

ISSUE BRIEF

NATO's New Frontlines

Security and Deterrence in the Baltic Sea Region

NOVEMBER 2016 ELISABETH BRAW

On the wall in his office at Latvia's Ministry of Defense, Aivars Purins has a large map detailing every military facility in the country. These days, the map features plenty of additional annotations that outline where Latvia is expanding its military infrastructure to facilitate the presence of NATO troops.

"If someone called and said, 'we want to permanently station troops in Latvia,' we'd go to extreme lengths to accommodate them," Purins, an architect who became the Defense Ministry's undersecretary of state for logistics last year, told me. "We'd even rent a hotel."¹ But Purins's job is to make sure that NATO troops stationed in Latvia do not have to stay in hotels, but instead will be welcomed by modern, comfortable barracks. Of course, given the current thinking within NATO, it is highly unlikely that any NATO troops arriving in Latvia would be stationed there permanently. But a permanent rotational presence, which was the outcome from the recent NATO Summit in Warsaw, will require essentially the same infrastructure.

That makes Purins and his counterparts in Estonia and Lithuania, as well as Poland, crucial players for NATO in the Baltic Sea region. Procurement and infrastructure, the two areas that Purins oversees, are areas of rapid growth. Last year, Latvia's defense spending increased by 14 percent.² This year the government plans to spend 1.4 percent of its gross domestic product (GDP) on defense, and has said it will increase defense spending until it reaches the NATO benchmark of 2 percent of GDP by 2018.

Latvia's Ministry of Defense has already spent some of that money on a new barracks with space for up to six hundred soldiers at Ādaži training area. Another barracks, which will also house six hundred soldiers, will

The Brent Scowcroft Center's **Transatlantic Security Initiative** brings together top policymakers, government and military officials, business leaders, and experts from Europe and North America to share insights, strengthen cooperation, and develop common approaches to key transatlantic security challenges. This issue brief continues the Transatlantic Security Initiative's work on Nordic-Baltic security issues in the new European security environment.

1 Interview with author, Riga, April 22, 2016.

2 Sam Perlo-Freeman, Aude Fleurant, Pieter Wezeman, and Siemon Wezeman, "Trends in World Military Expenditure, 2015," Sipri Fact Sheet, April 2016, <http://books.sipri.org/files/FS/SIPRIFS1604.pdf>.

3 Interview with author, Riga, April 22, 2016.

be finished next summer, and two barracks with space for nine hundred additional soldiers will be added by 2018. A fifth barracks is being completed at Lielvārde Air Base, where Latvia's Air Force is located. In addition, the Ministry of Defense is building a new rifle range—to be completed next year—and developing areas that will support troops, for example, by improving vehicle maintenance and parking, upgrading existing barracks, and adding showers and classrooms. “Many thousands of soldiers will be able to come here,” Purins said. “We are expanding because we want to develop our capacity to receive allied troops for large exercises and rotational presence.”³ Crucially, Latvia is also enlarging by one-third its very busy Ādaži training range, already the largest in the Baltic states.

The Ministry of Defense plans to improve access to the railroads that troops would need to transport equipment from the Port of Liepaja. Liepaja is home to the Latvian armed forces' naval flotilla. In addition, the ministry will improve ammunition depots and reconstruct tank ramps. The armed forces' old Red Army tank ramps are in poor shape, as they have not been used since the end of the Soviet era.

NATO's challenge, as it seeks to enhance its presence in the Baltic Sea region, is precisely the lack of modern military infrastructure, especially of the kind that meets the needs of large allied units. Latvia in particular is home to numerous former Soviet military facilities. The Soviet armed forces' Baltic headquarters was based in Riga, and until Latvia's independence, Moscow built and operated army bases,⁴ rocket bases, training, ammunition depots, naval bases, and airfields there. The Port of Liepaja formed the crown jewel in the Soviet military presence in the Baltics, and Liepaja was a closed military city. Moscow also maintained two crucial radar installations in the secret military city called Skrunda-1 and a space monitoring station in the town of Ventspils. Estonia and Lithuania were home to standard Soviet military bases as well, with 1.5 to

2 percent of the Baltic states' territory taken up with Soviet military installations.⁵

However, all of this Soviet military infrastructure has not been very useful to the Baltic states. When the Soviet armed forces withdrew, their military bases were often in such a terrible and contaminated state that the host countries were left with environmental damage to the tune of tens of billions of dollars. Barracks from Lithuania's pre-World War II independent period were the only infrastructure that could be reused, while Soviet-built barracks were of such poor quality that they had to be razed. As Ingvar Pärnamäe, Estonia's then-undersecretary for defense investments, points out, “when the Soviet troops left, we inherited ruins. That's all we got. No proper barracks, no training areas.

