



# CSBA

Center for Strategic and Budgetary Assessments

## THE EUROPEAN DETERRENCE INITIATIVE

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## ABOUT THE AUTHOR

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# The European Deterrence Initiative

The European Deterrence Initiative (EDI) represents one of the primary contributions of the United States to European security. Announced in June 2014, the EDI, or the European Reassurance Initiative (ERI) as it was known until early 2018, was designed as a rapid response to Russia's actions in Crimea and Eastern Ukraine. Four and a half years later, amidst a firestorm of presidential tweets and fractious international gatherings, the EDI continues to serve as a tangible example of the United States standing alongside its European allies and partners. Since its inception, the EDI has grown steadily, receiving additional funding nearly each subsequent Fiscal Year (FY) to reach a peak request of just over \$6.5 billion for FY 2019. Yet it is far from smooth sailing for the EDI as it confronts risks to the way in which it is funded. This brief seeks to explain why the EDI was started, what it funds, and the budgetary challenges it faces to its implementation and sustainment.

## A Rude Awakening

The ERI was the U.S. response to the security environment following February 2014. While viewers around the globe watched the Winter Olympics in Sochi, Russia was preparing a second spectacle, this time in Ukraine. After three months of protests sparked by the decision of then-Ukrainian President Viktor Yanukovich's government to abandon an agreement for a closer trade relationship with the European Union, unidentified men seized buildings in the Ukrainian territory of Crimea.<sup>1</sup> Reports of "masked men with guns," however, soon turned into "little green men," with soldiers sporting uniforms closely resembling those of the Russian military.<sup>2</sup> Russian President Vladimir Putin, an ally of Yanukovich, insisted that these men were merely "local self-

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1 "Ukraine Suspends Preparations for EU Trade Agreement," *BBC News*, November 21, 2013; and Andrew Higgins and Steven Erlanger, "Gunmen Seize Government Buildings in Crimea," *The New York Times*, February 27, 2014.

2 Higgins and Erlanger, "Gunmen Seize Government Buildings in Crimea"; and Vitaly Shevchenko, "'Little Green Men' or 'Russian Invaders'?" *BBC News*, March 11, 2014.

defense units” and replied cagily when asked pointedly whether he would support Crimea’s secession from Ukraine.<sup>3</sup>

On March 16, the hypothetical became real when Crimea, a former Russian territory given to Ukraine in 1954 by the Soviet Union, held a referendum to join Russia.<sup>4</sup> It was regarded by the West as “illegal” and “illegitimate,” but it provided the cover for President Putin to fold Crimea back into Russia two days later under a signed accession agreement.<sup>5</sup> The following month, pro-Russia protestors set their sights on Eastern Ukraine and, inspired by the events in Crimea, called for a referendum to secede; Donetsk and Luhansk declared independence in May after carrying out public votes.<sup>6</sup> Notwithstanding the violence and rising death toll over the course of those few months, the situation escalated sharply in June with pro-Russia separatists shooting down a military plane in Eastern Ukraine, killing 49 people onboard.<sup>7</sup>

These actions did not simply demonstrate Moscow’s indifference to national sovereignty by violating the territorial integrity of Ukraine, they also confirmed suspicions that Russia’s 2008 invasion of Georgia was not an aberration but part of a trend. Russia’s “New Look” military modernization program, established following the war in Georgia, was now undergirded by destabilizing actions and provocative rhetoric.<sup>8</sup> Moscow conducted large-scale “snap” exercises to rehearse rapid deployments of forces and equipment along the Ukrainian border, as well as in the broader Western and Central Military Districts, from February–March and April–May 2014.<sup>9</sup> These movements built on ZAPAD, an exercise conducted every four years with as many as 100,000 personnel to test the Russian military’s ability to act jointly and prepare for combat scenarios whose iterations have included mock nuclear strikes against North Atlantic Treaty

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3 President of Russia, “Vladimir Putin Answered Journalists’ Questions on the Situation in Ukraine,” *President of Russia News*, March 4, 2014, available at <http://en.kremlin.ru/events/president/news/20366>.

4 “Crimea Referendum: Voters ‘Back Russia Union,’” *BBC News*, March 16, 2014; and Higgins and Erlanger, “Gunmen Seize Government Buildings in Crimea.”

5 North Atlantic Treaty Organization (NATO), “Statement by the North Atlantic Council on the So-Called Referendum in Crimea,” March 17, 2014, available at [https://www.nato.int/cps/en/natolive/news\\_108030.htm](https://www.nato.int/cps/en/natolive/news_108030.htm); White House, “Statement by the President on Ukraine,” Office of the Press Secretary, March 20, 2014, available at <https://obamawhitehouse.archives.gov/the-press-office/2014/03/20/statement-president-ukraine>; Jonathan Masters, “Why the Crimean Referendum Is Illegitimate,” interview with John B. Bellinger III, March 16, 2014, available at <https://www.cfr.org/interview/why-crimean-referendum-illegitimate>; and President of Russia, “Agreement on the Accession of the Republic of Crimea to the Russian Federation Signed,” *President of Russia News*, March 18, 2014, available at <http://en.kremlin.ru/events/president/news/20604>.

6 David M. Herszenhorn and Andrew Roth, “In East Ukraine, Protesters Seek Russian Troops,” *The New York Times*, April 7, 2014; and Nolan Feeney, “Pro-Russia Insurgents Declare Independence in Eastern Ukraine,” *Time Magazine*, May 12, 2014.

7 Andrew E. Kramer, “Separatists Down Military Transport Jet, Killing 49 in Eastern Ukraine,” *The New York Times*, June 14, 2014.

8 Gregory P. Lannon, “Russia’s New Look Army Reforms and Russian Foreign Policy,” *The Journal of Slavic Military Studies* 24, no. 1, 2011, p. 35.

9 Michael R. Carpenter, Deputy Assistant Secretary of Defense, “Russia’s Violations of Borders, Treaties, and Human Rights,” statement before the Senate Committee on Foreign Relations, June 7, 2016, p. 3, available at [https://www.foreign.senate.gov/imo/media/doc/060716\\_Carpenter\\_Testimony.pdf](https://www.foreign.senate.gov/imo/media/doc/060716_Carpenter_Testimony.pdf); and “Major Russian Exercises Conducted Since 2014 in its European Territory and Adjacent Areas,” European Leadership Network factsheet, February 2016, available at [https://www.europeanleadershipnetwork.org/wp-content/uploads/2017/10/Major-Russian-exercises-TABLE\\_ELN.pdf](https://www.europeanleadershipnetwork.org/wp-content/uploads/2017/10/Major-Russian-exercises-TABLE_ELN.pdf).

Organization (NATO) allies.<sup>10</sup> Concern regarding these exercises was not hypothetical given Russia's track record; the Russian 58<sup>th</sup> Army completed its KAVKAZ 2008 exercise just prior to its invasion of Georgia that same year.<sup>11</sup>

## Assessing the Aftermath

Beyond the coordinated sanctions imposed by Washington and its European counterparts, the ERI represented the U.S. defense-related response to Russian aggression and the first growth in U.S. force posture in Europe for decades.<sup>12</sup> In March 2014, the United States had fewer than 70,000 troops deployed in European NATO countries, principally at bases in Germany, Italy, Spain, and the United Kingdom (UK).<sup>13</sup> Believing that scarce resources were needed in more volatile regions, the United States deactivated two U.S. Army heavy brigades (the 170<sup>th</sup> Infantry and 172<sup>nd</sup> Infantry in Germany) in 2012 and 2013; the intent was to rely on a rotational U.S.-based battalion as a replacement. Not a single American tank was present in Europe in early 2014.<sup>14</sup>

Russia's seizure and annexation of Crimea and its support for the separatist conflict in Eastern Ukraine voided earlier U.S. assumptions of a stable Europe. In particular, it raised the possibility that Russia had designs beyond its borders, interfering in other countries' domestic politics and flouting the sovereignty of its neighbors, especially those that were once part of the former Soviet Union. For the United States, a key question was whether Russia would target a NATO ally in such a manner, thereby probing how seriously the alliance would take its Article V guarantee. Washington concluded that it would need both to reassure its European allies and partners of its commitment to their security and take steps to deter Russia conventionally from acting in the first place.

