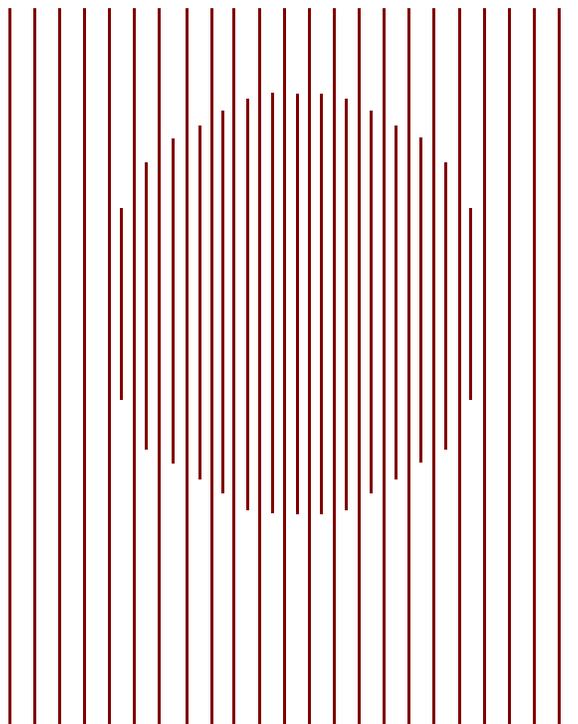


CBO PAPERS

**THE COSTS OF EXPANDING
THE NATO ALLIANCE**

March 1996



CONGRESSIONAL BUDGET OFFICE

CBO PAPERS

**THE COSTS OF EXPANDING
THE NATO ALLIANCE**

March 1996



**CONGRESSIONAL BUDGET OFFICE
SECOND AND D STREETS, S.W.
WASHINGTON, D.C. 20515**

NOTE

Numbers in the text and tables of this paper may not add up to totals because of rounding.

PREFACE

The North Atlantic Treaty Organization (NATO) has made the decision to expand its membership. The alliance has not chosen which nations to admit and thus has not estimated the costs of expansion. The public debate, however, has centered around admitting Poland, the Czech Republic, Slovakia, and Hungary. This Congressional Budget Office (CBO) paper, prepared at the request of the House Committee on International Relations, examines hypothetical options to defend those four nations if they were admitted to the alliance and estimates the cost of undertaking each option.

CBO was aided in formulating the options for expansion by a framework developed by Richard Kugler of RAND. CBO also used information from the U.S. military services, U.S. military commands, the Office of the Joint Chiefs of Staff, the Office of the Secretary of Defense, former war planners, independent defense experts, and federally funded defense think tanks. In keeping with the Congressional Budget Office's mandate to provide objective analysis, this paper makes no recommendations.

Ivan Eland of CBO's National Security Division wrote the paper under the general supervision of Cindy Williams and R. William Thomas. Jeannette Van Winkle of CBO's Budget Analysis Division provided the cost analysis. Frances Lussier and Lane Pierrot provided analytical assistance. Nathan Stacy ensured that the report was factually correct. Frank A. Tapparo of the Logistics Management Institute reviewed the paper's assumptions, options, and content. However, responsibility for the study remains with the Congressional Budget Office.

Paul L. Houts edited the paper, Christian Spoor provided editorial assistance, and Judith Cromwell prepared it for publication.

June E. O'Neill
Director

March 1996

CONTENTS

	SUMMARY	ix
I	INTRODUCTION	1
II	VIEWING THE FUTURE OF NATO	5
	NATO's Mission Has Ended:	
	Terminate the Alliance 5	
	Without a Resurgent Russia,	
	Retain NATO in Its Present Form 6	
	Expand NATO, but Slowly 8	
	Expand NATO More Quickly 10	
	Expand NATO Widely and Include Russia 11	
	Analyzing Military Options for Expansion 12	
III	THE BASIC OPTION TO ENHANCE THE SECURITY OF THE VISEGRAD STATES	25
	Option I: Strengthen Visegrad Defense Forces and Provide for NATO Reinforcement 26	
	Conclusion 39	
IV	OPTIONS TO FURTHER ENHANCE THE SECURITY OF THE VISEGRAD STATES	41
	Option II: Project NATO Air Power East to Defend the Visegrad States 42	
	Option III: Project Power Eastward with Ground Forces Based in Germany 46	
	Option IV: Move Stocks of Prepositioned Equipment East 50	
	Option V: Station a Limited Number of Forces Forward 51	

