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20 APRIL 1989

ACN 88009

BURDENSARING AND MISSION SPECIALIZATION IN NATO



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Final Report

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NOTICES

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COMMENTS

Comments pertaining to this study are invited and should be forwarded to: Director, Strategic Studies Institute, U.S. Army War College, Carlisle Barracks, PA 17013-5050.

FOREWORD

The Strategic Studies Institute is constituted at the U.S. Army War College to provide objective analysis and innovative ideas that can contribute to Army strategy and plans for the future. This study was prepared to assist the Office of the Deputy Chief of Staff for Operations and Plans in addressing burdensharing issues which are emerging as a key politico-military aspect of the current and future strategic environment. The authors have provided independent views and strategic level perspectives on current burdensharing issues facing the Army leadership. The study does not reflect the official position of the U.S. Army War College, the Deputy Chief of Staff for Operations and Plans or the Department of the Army.

Members of the study team were Lieutenant Colonel David E. Shaver and Dr. Samuel J. Newland. Secretarial support was provided by Mrs. Janet C. Smith. The study benefited from valuable assistance from faculty of the U.S. Army War College, especially Colonel Jay C. Mumford, Colonel John J. Hickey, Jr., and Dr. Alan N. Sabrosky; and from the HQDA Staff, especially Colonel Ralph A. Hallenbeck, Chief, DAMO-SSC, and Lieutenant Colonel Robert E. Downes, DAMO-SSW.

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Karl W. Robinson

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Director, Strategic Studies Institute



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BIOGRAPHICAL SKETCHES OF THE AUTHORS

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DR. SAMUEL J. NEWLAND is a military historian who received his bachelor's degree in history from Evangel College, his master's degree in history from Pittsburg State University, and his PhD in Modern European History (with an emphasis in German history) from the University of Kansas. In the last 20 years he has published many articles, monographs, and books on German history, German-Soviet relations and U.S. military history. His most recent publications include Cossacks in the German Army, 1941-45, Perspectives on the Federal Republic of Germany: Past, Present, and Future, and The National Guard: State vs National Control. He has also had commissioned service as Commander of the 102d Military History Detachment, as an analyst at the Strategic Studies Institute, and continues to work with the Pennsylvania Army National Guard and the 128th Military History Detachment. Dr. Newland is currently serving as the Education Specialist, Department of Corresponding Studies, U.S. Army War College.

EXECUTIVE SUMMARY

1. Introduction. This study addresses conclusions and recommendations concerning allied burdensharing and mission specialization in NATO. In the opinion of the authors, no recommendation should be made which will increase risk of war. Credible, low-cost, low-tech alternatives are those which result in lower U.S. defense expenditure while balancing or lowering that risk.

2. Background.

a. Burdensharing is defined as a systemic, fiscal or in-kind contribution by NATO allies to a common defense establishment for protection from a mutually perceived threat. It is a cyclic issue, politically driven by the U.S. budget deficits.

b. Historical precedence for measuring the contributions of the NATO Alliance is the formation of the alliance itself, including the Brussels Pact of 1948; the 1952 Bonn Treaty, when the FRG agreed to pay certain U.S. stationing costs; and the 1955 interim troop support agreement, among others.

c. The crux of the burdensharing problem is that NATO does not have a clear set of standards among (presumably) equal allies on how defense burdens are measured; how costs are divided among member nations; and how contributions may be used in the cost equation.

d. Several current reports address the burdensharing issue, but no single document successfully resolves the issue. Included among these reports are:

(1) Report of the Defense Burdensharing Panel, by the U.S. House of Representatives, Armed Services Committee, which bases burdensharing on defense expenditure percentage of GDP and recommends that Japan and European nations are, in fact, global powers and should contribute accordingly.

(2) Fair Shares: Bearing the Burden of the Alliance, a Defense Budget Office report which finds that the defense burdens are too complex for measurement by a simplistic GDP percentage.

(3) Pooling Allied and American Resources to Produce a Credible Collective Conventional Deterrent, a report written privately by Thomas A. Callaghan, Jr., that calls for new ideas and development of an all new two-pillar treaty with Europe concerning the pooling of defense industrial bases in North America and in Europe, rather than at national market level, to achieve optimum interoperability and standardization.

(4) Report on Allied Contributions to the Common Defense, a Department of Defense standard encyclopedia of graphs and charts which attempts to argue that much of allied contributions cannot be quantified; that the allies contribute more than officially is recognized; but concludes that the alliance should contribute more.

3. Foundation. To lay an appropriate foundation for the reader, the authors developed a series of principles, assumptions, and facts for discussion departure. These include:

a. Principles.

- (1) NATO is a voluntary defensive compact of sovereign nations.
- (2) Force structure contributions should be equitable, based upon ability to pay.
- (3) NATO's posture should be based upon a common threat assessment.

b. Assumptions.

- (1) Each NATO member has and will continue to develop its own military force structure, designed to meet its individual perceived needs.
- (2) Most European members continue to regard defense responsibilities as regional, rather than global.
- (3) The United States will continue its perceived global role and will continue to seek global contributions from its allies.
- (4) The perception of a diminishing threat makes attainment of a burdensharing agreement improbable.
- (5) Each member will continue to hold markedly different definitions of burdensharing, according to its national interests.
- (6) With or without resolution of the burdensharing issue, there will be continued pressure for U.S. troop reductions in Europe.

c. Facts.

- (1) The United States currently spends 6.7 percent of its GDP on defense while Europeans spend 3 to 4 percent. However, the 1990-91 defense budget percentage of GDP may be reduced to less than 5 percent without specific actions by DOD.
- (2) The United States contributes \$160-170 billion annually to the alliance.
- (3) In general, European members commit more personnel resources to defense than the United States does.
- (4) The NATO allies supply a significant part of NATO's combat power: 90 percent of the land power, 75 percent of air power, and 50 percent of maritime power.
- (5) Europeans structure their forces with 50 to 75 percent vested in land power.

(6) The United States has invested more in capital intensive power projection forces (air and sea power) than the Europeans.

d. Initial Conclusions.

(1) U.S. burdensharing pressure really means that the United States wants to reduce NATO commitments through funding and/or force reductions.

(2) There is not, nor will there be, alliance consensus on a clear-cut, all-pervasive, zero-based, burdensharing formula.

4. Strategic Issues. In discussion of burdensharing and mission specialization issues, the authors addressed the strategic issues of conventional arms control, forward deployment, and the future strategic environment, as well as operational and tactical mission specialization alternatives to reduce U.S. defense expenditure, while balancing the risk.

a. Conventional Arms Control. Perhaps the most significant argument made in this area is that burdensharing responsibilities consensus must be in some manner achieved and linked to the Conventional Forces in Europe (CFE) talks, so that a NATO Force Reduction Plan can be established, with reduction priorities agreed upon, in advance of an actual agreement. If the difficult issue of burdensharing is not resolved, the question of how NATO will take the reductions will become paramount in an intense, internal alliance debate over apportioning reductions.

b. Forward Deployment. The authors provide rationale that, regardless of the driving force, e.g., congressional pressure for troop pullout, European environmental pressure to "push out," U.S. budget constraints to attrit the force, or by conventional arms control agreements, U.S. forces will be substantially reduced in Europe.

c. The Future Strategic Environment.

(1) The authors provide analysis concerning the future strategic environment to bound the alternatives for the next decade. Our future strategic environment may be thought of as the prioritization of the elements of national power and regions of the world.

(2) If the reader envisions that economic power will prevail, then the obvious choice of regional primacy is Asia. If the reader envisions an evolutionary status quo, then priority goes to national security forces, and the corresponding regional choice of Europe will remain. In either alternative, Economic-Asia or Military-Europe, there are options for decreasing U.S. defense expenditure.

(a) Economic-Asia. In short, this vision of the future presents a return to bilateral and multilateral agreements for an area defense in Asia which includes:

1. Establishment of areas of mission involvement by nation.

2. Determination of force capability to be employed.
3. Necessity for patrol of sea lanes, based upon threat.

4. Quantifiable cost-sharing.
5. Shift of capital intensive weaponry from the Atlantic to the Pacific.

6. Reduction or restructure of U.S. Forces, Korea (USFK) and U.S. Army, Japan (USARJ).

7. Purchase by Japan of naval patrolling capability for the less able area defenders.

(b) Military-Europe. This alternative vision requires little change, which most likely will be evolutionary in nature:

1. Gradual shift of risk, roles, and responsibilities to lower U.S. total contributions.

2. Recognition of regional permanence.

3. Continued improvement of NATO through Conventional Defense Enhancements and Conventional Defense Initiatives.

4. Improvement of NATO planning for out of area contingencies.

d. Operational and Tactical Issues. In presenting these issues and options to reduce U.S. defense expenditure, the authors depict three concepts--changing structure, trading structure, and integrating structure--to establish rationale for limited mission specialization within NATO.

(1) Changing Structure.

(a) Alternative defense restructuring plans may offer an economically feasible force structure.

(b) Sharing existing firepower among allies by trimming "have" nation heavy forces and increasing firepower in light forces of the "have not" nations seems logical.

(c) Adoption of an L⁴ profile restructuring methodology-- light forces, lethal weaponry, strategic lift, and leasing--allows "have not" nations an economically affordable payment schedule. A "flex-lease" program, which consists of a comparison of leasing and buying versus buying and stretching out the purchases, will dramatically increase "have not" nations' ability to modernize under conditions of restricted cash flow, as well as allow the United States to purchase more weaponry within existing budgetary constraints.

(2) Trading Structure.

(a) Our Total Army Analysis (TAA) process serves as a model for trading off support forces for combat forces.

(b) CINCUSAREUR historically has made good trade-offs in the force structure business. To date, this process has resulted in the addition of two artillery pieces to each battery, the mechanization of corps-level engineer units, and the creation of combat units from internal restructuring of combat support and combat service support units. This same process would be used in NATO.

(c) The establishment of a NATO level flexible mission trade council, based upon the USAREUR model, to "bless" trade-offs, relative to the risks involved, may be necessary.

(3) Integrating Structure.

(a) The establishment of NATO corps is only one step removed from NATO's current level of staff integration at Principal Subordinate Commands (PSCs).

(b) Integration of resultant structure by establishing NATO corps in place of national corps will help NATO to achieve its goals of rationalization, standardization, and interoperability.

5. A Framework. The traditional functions of man, equip, train, and sustain the force provides a framework for how to think realistically about the burdensharing issue by zero-basing land power commitments and improving existing NATO institutional plans and programs.

a. Man the Force. Determine the best example to measure commitment to alliance defense--the commitment of national youth. The United States is woefully lacking in its manning in relation to the European allies.

b. Equip the Force. Determine weapon system density by calculating the number of soldiers per weapon system. Here we find that U.S. force structure has the highest weapon system density in Europe. This was a conscious U.S. trade of force manning for increased weapon systems quantity--which Europeans, particularly in Portugal, Spain, and Turkey, can ill-afford to make.

c. Train the Force. Improve the current NATO unit readiness inspection program to forecast national budget requirements to achieve NATO training standards.

d. Sustain the Force. One-half of NATO's munition shortfall will be filled within NATO's current 5-year plan as a result of the Conventional Defense Improvements (CDI) agreement of National Foreign Ministers in 1985. The continuation of national munition "buy outs" under the CDI process is an excellent example of burdensharing at work.