- 10 Defense Intelligence Agency (DIA), *Russia Military Power: Building a Military to Support Great Power Aspirations* (Washington, DC: DIA, 2017), pp. 35, 46; Ian J. Brzezinski and Nicholas Varangis, "The NATO-Russia Exercise Gap," *Atlantic Council blog*, February 23, 2015, available at <http://www.atlanticcouncil.org/blogs/natosource/the-nato-russia-exercise-gap>; and Jens Stoltenberg, *The Secretary General's Annual Report, 2015* (Brussels, Belgium: NATO, 2016), p. 19, available at [https://www.nato.int/nato\\_static\\_fl2014/assets/pdf/pdf\\_2016\\_01/20160128\\_SG\\_AnnualReport\\_2015\\_en.pdf](https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2016_01/20160128_SG_AnnualReport_2015_en.pdf).
- 11 Tomasz K. Kowalik and Dominik P. Jankowski, "The Dangerous Tool of Russian Military Exercises," Center for European Policy Analysis, May 9, 2017, available at <http://cepa.ecms.pl/EuropesEdge/The-dangerous-tool-of-Russian-military-exercises>.
- 12 The first reference to the European Deterrence Initiative was made by the United States Congress in the National Defense Authorization Act (NDAA) for Fiscal Year 2018, 115<sup>th</sup> Congress, 1<sup>st</sup> Session, H.R. 2810, p. 15, available at <https://www.congress.gov/115/bills/hr2810/BILLS-115hr2810enr.pdf>. The name change from the ERI to the EDI reflects the U.S. shift in approach from reassurance to deterrence and was officially recognized in the Office of the Under Secretary of Defense (Comptroller) (OUSD[C]), *European Deterrence Initiative: Department of Defense Budget Fiscal Year (FY) 2019* (Washington, DC: DoD, 2018), available at [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2019/fy2019\\_EDI\\_JBook.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2019/fy2019_EDI_JBook.pdf).
- 13 "Military and Civilian Personnel by Service/Agency by State/Country," *DoD Personnel, Workforce Reports & Publications*, Defense Manpower Data Center (DMDC), March 2014, available at [https://www.dmdc.osd.mil/appj/dwp/dwp\\_reports.jsp](https://www.dmdc.osd.mil/appj/dwp/dwp_reports.jsp).
- 14 Matt Millham, "Last of Inactivated 170<sup>th</sup> Turning out the Lights at Baumholder," *Stars and Stripes*, December 20, 2012; John Vandiver, "US Army's Last Tanks Depart from Germany," *Stars and Stripes*, April 4, 2013; Jim Garamone, "Army to Replace 2 Brigades in Europe with Rotating Units," *American Forces Press Service*, January 13, 2012; and Luke Coffey, *Removing Brigade Combat Teams from Europe Undercuts NATO Allies* (Washington, DC: The Heritage Foundation, 2012), p. 1; and Eric S. Edelman and Whitney Morgan McNamara, *U.S. Strategy for Maintaining a Europe Whole and Free* (Washington, DC: Center for Strategic and Budgetary Assessments, 2017), p. 28.

## The United States Responds

In the immediate wake of Russia's actions, the United States, alongside NATO allies, scrambled to augment its military presence in the frontline states of Estonia, Latvia, Lithuania, and Poland. Washington deployed six F-15s and upward of 60 Air Force personnel from Royal Air Force (RAF) Lakenheath in the UK to join the NATO Baltic Air Policing mission, as well as 12 F-16s and approximately 300 personnel from the 555<sup>th</sup> Fighter Squadron in Aviano, Italy, to participate in exercises at Łask Air Base in Poland.<sup>15</sup> In April and May 2014, U.S. paratroopers from the 173<sup>rd</sup> Airborne Brigade deployed to Estonia, Latvia, Lithuania, and Poland to conduct expanded land forces training exercises, and a variety of cruisers, destroyers, and frigates, including the USS *Donald Cook*, USS *Vella Gulf*, and USS *Taylor*, made visits to the Black Sea.<sup>16</sup>

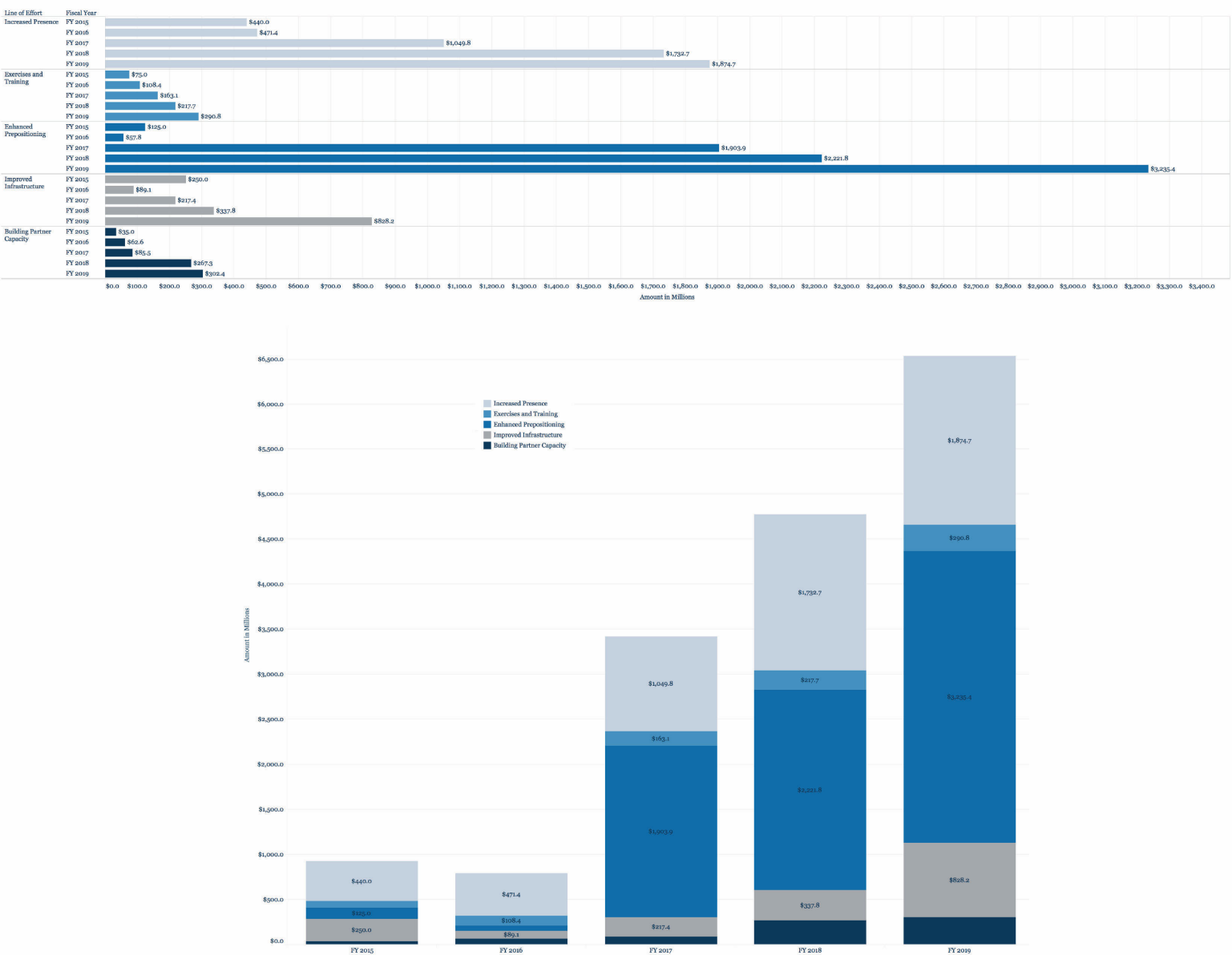
The core of the U.S. defense-related response to Russian aggression, however, came in the form of the ERI. Announced in June 2014 by then-U.S. President Barack Obama during a visit to Poland, it was designed to “reassure NATO allies and bolster the security and capacity of U.S. partners.”<sup>17</sup> Since its implementation, Congress continues to be supportive; it enacted funding for the effort at \$985 million for FY 2015, higher than the initial \$925 million requested. It subsequently funded the initiative at the \$789.3 million requested in FY 2016 and at the \$3.4 billion requested in FY 2017.<sup>18</sup> The FY 2018 request of nearly \$4.8 billion and FY 2019 request of just over \$6.5 billion continue this trend.<sup>19</sup>

Across these five fiscal years, the EDI has outlined the same key goals: increase U.S. combat presence and capability in Eastern Europe, fund additional exercises with allies and partners, improve pre-positioned equipment, enhance infrastructure at U.S. airfields, bases, and training ranges, and build partner capacity (see Figure 1).<sup>20</sup> Taken together, these lines of effort bolster the conventional force posture both of the United States and that of its European allies and partners.

