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U.S. GOVERNMENT
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110TH CONGRESS
2d Session

SENATE

EXEC. REPT.
110–27

PROTOCOLS TO THE NORTH ATLANTIC TREATY OF 1949 ON THE ACCESSION OF ALBANIA AND CROATIA

SEPTEMBER 23, 2008.—Ordered to be printed

Mr. DODD, from the Committee on Foreign Relations, submitted the following

REPORT

[To accompany Treaty Doc. 110–20]

The Committee on Foreign Relations, to which were referred the Protocols to the North Atlantic Treaty of 1949 on the Accession of the Republic of Albania and the Republic of Croatia, adopted at Brussels on July 9, 2008, and signed that day on behalf of the United States of America, having considered the same, reports favorably thereon subject to one declaration and one condition for each Protocol, as indicated in the resolutions of advice and consent for each treaty, and recommends the Senate give its advice and consent to ratification thereof, as set forth in this report and the accompanying resolutions of advice and consent.

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I. PURPOSE

These Protocols are a vehicle for inviting the Republic of Albania and the Republic of Croatia to accede to the North Atlantic Treaty (the "Treaty") in accordance with Article 10 of the Treaty and thus become a member of the North Atlantic Treaty Organization ("NATO"), with all of the privileges and responsibilities that apply to current Allies. The core commitment made among the Allies is embodied in the text of the Treaty, including the collective defense provision in Article 5.

II. BACKGROUND

The North Atlantic Treaty entered into force on August 24, 1949, with twelve states having ratified the Treaty. The original parties of the Treaty, and thus the original members of NATO, were the United States, Canada, the United Kingdom, France, Italy, the Netherlands, Belgium, Portugal, Denmark, Norway, Iceland, and Luxembourg. The alliance has expanded five times: in 1952, Greece and Turkey became members; in 1955, West Germany; in 1982, Spain; in 1999, Poland, Hungary and the Czech Republic; and in 2004, Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia.

The process leading to the enlargement of the alliance has been refined since the Cold War. NATO remains a military alliance, but also became an agent of peace, holding new members to higher democratic and economic standards and creating a secure space for newly free nations to develop. Military reform and achieving interoperability with NATO remains essential, but the character of the new allied country is also important. The debate over the last two enlargements has centered on what standard of political or economic development is adequate for accession to the alliance.

In the 1990s, Secretary of Defense William Perry established benchmarks used to assess new members. These are democratic elections, individual liberty, and the rule of law; commitment to economic reform and a market economy; adherence to the norms of the Organization for Security and Cooperation in Europe (OSCE) in the treatment of ethnic minorities and social justice; resolution of territorial disputes with neighbors; and the establishment of democratic control of the military. Albania and Croatia have attempted to address these issues in the course of their NATO membership applications and the committee has examined them using the so-called "Perry Principles."

Engagement with NATO to assist a country's democratic and economic development is not the end of reform. The experience of previous NATO enlargements suggests that countries continue the reform process after admission.

III. QUALIFICATIONS OF ALBANIA AND CROATIA FOR NATO MEMBERSHIP

The Republic of Albania

The Albanian population overwhelmingly supports NATO membership and their government has made it a centerpiece of its foreign policy. Albania's progress in meeting NATO standards is remarkable given its isolated and underdeveloped situation following the death of dictator Enver Hoxha in 1985.

Albania is a parliamentary democracy under a ten-year-old constitution. Albania's greatest challenge in meeting membership standards involved its political reform process. In July 2005, the Democratic Party's victory in parliamentary elections led to a peaceful transfer of power. The presidential election in July 2007 built on the success of two years earlier. The Albanian government has made strides fighting organized crime and human trafficking. There have also been efforts to reform the judiciary and fight corruption. Corruption is a fairly serious problem; Transparency International's annual index rated Albania the 105th most transparent

country out of 180 in 2007. Freedom House also noted that "Although corruption pervades all areas of life, the government appears to be making some efforts to address the problem."

Albania suffered from massive outflows of labor migration, but an improving economy has curtailed emigration. In 2007, Albania's GDP grew by 6 percent and inflation remains low. The telephone company has been privatized and an insurance company and the energy sector are in the process of privatization. Economic stability has led to development of Albania's nascent oil extraction industry. Infrastructure is poor and requires investment. The Albanians have increased trade significantly and are beginning to attract foreign direct investment.

