

FOR OFFICIAL USE ONLY
UNTIL RELEASE BY THE U.S. SENATE
COMMITTEE ON FOREIGN RELATIONS

STATEMENT OF

GENERAL BANTZ J. CRADDOCK, USA

COMMANDER, UNITED STATES EUROPEAN COMMAND

SUPREME ALLIED COMMANDER, EUROPE

BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE

ON

11 MARCH 2008

FOR OFFICIAL USE ONLY
UNTIL RELEASE BY THE U.S. SENATE
COMMITTEE ON FOREIGN RELATIONS

Introduction

Mr. Chairman, Senator Lugar, distinguished members of the Committee, thank you for the opportunity to appear before you today in order to provide an update on NATO enlargement, NATO's operations in Afghanistan, and the future of NATO as it pertains to military activities. I intend to devote the majority of my testimony to NATO's operations in Afghanistan, but I would like to comment briefly on NATO enlargement and the future of NATO.

NATO Enlargement

To fully appreciate the NATO enlargement decision, it is important to provide the Committee a context for the decisions under consideration. NATO has an open-door policy on enlargement. Any European country in a position to further the principles of the North Atlantic Treaty and contribute to security in the Euro-Atlantic area can become a member of the Alliance, when invited by the existing member countries. At the 2006 Riga Summit, NATO Heads of State and Government declared that the Alliance intends to extend further invitations to countries that meet NATO standards to join NATO during its Summit in 2008.

Aspirant countries are expected to participate in the Membership Action Plan to prepare for potential membership and demonstrate their ability to meet the obligations and commitments of possible future membership. In particular, countries seeking NATO membership must be able to demonstrate that they are in a position to further the principles of the 1949 Washington Treaty and contribute to security in the Euro-Atlantic area. They are also expected to meet certain political, economic and military goals, which are laid out in the 1995 Study on NATO Enlargement. These include:

- Each nation possesses a functioning democratic political system based on a market economy;
- Each nation treats minority populations in accordance with the guidelines of the Organization for Security and Co-operation in Europe (OSCE);
- Each nation works to resolve outstanding disputes with neighbors and makes an overall commitment to the peaceful settlement of disputes;

- Each nation has the capability and willingness to make a military contribution to the Alliance and to achieve interoperability with other members' forces;
- Each nation commits to democratic civil-military relations and institutional structures.

Accession talks follow the formal invitation. They are the dominion of NATO headquarters in Brussels and bring together teams of NATO experts and representatives of the nations pursuing the Membership Action Plan. Their aim is to obtain formal confirmation from the candidate nations of their willingness and ability to meet the political, legal and military obligations and commitments of NATO membership, as laid out in the Washington Treaty and in the aforementioned Study on NATO Enlargement.

As Supreme Allied Commander, Europe I believe NATO enlargement has been a historic success, strengthening our Alliance and serving as a powerful incentive to promote democratic reforms among aspiring members. The process of NATO enlargement is not complete, and NATO's door must remain open. I also believe that candidate nations must provide added value to the Alliance. They must be contributors to security, not only consumers of security. At present, three countries - Albania, Croatia, and the Former Yugoslav Republic of Macedonia are members of NATO's Membership Action Plan (MAP). While there is a military component of MAP, and while Allied Command Operations has been working with the three nations in MAP on defense and military reforms, enlargement is a political decision under the control of the 26 NATO members. It is not a strategic military decision, nor is it a political decision in which I participate. Since the Riga Summit, the 26 NATO nations have discussed and assessed the progress of these three countries in the MAP process. I have been asked to provide my input in the enlargement process at this time, and I confirmed that the security of NATO members will continue to be maintained with the inclusion of these nations into the Alliance. In Bucharest, Heads of State and Government will provide an authoritative statement with respect to invitations for membership or continue to encourage the nations to make more progress.

