

**Ambassador Douglas Lute
U.S. Permanent Representative to NATO**

**Telephonic Press Briefing
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Moderator: Thanks so much, and greetings everyone from the U.S.-European Media Hub here in Brussels. I'd like to welcome all of you who are dialing in from across Europe this afternoon.

We're really pleased today to be joined by someone well known to many of you, Ambassador Douglas Lute who is the U.S. Permanent Representative to NATO.

Ambassador Lute was sworn in in August of 2013, and prior to that for six years he served at the White House under both Presidents Bush and Obama. And of course he is also a retired U.S. Army lieutenant general, so he brings a great wealth of knowledge, and we greatly appreciate him talking to all of us today.

We're going to begin today's call with brief remarks from Ambassador Lute and then we will open the floor up to your questions. At any time during this call if you would like to ask a question, you must press star-one to get into the question queue.

As a reminder, today's call is on the record and we're going to try to get to as many of your questions as we can during the time that we have.

With that I will turn it over to you, Ambassador Lute, for your opening remarks.

Ambassador Lute: Thank you very much. I want to thank everybody for joining us today. And since this is a diverse group -- some with a great deal of NATO experience and understanding and some perhaps not with that depth of experience, I thought I'd start by going back in time a bit, and then I'll bring you up to date with the hot issues that we're dealing with in NATO headquarters in Brussels even today.

Let me go back about five months to early September when the 28 leaders of the alliance, to include President Obama from the

United States, convened at Wales in the United Kingdom for the most recent summit.

Now summits in NATO are typically held every year and a half or two years. So they're really quite big events. But I think Wales in September of last year was in particular sort of a seminal high mark in terms of substance for the alliance.

Why do I say that?

First of all, of course, symbolically last year was the 65 year anniversary of the alliance which most people acknowledge is the most durable and successful political/military alliance in history.

But it was much more than just the 65 year anniversary. Last year also marked 25 years after the fall of the Berlin Wall. And more recently, it marked the end of about two decades of operational experience of NATO operating outside of Europe proper, outside of the core of Europe. That 20 year experience began in '95 when NATO took on operations in the Balkans -- first in Bosnia and then several years later in Kosovo, and obviously that 20 years is dominated by the largest ever, longest ever combat operation by the alliance in Afghanistan. Combat operations there, by the way, just came to a close in December of last year.

So 2014 was a bit of a strategic phase line or a strategic inflection point in the long history of the alliance because this operational period, this most recent operational period of about 20 years was coming to a close.

At the same time that 20 year period was coming to a close, NATO faced, and it was obvious in Wales in September, NATO faced a set of new challenges, fresh challenges, and these challenges are very diverse, very complex, and they're taking place right on NATO's borders, right on NATO's periphery.

Let me just quickly outline those.

To the east we have an aggressive Russia which has illegally seized Crimea and more recently has sparked and sponsored instability in Southeastern Ukraine. To the southeast we have bordering our NATO ally Turkey dramatic instability in Syria which has spread across the border into Iraq. Most prominently by way of the group ISIS. Then directly to NATO's south we have the failing state in Libya.

So in those three directions, those three primary directions -- east, southeast, and south, NATO faces immediate challenges on its border.

So beginning at Wales, but even continuing up to as recently as last Thursday here in Brussels, NATO leaders have taken on a whole range of questions about how NATO should adapt to these new challenges.

I want to really focus -- there's much longer than one 45-minute conversation here, but I really want to focus on one prominent way, one prominent set of decisions that were taken at Wales which are now moving into the execution phase and bring you up to date on how NATO is adapting to these most recent challenges on its flanks, on its borders.

The package of measures that NATO has taken which were decided at Wales and are now being delivered, the package is called the Readiness Action Plan. So we frequently here in NATO headquarters talk about RAP. The Readiness Action Plan.