Protection of minority rights has increased, particularly for the Greek minority, who have no restrictions on their language and culture, but problems remain for the country's Roma and Egyptian minorities. An Albanian civil society does exist free of government control, but such freedom requires time to fully develop.

Albania has forsaken any irredentist claims on neighboring countries with ethnic Albanian regions. They have used their ethnic ties to Kosovo to promote moderation there. The Albanian military is accountable to the democratically elected government. Albania used international assistance to restructure its armed forces as a smaller and professional force. Albania has joined ongoing NATO operations enthusiastically. According to Assistant Secretary of State Daniel Fried in his testimony before this committee on March 11, 2008, "Albania is the single greatest per-capita contributor to NATO and Coalition operations in Afghanistan and Iraq and elsewhere." The country has hosted a logistics support center to facilitate NATO peacekeeping in Kosovo. Albania's capital now hosts a regional military command—NATO HQ Tirana. The Albanian government has committed to spending 2 percent of its GDP on defense, consistent with NATO recommendations. NATO and the member states have helped Albania cope with its stockpiles of dangerous ordnance and landmines which remain a serious problem.

The Republic of Croatia

Croatia is a stable parliamentary democracy possessing strong institutions. There have been successive successful democratic elections. Corruption remains an issue of concern as Transparency International's annual index rated Croatia the 64th most transparent country out of 180 in 2007, low by European standards, but much better than their eastern neighbors.

Croatia's candidacy for membership in the European Union testifies to the strength of its economic and social reforms. The European Union is its closest trading partner and the Croatian economy is closely linked to that of the EU.

Croatia has good relations with its neighbors. The Croatian government has played a positive role in Kosovo and has promoted stability in Bosnia. Croatia's election as a non-permanent member of the UN Security Council has enhanced its prestige.

The Croatian military is accountable to the democratically elected government. Croatia has been an avid participant in NATO since 2000 when it joined the Partnership for Peace. Croatia is an active participant in NATO exercises and operations; it is the lead nation in the NATO Trust Fund for Bosnia and Herzegovina. Cro-

atia has about 300 troops in Afghanistan and trains Afghan military and police units. Croatia has completed most of the restructuring required to bring its forces up to NATO standards. It has developed a "long-term development plan" in consultation with NATO. The Croatian government has committed to spending 2 percent of its GDP on defense, consistent with NATO recommendations. Concerns about public support for NATO membership have dissipated.

Croatia still has not addressed the problem of property restitution. The country's current legal framework discriminates against current non-Croatian citizens whose property was seized during the Second World War and during the communist era. Beyond this, judicial reform in general is an area in need of further reform. Croatia also has to cope with the legacy of war, including providing adequate housing for returning refugees. Significant numbers of ethnic Serbs have returned to Croatia and while problems remain, this is a major achievement.

IV. Entry Into Force

Each Protocol will enter into force when all of the current Parties to the North Atlantic Treaty have notified the Government of the United States of America, which is the depositary for the North Atlantic Treaty, of their acceptance of each Protocol. Once each Protocol has entered into force, the Secretary General of NATO shall extend an invitation to the named state to accede to the North Atlantic Treaty and in accordance with Article 10 of the Treaty, that state shall become a Party to the Treaty on the date it deposits its instrument of accession with the Government of the United States of America.

V. Committee Action

The committee held a public hearing on NATO enlargement on March 11, 2008, and testimony was received from Mr. Daniel Fried, Assistant Secretary for European Affairs at the Department of State; General John Craddock, U.S. European Command and Supreme Allied Commander; Dr. Ronald D. Asmus, Executive Director Transatlantic Center; Dr. Philip H. Gordon, Senior Fellow for U.S. Foreign Policy; and Mr. Bruce Jackson, President of the Project on Transitional Democracies. A transcript of this hearing is forthcoming in S. Hrg. 110–506.

The committee held a public hearing specifically on these protocols on September 10, 2008. Testimony was received from Assistant Secretary Fried and Mr. Daniel P. Fata, Deputy Assistant Secretary for European and NATO Policy at the Department of Defense. A transcript of this hearing is forthcoming in S. Hrg. 110–507.