NATO in Afghanistan

While NATO enlargement is a critical aspect of the Alliance's adaptation to the evolution of security in Europe, NATO's role in Afghanistan is a vital security mission and critical to enhancing security at the national, regional, and strategic levels in the 21st Century. It is also critical to demonstrate NATO's ability to operate and provide security at strategic distance, and to address the important challenges we face in the 21st century. NATO's approach in Afghanistan is three-pronged:

- First, NATO provides leadership of the UN-mandated International Security Assistance Force (ISAF), an international force of more than 47,000 troops (including National Support Elements) that assists the Afghan authorities in extending and exercising its authority and influence across the country, creating the conditions for stabilization and reconstruction;
- Second, NATO has a Senior Civilian Representative, responsible for advancing the political-military aspects of the Alliance's commitment to the country, who works closely with ISAF, liaises with the Afghan government and other international organizations, and maintains contacts with neighboring countries; and
- Third, NATO has a substantial program of cooperation with Afghanistan, concentrating on defense reform, defense institution-building, and the military aspects of security sector reform.

I would like to focus my comments on NATO's ISAF operation. The International Security Assistance Force remains NATO's most important and challenging mission. With over 47,000 forces from 40 nations, including 19,000 Soldiers, Sailors, Airmen, and Marines from the United States, the Alliance has responsibility for ISAF operations throughout Afghanistan. Working alongside an additional 11,500 U.S.-led coalition forces of Operation ENDURING FREEDOM (OEF) and other international actors, ISAF's role is to provide a secure and stable environment in which Afghan institutions can develop and expand their influence, while simultaneously developing an enduring Afghan capability to provide for its own security. The mission in Afghanistan is a complex one, involving the cooperation of NATO and non-NATO nations, the Afghan Government, and many international and non-governmental

organizations. The opposing militant forces (OMF) consist of disparate groups, including the Taliban, Haqanni, and the Hezb-e Islami Gulbuddin (HiG), tribal warlords, drug traffickers, and other extremists. While in most cases the OMF does not work in an organized fashion, they do work towards a common goal - that of preventing the democratically elected government of Afghanistan from extending its control and reach throughout the nation. In addition to the ISAF forces conducting security and stability missions across the country, the 25 Provincial Reconstruction Teams (PRT) under ISAF are at the leading edge of NATO's efforts for security and reconstruction, and are an important component of a comprehensive approach that works with local and national authorities and the various organizations of the international community to achieve our goals as stated in the United Nations Security Council Resolutions and NATO OPLAN 10403(rev).

ISAF Update: Campaign Progress

Progress in Afghanistan continues. NATO has three lines of operation: security and stability; enhancing governance; and facilitating reconstruction and development. Over the past six months, NATO has adopted Measures of Effectiveness (MOE) to assess its performance in Afghanistan. Our intent is to more accurately provide objective trend analysis to inform our assessment of progress. We developed 63 metrics to measure progress toward our three stated campaign objectives from the operational plan approved by NATO's North Atlantic Council. As we gain fidelity over time, we expect to see trends develop. I will now provide a look into our advancement on these three objectives.

Our first objective is the extension of the Afghan government's authority across the country. ISAF's high operational tempo and focused, intelligence-led operations, have forced the OMF to resort to terrorist tactics to pursue their strategic objectives. Their indiscriminate but calculated attacks are designed to strike at the resolve of the Afghan people and those committed to progress in Afghanistan. While the security situation remains difficult, especially in the southern and the eastern parts of the country, our metrics highlight that IED incidents and numbers killed and wounded are decreasing. The increased attacks aimed at ISAF and the Afghan National Security Forces (ANSF) does not reflect a deterioration of the security situation but are a consequence of our successful tactical activity. 70% of recorded security

incidents in 2007 occurred in only 10%, or 40, of the 398 districts in Afghanistan. These 40 districts are home to only 6% of Afghanistan's population.

