THE ATLANTIC COUNCIL

OF THE UNITED STATES

New Capabilities: Transforming NATO Forces

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Policy Paper

September 2002

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Foreword

Of all the matters on the agenda of the alliance summit in Prague in November none is more important than that of the future military capabilities of the alliance. The way in which this issue is dealt with by the allies in the next year may well determine whether the alliance remains a vital force in international affairs or becomes simply a regional security organization within Europe.

Against this background, the Atlantic Council decided to establish a working group to address the ways in which the alliance could act to improve its capabilities, and notably to diminish the growing gap between the capabilities of U.S. and European military forces. This report presents the conclusions of the working group, as well as some supplementary comments by members of the group. As with other Atlantic Council working group reports, "New Capabilities: Transforming NATO Forces" reflects the general consensus of the members of the group listed at the end, but every member would not necessarily agree with every statement therein. Nor does the report necessarily represent the views of the Atlantic Council as a whole.

The Atlantic Council would like to thank Robert Hunter and George Joulwan for their sterling work in chairing the group and Dick Nelson and Jason Purcell, respectively the director and assistant director of the Council's Program on International Security, for organizing and supporting the group's work.

Christopher J. Makins
President
Atlantic Council of the United States

Executive Summary

Key Judgments

In making decisions about transforming NATO forces at the Prague summit and beyond, the alliance should:

⊕ **Focus on two affordable tasks:**

- **Integrating information systems**
- **Deploying precision weapons**

⊕ **Create a Spearhead Force as a catalyst for transformation**

⊕ **Measure results by the ability to perform a full range of missions beyond Europe's borders**

Of the three important topics on the agenda for the Prague summit – *New Capabilities, New Members and New Relationships* – the issue of *"*new capabilities*"* is particularly critical. How well this issue is handled will determine in large measure how members and others, particularly potential adversaries, think about NATO in the future.

For several years NATO members have been pursuing divergent paths in developing their military forces. As a result, NATO forces are progressively less able to work well together. This summit can help bring these paths together.

To succeed in what will likely be a difficult environment, all the allies must be genuine partners in the development of NATO's new capabilities. This requires building a common vision of the transformation process, especially its priorities and management structures. The costs will be relatively small and the benefits substantial. The United States should lead in this direction.

NATO forces must be interoperable across the full range of NATO missions. Two priorities emerge as especially important in this regard:

- The integration of information technology. This is necessary for timely decision-making to succeed at all levels. Furthermore, information must be shared if the risks of military operations are to be shared. Alliance ground surveillance could provide a useful basis for building such capabilities.

- Precision weapons. These enable early strikes with the right amount of force on the right target. In this era of highly constrained rules of engagement and increased public scrutiny of military operations, no less can be accepted.

Management of the transformation process must involve more than a compressed list of Defense Capabilities Initiative-like capabilities measures. An alternative approach is to organize a NATO Spearhead Force that has the requisite equipment and training to engage in demanding military operations beyond Europe's borders. This force would serve as a prototype for the broader transformation of European forces and would play a central role in structuring and managing the transformation process. The U.S. forces in the NATO Spearhead Force should train and operate with their European counterparts, but not substitute for other allies making substantial commitments to the transformation process. The demise of Headquarters, Allied Command Europe's Mobile Force Land adds a sense of urgency to developing a rapid reaction force available to the Supreme Allied Commander Europe.

Faced with a wide range of possible contingencies, NATO seems as likely to provide forces to coalitions of the willing as to be the source of an expeditionary force under the command of SHAPE. This suggests that NATO transformation should include structuring SHAPE to be able to provide force packages and associated command and control for broader coalitions operating outside the Euro-Atlantic area. If some NATO members decide to provide forces for use under a U.S. command, then this should be accomplished by NATO rather than through a series of bilateral provisions and appropriate institutional arrangements must be made for this.

Niche forces make sense as part of the transformation process for the smaller allies. They can build on existing expertise and specialize or pool their resources. While encouraging such efforts, NATO leaders should also accept reasonable duplication among these forces so that the alliance does not become overly dependent on a single country or group.