6. Results and Risks. Recommendations which address U.S. defense expenditure reductions, while balancing the associated risks include:

a. Stabilizing U.S. defense real budget growth at slightly less than Gross Domestic Product (GDP) growth will cause a reduction of percent of GDP committed to defense as a law of mathematics. If the U.S. GDP grows 2 percent per year and defense real growth is stabilized at 1.5 percent, the defense budget percentage of GDP will cause a natural movement down to European defense expenditure levels.

b. Planning for U.S. reductions in CFE with 10 percent of NATO manpower reductions requirements and 50 percent of land weapon systems requirements may assist U.S. planners to determine the U.S. fair share of force reductions to be taken in the conventional arms control negotiations.

c. Ceasing the pressure on Japan for increased military expenditure may avoid an arms race in the Pacific.

d. Adopting Flex-lease as an acquisition system for the 1990's will allow the United States to procure modernization as planned, rather than reducing force structure, cancelling needed programs, or stretching out weapon system buys.

e. Setting realistic weapon system density goals for NATO will assist NATO to improve standardization and interoperability of forces.

CHAPTER 1

INTRODUCTION

**The burdensharing issue
needs to be reexamined**

1. Origin of Study. In late September of 1988, the Division Chief, War Plans Division, Office of the Director of Strategy, Plans, and Policy, ODCSOPS, DA, requested that the Strategic Studies Institute (SSI) develop fresh, new ideas on burdensharing and mission specialization in NATO. In response to that request and taking into consideration the conclusions of several recently published reports,¹ a study team was formed to provide creative, provocative ideas to contribute to the overall burdensharing debate and to the U.S. Army position.

2. Background.

**No effective solution to
the burdensharing issue
has yet been presented**

a. The burdensharing issue concerning NATO nations' contributions to the mutual defense is cyclic and has reappeared in the congressional arena with every U.S. budget crisis since NATO was formed in 1949. Since the early 1950's, the European allies, strengthened through the Marshall Plan, have continually increased their national defense expenditure and have expanded their contributions to the NATO Alliance. National defense growth has occurred over time, primarily relative to each nation's perceived defensive need, rather than alliance need, and has resulted in a lack of standardization and interoperability among national military force structures. Throughout NATO's history, there have been efforts to develop a multilaterally agreed upon formula for alliance member contributions; however, the efforts have resulted in a continuous debate on what contributions should be considered in finally reaching a financial equity of burdensharing. The current debate between the United States and its allies is a continual presentation of argumentative data, arrayed in charts, graphs, and tables, designed to prove or disprove national and/or alliance burdensharing positions. No effective solution to the burdensharing issue, which might lead to general consensus between the United States and Europe, has yet been presented.

b. Although the U.S. Army will not be expected to provide leadership within the U.S. Government concerning this issue, general defense expenditure and the strategic concepts of conventional arms control and forward deployment compel the Army to assess burdensharing options and to present its concerns to the Department of Defense.

3. Objective. This study is intended to address the burdensharing debate by identifying the issues, assessing them and proposing options, and recommending creative solutions to the overall policymaking process, particularly in mission specialization of NATO forces.

4. Scope. This study is primarily concerned with issues and problems of NATO burdensharing and mission specialization and their implications for the Army; however, discussion of burdensharing issues with Asian allies is included.

5. Limitations. This study has been prepared using only open, unclassified sources. Its framework has been designed for the reader who has knowledge of NATO's political and military architecture.

6. Methodology. The study team summarized the significant historical background; developed principles, assumptions, and facts pertinent to burdensharing; discussed and assessed the important strategic, operational and tactical issues; designed a framework for realistic burdensharing resolution; and integrated alternative solutions in each section of the study.

7. Assumptions. The study team presents its assumptions in Chapter 3.

8. Definitions. The terms "burdensharing" and "mission specialization" used throughout this study are consistent with NATO and U.S. usage in the current reports on these subjects.

CHAPTER 2

BACKGROUND

1. Introduction.

a. We are in the midst of a debate whose equitable resolution is crucial for the future of the alliance system which has allowed the free world to avoid a general world conflict for almost 40 years. This debate centers on the issue of burdensharing--a term used to measure or assess the resources allocated by members of key alliances to fund and support forward deployed forces in Asia and Europe. The simplicity of this definition fails to adequately convey to the reader the overall complexity of this issue. Since there has never been a comprehensive agreement negotiated on burdensharing, what resources can be credited to the balance sheet of each member of the alliance and what weight each should have, have never been determined.

Allies feel the issue will
fade away as it always
has in the past

b. In recent months burdensharing has been in the U.S. political spotlight but, in perspective, it is an old and cyclical issue. Since the 1960's, commentators and congressmen have questioned the amount of funds expended on the defense of Europe and Asia and have either called for overseas troop reductions or greater budgetary allocations from the allies. Our allies, particularly in Europe, are well conditioned to the reemergence of this issue and they traditionally supply infinite amounts of data indicating the burdens they currently bear, together with data indicating their budgetary and military support of the free world. The allies have been through this before and once the issue receives its normal airing, they imagine it will fade as it always has in the past.

c. Since the burdensharing issue (often coupled with the call to reduce overseas U.S. troop strength) historically has faded almost as quickly as it has emerged, should it now be of great concern to policymakers? The answer is yes.

Burdensharing won't
fade away this time

2. Drivers for Change. It may be that the current world environment is so different that this time the issue of burdensharing will simply not go away. We may be at a crossroads both in terms of required defense posture and defense expenditure, which will force us and our allies to pursue a satisfactory resolution of the burdensharing issue. The world in which NATO was forged has changed so noticeably, as has the relative position of the United States, that these changes must be addressed in new policies and practices for the defense of the free world. These drivers for change are significant for any discussion of burdensharing, and are discussed below.

60% of our defense
budget supports NATO

a. The Deficit. Domestically, the major drivers fueling the burdensharing debate are the U.S. budget deficit and percentage of the U.S. budget consumed for defense. A possible, and partial, solution is to cut the defense budget. The United States has roughly 540,000 troops stationed overseas, including 340,000 stationed in Western Europe. The troops in Europe (together with a total of 400,000 NATO soldiers from other countries)² are positioned to deter Soviet aggression aimed at one of the richest and most industrialized parts of Central Europe. Conversely, the environment in Europe has changed since the U.S. commitment to counter Soviet aggression on the war-ravaged European continent. As an example, the West Germans last year replaced the United States as the world's leading exporter.³ Yet, nearly 60 percent of the U.S. defense budget--some \$160-170 billion--is attributable to NATO costs.⁴ To some this means we are spending over 60 percent of our defense budget on a region that economically and politically should be able to defend itself. How better to reduce our budget deficit than by either making our allies pay more for defense or by forcing them to take a larger defense role by a planned and systematic reduction of U.S. troops?

Europeans feel the
threat has diminished

b. The Perception of the Threat. While recognizing that the public has for 8 years supported an almost unprecedented peacetime increase in defense spending, an unwritten but realistic rule exists: publics in Western democracies will not accept high defense budgets in a time of declining threat perception. Those in military circles can discuss ad naseum the continuance of a Soviet threat, that despite Gorbachev's rhetoric there has been no reduction of military expenditures in the Soviet Union, or that despite his initiatives the Soviet system and Marxist ideology remains largely the same. In the popular mind, however, he has reduced the threat of war. Suddenly glasnost has cast the Soviet Union as a freer and more open society and has made our enemy seem far less dangerous. Whether by intent or incident Gorbachev is systematically removing the strongest ally of the Western defense establishment, a powerful and menacing enemy. Consequently, the people living in Western democracies see a declining threat and will not accept continual increases in military appropriations. Arms control and Soviet unilateral reductions are currently playing a major role in determining U.S. and European perspective of the Soviet threat.

c. The Role of the United States.

The United States has a
finite amount of power
with global commitments

(1) From those in the policymaking arena who push for less defense spending, a larger share of the burden for our allies or a reduction of overseas troop strength, a key question is continually raised. Like the issue of burdensharing, it is not new. Phrased differently over the

last few decades it simply asks, must the United States serve as the world protector or what is the limit of U.S. power? This debate has its origins in the early cold war years when the United States, faced by a world Communist threat, determined that it was in its interests to contain the threat (largely sponsored by the Soviet Union) and created a series of alliances to do so. But after the disappointments of Vietnam, some began to ask whether we can actually serve as a protector of the world, not only containing the Communist threat but serving as the international conscience in the field of human rights.

**Germany and Japan
should be viewed as
both regional and
global powers**

(2) To further complicate this issue, the United States has embraced the concept that we are a world power with worldwide economic interests and must have military power to protect them, if need be. Now that we are fiscally constrained some are again questioning the limits of our power and are arguing for a reprioritization of our overseas goals. Others are noting that since the Germans and Japanese are world-class economic powers, they should cease limiting themselves as regional powers and begin to take a role in defense and politics worldwide. (Though in Japan's case it's constitution, written with specific U.S. guidance, restricts the ability of Japan to field offensive military forces).

(3) Recognizing that these drivers for change could affect U.S. defense posture in the 1990's, it is important to insure adequate understanding of burdensharing, its background and the current formulas for distributing the "burdens" of defense.

**Burdensharing is the
method for determining
contribution to the
NATO Alliance**

3. Burdensharing Philosophy and Origin. Burdensharing is a term that is not universally understood. For the purposes of this study it is defined as a method of determining and assessing the resources contributed by all NATO members to fund and support the costs of the NATO Alliance. Though the term is relatively new, the concept is quite old. Perhaps the best historical example is the establishment by the Greeks of the Delian League in the wake of Darius' invasion. This league was established to prevent a renewal of Persian aggression and consisted of the contribution by other city states of either funds or ships for the Athenian Navy.⁵ Or, during the Seven Years War, the British, heavily engaged in fighting France in the new world, provided substantial subsidies to Frederick of Prussia to fight France on the continent. To contribute to the war chest of another country to fight or guard against a mutually recognized enemy is a well-established practice.

4. Burdensharing--Basis for the Commitment. NATO burdensharing is perhaps difficult to understand because it has evolved over some 40 years and continues to evolve as do Soviet-American relations. Even before German rearmament

began in earnest in 1955, the Germans had agreed in principle to sharing the U.S. defense burden of countering the Soviet threat to Europe. The political basis for this U.S. commitment consisted of:

- a. U.S. concurrence with and support of the Brussels Pact in 1948.⁶
- b. A political commitment and a leadership role in Europe's defense through NATO in 1949.
- c. German agreement to assist the United States with the fiscal burden resulting from the U.S. commitment to Europe's defense, followed by
- e. The 1952 Bonn Treaty when the fledgling German Government agreed to pay the United States for certain costs resulting from deploying troops in Europe, and
- f. The 1955 interim troop support agreement that required direct German support for troop costs through 1957.⁷

5. Environmental Concerns. The current problems relating to the burdensharing debate can be best understood if these factors are considered:

- a. The current defense situation, as it relates to Europe and Asia is rapidly changing, in part due to the relative strength of the United States. The United States, the arsenal of democracy and economic and industrial giant of World War II, is being challenged by the economic and industrial strength of Europe and Japan.
- b. While still strongly supporting NATO and the presence of U.S. and other NATO troops, the Germans (in whose country the preponderance of NATO forces are stationed) are undergoing noticeable attitudinal changes regarding defense issues. They no longer believe in the imminence of the Soviet threat, increasingly value detente and closer relations with the East Bloc nations, and are very sensitive about the environment and the threat posed by both commercial and military interests.
- c. In this changing environment the United States has begun to press for a larger contribution by her NATO allies in sharing the defense burden. Conversely, the United States continues, as it has in the past, to negotiate burdensharing agreements with Germany and its other NATO allies. [REDACTED] In all likelihood, because our troop commitment to Europe was thought to be a temporary stopgap measure, we have never succeeded in developing a comprehensive agreement with our allies on how to define defense burdens, what items are negotiable, which

NATO agreed to a 3%
defense expenditure
growth in 1977

are nonnegotiable, or the limits of the NATO defensive agreement. The closest thing to a common agreement was not struck until 1977 when the NATO countries, including the United States, agreed to a goal of 3 percent annual real growth in defense spending.⁸ What is lacking is a clear set of standards among (presumably) equal allies on how burdens of defense are measured; how costs are to be divided among the member nations; and what items need to be included in the cost equation.