APPENDIXES

A	Expanding NATO Beyond the Visegrad States	59
B	Analyzing the Security Situation in the Visegrad States: Terrain, Geography, and Armed Forces	63

TABLES

S-1.	Military Options to Expand the NATO Alliance and Their Costs	xiv
1.	Distribution of Expenses for Expanding NATO	23
2.	Summary of the Costs for the 1996-2010 Period to Carry Out Option I: Enhance Visegrad Defense Forces and Facilitate NATO Supplemental Reinforcement	28
3.	Upgrading Older Weapons and Buying New Ones: Projected Needs of the Visegrad Nations	35
4.	Summary of the Costs for the 1996-2010 Period to Carry Out Option II: Project NATO Air Power East	44
5.	Summary of the Costs for the 1996-2010 Period to Carry Out Option III: Project Power Eastward with Ground Forces in Germany	48
6.	Summary of the Costs for the 1996-2010 Period to Carry Out Option IV: Move Stocks of Prepositioned Equipment East	51
7.	Summary of the Costs for the 1996-2010 Period to Carry Out Option V: Station a Limited Number of Forces Forward	54
B-1.	Security Situation of Poland	67
B-2.	Security Situation of the Czech Republic	68
B-3.	Security Situation of Slovakia	69

B-4. Security Situation of Hungary 70

**B-5. Comparing the Size of Visegrad Armed Forces
and Defense Budgets 71**

FIGURES

S-1. Map of Central and Eastern Europe x

BOX

1. Nuclear Guarantees to New Members 56

SUMMARY

The North Atlantic Treaty Organization (NATO) has lost its primary mission--to deter or defend against an attack on Western Europe by the Soviet-led Warsaw Pact alliance. Because of the breakup of both the Soviet Union and the Warsaw Pact, NATO must now redefine its role. As part of that redefinition, the leadership of the alliance has decided to expand its membership. After their January 1994 NATO summit, the heads of state and government of the NATO countries stated that they "expect and would welcome NATO expansion that would reach to democratic states to our East." Some of the alliance's former Warsaw Pact adversaries are actively seeking membership in NATO.

The alliance has expanded four times before. The first instance was in 1952, when Greece and Turkey were admitted as members. West Germany became a member of NATO in 1955, and Spain joined the alliance in 1982. When Germany was reunited in 1990, the alliance added territory to defend but no new members.

