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BY THE COMPTROLLER GENERAL

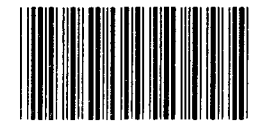
Report To The Congress

OF THE UNITED STATES

10/2/95

NATO's New Defense Program: Issues For Consideration

NATO has a new long term defense program to improve Alliance capabilities over the next decade. This report summarizes its major features and identifies some issues the Congress may wish to consider.



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To the President of the Senate and the
Speaker of the House of Representatives

This is an unclassified version of our recently issued report, "NATO's New Defense Program: Issues for Consideration," (ID-79-4), dated March 13, 1979. The report discusses NATO's new Long-Term Defense Program designed to improve alliance capabilities over the next decade. The program focuses on NATO's priority defense concerns and will supplement the regular planning process.

This review was made to assist the Congress in its oversight responsibilities by outlining the dimensions of the program and some of the major issues.

The information covered in the report was discussed with officials of the Departments of Defense and State, and their comments were incorporated where appropriate.

We are sending copies of this report to the Director, Office of Management and Budget; the Secretaries of State and Defense; and those congressional committees having responsibilities for military and foreign affairs.

A handwritten signature in black ink, appearing to read "Louise A. Blum".

Comptroller General
of the United States

D I G E S T

In May 1978, NATO leaders adopted a new plan to improve alliance defense capabilities during the 1980s and beyond. NATO is recognized to be this country's single most important security arrangement. Its new plan, the Long-Term Defense Program, reflects the alliance's most recent acknowledgement of, and effort to resolve, its well-known shortcomings and deficiencies in light of the buildup of the Warsaw Pact forces.

The Congress needs to be fully aware of the nature and scope of the Long-Term Defense Program and the prospects for achieving its critical goals because of its importance, its potential impact on the U.S. defense budget, and changes in NATO direction implicit in some of its proposals.

The plan focuses on NATO's priority defense concerns.

Readiness; reinforcement; reserve forces; maritime posture; air defense; command, control and communications; electronic warfare; standardization and interoperability; consumer logistics; and nuclear forces.

The United States will spend an estimated \$40.5 billion for forces committed to NATO in fiscal year 1979, and the Secretary of Defense maintains that almost everything in the U.S. defense budget supports America's commitment to NATO.

GAO describes the new program and its objectives, summarizes what the NATO Defense Ministers and Heads of States agreed to do, and identifies the issues and potential implications for the Congress.

The basic theme of the defense program is increased cooperation among alliance members. It calls for quantitative increases in forces, weapons, and equipment, and for more effective procedures and plans for multinational coordination and mutual support.

As important as these objectives are, the program's future depends on the willingness and ability of nations to implement its provisions. In adopting the Long-Term Defense Program, a number of countries expressed certain reservations, or voiced general agreement, with specific commitments pending further study or refinement of proposals. Thus, the plan is far from complete and some important and sensitive issues remain unresolved.

National and NATO authorities are now working on the details to implement the program decisions. Member nations must determine the extent to which program requirements can be accommodated within existing national defense plans. To put the program into effect, nations may need to realign some national priorities, reallocate resources, and alter national defense plans.

Similar past improvement efforts have been impaired by NATO's inability to overcome the national concerns of its members. Studies and defense reviews have identified problems and sought solutions. For example, a 1970 study generated by NATO's own Defense Planning Committee identified critical deficiencies which would face the alliance during the 1970s. This study uncovered shortcomings such as deficient anti-armour capabilities, reinforcement deficiencies, maldesployment, crisis management capabilities, air defense problems, and communications shortfalls. At that time, the Defense Ministers agreed to place higher priorities on these areas. Nearly a decade later, these same issues are addressed in the new program.

Limitations of NATO's planning system are partly to blame. The system is a complicated, elaborate process, which takes 2 years to complete. Some criticisms are that

- long-term planning is not realized;
- there are too many force goals and priorities;
- military needs are not met;
- national plans direct the NATO force goals;
- staff monitoring is insufficient; and (perhaps most important)
- the force planning process is more nationally than functionally oriented and thus cannot adequately center on collective efforts.

GAO's review of U.S./NATO-related activities also identified many problems in the priority defense areas. For example in the reinforcement area, GAO has some concerns about the implementation of DOD's new program to preposition additional equipment in Europe. DOD does not share GAO's concern in this regard. Review efforts on this subject are continuing.

The Long-Term Defense Program approach will supplement the regular planning process and will focus on long-term planning, selected priorities, functionally oriented and more closely integrated national programs, collective actions, and monitoring of program progress.

National priorities may affect the program's success. Although it stresses collective action, national interests and issues are realities and will continue to influence NATO-related decisions made by sovereign nations. Past efforts have demonstrated

that national political, economic and military considerations do influence responses to NATO defense requirements.

SUMMATION OF ISSUES

To evaluate the effectiveness of the Long-Term Defense Program, the Congress may need more information on the defense activities of allies and the NATO organization, as well as those of the United States. / As the Congress considers legislative proposals to implement the U.S. share of the Long-Term Defense Program, the following issues will warrant attention:

- The responsiveness of NATO allies in fulfilling their new program requirements.
- The impact of the program on the U.S. defense costs.
- The potential expansion of NATO's role. /

The report was discussed in detail with officials of the Departments of State and Defense, and their comments have been incorporated, as appropriate.

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ABBREVIATIONS

DOD	Department of Defense
LTDP	Long-Term Defense Program
NATO	North Atlantic Treaty Organization

CHAPTER 1

INTRODUCTION

In May 1978, the Heads of State and Defense Ministers of NATO member nations adopted the Long-Term Defense Program (LTDP) to alleviate the alliance's most critical defense problems. The program resulted from a yearlong planning effort, which was proposed by President Carter.