They even took the window frames with them.”⁶

... [i]f the Baltic States provide well-functioning and modern military infrastructure, the NATO allies will be much more open to dispatching their troops there.

The Baltic states have not been unaware of their military infrastructure needs, and indeed since independence a quarter-century ago, all three countries have built their armed forces from the ground up, focusing on manning the force and equipment requirements.

But, if the Baltic States provide well-functioning and modern military infrastructure, the NATO allies will be much more open to dispatching their troops there. According to NATO statistics released at the

beginning of this year, the Baltic states spent 4.5-8.5 percent of their 2015 defense budgets on infrastructure (Poland spent 5.1 percent), while NATO's average infrastructure spending is around 1.5-2 percent or even lower, as is the case among some southern NATO members. Portugal, for example, spends 0.04 percent of its defense budget on infrastructure, while Greece spends 0.2 percent.⁷

3 Interview with the author, Riga, April 22 2016.

4 Government of Estonia: Estonia.eu government portal. <http://estonia.eu/about-estonia/history/withdrawal-of-russian-troops-from-estonia.html>.

5 Henri Myrntinen, The Environmental Legacy of the Soviet Armed Forces in the Baltic States, in The NEBI Yearbook 2003: North European and Baltic Sea Integration (Heidelberg: Springer-Verlag), http://link.springer.com/chapter/10.1007%252F978-3-642-59341-3_10#page-1.

6 Telephone interview with author, April 28 2016.

7 NATO, “Defence Expenditures of NATO Countries (2008-2015),” January 28, 2016, http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2016_01/20160129_160128-pr-2016-11-eng.pdf.



Paratroopers from US Army Europe's 2nd Battalion (Airborne), 503rd Infantry, 173rd Airborne Brigade, exit a CH-47 Chinook helicopter onto Latvia's Adazi Training Area during Operation Silver Arrow, October 5.
Photo credit: US Army Europe/Wikimedia.

Improving military infrastructure is not just a matter of presenting a more palatable offer to NATO allies; it is also an issue of operational capabilities. The United States will, for example, send ten tanks along with 120 troops to Estonia next year.⁸ But if NATO troops cannot get their tanks and supply convoys to training ranges and bases far from the Baltic coastline, they will not be of much use. As Purins notes, “our military transport capabilities should be a concern to all our allies.”⁹

They are. The US Army Corps of Engineers (USACE) and the NATO Support and Procurement Agency have addressed some of the most immediate needs, such as improving roads in training areas in all three Baltic states. The USACE is currently building more infrastructure than it has built in the past four decades

combined.¹⁰ It will build 145 infrastructure projects ranging from training range renovation to housing for NATO troops in Poland, the Baltic states, and the Balkans worth \$276.4 million.

Among the USACE's construction projects in the Baltic Sea region are more barracks, storage facilities, and aircraft shelters at Estonia's Ämari Air Base; several light training buildings in Estonia; and new weapons ranges in Latvia. The United States has also dedicated significant funds to Ämari Air Base, and in Latvia it is also paying for ammunition holding areas, warehouses, and storage facilities. Two years ago, Ämari Air Base became the second Baltic base hosting Baltic Air Policing (BAP) teams, joining Lithuania's Šiauliai Air Base. The two airfields, along with Latvia's Lielvārde

8 The Baltic Course, “US to send 10 tanks, 120 troops to Estonia in 2017,” April 11 2016, http://www.baltic-course.com/eng/baltic_news/?doc=16393.

9 Interview with author, Riga, April 22 2016.

10 Jennifer Aldridge, “USACE bolsters European reassurance effort,” US Army Corps of Engineers, June 4 2015, <http://www.nau.usace.army.mil/Media/News-Stories/Article/590550/usace-bolsters-european-reassurance-effort/>.

Air Base, are co-funded by NATO and are the Alliance's largest investments in Baltic infrastructure to date.