Despite this analysis, recent surveys have indicated a decrease in the perception of security amongst the population of Afghanistan. I offer three reasons for this. First, by its nature, terrorism aims to incite fear in the population - while actual attacks are not far-reaching, the fear of a potential attack remains. NATO works diligently towards timely and relevant communications to mitigate the information-based effects of OMF tactics. Second, NATO's inability to fill its stated military requirements in order to deny the OMF freedom to operate and to better create the conditions for reconstruction and development undermines the confidence of the local population. Third, widespread corruption, especially amongst the Afghan police, and the pervasive influence of the narcotics industry further serves to instill doubt in the local populace. Public perceptions will change when it becomes clear that good governance is a better choice than tyranny, and the rule of law a better choice than terror. NATO's strategy is sound, but it will only prevail if it has the forces needed without caveats that constrain its use. Closing the gap between what we have and what we need will deny the OMF the space it needs to operate against us.

Our second objective is the development of the structures necessary to maintain security in Afghanistan without the assistance of international forces. The Afghan National Army (ANA) continues to grow in size and combat capability. The successful operation to retake Musa Qala, an operation planned and controlled by the ANA with ISAF in support, was evidence of its increased effectiveness. In support of this objective, NATO aims to deploy more than 70 Operational Mentor and Liaison Teams (OMLT) across the country. These teams provide mentoring, training, and a liaison capability between the Afghan National Army and ISAF, coordinating the planning of operations and ensuring the Afghan units receive vital enabling support. The Afghan National Police has grown quickly in numbers but continues to lag significantly behind the Afghan National Army in professional ability. Collectively, therefore, the Afghan National Security Forces still lack the capacity to hold and stabilize areas that ISAF has secured. Unquestionably, this slows progress towards a safe and secure environment and has an adverse effect on the public's perception of progress.

Our third and final objective is the development and maintenance of a countrywide stable and secure environment by Afghan authorities, in which sustainable reconstruction and development efforts have taken hold. NATO, however, is not the lead organization for most aspects of Afghanistan's nation-building. The tasks of stabilizing and rebuilding the country include development of democratic institutions, which extend effective governance and rule of law throughout the country, in a manner developed by and acceptable to the Afghan people. These tasks include many key sub-tasks: training of government officials at all levels, reduction of corruption, effective counter-narcotics efforts, and delivery of social services and economic infrastructure. Although many major projects are underway, measuring advancement is difficult, as the periodicity of reporting differs among the agencies involved. Nonetheless, it is clear we are experiencing progress, as evidenced by projects such as the ring road and the Kajaki dam. The World Bank reported some 32,000 projects underway and 15,000 completed. Macroeconomic reporting indicates that the Afghan economy has recovered to 1978/1979 pre-war levels. Phone usage has increased from the 25,000 land lines in 2001 to nearly 4 million cell phones today with a current growth of 150,000 cell phones per month. Additionally, we have seen an increased medical capacity as well as improved healthcare. Child mortality rates have been reduced by 25 percent since 2001 and 7 million children have been immunized against polio. The education of Afghanistan's children continues to move forward in most regions. Enrollment exceeds 6 million students, including more female students than ever before. Although NATO does not have the lead for those efforts, what NATO does or does not do has a far-reaching impact. The unique value of NATO's network of partnership with the Afghan government and the international community is that it allows like-minded countries that have a shared responsibility for international peace and stability to unite efforts and pool resources.

ISAF Update: Operations

ISAF operational tempo throughout 2007 was high. In 2007, 144 members of ISAF were killed in action. 970 more were wounded. Casualties amongst Afghan forces rose as their involvement became more significant. A heavy price is being paid to achieve the Alliance's and our national security objectives.

