TO PRAGUE AND BEYOND: NATO'S FUTURE IN A CHANGED WORLD

Ambassador R. Nicholas Burns, United States Permanent Representative to NATO

Lieutenant General Olboeter, Dean Berry, Commodore Owen, Group Captain Wildman, faculty and students. Thank you for inviting me to be with you this morning in this historic city as you celebrate graduation from the NATO Defense College.

As diplomats, defense ministry officials and officers, you have earned this degree through hard work, and I hope this experience will inspire in each of you a core commitment to NATO and its mission in the new century.

I understand that another graduation of sorts will occur in a few weeks when General Olboeter concludes his tour of duty as commandant. On behalf of the United States government, I want to thank him for his service to the alliance and wish him all best for the future.

Let me also salute my fellow American, Dean John Berry, who has done such excellent and creative work for this school. With the incoming commandant, General Raffenne of France, we are confident that the NATO Defense College has a bright future.

NATO has changed immeasurably since its creation in 1949 as your class profile so aptly demonstrates. You represent seventeen NATO countries, from founding nations to our newest members. You also come from eight partner nations, some of which are seeking NATO membership. In your national and geographic diversity, you are a picture of the new NATO and its commitment to democracy, to peace and to the collective defense of Europe and North America.

NATO is the most successful security alliance in history, and it stands as one of the proudest accomplishments in two centuries of partnership between the old world and the new. NATO was the critical line of defense during the Cold War. Without NATO, the history of Europe between 1949 and 1991 would have been far less peaceful and democratic.

In the years following the fall of the Berlin Wall, the Warsaw Pact and the Soviet Union, critics on both sides of the Atlantic questioned whether NATO still had a real job to do. The unparalleled prosperity of the 1990s and the absence of a visible enemy led some to believe that we might even have reached the "end of history" -- an era of permanent peace.

That powerful illusion was shattered by the four Balkan wars, when NATO proved to the skeptics that it is an irreplaceable pillar of European peace and stability.

NATO had a great decade in the nineties. In fact, as the Wall Street Journal said recently, if security were a marketable product, it would be hard to think of a better "brand" than NATO. After others had failed, NATO stopped the war in Bosnia in 1995, and has kept the peace there for six years. When Slobodan Milosevic launched the bloodiest massacres in Europe since 1945, NATO stopped the killing of innocent civilians, and won a quick and decisive war that
led to the dictator's fall and the emergence of a democratic order in Yugoslavia. When civil war appeared likely in Macedonia just last summer, NATO forces arrived at the request of both sides to help keep the peace.

Beyond the Balkans, NATO reached out to embrace three new members from Central Europe, developed a unique partnership with Russia and Ukraine, and established links with new partners from Tirana to Tajikistan. NATO was fully occupied in the 1990s on the most vital issues of the day. We produced a record of real achievements, of which all NATO allies can be proud.

We meet today in Rome, however, at another critical juncture in history when the critics are again questioning NATO's future. It is a time when the foundations of peace have been shaken by the vicious terrorist attacks which claimed over three thousand lives in my country.

Our new adversaries realize that they cannot challenge our nuclear or conventional forces and thus are challenging us asymmetrically -- by seeking to pierce our vulnerabilities as open societies. They may target our information networks, our military bases and our civilian populations. We must prepare for that threat through building an effective missile defense, better civil defense and advanced counter-cyber warfare.

We Americans understand a fundamental lesson of September 11th: we need our friends more than ever in an increasingly dangerous world. That is why we are committed to work with our European and Canadian allies to ensure that NATO remains strong and vital and united to meet the new security challenges of our new century.

With that paramount goal in mind, let me chart for you the five key challenges that we must address at the NATO summit in Prague this November. Our success or failure in meeting each of these challenges will define NATO's agenda in 2002 and its future for many years ahead.

NATO's first and most important challenge is to build the advanced military capabilities necessary for the new missions we must undertake together to win the war on terrorism.

NATO's credibility depends critically on its military strength. To ensure the alliance can deal with both the new and more conventional threats in the decades ahead, NATO must become more flexible to counter surprise attacks, and swifter in our capacity to respond with an effective counter-terrorist capability. A key goal for the Prague summit should therefore be to launch a fundamental transformation of NATO's fighting forces.

This will give NATO a greater capability in the fight against those who are preparing a toxic mix of terrorism and weapons of mass destruction. These terrorists view chemical, biological, and even nuclear devices as weapons - not of last resort, but of first choice.