6. The Call for Change.

a. Since neither the United States nor our allies have been willing to systematically negotiate burdensharing standards which could be acceptable for all parties, no consensus has emerged. Some highlights of the debate are included in:

Percent of Gross Domestic Product (GDP) is a way to "measure" burdensharing

(1) Report of the Defense Burdensharing Panel, U.S. House of Representatives, Armed Services Committee.⁹ This so-called Schroeder Report concludes that, based on military expenditure percentage of Gross Domestic Product (GDP) figures, neither our NATO allies nor the Japanese are spending enough on defense and are instead riding on U.S. defense coattails. It further suggests that since the Japanese and Europeans are world economic powers, they must break away from their regional perspectives and take a worldwide defense role.

Burdensharing is a complex issue

(2) Fair Shares: Bearing the Burden of the NATO Alliance.¹⁰ This Defense Budget Office report finds that the burdens of the alliance are so complex, they cannot be measured by a single simplistic formula such as GDP figures. It concludes that the United States continues to outspend its allies for defense, spending 6.5 percent of the USGDP on defense compared with 3.7 percent for large NATO-member states and 2.9 percent for the small NATO-member states.¹¹ Conversely, it also determines that the allies have more consistently contributed to defense efforts over the years and that many members of the alliance contribute large amounts of equipment and personnel to the defense effort. Large and small NATO-member states provide 53 percent of the alliance tanks, 45.7 percent of the alliance artillery, 54.2 percent of the combat aircraft, 83.3 percent of the naval combatant ships, and 58.4 percent of the active duty personnel.¹²

Calls for a new European pillar

(3) Pooling Allied and American Resources to Produce a Credible Collective Conventional Deterrent.¹³ This report, written by Thomas A. Callaghan, Jr., is in some ways the most intriguing of the lot. It calls for an entire rethinking of the NATO Alliance, which in the author's mind rests on the mistaken assumption of U.S. nuclear superiority. In his opinion, the alliance should return

to collective security concepts by developing a new two-pillar treaty with the Europeans, which calls for the pooling of defense industrial bases in North America and Europe, rather than on a national level, to enhance weapon systems standardization and interoperability.

**DOD's Report addresses
the unquantifiable allied
contributions**

(4) Report on Allied Contributions to the Common Defense.¹⁴ This standard DOD "encyclopedia" of charts, graphs, and rationalizations of nonquantifiable burdensharing expenditures, is produced for Congress on a regular basis to officially cite allied contributions to the common defense. It concludes that U.S. allies contribute far more to the common defense than is normally recognized. Conversely, it concludes that the alliance must do more to ensure Western security.

b. Considering the different approaches to burdensharing that are given in these recent reports, it is evident that both analysts and policymakers view burdensharing from widely different perspectives. So that this study may contribute in a meaningful fashion to the debate on burdensharing, a structural framework of the authors' views on the basic principles of burdensharing and the authors' basic assumptions are presented.

CHAPTER 3

PRINCIPLES, ASSUMPTIONS, AND FACTS

1. Introduction. In order to lay appropriate groundwork for the reader, we have developed a series of principles, assumptions and facts as a base for our conclusions and our recommended courses of action. Following the presentation of this base, a series of specific conclusions are included.

2. Principles That Support the NATO Alliance.

a. NATO, like any alliance, is based on a series of fundamental principles to which concurrence of all signatories is important. Included in these basic principles are:

(1) The NATO Alliance is a voluntary compact of sovereign nations that have joined together for the common defense.

(2) As a voluntary alliance structured for the defense of all member nations, the force structure should be equitably divided among all signatories based on their abilities to contribute.

(3) There should be a systematic method, previously agreed upon by all member nations to assess the financial burden required to support the alliance.

(4) The alliance posture should be based on a common threat periodically renegotiated among the membership. While consensus is elusive, the alliance should strive for unity on the perceived threat.

**There are problems
within the alliance on
fundamental principles**

b. While these basic and almost simplistic principles serve as a backdrop for NATO, or almost any other alliance, the current world situation has changed to the point that there are problems emerging among the membership about even some most basic principles. Since we believe that change is occurring in our relationship with Europe, it is important to understand the basic assumptions on which the rest of this study is based.

3. Assumptions.

a. Each NATO member nation has and will continue to develop its own military force structure, designed to meet its individual perceived needs. Thus, instead of having a totally unified NATO force structure, we have a series of nationally contributed forces from allied countries which are structured primarily for the good of each nation, rather than the good of the NATO Alliance. This is compared to the

Warsaw Pact which remains a more centrally organized force with homogenous structure and equipment.

b. European members of NATO will continue to regard their defense responsibilities within the alliance as regional, rather than worldwide. NATO was conceived as a regional alliance and to date the Europeans continue to perceive their role within the alliance as regional rather than as worldwide. Only Britain and France, due to their connections with former colonies, project their power outside Europe on a regular basis.

c. The United States will continue to serve in a world power role and will continue to seek assistance in both force structure and funds from its NATO allies. In contrast to the attitudes of the European nations functioning within NATO, the United States has (in recent years) rather consistently urged its European allies to assume a larger role in defending "Western" worldwide interests. This U.S. insistence is in part due to the U.S. budget deficit and the realization that Europe is at least as prosperous as the United States and should therefore be willing to defend at least some of its worldwide economic interests.

d. With no increase in the threat, it will continue to be difficult to negotiate a comprehensive burdensharing agreement which fairly distributes the costs. NATO is a voluntary alliance but one which functions according to its historical roots. From the inception the United States has served in a strong leadership role, politically, monetarily, and in force structure development. As a result of the strong U.S. leadership position, the United States has periodically approached its allies and requested additional resources be allocated to the NATO defense burden, rather than coming to a comprehensive agreement which includes what is negotiable and what percentages of resources should be paid by each member nation.

e. Each member of NATO will continue to hold markedly different definitions of burdensharing according to its national interests. From the standpoint of Europe and NATO's critics, Europe must do much more to support its own defense. Simply using only GDP figures, they note that the United States far outspends most of its European allies on defense. Conversely the Germans, at the focal point of the political conflict, note that they bear unusual burdens not figured in the U.S. equations. For example, they tolerate almost one million troops in a country the size of Oregon, endure over 100,000 low flights by high performance jets annually¹⁵ and maneuvers by NATO forces and, in the event of a war, will bear the ultimate burden by serving as the major battleground.

NATO is a consortium of very nationalistic members, each developing its military as it sees fit

f. Given the U.S. budget deficit and the percentage of the U.S. budget consumed by the costs of forward deployment in Europe, there will continue to be pressure for troop reductions from Europe and/or a greater European contribution to defense. A major issue now approaching a crisis state is the U.S. budget deficit. To cut this deficit a number of policymakers have targeted the amount of funds dedicated to the defense of Europe (and Japan) and have sought to reduce U.S. spending by pressuring our allies to pay for more. This is accompanied by calls to reduce the number of troops in Europe which, it is assumed, will save U.S. taxpayers' money. While these theories are popular, such "savings" would only be possible if these troops were removed from force structure.

g. The writers assume that the West Germans will continue to perceive less threat from the Soviet Union and will seek a more peaceful and more environmentally safe Europe, rather than a polarized continent. Beginning with the emergence of the INF controversy in 1979, and the INF Agreement with the Soviet Union in 1987, the Germans have become increasingly uneasy about the perceived tendency to dissolve the U.S. nuclear umbrella which protected Europe and to rely on conventional forces and short range and tactical nuclear weapons. These events have made the Germans aware that they would be the battlefield, in the event of war. This, coupled with the Gorbachev initiatives, which seem to make the Soviet Union a less ominous and menacing country, have resulted in a shift in popular sentiment to a more peaceful Europe in which Germany has an improved relationship with the Soviet Union and the other East Bloc countries.

h. Furthermore, there is also a strong desire by the German populace to better protect the German environment from both industrial and military intrusions. This desire runs counter to the heavy military presence of NATO forces in Germany.

4. Facts. There are also a number of significant facts which should be acknowledged in the burdensharing debate. Key among these are:

If we do nothing at all but keep U.S. defense growth percent below GDP growth percent, the United States will meet European percentage in 5 years

a. The United States spends 6.7 percent of its GDP on defense whereas most of our NATO allies spend approximately 3-4 percent.¹⁶ This remains a significant fact only if simple GDP figures are used and various other contributions are ignored. The 6.7 percent of GDP represents 1986 budget data used by the Schroeder Panel. It is interesting to note that Secretary Carlucci's last Report to the Congress estimates 5.4 percent in 1990 and 5.2 percent in 1991 and those figures include a 2 percent real defense budget increase.¹⁷ The Bush Administration's announced zero-growth budget for 1990 and 1 percent growth

in 1991 (with a GDP growth estimated at 2 percent annually) will drive the defense percentage of GDP to less than 5 percent in the next 2 years. Continued defense budget increases at less than GDP growth may resolve the burdensharing issue within 5 years without pressuring allies to contribute more or cutting U.S. commitments to our allies, but may retard modernization and training readiness, and ultimately NATO's deterrent capability.

b. Approximately \$160-170 billion are attributed to supporting the NATO alliance (or 60 percent of the total U.S. GDP budgeted for defense spending). This is equal to 4 percent--the average GDP budgeted by European allies.

c. As a general rule, NATO allies commit approximately 2 percent of their total population to military service while the United States only commits slightly over 1 percent.¹⁸

d. Our NATO allies supply a significant part of our combat capability in Europe. They provide 90 percent of the ground forces in Europe, 75 percent of the air power and 50 percent of the naval assets. They provide 53 percent of the alliance's tanks, 46 percent of its artillery and 54 percent of the combat aircraft.¹⁹

e. Europeans structure their military forces with 50 to 75 percent of the structure vested in land forces. By contrast the active U.S. military consists of 35 percent Army, 36 percent Navy and 29 percent Air Force.²⁰ The United States is the only industrialized nation in the world to vest the majority of its force structure in capital intensive forces capable of power projection, rather than in personnel to defend its borders. This validates the assertion of the writers that the European nations possess more regional concerns while the United States sees itself in a larger world power role.

The United States provides 50% of NATO's seapower; 25% of airpower; and 10% of landpower

f. The United States has invested far more in naval power than its European allies. Since the NATO allies have 14 percent mean average of maritime forces²¹ within their overall military structure, Europeans do not exhibit a great need to project power outside the European theater or to protect their economic and energy interests outside Europe.

The United States has invested in expensive power projection forces; Europe has invested in less expensive landpower

5. Conclusions. Surveying this basic list of principles, facts and assumptions, the following conclusions seem evident:

a. The basic call for more equitable distribution of the costs of defending Europe and perhaps troop strength reduction originates from the desire to cut the deficit without raising taxes.

b. There is no real consensus between the NATO allies and the United States on how the burdens for defending Europe should be borne, nor what factors should go into measuring the burden.

c. The U.S. political/military structure sees the Soviet threat as far more ominous than do most Europeans.

d. While the United States expends more dollars on defense than do its allies, the Europeans (percentage-wise) dedicate more of their manpower.

e. As a world power, the United States dedicates a higher percentage of its armed forces to capital intensive power projection forces (Air Force and Navy) than do the European allies.

f. If defense budget percentage of GDP remains the congressional unit of burdensharing measurement, the United States and its allies will be providing equal "fair shares" within 5 years (qualified by U.S. defense growth at less than GDP growth) without reducing the U.S. commitment or pressuring allies to contribute more), but readiness, modernization and deterrent credibility may suffer.