The new defense program may well be the most significant planning document to come out of NATO in a long time. It represents the alliance's most recent acknowledgement of, and effort to resolve, the continuing deficiencies in light of the buildup of Warsaw Pact forces.

The alliance's shortcomings are well known; they cut across almost every key area of military concern from command and control, logistics, force structure and deployments, to readiness and reinforcement capabilities. In recent years, excellent studies and analyses have described and documented problems, identified causes, and proposed solutions. Our past reviews of U.S./NATO-related activities also have identified many of the same problems. 1/ Yet the problems remain and continue to cast doubt on NATO's ability to deter aggression and field a credible defense.

The LTDP is an attempt to turn the alliance around. It comes at a time when there is a mounting concern over the improved warmaking capabilities of the Warsaw Pact and a realization that NATO defense resources--increasingly constrained--must be used more wisely and in a more coordinated fashion if NATO goals are to be achieved.

The NATO defense program has major implications for the United States. NATO is recognized to be this country's single most important security arrangement, and the United States will spend an estimated \$40.5 billion 2/ for forces

1/ Appendix I lists some recent GAO reports concerning NATO and U.S. forces in Europe.

2/ Concerning NATO costs, the Secretary of Defense maintains almost everything in the defense budget directly or indirectly supports the U.S. commitment to NATO. Appendix II provides information on the costs of U.S. NATO commitments.

committed to NATO in fiscal year 1979. Reaffirming the priority attached to NATO, the Secretary of Defense informed the Congress in March 1978 that the alliance's defense program will guide future U.S. defense proposals and expenditures.

Because of the importance of NATO to the United States, the potential impact of the long-term program on the U.S. defense budget, and the changes in NATO direction implicit in some of the LTDP proposals, the Congress needs to be fully aware of the nature and scope of the LTDP and the prospects for achieving its critical goals.

SCOPE OF REVIEW

The report provides a summary of the major elements and the status of the LTDP as adopted in May 1978; puts the program into perspective in terms of past efforts; identifies the factors which will influence the prospects for implementation; and raises some issues which the Congress may wish to consider in evaluating U.S. support for some of its measures.

This study was performed at the Department of Defense (DOD), primarily through review of the NATO reports and of decisions by NATO Defense Ministers and Heads of State. DOD officials involved in developing the program were interviewed for their comments and perspective.

CHAPTER 2

THE LONG-TERM DEFENSE PROGRAM

A U.S. initiative introduced by President Carter and backed by DOD proposals prompted NATO to formulate the Long-Term Defense Program. It calls for improvements in 10 priority defense areas and reflects the view that numerous actions are essential if NATO is to have a credible defense posture during the 1980s and beyond.

The LTDP, at the present, is far from complete. Much remains to be done in firming up and implementing the approved plans, particularly at the national levels. The program, however, does establish basic principles and identify some specific steps which, if successfully implemented, should substantially improve NATO's deterrent and defense capabilities over the mid term and long term.

GENESIS OF THE LTDP--A U.S. INITIATIVE

U.S. leadership has always been important for successful NATO action, and the LTDP is no exception. The program results from U.S. initiatives and, to a large degree, is patterned after U.S. proposals.

In a May 10, 1977, speech before the NATO Summit, President Carter reaffirmed the U.S. commitment to the alliance and called upon member nations' Defense Ministers to begin developing a long-term defense program to bolster NATO's deterrent and defensive capabilities in the 1980s. The President's initiative received impetus from the growing consensus among NATO partners that strong action was needed to counter recent advances of the Warsaw Pact forces. Shortly after President Carter's speech, NATO established task forces to develop long-term defense efforts in 10 priority areas.

An indication of what the United States hoped to accomplish appeared in program proposals prepared for the Secretary of Defense in 1977, which presented the view that there was a need to revamp NATO's overall defense posture.

The program was designed to promote greater cooperation and more efficient use of resources. For example, the program suggested that individual national plans and the forces

of member states were inadequate for accomplishing coalition goals. The result has been military inefficiency, reduced effectiveness, and waste of overall alliance resources. The program concludes that NATO institutions for planning, programming, and implementing defense measures must be strengthened, and that ways must be found to mesh individual national defense plans and contributions with the priority needs of the alliance as a whole.

The program sets forth certain criteria for an alliance defense effort. For example:

- NATO response must be collective; not only is the United States incapable of unilaterally defending Europe, but there is recognition that neither the Congress nor the U.S. taxpayer would long tolerate assuming an inequitable share of the burden.
- Any proposed programs must be affordable and realistic. Setting goals requiring large increases in defense funding would probably be unacceptable to alliance members.
- Primary emphasis should be placed on fostering cooperation among NATO partners as a way to enhance coalition effectiveness and reduce defense costs. The principle of cooperation should be applied across the board, from equipment programs to logistic support, training, and so forth.
- Priorities must be set to assure that the most serious deficiencies are addressed first.
- Plans must be specific, in terms of objectives, timing, and followup machinery.

With these criteria in mind, the U.S. representatives participated in the LTDP deliberations and studies.

NATO's development of the LTDP

NATO Defense Ministers authorized task forces to develop a comprehensive framework for future defense efforts with the goal of reporting to the Ministers and Heads of State in May 1978. The task forces, which were composed of military and civilian representatives to NATO and received input from national authorities, concentrated on readiness; reinforcement;

reserve mobilization; maritime posture; air defense; communications, command, and control; electronic warfare; rationalization (standardization/interoperability); and consumer logistics. Another priority issue, theater nuclear modernization, was referred to NATO's Nuclear Planning Group for study.

