

# **Center for Strategic and International Studies**

**To the Warsaw NATO Summit and Beyond: The Value of U.S.  
Alliances in the 21st Century**

**Panel Discussion: “New CSIS Report: Evaluating Future U.S. Army  
Force Posture in Europe”**

**Featuring:**

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Eurasia**

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KATHLEEN H. HICKS: OK, so thank you all very much. We're going to spend some time here talking specifically about the report that we've put together regarding the future of the U.S. land component, U.S. Army Europe component of contributions to European security. But we'll, of course, but that within the joint context. Joining me today, to my immediate left, is Dr. Evelyn Farkas, former colleague from the Defense Department, former deputy assistant secretary of defense for –

EVELYN FARKAS: My former boss. (Laughter.)

MS. HICKS: Colleague sounds nicer. (Laughter.) Excuse me, for Russia and Eurasia. And she is a nonresident fellow – a senior fellow, excuse me, at the Atlantic Council.

To her left is Lisa Samp, who is a senior fellow here in the International Security Program, and who had led the effort on behalf of the Europe and International Security Program teams to run this study for us. And to her left –

LISA SAMP: Also a former colleague. (Laughter.)

MS. HICKS: Also a former colleague. And to her left is Jeff Rathke, who is the deputy director and, I believe, senior fellow inside the Europe program here at CSIS, and also was instrumental in running this program, and a former State Department Official.

So what we're going to do is begin with Evelyn to talk a little bit – maybe in some ways along the lines of the question I just asked General Breedlove. What is your assessment of how the U.S. and its allies ought to be thinking about the Russia threat, and particularly if you're trying to think ahead to what the implications are for the land component?

MS. FARKAS: Well, I think – you know, I think it's helpful to step back and look at what Russia's objectives are. I mean, first of all, we should say just a word about the leadership. And I know you guys do cover it in your excellent report but, you know, we should just assume that, you know, President Putin's going to be in power until 2024, that he'll win those 2018 elections. Even if that changes, we can probably assume that the trajectory in terms of the military modernization and the political objectives will stay the same for Russia.

So having said that, a word about the objectives. For the Russian government, for this regime, the most important thing is staying in power, so maintaining their current system, which is autocratic and not a free-market economy. It's sort of a corrupt mafia-style, you know, globalized economy. Their second objective is to demonstrate that Russia is a global power on par with the rest of – you know, the United States, et cetera. Third objective is to really rewrite the rules of the road such that – so that you cannot have interventions to force regime change in cases even where you have a despotic ruler like Bashar al-Assad who is, you know, murdering his people.

And then, you know, sort of related to that are these other objectives. They want to maintain territorial and economic control of their periphery, which is Eastern Europe and Central

Asia. And then also – now I'm forgetting what my last one was – oh, I know, if possible break NATO and the EU, so the transatlantic unity. And that, of course, does get to land forces, et cetera, because I do think it's important that it isn't just us, as General Breedlove said, but that we have allies involved also contributing significant forces.

So having said that about the objectives, I think it might be helpful for me to say a few words about their modernization, because it's not as if they're modernizing across the board. And it sounds like a lot, 700 billion (dollars), but of course as you know, to us that's not actually that much because it's over 10 years. But they're doing it in a very clever way. And so they are increasing their capabilities in certain key conventional areas. And I think it was mentioned earlier, you know, cruise missiles, the air defense systems, et cetera, which are causing quite a problem for us, obviously. But they're not doing everything across the board all at once.

The other thing, of course, is this hybrid capability which we saw them – we saw it play out in real life in Ukraine first, certainly most successful in Crimea, because I would argue in eastern Ukraine it hasn't been a success for them. And then, of course, we're seeing it play out in Syria to some extent, although there it's a little bit different. But they have demonstrated to us also that they can deploy. Again, these aren't large scale, huge deployments, like we're used to, but they're – nevertheless, they're out of area, certainly in the case of Syria.