On September 23, 2008, the committee considered these treaties and ordered them favorably reported by voice vote, with a quorum present and without objection.

VI. Committee Recommendation and Comments

The Committee on Foreign Relations believes that these two countries have the potential to make significant contributions as members of the alliance. They have already demonstrated this po-

tential through their valuable participation in recent years in NATO combat and peacekeeping operations as part of their Membership Action Plans. The admission of Albania and Croatia to the alliance will have a stabilizing effect on Southeastern Europe. Their membership will encourage the spread of peace and democracy in the region and their willingness to contribute to ongoing NATO operations will augment NATO's resources.

Both countries have demonstrated their willingness and ability to contribute to regional security by participation in peacekeeping operations. As NATO's obligations expand, it is important to leave the door open to countries willing to shoulder the responsibilities of membership.

Albania and Croatia are located in a region of Europe scarred by recent conflicts. One of NATO's greatest accomplishments has been building security and democracy in the Balkans; Albania's and Croatia's membership will represent a consolidation of that process.

It will take some time for both countries to consolidate the political and economic gains they have made during the past decade. Both countries still need to make greater efforts against corruption and to increase official accountability. Albania's political and economic development has not progressed as far as Croatia's. The committee believes, however, that Albania's commitment to NATO membership is strong and that its addition to the alliance is warranted.

NATO stands ready to welcome the nations of South-Eastern Europe into the Euro-Atlantic community. In the Bucharest Summit Declaration, Bosnia and Herzegovina and Montenegro were invited to begin an Intensified Dialogue on "the full range of political, military, financial, and security issues relating to their aspirations to membership." Having Albania and Croatia within the alliance will enhance that dialogue. Accordingly, the committee urges the Senate to act promptly to give advice and consent to ratification of these two Protocols of Accession, as set forth in this report and the accompanying resolution of advice and consent.

Resolutions

The committee has included in proposed resolutions for each Protocol one declaration and one condition, which are discussed below.

Declaration

The committee has included the same declaration in the proposed resolution for each Protocol, which makes clear that it is important for NATO to keep its door open to all European democracies willing and able to assume the responsibilities and obligations of membership. As noted above, it is important to welcome new democracies into NATO, particularly as NATO expands its commitments.

Condition

The committee has included the same condition in the proposed resolution for each Protocol, which requires the President to certify, prior to the deposit of the instrument of ratification for each Protocol, that (1) the inclusion of Albania and Croatia in NATO will not have the effect of increasing the overall percentage share of the United States in the common budget of NATO; and (2) the inclu-

sion of Albania and Croatia in NATO will not detract from the ability of the United States to meet or to fund its military requirements outside the North Atlantic area.

The administration has indicated in reports to Congress that the addition of these two new allies would lower NATO's common budget assessment for the United States, even taking into account the costs of enlargement. Based on both countries' Gross National Income (GNI), Albania will pay 0.0685 percent and Croatia will pay 0.25550 percent of the common budget annually. This will reduce the United States share of the annual budget assessment by .08 percent. The estimated cost of enlargement is $120 million for Albania and Croatia, or $60 million apiece. This money will be found within the budget by reprogramming money from other projects within the NATO budget. Much of the $120 million will be expended over a ten year period for construction of infrastructure improvements at facilities that will be used by NATO personnel. The remaining money will be spent establishing secure communications between the two new Members and the alliance.

The Government Accountability Office (GAO) reviewed the President's report to Congress on Albania and Croatia of June 20, 2008 in a report dated September 22, 2008. The report found that "the June 2008 classified and unclassified reports provide little information concerning Albania's and Croatia's ability to meet the full range of financial burdens of NATO membership and do not identify the methodology used to support the conclusions that Albania and Croatia should be able to meet their financial obligations." Given that their financial contribution to NATO would be reasonably modest, it seems unlikely to create a problem for either country. Nevertheless, the committee agrees with the GAO's conclusion and expects the Executive to obtain further information, as appropriate, before certifying that the inclusion of Albania and Croatia in NATO will not have the effect of increasing the overall percentage share of the United States in the common budget of NATO.

The administration's Report to Congress on the Future Enlargement of NATO, dated May 30, 2008, notes that the United States is confident that the accession of Albania and Croatia will have a positive impact on the Alliance. It does not address whether the addition of these countries to NATO will "detract from the ability of the United States to meet or to fund its military requirements outside the North Atlantic area." The committee expects the President to address this question in his certification.