The task forces

- focused on a limited number of high-priority measures;
- identified the contributions required, either nationally or multinationally, to counter the deficiencies;
- established timing for the critical phases and completion;
- explored all opportunities for greater alliance cooperation in various fields, notably standardization, interoperability, and logistics;
- framed their proposals with an eye to feasibility and affordability; and
- made proposals on the programing and implementing machinery which might be necessary to meet program goals.

The task forces completed their work in the spring of 1978. Their reports and recommendations were extensively reviewed within NATO and were considered by Defense Ministers and Heads of State of NATO member nations in May 1978.

The Ministers and Heads of State did not approve all the task force recommendations. For example, certain specific recommendations were approved as generalities; detailed quantities and implementation schedules were deferred pending thorough examination by the nations; some recommendations were accepted only "in principle"; while others were determined to need further study.

The remainder of this chapter describes the major elements of the LTDP, as adopted by the Ministers and endorsed by Heads of State, and discusses actions needed to make the program more specific and to implement the program.

MAJOR ELEMENTS OF THE LTDP

The LTDP recommends actions to improve NATO capabilities between 1979 and 1984 and over the long term, 1985 to 1990. The program concentrates on NATO's conventional and theater nuclear weaknesses, reflecting the view that the Warsaw Pact's advantages are most pronounced in this area. The cornerstone of NATO's strategy, flexible response, depends on conventional strength as well as the theater and strategic nuclear capabilities.

The basic theme is increased cooperation among alliance members. Major recommendations call for quantitative increases in forces, weapons, and equipment; qualitative boosts through modernization of weapons and equipment inventories; and improved procedures and plans to effect multinational coordination and mutual support.

The 10 action areas, and the programs adopted by the Ministers and Heads of State to remedy NATO problems, are described below. These programs do not cover all military requirements, only the priorities. NATO leaders assume that advances will continue in other areas, and that nations will supplement the major actions with many short-term and low cost/no cost improvements.

Readiness

The objective of the readiness program is to improve the capability of in-place forces to respond to aggression with minimal warning. Emphasis has been placed on improving anti-armour and armour capabilities, developing defenses against chemical attack, shortening ammunition loading time, correcting malpositioning of certain forces, modernizing air-to-surface weaponry; upgrading force commitments of some nations, and improving NATO's alert procedures.

Among other things, NATO Defense Ministers and Heads of State agreed to:

- Aim to increase their holdings of antitank weapons and equipment and acquire additional and more sophisticated air-to-surface munitions in the mid term and long term.
- Support cooperative developments of antitank weapons and air-delivered munitions.

--Provide their forces with improved protective equipment against chemical attack and agreed, in principle, [REDACTED]

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--Reduce the time needed for units to upload ammunition [REDACTED]

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A number of nations also agreed to increase the degree of commitment of their forces to NATO so as to ease transition to wartime footing. [REDACTED]

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The NATO leaders also endorsed the need to improve the NATO alert system [REDACTED]

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Reinforcement

The task force report indicated that effective and rapid reinforcement is necessary if NATO is to counter the existing conventional force imbalance in Europe. Reinforcements of men, equipment, and supplies are expected primarily from the United States, Canada, and the United Kingdom.

In the LTDP, NATO leaders agreed to expand multinational cooperative efforts in support of reinforcement actions. This involves allied commitment of merchant ships and air resources, including the modification of civil aircraft, to help move U.S. reinforcements; use of existing European assets and facilities, with improvements where necessary, to receive reinforcements and move them forward; and specific arrangements for assistance by national and international civil and military organizations.

A second thrust of the program is to accelerate reinforcement actions. A major feature is expanded prepositioning of equipment. To this end, the United States has agreed to preposition heavy equipment for three additional divisions in Central Europe. This program which has been in the planning stage for about 2 years will be implemented with the understanding that NATO infrastructure support, as well as host nation support, will be needed. NATO leaders also endorsed specific steps to shorten the deployment time for other alliance forces.

In approving the overall reinforcement improvement program, NATO Ministers and Heads of State recognized that early decisionmaking was crucial and agreed that a decision to reinforce should include a commitment by member nations to provide all necessary resources to carry out reinforcement successfully.

Reserve mobilization

A major portion of NATO's total ground forces are reservists. Therefore timely deployment of reserve units is critical. The LTDP aims to improve NATO and national procedures for rapid mobilization of reservists. Assuring that the reservists are combat ready will include being properly equipped, trained, and prepared to move out rapidly. Furthermore, a number of countries will consider forming additional reserve fighting units from uncommitted manpower.

NATO leaders agreed, in principle, to bring national reserve forces up to NATO standards. Specifically, they urged the elimination of deficiencies in certain nations' reserve units.

Maritime posture

Reinforcement and resupply of Europe depends on NATO control of the seas. NATO is increasingly concerned about the extensive Soviet naval capability for disrupting these activities.

NATO's major weakness in the maritime area is an insufficient number of ships. This shortage is being addressed by NATO's regular defense planning system and is not covered in the LTDP.

The LTDP recommendations concentrate on improving naval survivability and combat effectiveness through improved maritime command, control, and communication systems; more effective air defense; increased antisubmarine and mine-warfare capabilities; and enhanced weapons effectiveness.

