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The European Deterrence Initiative: A Budgetary Overview

Background

The European Deterrence Initiative (EDI) is a Department of Defense (DOD) effort to "enhance the U.S. deterrence posture, increase the readiness and responsiveness of U.S. forces in Europe, support the collective defense and security of NATO allies, and bolster the security and capacity of U.S. allies and partners," according to the DOD *European Deterrence Initiative Fact Sheet*.

EDI began as the European Reassurance Initiative (ERI) in June 2014. The Obama Administration launched it primarily as an effort to reassure U.S. allies in Europe of a continued U.S. commitment to their security in the wake of Russia's 2014 invasion and occupation of Ukraine's Crimea region and instigation of conflict in eastern Ukraine. As tensions with Russia mounted, the focus of the program broadened from reassuring allies to deterring Russian aggression. DOD began referring to the program as EDI in 2018.

Today, EDI is a key funding source for U.S. European Command's (EUCOM) posture adjustments in response to the evolving European security environment. EDI has enabled the first increase in U.S. military forces in Europe since the end of the Cold War. This includes the rotational deployment of an Armored Brigade Combat Team (BCT), mostly in Central and Eastern Europe. Two BCTs, one Stryker-equipped and one airborne infantry, are permanently stationed in Europe—in Germany and Italy, respectively. A prominent objective of EDI has been to enable rapid military mobilization to Central and Eastern Europe in order to respond quickly to military aggression in the region.

EDI began in FY2015 with $985 million in funding. Between FY2016 and FY2019, Congress authorized significant annual increases in EDI funding as requested. Funding for the effort peaked at $6.5 billion in FY2019 and was $5.91 billion in FY2020.

Some Members of Congress have raised questions about reduced funding levels requested by the Administration for FY2021. Press reports in June 2020 that the Administration is considering withdrawing 9,500 of the approximately 35,000 U.S. troops stationed in Germany have heightened concerns in Congress about the Administration's commitment to EDI and to European security more broadly. Other congressional voices have urged European allies to increase military investments to augment EDI and related NATO deterrence efforts.

FY2021 Budget Request and Funding Levels

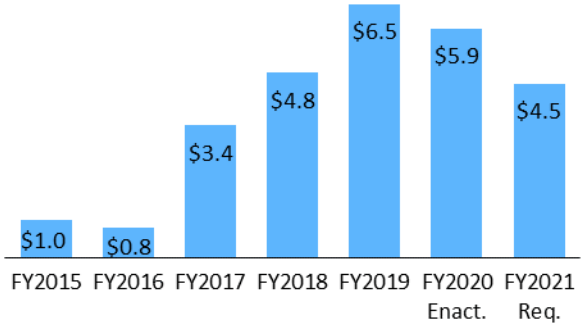
EDI funding is designated as Overseas Contingency Operations (OCO) funding. **Figure 1** outlines annual funding levels. The FY2021 request is 25% less than the amount appropriated in FY2020, and, if enacted, would represent the second consecutive year of reduced funding for EDI.

DOD officials contend that the Administration remains committed to EDI and suggest that lower funding requests are due primarily to the completion of multi-year infrastructure projects. Critics, including some Members of Congress, have questioned the rationale behind the Administration's deferral of EDI projects—totaling $772 million in 2019 and $316 million in 2020—to fund the U.S.-Mexico border wall, and the aforementioned reported plan to withdraw U.S. troops from Germany.

The FY2021 EDI budget request would support an "average strength" of 9,904 active, reserve, and guard personnel in EUCOM. These include 9,095 Army, 459 Air Force, and 350 Navy personnel participating in EDI activities in Europe. As of February 2020, about 74,000 U.S. personnel were permanently stationed in Europe.

Figure 1. EDI Budget FY2015-FY2021

(In billions of dollars)



Source: Under Secretary of Defense (Comptroller).

EDI Focus Areas

Since its inception, EDI has divided its funding into five categories. **Figure 2** shows the funding trends of each category. The following are descriptions and selected highlights based on the FY2021 EDI budget request.

Enhanced Prepositioning ($2.34 billion in FY2020, $1.94 billion in FY2021) is the largest funding category and supports the prepositioning of equipment and material to allow military forces to increase readiness and rapidly deploy if needed.

- The largest component of Enhanced Prepositioning is the **Army Prepositioned Stocks ($452.8 million),** which stores large sets of equipment to reduce the demand on strategic transportation assets in the event of a conflict. APS locations currently exist in Belgium, Germany, Poland, and the Netherlands.

Increased Presence ($2.05 billion in FY2020, $1.45 billion requested in FY2021) provides EUCOM with a larger

military presence that is capable of deterring and responding to regional adversaries.