Latvia has approved €110 million for military construction for 2016-2018, though the figure is likely to increase. For 2016, Lithuania has earmarked €39 million for military infrastructure projects. Estonia, for its part, has added military infrastructure expenses associated with allied units to its regular military budget, which in itself makes up 2 percent of the country's GDP. Last year, the country's government approved €40 million for construction of infrastructure needed for allies over the next four years. Civilian companies working on Ministry of Defense contracts will build barracks for NATO units and improve training areas and facilities that the troops will need. This summer, a new three-story barracks will be completed, as will railroad ramps for loading and unloading of equipment. The Ministry of Defense is renovating a one to two kilometer stretch of railroad for US loading platforms and plans to build additional tracks that will allow tactical vehicles to be transported from one training field to another. The USACE has, in turn, built around four kilometers of tank roads to a training area and will start building more this year. Pärnamäe told me that Estonia will also build more barracks, maintenance facilities, a new building for NATO's force integration unit, munition storage facilities that can also store anti-tank and anti-aircraft missiles, and training areas.¹¹ Construction has already begun and will continue for the next several years. (Pärnamäe was recently appointed CEO of the Estonian Defense Industry Association.)

But part of NATO's essence is, of course, that its members cannot simply rely on stronger allies. To that end, the Baltic states are building new military infrastructure for their own troops as well. For the past five years, Estonia has built new barracks and is now able to house all of the approximately 3,200 conscripts serving at any given time in modern barracks. It is also in the process of building storage facilities and training areas for the CV-90s (Combat Vehicle 90, a

Swedish-made infantry combat vehicle) that it recently purchased from the Netherlands. The first CV-90s arrived at the beginning of October, and as Purins points out, any new infrastructure can be used by the host country's own troops in addition to NATO troops.

Lithuania, too, is increasing its defense spending, with new funds allocated to armed forces modernization in addition to construction and refurbishment of military infrastructure. This year the country plans to spend €574 million on defense, a leap of 35.2 percent compared to last year.¹² That corresponds to 1.5 percent of GDP, and the country plans to meet NATO's defense spending benchmark by 2018.

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Among the construction projects now underway is a barracks for foreign military personnel at Šiauliai Air Base. Until now, BAP crews serving at Šiauliai Air Base have stayed in the town of Šiauliai, some seven kilometers away. The new Šiauliai barracks, which will be completed next year, will have space for some two hundred people and will feature a dining area and sports facilities.

Perhaps more significantly, Lithuania is building facilities near Vilnius with space for a battalion-sized NATO presence. Lieutenant-Colonel Saulius Rožėnas, who, as director of the logistics department at Lithuania's Ministry of Defense, is in charge of the country's military construction, told me that the facilities will be completed in 2018 and will include dormitories, dining facilities, and sports facilities, the common setup for military accommodation. In addition, the ministry plans to build RSOM (Reception, Staging, and Onward Movement) capabilities. RSOM is essentially temporary accommodation for troops and storage for their equipment as they pass through a certain area.

Crucially, Lithuania is addressing its roads as well. "Until recently, we hadn't modernized the road networks in our training areas, but we're doing that now, and we will also renovate the roads at our radar sites," Rožėnas said.¹³ Last year, he noted, the ministry renovated ten

11 Telephone interview with author, April 28 2016.

12 Figures provided to author by the Lithuanian Ministry of Defense.

13 Phone interview with the author, April 28 2016.

kilometers of roads in training areas and provided access to radar sites. Road improvement is particularly important in the Baltic states as NATO members will bring tanks. Like Estonia and Latvia, Lithuania does not operate main battle tanks, but is now modernizing old tank ramps in training areas.

The Ministry of Defense is also refurbishing the storage facility at Mumaičiai, an armed forces base near the border with Latvia, where NATO allies' equipment can be accommodated. Some two hundred pieces of US military equipment, including vehicles, will later be stored there. Mumaičiai's hangars have already been refurbished and its security tightened. In addition, the Ministry of Defense is in the process of enlarging the armed forces' two main training ranges, the General Silvestras Žukauskas training field in Pabradė and the Gaižiūnai training field in Rukla, whose respective sizes will double compared to 2013. The enlargement will be completed next year. The move will allow Lithuania and its allies to conduct larger operations, including combat exercises with tanks and artillery.

As a recent war-gaming study by RAND notes, NATO's Baltic border with Russia is roughly as long as its border with East Germany during the Cold War.¹⁴ During the Cold War, not only did West Germany have its own armed forces, but by the end of the Cold War, 900,000 NATO troops were also based there. (In East Germany, 380,000 Soviet soldiers were based on the other side of the border.) Today, the Baltic states have a combined military strength of one light infantry brigade each. NATO allies have, of course, sent troops to the Baltic states on temporary missions, but it has been at the level of companies, not brigades.

However, the United States has quadrupled its funding for the European Reassurance Initiative to \$3.4 billion, which includes military pre-positioning to Europe. This should give Baltic allies hope.

