

Fact Sheet: European Deterrence Initiative (EDI)

The European Deterrence Initiative (EDI), formerly known as the European Reassurance Initiative (ERI), is intended to supplement the U.S. commitment to Europe through the North Atlantic Treaty Organization (NATO) alliance, particularly as a counter to Russia's increasingly aggressive behavior in Eastern Europe.

Background

The European Reassurance Initiative (ERI), as it was then known, was first announced by President Obama at a press conference in Poland in 2014ⁱ. Originally it was meant to supplement the U.S. commitment to the NATO alliance as a way to reassure our European allies. According to the Defense Department, the purposes include: (1) increased U.S. military presence in Europe; (2) additional exercises and training with allies and partners; (3) enhanced prepositioning of U.S. equipment in Europe; (4) improved infrastructure for greater readiness; and (5) building allied and partner capacity.

At the time of its announcement, President Obama intended ERI to be modest by Pentagon funding standards, calling on Congress "...to approve up to \$1 billion to support this effort." The initial Fiscal Year 2015 (FY15) allocation for the program was \$985 million. In its second year, funding for the program decreased, dropping to \$789 million in FY16. Since then funding has grown dramatically. Funding rose to \$3.4 billion in FY 2017 – more than tripling previous levels.

Funding

EDI is funded through the Pentagon's Overseas Contingency Operations (OCO) account which is designed to be used to fund unanticipated military operations and disaster assistance. Yet the training exercises and equipment purchases funded through EDI are not unanticipated contingencies. Exercises are regularly scheduled events planned years in advance, while pre-positioned equipment is meant to meet some future unknown need, rather than a current demand. This is clearly not a "contingency" and another troubling sign of how the OCO account is being used to fund activities that belong in the Pentagon's "base" budget. In fact, the Army Chief of Staff's so-called "unfunded requirements" (UFR) list asks for an additional roughly \$380 million in "Army Prepositioned Stocks – Europe" – something the EDI request should be covering.ⁱⁱ

The NATO Alliance

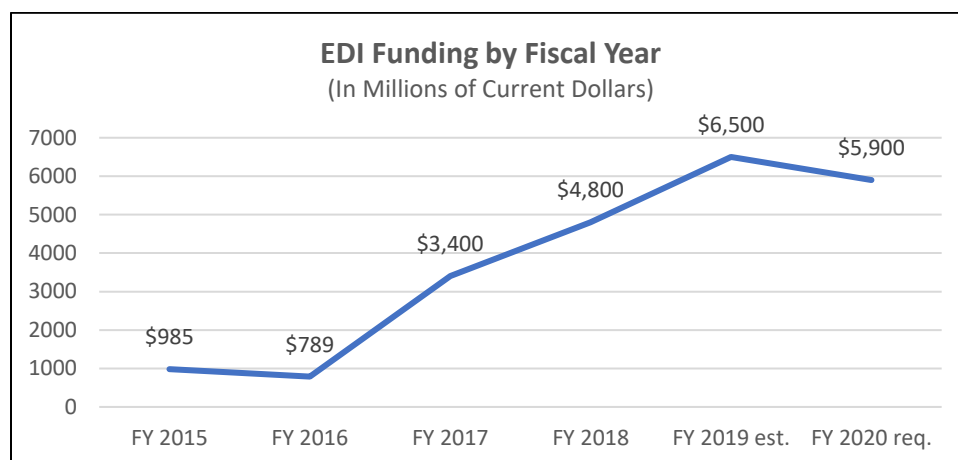
For 70 years NATO has served as the cornerstone of our nation's commitment to providing security in Europe. This commitment has remained strong despite the end of the Cold War as the alliance has evolved to meet the new threats to security and stability throughout the region and, increasingly, in other parts of the world. We continue to carry the lion's share of the financial burden of the alliance. The United States funds roughly 22 percent of NATO's annual operating budget, far more than any other nation.ⁱⁱⁱ (The next closest contributor to overall costs is Germany at 14.8 percent). Yet from a funding perspective EDI has eclipsed NATO as our main method of engagement in Europe.

In order to compare EDI funding to the U.S. contribution to NATO it's important to know how much we spend on NATO. Yet this figure is difficult to determine. Annual contributions from alliance members don't cover the costs of actual NATO military operations or training exercises, which are generally funded by the individual nations who participate.

All NATO members make direct cash payments to support NATO's "Common Funding Arrangements." These payments support staff and operating costs of the alliance's headquarters, NATO's military budget (which covers the costs of the alliance's integrated command structure and NOT actual operations), and the NATO Security Investment Programme, which helps improve the military capabilities of member nations. According to the NATO General Secretary's Annual Report for 2018^{iv}, the total cost for these programs for one year totaled 2.2 billion Euros – roughly \$2.5 billion. At 22 percent, the U.S. share would be about \$550 million.

The European Deterrence Initiative Fiscal Year 2020 Budget Request

The Trump Administration is requesting \$5.9 billion for EDI in FY20. And although that is five times the budget when this program was originally conceived, it is roughly 10 percent below current funding levels. The request is funded through the "Enduring Requirements" portion of the OCO account and includes \$250 million in military aid and equipment for Ukraine.^v



ⁱ "Remarks by President Obama and President Komorowski of Poland in a Joint Press Conference," June 3, 2014. The White House. Accessed February 27, 2019.
<https://obamawhitehouse.archives.gov/the-press-office/2014/06/03/remarks-president-obama-and-president-komorowski-poland-joint-press-conf>

ⁱⁱ "Defense Department Budget Overview, Fiscal Year 2020." Defense Department. Accessed March 15, 2019.
https://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2020/fy2020_Budget_Request_Overview_Book.pdf

ⁱⁱⁱ "NATO Common-Funded Budgets & Programmes, 1/1/2018 to 31/12/2019." North Atlantic Treaty Organization. Accessed March 17, 2019.
https://www.nato.int/cps/en/natohq/topics_67655.htm?selectedLocale=en

^{iv} "The Secretary General's Annual Report, 2018." North Atlantic Treaty Organization. Accessed March 21, 2019.
https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_publications/20190315_sgar2018-en.pdf

^v "Defense Department Budget Overview, Fiscal Year 2020." Defense Department.