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- 15 Jennifer H. Svan and John Vandiver, “US Sending 12 F-16 Jets and 300 Servicemembers to Poland,” *Stars and Stripes*, March 10, 2014; and David S. Cloud, “Ukraine Crisis: U.S. to Send F-16 Fighters to Poland,” *Los Angeles Times*, March 12, 2014.
- 16 “173<sup>rd</sup> Deploys to Expand Land Force Training Exercises in Baltic Region,” U.S. Army Europe Public Affairs, April 22, 2014; and “Actions Underscore Worldwide Commitment, Official Says,” *American Forces Press Service*, June 2, 2014.
- 17 OUSD(C), *Counterterrorism Partnerships Fund and the European Reassurance Initiative: Department of Defense Budget Fiscal Year (FY) 2015* (Washington, DC: DoD, 2014), p. 12, available at [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/amendment/FY2015\\_OCO\\_CTPF\\_and\\_%20ERI.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/amendment/FY2015_OCO_CTPF_and_%20ERI.pdf).
- 18 OUSD(C), *Counterterrorism Partnerships Fund and the European Reassurance Initiative FY 2015*, p. 1; OUSD(C), *European Reassurance Initiative: Department of Defense Budget Fiscal Year (FY) 2017* (Washington, DC: DoD, 2016), p. 1, available at [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2017/FY2017\\_ERI\\_J-Book.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2017/FY2017_ERI_J-Book.pdf); and OUSD(C), *European Deterrence Initiative FY 2019*, p. 1.
- 19 OUSD(C), *European Reassurance Initiative: Department of Defense Budget Fiscal Year (FY) 2018* (Washington, DC: DoD, 2017), p. 1, available at [http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2018/fy2018\\_ERI\\_J-Book.pdf](http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2018/fy2018_ERI_J-Book.pdf); OUSD(C), *European Deterrence Initiative FY 2019*, p. 1.
- 20 OUSD(C), *European Deterrence Initiative FY 2019*; and White House, “Fact Sheet: European Reassurance Initiative and Other U.S. Efforts in Support of NATO Allies and Partners,” Office of the Press Secretary, June 3, 2014, available at <https://obamawhitehouse.archives.gov/the-press-office/2014/06/03/fact-sheet-european-reassurance-initiative-and-other-us-efforts-support->.



FIGURE 1: ERI AND EDI REQUESTED FUNDING BY LINE OF EFFORT FY15-FY19



ERI and EDI Justification Books, FY15, FY16, FY17, FY18, FY19. For all fiscal years, line item activities for all the graphics are taken from the body, not the totaled figures at the bottom, of the ERI and EDI Justification Books. Line item activities for FY 2017 were split into assurance and deterrence measures.

## Presence

In response to the conventional challenge Russia poses, the EDI takes a first step at increasing U.S. combat presence and capability in Eastern Europe under the banner of Operation Atlantic Resolve.<sup>21</sup> The most visible, and most significant, element of the additional forces is the deployment of a rotational Armored Brigade Combat Team (ABCT), now termed “Army Rotational Forces,” to provide “heel-to-toe” presence in Europe.<sup>22</sup> The ABCT deployment schedule ensures that when one brigade leaves, the next follows seamlessly. Coupled with light and Stryker forces, the ABCT provides U.S. presence in the Baltic states, Bulgaria, Poland, and Romania, serving as a visible deterrent to Russian aggression.<sup>23</sup> The first rotation, consisting of the U.S. 3<sup>rd</sup> ABCT, 4<sup>th</sup> Infantry Division, arrived in January 2017 and began conducting live fire drills ten days after setting foot on European soil.<sup>24</sup> The second rotation, which arrived in September and October 2017, brought the nearly 3,300 personnel, 87 tanks, 125 Bradley fighting vehicles, and 18 Paladin artillery vehicles of the 2<sup>nd</sup> ABCT, 1<sup>st</sup> Infantry Division from Fort Riley, KS.<sup>25</sup> With two Brigade Combat Teams (BCT) already on the continent in Germany and Italy, the addition of a rotational BCT brings Europe’s total to three: one Airborne, one Armored, and one Stryker.

For FY 2019, the EDI requests a total of nearly \$1.9 billion for increased U.S. presence in Europe. The largest element of this line of effort is \$921.3 million to sustain Army Rotational Forces, including their combat support and service support enablers.<sup>26</sup> The FY 2019 request also calls for supporting a rotational Combat Aviation Brigade, enhancements to integrated air and missile defense (IAMD) and special operations forces, and the continued commitment of a U.S. battalion to NATO’s Enhanced Forward Presence (eFP).<sup>27</sup> NATO’s eFP and the American presence both internal and external to it provide not only a reassurance effect by supporting multinational troops in Estonia, Latvia, Lithuania, and Poland but also a deterrence effect by dissuading Russia from interfering in the affairs and violating the sovereignty of NATO’s easternmost allies. Overall, the requested \$1.9 billion to increase U.S. presence is more than \$100 million larger than the FY 2018 request of over \$1.7 billion, itself an increase of over \$600 million from the FY 2017 request of

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21 The EDI provides partial funding to Operation Atlantic Resolve, which is described as demonstrating “the U.S. ability to fulfill treaty commitments to NATO to respond to threats against Allies (Article 5),” as noted in the “2018 European Deterrence Initiative (EDI) Fact Sheet,” U.S. European Command Public Affairs Office, as of October 2, 2017.

22 OUSD(C), *European Deterrence Initiative FY 2019*, p. 2; and OUSD(C), *European Reassurance Initiative FY 2018*, p. 2.

23 Ibid.

24 “Media Kit: 3<sup>rd</sup> Armored Brigade Combat Team, 4<sup>th</sup> Infantry Division ‘Iron Brigade’ Fort Carson, Colorado,” 3<sup>rd</sup> ABCT, 4<sup>th</sup> ID Public Affairs Team, August 2017, p. 9, available at [https://static.dvidshub.net/media/pubs/pdf\\_34851.pdf](https://static.dvidshub.net/media/pubs/pdf_34851.pdf); and “Rotational Brigade Fires First Tank-Training Rounds in Europe,” U.S. European Command News Release, January 18, 2017, available at <https://www.defense.gov/News/Article/Article/1052895/rotational-brigade-fires-first-tank-training-rounds-in-europe/>.

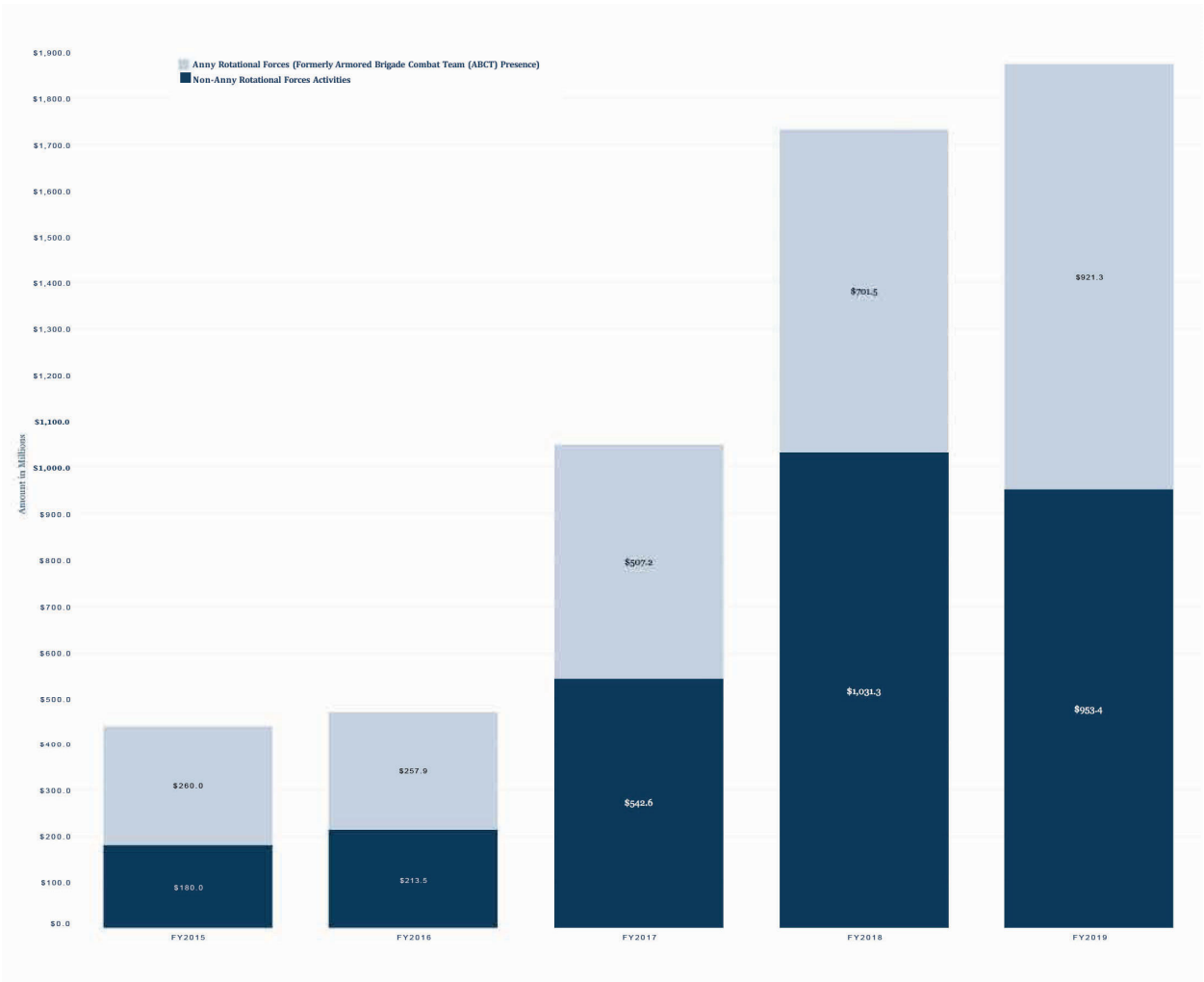
25 “Atlantic Resolve,” factsheet, U.S. Army Europe Public Affairs Office, as of June 6, 2018, available at <http://www.eur.army.mil/Newsroom/Fact-Sheets-Infographics/Fact-Sheet-Article-View/Article/1451471/atlantic-resolve-fact-sheet/>.

