

**STRENGTHENING THE TRANSATLANTIC ALLIANCE:
AN OVERVIEW OF THE OBAMA
ADMINISTRATION'S POLICIES IN EUROPE**

HEARING
BEFORE THE
SUBCOMMITTEE ON EUROPE
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS
FIRST SESSION

—————
JUNE 16, 2009
—————

Serial No. 111-20
—————

Printed for the use of the Committee on Foreign Affairs



Available via the World Wide Web: <http://www.foreignaffairs.house.gov/>

—————
U.S. GOVERNMENT PRINTING OFFICE

50-505PDF

WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON FOREIGN AFFAIRS

HOWARD L. BERMAN, California, *Chairman*

GARY L. ACKERMAN, New York	ILEANA ROS-LEHTINEN, Florida
ENI F.H. FALEOMAVAEGA, American Samoa	CHRISTOPHER H. SMITH, New Jersey
DONALD M. PAYNE, New Jersey	DAN BURTON, Indiana
BRAD SHERMAN, California	ELTON GALLEGLY, California
ROBERT WEXLER, Florida	DANA ROHRBACHER, California
ELIOT L. ENGEL, New York	DONALD A. MANZULLO, Illinois
BILL DELAHUNT, Massachusetts	EDWARD R. ROYCE, California
GREGORY W. MEEKS, New York	RON PAUL, Texas
DIANE E. WATSON, California	JEFF FLAKE, Arizona
RUSS CARNAHAN, Missouri	MIKE PENCE, Indiana
ALBIO SIRES, New Jersey	JOE WILSON, South Carolina
GERALD E. CONNOLLY, Virginia	JOHN BOOZMAN, Arkansas
MICHAEL E. McMAHON, New York	J. GRESHAM BARRETT, South Carolina
JOHN S. TANNER, Tennessee	CONNIE MACK, Florida
GENE GREEN, Texas	JEFF FORTENBERRY, Nebraska
LYNN WOOLSEY, California	MICHAEL T. McCAUL, Texas
SHEILA JACKSON LEE, Texas	TED POE, Texas
BARBARA LEE, California	BOB INGLIS, South Carolina
SHELLEY BERKLEY, Nevada	GUS BILIRAKIS, Florida
JOSEPH CROWLEY, New York	
MIKE ROSS, Arkansas	
BRAD MILLER, North Carolina	
DAVID SCOTT, Georgia	
JIM COSTA, California	
KEITH ELLISON, Minnesota	
GABRIELLE GIFFORDS, Arizona	
RON KLEIN, Florida	

RICHARD J. KESSLER, *Staff Director*
YLEEM POBLETE, *Republican Staff Director*

SUBCOMMITTEE ON EUROPE

ROBERT WEXLER, Florida, *Chairman*

JOHN S. TANNER, Tennessee	ELTON GALLEGLY, California
BILL DELAHUNT, Massachusetts	GUS BILIRAKIS, Florida
ALBIO SIRES, New Jersey	JOE WILSON, South Carolina
MICHAEL E. McMAHON, New York	TED POE, Texas
SHELLEY BERKLEY, Nevada	JOHN BOOZMAN, Arkansas
BRAD MILLER, North Carolina	BOB INGLIS, South Carolina
DAVID SCOTT, Georgia	J. GRESHAM BARRETT, South Carolina
JIM COSTA, California	

JONATHAN KATZ, *Subcommittee Staff Director*
ERIC JOHNSON, *Subcommittee Professional Staff Member*
RICHARD MEREU, *Republican Professional Staff Member*
MARIANA MAGUIRE, *Staff Associate*

CONTENTS

	Page
WITNESS	
The Honorable Philip Gordon, Ph.D., Assistant Secretary of State for European and Eurasian Affairs, United States Department of State	5
LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING	
The Honorable Robert Wexler, a Representative in Congress from the State of Florida, and Chairman, Subcommittee on Europe: Prepared statement	3
The Honorable Philip Gordon, Ph.D.: Prepared statement	9
APPENDIX	
Hearing notice	44
Hearing minutes	45
The Honorable Elton Gallegly, a Representative in Congress from the State of California: Prepared statement	46
The Honorable Michael E. McMahon, a Representative in Congress from the State of New York: Prepared statement	47
The Honorable Shelley Berkley, a Representative in Congress from the State of Nevada: Questions submitted for the record	48
The Honorable Philip Gordon, Ph.D.: Responses to questions submitted for the record	50

STRENGTHENING THE TRANSATLANTIC ALLIANCE: AN OVERVIEW OF THE OBAMA ADMINISTRATION'S POLICIES IN EUROPE

TUESDAY, JUNE 16, 2009

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EUROPE,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:17 p.m., in room 2172, Rayburn House Office Building, Hon. Robert Wexler (chairman of the subcommittee) presiding.