ISAF has developed a series of rolling, theater-wide operations designed to maximize the impact of our effort in building a secure and stable environment. For example, in late fall of 2007, ISAF initiated Operation PAMIR, a theater-wide operation that was designed to maintain the initiative through the winter and into the spring. The operation exploited the historical migration of the opposing militant forces to their winter sanctuaries, both inside and outside of Afghanistan. ISAF and Afghan National Security Forces have conducted intelligence-driven operations oriented toward interdicting logistical support, disrupting command, control & communications, and degrading OMF leadership, while simultaneously supporting the Afghan Government's winter outreach efforts. Targeted Information Operations were designed to enhance public confidence in the Afghan Government, Afghan National Security Forces, and ISAF. These efforts were focused on strengthening the support of the loyal, gaining the support of the uncommitted, and undermining the will of those left behind to fight during the winter. Particular emphasis was given to publicizing the authority, capability, and effectiveness of the Afghan government, as well as supporting the promotion of reconstruction and development. By demonstrating the linkage between security and the government's ability to deliver development, ISAF seeks to drive a wedge between opposing militant forces and the Afghan population.

The trend toward more complex, rolling, theater-wide operations is having a positive impact on the security situation. Operations this spring will exploit the success of Operation PAMIR with focused operations against the OMF where their influence and freedom of movement is greatest. We are already witnessing an increase in the number and complexity of operations led and executed by the Afghan National Army. Improved security will allow for improved governance at district and provincial levels and set the conditions for coordinated, focused reconstruction and development into the summer and beyond.

Local liaison between Pakistan, ANSF, and ISAF in the border area is increasingly effective, and at a higher level, the Tri-Partite Commission remains an effective mechanism for coordination. The situation in Pakistan could have an impact on the stability and security in Afghanistan and we continue to work closely in all these forums with the Pakistani military to enhance our mutual understanding and advance ISAF military operations.

ISAF Update: CJSOR and National Caveats

Contrary to some reporting, the number of NATO troops in Afghanistan including some retained under national control has risen by more than 8,700 over the past year and continues to increase. It is also not well-recognized that ISAF exceeds requirements in many areas. Yet, ISAF still has shortfalls against the minimum military requirement in some key locations and in certain key capabilities. Specifically, a major shortcoming in the ISAF Combined Joint Statement of Requirements (CJSOR) is the deficit in Operational Mentor and Liaison Teams. The absence of OMLTs undermines the development of the Afghan National Security Forces, largely because US Embedded Training Teams that could be supporting police development are compensating for OMLT deficiencies. ISAF's stated strategy is to secure, and where and when necessary, hold until competent, capable ANA forces are able to take over. Competent ANA forces are essential in order to move to the transition phase of the ISAF operation. We will need to field 22 OMLTs between now and the end of the year to keep pace with ANA growth. In addition, the absence of two Provincial Reconstruction Teams, three infantry battalions, shortcomings in Intelligence, Surveillance and Reconnaissance capabilities, shortfalls in rotary wing aircraft for lift, medical evacuation, air support, as well as the need for force-wide enhancements in Counter-Improvised Explosive Device measures are the key unfilled elements of ISAF's minimum military requirements as stated in the Combined Joint Statement of Requirements.

There are over 80 restrictions or constraints, or caveats, on the use of NATO forces imposed on national contributions by national authorities. These are political constraints, which limit the employment of forces both among and within regional commands. ISAF needs the freedom to make the most effective use of its forces if NATO is to prevail. In particular, national caveats constrain ISAF's freedom to concentrate force and prevent it from compensating, where necessary, for CJSOR shortfalls. Caveats, like shortfalls to the CJSOR, increase the risk to every Soldier, Sailor, Airman and Marine the Alliance deploys as part of ISAF. Our nations' forces are exceptional, but they need as much flexibility as possible to be effective on this asymmetric, irregular battlefield.

ISAF Update: Afghan National Security Forces

The development of the Afghan structures necessary to maintain security in Afghanistan without the assistance of international forces is a strategic objective of ISAF. Capacity building is central to the long-term success of Afghanistan and to reaching NATO's end state. The Afghan National Army continues to grow in size and combat capability and will likely exceed the size of ISAF in 2008. To reiterate, the successful operation to retake Musa Qala, planned and controlled by the ANA with ISAF in support, was clear evidence of increased effectiveness and a template for the future. Today, in the most hotly contested regions, the ANA participates in more than 90% of all ISAF operations - this is certainly a positive trend. It is important to note that OMLTs have played a critical role in nurturing this capability and have been a critical link to ISAF assets in operations. They are our most important military contribution to Afghanistan's long-term future.