It really has two parts. The first part has NATO forces surging to the eastern flank to address the concerns of our eastern-most allies, geographically ranging in the north from Estonia down through Bulgaria in the south. And these allies are concerned about the Russian aggression that they see not far from their borders. And NATO has taken a set of steps over the last about a year now, to reassure those allies that in fact Article 5 of the NATO Treaty, and Article 5 is the article which pledges that an attack on one NATO ally will be considered by all 28 as an attack on all. But that mutual defense clause means what it says. And these measures are taking place today and will be sustained as long as necessary in the air -- so you see NATO aircraft protecting the sovereignty of NATO airspace in the east. At sea, so you see NATO ships in both the Baltic Sea and the Black Sea. And maybe most meaningful to those eastern allies, on land.

So today, for example, as part of those land assurance measures you have American cavalymen operating alongside their NATO allies in Estonia, Latvia, Lithuania and Poland. You have American Marines today operating alongside their allies in the southeast in Romania and Bulgaria.

So one thing the leaders decided at Wales and which defense ministers last Thursday checked in on and assessed progress on,

was how are these assurance measures going? And are we doing what we said we would do?

In fact what we have in place is this calendar year, the 2015 calendar year now, the program for assurance measures -- air, sea and land -- from Estonia through Bulgaria -- is in place and fully subscribed.

So we're quite confident that we're going to be able to sustain these measures.

But you know, just surging these assurance forces to the east was deemed insufficient by leaders in Wales. And they decided to set NATO on a path of adapting, permanently adapting to this new future. And what do they mean by that?

What they essentially meant was that the force posture that NATO has had for the last 20 years or so when it went on operations, extended operations in the Balkans and in Afghanistan, was not best suited for these demands that we now face on our periphery. So the leaders took decisions to change or adapt or revise NATO's force structure.

It's really a three-part program. First, leaders took the decision to create what we call the Very High Readiness Joint Task Force. This is a brigade-sized ground element which is supported by air, sea and special operations forces that will be on several days' notice to move. That is several days' readiness. It will be postured, assembled mostly in the western countries, the western allies of the alliance, but it will be prepared to move anywhere inside alliance space in response to a direct threat.

And while this decision was taken to create this force at Wales, last Thursday defense ministers confirmed that we now have six allies who are prepared to lead this force in the upcoming six years. So defense ministers essentially added definition to the decision that was made at Wales.

The second element of RAP, the Readiness Action Plan, which is important, is that across the six eastern-most allies, of NATO -- so again, beginning in the north with Estonia and Bulgaria, all the way down to Bulgaria in the south -- NATO decided to establish six, one in each country, six rather small, modest command and control centers. These centers are designed to work with the allies themselves and be essentially the reception

centers in the event that the Rapid Deployment Brigade is sent to one of these six allies.

So you have in essence a Rapid Deployment Brigade in the west prepared to go anywhere from Estonia through Bulgaria, or elsewhere in the alliance if required. And then in the east you have these reception cells, these command and control cells, that are prepared to facilitate the arrival of that brigade.

The third element of RAP, and then we'll get to your questions, has to do with NATO adjusting its command and control structure. These are the headquarters, the combat headquarters, which are designed to command combat forces if required. It's decided to, we've decided to stand up a three star level, that is a corps level headquarters in western Poland and from that headquarters, which we'll stand up, they will be able to command and control any training, any exercises and any potential operations on the eastern flank of NATO.

So Ready Reaction Force, six reception centers, and a three star headquarters. All of those were commissioned as projects at Wales. And last Thursday all of them were delivered by defense ministers.

So in essence, what we've been doing since, say the last six months, is adapting to this new reality on our flanks, taking the changes needed immediately to assure those who feel most threatened among our 28 allies, and beyond assurance measures, changing the way we're postured through adaptation measures so we're better prepared to address any concerns.

Let me stop there. There's a lot more to say about NATO, but I suppose your questions will take us there.

Moderator: Thanks Ambassador Lute. Thanks for setting the stage for us.

As Ambassador Lute mentioned, we're going to go ahead and start the question and answer portion of today's call. As a reminder, in order to get into the question queue you have to press star one on your phone.

Our first question today is coming in from, and please forgive my mispronunciation, it's coming in from Oda Leraan Skjetne, from Dagbladet in Norway.

Dagbladet: Your pronunciation is fine. I'm Norwegian, like the Secretary General.

Ambassador Lute: There are many Norwegians here now, so this is very good.