Among the major decisions taken by NATO leaders are

- pursuing cooperative or coordinated development of key weapons systems;
- introducing improved weaponry into inventories;

- fitting ships with improved and interoperable communications gear; and

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Air defense

The objective of this program is to improve NATO's ability to defend itself against air attack. The task force outlined a basic plan for

- introducing a common, reliable system for aircraft identification;
- improving communications by using the same, or at least interoperable, equipment;
- establishing an effective air command and control system;

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- increasing the number and quality of fighter aircraft in Europe; and
- strengthening NATO's DELETED surface-to-air missile defenses.

NATO leaders endorsed the broad outline but agreed that the program needed further refinement before implementation could begin.

Command, control, and communications

NATO needs effective command, control, and communications systems for political consultation in a crisis and for the direction of forces in wartime. To be effective, these systems must be reliable, responsive, secure, and survivable.

The LTDP includes measures to improve NATO-wide common user communications, as well as the communications systems used by national forces. The task force emphasized the need to accelerate cooperative and coordinated development plans to achieve full interoperability between national systems and thereby improve NATO commanders' flexibility in using

multinational forces. Other recommendations called for improvements in the collection, processing, and exchange of command information and the hardening of NATO wartime headquarters facilities so as to increase survivability.

NATO leaders endorsed the urgent need for improving command, control, and communications capabilities, [REDACTED]

[REDACTED]

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Electronic warfare

The status of electronic warfare capabilities has been a major NATO military concern, especially in light of the Warsaw Pact's considerable strength in that area. In the LTDP, NATO leaders endorsed the need to devote greater attention and resources to improving its electronic warfare capabilities, such as communication, detection, and identification systems. [REDACTED]

[REDACTED]

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[REDACTED] NATO leaders also pledged closer cooperation in research and development

[REDACTED]

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Programs were approved to enhance the electronic warfare capabilities. [REDACTED]

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Rationalization (standardization/interoperability)

The rationalization task force emphasized the need for improved long-range armaments planning within the alliance and closer weapons cooperation among member nations. The ultimate goal is to obtain a more rational and efficient use of alliance resources and, at the same time, improve military effectiveness through adoption of standardized or interoperable weapons and equipment.

NATO leaders agreed that weapons projects of all types should be pursued cooperatively to the greatest extent possible--a position repeated in various sections of the LTDP. This overall endorsement included technology transfer when necessary to advance cooperation.

The Defense Ministers and Heads of State also decided, in principle, to work toward a periodic overall armaments planning system for NATO and to adjust national procedures and approaches in support of such a goal. To facilitate standardization and interoperability, NATO military authorities were asked to identify military requirements and priorities, which nations ideally would then take into account in developing national plans.

Alliance leaders also supported the collaborative work being carried out by NATO's Conference of National Armaments Directors and others, such as efforts to harmonize concepts and requirements, and urged speedy resolution of outstanding obstacles to cooperation.

Consumer logistics

The problems addressed by the consumer logistic task force cover some of NATO's most serious deficiencies: uncoordinated logistic support arrangements among nations; the absence of a coherent alliance logistic structure with well-defined roles for NATO military commanders; inadequate support planning; and insufficient war reserve stocks.

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The NATO leaders endorsed the urgent need to improve the alliance's logistic preparedness but did not go as far in "NATOizing" logistics as the task force recommended. While there was overall agreement that a more coordinated approach to alliance logistics was needed, some key features of the task force report were adopted only in principle or referred for further study.

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Specifically, the Defense Ministers decided that:

- The need to strengthen logistic staff support at NATO headquarters and within NATO military commands should be studied further.

--Agreements recognizing the NATO military's coordinating role and defining responsibilities which should be established between nations and NATO military authorities.

--A logistics coordinating capability should be developed in NATO headquarters in Central Europe, and the need to expand this capability to other areas should be studied.

To improve the war reserve situation, the Ministers agreed to bring ammunition war reserve stocks up to a NATO-agreed supply level in the mid term and long term.

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Theater nuclear force modernization

NATO's Nuclear Planning Group is examining measures to improve the range, versatility, survivability, and security of the currently available theater nuclear forces and is considering future plans.

Unlike the nine priority LTDP programs described above, no decisions have been made in this area. Work is continuing and the results will become part of the LTDP.

IMPLEMENTATION OF THE LTDP DECISIONS

The immediate task confronting NATO is to assure vigorous followthrough on the LTDP decisions.

Many of the decisions taken by the Ministers and Heads of State were cautiously worded. In adopting the LTDP, a number of countries inserted reservations about certain

provisions or indicated intentions and general agreements, with final commitment pending further study and refinement of proposals.

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Understandably, the Ministers and Heads of State dealt with the program at a fairly high level of generality.

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Much needs to be done

The major requirement is for nations to develop specific implementation plans, detailing the measures which will be taken, quantifying the programs, setting time frames, determining costs, and reallocating resources and adjusting national plans as necessary. Overall, nations must determine the extent to which the LTDP requirements can be accommodated within existing national defense plans. The LTDP was an attempt to build on mid term plans of nations, but some modifications will be required in both the mid term and the long term. Among other things, nations may need to realign some national priorities and make tradeoffs between LTDP requirements and defense needs not covered in the program.

Furthermore, a number of the proposals were adopted "in principle." A good example is communications. For years NATO military and civil authorities have identified communications as a critical alliance shortfall area. Deficiencies have been the subject of extensive NATO work and discussion. Yet a poor situation has continued and, in some ways, has gotten worse.

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To avoid this situation in the future, the communications task force report urged nations to agree to cooperatively develop communications and related systems. In approving the LTDP, the NATO leaders accepted the concept of cooperative communication programs in principle.