VII. Resolutions of Advice and Consent to Ratification

Protocol to the North Atlantic Treaty of 1949 on the Accession of the Republic of Albania

Resolved (two-thirds of the Senators present concurring therein),

SECTION 1. SENATE ADVICE AND CONSENT SUBJECT TO A DECLARATION AND A CONDITION.

The Senate advises and consents to the ratification of the Protocol to the North Atlantic Treaty of 1949 on the Accession of the Republic of Albania, adopted at Brussels on July 9, 2008, and signed that day on behalf of the United States of America (the "Protocol") (Treaty Doc. 110–20), subject to the declaration of section 2 and the condition of section 3.

SECTION 2. DECLARATION

The advice and consent of the Senate under section 1 is subject to the following declaration:

(a) Article 10 of the North Atlantic Treaty provides that Parties may, by unanimous agreement, invite any other European State in a position to further the principles of the North Atlantic Treaty and to contribute to the security of the North Atlantic area to accede to the North Atlantic Treaty, and thus become a member of the North Atlantic Treaty Organization ("NATO").

(b) The Bucharest Summit Declaration, issued by the Heads of States and Governments participating in the meeting of the North Atlantic Council in Bucharest on April 3, 2008, states that NATO welcomes Ukraine's and Georgia's Euro-Atlantic aspirations for membership in NATO. The Bucharest Summit Declaration additionally states that it was "agreed today that these countries will become members of NATO."

(c) The Senate declares that it is important that NATO keep its door open to all European democracies willing and able to assume the responsibilities and obligations of membership.

SECTION 3. CONDITION

The advice and consent of the Senate under section 1 is subject to the following condition:

Presidential Certification

Prior to the deposit of the instrument of ratification, the President shall certify to the Senate as follows:

1. The inclusion of the Republic of Albania in NATO will not have the effect of increasing the overall percentage share of the United States in the common budgets of NATO; and

2. The inclusion of the Republic of Albania in NATO does not detract from the ability of the United States to meet or to fund its military requirements outside the North Atlantic area.

PROTOCOL TO THE NORTH ATLANTIC TREATY OF 1949 ON THE ACCESSION OF THE REPUBLIC OF CROATIA

Resolved (two-thirds of the Senators present concurring therein),

SECTION 1. SENATE ADVICE AND CONSENT SUBJECT TO A DECLARATION AND A CONDITION.

The Senate advises and consents to the ratification of the Protocol to the North Atlantic Treaty of 1949 on the Accession of the Republic of Croatia, adopted at Brussels on July 9, 2008, and signed that day on behalf of the United States of America (the "Protocol") (Treaty Doc. 110–20), subject to the declaration of section 2 and the condition of section 3.

SECTION 2. DECLARATION

The advice and consent of the Senate under section 1 is subject to the following declaration:

(a) Article 10 of the North Atlantic Treaty provides that Parties may, by unanimous agreement, invite any other European State in a position to further the principles of the North Atlantic Treaty and to contribute to the security of the North Atlantic area to accede to the North Atlantic Treaty, and thus be-

come a member of the North Atlantic Treaty Organization ("NATO").

(b) The Bucharest Summit Declaration, issued by the Heads of States and Governments participating in the meeting of the North Atlantic Council in Bucharest on April 3, 2008, states that NATO welcomes Ukraine's and Georgia's Euro-Atlantic aspirations for membership in NATO. The Bucharest Summit Declaration additionally states that it was "agreed today that these countries will become members of NATO."

(c) The Senate declares that it is important that NATO keep its door open to all European democracies willing and able to assume the responsibilities and obligations of membership.

SECTION 3. CONDITION

The advice and consent of the Senate under section 1 is subject to the following condition:

Presidential Certification

Prior to the deposit of the instrument of ratification, the President shall certify to the Senate as follows:

1. The inclusion of the Republic of Croatia in NATO will not have the effect of increasing the overall percentage share of the United States in the common budgets of NATO; and

2. The inclusion of the Republic of Croatia in NATO does not detract from the ability of the United States to meet or to fund its military requirements outside the North Atlantic area.

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