Given these conclusions, it appears that some type of new strategic view, a new system to calculate the various elements of the defense burden, must be negotiated with our allies in order to defuse the controversy over burdensharing. If this is not done, our relationships with our NATO allies could suffer.

CHAPTER 4

THE ISSUES

1. Introduction. This chapter addresses the pertinent issues in burdensharing and in mission specialization within NATO ("mission" encompasses NATO's new approach to burdensharing, stated as "risk, roles and responsibilities"). Rather than contribute to the debate on whether the percentage of GDP is too simplistic or not, the authors present the strategic, operational, and tactical issues pertinent to the debate.

2. Strategic Issues.

a. General strategic issues for our study purposes include those issues which affect U.S. national security policy and military strategy. They include conventional arms control, forward basing and future vision of the strategic environment including the threat, resources, national policies and military capabilities. We begin our discussion of strategic issues with a brief discussion of conventional arms control.

b. Conventional Arms Control (CAC).

(1) The principal goals of the negotiations on Conventional Armed Forces in Europe (CFE) are to stabilize the regional environment in Europe by reducing NATO and Warsaw Pact (WP) forces and weaponry to a rough parity, to eliminate surprise attack capability, and to lower defense costs--all in a step-by-step process to ensure security along the way.²² Clearly these objectives are noble and compelling to the publics and governments of each alliance, and the current environment of superpower arms control negotiations seems to be such that arms control will, in at least the foreseeable future, retain a prominent position in both the domestic and European mind.

(2) But the pathway to CFE agreement is not straight, nor undemanding. Fifteen years of nearly fruitless negotiations in the Mutual and Balanced Force Reductions (MBFR) talks forecast trouble in the CFE.

(3) While CFE mandate talks proceeded, both alliances developed their initial negotiating positions. NATO has offered a proposal which stresses reductions to 90-95 percent of current NATO levels of tanks, artillery, and armored troop carriers (ATC), which places the bulk of reductions on the WP side.²³ The Warsaw Pact's initial proposal calls for reductions to levels 10 to 15 percent below the lowest level possessed by either alliance. Although both East and West seem to be close on their

Conventional Armed Forces in Europe (CFE) proposals from NATO and the WP look similar, but they are not

initial positions, there are challenges to success which include:

The CFE negotiating problems of unit of account, zones, ceilings, naval forces, and Follow-on Forces Attack (FOFA) doctrine won't be easily resolved

"- The categories of weapons systems that should be included.

- Soviet proposals to create zones of low concentrations of offensive armaments.

- An overall ceiling on the number of tanks and artillery in Europe as well as ceilings in each country.

- The place of naval forces and tactical nuclear weapons in the negotiations, (and)

- The place of the U.S. Follow-on Forces Attack (FOFA) concept in the arms talks."²⁴

(4) The CFE will consist of more military contributions from each side than in previous negotiations. Conventional arms capabilities are too complex for civilian arms control specialists to master alone and will require military experts on equal footing to accomplish an agreement. This new partnership between political and military negotiators may create a new set of difficulties as the military elevates its concerns above previous "treaty evaluations for military sufficiency"--the traditional military role. Both alliances' military leadership will be concerned with:²⁵

There are similar military concerns on both sides of the "Iron Curtain"

(a) Sufficient capability to defend, withdraw, or reinforce.

(b) Loss of peacetime force structure and budget share due to public perception of diminished threat.

(c) Loss of strategic power projection capability.

(d) Emerging technologies and modernization.

(e) Loss of military influence (U.S.) and loss of military control (USSR) within the alliances.

Burdensharing issues should be addressed prior to CFE agreement to establish an equitable NATO force reduction plan

(5) On the NATO diplomatic side of CFE issues, perhaps the most significant issue is how the reductions will be dispersed among the NATO partners. This is a crucial matter within NATO and one which is or should be directly linked to the overall discussion of burdensharing before the CFE talks actually begin in earnest. If the burdensharing problem is not resolved, how will NATO attain agreement among its partners on who has to, needs to, wants

to, or should take the reductions? Certainly we realize that for any CFE agreement to be strategically significant, both the United States and the USSR must take major shares of the reductions. The establishment of a NATO Conventional Force Reduction Plan²⁶ is essential prior to or during the CFE talks and should be proportionate to the "risks, roles and responsibilities" which the burdensharing debate must address in the Interagency Group, the Congress and NATO's High Level Task Force. The relationship between burdensharing and conventional arms control reductions must not be forgotten, that is if the United States is to avoid disproportionate obligations.

c. Forward-Deployed Forces.

(1) In President Reagan's National Security Strategy of the United States, January 1988, he states:²⁷

. . . U.S. National Security Strategy has historically been based on the concepts of forward defense and alliance solidarity. Consistent with that strategy, we maintain large, forward-deployed forces at sea and on the territory of our NATO and Asian allies in time of peace. The overall size, capabilities, and characteristics of U.S. Armed Forces are strongly influenced by the need to maintain such presence, which is essential to deter aggression.

WP advantages today include quantity, sustainment, and stationing

(2) The above quotation is more significant than it seems. In Europe today, we have reached a general stalemate; a rough parity in numbers of troops in both alliances from the Atlantic-to-the-Urals; a rough parity in technology; but an imbalance in weapons quantity, sustainability, and in stationing for maximum defense. The Warsaw Pact has an overwhelming numerical advantage in weapons systems in the central region of Europe, as well as in ammunition, bridging and other essential logistical stockage, and continues to enjoy the forward-stationing advantage.

International diplomatic timing is not right for unilateral U.S. reductions

(3) Although the balance of forces between NATO and the Warsaw Pact strongly favors the Pact, the potential enemy psyche is one of immaturity, rather than irrationality. It is still unclear what the Soviet terms of glasnost, perestroika and democratization really mean in terms of "intention versus capabilities," a popular military issue. With the Soviet throttle of defense expenditure still positioned at "full speed ahead," it is a natural and logical U.S. military argument that now is not the time to reduce U.S. commitment to NATO. Timing for U.S. reductions is not right diplomatically, with both alliances renewing active and serious pursuit of arms control agreements, and

with continuing tensions in the Eastern Mediterranean among nations which are historically irrational in behavior towards one another.

**U.S. domestic pressures
call for unilateral U.S.
reductions**

(4) Domestically, however, political timing does seem to be right for reducing the U.S. commitment to NATO. Members of both liberal and conservative defensive persuasion are calling for either allied increases to "fair share" or, more practically, a reduction of the U.S. financial contribution to NATO. Since allied defense spending increases can realistically only be accomplished at the margins, we are left with only one viable national alternative: reduce the U.S. commitment.

d. The Strategic Environment.

(1) In this section we will address strategic environmental concerns in terms of U.S. national policy, the non-Soviet and Soviet threat, and national and regional economies, to bound the strategic options available for application in the next decade.

**The two critical choices
of region and power in
our future strategic
environment are:
military-Europe and
economic-Asia**

(2) In our construct we have discounted discussion of Africa, Latin America (LATAM), and Southwest Asia (SWA) as immaterial rather than as irrelevant to the NATO burdensharing issue. It is understood that these regions do include national interests and serve to enhance U.S. arguments concerning "out of area" burdensharing expenditure, but these regions do not directly pertain to the issues raised for NATO burdensharing.

(3) After discounting certain regions not applicable to the NATO burdensharing issue, we also subjectively discounted the diplomatic and psychosociological elements of power to subsets of economic and military power projection. There is no doubt that foreign policy objectives drive military strategy and that sociological demands will strongly influence both military and economic elements of power. For our European allies the nonmilitary elements are becoming more salient. Rather than academically argue the merits of all types of power and their relative importance, we have selected the two which are more quantifiable and more germane to the burdensharing issue.

(4) A third assumption to our analysis construct includes the discount of primacy of military power projection in Asia and the discount of economic power projection in Europe. In discussing strategic alternatives, continued military power and presence in Europe and the rise in importance of economic power through expanded trade and competition with Asian nations are considered significant in bounding the future strategic environment.

**Continued ally-bashing
may create more neutral
and nonaligned
nations from NATO's
ranks**

**Look for gradual shifts
of risks, roles, and
responsibilities in
NATO**

**Pressure for allied
"out-of-area"
contributions as
standard, rather than ad
hoc, is futile**

(5) The option of continued military power and presence in Europe does not mean maintenance and sustainment of the status quo. We have previously indicated that funding and force structure commitments to NATO could be reduced for any number of reasons with the most significant being U.S. budget pressures. Because of Europe's historical strategic importance to the United States, however, it seems unlikely that we would unilaterally withdraw from our commitment, nor from our strong position of superpower influence on NATO and allied national policies. To do so would threaten the "Finlandization" of Europe as a result of increased Soviet influence. Nor will we likely risk jeopardizing the NATO Alliance through unreasonable threats to our allies if the burdensharing issue is not resolved. There are already 12 neutral and nonaligned nations (NNA) in Europe²⁸ and continuing U.S. national pressure on our allies to meet a quota of national defense expenditure in any ratio or cloaked in a U.S. formula will only lead to the disenchantment of current allies which incline to a neutral posture. Nor is it feasible in terms of national security strategy to reduce U.S. commitments to NATO, due to the effect such a move would have on U.S. force structure, or the signal it would send to our NATO allies. European governments may not respond to our reductions by backfilling the lost capability due to economic realities or perceptions of a diminishing Soviet threat and thus, lower the nuclear threshold and stress the validity of the doctrine of flexible response. There are ever-increasing numbers of governmental leaders and defense analysts who believe that nuclear weapons are self-detering, and that the United States may not risk strategic nuclear war if Europe was conventionally invaded. Debate over the reality of attaining nuclear release authority by allied national governments is currently of second shelf importance; however, sharp decreases in conventional capability caused by U.S. unilateral action would surely move this issue to prime time and would serve to fracture the existing alliance as we know it. A gradual shift of risks, roles and responsibilities in NATO, however, would not seem to ignite public attention, including results which reduce U.S. total contributions to NATO.

(6) The issue of "out-of-area" contributions and sharing remains murky. The European arguments are explained in Chapter 3. Nations structure their armed forces based upon their perceived national defense needs. It was with U.S. encouragement that the major European powers began to withdraw from colonial interests in the 1950's and early 1960's. In accomplishing the decoupling of Europe from its colonies, the power projection forces of Europe were shifted to meet internal defense needs. Europe does not understand what seems to be an incongruent reversal. The United States wants to keep its superpower status; wants to project power around the world; wants to

play the role of global power. The European nations, however, perceive regional issues with only Britain and France consistently retaining some involvement with their former colonies. Thus, each European nation desires to protect its remaining territories, not those of a competing nation. Determining "fair shares" of out-of-area costs is futile when no need to do so is perceived. Ad hoc threats may produce sporadic ad hoc contributions (Persian Gulf), but there is no permanent condition, which Europeans foresee, that demands contribution. Costs of American out-of-area power projection is a matter for America to fund as it sees fit. The argument for burdensharing in out-of-area operations is a dead end, with very minor exceptions.