So I think that the modernization in and of itself does pose challenges, but that it's also the cyber component, the doctrinal changes. So we haven't really talked that much about the doctrinal changes, but, you know, number one, they now have the doctrine that allows them to respond with nuclear force to a conventional attack that they deem a threat to the existence of the state. And that's a new and disturbing development, probably mostly because this government, this regime, especially since 2012 when Putin came back into office, has really been rattling the nuclear saber.

So I think we're a little bit nervous about what they would deem a threat to the state. Then there's also –

MS. HICKS: Right. And I would just ask, in particular Kaliningrad is situated, as it is, in the midst, if you will of NATO territory, would be a place where one could see some kind of miscalculation, or something that might, you know, bring into question, I would think, that nuclear question.

MS. FARKAS: Potentially, yeah. Although, hopefully they still define it a little more narrowly. You know, their command, Moscow, et cetera. But one doesn't know, because they are purposefully a little bit vague on this, right?

MS. HICKS: Mmm hmm, yes.

MS. FARKAS: The other issue is the escalate to de-escalate, which has been interpreted by some to actually be about nuclear weapons and technical nuclear weapon use. But it's actually not that. It's denying your adversary the ability to get in, to intervene in an ongoing or an imminent military action that the Russian government wants to take. So they can use cyber

means, they can use space, you know, they can do anything to basically escalate the situation to a point where the United States or other European allies might say, oh, we'll keep out of that. You know, that's Russia's problem.

MS. HICKS: Yeah, that's not worth our interests. Yeah, mmm hmm.

MS. FARKAS: Right, it's not worth it.

So that's all, you know, kind of Sun Tzu-ish, you know, philosophy. But it could involve a nuclear demonstration or nuclear use, potentially, but it's not necessarily – I don't see it as necessarily being about nuclear. So I think those are important things. When we think about how are we going to deal with Russia, those are potential real challenges that we face because of their doctrine.

And then of course, as was mentioned earlier, the hybrid warfare. And I think there, it's really difficult because you have to work law enforcement, military, political actors, because you have to first obviously have the intelligence, then you have to be able to share the intelligence. And you know, we think it's hard among countries. It's also hard, as we found out in our experience here before 9/11 – or, with 9/11 that it's also hard to share intelligence domestically.

So all of our NATO allies and, of course, the partners – because we have a certain responsibility – it's not an Article 5 responsibility – but certainly, to help our partners. They all have to be able to have good intelligence and to share this intelligence, and to act on it. And then the act on it part is where the other agencies, like – entities like EU come into play.

So that's kind of a long answer. And I don't know whether I've come right to your point. I mean, I think in terms of land forces you need agility. You need intelligence so that you know where to go. You need to be agile. And again, as I mentioned, I think you have to have multiple allies involved. You know, we all have a role to play. And that's the most important thing.

But I would also say that I agree with – I don't know whether General Breedlove mentioned – talked about the rotational versus permanent, but I would say I'm one of the signatories of the Atlantic Council's report that just came out this week on the future of NATO. And am I allowed to mention another think tank?

MS. HICKS: Sure. You absolutely are. (Laughter.) I already mentioned it.

MS. FARKAS: Anyway, and – (laughs) – anyway, and in there we call for permanent forces. So I think land forces – they need to be permanent. You can't expect that a rotation's going to be smooth, seamless, that the equipment will be there and ready. And I think the readiness issue is a big one as well. And I think it's also worth noting that what we're talking about right now within the alliance is simply putting back into place what we had just a few years ago. So we're not even talking about doing more, which doing more may not be the answer. I'm not suggesting that, because again if you want to be agile that may not be the answer.

MS. HICKS: You mean more in terms of size at the front?

MS. FARKAS: Beyond the two brigades.

MS. HICKS: Yes, got it.

MS. FARKAS: Yeah. So if we put the two – let's say we put the two brigades back permanently. There's an open question about whether that's enough or not. But I think certainly for at least the signatories of this report and myself, getting the two back permanently would be important.