Dagbladet: In these challenging times with escalating tension between Russia and NATO, is he the right man for the job?

Ambassador Lute: Well look, first of all he would not have been selected by the 28 allies if the allies themselves didn't have complete confidence in his experience base as the former Prime Minister of your country, in Norway. But also the depth of his understanding of broad-based European issues, and his ability as a leader to move us towards consensus on tough issues. And that last one is really important. Because Jens Stoltenberg brings a leadership style which is really important to the alliance right now.

You know, the alliance does not take decisions by majority. It only moves by consensus. So that means that tough issues like the ones I've outlined in my remarks all have to be agreed by 28 allies with 28 in favor. One ally can block progress. So a consensus building leader like Jens Stoltenberg is exactly what the alliance needs right now.

And I would tell you that in his first four or five months here he has proven to be everything that we had believed we were getting when he was selected as the new Secretary General. So we're quite happy.

Dagbladet: How would you describe his handling of the Russians?

Ambassador Lute: I think he's very balanced. He has, of course, as the Norwegian Prime Minister, has a lot of personal and professional experience with dealing with Russia. And he brings I think a very balanced approach that features fundamentally dealing with Russia from a basis of strength, but also that strength balanced by a willingness to open into a dialogue, to open a dialogue. So strength and dialogue I think are well balanced. And he brings that, again, he brings that personal experience to the office as Secretary General

Moderator: Our next question comes from Daniel Brössler from Germany's Sueddeutsche Zeitung.

Sueddeutsche Zeitung: Thank you very much.

Ambassador, I'd like to ask about arms sales to Ukraine. Of course this is not a question to NATO. NATO is not deciding about arms sales. But in case there will be different decisions in different NATO countries, for example the United States would decide to export defensive weapons to Ukraine and other NATO members would speak out against, do you think this would harm unity within NATO towards the Russian aggression?

Ambassador Lute: I believe the most important feature of the Western response to Russian aggression is solidarity. This is transatlantic solidarity. So transatlantic meaning the United States and Canada, then obviously the European Union primarily as its counterpart here, and then solidarity among the 28 members of NATO.

So I believe that any measure that might be considered in the future, you mentioned arms sales but you could consider any number of other measures. Increased or decreased sanctions, different political moves and so forth, right? But any of those measures should be judged against their impact on the transatlantic cohesion that we've witnessed.

I really can't improve on the words of Chancellor Merkel and President Obama just earlier this week, where I think standing together in Washington as a new diplomatic opening appears to be emerging. I can't improve on their demonstration of solidarity.

So the first thing we should preserve here is the solidarity across the Atlantic.

Now as you say on potential arms sales as one potential policy tool, that will be a national decision, not a NATO decision. But it should be judged against its impact on solidarity.

Moderator: I understand we have a few journalists who have assembled in Bucharest, Romania and are dialing in from the embassy there, so we're going to open the line to one question coming out of Bucharest. And if you could please just state your name and outlet.

Okay, I think we're having some difficulty opening that line, so while we do that why don't we hop up to Lithuania. We've got a question coming in from the outlet Lietuvos Rytas, and it's Vaidas Saldžiūnas.

Lietuvos Rytas: Thank you. I have a question regarding the RAP. I understand a lot of talk was going on about the Readiness Reaction Brigade, all the measures that you mentioned now. But the talk hasn't been going a lot about the equipment prepositioning of the old POMCUS system. Is there any move towards that besides the talks?

And the other question, yesterday U.S. Air Force announced that 12 A-10s were being redeployed to Europe and specifically to Germany, and then they should go to Eastern European countries. Is there any information which countries that will be? Thanks.

Ambassador Lute: On prepositioned equipment, of course one of the features of a High Readiness Brigade that is stationed in the western allies of NATO but may be called to move elsewhere, that rapid deployment can be enhanced if you can in advance move some of the equipment. Right? Especially some of the heavy equipment.

So a portion, a feature of the Readiness Action Plan is to assess where such equipment or supplies might be stockpiled and in what quantities and so forth.

Quite frankly, that question of prepositioning is in the next phase of decisions that are being keyed up now for the next defense ministers meeting in June.