(7) The option of continued military power and presence in Europe as the U.S. primary strategic focus requires little change, which most likely will be evolutionary in nature. We have determined that we must:

(a) Gradually shift risks, roles, and responsibilities within NATO to achieve reductions in U.S. total contributions.

(b) Drop the global, out-of-area burdensharing pressure as impractical, so that NATO Europe is viewed on a regional permanence; and,

(c) Continue to involve NATO countries in planning for global contingencies, but consistent with mutual national interests.

(8) Economic growth and the strategic significance of the Asian nations of the Pacific rim may logically facilitate a shift in priorities for the exercise of military power projection. Should economic power rise above military power in national importance, the United States cannot afford to ponder appropriate resource allocation policymaking.

(9) European nations have diversified their trading endeavors and markets such that trade conflicts with the United States would pinch but not puncture their economies. This is in contrast to Japan which conducts much of its business in the American marketplace. The Japanese public and its government feel that their prosperity, freedom, and general welfare are inseparably linked to and interwoven with the United States.²⁹

(10) If Asian economic power becomes predominant, we will be tempted to shift our military strategy to Asian primacy, even though we recognize that military strategy does not exclusively follow economic interests. We must analyze concepts which achieve the

The United States is part of Europe's marketplace; most of Japan's

The United States can exert its leadership role in Asia by establishing bilateral and multilateral accords which designate areas of responsibility and operational requirements

immutable strategic objectives of strong alliances, protection of our friends, and freedom of the seas, while keeping markets open and trade flowing. Since the formulation of a defensive alliance among Asian nations--similar to NATO--is a politically impractical solution due primarily to historical perspective, bilateral agreements addressing regional defensive responsibilities similar to today's existing agreements, but far more detailed, seem logical and appropriate. The specification of choke point and sea lane responsibilities, as well as establishment of war fighting capability standards on a mission patrol basis, would clarify and quantify the number of steaming hours by ship class and number of aerial sorties (reconnaissance, antisubmarine warfare, communications, combat training) based upon counterthreat needs agreed upon by the area defenders and the United States. In short, this concept involves bilateral and multilateral agreements which include:

(a) Mutual establishment of areas of mission responsibility.

(b) Determination of allied force capability to be employed.

(c) Necessity to patrol sea lanes, based upon Soviet and non-Soviet threats.

(d) Quantifiable cost sharing.

(e) Shifting of U.S. capital intensive naval weaponry from the Atlantic to the Pacific.

(f) Adjustment and/or restructure of forces in USFK and USARJ.

(g) Purchase by Japan of patrolling capability for the lesser able area defenders.

(11) China will undoubtedly play an important security role in the Pacific. Currently, the Chinese are in the design stage of aircraft carrier production. Their motivation may be threat-related or simply power projection hunger.³⁰ If the threat is driving the Chinese to build carriers, what is the nature of the threat? With an improved relationship with the USSR and a Soviet decrease in naval operations in the region, the threat may not be Soviet. The threat could be the growing Indian naval fleet or the growing Japanese fleet--two traditional Chinese adversaries. Although it is too early to say with certainty that the Chinese venture into power projection forces is a result of threat to her national interests, it would be ironic if such an entry into naval arms escalation in the

China is increasing its naval forces, which may be the result of a Japanese-caused threat, precipitated by U.S. burdensharing pressure

Pacific proves to be the result of successful U.S. burdensharing pressure on the Japanese.

3. Operational and Tactical Issues.

a. Introduction. In this section we will present some approaches that relate to NATO which may serve the underlying message of the burdensharing debate--reduce U.S. defense expenditure while balancing the risk. When we survey forward deployed forces in NATO, we see a wide variance in how force structure has evolved since the early 1950's, based upon a nation's ability to pay for defense over time. What results is a wide disparity in defense firepower (among the NATO nations), not in manpower commitments to the alliance. The ability to produce heavy firepower is much more expensive and the United States leads NATO in this arena. Regardless of rationale, some nations are in the firepower business and some are not. To properly address operational and tactical issues, we must find and modify the conditions which separate "have and have not" national forces on the battlefield. We will now explore ways to balance NATO forces by changing structure, trading structure, and integrating structure.

b. Changing Structure.

(1) Ambassador Jonathan Dean, in his article "Alternative Defense: Answer to NATO's Central Front Problems?", provides us with several ideas and plans concerning a restructuring of NATO's defense:³¹

Alternative defenses may offer us an economically feasible force structure.

(a) The Afheldt Plan "structures NATO armies unilaterally with 'light infantry commandos equipped with antitank weapons' followed behind by an artillery network . . . (with) tanks . . . gradually eliminated"

(b) The SAS (Study Group on Alternative Security Planning) plan uses a "static 'web' of light infantry much like Afheldt's, followed by armored formations ('spikers')"

(c) Hanning's fire wall which proposes ". . . an uninhabited barrier . . . saturated with fire (indirect). Behind the 'fire wall' would be antitank units equipped with precision-guided missiles"

(d) Wide area territorial defense "envision[s] a frontier defense zone 80-100 kilometers deep in which barriers and blocking units channel attacking units toward concentrations of fire"

(e) Civilian-based defense . . . in which cities would . . . engage in passive (nonviolent) resistance.

**An L⁴ profile consists of
light forces, lethal
weaponry, strategic lift,
and leasing**

**Share U.S. modern
weapons systems with
"have not" nations by
low cost leasing
arrangements**

(2) Although these restructuring concepts are certainly interesting, particularly if antitank weapons technology exceeds main battle tank protective technology, they are simply "shavings" from the main stock of tanks, artillery, tac air, maneuver, and barrier plans. How one restructures the force to balance the alliance firepower seems more germane to burdensharing than simply employing different war fighting techniques. One view of future strategy is the move from today's "threat-driven" version to one that will become "resource-driven," requiring what is termed as an "L⁴" structure profile--light forces, lethal weaponry, strategic lift available for strategic forces and leasing.³² Overlaying the L⁴ profile on current forward deployed forces in the FRG, we can see the wisdom in this approach. If it is going to be nearly impossible to convince our allies to structure their forces with expensive weaponry needed to improve Division Equivalent Firepower (DEF), perhaps it is possible to balance the forces by "sharing" the firepower already purchased. By structuring the "have" forces with lighter forces and structuring the "have not" forces with more firepower from existing stocks, the DEF can approach parity within the alliance. By using the same "sharing" methodology in high-tech, highly lethal, modern munitions (Copperhead, FASCAM, etc.), we can balance the lethal weaponry, and in performing these two "sharing" operations, we have incidentally lowered strategic lift requirements and thus decreased reinforcement time schedules. By structuring our heavy forces lighter by design, not accident, we have created excesses in tanks, artillery, et. al. in our total inventory, available for the lighter forces of our allies.

(3) If the restructuring of the land forces described above makes tactical and operational good sense when the central region is viewed in its entirety, then we have to determine how to fund this transaction so that the "have" nations are not paying for the restructure, while the "have not" nations remain unable to fund the transaction. The answer that appeals to the authors is the proven business practice of flexible leasing rather than buying. Now we have created an "L⁴" profile; one which "have not" nations can afford; one in which "have" nations do not have to capitalize.³³

(4) The authors' term for an acquisition strategy of flexible leasing and buying is "flex-lease." The thesis for such a concept is that it is cheaper to buy what you can afford and lease the remainder of a manufacturer's economic production rate, than it is to contract for a certain number of systems at the manufacturer's economic production rate, and then "stretch out" that buy over a longer time period. In typical examples, we found that it can be at least 15 percent³⁴ more expensive to stretch out planned purchases than to

stick to the original fielding plan; that it can be 12 percent more expensive to lease rather than buy;³⁵ but if you buy what your annual budget "cash flow" allows and lease the remainder of the planned production, it is less expensive than "pure" leasing. If, for example, you can afford to buy one-half of the planned production and decide to lease the other half, it can be only 6 percent more expensive than buying. Compared to a 15 percent or greater increase for stretch-out buying, flex-lease allows DOD to modernize as planned without reductions, cancellations, tax increases or stretch-out buys.³⁶ This same acquisition strategy may also be applied to the international marketplace. Right now Israel is pressing "to lease \$250 million worth of AH-64A Apache attack helicopters and an undisclosed amount of UH-60A Black Hawk transport helicopters from DOD under a little known reciprocal no-cost lease provision included in the 1989 National Defense Authorization Act."³⁷ Abraham Orea, head of Israel's defense directorate of procurement and production has stated: "A leasing arrangement with either one of the U.S. Armed Forces or with a manufacturer will enable us to get what we need now in spite of the lacking funds."³⁸

(5) The domestic and international impacts of adopting flex-lease as an acquisition strategy for the 1990's may be substantially beneficial--allowing allies to get what they need now, particularly "have not" allies, and allowing U.S. modernization programs to be fielded as scheduled without increasing DOD real budget growth.

c. Trading Structure.

(1) A concept more realistic and outwardly more simple to understand is trading missions within NATO. This concept has ample precedence. During the Total Army Analysis (TAA), a formal process to determine the force structure for the Total Army through the program years, while generating the base force which reflects the most recent doctrinal modifications,³⁹ many trade-offs are made. Support forces may be removed from the active force and placed in the Reserve Component, while backfilling (through Wartime Host Nation Support [WHNS] agreements) the resultant support force shortfall to forward deployed forces. Although the WHNS process is tedious, detailed, and time consuming, a number of WHNS agreements have been made which primarily focus on allied support of reception and onward movement of U.S. forces during wartime. The latest 1982 WHNS agreement with the FRG involves a German reserve force of 93,000 to perform a variety of combat service support (CSS) missions, including airfield damage repair and transportation support.⁴⁰ The startup and sustainment costs of this force structure ultimately will be shared about equally by the FRG and the United States.⁴¹ This agreement, which trades capability for funding, was

**Our Total Army
Analysis (TAA) process
serves as a model for
trading-off support
forces for combat forces**

necessary to replace the U.S. support structure traded for combat structure ultimately provided to staff the light divisions.

**CINCUSAREUR
historically has made
good trade-offs in the
force structure business**

(2) The TAA process has continued in the United States Army, and has been successful in USAREUR for several years. The chief action agent there is its Council of Colonels. Support forces, force organization manning levels, and capabilities are routinely addressed by the council to make recommendations for changes in USAREUR's future force structure. It is a personnel space-by-space process, designed to increase the deterrent value of forward deployed forces without increasing capital costs. Trade-offs routinely are made to increase combat unit capability within USAREUR's European Troop Strength (ETS) ceiling. To date, this process has enabled CINCUSAREUR to add two artillery pieces to each battery, mechanize his corps level combat engineers, and create combat battalions and combat support battalions from within his own assets, at little to no cost to the taxpayer. This successful flexibility process may also apply at the NATO level, where benefits may accrue exponentially to national benefits.

**Establishment of a
NATO mission trade-off
council, based on the
USAREUR model, will
benefit NATO greatly**

(3) The establishment of a NATO flexible mission trade-off council, similar to the CINCUSAREUR model, would allow nations to trade military missions to seek tasks and force structure, appropriate with ability to pay. "Have not" nations would be able to trade combat forces for combat support and service support missions, seeking to contribute, but in a low-tech, low-cost functional area. Combat and construction engineering, transportation, supply and maintenance, military police and even signal and military intelligence are potential tasks which could be traded for combat forces, thus keeping the total force structure stable, while increasing its DEF.⁴² U.S., FRG, and UK forces could trade some of their theater support units for additional combat units. U.S. forces could equip the new combat forces with POMCUS stocks because the requirement to provide "ten divisions in ten days" would be correspondingly reduced by the new forward-deployed combat units. A trade-off ratio could also be established between "have" and "have not" nations, which could actually decrease the number of U.S. forward-deployed forces, and thus lower U.S. defense expenditure. For example, if a ratio of forces trade-offs was set at 2:1 (support to combat), based upon the low trade-off, low-cost support forces versus high-tech, high-cost combat forces, the United States could lower its forward-deployed European Troop Strength, while increasing its and NATO's Division Equivalent Firepower. The Home Defense Brigades of the FRG could also enter the equation by trading, within the FRG's own military structure, its low-level reserve DEF combat forces for active air defense or theater engineering functions.