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The LTDP also calls for numerous studies to establish the need for improvements and/or better define proposed actions. Among the critical areas which will be subjects

of further study are logistics arrangements, DELETED
DELETED war reserves, the air defense program, crisis management, and improvements to European facilities necessary to receive reinforcements. Action in these areas may be stalled pending completion of studies and subsequent review by member nations.

Additional work is also needed to strengthen the procedural machinery of NATO and to better define NATO roles. A primary motivation for the LTDP was the recognition that, institutionally, NATO has been unable to resolve many of its major problems in the past and that new methods may be necessary if alliance members are to act in concert. Implicit in the decisions taken by the NATO leaders is the need for improved decisionmaking; better coordinated NATO planning; meshing national plans with NATO requirements; and stronger followthrough on alliance decisions. These and other organizational questions such as greater use of common funding, expanded resource control by NATO authorities, vesting NATO with increased responsibility for coordinating some national programs, and increased staffing requirements in specialized areas such as electronic warfare and logistics have not been fully resolved.

Status of implementation

The LTDP was approved by Ministers and Heads of State in May 1978. By the end of July, NATO had designated action bodies to spell out in greater detail the steps needed for each measure, to develop specific implementation plans, and to proceed with implementation.

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While action bodies are working out the details for individual programs, NATO is considering the need for organizational changes to facilitate LTDP goals. In approving the LTDP, NATO leaders urged that maximum use be made of regular channels and existing procedures. However, they recognized the need to strengthen the international machinery to more effectively coordinate, supervise, monitor, and review progress. To this end, arrangements are being made to assure periodic reporting to Ministers on LTDP progress. Furthermore, the NATO Secretary General recommended

- realigning responsibilities within the international staff to include creating an Assistant Secretary General for Infrastructure and Logistics;

- increasing the international staff; and

- establishing specific individuals, such as major NATO commanders and assistant secretaries general, as program monitors, who would be responsible for tracking action in program areas, reporting progress, and identifying problems.

By December 1978, NATO had approved the realignment of international staff responsibilities and the designation of program monitors. The staffing provisions are being considered by the North Atlantic Council.

CHAPTER 3

PROSPECTS AND PERSPECTIVES

The LTDP is not NATO's first attempt to comprehensively address its shortcomings. Throughout the alliance's history, major studies and defense reviews have identified problems and sought solutions. But, despite endorsements by alliance and national officials, these efforts have not been very successful.

NATO's defense planning and programing procedures have been a problem. The LTDP, while not replacing NATO's established defense planning system, attempts to eliminate some of its past deficiencies. The new program emphasizes certain elements formerly lacking, such as long-term planning, more closely integrated national actions, and the need to monitor progress.

The LTDP still faces traditional barriers rooted in the very nature of the alliance of sovereign states. Political and economic as well as military concerns will determine the extent to which this, NATO's most recent defense improvement effort, will be successful where previous attempts have failed.

PROBLEMS WITH PAST ALLIANCE EFFORTS

The shortcomings which the LTDP seeks to correct are, for the most part, problems which NATO has long recognized but has managed with limited success. They have surfaced in earlier comprehensive studies and have been addressed during numerous NATO defense planning sessions.

For example, in 1970 NATO's Defense Planning Committee generated a comprehensive study of alliance defense problems, known as AD-70. The AD-70 study identified critical deficiencies which would face the alliance during the 1970s. This study uncovered shortcomings in anti-armour capabilities, reinforcement deficiencies, [REDACTED]

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[REDACTED] mal-deployment, crisis management capabilities, air defense problems, and communications shortfalls. At that time, the Defense Ministers agreed to place higher priority on these areas. Nearly a decade later the same issues are addressed in the LTDP.

NATO has not wanted for recommendations. For example, in 1975 and 1976, Supreme Allied Commander Europe and other

NATO military commanders completed examinations of major constraints on their ability to use NATO forces. These reports, known as the flexibility studies, resulted in over 800 recommendations for corrective action in the short, mid, and long term. Again, considerable duplication with the LTDP proposals is apparent.

These and similar studies were ad hoc efforts, intended to improve the regular defense planning system. NATO's established planning process is supposed to identify military needs and allocate responsibility to nations to fulfill these needs. Under this system, nations have been asked to do many of the same things now included in the LTDP. Yet a considerable number of these goals were not implemented in the past or were only partially addressed.

With the failure of these efforts, observers increasingly criticized the NATO defense planning process with its emphasis on national programs rather than alliance needs. Indeed, this was one of the major factors leading to the development of a long-term defense program. As a result, a concerted effort is being made to overcome the deficiencies in the present planning system.

LIMITATIONS OF EXISTING PLANNING SYSTEM

NATO's defense planning is a complicated, elaborate process, which takes 2 years to complete. Very briefly, the existing planning system starts with a military evaluation of the situation confronting the alliance. Defense Ministers also provide guidance outlining the political, economic, technical, and military factors which will affect alliance planning. Based on these inputs, NATO military commanders, in coordination with national military authorities, prepare specific force proposals for each nation. These proposals are worked on by higher military levels to, among other things, reconcile conflicts and establish priorities. Once the military proposals are firm, they are reviewed by several groups, composed of national representatives and international staffs, for soundness and acceptability in terms of their economic, financial, and political implications. Throughout these multiple reviews, the military proposals may be adjusted. What finally emerges are called force goals, which are then sent to the nations for detailed review. In response, nations provide information which identifies their defense efforts and plans in the current year and projects for 5 more years. Only the first year's data is considered a commitment by nations.