To defeat them, we'll need a leaner, more streamlined, more cost efficient - and above all, more flexible NATO command and force structure. We hope allies will commit to make these changes at Prague.

We also need to make another key change, from threat-based to capabilities-based defense policy. During the Cold War, NATO sized and shaped its forces against specific geographic threats. The only Article 5 attack in NATO's history, however, came on September 11 from an unexpected source, in an unexpected form. What this tells us is that many of our old assumptions, old plans, and old capabilities are out-of-date.
Rather than trying to guess which enemy the alliance will confront years from now, or where wars in the world may occur, we need to focus on what capabilities adversaries could use against us, on shoring up our own vulnerabilities, and on exploiting the most modern new technologies to extend our own military advantages. This is the essence of capabilities-based defense planning. Secretary of Defense Rumsfeld committed the U.S. military to this new approach in his landmark speech at the U.S. National Defense University last week. We believe NATO needs to make the same choice.

But as we say in the U.S., "It's not enough to talk the talk. We now have to walk the walk." In other words, NATO's members must have the high-tech weaponry that is critical to winning modern wars. In this respect, we face an old but increasingly worrisome trend in the alliance: the widening gap in capabilities between the U.S. and all of its NATO allies.

As students of modern war, I know all of you have witnessed the extraordinary technological leap in the quality of American weapons from the Gulf War to Bosnia, and from Kosovo to the Afghan campaign. Unfortunately, our allies have not kept pace with us, and we risk an alliance that is so unbalanced that we may no longer have the ability to fight effectively together in the future.

President Bush is doing his part by asking Congress to raise defense spending this year to more than $370 billion [$370,000 million] -- the highest level in our history. The $48 billion [$48,000 million] spending increase this year alone is far larger than the total annual defense budget of our next biggest ally, and is also greater than the combined annual defense budgets of twelve NATO nations.

Now, I do not expect allies to match U.S. defense spending dollar for dollar. But it is vitally important that we all accept the need for increased spending to produce the capabilities necessary to deal with the threats at hand.

We realize that raising defense budgets requires difficult political choices for many allies. And the United States certainly appreciates the very real and absolutely essential resources allies bring to our common operations -- in the Balkans and in Afghanistan. The way forward is to agree to narrow our priority list of new technologies to the few that are truly essential to meet the new challenges. This has the advantage of being a more practical approach for our allies. But without dramatic action to close the capabilities gap, we face the real prospect of a future two-tiered alliance.

Such a division of labor is not in NATO's interest. It breaks the fundamental commitment to both shared risk and shared responsibility for NATO actions that is critical to the alliance's cohesiveness. For that reason, we need to make Prague the place where we make a down payment on closing the capabilities gap.

NATO's second challenge is to make the next round of enlargement as successful as the last. President Bush strongly supports taking in new members at Prague so that we can expand the community of democracies and security in Europe. Adding Poland, Hungary and the Czech Republic to NATO in 1999 reinforced stability in Central Europe and strengthened the alliance. Their dedication to NATO is in itself a persuasive argument for further enlargement.

But with NATO membership comes major responsibilities. New members must not only be consumers of security, but producers as well. They must demonstrate the military capabilities
to be effective allies. Their inclusion must be based on two fundamental assumptions -- that they would add value to the alliance, and that their commitment to democracy is lasting and assured.

The United States has not yet decided which countries to support for membership and neither has the alliance as a whole. I expect NATO to reach a decision shortly before the Prague summit. In the meantime, our advice to the aspirants is to continue the military and political reforms which are essential for membership, and make every effort to conform to NATO standards in every dimension.

NATO's third challenge in 2002 is to make a major effort to improve our ties to Russia, Ukraine and the other states of the former Soviet Union. Secretary of State Colin Powell has said that out of every tragedy arise opportunities to make the world safer and more peaceful. We must grasp those opportunities with Russia to change our relationship for the better, and to work together to build a permanent peace in Europe.

Since September 11, President Bush and President Putin have worked to create a lasting friendship between our two great countries. One of the cornerstones of this effort is to create a new NATO-Russia Council to identify and pursue opportunities for joint action "at 20."

In other words, Russia would sit side by side with the NATO allies around our conference table in Brussels to identify how we can work together to limit conflict and to resolve the great problems that challenge peace in Europe. This will be a historic change in the way we do business with Russia, a move toward more genuine partnership and collaboration on the truly important issues of our time. As NATO moves ahead with this new venture, it will maintain its prerogative of independent decision and action at 19 on all issues consistent with its obligations and responsibilities. By the time of the Reykjavik foreign ministers meeting in May, we hope the NATO-Russia Council will be up and running in a new and promising spirit.