Mr. WEXLER. The Subcommittee on Europe will come to order.

I want to first apologize to Assistant Secretary Gordon for keeping you, and also to all the members of the public and interested parties. Democracy at times can be less than convenient. I do apologize.

With the Assistant Secretary's agreement or consent, I am going to begin, and then we are going to take another 10-minute break, roughly, to finish this round of votes. And then we should have all the time that we need. I thank you very much.

I first want to welcome and thank Assistant Secretary of State for Europe and Eurasia, Phil Gordon, for testifying. We have looked forward to this for several months now, and we are thrilled that you are here. I am especially pleased that President Obama and Secretary Clinton have chosen an Assistant Secretary with your extraordinary background and experience. I am highly confident that you will represent the United States in the highest capacity and will further America's national interests and strategic partnerships in Europe and in Eurasia.

Today's hearing comes at a historic juncture for the United States and our European allies as we face a myriad of difficult issues, including a global economic crisis, accelerated global climate change, a resurgent Russia, instability in Afghanistan and Pakistan, and the possibility of a nuclear-armed Iran. Within Europe and on its borders, there are many challenges for American and European policymakers, including resolving frozen conflicts, rising nationalism and right-wing extremism, energy security, and significant backsliding by a number of nations in the area of political, judicial, and economic reforms.

The good news is, according to recent polling data, the European public opinion has embraced President Obama's message of renewed American engagement and partnership. The President's outreach to Europe at the G20 in London, NATO's 60th anniversary

summit, and the U.S.-EU meetings in Prague, has laid the groundwork for deeper collaboration between the United States and our transatlantic allies.

Unfortunately, however, greater European public support has not necessarily translated fully into policy successes that benefit the welfare and security of both sides of the Atlantic. If President Obama and the new administration are going to be successful in addressing issues such as global nonproliferation, Middle East peace, stability and security in Iraq, Pakistan, and Afghanistan and Iran's nuclear program, we will need a stronger commitment from our European and international partners.

Given the far-reaching foreign policy agenda of the Obama administration, we are eager to learn more about your efforts, Mr. Secretary, and those of the administration to strengthen historic transatlantic relations and to build stronger economic, political, and security links with our NATO and EU allies.

It is essential that the administration continue to work with willing partners in Eastern Europe and the Caucasus and Balkans regions as these nations struggle with democratic reforms and push for greater engagement and inclusion into transatlantic institutions such as the EU and NATO.

I want to applaud the Vice President for his statement during the recent trip to the Balkans that the "Obama-Biden administration will sustain and reenergize the longstanding American commitment to a Europe that is whole, free, and at peace."

I also want to highlight the extraordinary effort of the President and Secretary of State for reaching out to our ally Turkey and for their efforts to resolve the ongoing Cyprus and Nagorno-Karabakh conflicts. Turkey is a key partner in Afghanistan, Pakistan, Iraq, and the Middle East, and President Obama's vision of a model partnership must be further fleshed out.

The President's April trip to Turkey was historic, it was successful, quite so, and I implore the administration to continue to support Turkey's EU aspirations, as the President so strongly did; Armenian-Turkish reconciliation; and work with Ankara to combat PKK terrorism.

There is no greater challenge facing the United States and Europe than our relations with Russia. I strongly support the administration's efforts to reach out to Russia, to hit the reset button and work with President Medvedev and Prime Minister Putin on critical issues such as the START Treaty, Iran, and North Korea. And it is also essential that we are realistic and clear-eyed about the true intentions of the Kremlin.

As Secretary Clinton stated during a town hall meeting recently, "Europe is our essential partner." I couldn't agree with her more. And I look forward to working very closely with you, Secretary Gordon, over the next couple of months and years to strengthen the transatlantic alliance.

[The prepared statement of Mr. Wexler follows:]

Chairman Robert Wexler
Subcommittee on Europe

“Strengthening the Transatlantic Alliance”
An Overview of the Obama Administration's Policies in Europe

June 16, 2009

The Subcommittee on Europe will come to order. I want to welcome and thank Assistant Secretary of State for Europe and Eurasia Phil Gordon for testifying.