These national responses are reviewed by NATO military and civil authorities, as well as by multinational review boards. During these reviews, nations are questioned regarding the adequacy of their plans compared to the force goals, and attempts are made to eliminate differences between the force goals and national plans. Following these sessions, NATO staffs prepare reports to the alliance Defense Ministers commenting on each nation's strengths, weaknesses, and deviations from force goals; and the NATO military authorities assess the risks to the alliance associated with the national efforts. With this information, Defense Ministers approve the NATO official force plan.

The problems

NATO's defense planning system has been likened to a "paper exercise." Planning problems experienced at the national level are aggravated when expanded to multinational planning. Some of the major criticisms of the existing system include:

- Long-term alliance planning is not realized. The NATO system does not coincide with the defense planning time frames used by nations. Five years is too short a period for certain efforts, such as research and development projects.
- There are too many force goals and an excessive number of priorities. For example, in 1977 there were over 1,100 approved force goals, some of which had six individual parts. Generally, about 40 percent of these were designated as top priority. With this volume, monitoring is difficult and emphasis on priorities is lost.
- In the transition from military-generated force proposals to official force goals, NATO military needs are not fully met. Considerable official weight is given to economic, political, and financial considerations.
- National plans direct NATO force goals, not vice versa. According to a recent study, the theory that NATO initiates alliance defense planning is an illusion. In large measure, the force goals reflect what nations were planning to do in the first place.

--The force planning process is more nationally than functionally oriented, thus it cannot adequately address collective efforts. The process is ill-equipped to handle multinational issues such as standardization, interoperability, mutual support, and other cooperative ventures. Nowhere does NATO spell out what its optimum collective posture and force should be. Its requirements are splintered throughout the proposals and goals for each nation.

--NATO is insufficiently staffed to properly evaluate its own planning process. Keeping track of the ministerial guidance, proposals, goals, national responses, and reviews, taxes the capabilities of its international staff. The highest decisionmaking levels, those capable of overview, cannot possibly provide adequate oversight during the long, complicated process.

In the end perhaps, the most serious criticism is that so many of the goals, after being adjusted and reviewed by multiple levels and organizations, are never fully implemented. In 1975, nations fully achieved only about half of the established force goals, partially addressed about a third, and did not implement the remainder at all.

POTENTIAL IMPROVEMENTS TO NATO DEFENSE PLANNING

The LTDP approach addresses many of the criticisms made against the regular alliance planning process. This new concept serves as a supplement to the regular NATO planning process. Specifically, the LTDP is long in range, focuses on selected priorities, is functionally oriented, emphasizes collective action, and calls for more systematic monitoring of approved measures.

The LTDP stretches from 1979 into the 1990s, establishing long-term, as well as mid-term, goals. It covers a time-span more than twice as long as the regular planning system. This longer term planning may enhance the prospect that NATO requirements will be considered in formulating national plans.

The LTDP also concentrates on fewer priorities. Compared to the about 1,100 force goals generated by the regular system, the LTDP contains about 120 high-priority measures.

Furthermore, the LTDP organizes NATO defense requirements and proposed actions by function, thus potentially facilitating alliance efforts to identify NATO needs, coordinate responses, and assure proper time phasing. Overall, it should provide a more coherent view of NATO's collective requirements, thereby fostering collective action.

The LTDP's emphasis on collective action should be an improvement to the regular process. Cooperation plays a major role in many of the individual program elements. The multinational nature of the plan--more fitting for an alliance which expects to fight as a coalition--is also highlighted by suggestions to expand common funding as a means of financing some NATO requirements and to broaden the scope of activities under NATO control. While the NATO leaders have not yet fully endorsed these concepts, it is noteworthy that under the regular system, it would have been difficult to consider or adequately address them.

Other proposed institutional provisions--increased headquarters staffing and program monitors--aim to improve NATO's ability to track defense efforts. The staff increases could provide improved NATO coverage of areas, such as logistics. Additionally, high-level oversight may be enhanced if monitors provide timely and comprehensive information on progress and problems. As important as these changes are, the ultimate success of the LTDP in revamping NATO's defense posture will likely depend on a number of factors which transcend its defense planning framework. Some of these overriding considerations are discussed below.

NATIONAL PRIORITIES MAY AFFECT LTDP SUCCESS

In the past, national responses to NATO defense requirements have been influenced by major national political, economic, and military considerations. Although the LTDP stresses interdependence and collective action, national interests and issues are realities and will continue to influence the NATO-related decisions made by sovereign nations.

For example, nations may perceive the threat differently and their responses to the threat are affected by domestic political situations. Pressures generated by economic and social imperatives may divert funds from defense budgets. Also, the possibility of Communist participation in certain member governments would limit the enthusiasm with which other members pursue cooperative and interdependent actions with those governments.

Some militarily sound solutions will continue to conflict with political realities. For example, proposals to reposition certain forces or improve the location of ammunition storage sites often generate considerable civilian obstacles. And domestic political concerns will determine the future cooperative role of France. Although France is not participating in the LTDP, many view close cooperation with that country as essential to a viable conventional defense of Europe.

Economic considerations will undoubtedly play a major role in the program

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If history is a guide, national economic conditions will have considerable impact on the success of certain cooperative programs, especially weapons projects. A depressing employment picture, a faltering defense industry, a poor trade balance, a desire for third-country sales, or pressures to maintain commercial and technological advantages could tip the scales in favor of nationally derived weapons solutions as opposed to cooperative programs. NATO has been making progress in this area, but many problems still remain.