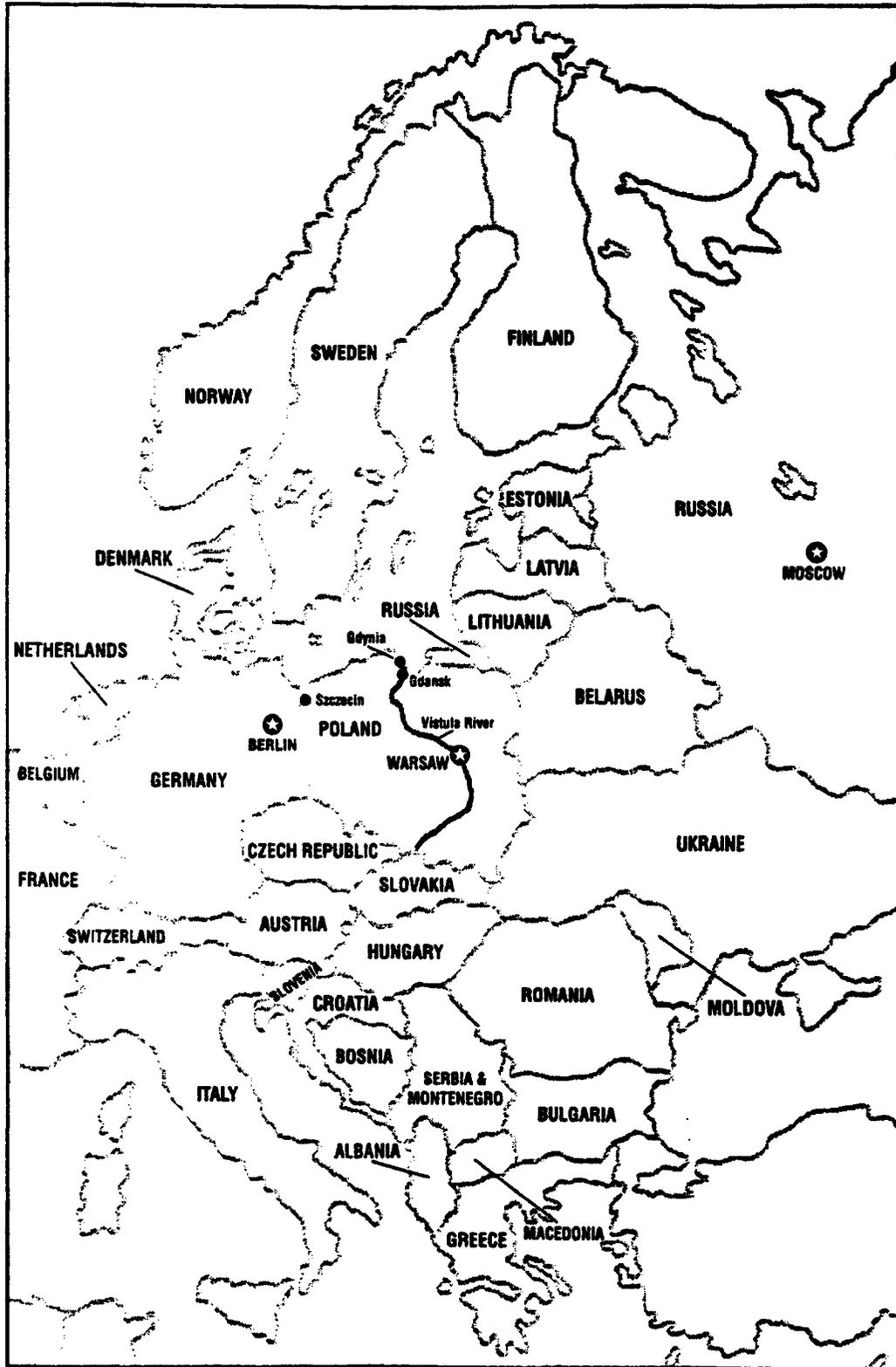
The next expansion--if any--will be likely to involve East Central European nations. The limited public debate so far has focused on the merits of admitting Poland, the Czech Republic, Slovakia, and Hungary. (The Congressional Budget Office uses the label "Visegrad nations" as a shorthand to refer to those countries. The label comes from Visegrad, Hungary, where the four nations met in 1991 to pledge regional cooperation.) In the Congress, several pieces of proposed legislation have been introduced--including the National Security Revitalization Act (designed to enact into law the national security provisions of the Contract with America)--that implicitly or explicitly give preference to those four nations for early admission.

Other possible candidates for admission have been mentioned. They include Slovenia, Romania, Ukraine, and the Baltic states of Estonia, Latvia, and Lithuania (Summary Figure 1 shows a map of the region). Some proponents of expanding NATO--albeit a minority--have even suggested that Russia be invited to join.

THE FUTURE OF NATO

Expanding NATO is only one possible future for the alliance. Proposals for changing NATO range from dissolving it to expanding its membership widely and rapidly.

SUMMARY FIGURE 1. MAP OF CENTRAL AND EASTERN EUROPE



Proponents of dissolving NATO believe that the alliance is attempting to perform missions that are no longer needed or that it is not suited to perform. According to this view, the threat of a military superpower (the Soviet Union) attacking and controlling the industrial heartland of Europe--and its immense economic resources--has now disappeared. Consequently, the military mission of NATO is no longer relevant. Nor is NATO needed to prevent Germany from reverting to nationalistic defense and foreign policies. Germany is now a democratic state that has been reluctant to take any military action outside its own borders. Without the unifying threat of a Soviet attack, agreement on whether and how to undertake peacekeeping and crisis management operations outside the treaty area will be difficult because of the diverging national interests of the members. Furthermore, in a post-Cold War Europe, military blocs should be replaced with Europeanwide organizations that promote economic and political stability--for example, the European Union and the Organization for Security and Cooperation in Europe.