26 OUSD(C), *European Deterrence Initiative FY 2019*, p. 2.

27 Ibid., pp. 2–7.

nearly \$1.1 billion. The FY 2017 request itself was a substantial increase from the two earlier requests for FY 2015 and FY 2016, which hovered around an average of \$450 million per year (see Figure 2).<sup>28</sup>

**FIGURE 2: ERI AND EDI REQUESTED FUNDING FOR INCREASED PRESENCE, FY15-FY19**



ERI and EDI Justification Books, FY15, FY16, FY17, FY18, FY19. This graphic shows the largest activity within the increased presence line item, Army Rotational Forces (Formerly Armored Brigade Combat Team (ABCT) Presence), and groups the other Non-Army Rotational Forces Activities separately.

<sup>28</sup> OUSD(C), *European Deterrence Initiative FY 2019*, p. 1; and OUSD(C), *European Reassurance Initiative FY 2017*, p. 1.

## Exercises

One of the major lines of effort within the EDI is funding additional exercises with allies and partners. It provides support to U.S. European Command (EUCOM), multinational, and NATO exercises, including U.S. participation in exercises of the Very High Readiness Joint Task Force (VJTF).<sup>29</sup> Likewise, to ensure high levels of readiness among these combat forces, the EDI also provides funding for U.S. troops to participate in the American-led SWIFT RESPONSE. This exercise deploys units from the U.S.-based Global Response Force, including one Airborne Infantry BCT and its enablers, supplementary Infantry and Stryker BCTs, and strategic airlift assets.<sup>30</sup> The exercise had over 4,800 participants in 2015 and, in its 2016 iteration, upward of 5,000 airmen and soldiers from countries across Europe, including Germany, Italy, Spain, and the UK.<sup>31</sup> ERI-supported American participation in exercises has also included the Polish-led Anakonda, the U.S.-led BALTOPS, and the NATO-sponsored Trident Juncture.<sup>32</sup> These exercises have allowed, and continue to allow, NATO forces to practice combat scenarios together, both on land and at sea, and enhance interoperability.

To meet the challenges of the current security environment, these exercises are adopting increasingly realistic combat scenarios. In June 2017, for example, the long-running BALTOPS exercise moved away from “softer maritime security tasks” in order to prepare “alliance navies for high-end maritime warfighting.”<sup>33</sup> Requests for U.S. funding to participate in important multinational exercises in the EDI is growing steadily, increasing from \$75 million in FY 2015 to \$108.4 million in FY 2016, and from \$163.1 million in FY 2017 to \$217.7 million in FY 2018. The requested funding for additional exercises with allies and partners is \$290.8 million in FY 2019, covering the 2019 iterations of SWIFT RESPONSE and FORMIDABLE SHIELD (see Figure 3). The latter is a biennial maritime IAMD exercise, an important opportunity to rehearse a potential defense against the Russian Anti-Access/Area-Denial (A2/AD) challenge.<sup>34</sup> The FY 2019 request also calls for \$7.3 million to provide U.S. strategic enablers to the VJTF, the same level of funding requested in FY 2018.<sup>35</sup>

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29 OUSD(C), *European Deterrence Initiative FY 2019*, pp. 8–10.

30 Ibid., p. 9.

31 “Swift Response to Exercise NATO Airborne Forces in Europe,” U.S. Army Europe Public Affairs, August 6, 2015, available at <https://www.army.mil/article/153395>; and “Swift Response 16 to Exercise Allied Airborne Forces in Europe,” 7<sup>th</sup> Army Joint Multinational Training Command, May 12, 2016, available at [https://www.army.mil/article/167464/swift\\_response\\_16\\_to\\_exercise\\_allied\\_airborne\\_forces\\_in\\_europe](https://www.army.mil/article/167464/swift_response_16_to_exercise_allied_airborne_forces_in_europe).

32 “Fact Sheet: U.S. Assurance and Deterrence Efforts in Support of NATO Allies,” U.S. Mission to NATO, July 8, 2016, available at <https://nato.usmission.gov/fact-sheet-u-s-efforts-support-nato-allies/>.

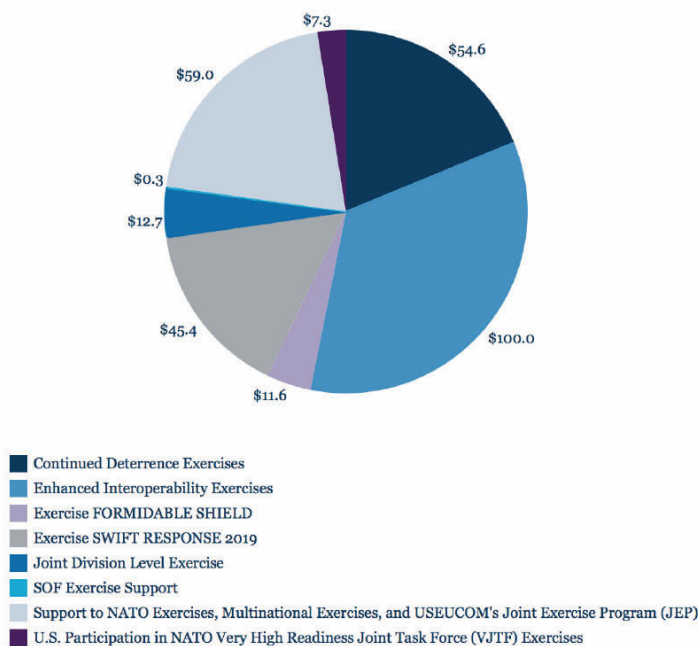
33 Magnus Nordenman, “At BALTOPS, It’s Back to Prepping for High-End Warfare,” *Defense One*, June 14, 2017.

34 OUSD(C), *European Deterrence Initiative FY 2019*, pp. 8–10.

35 Ibid., p. 9; and OUSD(C), *European Reassurance Initiative FY 2018*, p. 9.



**FIGURE 3: EDI REQUESTED FUNDING FOR EXERCISES AND TRAINING, FY19 (IN MILLIONS)**



EDI Justification Book, FY19.