In following up the Prague summit, transformation efforts must address several problems related to buying new equipment. Unfortunately, national procurement decisions and export controls have not facilitated interoperability over the last several years. In the short term, the U.S. government will likely need to relax export controls if it wishes allies to have comparable capabilities. At the same time, increased technology transfer will need to be accompanied by improved safeguards on the part of the European allies. Over the longer term, rules – in the form of an alliance-wide, public-private Code of Conduct – are needed to create a common defense market with open competition, reciprocal market access and transparent procurement.

Also after Prague, NATO leaders should devote more attention to relations with the European Union, as it also tackles the problem of military transformation and the development of the European Security and Defense Policy (ESDP).

If NATO manages the transformation process well, appropriately sharing decisions and risks, then its ability to meet a full range of needs will be enhanced. Perceptions matter and many non-NATO eyes will be on Prague.

New Capabilities: Transforming NATO Forces

I. Building Consensus

There is good reason why "New Capabilities" tops the agenda for the Prague summit. This issue presents a critical test for NATO leaders because the growing gap in military capabilities among members is leading to a progressively hollow NATO force structure.

For several years NATO members have been pursuing divergent paths in developing their military forces. As a result, NATO forces are less able to work well together.[1] If these trends continue, the risk increases that the alliance will be unable to meet future needs. The Prague summit can help bring these paths together.

To succeed in what will likely be a difficult environment, the United States must lead efforts to ensure that all allies are genuine partners in the development of NATO's new capabilities. This requires building a common vision of the transformation process, especially its priorities and management structures.

This common vision should build on the considerable accomplishments of the alliance over the last decade. For example, lessons learned from the Combined Joint Task Force concept, the Allied Command Europe's Mobile Force, the Balkans and other experiences can help inform the transformation process.

NATO defense ministers decided at their 6 June 2002 meeting that they should focus on a small number of capabilities essential to the full range of alliance missions. The ministers also noted the need to strengthen defenses against terrorism and weapons of mass destruction (WMD), to ensure secure communications and information superiority, to improve interoperability, to deploy rapidly and to sustain combat forces. Their agreement on improving strategic lift and logistics is particularly encouraging.

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[1] In a few cases, some units have performed well in combined operations, but the alliance as a whole would be hard-pressed to put in the field a substantial force capable of defeating decisively a well-armed adversary with missiles and other means to deny easy access and on a battlefield that may include nuclear or chemical weapons.

This represents a major step forward in the alliance's reform efforts, though NATO leaders could be even more discriminating in their guidance as to which new capabilities warrant the highest priority. There is no shortage of ideas about important capabilities for NATO. However, many of these reflect mainly national preferences. It will therefore be difficult to gain the necessary consensus to ensure that member states spend their defense budgets more wisely, let alone to seek an increase in those budgets.

To help build agreement, the capabilities initiative should be framed in the context of the longer-term transformation of NATO forces, while also enhancing the operational capabilities of current forces in the near term. Both processes must occur simultaneously, though this poses difficult trade-offs. Furthermore, in procuring both long- and short-term capabilities, the requirement for interoperability must be established early in the development process, allowing defense industries to compete in producing products that are compatible if not common. This will give forces the technical capability to work together, which will then need to be realized through regular multinational training.

That "new capabilities" should be appropriate for the *new needs* of NATO forces is evident; less evident is just where NATO forces will be needed in the future and for what purposes. As the Secretary General noted, the "out-of-area" debate that hamstrung NATO for much of the 1990s has been settled. For example, defense against terrorism was one of the new tasks highlighted in the 1999 NATO Strategic Concept and now it is defined to include military activities "as and where required." Nevertheless, just which future contingencies and missions should drive NATO force structure planning and equipment acquisitions remains unclear. Certainly we did not anticipate that the first use of NATO forces under Article 5 would be in response to a terrorist attack on New York and the Pentagon. Therefore, we should assume that alliance forces will be called upon in the future to deploy in a number of places beyond Europe.

Given the possibility that NATO forces could be needed in a variety of circumstances, the alliance must have a generally robust set of capabilities. These include the ability for the alliance as a whole, if not all the allies themselves, to operate at long distances against a well-armed adversary with missiles and other means to deny easy access; to operate without host nation support; and on a battlefield that may include nuclear, chemical or biological weapons.