A second school of thought argues for retaining NATO as is and expanding it only if Russia becomes a threat to its neighbors. Proponents argue that NATO can achieve its goals without expanding the alliance. Because the West will be well aware of any attempt by Russia to regain its former hegemonic role in East Central Europe, the alliance could be kept as a hedge in its present form and expanded quickly if needed. Expanding NATO now into East Central Europe--a potentially volatile region of limited economic and diminished strategic importance--could threaten to embroil the alliance in conflicts unnecessarily. Furthermore, economic development in this region, fostered by admitting East Central European countries into the European Union, would enhance stability more than would membership in NATO. In addition, expansion might make a future threat from Russia self-fulfilling--that is, it might increase the power of internal antidemocratic forces or cause Russia to reject arms control agreements.

Others argue for expanding NATO unconditionally. In their view, granting membership to the nascent democracies of East Central Europe would promote stability in that region. It would provide those countries with a security umbrella under which to consolidate their political and economic reforms. Expanding membership would lessen the chance of another major conflict in Europe by filling the power vacuum existing in the territory between Russia and Germany. Expansion would also consolidate the gains of the Cold War and make NATO more relevant than its current role of defending borders that are no longer threatened.

Some proponents of expansion argue for caution and patience, fearing that rushing into expansion could provoke Russian leaders toward a hard-line position. Others argue just the reverse, calling for expanding NATO right now while Russia is militarily, economically, and politically weak.

Finally, some observers want to expand the alliance to include Russia. Most advocates of this policy, like those who wish to dissolve NATO, believe that the current regime for European security is outdated in a post-Cold War world. In their view, Russia, because of its importance as a European power, should be included in any post-Cold War security arrangement. That policy would transform NATO from a military alliance with a narrow membership to a Europeanwide political organization that emphasizes political dialogue, crisis management, peacekeeping, and confidence-building among nations.

MILITARY OPTIONS FOR NATO EXPANSION

Despite the spectrum of views on the future of NATO, recent Congressional debate has centered on those alternatives that would expand the alliance without including Russia. Because the debate has centered around admitting the Visegrad nations, the Congressional Budget Office's (CBO's) analysis assumed that those nations would be the first new members to enter.

Article V of the North Atlantic Treaty commits alliance members to assist another member if attacked. Giving the Visegrad states that same commitment would necessitate that NATO plan a defense for them. According to NATO and U.S. officials, such planning has not yet been done and the costs of such a defense have not been estimated.

It is difficult to determine what NATO would need to do to provide an adequate defense for the Visegrad nations. In the current environment, NATO can probably spend as much or as little as it likes to undertake expansion. If the alliance merely admitted new members and made no military preparations to defend them if attacked, the cost in peacetime of making such a political commitment would be negligible. If military preparations were made, however, greater costs would be incurred. If more serious threats arose in the future--for example, an aggressive and militarily potent Russia--the alliance might need to spend even more.

Because of the uncertainty of future threats and the many possible ways to defend the Visegrad states, CBO examined five illustrative options to provide such a defense. Each option builds on the previous one in scope and cost. The analysis explores the military value of each option and determines what equipment and infrastructure would be needed to carry it out. It also develops a rough estimate of each option's costs during peacetime and how those costs would be shared among the United States, current NATO allies, and new members of the alliance.

The first option that CBO explores--the least ambitious and costly of the five--might help a Visegrad state to defend itself against a border skirmish or limited attack by a regional power. The option strengthens Visegrad defense forces to be the backbone of the defense plan and enables NATO reinforcement if needed. It assumes that the Visegrad states will pay most of the costs of those improvements.

