



Department of Defense

# DIRECTIVE

**NUMBER** 2010.05

December 13, 2004

Incorporating Change 1, August 31, 2018

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USD(A&S)

**SUBJECT:** The North Atlantic Treaty Organization (NATO) Security Investment Program

- References:**
- (a) DoD Directive 2010.5, "DoD Participation In The North Atlantic Treaty Organization (NATO) Infrastructure Program," June 24, 1992 (hereby canceled)
  - (b) North Atlantic Treaty Organization Infrastructure Committee Document AC/4-D/2261, "Procedures for International Competitive Bidding," January 12, 1996<sup>1</sup>
  - (c) Federal Acquisition Regulation, current edition
  - (d) Defense Federal Acquisition Regulation Supplement, current edition
  - (e) through (g), see enclosure 1

## 1. REISSUANCE AND PURPOSE

This Directive reissues and renames reference (a) to:

- 1.1. Update policies governing DoD participation in the North Atlantic Treaty Organization (NATO) Security Investment Program (NSIP).
- 1.2. Assign responsibilities for DoD participation in the NSIP.

## 2. APPLICABILITY AND SCOPE

This Directive applies to:

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<sup>1</sup> Copies may be obtained from the North Atlantic Treaty Organization, HQ Supreme Allied Commander, Transformation, 7857 Blandy Road Suite 100, Norfolk, Virginia 23551-2490

2.1. The Office of the Secretary of Defense, the Military Departments (including their Reserve components), the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities in the Department of Defense (hereafter referred to collectively as the “DoD Components”).

2.2. Military construction, equipment procurement, and other projects eligible for funding through the NSIP.

2.3. The use of appropriated funds available to the Department of Defense for projects that may become eligible for NATO funding.

### 3. DEFINITIONS

Terms used in this Directive are defined in enclosure 2.

### 4. POLICY

It is DoD policy that:

4.1. Facilities and equipment required to support U.S. NATO-assigned forces and NATO operational plans shall be funded, to the maximum extent possible, through the NSIP.

4.2. Infrastructure requirements shall be identified by the DoD Components and based on U.S. Defense Planning Guidance, NATO Ministerial Guidance, NATO force goals, force assignments as reflected in the U.S. response to the NATO Defense Planning Questionnaire, and the NATO Strategic Commanders’ (SCs) long-term infrastructure plans.

4.3. The design and construction of infrastructure projects to be used by the United States in NATO countries, including pre-financed projects, shall conform to established NATO criteria and standards. U.S. safety, environmental, and energy conservation requirements that exceed the NATO standard, but are mandated by U.S. laws or DoD regulations are exempt from that policy.

4.4. The use of appropriated funds for the construction or procurement of a project that is eligible for NSIP funding (i.e., "pre-financing") shall be limited to those projects that are of the highest operational priority and may not be completed or acquired through the NSIP in the time frame required by U.S. military commanders.

4.4.1. The Commander, U.S. European Command, and the Commander, U.S. Joint Forces Command, shall notify the NATO Infrastructure Committee (IC) of the United States’ intent to pre-finance before contract award. NATO bidding and contracting procedures under NATO Infrastructure Committee Document AC/4-D/2261 (reference (b)) shall be followed by the respective Secretaries of the Military Departments for ensuring future recoupment, except

where prohibited by law or the Federal Acquisition Regulation and the Defense Federal Acquisition Regulation (references (c) and (d)).

4.4.2. NATO documentation for the recoupment of a pre-financed project shall be submitted for authorization, once sufficient NATO support for the pre-financed project is obtained, as evidenced by inclusion of the project in a Capability Package (CP) endorsed by the Senior Resource Board (SRB). If NATO funds become available during project construction, U.S. funds shall be promptly deobligated. DoD asset accounts shall be adjusted as appropriate.

4.4.3. Recoupment of all pre-financed projects shall be aggressively pursued. Complete records on all pre-financed projects shall be maintained until issuance and acceptance of the certificate of final financial acceptance (COFFA) document by the International Board of Auditors for NATO.