(4) Singularly, whether we accept an "L4" sharing strategy or mission trade-offs, neither alternative seems to stand alone. A combination of the alternatives, however, does seem to make sense on a selective basis. Although there is little written in unclassified literature concerning such alternatives, we speculate that such activities are being negotiated within NATO as we write. To smoothly accomplish in part the mission specialization and/or mission trades, the resulting force structure and its improved deterrence value must make tactical sense on the battlefield. The next section will present a discussion on integrating the resultant structure.

d. Integrating Structure.

(1) The integration of national corps war fighting capabilities is accomplished by NATO at the Principal Subordinate Command (PSC) level. At Central Army Group (CENTAG) level, for example, the Army Group Commander (COMCENTAG), commands and controls two U.S. corps, two German corps, plus a Canadian brigade group. His CENTAG staff is allied and integrated, but his subordinate corps are national corps headquarters (including 7th U.S. Corps, which does include an FRG division). Although many pertinent command and control issues have been resolved through the high level Tactical Command Readiness Program (TCRP) seminars and NATO field and command post exercises, many "thorny" issues remain in intelligence, communications, logistics, and territorial operations between NATO PSC commanders and staff and national corps commanders and staff. For restructure and/or mission specialization to work in large measure (significant, rather than symbolic adoption), the only apparent alternative is to integrate the national corps as NATO Corps.

(2) Mission specialization and/or force restructure necessitate command integration at, minimally, corps level. Whether NATO Corps are formed initially for or subsequent to adopted force structure changes is not important in itself, but the need to do so is important, if NATO's goals of Rationalization, Standardization and Interoperability are to ever reach fruition.

e. Training Environmental Conditions.

(1) In addition to changing, trading, and integrating structure concepts which may contribute to less U.S. defense expenditure, the training environment within the FRG must be considered. The recent Ramstein Air Show tragedy and accident at Remscheid have served to increase FRG domestic concerns for the environment and have resulted in cuts in NATO military training. With thousands of daily, low-level training flights and continuous track vehicle convoys clogging the German highway systems, the reality of

**Establishing NATO
corps vis-a-vis national
corps is only one step
removed from today's
military structure**

**Confinement to garrison
and simulation are real
threats presented by
today's European
environment**

changing how NATO and U.S. forces train in Germany will surely be altered to emphasize simulation and local training areas as opposed to major exercises. The Pentagon, in fact, recently announced the cancellation of REFORGER, an annual large-scale NATO exercise.⁴³ Continued pressure from the German public may eventually lead to a garrison-type training environment, rather than a field training environment. The economic impact of such a force posture would produce readiness savings initially. However, to sustain a readiness posture within U.S. units, realistic training will have to be accomplished elsewhere, either in North America or near Europe which will be costly to implement. In projecting reduced training opportunities in the FRG, the Army has already initiated an unwritten policy to select commanders for service in Europe, not based upon previous service there, but based on experience at the National Training Centers (NTC), to transfer that realistic experience by educating younger subordinates.

(2) The military implication for political confinement to garrisons in Europe is decreased training readiness through less realistic field training. Military commanders, if subjected to such an environment, may join the political chorus of those seeking a return of our military to the United States, where realistic field training improves unit readiness. The role of such a military forward-deployed garrison structure will certainly change. The need for a 340,000 force structure will certainly be scrutinized. The results could be a significant reduction of U.S. defense expenditure, whether environmental training restrictions are considered a European "push," an American "pull," or simply reduction by attrition.

4. Summary. In this chapter we have addressed pertinent issues in burdensharing and in mission specialization within NATO which explore strategic, operational, and tactical alternatives to reduce U.S. defense expenditure. By examining the CFE Talks on conventional arms control in Europe, we uncovered an important linkage to the burdensharing debate: the determination of reductions by national contributions. In discussing our supportive National Security Strategy of Forward Deployment, we projected a condition of possible land force reductions in Asia, while cautioning against "ally bashing." In examining the potential strategic environment of the next decade, we presented strategic, operational, and tactical alternatives which can balance the risk, determine logical roles, and apportion the responsibilities within the NATO alliance and bi- and multilateral defense agreements in Asia. We will now present a burdensharing framework which incorporates these options, issues, and principles to contribute to burdensharing debate resolution efforts of NATO and the U.S. Government (USG).

CHAPTER 5

A FRAMEWORK

1. Introduction. Development of a burdensharing formula or framework is not simply determining the percentage of defense expenditure to Gross Domestic Product as the Report of the Defense Burdensharing Panel of the Committee on Armed Services concludes. Nor should it attempt to quantify the complex nature of various contributions of member nations. The former method is too simplistic, the latter, too complex. What is needed is a realistic method of calculating the commitment each nation provides to the NATO Alliance. We submit that the commitment can be measured in determining how each nation mans, equips, trains, and sustains its armed forces dedicated to the alliance.

2. Manning the Force.

a. The greatest commitment to defense that a nation provides is the commitment of its young men and women. The figures in Table 1 depict the percentages of joint forces, active and reserve, (less civilians employed by militaries) committed to defense by each nation (Iceland and Luxembourg have been exempted from analysis) in relation to its overall population. A review of the percentages of commitment to man the force logically leads one to project manning goals for each nation of the alliance. As a rule of thumb, the data seem to approximate a 2 percent commitment. As an established NATO goal, then, 2 percent is assumed to be valid. In declaring such a manning goal, we see from Table 1 that only Canada, France, the Netherlands, the UK, and the United States do not meet this manning commitment to defense.

Commitment of youth is the true measure of bearing the defense burden

b. However, the United States outspends every nation in personnel costs. The United States maintains the largest all volunteer force, while most nations reduce military per capita expenditure by conscription. This was and will remain a national decision. Given the lack of a U.S. political constituency within and outside of the U.S. military for a return to the draft, we automatically assume the added costs which the all volunteer force necessitates in family (60 percent married) housing, transportation, education, and other family support programs, as well as expensive, competitive recruiting and retention programs. This is clearly our choice and needs to be factored out of any total cost data, despite a congressional desire to retain it for bargaining purposes.

Establishment of a military manning goal of 2% of total population of member nations is an alternative formula for burdensharing

c. If we simply address manning the force in accordance with the 2 percent rule, the United States is

Country	Active Force (000)	Active Force Composition			% Active Force			Total Force Strength	Ratio of Commitment (Total Force: Total Population)
		Army	Navy	Air	Army	Navy	Air		
Belgium	88.3	65.1	4.5 ^a	18.7	73	5	12	235.8	2.1
Canada	55.6 ^b	22.5	10.0	23.1	40	18	42	105.9	0.4
Denmark	29.3	17.0	5.4	6.9	58	18	24	104.0	2.0
France	442.4 ^c	280.9	66.5	95.0	64	15	21	937.9	1.7
FRG	477.2 ^d	332.1	36.4	108.7	69	7	24	1,265.0	2.0
Greece	214.0	170.5	19.5	24.0	79	9	12	613.0	6.1
Italy	386.0	265.0	48.0	73.0	68	12	20	1,157.3	2.0
Netherlands	101.2 ^e	66.0	17.1	18.1	65	17	18	283.5	1.9
Norway	35.1 ^f	19.0	7.0	9.1	54	20	26	321.5	7.7
Portugal	73.9	44.0	16.3	13.6	59	22	19	256.5	2.5
Spain	309.5	232.0	45.0	32.5	75	15	10	1,410.0	3.6
Turkey	635.3	522.9	55.0	57.4	82	8	10	1,605.4	3.1
UK	316.7	158.4	64.8	93.5	50	20	30	635.3	1.1
USA	2,163.2	776.4	783.2	603.6	35	36	29	3,310.7	1.3

Notes

- Only reserve forces.
- Discrepancy noted in IISS figures. Unlike other reference data, total armed forces for Canada is listed as 84,600.
- Total for France included discrepancy of 14,500.
- Total includes 11,500 interservice staff, not listed as Army, Navy, or Air Force.
- Total does not match Army, Navy, Air Force totals.
- Subtract 400 Joint Services organization, 300 Home Guard permanent staff from enlisted.

Table 1. Military Force Comparison.⁴⁴

1,595,700 military personnel short of attaining its fair share of defense manpower commitment! Whether the 2 percent goal is a good rule of thumb or not, percentage of total population dedicated to a manning commitment is deemed a credible measure of burdensharing.

3. Equipping the Force.

The United States, in effect, has opted for an equipment rather than a manpower intensive force. Others have opted for the reverse

a. Returning to Table 1 we find the percentage composition of each active force by military service. The United States maintains a 35 percent Army, 36 percent Navy, and 29 percent Air Force composition. Due to the nature of the land force threat in Europe, non-U.S. NATO forces are structured predominately in land forces, with an average of only 14 percent maritime forces and 20 percent air forces. To compare U.S. forces, structured primarily in capital intensive power projection forces, and NATO forces, structured primarily in land forces, is difficult at best. We seem to have "apples and oranges" to sort out in developing a measurable equipment unit of account which has credibility. To simplify the unit of account problem, we have chosen NATO's conventional arms control units of account, e.g., tanks, artillery, and armored troop carriers (ATC) as the indicators of equipping the force, since NATO armies comprise the greatest percentage of their total force structure, and since NATO itself has selected these weapon systems as the most significant to discuss in conventional arms control.

The U.S. weapon system per soldier density ratio is 1:15

b. Table 2 depicts information concerning the composition and mix of tanks, artillery, and ATCs in NATO armies. The weapon system to soldier ratio is presented in terms of one weapon system (tank, artillery, ATC) per number of soldiers to determine weapon system density. The United States, then, has nearly one weapon system for each 15 soldiers on active duty. Since the equipment figures are aggregates, they include equipment in storage and issued to the Reserve Component. However, these density figures show us the wide disparity in the development of NATO armies and serve to explain the differences in previously presented DEF values.

Thick density forces include the United States, Canada, Denmark, and Holland--a surprising grouping

c. We seem to have three different densities to analyze: thick, medium, and thin. Thick density armies include the United States, Canada, Denmark, and the Netherlands, definitely a surprise grouping. Medium density armies include Belgium, France, the FRG, Greece, Italy, Norway, and the UK, while thin density armies include Portugal, Spain, and Turkey. We will make the generalizations from this data that thin density armies are not financially able to equip forces, but do consist of high densities of military personnel to balance equipment shortfall; that thick density armies can afford to equip the

	<u>Army Population</u>	<u>MBT</u>	<u>ARTY</u>	<u>IFV</u>	<u>Weapon System to Soldier Ratio</u>
Belgium	65.1	.5	.2	1.9	1:25.0
Canada	22.5	.1	.3	1.1	1:15.0
Denmark	17.0	.3	.4	.6	1:13.1
France	280.9	1.6	.8	4.9	1:36.4
FRG	332.1	4.9	1.4	3.4	1:34.2
Greece	170.5	2.2	1.3	2.8	1:27.0
Italy	265.0	1.7	1.1	4.4	1:36.8
Netherlands	66.0	.9	.5	3.0	1:15.0
Norway	19.0	.2	.4	.1	1:27.1
Portugal	44.0	.07	.3	.4	1:57.0
Spain	232.0	1.0	1.1	2.1	1:55.2
Turkey	522.9	3.7	2.0	3.3	1:58.1
UK	158.4	1.4	.8	3.5	1:27.8
USA	776.4	15.6 ^a	5.6 ^b	31.4 ^c	1:14.7

Notes

- a. MBT figures include light tanks.
- b. Includes towed, SP, MLR, and SSM.
- c. Includes Recce, MICV, APC.