So the reason they haven't been taken yet is that we need to decide on the shape of the force itself, the brigade sized force, and we also needed to establish these reception centers. So, for example, the one in your country.

So prepositioning is still on the table, but it has not yet been decided.

I too saw the announcement on the 12 A-10 fighter aircraft which will be coming from the States. They'll be prepositioned centrally initially in Germany, at an American air base in Germany. But we expect that those 12 aircraft will join the other aircraft that are conducting part of the assurance measures. So you may well see A-10 aircraft if your country were to invite us, operating alongside your forces as we train in Lithuania.

Moderator: Our next question is coming to us from Steven Erlanger from the New York Times.

New York Times: Thank you. Thank you, Mr. Ambassador.

Just quickly, I'd be very grateful if you could explain what a reception center is and does. And then a second question is, it's nice to set this up and I agree it's going to take some time and Breedlove said in Munich, which you probably heard, that it's not going to be 48 hours right away. But there's also a problem of political decision-making which is the usual problem. You need NATO consensus. And how can you have a Rapid Reaction Force if you don't have rapid political response or some mechanism for that? I hope you can talk about that a little bit.

Thank you, sir.

Ambassador Lute: Two good questions. What I mean by the six reception centers that I described from Estonia in the north and Bulgaria in the south is that each of these allies, each of these six allies, will host a small command and control center. Here we're talking of likely fewer than 100 military personnel in each of the six. So a total of around 600 or fewer than 600. In each one of these you would have operational experts, logistics experts, communications experts, and so forth who work with the host nation. So a moment ago we just had a Lithuanian journalist. So in Lithuania they would work with local authorities, Lithuanian forces, to arrange host nation support. They would look at transportation infrastructure which would facilitate the potential arrival of the Readiness Brigade, of the High Readiness Brigade.

In the meantime they would also assess training areas, where the brigade might be moved to Lithuania on an exercise basis and would essentially serve as the connection between NATO headquarters and the Rapid Reaction Force and the national forces and national command structure in the host nation. So that's what I meant by reception center.

On political decision-making, you're right that it makes no sense to have a rapidly deployable brigade if you can't take political decisions on a commensurate time line.

This too is an element of the Readiness Action Plan which has not yet been decided. And it too is due for decision at the defense ministers meeting in June. So we're working through sort of a deliberate work plan that takes these decisions, it takes the harder decisions, the more basic decisions up front like the reception centers and the brigade itself, and it's

moving us down the line towards having a full capability by Warsaw which is the next summit in mid-2016.

So Phil Breedlove was right. I mean you can't, we can't sort of snap our fingers and have the whole thing in place immediately. But we're moving down that path.

We understand that the political decision-making process here at the council in NATO headquarters where all 28 allies would have to agree to deploy this brigade has to also adapt alongside the adaptations we're taking in our forces, but that's work to be done.

Moderator: Our next question is coming to us from The Netherlands. We've got Dirk-Jan van Baar from De Volkskrant.

De Volkskrant: Thank you, Ambassador.

The Russians annexed the Crimean Peninsula. I would ask, doesn't this bring in in a certain way Kaliningrad at the other side of Russia, which is now in a rather isolated position? Are there, if the Russians would decide to turn this into a military stronghold, what they are already doing I suppose, can NATO do something about it?

Ambassador Lute: I don't see too much of a comparison, actually. I mean outside of perhaps the relatively, perhaps about the same size geographically. In the case of Crimea, you have a case of Russia violating every international norm of the last 50 years by seizing with arms another country's territory. That move is not recognized by any international body, many of which Russia is a party to, and it certainly is a violation of, beginning with the UN Charter, virtually every international agreement that respects territorial integrity and national sovereignty that's been signed at least since the UN Charter.

There were, of course, Russian forces stationed in Crimea on long-term agreement with the Ukrainian government at the time, so Russia did have forces in Crimea even before the illegal annexation. Russia has forces today in Kaliningrad. Russia exercises its forces in and out of Kaliningrad and so forth. But one is fundamentally part of Ukraine and the other is part of Russia.

Moderator: Our next question is coming from Maarten Rabaey of De Morgen, here in Belgium.

De Morgen: Thank you, Mr. Ambassador, for having us.