Leaders across Afghanistan agree that improved policing would lead to improved security overall. The Afghan National Police has grown quickly in numbers, but continues to lag significantly behind the Afghan National Army in professional ability. This distracts the ANA who are required to take on police tasks. Collectively, therefore, the Afghan National Security Forces still lack the capacity to hold and stabilize areas that ISAF has secured. This sets back advancement towards security and has an adverse effect on the public's perception of progress. In the longer-term, slower capacity-building in a more fragile security environment delays the point at which we can hand responsibility for security to the Afghans. Consequently, police performance needs to be urgently enhanced. Recent pay and structural reforms will help, but corruption, criminality, and a lack of qualified leadership remain the most pressing issues. In an effort to address these concerns, a focused and intensive training program was recently implemented by the Combined Security Transition Command-Afghanistan (CSTC-A), a program which holds promise in facilitating more rapid police reform. Finally, the lack of police mentors below provincial level is a significant impediment. I again point out that, by providing more OMLTs, the coalition can divert more of its teams to develop the police force. In sum, while there are positive

indications, there is much more work to be done towards building an indigenous security capacity.

ISAF Update: Supporting Reconstruction and Development

ISAF is also focused on the strategic objective of establishing a countrywide stable and secure environment by Afghan authorities, in which sustainable reconstruction and development efforts have taken hold. NATO does not compete with other organizations for the humanitarian and development space. Our efforts to establish security and assist with capacity-building allow other international and non-governmental organizations to work more effectively in this complex environment. This is, in effect, the comprehensive approach undertaken by NATO and its partners. NATO policy recognizes the essential requirement to work with Afghan national authorities and numerous organizations in the international community to deliver human security in a coordinated way. The North Atlantic Council's approved Operations Plan articulates the need for a comprehensive approach. Our Provincial Reconstruction Teams spearhead this effort on a daily basis. Their impact is significant at the tactical level and we are now seeing progress in the implementation of a cohesive approach at the operational and strategic levels with Afghan authorities and the international community.

As I mentioned earlier, it is clear we are experiencing progress, as evidenced by numerous nation-building projects, the positive indications of macroeconomic activity, improved healthcare, and advances in the reach of education. The Afghan National Development Strategy is Afghanistan's chosen path for the future. It is an important next step which must be supported by robust implementation at all levels. The international community needs to make every effort to assist the Afghan Government in achieving its objectives in national development. Regardless of military success, we will struggle to succeed in Afghanistan unless others meet their responsibility to build governance and stimulate sustained development in a coordinated manner. The international community moves into the space created by our security operations to commence work. Lack of progress in reconstruction and development undermines public opinion at home, erodes support within Afghanistan for ISAF, and jeopardizes hard-fought security.

ISAF Update: Counter-Narcotics

Eliminating the illicit production of opium in Afghanistan is vital to the long-term security, development, and effective governance of Afghanistan. Poppy cultivation continues to be a problem in areas where there is a relative lack of strong governance. The narcotics trade, encouraged and supported by Taliban extremists, funds and supports the insurgency, drains the legal economy, promotes corruption, and undermines public support.

NATO does not have the lead for the counter-narcotics effort. The Afghan Government, supported by the international community and in particular, the United Kingdom as the lead G8-nation, has the primary responsibility for counter-narcotics efforts.

While supporting the Afghan government counter-narcotics programs is an ISAF key supporting task, ISAF is not directly involved in poppy eradication. ISAF is not a direct action force in counter-narcotics and it is not resourced for this role. When requested by the Afghan Government, ISAF's support consists of the sharing of information, the conduct of an efficient public information campaign, and the provision of in-extremis support to the Afghan National Security Forces conducting counter-narcotics operations. ISAF also assists the training of Afghan National Security Forces in counter-narcotics related activities and provides logistic support, when requested, for the delivery of alternative livelihood programs.