MS. HICKS: Yes. OK. That's a perfect segue to Lisa and where we come out in our report. (Laughter.)

MS. SAMP: It is, indeed.

MS. HICKS: Which is a little bit different. Not different in intent.

MS. SAMP: Not completely different, actually, yeah.

MS. HICKS: But it would be great to have you sort of talk a little bit about how we, in our report, have sort of approached this challenge across the – looking at Europe in whole. And how we look in particular at the challenges from the East.

MS. SAMP: Well, thank you. And Evelyn did a great job setting this up, because she perfectly described the Russia challenge that actually prompted U.S. Army Europe to ask us for our thoughts on how we can recalibrate U.S. Army presence in Europe over the long term. And I'm going to mention three quick key points, but first I just want to say a few words about how we conducted the study itself.

So we did it in two phases. The first phase looked short term. So you know, what are the low-hanging fruit type of recommendations that could help inform the Army's FY '17 budget request? We were very pleased that a lot of those recommendations ended up coinciding with the FY '17 ERI request. But this second phase of the study that we're rolling out today looks long term, so over the next 10 years, and places a greater emphasis on making the Army presence in Europe not only credible against the Russian threat, but also affordable, as General Breedlove mentioned, and sustainable long term.

And two quick caveats that I would be remiss if I didn't mention. The first is that our report does not make recommendations relating to waging an active defense of the Baltic States. What we are trying to do is set up a credible deterrent, something that will change Russia's calculus enough that it would choose not to intervene, or that it would assess the costs of that intervention to be inordinately high. That's the first caveat. The second is that, of course, while we focus on ground forces, the whole force is going to be important in this – so the Air Force, the Marines, the Navy, allied militaries, and of course whole of governments across the DIME – (inaudible).

So with those two caveats, we'll move quickly through my three key points. The first is that the capability gap with Russia is real. But as we looked at it, it is regionally bound. So I want to be clear that the Russian military is not a Goliath. It cannot outmatch the United States across global battlefields. It does, however, possess advanced capabilities that is currently arrayed, could plausibly challenge the United States and its allies regionally, or rather in one region. And that is Central and Eastern Europe. So that's kind of the first point.

There are three key capability areas where we assess Russia has or is gaining an advantage. The first, sir, you spoke to is A2AD. The second is combined arms warfare, which I think you also mentioned. And then, of course, the non-kinetic, which is cyber and electronic warfare. So of course, these capabilities will need to be factored into future Army planning, priorities, and procurement priorities as well. And our report goes into greater detail on these issues, but I will save you all from that discussion as they get very technical very quickly, and I think we've kind of covered the high points.

So my second point then is that the current U.S. approach to reinforcing Europe is not cost efficient long term. So since 2014, the Obama administration has spent approximately 1.8 billion (dollars) on assurance efforts, with a further 3.4 billion (dollars) in the pipeline for 2017. So what this has done is reversed the downward trend in the force size – U.S. force size on the continent, which is a great thing, of course, and was achieved sensibly at the time by relying on surging rotational forces from the United States back to Europe.

Now that we have our bearings, we know a little bit more about what Russia's intention is, the role that they want to play in the world, we need a new model – a longer-term model for responding. So just as the Warsaw summit will mark a shift from assurance to deterrence, to longer-term deterrence, the United States also needs to begin shifting from this sort of surge mentality to a longer-term sort of new normal footing or force posture in Europe. The immediate post-Ukraine Band-Aid solution is no longer the most optimal solution. And it's about to get a lot more expensive.

Next year's proposed budget in the FY '17 ERI vastly expands the cost of using the rotational forces. This is because the current – the forces that are currently doing the rotations are able to rely on prepositioned equipment in Eastern Europe. Beginning in February, they will no longer have that prepositioned equipment in Eastern Europe. So they will be bringing their own equipment with them from the United States to Eastern Europe. This will entail shuttling thousands of pieces of equipment from – you know, across the Atlantic every nine months. It includes a brigade's worth of tanks and other heavy vehicles, upwards of 2,000 vehicles, in fact, and 12,000 other pieces of equipment.