4.5. Pre-financing statements shall be submitted to the NATO IC for all projects that should become eligible for future NSIP funding.

4.6. When advantageous to U.S. interests, NSIP funding shall be sought for new categories of infrastructure or expansions to existing criteria and standards. When the development of a new category or the expansion of criteria is not practical, as for a unique operational requirement, NSIP funding should be pursued as a one-time exception to eligibility and criteria standards.

4.7. NATO international competitive bidding (ICB) procedures under reference (b) shall be used when the Department of Defense acts as a contracting agent for NATO, when the contract reflects an agency relationship, or when NATO funds are used instead of U.S.-appropriated funds. References (c) and (d) shall also be used whenever such regulations are consistent with NATO ICB procedures.

4.8. U.S. participation in the NSIP shall be governed by NATO Document AC/4-M/206 (reference (e)), NATO Bi-Strategic Command Capability Package Directive 85-1 (reference (f)), and implementation policies issued by the DoD Components.

## 5. RESPONSIBILITIES

5.1. The Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) shall:

5.1.1. Review all long-range planning, and coordinate the NSIP with the U.S. Military Construction Program.

5.1.2. Coordinate with the Under Secretary of Defense for Policy on all policy matters for U.S. participation in the NSIP.

5.1.3. Represent the Department of Defense as the principal delegate at all international conferences and meetings on the NSIP.

5.1.4. In coordination with the Chief, U.S. Mission to NATO, and the Under Secretary of Defense (Comptroller)(USD(C))/Chief Financial Officer:

5.1.4.1. Determine the level of annual funding required to meet U.S. obligations to the NSIP.

5.1.4.2. Prepare and submit the annual budget request to the USD(C).

5.1.4.3. Support annual funding requirements before Congress.

5.1.5. In cooperation with the Chief, U.S. Mission to NATO, and the Secretary of Commerce promote increased participation by U.S. companies in procurements under the NSIP.

5.2. The Under Secretary of Defense for Policy shall:

5.2.1. Develop all policy guidance on U.S. participation in the NSIP.

5.2.2. Act as the principal point-of-contact with the Department of State for all infrastructure-related matters.

5.3. The Under Secretary of Defense (Comptroller)/Chief Financial Officer shall:

5.3.1. Establish the fiscal guidance and procedures that govern U.S. participation in the NSIP.

5.3.2. Review annual budget requirements for the U.S. contribution to the NSIP from the USD(AT&L).

5.3.3. Act as the principal point of contact on all NATO infrastructure-related matters with the Office of Management and Budget.

5.4. The Secretaries of the Military Departments shall:

5.4.1. Coordinate NSIP planning with overall construction and equipment procurement planning in support of NATO.

5.4.2. Plan and budget for the U.S. share of conjunctively funded projects and for costs incidental to the implementation of NATO-funded infrastructure projects.

5.4.3. Act as a host-nation construction agent for NATO when required.

5.5 The Secretary of the Army shall submit a monthly Status of NATO Infrastructure Funds Report to the USD(AT&L); the USD(C); and the Chief, U.S. Mission to NATO (Report Control Symbol (RCS) DD-MIL(M)1672).

5.6. The Secretary of the Navy shall:

5.6.1. Act as the host-nation construction agent in the United States and Iceland.

5.6.2. Design, construct, and schedule joint formal acceptance inspections; correct deficiencies; and schedule and participate in NATO audits.

5.6.3. Report the progress and financial status of NATO-funded projects from project initiation through audit and issuance of a COFFA.

5.6.4. Program for host-nation infrastructure support funds incidental to executing programmed NATO projects.

5.6.5. Submit, through the Naval Facilities Engineering Division, Atlantic Division, the Semi-Annual Infrastructure Progress Report in accordance with Allied Commander, Transformation, Infrastructure Planning Guidance.

5.6.6. Prepare and submit, through the U.S. Army Europe, the NATO Semi-Annual Financial Report to Headquarters, NATO.

5.7. The Chairman of the Joint Chiefs of Staff shall:

5.7.1. Provide recommendations on NATO infrastructure operational requirements and related matters to the Secretary of Defense.