ISAF is committed to the full implementation of its counter-narcotics tasks as outlined in the current ISAF mandate. NATO, at the strategic political level, must do what it can to support and encourage those in the lead and to ensure ISAF is resourced to perform assigned counter-narcotics tasks. At the operational and tactical level, ISAF is effectively coordinating its support efforts with the Afghan Government's counter-narcotics forces as well as other CN actors from the international community. ISAF is operating at the limit of its existing authority to synchronize and coordinate its actions with those of Afghan counter-narcotics efforts as provided for in the OPLAN.

ISAF Update: Strategic Communications

NATO's action plan on strategic communications reflects a growing recognition that we still have much room to improve in this area, an area that comes with a significant resource bill for nations. To ensure that we are properly supporting NATO and national strategic communications we need to ensure our public affairs capabilities are effective and relevant for the 21st Century. We need action at two levels. In theater, nations need to ensure we have the right caliber people, properly trained and with appropriate equipment and resources for the job. The appointment of a General Officer spokesman in ISAF is a positive step. I asked Chiefs of Defense to ensure they now place talented people at every level of our public affairs organization. Nations need to make significant investment to build and sustain these capabilities.

At the strategic level, we have made some progress in public affairs but have a way to go. We need to invest more effort now to ensure we are able to take the information provided from theater and to use it to support our common messaging themes. In the end, strategic communications is more about what we do as an Alliance than about what we say. Our inability to resource the CJSOR, the effect of national caveats, and other issues play into the hands of our opponents in Afghanistan. We need to avoid the consequences of losing the information war with the Taliban, and we cannot afford to lose the support of our public. An integrated, harmonized strategic communications plan, both in and outside of the operational theater, is vital.

ISAF Update: Conclusion

A recurring theme in my testimony is NATO's inability to completely fill our agreed upon statement of requirements for forces in Afghanistan. We are still short key capabilities and enablers, enablers such as intelligence, surveillance and reconnaissance, communications, engineering, and air support. It is noteworthy that none of today's priority shortfalls are the result of nations reneging on an agreement to provide resources. Rather, offers against those stated requirements have never been made. Each nation has its own internal issues that it must address, but a completely resourced force sends a clear message to our adversary and the Afghan people - the

message that NATO is committed to achieving success. We are at a critical juncture in Afghanistan, and the ISAF mission fundamentally needs minimum military requirements as outlined in the Combined Joint Statement of Requirements filled immediately. Our opponents in Afghanistan operate and sustain their opposition against the International Community within the gap that exists between the forces we need in theater and the forces we have in theater. In particular, the aforementioned Operational Mentor and Liaison Teams are an urgent priority. By January 2009, we need NATO nations to provide 22 additional OMLTs to train and mentor the Afghan National Army in order for it to more rapidly and successfully assume responsibility for security. At every opportunity, I continue to encourage the NATO nations to make their offers to fill the remaining OMLTs before the Bucharest Summit to provide for timely and effective deployment to theater by January 2009.

To conclude, I remain firm in my conviction that NATO's efforts in Afghanistan are making a difference. We are succeeding, indeed not as fast as we, the international community, are capable of succeeding, but we are making progress. We are improving the lives of the vast majority of Afghans and we are creating the conditions for a better future. Yet, NATO and our partners throughout the international community can and must do more. Success in Afghanistan will never be attributed to operational military victories alone. It is only through a comprehensive approach that true success can be realized. NATO, the military, will set the conditions to allow the people of Afghanistan, the governments, whether they are provincial or national, to provide infrastructure to create jobs. It is the long-term investment and development by the international community and the growth of commercial activity that will, in the end, make the real difference. It is an endeavor in which the international community must succeed in integrating, coordinating, and synchronizing its efforts. It cannot afford to fail or appear to be failing. Finally, everything we do must be seen in the context of how it helps the government of Afghanistan achieve its good governance mandate. We need to work diligently with the government of Afghanistan, at all levels, to reduce corruption and enable better governance.