## Prepositioning

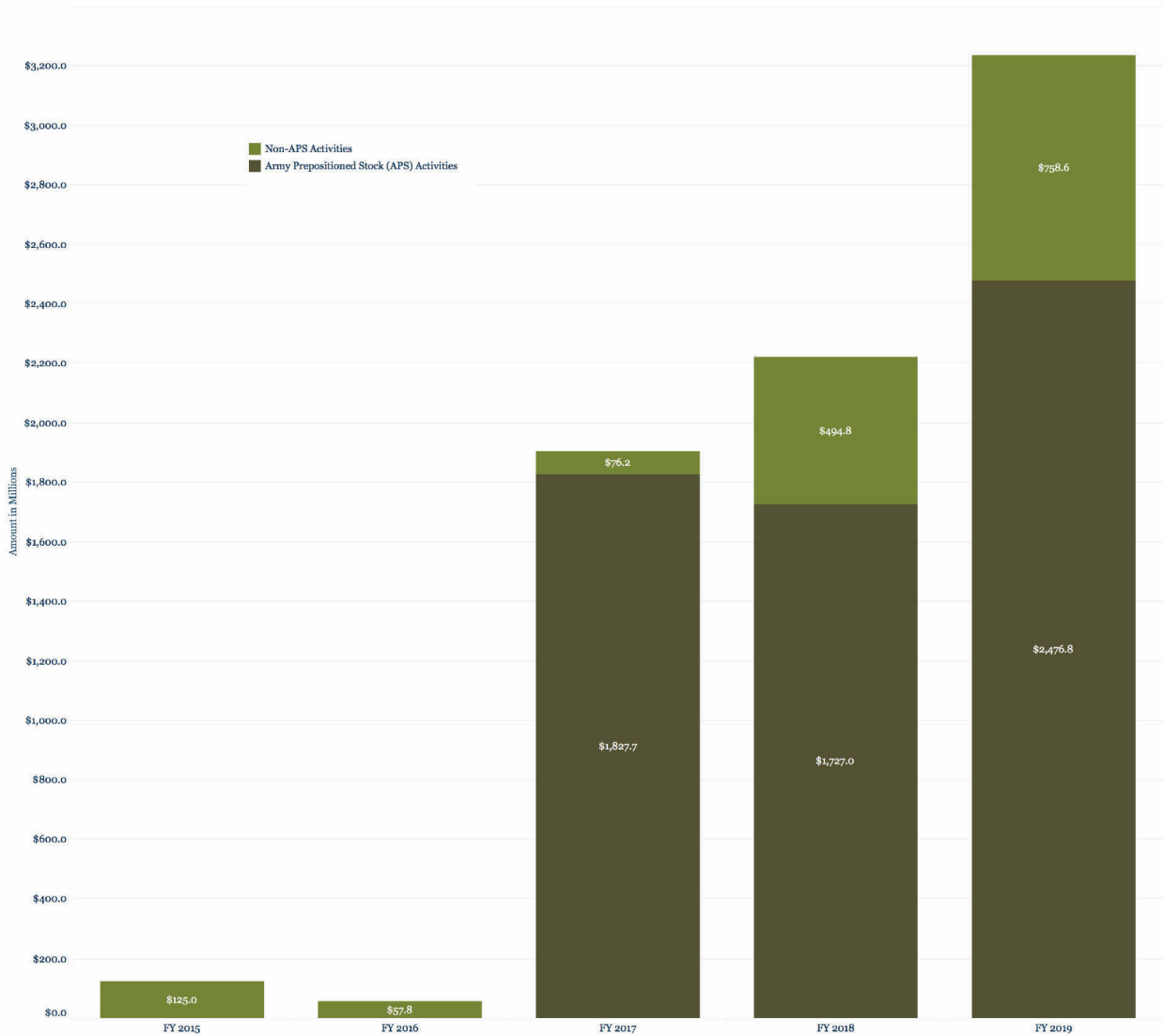
The EDI also prepositions equipment to enhance the ability of U.S. forces to operate in Europe during a potential conflict, with the goal of supporting a division-sized force by FY 2021. The United States already deployed prepositioned ammunition and equipment to Belgium, Germany, and the Netherlands.<sup>36</sup> This requested Army gear, known as Army Prepositioned Stock (APS), includes fighting vehicles, self-propelled howitzers, and tanks, as well as supporting equipment: all important kit should the United States need to defend against a Russian conventional challenge. With earlier EDI funding for this effort now bearing fruit, the first set, operational since December 2016, is housed at Army Field Support Brigade-BENELUX in the Netherlands.<sup>37</sup> The second APS site opened in Germany in May 2017, and the third, in Belgium, held its ribbon cutting ceremony in November 2017. U.S. Army Europe is storing this APS equipment in unit sets and combat configurations, as well as training personnel in transport in order to speed the deployment of the

36 "Army Prepositioned Stock–Europe," U.S. Army Europe, August 3, 2017, available at <https://www.army.mil/standto/2017-08-03>; and "Atlantic Resolve Fact Sheet," U.S. Army Europe Public Affairs Office, as of January 4, 2017, available at <https://www.eucom.mil/media-library/document/35545/operation-atlantic-resolve-fact-sheet>.

37 Ronnie Schelby, "405<sup>th</sup> AFSB Leadership Team Hosts NATO Logistics Delegation," 405<sup>th</sup> AFSB, June 14, 2017, available at [https://www.army.mil/article/189364/405th\\_afsb\\_leadership\\_team\\_hosts\\_nato\\_logistics\\_delegation](https://www.army.mil/article/189364/405th_afsb_leadership_team_hosts_nato_logistics_delegation).

equipment to an assembly point if necessary. Time, as in every potential military conflict, is a crucial factor for a Baltic scenario.<sup>38</sup>

**FIGURE 4: ERI AND EDI REQUESTED FUNDING FOR PREPOSITIONED EQUIPMENT FY15–FY19**



ERI and EDI Justification Books, FY15, FY16, FY17, FY18, FY19. This graphic groups all explicitly-listed Army Prepositioned Stock (APS) Activities within the enhanced prepositioning line item. Non-APS Activities are grouped separately.

38 Ibid; and Julie Piron, “New APS Site Opens in Zutendaal,” USAG Benelux Public Affairs, November 27, 2017, available at [https://www.army.mil/article/197387/new\\_aps\\_site\\_opens\\_in\\_zutendaal](https://www.army.mil/article/197387/new_aps_site_opens_in_zutendaal); David Ochmanek et al., *U.S. Military Capabilities and Forces for a Dangerous World: Rethinking the U.S. Approach to Force Planning* (Santa Monica: RAND Corporation, 2017), p. 36; and David A. Shlapak and Michael W. Johnson, *Reinforcing Deterrence on NATO’s Eastern Flank: Wargaming the Defense of the Baltics* (Washington, DC: RAND Corporation, 2016), p. 1.

At \$3.2 billion, the repositioning of equipment is the largest single component of the FY 2019 EDI request, enhancing IAMD for the Army, providing air operations enablers for the Air Force, and enabling staging capabilities for special operations forces.<sup>39</sup> The stationing of this equipment provides a deterrent effect as well as a pragmatic hedge should the United States need to defend its European allies against a Russian provocation. The FY 2019 request builds substantially on the \$2.2 billion and \$1.9 billion requested for enhanced repositioning in FY 2018 and FY 2017, respectively; it dwarfs the earlier requests for FY 2015 and FY 2016 of \$125 million and nearly \$58 million, respectively (see Figure 4).<sup>40</sup>

## Infrastructure

The EDI also funds infrastructure enhancements at U.S. airfields, bases, and training ranges in Europe. After years of the United States diverting attention from the continent, these renewed efforts ensure that the U.S. military has the appropriate and updated infrastructure to support platforms, such as aircraft and ships, deployed to the territory (or in the territorial waters) of European allies. For example, the FY 2017 ERI funded initiatives at Germany's Spangdahlem to harden shelters, upgrade utilities, and repair facilities to accommodate fifth-generation aircraft.<sup>41</sup> Ensuring that the infrastructure is survivable against formidable Russian short- and medium-range rockets, artillery, and missiles is particularly important. Other initiatives for FY 2017 included refitting hangar doors at Iceland's Keflavik Air Base to house P-8A aircraft for maintenance; the FY 2019 request funds base improvements for the same aircraft at RAF Lossiemouth in the UK.<sup>42</sup> This supports the aircraft that enable U.S. forces to hunt submarines in the North Atlantic and Baltic Sea, an essential initiative in the face of increased Russian underwater activity in the area (see Figure 5 for a map of FY 2018 ERI and FY 2019 EDI requested funding for military construction project locations).