CBO's other four more ambitious and costly options focus on the greater threat of a resurgent Russia. They involve various methods of providing a defense, an increase in military and political strength with each successive option, and a heavier cost burden on existing NATO allies than Option I would entail. Option II moves NATO air power east when a Visegrad nation is under threat from attack. That option reflects the school of thought arguing that air power now dominates the modern battlefield and can decisively halt an attack by enemy ground forces. Option III reflects the more traditional view that substantial friendly ground forces are needed to defend territory against their enemy counterparts. Consequently, it adds NATO ground power to the flow of forces east. Option IV prepositions military equipment on the territories of the Visegrad states so that troops can be flown in to operate it during a crisis. Thus, that option allows heavy NATO ground forces to arrive at the front faster during the most dangerous early stages of a crisis when local forces are in the most danger of being overrun. Option V, the most ambitious and costly of the alternatives, permanently stations a limited number of NATO forces (equipment and personnel) in the Visegrad states. Those forces would provide an early defense and also act as a stronger political symbol of NATO's security guarantee than would prepositioned equipment.

CBO estimates that costs for the five illustrative options over the 15-year period from 1996 through 2010 would range from \$61 billion to \$125 billion (see Summary Table 1). Of that total, the United States might be expected to pay between \$5 billion and \$19 billion. Those U.S. costs might be manageable but only if--as both NATO and CBO assume--the Visegrad nations themselves bear a substantial portion of the costs of expansion. Existing NATO members seem reluctant to increase their defense budgets to finance expansion. Even under the least ambitious option, if Visegrad nations also proved unable or unwilling to increase their defense spending significantly (an estimated 60 percent increase)--as seems possible--then either the costs for existing members would have to increase substantially or tasks needed for an adequate defense of those nations might be left undone. The defense budgets of the Visegrad nations are small, their economies are in transition from communism to capitalism, and public opinion polls show that their populations do not support increases in the proportion of government spending devoted to defense. If basic tasks needed for an adequate defense were left uncompleted, a viable NATO security guarantee would be questionable.

SUMMARY TABLE 1. MILITARY OPTIONS TO EXPAND THE NATO ALLIANCE AND THEIR COSTS (In billions of 1997 dollars)

Option	Cost to the United States	Cost to NATO Allies	Cost to New Members	Total Cost
Enhance Visegrad Defense and Facilitate NATO Supplemental Reinforcement	4.8	13.8	42.0	60.6
Project NATO Air Power Eastward to Defend the Visegrad States	4.6	10.3	3.6	18.6
Project Power Eastward with NATO Ground Forces Based in Germany	3.6	20.3	6.2	30.1
Move Stocks of Prepositioned Equipment to Visegrad States	0.3	0.9	0.1	1.2
Station a Limited Number of Forces Forward	5.5	8.7	0	14.2
Total	18.9	54.0	51.8	124.7

SOURCE: Congressional Budget Office.

NOTES: The costs shown for options after the first one are incremental increases above those of the previous option. Costs were estimated for the 1996-2010 period.

NATO = North Atlantic Treaty Organization.

Option 1: Enhance Visegrad Defense Forces and Facilitate NATO Reinforcement

This option focuses on improving the military forces of the Visegrad states. Upgrading such forces, making them more compatible with NATO forces, and improving their military-related infrastructure would help the alliance resupply these states when under attack and even send reinforcements if needed. Because of the limited capabilities of the Visegrad militaries today, however, those improvements would be costly and would take a number of years to make.

Under this option, the Visegrad militaries would improve their facilities for command, control, communications, and intelligence. They would upgrade air defenses and integrate them with the NATO air defense system. This option also

assumes that the Visegrad militaries would upgrade older weapons and eventually buy new weapons in some critical areas, including new Western fighter aircraft, weapons to destroy tanks, electronic warfare equipment, and precision-guided munitions.

Current NATO members would also improve their military capabilities. Right now, distance limits the ability of Western European air forces to intervene in a conflict in East Central Europe. This option assumes that Western European members of NATO would acquire a fleet of tanker aircraft that would permit allied tactical aircraft to operate from their bases in Western Europe in support of the Visegrad militaries.

Another element of the program would be to improve infrastructure in the Visegrad states: upgrading roads, rails, and ports; building training facilities; standardizing fueling systems and extending pipelines; and building facilities to store fuel and ammunition. Those improvements would further the reinforcement of the Visegrad states by NATO. Once facilities were available, NATO forces would engage in training exercises with the Visegrad militaries, and Visegrad military officers would be taught English as well as NATO doctrine and procedures.