Furthermore, it is useful to recap a range of missions for which NATO forces should be prepared. Counter-terrorism is clearly a high priority, but NATO members, singly or together, may need to provide forces for direct intervention, preventive action, psychological operations, peace enforcement, peacekeeping, and contending with WMD and the means of delivering them.

Given these requirements, we believe that the acquisition of new NATO capabilities should focus on two critical areas – information technology and precision weapons inventories – and that a plan of action must be designed to promote these capabilities, with assigned responsibility for acquisition. Our analysis suggests that these two capabilities provide the most benefits in both the near and longer term, and for the widest range of possible and

likely contingencies. As noted in the defense minister's statement on new capabilities, NATO leaders should also look to upgrade alliance long-range transport and logistics. These capabilities are increasingly important as the allies engage in missions beyond the traditional NATO area.

II. Pursuing Key Capabilities

Approaches

In the near future, the likelihood is slim that the European allies will increase their defense spending. In large measure, this is due to different spending priorities on the part of European governments and to recent slow economic growth. Lower defense spending is engendered in part by a European perception since the end of the Cold War that the West no longer faces the same size and intensity of military threat. Thus, in helping to set and to shape capabilities initiatives, the United States will be a more effective advocate if its proposals are feasible and do not depend on allied spending increases for success.

Instead, the United States could foster more effective European defense spending by providing analyses of how and where it has reduced its own defense expenditures. Some examples might include cut backs in procuring tanks, artillery, ships, bombers and "dumb" bombs. Additionally, Europeans should consider trimming overlapping national capabilities and reducing the overall number of men and women under arms. Also, modernization of logistics systems can provide important savings that could help European governments to allocate their defense budgets more appropriately.

European members of NATO will be skeptical of capabilities initiatives that would as a practical matter oblige them to buy U.S. technology, though they will need such technology to keep pace with U.S. capabilities growth. Narrowing the capabilities gap will therefore require that the United States increase its current level of technology transfer and it will require European allies to implement tighter technology controls. The former, in particular, will require a concerted effort by the U.S. administration to break the technology transfer logjam with Congress and industry.

After Prague, NATO leaders should devote more attention to relations with the European Union (EU), as it also tackles the problem of military transformation and the development of the ESDP. Indeed, intra-European political pressure is often more effective than transatlantic haggling for change in Europe. The Galileo satellite global positioning system will provide an interesting test case in the challenges of NATO-EU interoperability and will deeply concern both the United States and aerospace contractors on both sides of the Atlantic. The Galileo program was approved for funding as a civil project by the EU and the European Space Agency. It represents a substantial commitment of public funding at a time when European defense budgets remain under pressure. How the United States and the EU resolve issues of non-interference, interoperability, access, and industrial base implications could provide either a positive or negative roadmap for future concerns that arise within NATO, as well as between NATO, the EU and the United States.

Setting Priorities

Previous efforts to close the capabilities gap, including the Defense Capabilities Initiative (DCI), have not been successful in large part because of their lack of focus. The strength of the DCI, which was also its weakness, was its comprehensive nature, including some 58 tasks for the alliance. To overcome this weakness, the alliance must reach a consensus on its top priorities so that its time, energy and resources are focused on the most critical tasks. These appear to be the integration of information technology and the acquisition of precision weapons.

Integrating Information Technology

At the highest levels of the alliance, cohesion is a function of shared decision-making along with its implied sharing of risks. These decisions depend ultimately on shared information. For allied combat cohesion specifically, a shared vision of the battlefield is critical – and this is more than a matter of hardware and software.

Currently, U.S. forces have significantly more capability for dominant battle-space awareness than those of the other allies. Using advanced sensors, databases, weapons, and information links, U.S. forces are likely to spot enemy vehicles long before the other allies can. This also means that U.S. forces are able to launch strikes on those targets acting alone. However, allied troops maneuvering in the area might not receive necessary information because of incompatible communications equipment or limited bandwidth, and therefore might be at greater risk and potentially less effective. Furthermore, as allied systems would not be networked into U.S. systems, an allied contribution in such a scenario would not necessarily be sought. In comparison with the United States, the allies would not be able to receive and process information at the same speed and with the same degree of security.