So as I said, this is not going to be cheap. And given the enduring requirement for armored forces in Europe, permanently stationing an armored brigade back in Europe, while it may entail higher upfront costs, would be more cost efficient over the long term and it would, as Evelyn mentioned, partially reverse the department's 2012 decision to remove the two armored BCTs from Europe. So that would get us one up.

So, in the same vein, we also recommend that a full-strength combat aviation brigade be reassigned to Europe on a permanent basis. The downsizing of the 12<sup>th</sup> CAB in Germany in the last couple years was another controversial and, frankly, oddly timed decision given what was going on in the security environment in Europe at the time. So with that decision, combat Army aviation shrank from about 170 helicopters – we’re now down to 78. Like armored forces, the Army aviation is an enduring requirement. The rotational backfill of 25 Black Hawks has high transportation costs attached to it, approximately 40 million in next year’s ERI. And even then, it’s still insufficient to meet current demands.

And then on to my third and final point, which is that the current approach is not sustainable long-term, so not cost-effective and not sustainable.

So cost aside, the volume and pace of training events and continuous deployments to NATO’s eastern flank are beginning to strain some U.S. and Baltic forces. This means that if we don’t add additional forces to better distribute the burden, and if everything else stays the same, the current model is not ideal.

In the Baltics, the size and capacity of the militaries there is often underappreciated. The Estonian and Latvian militaries, for example, combine to total about 11,000 forces. This is about a quarter of the daily population of the Pentagon. So let that sink in.

MS. HICKS: That’s just the Starbucks line, probably. (Laughter.)

MS. SAMP: And that’s just the Starbucks line. Exactly.

So their small size makes it difficult for host nations to keep up with the fresh U.S. and other allied troops that are persistently cycling through and to comfortably absorb them when they’re there.

Sir, you mentioned the NFIUs. Here lies a potential solution. You know, they could do a better job of coordinating, deconflicting, acting as a clearinghouse for allied forces that are cycling through. On our study trip, we spoke to some representatives from the NFIUs, and our anecdotal evidence suggests that they’re not yet prepared to play this role. It doesn’t mean they won’t get there, but they’re not yet doing it.

This is – this is partially due to the fact that allied forces rotating through are not yet required to notify the local NFIU that they’re in town. And some of the folks we spoke to, you know, cited that they were running into their local war buddies at the gas station and figuring out, oh, that the Dutch are in town or that the – (chuckles) – and they were referring to this as personality-driven awareness. So they were out there sort of on the beat looking for folks.

Likewise, U.S. soldiers conducting the assurance mission in Europe are reaching their saturation point. The changing nature and heightened pace of military engagements, along with extended rotations, have replaced the one- to two-week security cooperation engagements that were typical prior to the Ukraine crisis.

This has introduced in the words of one soldier we spoke with all the trials of deployment with none of the rear support. What he meant by this is that one, they're stretched really thin, but that two, unlike other enduring or named operations – named operations, these troops do not yet receive deployment benefits that make a persistent rotational presence sustainable for them and their families over the long term. These include things like eligibility for free additional child care at the on-base daycare center.

U.S. troops transiting through the Baltics also do not yet enjoy SOFA protections. This may –

MS. HICKS: Status of Forces Agreements.

MS. SAMP: Sorry, Status of Forces Agreements, legal agreements, protections. And this may have been a nonissue pre-Ukraine, but now that we have upwards of 5,000 U.S. troops cycling through this region per year, it amounts to, in the words of one official we spoke with, “living on borrowed time.” And it's an easily mitigated risk that we just need to take care of. We make –

MS. HICKS: It's not covered by NATO SOFA?

MS. SAMP: They have a NATO SOFA. They don't have a U.S. SOFA. So these are the additional protections that when you have a Russia that is trying to make media hay out of every little incident and also very legalistic societies, the additional SOFA protections provided by the United States are needed.