5.7.2. Provide guidance on NATO operational requirements to the U.S. Delegation to the NATO Military Committee; the Commander, U.S. European Command; and the Commander, U.S. Joint Forces Command.

5.8. The Commander, U.S. European Command, and the Commander, U.S. Joint Forces Command, through the Chairman of the Joint Chiefs of Staff, shall:

5.8.1. Manage command participation in the NSIP. Based on program guidance in sections 4. and 6., direct policy, planning, and project implementation consistent with DoD guidance to appropriate theater component commands and the other DoD Components.

5.8.2. Maintain direct liaison with the NATO military commanders and host nations on all NATO infrastructure-related matters. As required, provide representation at all NATO infrastructure conferences and meetings.

5.8.3. Develop long-range infrastructure plans and ensure the timely inclusion of U.S. requirements into the NATO SCs' long-term infrastructure plans and into appropriate annual programs.

5.8.4. Develop integrated priorities for all U.S. NSIP infrastructure requirements.

5.8.5. Review all the DoD Components' requests for pre-financing. Promote an aggressive program to recoup funds.

5.8.6. Monitor program execution to ensure the timely implementation of U.S. user projects.

5.8.7. Organize and conduct annual infrastructure planning conferences for U.S. personnel.

5.8.8. Provide training on NSIP planning, programming, and project implementation for U.S. component commands.

5.8.9. Submit, through the Commander, U.S. European Command, on an annual basis, a NATO Infrastructure Prefinancing and Recoupment Status Report (RCS DD-MIL(Q)1673).

5.8.10. Coordinate CP requirements representing relevant U.S. interests with the Commander of the appropriate Strategic Command.

5.9. The Chief, U.S. Mission to NATO, shall:

5.9.1. Coordinate preparation of annual budget requirements for the U.S. share of the NSIP with the USD(AT&L) and the USD(C).

5.9.2. Provide information and assistance to U.S. companies on NATO infrastructure bidding and contracting.

## 6. INFORMATION REQUIREMENTS


6.1. The Army shall submit the monthly Status of NATO Infrastructure Funds Report, Report Control Symbol (RCS) DD-MIL(M)1672, in accordance with DoD 8910.1-M (reference (g)).

6.2. The Commander, U.S. European Command, shall submit on an annual basis a NATO Infrastructure Prefinancing and Recoupment Status Report, RCS DD-MIL(Q)1673.

7. SUMMARY OF CHANGE 1. This change reassigns the office of primary responsibility for this directive to the Under Secretary of Defense for Acquisition and Sustainment in accordance with the July 13, 2018 Deputy Secretary of Defense Memorandum (Reference (h)).

8. EFFECTIVE DATE

This Directive is effective immediately.



Paul Wolfowitz  
Deputy Secretary of Defense

Enclosures - 2

E1. References, continued

E2. Definitions

E1. ENCLOSURE 1

REFERENCES, continued

- (e) North Atlantic Treaty Organization Document AC/4-M/206, “NATO Infrastructure Manual,” Aug 1991<sup>2</sup>
- (f) North Atlantic Treaty Organization Bi-Strategic Command Capability Package Directive 85-1, September 2001<sup>3</sup>
- (g) DoD 8910.1-M, “DoD Procedures for Management of Information Requirements,” June 30, 1998
- (h) Deputy Secretary of Defense Memorandum, “Establishment of the Office of the Under Secretary of Defense for Research and Engineering and the Office of the Under Secretary of Defense for Acquisition and Sustainment,” July 13, 2018

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## E2. ENCLOSURE 2

### DEFINITIONS

E2.1.1. Capability Package (CP). A combination of national (military and civilian) and NATO funded infrastructure; operations, and maintenance; manpower; and associated costs that, with the military forces and other essential requirements, enable a NATO Commander to achieve a specific military required capability. Projects proposed for NSIP funding eligibility shall be supported by a CP to obtain IC authorization for NSIP funding. The CP process is defined by reference (f).