Improving the capability to share information in a timely and secure manner involves disseminating data from a wide variety of national and NATO space-based, airborne, and terrestrial systems. It is neither practicable nor necessary that these systems be identical, similar, or standardized in the characteristics and format of the raw data they gather. They do, however, need to be better integrated and verifiably interoperable.

Interoperability is the logical focus of information integration efforts. An alliance ground surveillance system, for example, could provide a useful program to further interoperability. In addition, interoperability can be fostered by multinational crews on intelligence platforms. Also, common interface standards need to be clearly specified, but it is not necessary that the internal mechanisms of information systems be standardized. Furthermore, the NATO process of adopting the rapid advances in information technology appears to be stalled by a system that effectively keeps pace with the slower members.

Improved integration will also likely require agreement on a limited number of information formats to be used for information sharing. These formats should be appropriate for the types of information likely to be needed for the full range of NATO missions. For example, "tracks" for sensing moving targets should be standardized, presumably with different formats for tracks of vehicles, aircraft, or missiles.

A large share of responsibility for ensuring integration rests with those who develop, produce, and deploy information systems. Even if standardization agreements are lacking, defense companies should be encouraged to provide open architecture to facilitate systems integration. In addition, NATO members must realize that interoperability is a matter of training and mutual understanding, so the new information technologies must be broadly exercised if they are to become effective.

The cost of improving information integration has not been defined, but would require some additional or reallocated spending by all the members of NATO. The amounts required of each nation, however, would probably be quite small relative to that nation's existing defense budget and the increase in capability would be quite substantial. Furthermore, improving information systems may similarly enhance and prolong the military utility of older technology that has already been paid for. Much of the expenditure could be directed toward the local purchase of products and services.

Political commitment to the task, of course, is essential to ensure that *all* systems, both existing and those under development, are better integrated. This may require that many systems be modified to some extent, or supplemented with "data translators" or "data wrappers." The technical problems are manageable given the political will. Indeed, data translators and data wrappers are becoming ubiquitous in commercial information technology. To improve information integration, NATO leaders need to address the problem at three levels:

- *Operational.* Determining what information is needed for what purposes, and then deducing which information-gathering capabilities need to be linked to which information-using capabilities.

- *Systems.* Determining which information systems must be connected to each other.

- *Technical.* Determining the information formats and transmission protocols that will link the gatherers and the users.

Of these three areas, the operational level probably presents the biggest challenges, though this is a type of problem that NATO is adept at solving.

Acquisition of Precision Weapons
Given the increasing imperative for discriminate application of force, the United States is making significant investments and improvements in precision weapons capabilities. If its principal fighting partners do not make similar improvements, NATO military commanders will continuously face the problem of whether to rely primarily on U.S. airpower, or to use allied planes as well, which either cannot communicate well except "in the clear" or which do not carry the latest generation of laser-guided bombs. They therefore have a lower probability of reaching their destination (and a higher probability of causing collateral damage). In an era of highly constrained rules of engagement and increased media and public scrutiny of military action, the capability to put the right amount of force on the right target has increasing consequence.

Improved precision weapons capabilities within the alliance would also help fill an important shortfall that calls for at least several of the allies to acquire an early strike capability. This shortfall (and the resultant ability of the United States to react to a crisis before the allies) reinforces the notion that the United States is prone to act unilaterally and too quick to react to problems with military force.

Many improvements in precision weapons capabilities can be achieved at relatively low cost by modifications to existing platforms. In addition, the economy-of-scale benefits of NATO-wide acquisitions help reduce the costs of new weapons. For example, the joint direct attack munitions (JDAM) is a guidance tail kit that converts existing unguided free-fall bombs into accurate, all-weather "smart" munitions. The cost of these conversion kits has come down to an economical $15,000 each.

Missile defense systems fit into the category of precision weapons and they also have wider importance. They play a critical role in protecting vulnerable allied forces in the field, so missile defense warrants special attention. The technologies and skills involved in the full range of missile defense tasks, including target acquisition, tracking, timely processing, rapid decision-making and fast missiles with high, kinetic-kill accuracy, all have much broader applicability. And, of course, missile defense systems must be well integrated into NATO's overall command and control systems. It must be clearly understood that independent national missile defenses are not a realistic option for Europe. Missile defense needs to be a shared undertaking by allies on both sides of the Atlantic.

