Department of Defense

Military Construction Program

Fiscal Year 2027 BUDGET

North Atlantic Treaty Organization
Security Investment Program

April 2026

Justification Data Submitted to Congress

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NATO SECURITY INVESTMENT PROGRAM (NSIP)

Budget Justification for Fiscal Year 2027 President's Budget

Executive Summary

Table 1: Funding Overview

	FY 2025 ($K)	FY 2026 ($K)	FY 2027 ($K)
Discretionary			
NATO Security Investment Program	$293,434	$481,832	$604,270
Mandatory			
NATO Security Investment Program	$0	$0	$0
Total	**$293,434**	**$481,832**	**$604,270**

Mandatory Funding Justification:
The FY2027 request for the NATO Security Investment Program includes $604,270 thousand of discretionary and no mandatory funding for a total of $604,270 thousand.

The FY2026 amount for the NATO Security Investment Program includes $481,832 of discretionary and no mandatory(reconciliation) funding for a total of $481,832 thousand.

NSIP Overview: Fiscal Year 2027 U.S. Budget Requirements

The North Atlantic Treaty Organization (NATO) Security Investment Program (NSIP) is a burden-sharing program with approximately 85% of funding coming from non-U.S. allied nations. The NSIP common fund enables European Allies to take primary responsibility for European Security in deterrence and defense while enabling the United States to focus on defending the homeland and countering threats in the Indo-Pacific. The NSIP delivers warfighting infrastructure (physical and digital) for NATO that provides critical collective capabilities that support NATO's deterrence and defense of the Euro-Atlantic area.

The U.S. benefits from a favorable cost-share agreement negotiated in 2019.European allies and Canada shoulder ~85% of the costs for all new programs; U.S. share of NSIP funding is 15%. Much of this funding directly offsets U.S. military construction costs. One third of active NSIP projects are

facilities improvements at U.S. Theater Postures sites, one third are facilities improvements at allied sites and one third are digital backbone improvements, for which the U.S. also benefits.

The table below reflects the NSIP budget request for PB 2027, to cover the U.S. share of the NSIP program.

NSIP Funding ($ in thousands)	FY 2025 Actuals[1]	FY 2026 Enacted	FY 2027 PB Request
	293,434	481,832	604,270

1/ Reflects FY 2025 enacted. An additional $188,705 thousand (total of $482,139 thousand) was obligated in FY 2025 from prior-year recoveries and unobligated balances.

The Department's FY 2027 NSIP budget request is $604.27 million. This represents a net increase of $122.4 million from the FY 2026 enacted amount and is driven by three factors:

1) NATO Heads of State and Government agreement to increases NSIP funding through 2030 to meet deterrence and defense of the Euro-Atlantic area operational requirements.
2) Adjustments to the cost-shares to reflect new NATO members, and biennial Gross National Income (GNI) based readjustment.
3) Projected currency exchange rates.

NATO Budget Increase and Burden Shifting

The United States has emphasized the importance of European allies taking primary responsibility for conventional defense of the continent. A centerpiece of this emphasis, and a result of President Trump's leadership, Allies made a commitment at the 2025 NATO Summit in The Hague to invest 5% of Gross Domestic Product (GDP) annually on their overall national defense by 2035. The increased defense spending commitment is aligned with the 2022 Heads of State and Government agreement to yearly increases to all NATO budgets through 2030 to meet the increased capability requirements for deterrence and defense of the Euro-Atlantic area. This agreement results in a 25 percent annual increase, in addition to inflation, to NSIP funding through 2030.

Accordingly, all NATO allies are increasing their NSIP contributions. European and Canadian allies are responsible for 85% of the increased NSIP funding. The Department's FY 2027 NSIP budget request reflects the U.S. share for the balance of this increased funding requirement. Notably, the 2026-2027 U.S. share of NSIP funding is 15%, which is far lower than the roughly 47% share the

U.S. would contribute if subjected to the same Gross National Income formula as is applied to other allies' contributions. This favorable share, secured through U.S. negotiations in 2019 and reaffirmed in 2025, ensures that NATO's collective defense capabilities remain strong while allowing the U.S. to contribute a far smaller portion relative to its economic size.

Overall Program Requirements and Eligibility

The NATO concept for Deterrence & Defense of the Euro-Atlantic Area and its resulting Family of Plans guides infrastructure investments, prioritizing those required for the reinforcement and sustainment of NATO forces across Alliance territory. As NATO faces increasing security challenges, the importance of these infrastructure projects grows, supporting military mobility, rapid reinforcement, and effective territorial defense.

The NSIP funding increase is designed to meet key requirements identified by NATO's top military commanders, particularly the Supreme Allied Commander, Europe (SACEUR), which includes investments in digital backbone, readiness, (including reinforcement and sustainment infrastructure) and enablement and employment capabilities. Long-deferred operational infrastructure needs within the European allies' territories are now being addressed with this increased funding and reflect NATO's shift toward non-U.S. allies strengthening their leadership in territorial defense.