Future of NATO

With respect to NATO's future, Heads of State and Government endorsed its "Comprehensive Political Guidance" at the Riga Summit, laying out broad parameters for how NATO should develop in response to the challenges of the

21st Century. The document captures the future direction of the Alliance and I highlight for the committee the following key points from the document:

- The Alliance will continue to follow the broad approach to security of the 1999 Strategic Concept and perform the fundamental security tasks it set out, namely security, consultation, deterrence and defense, crisis management, and partnership.
- The Alliance will remain ready, on a case-by-case basis and by consensus, to contribute to effective conflict prevention and to engage actively in crisis management, including through non-Article 5 crisis response operations. A premium will be placed on NATO's ability to cooperate with partners, relevant international organizations and, as appropriate, non-governmental organizations in order to collaborate more effectively in planning and conducting operations.
- The Alliance must have the capability to launch and sustain concurrent major joint operations and smaller operations for collective defense and crisis response on and beyond Alliance territory, on its periphery, and at strategic distance.
- Among qualitative force requirements, the following have been identified as NATO's top priorities:
 - joint expeditionary forces and the capability to deploy and sustain them;
 - high-readiness forces;
 - the ability to deal with asymmetric threats;
 - information superiority; and
 - the ability to draw together the various instruments of the Alliance brought to bear in a crisis and its resolution to the best effect, as well as the ability to coordinate with other actors. In this context, the NATO Response Force (NRF) is a fundamental military tool in support of the Alliance and a catalyst for further transformation and will have the top priority together with operational requirements.

Challenges Ahead

NATO has demonstrated a remarkable capability to adjust to the rapid changes confronting North American, European, and global security since the end of the Cold War. The Alliance has been confronted with instability,

humanitarian crises, regional conflict, and terrorism on a multi-national scale. Simultaneously, we witnessed an increase in the speed of global change, the emergence of new threats and risks to our collective security, and the direct impact of second and third order effects of these types of threats from events around the world. In my view, human insecurity knows no borders in this interdependent, interconnected world. This is the reality of the 21st Century and NATO has responded with capabilities at hand and has developed new capabilities, new policies, and new partnerships to meet these challenges beyond the expectations of the 2002 Prague Summit.

NATO is now entering its most challenging period of transformation, adapting not only to the realities of a changed Europe, but also to those of a changed world. This is essential if we are to affirm the alliance's role as a modern instrument of security and stability for its members. NATO is taking important steps to complete its transformation from a static, reactive Alliance focused on territorial defense to an expeditionary, proactive one that works with nations to deter and defeat the spectrum of 21st Century threats confronting our collective security. The Alliance is overcoming institutional inertia, out-dated business practices, and a Cold War-era stereotype understanding of its role, thereby eliminating self-imposed limits that directly reduce the security of its members and partners, both individually and collectively. At the same time, the Alliance is assessing the threats we face, understanding better their interaction, and developing new capabilities and partnerships to successfully address these threats.

NATO has a narrow margin for error in this new world. We must balance a cross section of global interests, 21st Century threats, and the asymmetric warfare utilized by terrorists. At the same time, NATO cannot ignore the challenge of dealing with the unresolved problems of 20th Century Europe in order to realize the fundamental objective of a "Europe whole and free". These 20th Century legacy security problems are difficult, real, and impact on the sense of security of the Alliance and its members. As we assume new roles and new capabilities to deal with new problems, we must continue to devote our efforts to resolve those legacy issues such as Kosovo, Bosnia-Herzegovina, frozen conflicts, uncompleted economic, social, and political reforms in the former Soviet Union, nationalism, and ethnic conflict.