 In sum, the Prague summit provides an opportunity to establish important priorities for "new capabilities." Among these, the NATO leadership should consider a mandate for achieving more integrated information technologies and more accurate and available precision weapons. Such capabilities will enhance the ability of NATO forces to work well together across a wide range of missions. Furthermore, transformed capabilities will shape the way others, including potential adversaries, view NATO. All alliance members benefit from a widespread perception of NATO as a strong military alliance.

III. Approaches to Managing Transformation

Spearhead Force

The Defense Capabilities Initiative (DCI), launched at the alliance's 50th anniversary Washington summit in April 1999, created a comprehensive list of general measures for members, but it did not provide sufficient guidance for force development. Such a broad capabilities-based approach is unlikely to be sufficiently focused or measurable in the absence of a designated force on which to focus.

For this reason, any future DCI-like initiative (including one with a compressed list of measures) will likely fail if it does not address how to organize forces, provide for their training and exercises and measure performance outputs. In contrast, a transformation force would do all this and also provide guidance for individual members on how to prepare their forces and specialized modules. U.S. forces could lead by example.

The best way to manage the transformation of NATO forces would be the development of a prototype Spearhead Force that incorporates what military experts collectively believe to be the most useful doctrine, training and equipment. This force would be robust, well-equipped and trained, and, once fully constituted in a crisis, ready for rapid deployment either within or outside the European theater. It should incorporate U.S. forces, but not to the extent that they substitute for other allies making substantial commitments to, and taking important management roles in, the transformation process.

Such a force would facilitate the transformation of NATO forces by providing:

- a command structure to develop plans and monitor preparedness;
- a specific, well-exercised, cohesive force to carry out the missions; and
- program measures to acquire the integrated capabilities needed to equip it.

NATO currently lacks the first two components in this arena, even though it has special commands and designated forces for many traditional missions. This combined ground, aerospace and naval force with dedicated support troops should be led by a standing Combined Joint Task Force (CJTF) reporting directly to the Supreme Allied Commander Europe (SACEUR). It should include Europe's best military forces, including some with specialized niche capabilities. These forces could rotate between the NATO Spearhead Force and the European Union's Rapid Reaction Force. They would also serve as a model for the broader transformation of European forces.

The demise of Headquarters, Allied Command Europe's Mobile Force Land adds a sense of urgency to developing a rapid reaction force available to the SACEUR. This force, created in 1960, included units from 14 NATO nations and provided a capability to demonstrate quickly the solidarity and determination of the alliance.

The Spearhead Force should be configured for distant strike operations at the high end of the conflict spectrum as well as lesser contingencies. It could involve a pool of designated and qualified forces, not necessarily co-located, that cycle through readiness windows in a manner similar to the ACE Mobile Force, so that a group would always be available on short notice. It could be drawn from a larger pool of forces that provide a capacity for reconstitution and rotational assignments, so that important transformational lessons and capabilities are diffused more broadly. It should complement the European Union's Rapid Reaction Force. In fact, it could involve many of the same units. In such cases, it would result in enhanced capabilities for the European contingents beyond those needed for "Petersberg" tasks.

Preliminary estimates suggest that the cost of a Spearhead Force would be modest. It could be supported for the most part by funds that already have been programmed.

A new European training facility, perhaps in one of the newer NATO member countries like Poland, would help in developing a Spearhead Force. Such a facility would help evaluate progress and develop important lessons to better inform force development and doctrine. Training exercises and other methods are needed to measure the results of transformation

efforts in terms of the ability of NATO forces to perform a full range of missions beyond Europe's borders.

The United States could contribute initially key support assets, such as transport, while the Europeans should move rapidly to become more self-sufficient. Aircraft and ship leasing arrangements might provide a useful gap-filler. More importantly, the United States could contribute to developing this NATO Spearhead Force by relaxing export controls on key technologies.

Without such a transformation force, NATO will continue to be obliged to cobble together an expeditionary force upon the outbreak of a crisis – drawing upon diverse European assets that in many cases will not be well integrated and that have little joint training or exercise. The prospect for such an expeditionary force being far from optimally effective might then result in growing U.S. reluctance to draw on many of its allies' assets in the first place.   It also diminishes the view of NATO on the part of potential adversaries.