NSIP programs are designed to address a broad spectrum of Alliance military capability requirements. These shared program costs include the infrastructure needed to support forward deployed forces, reinforcing forces (including substantial numbers of U.S.-based forces), mobility within and between Alliance regions, and enabling logistics, transportation, and command and control. Specific focus areas include:

a. **Nuclear C3 Infrastructure and strategic weapons storage** and security.
b. **Missile Defense Systems** comprising early warning radars, air defense radars, and command and control (C2) systems.
c. **Facilities and utilities at ports of entry** (air, rail, and sea) supporting the embarkation, reception, staging, onward movement, and integration of deployed forces, along with multi-modal strategic lift and airbase capabilities.
d. **Bulk Fuel Storage and Distribution Systems,** including cross-border

pipelines connecting refineries, fuel depots, airfields, and key NATO bases, supporting military fuel requirements.

e. **Ammunition Depots and Storage** for pre-positioned equipment and materiel.
f. **Secure and reliable communications networks** linking NATO command structure headquarters with allies' national headquarters, providing robust strategic and tactical communications systems for military operations.
g. **Joint training facilities and ranges** to ensure operational readiness across the Alliance.
h. **New or expanded/renovated headquarters facilities** to support the NATO command structure as it shifts to prioritize territorial defense.

The program does not cover requirements that fall within an ally's national defense requirements or that would be considered a reasonable responsibility for the nation to fund on its own. Instead, the program focuses on funding those critical capabilities that are essential for NATO's collective defense which would not be reasonable for an Ally to bear individually.

In alignment with the allies' commitment to strengthening deterrence and defense posture in Europe, U.S. operational requirements at European bases – particularly those supporting reinforcement and sustainment – are eligible for NSIP funding. This ensures that U.S. forces stationed in Europe and those deploying from CONUS have the necessary infrastructure to operate effectively within NATO's area of operations. Consequently, significant U.S. operational requirements in Europe are not only eligible for NSIP support, they are a high priority for funding.

Program and Project Approval Procedures

NSIP programming begins with the identification of requirements to fulfill the operational plans by SACEUR. These operational requirements are then reviewed and confirmed by the allied nations in the North Atlantic Council (NAC). Following NAC approval, the funding and delivery of the capabilities within the NSIP relies on consensus decision-making among the 32 allied nations. All program and project decisions are subject to U.S. agreement and oversight throughout the entire life cycle of the program. This ensures that U.S. interests and strategic objectives are reflected in the overall goals of the program. The approval and oversight procedures are designed to be flexible and resilient, allowing NATO to adapt to dynamic global events and the evolving geopolitical landscape.

U.S. Interests in the NSIP

Participation in NSIP common funding enables European and Canadian allies to take primary responsibility for continental deterrence and defense while the United States focuses on homeland defense and countering threats in the Indo-Pacific. U.S. participation in NSIP common funding allows the U.S. to maintain substantial influence over NATO priorities and policies on military infrastructure and capabilities, but also on broader strategic matters.

NSIP plays a key role in supporting U.S. infrastructure within the U.S. European Command (USEUCOM) theater of operations. NSIP infrastructure-related projects support USEUCOM requirements at enduring and contingency locations as well as enabling the forward stationing of preposition stocks and onward reception, staging and movement of forces from the Continental United States in support of NATO requirements. U.S. guidance ensures that NSIP investments derive maximum operational benefit for U.S. forces, whether stationed in Europe, reinforcing Europe, or transiting to other theaters.

NSIP investments in the land domain directly support U.S. ground force requirements. In further support of U.S. posture along NATOs eastern flank, NATO has authorized advanced planning funds to provide for the design of a $170M expansion of the recently completed $254M combat equipment, maintenance, and storage facility for U.S. use, in Powidz, Poland. In May 2025, NATO approved $1 billion in NSIP funding for facilities for reinforcement and sustainment, including over $150M at U.S. bases. Future programs for fuel, logistic facilities and other reinforcement and sustainment programs are also being discussed which will include significant projects supporting U.S. forces.

Maritime investments supporting U.S. forces are also substantial. NATO has invested $190 million in port infrastructure upgrades enhancing logistics and resupply capabilities for NATO and U.S. maritime forces. Improvements at Rota pier facilities allow the berthing of U.S. Aegis-equipped vessels for Missile Defense operations, while fuel upgrades at key European ports support U.S. Navy exercises and operations. In 2024, allies approved $2.4 billion for maritime facilities in, including $300 million for U.S.-interest projects in Souda Bay, Greece and other strategic locations.

For air capabilities, allies have approved over $3 billion in NSIP funding to support infrastructure upgrades for airborne early warning, alliance ground surveillance, communication jammer, maritime patrol, air-to-air refueling, air transport aircraft, fighter aircraft, and aviation bulk fuel. These projects aim to close critical infrastructure gaps at bases utilized by U.S. forces in Europe.

NATO also funds infrastructure and security systems for U.S. special weapons storage and maintenance. NATO agreed to pay $385 million to upgrade European storage sites, enhancing security measures, communication systems, and facilities to meet the stringent U.S. standards. In 2024 and 2025, the allies approved $1.5 billion in investment to modernize NATO's nuclear command, control, and consultation (NC3) systems.

The Alliance agreement to fund U.S. operational infrastructure requirements is significant, as most allied construction and facility upgrades are typically funded by the allied host nation within its own borders. NATO's continued investment in U.S. facility needs in Europe, creates valuable opportunities for U.S. companies to compete for these projects, strengthening the U.S. defense industrial base.