In addition to those general measures, this option envisions a number of improvements directed solely at the Polish military. Those include adding both combat and combat-support forces to make the Polish army more mobile, as well as improving the Polish navy's antisubmarine and mine-clearing capabilities.

Advantages and disadvantages to this option exist. The main advantage is that this option is the lowest-cost approach to expansion that CBO examined. In an absolute sense, however, the costs are hardly small. CBO estimates that this approach would require total spending of \$60.6 billion during the 1996-2010 period. Although about 70 percent of that total--some \$42 billion--is assumed to be borne by the Visegrad countries themselves, the costs to the United States are estimated at \$4.8 billion and the costs to the other NATO allies at about \$13.8 billion. The major disadvantage is that such efforts might only allow the Visegrad states to deter and defend themselves against lesser threats, such as a border skirmish with a neighbor or a limited war with a regional power. With the current low levels of threat to this region, however, this lower-cost approach might be adequate.

Yet the Visegrad states might not be able to afford even this least ambitious option. The budgets for military investment in the Visegrad nations are currently low. If their budgets cannot be increased as the above discussion assumes, a subset of those improvements may have to be selected. The most critical improvements are increasing training and exercises; enhancing command, control, communications, and

intelligence; and improving air defenses and integrating them with those of NATO. Although that subset of items would improve the ability of the Visegrad militaries to operate with NATO forces, it would still only marginally improve the defenses of those nations.

That subset of Option I is estimated to cost \$21.2 billion during the 1996-2010 period. Of that amount, CBO estimates the cost to the Visegrad nations at \$15.6 billion, the cost to the United States at \$1.9 billion, and the cost to the European allies at \$3.7 billion.

Option II: Project NATO Air Power East to Defend Visegrad States

In Option I, NATO air power, if needed to reinforce Visegrad forces, was assumed to operate from bases in Western Europe (principally Germany). In this option, NATO aircraft would fly to and operate from bases in a Visegrad nation when that country was under threat. Flying from prepared bases--called colocated operating bases, or COBs--would increase the number of sorties aircraft could fly and the number of weapons they could carry. According to some Air Force planners, preparing a Visegrad nation's air bases to receive NATO aircraft in time of crisis also sends a stronger signal of NATO's commitment to defend that country.

Nevertheless, this strategy of projecting air power forward poses certain disadvantages. Creating COBs is more costly and probably more threatening to Russia. Operating from German bases, NATO aircraft are less likely to be destroyed: Germany is militarily harder to attack than the Visegrad nations, and doing so would expand the conflict politically. Air Force officials also note that air operations conducted from Germany might be more effective because of its better support structure, including better communications and access to national intelligence sources.

To project air power east, NATO authorities would create COBs sufficient to house 11½ NATO air wings--eight of 10 German air wings (two air wings would remain in Germany for air defense), one British air wing stationed in Germany, and two and one-half air wings of American aircraft stationed in Europe. Existing Visegrad air bases would be modified by adding new command, control, and communications equipment and modern air traffic control facilities. Additional hangar space (hardened shelters) and upgraded barracks, mess halls, and maintenance and repair shops would be required. Runways would need repair and reinforcement.

In addition, NATO countries would stockpile ammunition and fuel for 30 days near the bases. The NATO pipeline would be extended to the COBs. Adding

mobile engineers, maintenance units, medical units, and other support assets would enhance the ability of allied aircraft to project power.

CBO estimates that this option of shifting NATO air power to the east would cost an added \$18.6 billion (above the costs of Option I) during the 1996-2010 period. Of that amount, costs to the United States are estimated at \$4.6 billion, costs to the NATO allies at \$10.3 billion, and costs to new members at \$3.6 billion.

Option III: Project Power Eastward with Ground Forces Based in Germany

This option adds ground forces to the air power flowing east to defend a Visegrad nation under threat. Ten NATO divisions based in Germany would move east to facilities in the Visegrad nations--six of seven German divisions, one French division, one British division, one-third of a Belgian division (one brigade), one-third of a Dutch division (one brigade), and one and one-third U.S. division equivalents (four brigades). This option also relies on five sets of prepositioned stockpiles of weapons (equivalent to five brigades) located in Western Europe. In time of crisis, the personnel to operate this equipment would be flown in from the United States. After airlifted personnel had readied the equipment, it would be driven overland to a Visegrad state. Therefore, a total of 11 $\frac{2}{3}$ divisions would be available initially to defend a Visegrad state.