- The largest component of this line of effort is for the **Army Rotational Forces**, which would receive almost 25% of the overall budget. The Army Rotational Forces create a constant U.S. military presence in Central and Eastern Europe through a nine-month rotational deployment of an Armored BCT.

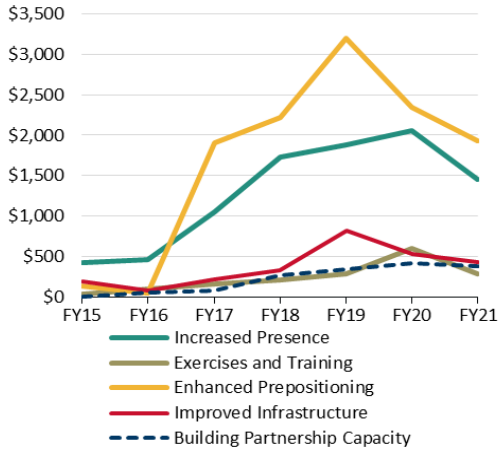
Improved Infrastructure ($539.6 million in FY2020, $436.4 million requested in FY2021) is intended for the construction and improvement of infrastructure and facilities to support military readiness and operations. These improvements apply to U.S. airfields, bases, and training ranges in Europe. The FY2021 improvements focus on Germany and Romania, totaling $264 million.

Building Partnership Capacity ($424 million in FY2020, $384 million requested in FY2021) is designed to build and strengthen the capacity of European allies to defend themselves and respond to regional crises.

- **The Ukraine Security Assistance Initiative** falls under this category. EDI has included separate funding for Ukraine each year since the inception of the program. The FY2021 EDI budget requests $250 million in security assistance to Ukraine in the forms of "intelligence support, personnel training, equipment and logistics support, supplies, and other services." Despite funding for EDI decreasing, funding to Ukraine has increased and remained at $250 million for the past two years.

Exercises and Training ($608.7 million in FY2020, $293.8 million requested in FY2021) supports U.S. involvement in exercises to increase cohesion between U.S. and NATO forces and serve as a deterrent to aggressive regional actors. This focus area funded the "Defender-Europe 20" exercise, which intended to mobilize the largest deployment of U.S. troops to Europe in the past 25 years. The exercise began in early 2020 but was cut short due to the COVID-19 pandemic.

Figure 2. EDI Budget Focus Areas, FY2015-FY2021
(in billions of dollars)



Source: CRS analysis based on Undersecretary of Defense Comptroller information, available at https://comptroller.defense.gov/Budget-Materials/
Note: FY21 numbers show requested amount

Considerations for Congress

Congress has supported EDI since its inception in FY2015 as ERI. As the program enters its seventh year of operation, Members of Congress may assess the degree to which the program aligns with broader congressional security and defense priorities in Europe, including deterring Russian aggression. Areas of interest might include the following:

- **Questions about the Administration's Commitment to European Security.** Members of Congress may consider the implications of the Administration's reported plans to withdraw up to 9,500 troops from Germany, as well as its deferral of EDI military construction projects to pay for border-barrier construction. Both decisions could raise questions about future U.S. force posture in Europe and commitment to broader NATO efforts to deter Russian aggression.
- **NATO/European Contributions.** Although it is not a NATO program, EDI is widely viewed as a U.S.-led cornerstone of broader NATO efforts to deter Russian aggression in Europe. As Administration requests for EDI funding have decreased, some Members of Congress may urge increased European contributions to these NATO efforts.
- **Rotational vs. Permanent Troop Deployment.** In accomplishing EDI's objectives, the relative cost of rotational forces versus a permanent military presence in Central and Eastern Europe may be of interest. This may include evaluating the prospects for a permanent U.S. military presence in Poland, as well as concerns about Russia's potential response to the permanent stationing of U.S. forces in Central and Eastern Europe.
- **OCO Funding.** DOD funds EDI through OCO rather than the base budget. Unlike DOD's Future Years Defense Program (FYDP), which includes projected funding over five years, OCO funding is typically planned for one year at a time. In recent National Defense Authorization Acts, Congress has instructed the Administration to shift EDI funding to DOD's base budget, in part to signal to allies long-term U.S. support for the effort. The program continues to be funded through OCO, however.
- **Changing Security Environment.** Nonconventional challenges from Russia, such as information warfare, are increasing. Congress may assess the extent to which EDI addresses these, as well as other more conventional security challenges.

CRS Products

CRS Report R46066, *NATO: Key Issues Following the 2019 Leaders' Meeting*, by Paul Belkin

CRS In Focus IF11130, *United States European Command: Overview and Key Issues*, by Kathleen J. McInnis and Brendan W. McGarry

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