As we seek new relations with Russia, we must also do so with Ukraine and the front-line states of Central Asia and the Caucasus. These countries are vital partners and we have a unique opportunity to seek closer and more lasting bonds with them in 2002.

Our fourth challenge this year is to take stock of our long-term presence in the Balkans, which has been so critical to keeping the peace in that troubled region. Our primary goal must be to help the elected leaders of these countries build the new institutions that will sustain freedom and the rule of law, and yield viable nation states.

The United States remains committed to see this job through with our allies. President Bush promised that as we went into the Balkans together with our allies, so will we come out together. At the same time, we must hasten the day when NATO troops are no longer needed and when civilian officials can themselves carry the burden of governance. With that in mind, the United States has suggested that, by the Prague summit, we reduce our military forces in SFOR in Bosnia by one-third, and introduce thousands of new police to train local authorities to do the job themselves.

In nearby Kosovo, where progress toward peace and stability has been more limited, we seek to "lighten" KFOR forces but maintain their strength to keep the peace. We must use 2002 to accelerate the pace of change in the Balkans and ask local leaders to take on increasingly greater responsibility for the future.
NATO's final challenge in 2002 is to continue to work effectively with that other great institution so critical for peace on the continent: the European Union. NATO and the EU demonstrated in 2001 that we can work pragmatically on some of the region's toughest problems. Together, NATO and the EU helped the Macedonian government and peoples to avoid civil war and find a path to peace. After September 11, we worked more effectively than ever before by agreeing on common NATO-EU steps to combat terrorism. NATO Secretary General Lord Robertson and the EU's High Representative, Javier Solana, have become a striking diplomatic double act in Europe's most troubled areas. We should expand on this partnership in 2002.

As we do so, we will need to complete work on the somewhat esoteric but important issue of the EU's access to NATO planning assets and capabilities where the alliance as a whole is not engaged in a crisis. It is high time that we resolved this problem so that our occasional disagreements on the theory of how to work together can catch up with our proven ability to cooperate on real-world problems.

As we seek a stronger partnership with the European Union, we must also recognize our respective comparative advantages. In NATO's case, it remains the pre-eminent security institution on the continent, with first responsibility for collective defense of the alliance. In this respect, I can assure you of the strong U.S. commitment to maintaining NATO's leading position as the only institution that has the military commitment to keep the peace in Europe.

That is our agenda for NATO in 2002 -- building capabilities and transforming our force structure to meet new threats; enlarging to take in new members; seeking a new relationship with Russia and expanded ties to Ukraine, the Caucasus and Central Asia; hastening peaceful development in the Balkans; and expanding cooperation with the European Union. It is an ambitious and demanding agenda that will require all of the alliance's energies for success by the time our leaders meet in Prague in November.

In closing, we Americans will travel along the road to Prague confident of NATO's continuing vitality and purpose. Just as in the past, some in the media and chattering classes are questioning whether NATO is up to the challenge. And just as in the past, I am confident that NATO's successful handling of these issues at Prague and beyond will eloquently and definitively answer this question.

NATO will remain vital and at the very center of all the security challenges on both sides of the Atlantic. NATO is not a global police force and will not always be the first line of defense in distant places like Afghanistan or the Philippines. But the alliance's core mission of defending our western democracies remains unchanged.

Here, in a nutshell, is why I am convinced of NATO's value to Europeans and Americans alike: first, NATO has been the single most important bridge linking the security of North America and Europe for half a century. NATO provides for both the conventional and nuclear defense of all of its members -- no single European country or institution can do this. It is the vehicle for continued American military presence on the continent -- which, in itself is a necessary pillar of continued peace.

Second, NATO is also the only institution that will be capable in the future of meeting the new and unforeseen threats to our security that surely lie ahead. We live in a dangerous world, and we have limited ability to predict where and when the next crisis might arise. NATO is the proven insurance policy of Europe and North America to defend us in a crisis.
Third, NATO is also the only institution capable of reaching out to Russia, Ukraine and others to the east, to create a nexus of security cooperation in all of Europe.

We Americans have no doubt that by the time of the Prague summit, we will have renewed the alliance to meet all the challenges ahead.

We live in an era of both difficult security challenges and exciting opportunities to expand the circle of free and democratic societies. In this era, our 53-year old NATO security alliance is still our best protection in a world of new and dangerous threats.

Thank you very much or inviting me to the NATO Defense College today.