Adding ground forces to help defend the Visegrad nations offers several advantages. First, planning to use ground forces is often considered a greater symbol of commitment to defend an ally than is planning to use only air power. Second, a stronger defense can be mounted when both air and ground forces are used because combat power is multiplied. Third, although NATO and Visegrad aircraft and ground forces might be able to stop an attack, a counteroffensive to regain any lost territory might be difficult without using NATO ground forces.

Adding ground forces to the air power flowing east also has several disadvantages. First, along with the increased political commitment can come increased casualties. Second, the expenses of building reception facilities for ground forces in the Visegrad states make the cost of expansion greater.

Adding ground forces to the air power flowing east would require NATO to improve the mobility and firepower of non-U.S. allied forces. They need more artillery, air defense, and helicopters to lift troops. They also need more logistics and communications capabilities, as well as mobile hospitals.

As just mentioned, this option would also create reception facilities for Western ground forces in the Visegrad states. Existing military facilities in those nations might be modified for that purpose. Reception facilities include rudimentary barracks and mess halls to station forces temporarily during a crisis, rail sidings and facilities for unloading train cars, facilities for maintaining equipment, hangars for helicopters, and parking lots to rearrange equipment from a transportation mode into fighting units. Reception facilities at air bases include extra hangars for aircraft and warehouses to store incoming material. Moreover, NATO would extend its fuel pipeline to all such staging and marshaling areas and would stockpile fuel and ammunition for 30 days near such facilities. In addition to those investments, this option's costs include those for conducting more regular large-scale exercises with NATO forces that would flow east in time of crisis (in contrast with the periodic exercises in Option I).

CBO estimated that the total cost to add ground forces to the air power flowing east would be \$30.1 billion. Of that amount, the cost to the United States is estimated at \$3.6 billion, the cost to NATO allies at \$20.3 billion, and the cost to new members at \$6.2 billion.

Option IV: Move Stocks of Prepositioned Equipment East

Instead of transporting forces generated from five sets of prepositioned equipment overland from Western Europe in time of crisis (as in Option III), the stocks of equipment could be permanently restationed near air bases in the Visegrad states. During a crisis, troops from the continental United States would fly directly to those air bases to join their equipment.

This approach to reinforcing the Visegrad states has a number of advantages. Stationing the prepositioned equipment in the Visegrad states would allow the five U.S. brigades to respond to a threat in those nations more quickly. The move would save the time needed to transport the equipment overland through Western Europe.

But there are disadvantages as well. With the end of the Cold War, the United States restationed prepositioned equipment from Germany to locations nearer Dutch and Belgian ports so that it could be shipped quickly to points of crisis outside the North Atlantic Treaty area. Restationing it instead to the Visegrad states could make such "out-of-area" operations slower and more difficult. That dilemma may illustrate a larger conflict between the goal of admitting new members and tailoring forces to defend them and the goal of responding to out-of-area crises quickly. In addition, Russia might view the prepositioning of equipment in the Visegrad states as a threatening gesture.

CBO estimated that the added costs of moving the equipment east and building storage and maintenance facilities for it would total \$1.2 billion. Of that amount, the cost to the United States is estimated at \$300 million, the cost to the NATO allies at \$900 million, and the cost to new members at less than \$100 million.

Option V: Station a Limited Number of Forces Forward

CBO's most ambitious option would involve permanently stationing limited numbers of NATO forces on the territories of new member states. Option V assumes specifically that two and two-thirds division equivalents of ground forces (of mixed nationalities) and one British and one American air wing--all now based in Germany--would be permanently restationed in the Visegrad states. If a Visegrad state was threatened, however, reinforcements would continue to flow east from their bases in Germany and other parts of Europe.