Table 2. Equipment Composition Density Comparison.⁴⁵

force and prefer equipping the force to committing personnel to military service; and that medium density armies can afford to equip and man the force, but structure has evolved to a balance between personnel and equipment for no obvious rationale.

Establishment of a density goal of 1:30 (weapon system to soldier) seems feasible

d. The establishment of a measurable, attainable NATO equipping-the-force goal is considered feasible. The setting of a 1:30 ratio of equipment to soldiers does not seem out of line. Such a goal would require France, the FRG, and Italy to slightly increase its number of tanks, artillery, and ATCs, among nations able to afford defense expenditure increases, while approaching Portugal, Spain, and Turkey somewhat differently. Portugal and Spain are not strategically located to central region or southern region potential battlefields and may not need the heavier and more expensive weapons systems. Although the goal can stand as is, it is far more important to NATO that Turkey move to achieve this goal. Since Turkey can ill-afford to meet the goal, considering its GDP, allied military assistance will be required from NATO funds, continued American military assistance and military sales, leasing arrangements with weapons suppliers, or military assistance from Japan, an option for increasing her burdensharing expenditure.

e. Other options to balance the force in a 1:30 ratio include restructure, trading structure, and integrating structure concepts presented in Chapter 4. Whether or not this goal is adopted or achieves modified acceptance, it serves as a guide for a NATO Force Reduction Plan which will be needed at the negotiating table in the CFE. Since the selected conventional arms control unit of account includes tanks, artillery, and ATCs, perhaps, as another rule of thumb, less dense armies should be selected for reductions after more dense forces are reduced to balance what remains. Although the 1:30 ratio seems logical, force structure must always be based on optimal capability per unit, not based on statistical design. We cannot afford to help the "have nots" by hurting the "haves." Analysis of remaining forces is a priority issue within NATO, and such a guideline, as expressed above, may assist planners, arms controllers and systems analysts in addressing this important issue. However, it still makes no sense to reach an agreement in the CFE without a force reduction plan, based upon some derivation of national contributions to the mutual alliance defense.

Overlay of the U.S. Training Management Control System (TMCS) model on current NATO training inspection programs would simplify and unify training data

4. Training the Force.

a. Training the force costs are too subjective and arbitrary to calculate today. Differences in active and reserve force structure composition, equipment technologies (low tech vs high tech), national standards and national

currencies are but a few of the problems encountered in formula or rule of thumb derivations. What can be accomplished is a measurement of alert readiness, marksmanship, maneuver (sortie) command and control, and equipment readiness. NATO tests its assigned units in alert readiness to include physical tactical movement, perimeter of defense, personnel manning and maintenance records.⁴⁶ Marksmanship records, including rifle and tank gunnery results, are also maintained by national units and subject to NATO inspection. Improving and upgrading NATO's current program can do much to determine where training shortfalls exist, and the use of a NATO computer system similar to the U.S. Training Management Control System (TMCS) can compute the required ammunition, petroleum, oil, and lubricant (POL) products and other associated training costs (repair parts) necessary for individuals and their units to achieve NATO readiness standards. A rollup of these costs would include national training costs required and, hopefully, funded by each nation.

b. Since training costs depend upon current readiness standards and include costs for a wide variety of weapons systems within NATO, we cannot provide a rule of thumb qualification, but can establish the goal of meeting NATO readiness standards. If inspections are comprehensive and the resulting data are well managed and uniformly accepted, training the force may be the "fairest" burdensharing measure of all, although not helpful in decreasing U.S. defense expenditure, unless U.S. readiness standards in Europe far exceed NATO readiness standards.

5. Sustaining the Force.

a. Sustaining the force is measurable, but can become a complex objective if we include Wartime Host Nation Support Agreements and all categories of logistical support. For this reason we have selected ammunition stockpiles as the unit of account for establishing a sustainment goal. We recognize there is a danger in such choices because such "easy measures" are also prone to provide simple and often incorrect conclusions.

b. The U.S. Department of Defense Report on Allied Contributions to the Common Defense addresses ammunition stockpiling as part of the ongoing NATO Conventional Defense Initiatives (CDI) Program:

. . . NATO ministers have committed their nations to increasing ammunition stock levels. The main focus of this effort is on specific critical munitions that are identified item-by-item for each nation in the form of CDI highlighted force goals.

**The Conventional
Defense Initiatives (CDI)
program may fix
NATO's ammunition
stockage shortfall by
1993**

Among all of the non-U.S. CDI highlighted ammunition objectives--totaling 37 items for land, air, and maritime munitions combined--roughly one-half will be fully or virtually fully implemented. Overall, taking into account both CDI and non-CDI items, the non-U.S. allies, particularly the Central Region countries, continue to project progress in increasing their holdings of major ground, air and maritime munitions.⁴⁷

c. According to the Secretary of Defense Annual Report to the Congress, Fiscal Year 1990, one-half of specific munition deficiencies will be corrected within the next 2 years, and all NATO ammunition stockage shortfall can be rectified by 1993, if allied defense ministers again approve this CDI plan,⁴⁸ which is another example of burdensharing at its best.

6. Summary. Our simple construct for determining NATO burdensharing begins with a manpower goal, addresses weapon systems fielding goals and surveys training and sustainment objectives. Although the 2 percent manpower goal may be set too high to achieve an American political constituency, there is no doubt that we, as a nation, have opted to substantially equip our forces to preclude manning the force. A forceful argument for a manpower intensive force would not be met with enthusiasm. Thus, this exchange seems reasonable when compared to nations which cannot afford to properly equip their force structure and thus commit more manpower as a result. The composition of each nation's forces seems consistent with its national security objectives and its challenges and/or ability to pay for defense. The United States, as a result of global rivalry with the Soviet Union, has opted for more capital intensive, power projection forces in developing its military structure. The Europeans have opted for a regional land-based defensive posture. We should accept the differences, continue to encourage our allies to meet equipping, training, and sustaining goals, and remember our shortfall in committing our youth to all volunteer military service and its incumbent additional expense.

CHAPTER 6

RESULTS AND RISKS

1. Introduction. This chapter summarizes the results with associated risks concerning burdensharing and mission specialization in NATO. We conclude that there are credible, low-cost, low-tech alternatives which will result in lower U.S. defense expenditure, while balancing or reducing the associated risks involved.

2. Percentage of GDP. The fact that U.S. defense expenditure is 6.7 percent of GDP, while NATO allies average between 3 and 4 percent is the foundation upon which the Schroeder Panel builds its case: that burdensharing should be measured solely by percentage of GDP, without encumbrances expressed in other reports, which attempt to rationalize and/or quantify the substantial investment made by our allies. The Schroeder Panel used 1986 budget data. Secretary Carlucci's latest Annual Report to the Congress, Fiscal Year 1989, depicts defense percentages of GDP at 5.4 percent and 5.2 percent in budget years 1990-1991, while projecting a 2 percent real defense budget growth. The Bush administration's defense budget "no-growth" freeze, followed by only a 1 percent real growth budget substantially lowers percent of GDP to less than 5 percent. What is startling about this information is that without formally concluding burdensharing agreements or consciously cutting defense commitments, the United States has reduced its defense percentage of GDP by nearly 2 percent in 4 to 5 years. Projecting a flat economic growth rate for the GDP of 2 percent per year, while freezing the defense budget and limiting growth in the next few years to less than the GDP growth rate, will "normalize" U.S. defense expenditure at a level nearly equal with other NATO members at 3 to 4 percent. This implies that by doing absolutely nothing but ensuring that U.S. defense budget real growth is less than GDP real growth, and that our allies stabilize their defense expenditure percent of GDP, the burdensharing issue would resolve itself, with no risk increases.

Sustaining defense growth at less than GDP growth may cause defense expenditure parity at European levels by *doing absolutely nothing* more ... if you believe in free lunches

3. CFE Talks. If we link the burdensharing debate with the Negotiations on Conventional Armed Forces in Europe (CFE), we can determine how a U.S.-NATO Force Reduction Plan would look. With the knowledge that the United States provides NATO with 50 percent of the naval assets, 25 percent of the airpower, and 10 percent of the ground forces, including 47 percent of the alliance's tanks, 54 percent of its artillery and 49 percent of its armored troop carriers (ATC), and that "under the U.S. proposal, the superpowers would be limited to 3,200 tanks and 1,700 artillery pieces in any one allied country,"⁴⁹ the U.S. share of the reductions should result in 10 percent of the

NATO's CFE proposal has determined U.S. potential reductions

ground force personnel reductions and approximately 50 percent of the CFE weapon system units of account. Since an agreement would entail deeper reductions by the Warsaw Pact, the risk is considered balanced.

Stop encouraging Japan to contribute more or another arms race may develop

4. The Future Strategic Environment. Regardless of the reader's choice in regional primacy and element of national power for the future, it should be realized that we can achieve our intended goals. If we stand on Objective "A" and want to achieve Objective "B," we can. But what we often do not realize is that in attaining "B," we may also attain "C, D, and E"; and sometimes, that may not be a positive result. If, for example, we pressure Japan to increase military expenditure and operational areas of responsibility, we may achieve success; but if such pressure contributes to a naval arms race in the Pacific, the results backfire and the risk may increase. To balance the risk in Southeast and Northeast Asia, we recommend halting any further burdensharing pressure on Japan.

Flex-lease resolves many budget constraint issues

5. Operational and Tactical Issues. In discussing three concepts--changing, trading, and integrating organizational structure--to establish rationale for limited mission specialization within NATO, the "Flex-lease" program offers the most direct route to resolving not only constrained budget environments, but also the Division Equivalent Firepower (DEF) discrepancies among member armies. The practice of buying and leasing (Flex-lease), instead of buying and then "stretching out" that buy, offers the potential for the U.S. military to field modern weapon systems as planned, regardless of budget constraints, and for NATO "have not" nations to obtain increased DEF within their current defense budgets. The acceptance of Flex-lease as a viable acquisition strategy will reduce risk on potential battlefields.

Density goals may contribute to resolution of Division Equivalent Firepower (DEF) inconsistencies and, ultimately, of the burdensharing issue

6. A Framework. In assessing a framework for how to think realistically about the burdensharing issue by zero-basing land power commitments and improving existing NATO institutional plans and programs, our intention was not to address the multitude of programs where joint, cooperative ventures are progressing at various paces. In discussing manning, equipping, training, and sustaining the forces, we sought to explain the differences in force structure design and in the nature of evolving militaries. Whether or not a nation chooses to opt for a manpower or equipment intensive force is not germane to burdensharing. Each nation makes its own assessment of the threat; determines its national security and military strategies; selects its own defensive concepts; and resources those concepts as it sees fit. The United States has selected an equipment-heavy rather than a manpower intensive force structure. Although sound logic exists to encourage others

to structure their militaries according to the U.S. model, goals such as 3 percent annual real defense growth are not easily accepted, nor achieved. Even so, the anticipated reductions in the CFE talks will precipitate the NATO Alliance to seek equipment density goals or other expenditure goals to balance the risk, should NATO's CFE proposals be accepted.