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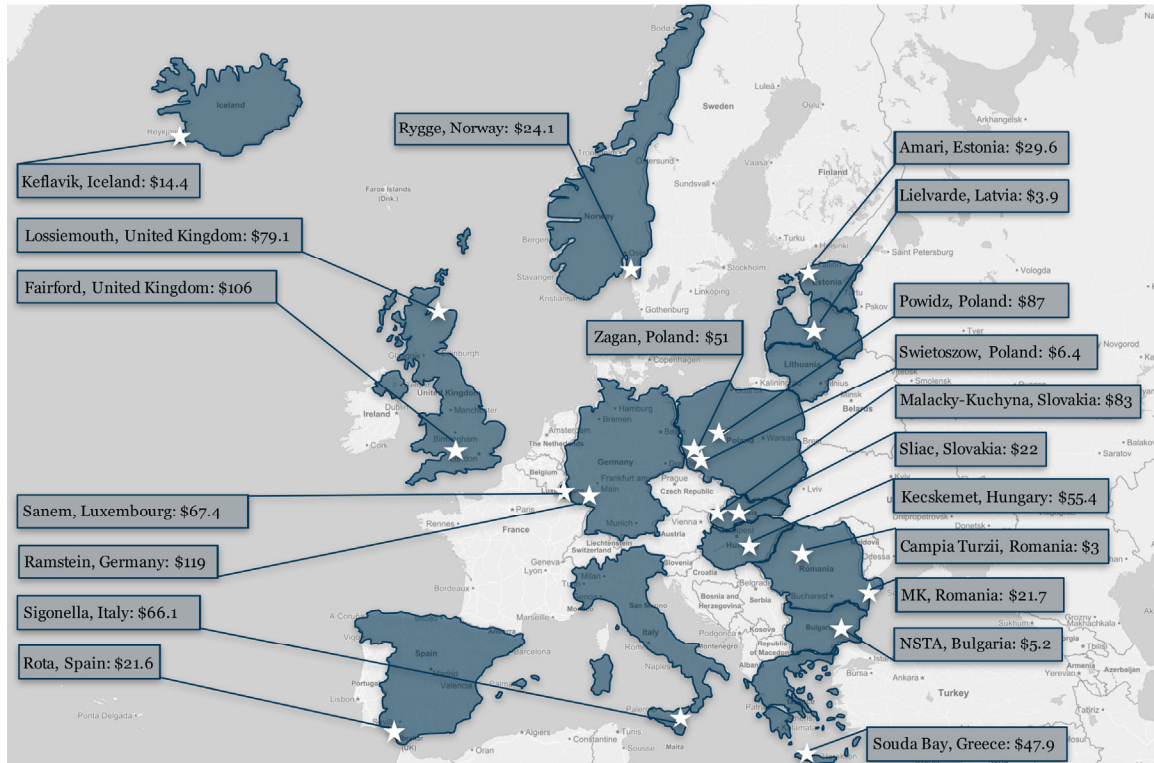
39 OUSD(C), *European Deterrence Initiative FY 2019*, pp. 11–13.

40 OUSD(C), *European Reassurance Initiative FY 2018*, p. 1.

41 "Overseas Contingency Operations," *Congressional Record*, September 22, 2016, S6012, available at <https://www.congress.gov/crec/2016/09/22/CREC-2016-09-22-pt1-PgS5989.pdf>.

42 OUSD(C), *European Reassurance Initiative FY 2017*, p. 20; and OUSD(C), *European Deterrence Initiative FY 2019*, p. 14.

**FIGURE 5: TOTAL FY18–FY19 REQUESTED FUNDING FOR ERI AND EDI MILITARY CONSTRUCTION PROJECTS (IN MILLIONS)**



Figures for FY 2018 from OUSD(C), *European Reassurance Initiative FY 2018*, p. 26; and for FY 2019 from OUSD(C), *European Deterrence Initiative FY 2019*, p. 25. This map displays requested funding by country for ERI and EDI military construction projects in FY 2018 and FY 2019. Totals do not include unspecified, worldwide figures.

At \$828.2 million in the FY 2019 request, the EDI funds infrastructure-related modernization efforts and Joint Reception, Staging, Onward Movement, and Integration capability enhancements, including projects at bases in Bulgaria, Estonia, Germany, Greece, Italy, Norway, Poland, Romania, Slovakia, Spain, and the UK.<sup>43</sup> This broadens U.S. support to allies across Europe and builds significantly upon the FY 2018 request of \$337.8 million, which included infrastructure upgrades to accommodate key capabilities at bases in Hungary, Iceland, Luxembourg, Norway, Romania, and Slovakia. That request also called for facility improvements for the U.S. combat air presence in Europe at Ämari Air Base, Estonia and Lielvārde, Latvia.<sup>44</sup> These initiatives provide military construction funding for aircraft and ramp parking. They also augment funding for a range of infrastructure upgrades in Bulgaria, Poland, and Romania from the FY 2017 request, including enhancements to munitions storage areas and squadron operations facilities (see Figure 6).<sup>45</sup>

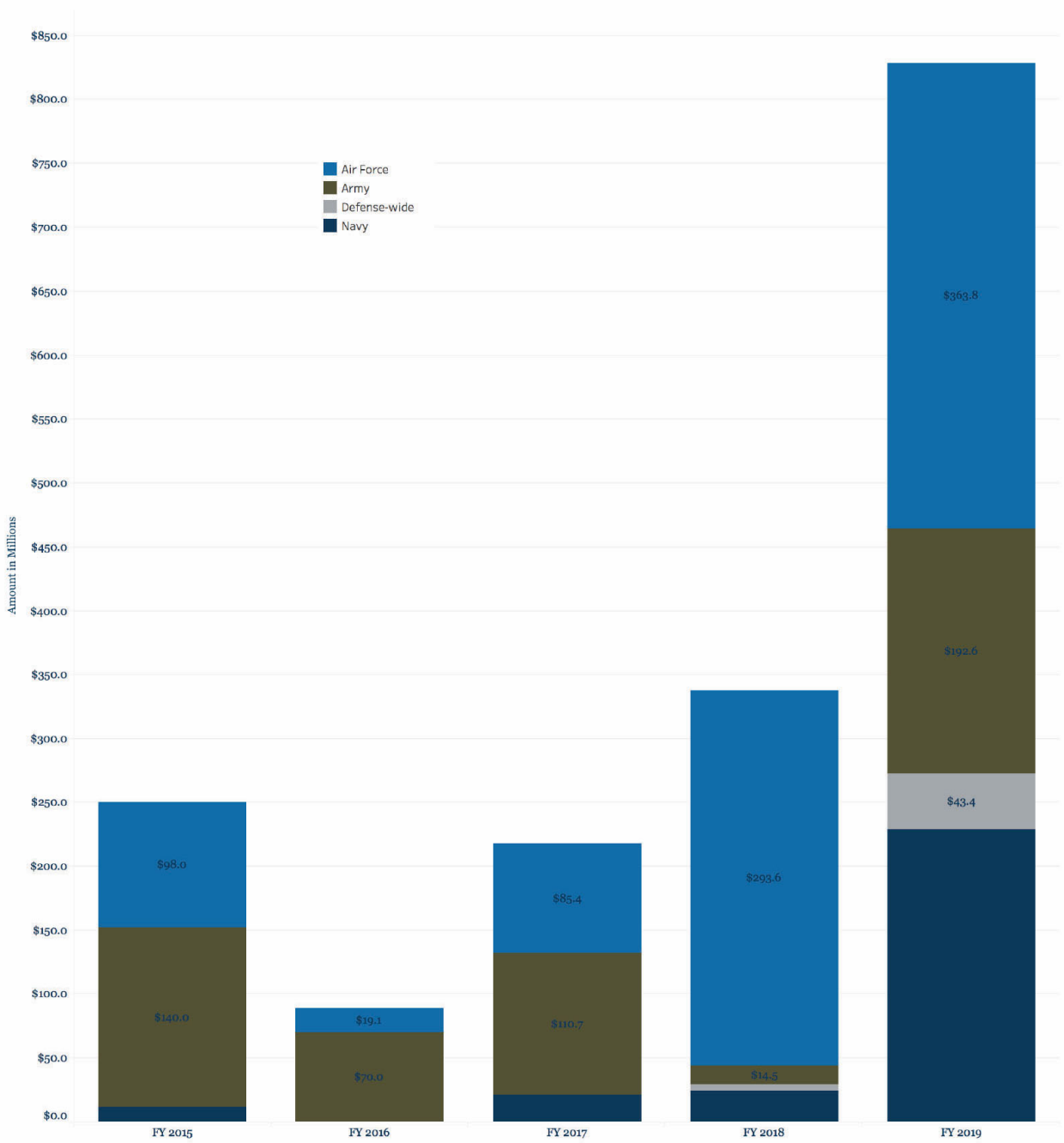
43 OUSD(C), *European Deterrence Initiative FY 2019*, pp. 14–16.