E2.1.2. Conjunctive Funding. The use of U.S.-appropriated funds for those parts of a project that exceed NATO criteria and are not eligible for NATO funding.

E2.1.3. Criteria and Standards. NATO guidelines for the design and construction of the NSIP projects.

E2.1.4. Defense Planning Questionnaire; U.S. Response To. Notification to NATO of the U.S. forces, weapons systems, and equipment that shall be assigned to NATO. Response is a 6-year projection of force assignments and includes bed down locations and initial deployment areas for U.S. NATO-assigned reinforcement forces.

E2.1.5. Eligibility. Categories and types of projects that the NATO allies have agreed shall be funded through the NSIP. Currently, the following 16 categories of infrastructure are eligible for NATO funding:

E2.1.5.1. Airfields.

E2.1.5.2. Ammunition Storage.

E2.1.5.3. Anti- Submarine and Surface Vessels Warning Installations.

E2.1.5.4. Communications.

E2.1.5.5. Forward Storage Sites.

E2.1.5.6. Information Systems

E2.1.5.7. Naval Bases.

E2.1.5.8. Navigation Aids.

E2.1.5.9. Petroleum, Oil, and Lubricants Installations.

E2.1.5.10. Reinforcement Support.

E2.1.5.11. Surface-to-Air Missiles.

E2.1.5.12. Surface-to-Surface Missiles.

E2.1.5.13. Training Installations.

E2.1.5.14. War Headquarters.

E2.1.5.15. Warning Installations.

E2.1.5.16. Miscellaneous (Various).

E2.1.6. Host Nation. The nation on whose territory a NATO infrastructure project is located or shall be constructed. As an exception, the United States acts as the host nation for infrastructure project implementation in Iceland. For certain projects that are theater-wide in scope, a NATO Agency or an SC may act as the host nation. As an agent for NATO, the host nation has the responsibility for design, contracting, and project implementation.

E2.1.7. Infrastructure. The term used for buildings, pavements, piers, and other fixed facilities or structures. It has been expanded to include certain mobile projects (e.g., radars and mobile operational war headquarters) and equipment essential to NATO operations and war plans (e.g., communications and information technology systems).

E2.1.8. Infrastructure Committee (IC). The NATO committee responsible for overseeing NSIP budgetary control, funding authorizations, implementation, and acceptance of work.

E2.1.9. International Competitive Bidding (ICB). NATO procedures under reference (b) that mandate competitive bidding for infrastructure contracts. Competition is restricted to participating NATO nations. Waivers to the ICB shall be approved by the IC.

E2.1.10. Joint Formal Acceptance Inspection. The final inspection of a completed NATO project for ensuring compliance with the approved scope and fund authorization.

E2.1.11. North Atlantic Treaty Organization (NATO)-Assigned Forces. Forces that Allied nations have agreed to place under operational command or control of a NATO Commander at a specific time or stage of NATO alert.

E2.1.12. Pre-Financing Statement. A notification of intent to use U.S.-appropriated funds to acquire a project that is or may become eligible for NATO infrastructure funding. The procedure preserves the future right to recoup funds if the project becomes eligible.

E2.1.13. Recoupment. NATO reimbursement of U.S. funds previously used to pre-finance an infrastructure project.

E2.1.14. Senior Resource Board (SRB). The NATO committee responsible for reviewing CPs and endorsing the scope, content, and cost of the proposed projects in support of NATO's minimum military requirement. Inclusion of a project in a SRB-endorsed CP is required before submitting it for further NSIP funding approval by the IC.

E2.1.15. Strategic Commander (SC). The two NATO SCs are:

E2.1.15.1. The Supreme Allied Commander, Europe, who commands Allied Command Operations and oversees all NATO operations.

E2.1.15.2. The Supreme Allied Commander, Transformation, who directs the transformation of NATO's forces and military capabilities.

E2.1.16. U.S. Mission to NATO. The U.S. diplomatic mission to NATO located at NATO Headquarters, Brussels, Belgium. The mission is led by the U.S. Permanent Representative to the North Atlantic Council.