I have a question regarding the peace talks that will take place today in Minsk regarding Ukraine. It looks like that in any case often agreement that it will be needed to secure on the one hand a demilitarized buffer zone between Ukrainian Army and the rebels. And on the other hand it's very vital that the border between Russia and Ukraine is secured. How do you see this in practice? Should that be done by the OSCE? Eventually by the EU? And do you in the future see a role there for NATO as NATO once provided, for instance, SFOR in Bosnia and KFOR in Kosovo?

Ambassador Lute: You're right that the talks that are underway reflect the talks also held coincidentally in Minsk back in September that feature, that have some common features. One is a ceasefire. A second is a withdrawal of heavy weapons from both sides of the ceasefire line, and then ultimately the reestablishment of the international border between, the internationally recognized international border between Russia and Ukraine. So those are common features that the diplomacy is centering around.

Now how to actually implement those elements is frankly what the talks are all about now, the talks that are ongoing.

I can tell you that the OSCE, for example, already is playing an important role in the area of conflict with observer teams and monitoring teams and so forth, trying to lend an element of transparency and truth to what it is that's going on in southeastern Ukraine. I wouldn't want to wager a forecast in terms of where these negotiations will end up, in terms of will there be a monitoring force, and if so provided by whom. That's all to be negotiated.

I can tell you that I know of no one who's suggesting that NATO would play such a role.

Moderator: Our next question comes to us from John Dahlburg with AP.

AP: Hi, Ambassador. To continue with that theme from the De Morgen correspondent's question, could you give us a brief update on the military situation as it now stands in eastern Ukraine as the leaders get ready to meet in Minsk. And also say if you or NATO as a whole has seen any different behavior on the part of the Russian or insurgent forces in the past couple of days that would indicate that they are preparing for a ceasefire

or consolidating their lines to prepare for a ceasefire or just anything different in what they've been doing.

Ambassador Lute: The Russian sponsored, Russian supported separatists in southeastern Ukraine are largely the aggressors at this point. This isn't the case along the entire line of conflict or contact, but it's most prominent, this aggression is most prominent in the center, the central area along the line of conflict.

So there is heavy shelling, for example. We saw just two weekends ago heavy shelling into a civilian area in Mariupol that caused tens of casualties. So there's heavy shelling having to do with this aggression along the line of contact. There has been over the last, say, six weeks a noticeable influx, a new influx, a renewed influx of Russian heavy equipment provided from Russia proper into southeastern Ukraine in support of the separatists. So we've seen an influx of armored vehicles to include sort of top line modern Russian tanks. And also there persists a presence in Ukraine of high-end sophisticated Russian systems such as electronic warfare systems, air defense systems, command and control systems, communication systems, which we assess are manned, these high-end systems are manned by Russian personnel themselves.

Moderator: Our next question is coming to us from Thomas Nehls from Germany's ARD Radio.

ARD Radio: Hello. I'm in Berlin, and I wonder Mr. Ambassador, you just mentioned first in about 40 minutes the OSCE. Why hasn't it been a little earlier? My thought, even after the security conference in Munich which I attended last weekend, was whether really the NATO should be in the first row to deal with all those concerns, all those situations, not rather the OSCE where both sides, Ukraine and Russia, are members in and -- is your opinion to give the OSCE more power, more tasks, rather than monitoring a little bit?

And if I may, a brief second question referring to the overall budget of the NATO around 800, 850 billion dollars. I can't count it right now in euros, it changes from day to day. So isn't that enough money to fulfill, to commit to Article 5 of the NATO carta? I'm referring to all those attempts to collect more money in the role of the 28 NATO members.

Ambassador Lute: Those are two good questions.

First of all on OSCE, I mean I haven't talked a lot about OSCE because of course I'm the ambassador here at NATO. But at the Munich Security Conference where I attended as well, I thought it was very appropriate that the OSCE was highlighted with an annual award from the conference itself, from Mr. Ischinger, citing its work in the political forefront of the international effort to de-escalate in Ukraine and try to find a political solution. So I think the OSCE is playing a very prominent role. And as you say, it's right that it should do so. It's well within the mandate of the OSCE, but they've been front and center on this. And as you say, the value of the OSCE is you have all the major parties involved sitting at the same table, which of course is not the case here at NATO because obviously Russia's not a member of NATO and neither is Ukraine.