44 OUSD(C), *European Reassurance Initiative FY 2018*, pp. 1, 15, 16.

45 OUSD(C), *European Reassurance Initiative FY 2017*, pp. 21, 28.



**FIGURE 6: ERI AND EDI REQUESTED FUNDING FOR IMPROVED INFRASTRUCTURE BY SERVICE FY15–FY19**



ERI and EDI Justification Books, FY15, FY16, FY17, FY18, FY19.

## Partners

Finally, the EDI provides funding to build partner capacity. It ensures that EUCOM can develop stronger operational-level relationships among NATO allies and partners, including deeper military-to-military engagement, stronger information sharing, and increased special operations forces activities to conduct counterterrorism and stability operations. In addition to funding additional exercises with allies and partners, this line of effort deepens interoperability. This helps ensure that, should a crisis emerge, NATO can operate effectively across 29 sovereign allies and their partners. The EDI also provides funding for NATO partner capacity building. Finland and Sweden are prime candidates for further coordination, building on host nation support agreements. Although not members of NATO, Helsinki and Stockholm work closely with NATO and offer geographic proximity for potential reinforcement and resupply, all while beyond Russia's immediate A2/AD bubble from Kaliningrad.<sup>46</sup>

With \$302.4 million at its disposal in the FY 2019 request, EDI funding for building partner capacity represents a noteworthy increase from its \$267.3 million equivalent in FY 2018 and a significant growth from the \$85.5 million in FY 2017.<sup>47</sup> One of the initiatives for FY 2019 is continued funding for security assistance to Ukraine. At \$200 million, an increase from \$150 million from FY 2018, the request calls for the Departments of Defense and State to provide support to Ukrainian military and security forces in the form of equipment, intelligence, and personnel training (see Figure 7).<sup>48</sup> Overall, due to the EDI's efforts to expand exercises that build partner capacity, 45,000 NATO allied and partner forces train annually alongside over 18,000 U.S. personnel.<sup>49</sup>

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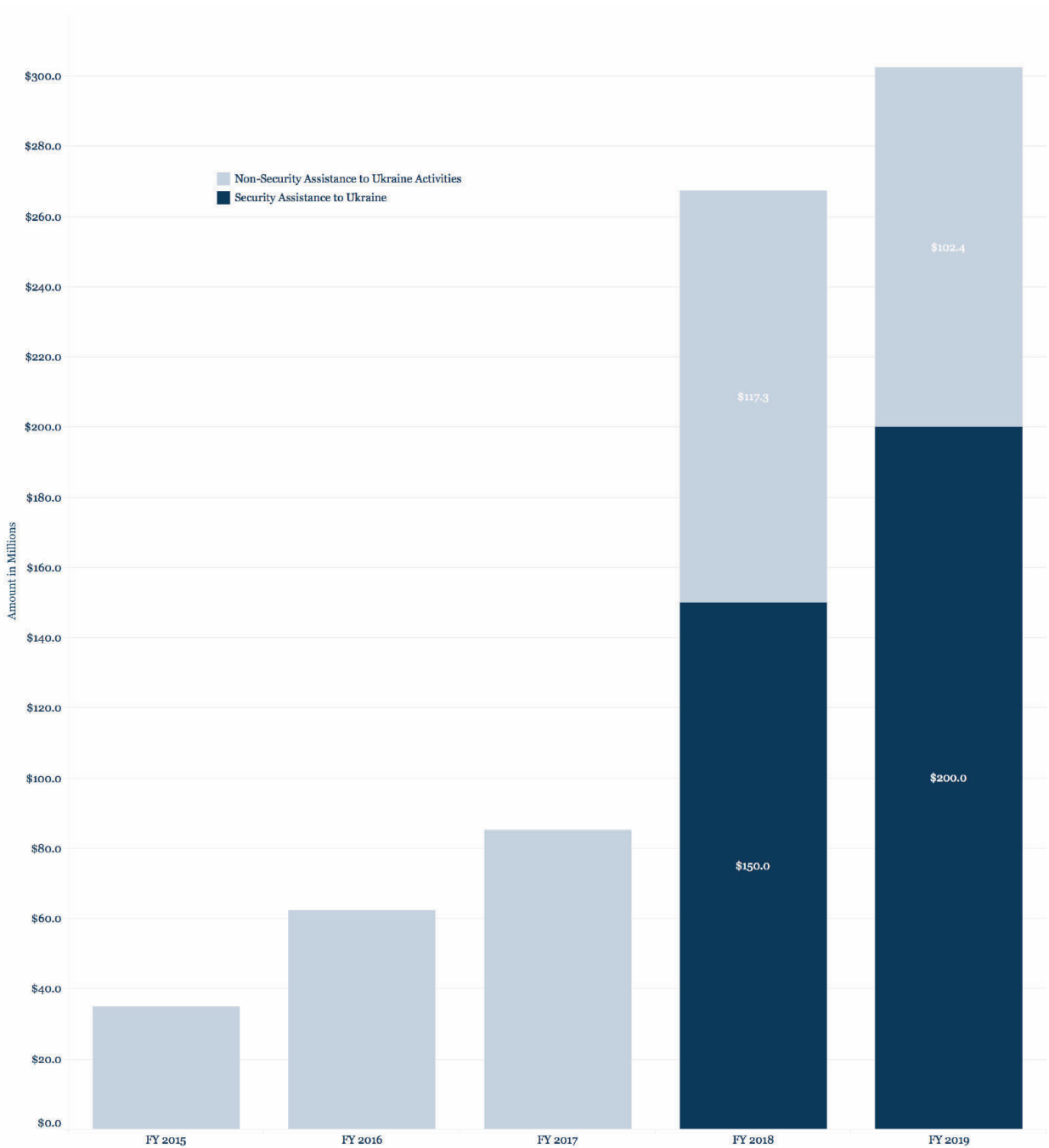
46 Christopher S. Chivvis, *Sweden, Finland, and NATO* (Washington, DC: The German Marshall Fund of the United States, 2017), p. 2; and Loic Burton, "Bubble Trouble: Russia's A2/AD Capabilities," *Euro-Atlantic Security blog*, Foreign Policy Association, October 25, 2016, available at <https://foreignpolicyblogs.com/2016/10/25/bubble-trouble-russia-a2-ad/>.

47 OUSD(C), *European Deterrence Initiative FY 2019*, p. 17; and OUSD(C), *European Reassurance Initiative FY 2018*, p. 1.

48 OUSD(C), *European Deterrence Initiative FY 2019*, p. 19; and OUSD(C), *European Reassurance Initiative FY 2018*, p. 20.

49 "European Reassurance Initiative (ERI) Fact Sheet," U.S. European Command Public Affairs Office, as of January 5, 2017, available at <https://www.eucom.mil/media-library/document/35544/eri-fact-sheet>.

**FIGURE 7: ERI AND EDI REQUESTED FUNDING FOR BUILDING PARTNER CAPACITY FY15–FY19**



ERI and EDI Justification Books, FY15, FY16, FY17, FY18, FY19. This graphic shows funding for Security Assistance to Ukraine within the building partner capacity line item and groups Non-Security Assistance to Ukraine separately.

## Budgetary Challenges to the EDI

Although the EDI represents an essential contribution to European security and currently enjoys annual increases in funding, the United States should not ignore the budgetary challenges surrounding its implementation and sustainment. Since the Obama Administration first requested the ERI in the FY 2015 budget, it has been resourced in the Overseas Contingency Operations (OCO) account, a supplement to the Defense Department’s base budget. OCO began as a fund to provide resources for unexpected crises or wars, primarily supporting U.S. efforts in Afghanistan and Iraq, but has since taken on initiatives that go beyond its purview.<sup>50</sup> Especially during the years of sequestration, funneling funds through OCO served as an expedient way for the Department of Defense (DoD) to avoid the caps in the base budget stipulated by the 2011 Budget Control Act.

Despite the short-term convenience of funding through OCO, this poses two long-term challenges for the EDI. First, if it remains in the OCO account, the EDI risks facing significant funding cuts. Like the Obama Administration before it, the Trump Administration aims to rein in OCO funding and shift “certain costs funded in OCO to the base budget.”<sup>51</sup> Although there is now some uncertainty with the Trump Administration’s stated goal of FY 2020 and the outyears for that transfer, establishing a deadline is an important development that should not go unnoticed.<sup>52</sup> Another reason DoD should no longer fund the EDI through OCO is that OCO allocation is subject to greater political fluctuations, which can lead some European allies and partners to worry about the long-term commitment of the United States to the continent’s security.<sup>53</sup> Likewise, when funded through OCO, the EDI lacks three elements: predictability in projecting the resources it requires; an effort to prioritize the initiative, as well as its own lines of effort, among others focused on European security; and a means of measuring its impact on the ground.<sup>54</sup> Even with the recent uncertainty surrounding FY 2020 as the tangible deadline for shifting initiatives from OCO to the base budget, securing long-term funding for the EDI assumes a greater sense of urgency.