Complicating an economic assessment of the LTDP prospects is the uncertainty about the total costs of the LTDP effort. In developing the LTDP, the task force attempted to plan, within an annual 3 percent, the real increase in defense spending, such as was adopted by the Defense Ministers in 1977. However, cost data was difficult to obtain, and estimates were complicated by a number of factors. For example, inflation will have an impact on procurement plans; some general defense costs, such as manpower, are likely to rise and possibly divert funds from LTDP priorities; and anticipated savings from cooperative programs may be delayed. Regarding the latter point, some believe that initially weapons standardization efforts may increase costs, with long-term economic gains being realized in the later maintenance and support stages. The lag between initial costs and potential savings may cause national budgetary problems.

Overall, the LTDP encourages interdependence, cooperation, and mutual support among nations. Political and

other disagreements over non-NATO issues can readily diminish this mutuality and, ultimately, the prospects for success. Proponents of the LTDP are hopeful that the sense of urgency and the high-level support given the LTDP will help overcome these and other barriers to collective action.

CHAPTER 4

ISSUES AND POTENTIAL IMPLICATIONS

The Long-Term Defense Program requires extensive commitment and effort over the next decade to strengthen NATO. In approving the defense program, NATO leaders called for vigorous followthrough by national authorities. As the Congress considers legislative proposals to implement the U.S. share of the long-term program, the following issues will warrant attention.

- The impact of the LTDP on U.S. defense costs.
- The responsiveness of NATO allies in fulfilling their LTDP requirements.
- The potential expansion of NATO's role.
- The need to maintain congressional oversight of NATO-related expenditures and programs.

In evaluating the NATO program, an overriding consideration will be its adequacy in terms of U.S. security. Because the LTDP calls for more explicit linkages between national and NATO defense efforts, its effectiveness in bolstering military capabilities will have long-term implications for U.S. security interests.

IMPACT ON U.S. DEFENSE COSTS

In March 1978, the Secretary of Defense informed the Congress that the defense program being developed for NATO would guide future U.S. defense programs and expenditures. At this time, it is difficult to precisely attribute cost increases specifically to the LTDP. Even before the LTDP was developed, the Carter administration had initiated major improvement programs to bolster U.S. contributions to NATO. As a result, the LTDP overlaps a number of actions which were already planned and programed by the Department of Defense.

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One such program involves the repositioning of additional combat equipment in Europe. This program is to be an option for increasing the U.S. early response to a short warning attack by Warsaw Pact forces. We have some concerns about the implementation of this program.

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We are currently reviewing this program. We believe the action of providing additional prepositioned equipment should be approached cautiously.

In addition to financing the U.S. actions called for, other facets of the LTDP could affect U.S. defense costs. Among these are possible increases in assistance to NATO allies; potentially higher costs associated with participation in common programs while, in some cases, maintaining unilateral programs; and increased staffing of NATO headquarters.

For example, in approving the LTDP, NATO leaders realized that the resources required may exceed the economic and financial capabilities of some nations. Although they urged maximum effort by all countries, they recognized that implementation of the program by some nations may depend on external assistance. DELETED this may mean providing assistance to some NATO nations to help them fulfill LTDP goals. The likely candidates are those on NATO's southern flank.

At issue will be the form such assistance takes-- whether it should be unilateral U.S. aid or assistance provided from a commonly funded NATO budget. In the recent past, the United States has provided unilateral military assistance to some NATO partners--Turkey and Portugal for example. However, if support is needed to further the collective LTDP aims, it would seem reasonable that the costs should be shared among all financially capable allies.

Under the LTDP, cost-sharing arrangements can be expected to increase. NATO leaders believe that the cooperative approach recommended in many programs may require expansion of common and multilateral funding concepts. A major consideration on common funding involves the cost-sharing formula. In the past, the United States has contributed the single largest share--generally around 25 percent or more--for many common programs.

Because of the U.S. worldwide role and responsibilities and the scope of U.S. activities and capabilities, it may be necessary to maintain both large unilateral efforts while participating in similar common NATO programs. Areas to watch in the future would be research and development. There may be pressures to continue certain seemingly duplicative research and development projects in order to sustain U.S. technological expertise, as well as maintain employment levels. DOD officials believe that any additional costs would be offset by savings from participation in commonly funded efforts.

The United States has also made known its willingness to provide incentives to spur action on specific programs.

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U.S. costs could also increase because of NATO organizational changes and staffing requirements in such areas as logistics and electronic warfare. Under NATO arrangements, each nation contributing military personnel to the international military staffs pays salaries and personnel support costs. The United States has traditionally supplied at least one out of every four military officers assigned to NATO military commands. An increase is especially likely

in the highly technical areas, such as electronic warfare, where U.S. personnel with specialized skills may be needed.

RESPONSIVENESS OF THE ALLIES

There are two important issues involved in assessing the adequacy of the allied response to the LTDP. One is burden-sharing, which essentially is a question of equitable and reasonable sharing of contributions between the United States and the allies. This issue has been prominent in congressional deliberations of U.S. participation in NATO.

A second concern is the increasing interdependence between the U.S. and allied defense activities. The effectiveness of certain U.S. defense initiatives is becoming increasingly dependent on allied support; and many U.S. programs are being based on the premise that the allies will be pursuing complementary actions. Because of these linkages, the actions taken by NATO partners to implement the LTDP will be of great concern. Failure of the allies to fulfill their LTDP goals could not only weaken the alliance defense but also jeopardize specific U.S. efforts and diminish the return on the sizable U.S. investment in NATO. For example, the United States has pledged to upgrade its reinforcement capabilities and has undertaken improvements in this respect. These improvements recognize that much help must come from other NATO partners, such as adequate reception facilities, personnel, and transportation assets to assist forward movement of troops and supplies.

POTENTIAL EXPANSION OF NATO ROLE

Some defense improvement proposals in the LTDP envision a greater role of NATO authorities, DELETED
DELETED Although a number of these proposals are still under study, they could represent an increase in responsibility for alliance managers.