Consequently, Alliance transformation reflects the requirements of this transitional period. Most significantly, it retains the commitment between its members on mutual defense and maintains the Alliance as a Trans-Atlantic Forum for strategic dialogue on an ever-expanding array of security challenges, while simultaneously operating at strategic distance to address direct and indirect challenges to our collective security. The 60,000 deployed NATO military forces on three continents under my command as Supreme Allied Commander, Europe are a visible and effective demonstration of NATO's resolve to collectively meet global security challenges. The men and women of the Alliance plus other Non-NATO troop-contributing nations are essentially redefining the role of NATO by their actions in operations.

The Alliance is adapting, will continue to adapt, and will successfully meet the diverse and complex challenges in the future. However, in this transitional period, I am concerned about the shortcomings that directly impact on the Alliance's collective ability to respond and react to crises. NATO's adoption of a crisis management role at the Brussels Summit in 1994 opened a new chapter in the Alliance's history, with capabilities, policies, and operations evolving over the last 14 years. Forces in ongoing operations, the command structure, theater and strategic reserves, and the NATO Response Force (NRF) are the force pool to meet current responsibilities and unforeseen crises. By not resourcing these key elements of the Alliance's overall military capability, we place at risk NATO's transformation to meet future challenges, as well as its ability to execute its main tasks while simultaneously responding to crises.

During the Cold War, NATO did not conduct any combat operations, but today it is involved in six operations on three continents performing a variety of missions -- the NATO military structure is operating at an unprecedented operational tempo. The delta between our political will to take on missions and our political will to resource them translates into a delta between success and non-success. It is the linkage between under-resourced operations at the tactical level, under-resourced theater and strategic reserves, under-resourced NRF, and under-resourced manning in the command structure that combine to place enormous limitations on the ability of the Alliance to prosecute its missions at the tactical, operational, and strategic level. I continue to encourage NATO nations to further examine their ability to resource adequately all NATO operations and the NATO

Response Force in order to minimize the risk to ongoing operations and secure the Alliance's crisis management capabilities for current and future challenges.

It is my view that the Alliance also continues to be questioned about its political will to meet both new 21st Century challenges and unresolved 20th Century challenges. Demonstrating political resolve and reaffirming NATO's unity of purpose and mission in addressing challenges to our security are vital requirements. At the end of the day, this cannot be demonstrated in words, but can only be demonstrated in the commitment made by nations, the leadership provided by nations, and the resources allocated by all nations to NATO's ongoing operations. NATO's role and credibility as a security provider in the Post Cold War-era will be determined and judged by how the Alliance performs in its military operations.

The overarching agenda for the Alliance in the 21st century is deeply rooted in its operations, how the Alliance functions and performs vis-a-vis current and future challenges and how our publics judge our success or lack of success. We must ensure at the highest political and strategic level that the "State of the Alliance" to defend and secure our vital interests is strong, that our strategy is correct, and that our resources flow in support of our vital interests and priorities.

In shaping the NATO of the future, we also need to ensure that we forge a common strategic perspective on the security environment, on our operations with strategic impact, and on the implications of success and failure. Strategically communicating these views to our publics is vitally important. Much is at stake. In this context, there is no strategic message to communicate about NATO's future absent strategic success. Success depends on adequate resourcing.

NATO operations should be the beneficiaries of a resource system that accords its top priority to deployed forces. Quite simply, NATO's deployed forces need to be fully resourced. It is the single most important means to demonstrate political will and symbolize our collective accountability to the servicemen and servicewomen put in harm's way. It is clear that absent real progress in resourcing the Alliance's mission, our message will remain hollow with our publics and critics. I strongly encourage NATO nations to

reinvigorate their political commitment to sustaining Alliance operations. In so doing, we protect the tactical and operational successes in multiple theaters in order to achieve the strategic successes we desire in the context of a challenging security environment.

I am convinced that the alliance will successfully meet the diverse and complex challenges of the future. As we prepare for that future, it is important to remember that in the same way our opponents in Afghanistan operate and sustain their activities in the gap between the forces we have in theater and the forces we need in theater, our future opponents will operate and sustain their activities against the Alliance in the gap between the capabilities and policies we have and the capabilities and policies we need.

Thank you for this opportunity to speak with you today, and thank you for your attention.