We make many other recommendations in this study. Unfortunately, that's all I have time for. And I know Jeff's going to talk to the eastern flank.

MS. HICKS: Right. Yeah. So Jeff, that would be great to kind of narrow in even further that the folks at the pointy end of the spear are on the eastern flank facing Russia. It'd be great to hear from you some of the recommendations that are specifically targeted to how we shore up that part of the alliance.

JEFFREY RATHKE: Great. Thanks. Thanks, Kath, and it's an honor to be on this panel and, indeed, with such distinguished guests here today.

I will say two general remarks and then get into four specific recommendations in our report with regard to the presence in the east of U.S. Army forces.

The first one – and this is implicit in what Lisa said, but we're – what we're talking about in this report are recommendations over a 10-year period. So these are not recommendations for the NATO summit, although there is broad overlap in some respects, but what we're looking at is what is necessary over the span of a decade to deal with the challenge that Evelyn so ably outlined.

The second thing I would mention is, you know, while we are focused on U.S. Army

forces and, therefore, in the land component, you know, we recognize that there are significant challenges in the southeast, in particular those that confront Romania and Bulgaria, which are more of a maritime and air nature. And those require also a significant intention from NATO, but they don't fit with the land forces focus of our study.

So let me now move on to four particular recommendations. One is about the nature of the forward presence that we recommend. The second is to address the question of permanent versus rotational forces, where we come out slightly differently than the Atlantic Council report. Third is the role of NATO and of our allies in the forward deterrent presence. And then the last is a bundle of issues of the civilian-military interaction, which General Breedlove alluded to – also civilian-U.S. engagement in building resilience, which is an essential element of deterrence, so – with that forward presence, the first element.

We are clear that a reinforcement-only strategy is not sufficient. There needs to be a forward presence of U.S. forces. Our recommendation is for the continuous forward presence of one U.S. battalion each in Estonia, Latvia and Lithuania. Now, why a battalion? In our view, that is the appropriate size because on the one hand, it can command and control multiple maneuver units over a large enough territory that any kind of incursion or invasion – by Russia, in this case – would not be able to avoid contact with U.S. forces. And if Russian decision-makers know they have to face combat-capable U.S. and NATO forces, then that, we believe, will have a significant effect on Russia's risk calculation. So in short, it's to put a credible deterrent at the location of greatest threat.

One footnote, perhaps: Certainly our Russian colleagues will call this provocative. In fact, they already are calling NATO's activity in Central and in Eastern Europe provocative. I think by any measure, the presence of a battalion-size U.S. force is not going to invade Russia. It is not a military threat to Russia. And I think it is important to keep that in mind, while also acknowledging, as General Breedlove pointed out, the importance of the communication channel so that we are dealing not only in political signals, in communiqués, but also in directly explaining motivation and the nature of our future presence.

So the second item I'll touch on is the permanent versus rotational question. Our recommendation is for a rotational U.S. presence at battalion-sized forward operating sites. Now, why not permanent? Four elements come to – were significant for us. First, permanent stationing involves significant infrastructure costs. Host nations may well be willing to bear most or even all of those costs. But do you want to crowd out investment by – in this case, our Baltic allies – do we want to crowd out their investment in high-priority capabilities and systems in favor of building facilities for U.S. forces? We think not.

The second element is that the rotation, which will involve mostly infantry but also armored units, it allows variation over time, which also helps to build a broader spectrum of interoperability with our allies and partners.

Third, we think it's possible to do this within the political constraints of the NATO-Russia Founding Act, which, for now at least, remain important for alliance political cohesion, which is something we can't overlook.

And fourth, there is of course the principle of worldwide availability of U.S. forces. And in a true contingency, there needs to be the availability of those forces. And so having them in places where they are logistically better connected to likely contingency locations is important.