Transformation and Command Arrangements

NATO's review of command arrangements should take into account the need to manage two types of activities in addition to combat operations; transformation and, where NATO members agree, providing forces to other organizations. NATO should task a headquarters to manage transformation. The successor to Atlantic Command in Norfolk would be a logical locus for such efforts, given its proximity to U.S. Joint Forces Command.   This is best accomplished by placing a Combined Joint Task Force in charge of the Spearhead Force discussed above. It would then provide an operational headquarters to conduct regular training with clear metrics and benchmarks for achieving interoperability with advanced capabilities. Most importantly, it would provide a ready, mobile expeditionary force for a wide variety of contingencies.

NATO should be able to function well in providing forces to help form coalitions of the willing. In theory, these NATO force packages could be provided for use under a UN or other acceptable mandate. If some NATO members decide to provide forces for use under a U.S. command, then this should be accomplished by NATO rather than through a series of bilateral arrangements.

SHAPE, with its Combined Joint Planning Staff, would be the logical locus of such an effort. This would require developing force packages and negotiating national contributions. SHAPE would need to ensure that the forces involved in the various packages meet necessary standards of training, equipment and interoperability. SHAPE would also be responsible for reconstituting additional force packages once initial forces are deployed.

In addition to adding a Spearhead Force, CJTF headquarters and modifying the functions of SHAPE, NATO should review the roles and functions of the many third tier headquarters with a view towards elimination or consolidation.

Niche Forces

In managing transformation, it would be impractical for every NATO member to develop the full range of military capabilities that may be needed. NATO leaders should therefore encourage certain members to specialize and/or pool their forces. This process should build upon established expertise and capabilities, such as Czech skills in monitoring battlefields for nuclear, chemical and biological weapons and providing for the decontamination of forces.

While encouraging some specialization, especially in combination with organizing a Spearhead Force, NATO leaders also need to encourage reasonable niche duplication. This will prevent the alliance from becoming overly dependent on a single country or group that could decide not to participate in certain missions or fall behind in the quest for excellence and innovation.

IV. Implications for Defense Industries

NATO, from its early days, has tried to improve the interoperability of alliance forces. Much of the responsibility for interoperability has been delegated to the NATO Standardization Agency, but progress is painfully slow and many expectations remain unmet. For example, radios used by alliance forces in Kosovo could not connect national contingents appropriately, though they all met NATO standards.

The task is becoming more complicated by rapidly changing technologies and the addition of another important institution – the European Union. Another aspect of the problem is that U.S. requirements for new systems often do not specify interoperability with NATO. These then inhibit transatlantic standardization and the addition of new NATO members will not make achieving interoperability any easier. The United States should lead by example by designing-in interoperability.

Efforts to deal with interoperability problems through trade and industry, such as NATO's Industrial Advisory Group, also have been frustrating. Governments are not yet engaged in serious policy debates on the defense market and views on security policy and defense spending priorities differ widely. The very nature of the defense business (and the role it plays in each country's economic and security affairs) makes it a political lighting rod.

While most governments pay considerable lip service to better transatlantic defense industrial cooperation, they are simultaneously following or establishing policies and practices that, ultimately, may cause the exact opposite to happen with the emergence of "Fortress Europe" and "Fortress America". It is unlikely that European governments will raise substantially their defense procurement budgets, given pressing domestic demands in other areas. Europeans are thus unable to sustain their own defense industry, which naturally looks for other markets, of which the U.S. market is the biggest. As moves in this direction increase, U.S. administrations and lawmakers will become increasingly unwilling to fund programs run by foreign-based firms at the expense of jobs "back home".

Nevertheless, moving toward a common defense market is sensible in the longer term. NATO leaders should endorse the creation of a common defense marketplace with rules that require open competition, reciprocal market access and transparent procurement.   An important and feasible early step would be to revitalize procedures for adopting NATO-wide operational standards and common requirements for new systems. Open system architectures should be encouraged. Eventually, a more carefully constructed debate is needed. This hopefully will lead to growing consensus to harmonize export controls, market access, foreign direct investment, and procurement transparency.   More generally, the promotion of transatlantic defense industrial linkages and joint ventures would contribute to the feasibility of a common market, as would industry-led initiatives to design common platforms for NATO specifically.

