.*

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