The third issue, NATO and the role of our allies. It is essential that NATO's deterrent presence be a shared endeavor, not a U.S. responsibility only. Our recommendation is that the forward presence of one U.S. battalion each be part of a framework multinational brigade, which would include a battalion from—that is led by another capable NATO ally and a host-nation battalion.

There are four reasons for this. One, we think this has the best combination of multinationality and military efficiency by not breaking down units below the battalion level in the multinational formations.

Second, this builds alliance unity and sends a strong signal to Russia that an attack would involve not just host nation, but also major European and U.S. forces.

Third is the element of burden-sharing. Under this approach, two thirds of the forces involved in this forward presence would be non-U.S. forces, although the U.S. would play an important role strengthening and as a backbone.

And fourth, this builds interoperability for possible high-intensity operations, which strengthens over time NATO's collective defense, again, keeping in mind that we're thinking over a 10-year period here, not about meeting a challenge only of the coming year.

The last item, on which I'll be brief, and we can talk about it more in questions if necessary, is the idea of civilian and civil-military resilience. I agree completely with General Breedlove's comments about the need to better develop relations between ministries of defense and ministries of interior. These vary widely across NATO and especially along the eastern flank.

Many nations have taken steps to exercise these interactions and exercise civilian leadership, and at the cabinet level how they would respond in a crisis. That needs to be continued. And it also needs to be integrated into NATO's response as a whole so that those lessons are not lost and that NATO allies have confidence in what their allies on the eastern flank are going to do in response to a crisis.

Now, a forward land presence is essential. But given Russia's approach to coercion and conflict, it is not likely to be the first element that is involved. So we need to build the civilian resiliency. There – in addition to the border security and defense, there is also the question of cyber, not only the military aspects of cyber, but it is our view that the private – public-private partnerships, in particular critical infrastructure and private-sector infrastructure, whether it be in finance or in other key sectors – needs to be further strengthened. There are gaps across NATO allies, and those need to be addressed.

The last element I would mention is resources. The 3.4 billion (dollar) request in the ERI for fiscal year 2017 is something we certainly agree with. On the civilian side, to be honest, the resources that are in the pipeline are meager in comparison. There is a large request for support to Ukraine, which is completely justified. But when you look at the six NATO countries along the eastern flank, none of them has a specific program of U.S. civilian assistance proposed for fiscal year 2017. That means rule of law. That means media training. That means anti-corruption. It means border security. It means all of these things. And we think that there's more that needs to be done there, although specific recommendations fall outside the scope of our report.

So with that, thank you very much.

MS. HICKS: That's great. And I should have mentioned the report is now available online at CSIS.org. And there is an executive summary in case you're not interested in the full, I think, 70 –

MR. RATHKE: Why would you not be interested in the full?

MS. HICKS: It's 80 –

MS. SAMP: It's upwards of 80 pages.

MS. HICKS: – 80-odd pages of the report. But if you –

MS. FARKAS: It's a really short executive summary. It's a 1 ½-page executive summary.

MS. HICKS: There you go. Right. So truly for an executive. But if you love all things Army, please continue through the 80 pages.

I just want to raise one thing that has come up throughout the day, but just to really pick on it, because I don't think we've commented through this lens, which is the alliance-cohesion piece. That is the clear center of gravity if you're Russia in terms of looking at the alliance. And I'd just love for each of you to give a quick comment on what you think is important, either in our own report or looking forward, going into the Warsaw summit. What are the key things about making sure we truly have and then we have left others to perceive cohesion in the alliance with regard to our defense posture?

MS. FARKAS: I – two things come to mind. One is, again, the intelligence that General Breedlove mentioned, intelligence-sharing, but the ability to see what's happening; and then for all the allies to agree on the intelligence.

I think that – as somebody who witnessed, you know, our response to the situation in Ukraine, you know, one of the biggest vulnerabilities we faced was the ability to have political cohesion based on the intelligence. And so – and it is true that sometimes you don't want to see

something that's in front of you, and that's another problem. But I do think, for cohesion, it's important to have good intelligence that you can share in real time.