NATO does not see itself as a first responder with regard to the crisis in Ukraine. NATO's role with regard to the crisis is to solidify the alliance itself at 28 to be strong internally at 28. But we don't play a sort of front line role in the crisis in Ukraine.

With regard to NATO funding, look, the challenge NATO has is two-fold. First of all, it needs to generate sufficient resources for a whole range of tasks. One is collective defense. That's defense of the 28. That carries certain costs. But NATO has also outlined for itself two other core tasks. One is to be able to seek stability outside of the core area of 28. So here, for example, you have the expensive operation going on in Afghanistan today. Before that, as I mentioned earlier, you had NATO operations in the Balkans. Those are expensive and require resources. And the third key task is what we call collective security, and this is where we work with partners, some 40-odd partners around the world, to try to export stability so that NATO has around its periphery reliable partners who, while not members of the alliance, are internally stable and secure.

So first of all, it's not just one task, it's three.

Now having to do with the quantity of resources, the key here I think is two. First, yes, you're right. We have been, the United States in particular, has been a loud voice calling for all 28 allies to carry their weight. By carry their weight, the standard established here and agreed again at Wales to include by Chancellor Merkel, was a standard of two percent of a nation's of an ally's GDP committed to defense. I will tell you

that today there are only four of the 28 allies who are meeting that standard.

At Wales, all 28 agreed that as our economies recover from this most recent recession, so as economies recover they would move towards two percent.

So there is an established standard and there's a commitment now, actually in the first time in NATO's history at Wales, leaders themselves, heads of state, heads of government, made the commitment to move towards two percent.

Now hidden in your question is the suggestion that maybe 800 billion or whatever number you cited is sufficient. And here I will admit to you, we can be more efficient with the dollars that are committed to defense. There are ways for us to be smarter about how we spend the money that our democratic societies commit to defense. So we have work to do on that front, too.

This is not only about more resources. It's also about using the resources that are committed more efficiently.

I will tell you on that front, while Germany does not today meet the two percent mark, Germany does today meet, does lead in innovative ideas on how to be more efficient. And we actually need both. But efficiency will only take us so far. Our view is that you have to spend the two percent base line to generate sufficient resources, and then certainly we welcome efficiency inside that two percent pool.

Moderator: I know we've been running low on time and we've been having some difficulty opening the line for the journalists in Romania. I've got a question that just was sent to me from Alina Anghel from **Realitatea TV**.

She's asking, following the announcement on the six command units, threats were heard from Russia's high-ranking officials. Should Romania feel a direct target? And how will NATO step in if those threats come to be?

Ambassador Lute: Well the last part is simple. Romania is an ally, it is one of the 28, if any of the 28 feels threatened or if any of the 28 suffers armed attack, then the other 27 are obligated by international treaty to come to its assistance.

So the second part of the question is all about the essence of NATO and that is this pledge that an attack on one is an attack on all.

Now the first part of the question, should anyone feel threatened by a group of fewer than 100 staff officers? I would suggest not. Staff officers are usually not that dangerous. And these command and control cells that are being positioned among our eastern allies, across our eastern allies, are simply designed to be prudent, appropriate, certainly non-threatening adaptations. So the alliance can do what it has pledged it will do, which is be there as needed.

So we are, again, I think we're making rather modest and prudent adjustments, and certainly these are adjustments that are well within any international commitments that NATO has made with regard to stationing combat forces in the east, which we are not doing on a permanent basis.

Moderator: Thank you for that, Ambassador Lute.

With that, I'm afraid that we are, our time has come to an end here. I know several of you were waiting to ask questions and we're sorry we just couldn't get to all of them. We had so many questions in the queue. But again, thank you, Ambassador Lute for joining us, and thanks to all of you for dialing in.

We're going to prepare a transcript of today's call and a digital recording is going to be available for the next 24 hours. So I will turn it over to AT&T to give you those instructions.

Ambassador Lute: I want to just thank everybody for participating. Thanks very much.

Moderator: Thank you.

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