CBO did not analyze an option to station large numbers of forces in the Visegrad states for a number of reasons. In an environment in which both the threat and the threatened nation are uncertain, stationing such large forces forward might lead to an inflexible defense. The lack of north-south roads in the Visegrad states and vulnerable mountain passes in Slovakia might preclude shifting forces from their permanent stations to the ally being attacked. Russia would probably react strongly to a large permanent presence by NATO forces in the Visegrad states. In fact, the deterioration in relations that such a move would precipitate could well worsen rather than improve security. Also, permanently deploying large numbers of forces would require either stationing German forces on foreign soil or using more troops from other allies, including the United States. Finally, the cost of facilities to support permanently stationing large numbers of forces would probably be prohibitive.

In a time of little and uncertain threat, stationing a smaller number of forces forward and holding the bulk of forces in Germany as a mobile reserve to reinforce any Visegrad nation under threat of attack might provide a more flexible defense. Russia might still have an adverse reaction to this smaller forward contingent, but it would probably be less severe than if large numbers of forces were stationed forward. Also, stationing only a small number of non-German forces in these new member states would send a political signal of NATO's commitment to defend them, while limiting costs, fears of renewed German expansionism, and the number of allied troops stationed on foreign soil.

If a decision was made to base small numbers of forces permanently in the Visegrad states, they would probably be stationed at local bases made available by the post-Cold War reduction in Visegrad military forces. Based on unclassified

information from U.S. intelligence agencies, the poor condition of those bases would probably require extensive rehabilitation of existing facilities and many new ones to bring them up to Western standards.

In short, to base forces permanently in the Visegrad nations would require a considerable investment on the part of NATO. Posts and air bases intended for Western forces would require much more extensive facilities than the spartan quarters envisioned in Options II and III, which were for use only in a crisis. NATO members would need to build modern barracks, mess halls, commissaries, schools, hospitals, family housing, and recreational facilities for the ground and air forces and their dependents who would relocate there.

CBO estimated that the added cost to move a limited number of air and ground forces from Germany to the Visegrad nations and station them permanently would be \$14.2 billion. Of that amount, the cost to the United States is estimated at \$5.5 billion, the cost to current NATO allies at \$8.7 billion, and the cost to new members a negligible amount.

CBO's military options were designed with the current security situation in East Central Europe in mind. However, in the unlikely event that Russia abrogated its commitments under the Treaty on Conventional Forces in Europe, began to increase the size of its armed forces substantially, and undertook a very aggressive foreign policy toward the East Central European region, the NATO countries would probably have to incur the significant costs of permanently stationing large numbers of forces there to guarantee an adequate Article V defense of the Visegrad states.

EXPANDING NATO BEYOND THE VISEGRAD STATES

Slovenia, Romania, Ukraine, Estonia, Latvia, and Lithuania are often mentioned in the public debate as candidates for entry after the Visegrad states. Yet, with the exception of Slovenia, most of those nations would be difficult or costly to defend. Slovenia, a small mountainous state in the former Yugoslavia, could probably be defended by local forces until ground and air forces based in neighboring Italy--including two squadrons of U.S. aircraft--could reinforce the country.

In contrast, Romania and Ukraine could be very difficult to defend. They are far from NATO forces based in Germany. Unlike Option III to defend the Visegrad states, for example, NATO would have more difficulty moving ground forces east from their bases quickly if those nations were threatened. Therefore, stationing substantial quantities of troops there could be necessary.

The Baltic states of Estonia, Latvia, and Lithuania would likewise be difficult to defend. Lacking the strategic depth to trade space for time, the small forces of those nations or any NATO forces stationed there could be quickly overwhelmed by the large Russian forces in the area. NATO might then need to launch a risky amphibious assault backed by carrier aviation to regain lost territory in a region containing substantial Russian air power. (See Appendix A for a more detailed discussion of the implications of expanding NATO to include these nations.)

CONCLUSION

The costs to the United States and its current allies of expanding alliance membership might be manageable, but only if new members paid a substantial portion of the expenses. Most existing NATO nations, including the United States, seem reluctant to increase defense spending substantially to finance such costs. With their economies in transition from communism to capitalism, however, new members may not be able to afford to assume such a burden either. In that case, existing NATO members would need to provide substantially more financial assistance to new members. If they did not do so, even basic tasks needed to undertake expansion might not be completed, leading to a NATO security guarantee of questionable effectiveness.