"We already had a pretty robust training regime in Europe with our partners and allies, but this will allow us to do another aspect that I am keen on, and that is continuing to develop the airfields, particularly on the Eastern side of NATO—the Baltic Republics, Poland, Romania, and Bulgaria," Air Force Gen. Frank Gorenc, then commander of US Air Forces in Europe, US Air

Forces in Africa, and NATO Allied Air Commander said in April 2016. "This will allow for an easier place to go to accomplish high-volume, high-velocity operations."¹⁵ At its Warsaw Summit in July 2016, NATO announced that it would send rotational forces to Poland and the Baltic states. The United States, Canada, the United Kingdom, and Germany will each provide a battalion to the Baltic region.

The Baltic states need to accommodate these forces as best they can. "We realize that we need to build more to provide for NATO troops," Pärnamäe explained to me. "NATO's presence is very important to us, and that's why we want to make it as attractive as possible."¹⁶ Or as Purins put it, "We're making it convenient for our allies to be here."¹⁷

With armed forces comprising 118,000 troops—the new government has announced plans to increase the figure to 150,000—Poland faces fewer challenges than its Baltic partners in providing facilities for a few hundred, or even a few thousand, NATO troops. However, it too is conducting an ambitious military infrastructure construction program. The Ministry of Defense is planning to renovate Cold War-era military storage facilities, a major undertaking considering that the facilities have not been used for many years, and that they have to accommodate different and more modern equipment. A bulk of the infrastructure construction will be in western and northern Poland, near the borders with Belarus and Russia's heavily militarized exclave Kaliningrad. As a Ministry of Defense spokesperson confirmed, one facility has already been renovated and the Ministry of Defense is planning to renovate two others, as well as upgrade roads.¹⁸

According to the ministry, it spent PLN 172 million (\$45 million) on NATO-related infrastructure projects last year and will spend PLN 212 million (\$56 million) this year. Last year, a Ministry of Defense spokesperson announced that the government would also spend PLN 300 million (\$79 million, about a fourth of which was contributed by the United States) to modernize and enlarge the Drawsko Training Area, Poland's largest, to be used by both Polish and NATO troops.

14 David A Shlapak, and Michael W. Johnson, Reinforcing Deterrence on NATO's Eastern Flank. Wargaming the Defense of the Baltics RAND, 2016, https://www.rand.org/content/dam/rand/pubs/research_reports/RR1200/RR1253/RAND_RR1253.pdf.

15 U.S. Department of Defense, news release, April 5 2016 <http://www.defense.gov/News/Article/Article/713722/gorenc-discusses-european-reassurance-initiative-air-police-mission>.

16 Phone interview with author, 28 April 2016.

17 Interview with author, Riga, April 22 2016.

18 Email to author, April 21 2016.

USACE is adding further construction. It has already allocated \$9 million for new reception and staging facilities, which are currently under construction; it is also using part of the funds to improve ranges and training areas. USACE plans to spend another \$18 million on airfield repair and construction work in Poland.

Importantly, Poland will also be home to the United States Aegis Ashore ballistic defense missile system. Poland and the United States began construction in May 2016, with anticipated completion in 2018. Romania hosts a similar missile defense system, which was completed the same month.

The question now is how well, and how quickly, the four countries can complete their construction projects. Most construction is to be completed within the next three years, even as the countries' own armed forces conduct national exercises and an increasing number of joint exercises with their NATO allies. The tight schedule and high operational tempo will make coordination particularly challenging, but to date all projects have been completed as planned.

Despite ambitious investments and renewed political will to bolster military infrastructure in the Baltics, national leaders and NATO must do more.

Policy issues:

- The Baltic states and Poland must fully modernize their ports and railways. This is an area where NATO, the host countries, and other countries should jointly finance construction.
- Although USACE involvement is positive, the host countries have to consider what proportion of the

projects uses local labor and materials, and which expand the defense investment into the wider economy. The danger of handing large parts of the construction over to the USACE is that there is then congressional pressure to employ US contractors.

- The host countries and NATO must reassure Russia that the new infrastructure is of a defensive nature or otherwise the construction will needlessly escalate tensions. NATO should commit to regular public updates about the construction—similar to its updates about military exercises—to increase trust in NATO presence among the public and limit unnecessary tensions with Russia. However, given Russia's criticism of most Western actions, even such efforts may be unlikely to persuade the Kremlin of NATO's peaceful intentions.
- The countries need to mentally prepare themselves to host NATO troops and equipment before the current construction is completed. As a provisional measure, NATO troops could jointly use infrastructure currently used by national troops.

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