Testimony before the House Foreign Affairs Subcommittee on Europe Prepared Remarks on "Assessing the Challenges Facing NATO" Julianne Smith, Former U.S. Permanent Representative to NATO (2021-24) June 4, 2025

Chairman Self, Ranking Member Keating, Members of the Committee:

Thank you for the opportunity to speak with you today about NATO, its ongoing transformation, its centrality to U.S. national security, and some of the challenges ahead.

For more than seventy-five years, NATO has been the bedrock of transatlantic peace and security. From the Cold War to the Balkans, from counterterrorism to cyber defense, the Alliance has consistently adapted to meet new challenges. Yet NATO's enduring strength lies not only in its military might but in the shared values of its members and their collective commitment to defend one another. For these past decades, NATO has superbly served both U.S. and European interests by keeping the peace in Europe, which allowed our economies to boom and expanded the zone of democracy.

In recent years, NATO has undergone one of its most significant transformations in decades. In response to Russia's vicious and unprovoked invasion of Ukraine, the Alliance has shown historic unity and resolve. Every single member of the Alliance has offered economic, humanitarian, or military support to Ukraine. NATO launched a new NATO-Ukraine Council to enable Ukraine to sit at the NATO table as an equal partner. NATO also welcomed two exceptionally capable new democracies as members—Finland and Sweden. That has strengthened our collective defense and sent a clear message to Moscow that its aggression has consequences. On the eastern flank, NATO established four new multinational battalions, bolstering the Alliance's forward-defense posture from the Baltic to the Black Sea.

At the same time, NATO has expanded its partnerships in the Indo-Pacific. That reflects our shared recognition that security challenges like cyberattacks are increasingly global. In 2022, NATO mentioned China in its Strategic Concept for the first time. And perhaps most critically, we have seen a striking rise in European defense spending. Allies are investing more and more in their own security, spurred both by U.S. leadership and by the specter of Putin's highly aggressive Russia. Today, 23 Allies spend the agreed-upon 2 percent of their GDP on defense—up from just six in 2021.

That momentum is set to accelerate. Later this month, NATO leaders will gather in The Hague for their annual summit. Allies are expected to announce a new commitment to spend 3.5 percent of GDP on hard defense and another 1.5 percent on related items like infrastructure and cybersecurity. This is very good news. For decades, Europeans have underinvested in their own security. And due to Europe's generous military support to Ukraine in recent years, the current capability gaps across the continent are acute.

We should celebrate this progress, but we must also be clear-eyed about some of the associated challenges. Let me mention three.

First, more money alone will not fix the fragmentation of Europe's defense industrial base. Without meaningful work to coordinate procurement, standardize requirements, and deepen defense industrial cooperation, this influx of funding runs the risk of simply reinforcing the inefficiencies that have long plagued European defense. Consider tanks for just one example.

Unlike the U.S., which fields a single main battle tank—the M1 Abrams—across its forces, NATO's European members have more than a dozen different types of tanks in service. This kind of fragmentation complicates joint operations, undermines NATO's cohesion, increases costs, and slows production and procurement. NATO must ensure that increased spending leads to increased capability—not just duplicated or siloed efforts.

Second, spending needs a strategy. Right now, the Alliance lacks a coherent approach to dealing with Russia beyond deterrence. NATO's long-term posture remains unsettled, and so do our collective objectives regarding Moscow—including the future of the NATO Russia Founding Act and the NATO Russia Council. NATO Allies created a plan to tackle such questions when they committed last year at the Washington summit to unveil a new Russia strategy during this year's summit in the Hague. But the Alliance has paused work on that strategy for fear that it might not reach consensus in the current political climate. That was a mistake. Without a clearly articulated and forward-looking Russia strategy, we risk losing the political rationale for sustained investment. Allies need clarity about what they are building toward and defending against. And NATO must continue to develop a toolkit to address Russia's hybrid tactics.

Finally, the Alliance today is grappling with a growing trust deficit, which is quietly shaping the way that Allies approach increased defense spending. Many European governments worry that U.S. support for NATO is now conditional or transactional and subject to sudden shifts in domestic politics. Some Allies worry about the recent U.S. shift away from support for Ukraine, which served as the chief organizing principle of NATO unity for these past three years. These new uncertainties are leading Allies to hedge their bets: instead of making bold, long-term investments in shared NATO capabilities or co-production with the United States, some Allies are focusing solely on capabilities made in Europe. Unless this trust gap is addressed directly—with steady U.S. leadership, transparency, and a shared strategic vision—America's security will be undermined, and the Alliance as a whole will risk missing the full potential of the current momentum. Burden-sharing with our Allies must be pursued through partnership, not threats to disengage.

Ladies and gentlemen, NATO is one of our greatest strategic assets. NATO remains the most successful military alliance in history, and it is crucial to both U.S. and European security. But the way we manage this moment will define the next generation of transatlantic security. We must lead with vision, principle, and humility. And we must invest wisely, and anchor our efforts in strategy, security, and solidarity. Thank you, and I look forward to your questions