The other part is resources. You know, I think that – I'm going to say something that's boring, because it's obvious – everybody has to put more into the pot. You know, it's funny, because I had a long – I had a hard time when I went into the executive branch with the 2 percent. Now, why do I keep thinking it's 3 percent? And I realized – I never really thought about it that much, and then the other day Nick Burns, Ambassador Burns, reminded us, well, it used to be 3 percent. So, please, let's not change it from 2 percent to anything lower. And, in fact, it probably should go up to 3 percent.

And then it's not even about the percentage, of course. It's about what do you bring to the table.

MS. HICKS: What are the real capabilities?

MS. FARKAS: And ideally the GDPs will go up. So I think really resources and intelligence.

MS. HICKS: Right.

MS. SAMP: And Evelyn stole mine, because I was going to be the boring bureaucrat and say resources as well. You know, much to the chagrin of many of our allies who sort of lament the American focus on this 2 percent spending, it actually is very important. It's very important for our Congress. It's very important for the American people to see everybody paying their share.

And I will note that, as Evelyn alluded to, the 2 percent is not a ceiling. So if we can go beyond that, that's even better. So I will double-hit resources. And then, of course, you know, showing a balance, I think, between the concerns of our eastern-flank allies and our southern-flank allies, showing that NATO is, you know, I think, as Stoltenberg puts it, a 360-degree alliance, that it is all for one and one for all, and that we can walk and chew gum at the same time, I think, is going to be increasingly important, as will, you know, foot-stomping the idea of how NATO works with the EU.

We have a multitude of challenges right now that are not solely military. We have terrorism and migration and, for lack of a better word, hybrid warfare, that are all full-spectrum sort of threats, not just hard security. So I think seeing how NATO will balance both of those priorities and threat perceptions from the allies will be important.

MS. FARKAS: Could I add one other thing? I don't know if it's in your report, but on our resourcing, you know, the ERI or EDI – now it's going to be renamed, I think, as a result of the new bill coming out of the Hill, the new authorization bill – but that money needs to be in the regular budget.

MS. HICKS: In the base budget.

MS. SAMP: It needs to go in the base budget.

MS. FARKAS: As you and I discussed just the other day, it needs to be in the base budget.

MS. HICKS: Yeah.

Jeff.

MR. RATHKE: I'd say two things are important that are related. One is confidence. I think it's – in looking at ways in which NATO can improve its response, we often focus on gaps, and that's justified. But I think we also – we need to avoid talking down NATO's capabilities –

MS. HICKS: Right.

MR. RATHKE: – which are significant and effective. So we need to keep that in mind. And that brings me to the second aspect of it, which is if you look at what has been decided since – in the last – just in the last two years – you have, you know, allies leading the placement of allied forces along the eastern flank of NATO at levels that I think would have surprised anyone if they had been mentioned in 2014. The level of political solidarity – it's not just the United States that's doing it – is significant, and we need to build on that and not downplay our achievements.

MS. HICKS: Great.

OK, questions on –

MS. RATHKE: I think –

MS. HICKS: Oh, yeah, please; of course, General Breedlove.

GEN. BREEDLOVE: Just one short remark, and it was sort of said, which is it's not just the 2 percent, it's what you bring to the table. I never say 2 percent without the 20 percent, because we have – (comes on mic) – you know, we have to be recapitalizing the force.

MS. HICKS: The 20 percent being the investment fund, the modernization.

GEN. BREEDLOVE: Right. So the 2 percent is the first measure. The 20 percent investment and recapitalization investment, research and development, is – it has to really be tied together.

MS. HICKS: Great, absolutely.

Any questions? Fantastic. Our report is that convincing, we assure you.

I want to thank all our guests today – obviously Deputy Secretary Blinken, my co-lead, Heather Conley, all our panelists here today, General Breedlove. And thank you to all of you who came. I do hope you check out the report. And I look forward to hopefully a great Warsaw summit. (Applause.)

(END)