Second, funding the EDI through OCO as a standalone initiative diminishes annual opportunities for reevaluation and for establishing a link to other European security initiatives. The ERI was announced in June 2014 as an immediate response to Russia’s actions in the months following February 2014, described by then-Deputy Secretary of Defense Robert Work as a “temporary

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50 Michelle Shevin-Coetzee, *The Labyrinth Within: Reforming the Pentagon’s Budgeting Process* (Washington, DC: Center for a New American Security, 2016), pp. 3, 5.

51 Mick Mulvaney, Director of the Office of Management and Budget, Letter to the Honorable Paul D. Ryan, Speaker of the House of Representatives, February 12, 2018, p. 2, available at <https://www.whitehouse.gov/wp-content/uploads/2018/02/Addendum-to-the-FY-2019-Budget.pdf>.

52 Tony Bertuca, “Trump: DoD’s Budget Will ‘Probably Be’ \$700B Next Year,” *Inside Defense*, October 17, 2018.

53 Julianne Smith and Rachel Rizzo, *Defining Moment: The Future of the Transatlantic Security Relationship* (Washington, DC: Center for a New American Security, 2017), p. 13.

54 Frederico Bartels and Daniel Kochis, *Background: Congress Should Transform the European Deterrence Initiative into an Enduring Commitment* (Washington, DC: The Heritage Foundation, 2018), pp. 8–10.



increase in rotational U.S. air, land, and sea presence in Europe.”<sup>55</sup> Yet in each subsequent year of ERI and EDI requests, despite a name change, the United States neglects a more comprehensive examination of Russian actions and instead continues to rely on the initiative as a hedge against another Ukraine-like incident. Any further incursion, however, will be different. As the UK Chief of the Defence Staff articulated, “I don’t think it will start with little green men. It will start with something we don’t expect. We should not take what we’ve seen so far as a template for the future.”<sup>56</sup> Funding the EDI through OCO constrains DoD from reevaluating the focus of the effort, as well as considering it as one dimension of a broader planning and budgeting picture.<sup>57</sup>

## Recommendations

With these budgetary challenges to the EDI’s implementation and sustainment in mind, the United States should pursue two efforts.

First, in terms of the appropriate structure from which to fund the EDI, the Trump Administration should move the EDI from OCO to the base budget. Congress should begin by tasking DoD to consider each of the EDI’s lines of effort across the Future Years Defense Program, the five-year timeline for base budget funding. This would lay the conceptual groundwork for the EDI to transition from standalone to integrated submissions that connect to initiatives over multiple years, an essential effort whether in the base budget or elsewhere. Internally, the move would allow for a better mechanism to measure the EDI’s impact, utilizing the evaluation element of DoD’s comprehensive budgeting process, known as Planning, Programming, Budgeting, and Execution. Externally, funding the EDI in the base budget would assuage some concerns from European allies and partners about the U.S. long-term commitment to Europe.

In tandem, DoD should contextualize the EDI’s role within the renewed focus on great power competition, as outlined in the 2017 National Security Strategy and, in particular, the 2018 National Defense Strategy. Framing the discussion surrounding the EDI in such a way would bolster one of the Trump Administration’s priorities while emphasizing the importance of treating it as a long-term commitment to Europe. It could also help align the initiative among others across the U.S. government that contribute to European security. Through the broader lens of great power competition, it would enable the White House Senior Director for Europe and Russia, the official with the appropriate vantage point, to coordinate the EDI as part of a strategy that considers Russian aggression across the full spectrum of threats, from conventional to non-

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55 Robert Work, Deputy Secretary of Defense, “Overseas Contingency Operations Budget Request,” submitted statement to the House Armed Services Committee, July 16, 2014, available at <https://www.defense.gov/News/Speeches/Speech-View/Article/605594/submitted-statement-house-armed-services-committee-overseas-contingency-operati/>.

56 General Sir Nicholas Carter, Chief of the General Staff, “Dynamic Security Threats and the British Army,” speech at RUSI Whitehall, London, January 22, 2018, available at <https://rusi.org/event/dynamic-security-threats-and-british-army>.

57 Inspector General, DoD, *Evaluation of the European Reassurance Initiative (ERI)* (Washington, DC: DoD, 2017), p. 11, available at <https://media.defense.gov/2017/Dec/19/2001858688/-1/-1/1/DODIG-2017-111.PDF>.

conventional to nuclear. This would link the EDI, as well as other agency and departmental efforts, to a broader vision to counter Russian aggression.

There is no doubt that shifting the EDI, especially in its entirety, from OCO to the base budget is a challenging task as the competition for defense resources becomes more contested. To ensure that the move does not reduce funding for the initiative, the United States could consider integrating the EDI into a broader NATO effort. This is not to say that NATO allies should engage in an “American Reassurance Initiative,” as suggested by Representative Michael Turner, the Head of the U.S. Delegation to the NATO Parliamentary Assembly. Instead, DoD could identify areas where NATO allies can contribute to specific lines of effort within the EDI. If the United States can make a compelling case to NATO allies to expend national defense resources to targeted EDI efforts, broadening the initiative could have a dual effect. It could alleviate some of the financial pressure on DoD, thereby smoothing the transition from OCO to the base budget, as well as further demonstrate the unity and resolve of 29 allies against Russian aggression.

Second, with a wider perspective in mind, the United States should ensure the EDI makes the most effective contribution to European security in terms of both substance and structures. DoD should, therefore, reevaluate the current EDI to confirm that it addresses the most pressing Russian challenges and does not rely solely on past examples as a projection for future scenarios. The FY 2019 EDI request, following the tradition of the preceding ones, is almost exclusively dedicated to addressing Russian conventional threats. Maintaining this particular focus for the FY 2015, FY 2016, and even FY 2017 requests could be understandable given the quick U.S. response to the security situation in the spring of 2014. However, as the FY 2019 request marks the initiative’s fifth year, it is time for DoD to take a closer look at the EDI amidst what is a very different security environment than the one in which it was established.

Beyond conventional threats in Europe, Russia poses both non-conventional and nuclear challenges that operate on a continuum of conflict rather than binary states of war and peace. These challenges range from campaigns to distort information and propagate false stories, such as the debunked “Lisa scandal” in Germany, to interfere in political processes, including a staged coup in Montenegro.<sup>58</sup> Another example is the issuing of inflammatory nuclear rhetoric against the likes of Denmark, Norway, Poland, Romania, and the UK.<sup>59</sup> In some cases, the EDI might not be the appropriate structure to address all these challenges, particularly those that are non-conventional. However, DoD should consider the threats that the EDI might address, either directly or through support efforts across government, including with the State Department,

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58 Adam Taylor, “An Alleged Rape Sparked Tensions Between Russia and Germany. Now Police Say it was Fabricated,” *The Washington Post*, January 29, 2016; and Andrew Higgins, “Finger Pointed at Russians in Alleged Coup Plot in Montenegro,” *The New York Times*, November 26, 2016.

59 “Danish Warships Could Become Legitimate Nuclear Targets, Warns Russian Ambassador,” *CPHPost Online*, March 21, 2015; “Norway Will Suffer: Russia Makes Nuclear Threat Over US Marines,” *The Local*, October 31, 2016; “Joint Press Conference with Prime Minister of Greece Alexis Tsipras,” *President of Russia News*, May 27, 2016, available at <http://en.kremlin.ru/events/president/news/52024>; and Samuel Osborne, “Britain Would Be ‘Literally Erased From the Face of the Earth’ If It Launched a Nuclear Attack, Warns Russian MP,” *The Independent*, April 25, 2017.

within this broader outlook and in the context of great power competition. Overall, done pragmatically, shifting the EDI from the OCO account to the base budget would institutionalize the effort as the cornerstone not simply of U.S. contributions to European security, but rather to the transatlantic alliance.

## Conclusion

The U.S. European Deterrence Initiative is a crucial effort to strengthen European security. In response to Russia's annexation of Crimea and intervention in Eastern Ukraine, the EDI funds initiatives that increase U.S. presence, support exercises with allies and partners, pre-position equipment, upgrade infrastructure, and enhance partner capacity. Despite its important work and the funding it currently enjoys, the United States cannot ignore the significant budgetary challenges to its implementation and sustainment. Addressing these concerns will require a concerted effort across the U.S. government, not simply within the Department of Defense, to support the European allies and partners whose security is linked to that of the United States.







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