Annex A: Working Group on the NATO Capabilities Gap

The members of the working group believe that the recommendations stated in this paper promote overall U.S. and NATO interests. While there may be some parts of the report with which some participants are not in full agreement, each participant believes that the report, as a whole, provides a sound basis for future actions by the government of the United States and the leadership of NATO. The views of the working group members do not represent the official position of any institution.

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The Atlantic Council working group on the NATO Capabilities Gap also benefited from contributions by representatives of several European embassies as well as various branches and departments of the U.S. government.

Annex B: Comments by Working Group Members

William Cralley

The Spearhead Force should be the major laboratory for alliance information systems integration efforts to enable and enhance coalition command and control capabilities.   In some sense, this force could be considered a single ongoing transformational experiment that would also entail many smaller experiments involving pieces of this force at one time or another.   While the headquarters for this force is probably best located in Europe, a detachment from this headquarters should be located in the United States to provide connectivity with U.S. transformation efforts.   The force should also be structured so as to be relevant to the most likely future missions – including military operations in support of the war against terrorism.

Regarding NATO becoming a force provider for coalitions of the willing that may not be led by NATO, there will always be cases, particularly in theaters far removed from Europe, where the United States will prefer to work on a bilateral basis with particular allies rather than through a NATO intermediary headquarters.   So I wouldn't lay down a dogmatic rule that NATO should always be the intermediary between the United States and the other NATO allies for such operations.

Regarding priorities for capability enhancement, I would add strategic lift (without removing the other two areas), because neither information technology integration nor precision munitions will be of much use if forces enabled by these capabilities cannot get to the theater of operations in a timely manner to affect the outcome of the battle.

Regarding export control liberalization, I would tie this to specific requirements that may arise as the Spearhead Force is developed and exercised, and gaps are discovered that need to be filled to render one or another of the national components of the force relevant to future operational needs.

Paul Kaminski

Though I agree with the conclusion that the acquisition of new NATO capabilities should focus on two critical areas – information technology integration and precision weapons inventories – I feel strongly that NATO also needs to upgrade alliance long-range transport and logistics as a third and nearly priority.

I also agree that the best way to manage the transformation of NATO forces would be the development of a prototype Spearhead Force.   But, rather than planning to constitute this force in a crisis, we need to consider a standing combined command and control task force. A new European training facility, perhaps in one of the newer NATO member countries like Poland, would help in the routine exercise and training of such a combined task force.

Finally, I believe that the Galileo satellite global positioning system will provide an interesting test case in the challenges of NATO-EU interoperability, especially in the context

of the war against terrorism. How the United States and the EU resolve issues of non-interference, interoperability, access and industrial base implications will indeed provide a critical indicator of how future concerns that arise within NATO, as well as among NATO, the EU and the United States will be handled.

Marten van Heuven

This report, though short, contains a number of recommendations. The essence is a call for action by NATO ministers at Prague. It can be summarized as follows.

For years, NATO has pursued the Grail of enhanced military capabilities across the board through substantially increased defense spending. This objective has been thwarted by the fact that European defense spending has remained flat, and is likely to remain so.

The working group recommends a way out of this conundrum: it recommends that, at Prague, the alliance focus on but two tasks – integrated information and precision weapons – and do so within current budgets. The device to make this happen is a Spearhead Force with capabilities achieved through equipment and training. SHAPE would be the organizer of the force. The existence of such a force would add to NATO's image, not only on the part of its current and new members, but also on the part of potential adversaries.

Annex C: Acronyms

ACE – Allied Command Europe
CJTF – Combined Joint Task Force
DCI – Defense Capabilities Initiative
ESDP – European Security and Defense Policy
EU – European Union
JDAM – Joint Direct Attack Munitions
NATO – North Atlantic Treaty Organization
SACEUR – Supreme Allied Commander Europe
SHAPE – Supreme Headquarters Allied Powers Europe
UN – United Nations
WMD – Weapons of Mass Destruction