ENDNOTES

1. Reports include the DOD Report on Allied Contributions to the Common Defense; Fair Shares: Bearing the Burden of the NATO Alliance by Gordon Adams and Eric Munz; Report of the Defense Burdensharing Panel of the Committee on Armed Services, U.S. House of Representatives (Rep. Schroeder); and Providing for the Common Defense, Burden-Sharing: The Benefits, Costs and Risks of Collective Security, prepared for the Association of the United States Army by General Frederick J. Kroesen, USA, Retired.

2. Major General Phillip H. Mallory and Lieutenant Colonel James S. Wheeler, "Burdensharing," Signal, October 14, 1988, p. 49.

3. Thomas F. O'Boyle, "German Firms Stress Top Quality Niches to Keep Exports High," The Wall Street Journal, December 10, 1987, p. 1.

4. U.S. Congress, House, Report of the Burdensharing Panel of the Committee on Armed Services (Schroeder Report), p. 3.

5. Even more intriguing in this analogy, after a period some Greek city states no longer saw the imminence of the Persian threat and attempted to pullback from this Athenian-sponsored league. The Athenians then took steps to force their former allies to contribute and the league capital and treasury were forcibly moved from Delos to Athens.

6. The United States was not a signatory to the Brussels Pact, but strongly supported it politically and undergirded it with promises of aid. See Colin Gordon, "NATO and the Larger European States," in NATO After 30 Years, by Lawrence S. Kaplan and Robert W. Clawson, pp. 60-75.

7. John A. Reed, Jr., Germany and NATO, pp. 69-74.

8. Gordon Adams and Eric Munz, Fair Shares: Bearing the Burden of the NATO Alliance, pp. 7, 48-49.

9. U.S. Congress, House, Report of the Defense Burdensharing Panel of the Committee on Armed Services.

10. Gordon Adams and Eric Munz, Fair Shares: Bearing the Burden of the NATO Alliance.

11. Ibid, pp. 31-40.

12. Ibid, pp. 50-59.

13. Thomas A. Callaghan Jr., Pooling Allied and American Resources to Produce a Credible, Collective Conventional Deterrent.

14. Frank C. Carlucci, Report on the Allied Contributions to the Common Defense.

15. James Kitfield, "Burden-Sharing No Easy Answers," Military Forum, September 1988, p. 3.
16. Schroeder Report, p. 20.
17. Frank C. Carlucci, Annual Report to the Congress Fiscal Year 1990, p. 87.
18. Adams and Munz, p. 59, Table 18.
19. John McCain, "Designing a Cooperative Distribution of the Burden," Armed Forces Journal, September 1988, p. 86.
20. Extracted from data presented in The Military Balance, 1988-1989, p. 224.
21. The Military Balance, 1988-1989, extracted from national data presented throughout reference.
22. Strategic Studies Institute, How to Think About Conventional Arms Control: A Framework, p. ix.
23. Michael R. Gordon, "Cutting Arms in Europe: It's Down to the Details," The New York Times, March 9, 1989, p. A12.
24. Peter Adams, "Complex Issues Confront Conventional Arms Talks," Defense News, February 13, 1989, p. 3.
25. Strategic Studies Institute, pp. 79-81.
26. Ibid., p. 73.
27. The White House, National Security Strategy of the United States, p. 18.
28. Strategic Studies Institute, p. 36.
29. Interview at U.S. Army War College, Fall 1988. College nonattribution policy prohibits release of interviewee's name.
30. Daniel Southerland, "China Plans to Expand Naval Fleet; Beijing is Designing 1st Aircraft Carrier," The Washington Post, February 19, 1989, p. A43.
31. Jonathan Dean, "Alternative Defense: Answer to NATO's Central Front Problems?," International Affairs, Winter 1987-1988, pp. 61-82.
32. Conversation with Dr. Alan Sabrosky, former Director of Studies, Strategic Studies Institute, U.S. Army War College, December 15, 1988.
33. Developed by Study Team.

34. Study team traveled to BMY Corporation in York, Pennsylvania to determine how expensive stretch-out buying really is. The 15 percent figure comes from "Impact of Extension of M88A1 FY 86 Contract Deliveries," a briefing slide which depicts a projected price increase as a result of a stretch-out buy of 18 per year to 9 per year, arrayed over a 2-year production schedule.

35. General Services Administration, National Fleet Management Division, "Comparison of Vehicle Ownership and Leasing Options," p. 1.

36. Determined by Study Team.

37. Barbara Amoreyal, "Israel Seeks to Lease Helicopters," Defense News, February 13, 1989, p. 1.

38. Ibid.

39. U.S. Army War College, Army Command and Management: Theory and Practice, pp. 9-15.

40. Carlucci, p. 66.

41. Ibid.

42. Frank C. Carlucci, Report on Allied Contributions to the Common Defense, p. 38:

The DEF is an indicator of ground forces combat power based on the quantity and quality of major weapons. This measure draws on the static assessment techniques used in the Armored Division Equivalent (ADE) methodology with additional improvements made to portray more accurately NATO equipment modernization. The DEF methodology--which is widely used within DOD and NATO for ground forces comparisons--provides a more comprehensive picture of combat effectiveness than do simple counts of combat units and weapons. The measure does not, however, consider such factors as ammunition availability, logistical support, training, communications, and morale. At this time no generally accepted static measure of ground combat capability exists that incorporates all of these factors.

43. George C. Wilson, "U.S. Cuts Role in NATO Exercise," Washington Post, February 2, 1989, p. A27.

44. The Military Balance, 1988-1989, extracted from data, p. 224.

45. Ibid., p. 224.

46. Study co-author LTC (P) Shaver's battalion in the FRG was inspected by a NATO inspection team consisting of officers from the FRG, the UK, Canada, and the USA. Results of NATO readiness inspections are classified. The fact that they exist is not classified.

47. Carlucci, p. 7.

48. Ibid.

49. Peter Adams, p. 3.

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APPENDIX A

GLOSSARY

AC - Active Component (Army)

ALO - Authorized Level of Organization

APC - Armored Personnel Carrier

ARSTAF - U.S. Army Staff

ATC - Armored Troop Carrier

ATTU - Atlantic to the Urals

CAC - Conventional Arms Control

CDI - Conventional Defense Improvement

CENTAG - Central Army Group

CENTCOM - United States Central Command

CINC - Commander in Chief (of Unified or Specified Commands)

CINCUSAREUR - Commander in Chief, U.S. Army, Europe

COMCENTAG - Commander, Central Army Group

CONUS - Continental United States

CSA - Chief of Staff, U.S. Army

CSCE - Conference on Security and Cooperation in Europe

CS/CSS - Combat Support/Combat Service Support

CST - Conventional Stability Talks

DCA - Dual-Capable Aircraft

DCS - Dual-Capable Systems

DEF - Division Equivalent Firepower

DOD - U.S. Department of Defense

ETS - European Troop Strength

FRG - The Federal Republic of Germany (West Germany)

GDP - Gross Domestic Product

IISS - International Institute of Strategic Studies
IFV - Infantry Fighting Vehicle
JCS - U.S. Joint Chiefs of Staff
LATAM - Latin America
MBFR - Mutual and Balanced Force Reduction
MBT - Main Battle Tank
MICV - Mechanized Infantry Combat Vehicle
MRL - Multiple Rocket Launcher
NATO - North Atlantic Treaty Organization
NNA - The Neutral and Nonaligned Nations of Europe
ODCSOPS - Office of the Deputy Chief of Staff for Operations and Plans
OJCS - Organization of the U.S. Joint Chiefs of Staff
Pact - The Warsaw Treaty Organization, or Warsaw Pact
POL - Petroleum, Oil and Lubricants
POMCUS - Prepositioning of Materiel Configured to Unit Sets
PSC - Principal Subordinate Command
RC - Army Reserve Components (National Guard and Army Reserve)
RSI - Rationalization, Standardization, and Interoperability
REECE - Reconnaissance
REFORGER - Return of Forces to Germany
SACEUR - Supreme Allied Commander Europe
SAS - Study Group on Alternative Security Planning
SECDEF - U.S. Secretary of Defense
SOCOM - United States Special Operations Command
SOUTHCOM - United States Southern Command
SP - Self-Propelled

SSM - Surface-to-Surface Missiles
SWA - Southwest Asia
TAA - Total Army Analysis
TCRP - Tactical Command Readiness Program
TDA - Table of Distribution and Allowances
TMACS - Training Management Control System
TOE - Table of Organization and Equipment
TPFDL - Time-Phased Force Deployment List
UK - United Kingdom
USAREUR - United States Army Europe
USFK - United States Forces, Korea
USG - U.S. Government
WP - Warsaw Pact
WW II - World War II

APPENDIX B

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 - Director, Deep Requirements and Integration
 - Director, Close Requirements and Integration
 - Director, Program Integration
 - Director, Operations Readiness and Mobilization
 - Chief, Army Initiatives Group
- ODCSLOG
 - Director of Plans and Operations

ODCSPER

Asst. Deputy Chief of Staff for Personnel

ODCSINT

Assistant Deputy Chief of Staff for Intelligence

Director of Foreign Intelligence

ODISC4

Deputy Director (C4) Systems Integration

OCAR

Chief, Force Structure, Mobilization and Modernization Div.

NGB

Chief, Office of Policy and Liaison

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Commandant, Industrial College of the Armed Forces

Commanding General, U.S. Army Combined Arms Center

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Director, Training and Education Center, Marine Corps Combat Development Center

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Chairwoman, Defense Burdensharing Panel, House of Representatives

Committee on Armed Services

U.S. Department of State

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Deputy Director for Intelligence

U.S. Arms Control and Disarmament Agency

Director

U.S. Army Concepts Analysis Agency
Director

National Security Council
Chief, Arms Control Branch

Combined Commands

XO to SACEUR, SHAPE
Chief of Staff, Supreme Allied Command, Atlantic
CINC, U.S. Space Command
CINC, ROK/U.S. Combined Forces Command

Unified Commands

CINC, US SOUTHCOM
DCINC, US EUCOM
CINC, US PACOM
CINC, US LANTCOM
CINC, US SOCOM
Director, Plans, Policy and Doctrine, US SOCOM
CINC, US CENTCOM
CINC, Space

Major CONUS Commands

CG, FORSCOM
CG, TRADOC
CG, INSCOM
CG, AMC

Major Overseas Commands

CINCUSAREUR/Seventh Army
CG, U.S. Army Japan
Deputy Commander, Eighth U.S. Army/U.S. Forces Korea
CG, WESTCOM
Commander, U.S. Naval Forces Korea

Libraries

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20. ABSTRACT (Continue on reverse side if necessary and identify by block number) The burdensharing issue concerning NATO nation's contributions to the mutual defense is cyclic and has reappeared in the Congressional arena with every U.S. budget crisis since NATO was formed in 1949. Throughout NATO's history, there have been efforts to develop a multilateral consensus on a formula for alliance member contributions; however, the efforts have resulted in a continuous debate on what contributions should be considered in finally reaching a financial equity of burdensharing.		

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20. Abstract (contd)

This study addresses the burdensharing debate by identifying the issues; assessing them, and proposing options and recommending creative solutions to the overall policymaking process, particularly in mission specialization of NATO forces.

Study methodology includes a summary of historical background; development of burdensharing principles, assumptions, and facts; discussion and assessment of strategic, operational, and tactical issues; design of a framework for realistic burdensharing resolution, with integrated alternatives presented throughout the study.

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