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A further important consideration is the maintenance of adequate national monitoring of defense functions and resources given over to the international body. This could have important implications for the Congress in carrying out its oversight functions.

CONGRESSIONAL OVERSIGHT

In the future, it may no longer be practical to evaluate U.S. security concerns by looking primarily at what the United States is doing unilaterally. With increased interdependence within the alliance and the expansion of cooperative and NATO-wide approaches to defense, it may become more important than in the past for the Congress to focus on allied and NATO actions as well as U.S. programs.

Assessing allied and international programs presents difficulties not generally encountered in evaluating national actions. The sensitivities of sovereign states must be considered; gaining access to information is more difficult; and independent evaluation is often precluded.

In evaluating the LTDP and U.S. security interests, the availability of sufficient information is likely to be a major concern of the Congress. Timeliness is also an important consideration in that cooperative defense programs between nations are generally viewed as more difficult to stop than national projects.

OVERALL OBSERVATIONS

The LTDP seeks improved alliance defense capabilities and a more realistic approach to future defense planning. Similar past improvement efforts have been impaired by NATO's inability to overcome the national concerns of its members. Much will depend on the current priorities, willingness, and abilities of all nations to follow through on LTDP decisions. To date, the plan is far from complete and many sensitive and difficult issues remain unresolved.

Because NATO is a cornerstone of U.S. defense policy, the LTDP will have important security implications for the United States. In our view, it is critical that the Congress receive timely and accurate information on the LTDP's progress and possible problems.

To evaluate the effectiveness of the LTDP, with its emphasis on collective action, cooperation, and interdependence, the Congress may have to require more information on the defense activities of NATO allies and the NATO organization, as well as those of the United States.

AGENCY COMMENTS

The report was furnished to the Departments of State and Defense for their review. We discussed the report in detail and their comments were incorporated as appropriate. Officials from both Departments considered the report an accurate and objective presentation of the LTDP. Defense did, however, express concern over our description of some of the disadvantages to prepositioning additional equipment in Europe. The Defense position on this subject is summarized below.

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As mentioned above, GAO is presently reviewing the new prepositioned equipment program. DOD views will be considered in this assessment.

LIST OF RECENT GAO REPORTS CONCERNING
NATO AND U.S. FORCES IN EUROPE

<u>Issued reports</u>	<u>Number</u>	<u>Issue date</u>
Letter to the Chairman, Special Subcommittee on NATO R/S/I House Armed Services Committee	B-156489	9/18/78
Analysis of the Joint Chiefs' Study on Strategic Mobility: Further Study Recommended (SECRET) (note a)	PSAD-78-126	8/14/78
Planning Host Nation Support for U.S. Forces in Europe (SECRET)	LCD-78-402	8/09/78
Improvements Needed in Plans for Evacuating U.S. Civilians From Selected Foreign Areas (SECRET)	LCD-77-436	4/20/78
Readiness of Tactical Nuclear Weapons Forces in Europe Needs Improvement (SECRET)	LCD-77-428	4/07/78
Can the Army Provide Logistic Support For Its Troops in a Conventional Defense of Free Europe? (SECRET)	LCD-77-208	2/16/78
Standardization in NATO: Improving the Effectiveness and Economy of Mutual Defense Efforts	PSAD-78-2	1/19/78
Additional U.S. Air Force Air-basing Requirements in Support of NATO (SECRET)	ID-77-29	10/19/77
U.S. Lethal Chemical Munitions Policy: Issues Facing the Congress (SECRET)	PSAD-77-84	9/21/77

a/ See also latest Joint Chiefs of Staff effort "Strategic Requirements and Programs--1983".

<u>Issued reports</u>	<u>Number</u>	<u>Issue date</u>
Relationship Between U.S. and NATO Military Command Structure--Need for Closer Integration (SECRET)	LCD-77-419	8/26/77
The National Defense Reserve Fleet--Can It Respond to Future Contingencies	LCD-76-226	10/06/76
Computers and U.S. Military Readiness in Europe (SECRET)	LCD-76-110	8/25/76
Continuing Problems with U.S. Military Equipment Pre- positioned in Europe (SECRET)	LCD-76-441	7/12/76
Information on the Requirement for Strategic Airlift	PSAD-76-148	6/08/76

THE COST OF NATO COMMITMENTS
IN THE FY 79 BUDGET

	<u>FY 79 Costs</u> <u>(\$ Billions)</u>
A. <u>FORCES COMMITTED TO NATO:</u> Includes general purpose forces and support elements forward-deployed in Europe and general purpose forces that are ready to rapidly deploy to counter Soviet aggression--currently planned for the European theater crises. The latter are mainly based in the U.S. and in general would be withheld from deployment to contingencies elsewhere.	40.5
B. <u>MULTIPURPOSE FORCES:</u> Includes general purpose forces that would be used in a NATO conflict, based upon current Defense Department planning, but could be available for conflicts in other areas; Strategic Reserves, Strategic Forces, Intelligence and Central Communication activities.	64.2
C. <u>FORCES FOR OTHER CONTINGENCIES:</u> Includes the remaining general purpose forces, which are mainly forward-deployed in other regions of the world to meet the needs of other contingencies. These forces would all be involved in the general conflict with the USSR which would accompany the outbreak of hostilities in Europe --they could be redeployed to Europe or may engage the USSR in some other area.	11.1
D. <u>UNALLOCATED COSTS:</u> Includes DoD retired pay.	10.2

Source: Department of Defense
Assistant Secretary (Program Analysis and Evaluation)

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