We are thrilled you are here today. I am especially pleased that President Obama and Secretary Clinton have chosen an Assistant Secretary with your extraordinary background, experience, and foresight. I am highly confident and fully expect that you will represent the U.S. in the highest capacity and will further America's national interests and strategic partnerships in Europe and Eurasia.

Today's hearing comes at an historic juncture for the United States and our European allies as we face a myriad of difficult issues, including a global economic crisis, accelerated global climate change, a resurgent Russia, instability in Afghanistan and Pakistan, and the possibility of a nuclear armed Iran. Within Europe and on its borders there are also many challenges for American and European policy makers, including resolving frozen conflicts, rising nationalism and right-wing extremism, energy security, and significant backsliding by a number of nations in the areas of political, judicial, and economic reforms.

The good news is, according to recent polls, that European public opinion has embraced President Obama's message of renewed American engagement and partnership. The President's outreach to European allies and its public, which culminated in a successful spring trip to the G20 in London, NATO's 60th Anniversary Summit, and US-EU meetings in Prague, has laid the groundwork for deeper collaboration between the U.S. and transatlantic allies.

Unfortunately, the more sobering news is that greater European public support has not translated “fully” into policy successes that benefit the welfare and security of both sides of the Atlantic. If President Obama and the new Administration are going to succeed in addressing issues such as global non-proliferation, Middle East peace, the long term stability and security in Iraq, Pakistan and Afghanistan, and Iran's nuclear program, then we need a stronger commitment from our European and international partners.

Given the far-reaching foreign policy agenda of the Obama Administration, we are eager to learn more about your efforts and those of the Administration to strengthen historic transatlantic relations and to build stronger economic, political, and security links with our NATO and EU allies.

It is essential that the Administration continue to work with willing partners in Eastern Europe and the Caucasus and Balkans regions, as these nations struggle with democratic reforms and push for greater engagement and inclusion in transatlantic institutions such as the EU and NATO. I want to applaud Vice President Biden for his statement during his recent trip to the Balkans, that the “Obama-Biden Administration will sustain and re-energize the long standing American commitment to a Europe that is whole, free, and at peace.”

I also want to highlight the extraordinary effort of the President and Secretary of State for reaching out to our ally Turkey, and for their efforts to resolve the ongoing Cyprus and Nagorno-Karabakh conflicts. Turkey is a key partner in Afghanistan, Pakistan, Iraq, and the Middle East and President Obama’s vision of a “Model Partnership” must be further fleshed out.

The President’s April trip to Turkey was historic, and I implore the Administration to continue to support Turkey’s EU aspirations, Armenian-Turkish reconciliation, and work with Ankara to combat PKK terrorism.

There is no greater challenge facing the U.S. and Europe than our relations with Russia. While I share the Administration’s efforts to reach out to Russia, to hit the “reset button” and desire to work with President Medvedev and Prime Minister Putin on critical issues such as the START treaty, Iran, and North Korea, it is essential that we are realistic and clear eyed about the true intentions, actions, and interests of the Kremlin.

As Secretary Clinton stated during a town hall meeting in March, “Europe is our essential partner.” I could not agree more with Secretary Clinton and look forward to working closely with you over the coming months to strengthen the transatlantic alliance.

I would now like to invite the ranking member, Mr. Gallegly from California, to give his opening remarks.

Mr. WEXLER. If Mr. Gallegly was here, I would invite him at this time to make his opening remarks. He may be coming after the other two votes, so I will wait to do that. And probably the best thing to do at this point—I know we have a French delegation of members of the Parliament that I would like to welcome. There are four members of the French Parliament that I believe are sitting in the front row. I want to welcome you, gentlemen, and I apologize to you for the delay. I am sure the French Parliament has no such delays. But we very much welcome your presence here.

Mr. Assistant Secretary, there is about 2½ minutes left with this. We could start, but then I would have to leave in the middle of your presentation. So I would rather not do that. So if I could just beg everyone's patience just for another little bit of time, I think at this point we will just adjourn for a short period, and then there will be two more votes, and then I will be back here, and hopefully others as well.

Thank you for your accommodation.

[Recess.]

Mr. WEXLER. I want to call the Europe Subcommittee back into session. I want to again thank everyone for their patience.

At this time I would like to introduce our witness for today's hearing. Dr. Philip Gordon is currently serving as the Assistant Secretary of State for European and Eurasian Affairs. Prior to this appointment, from 2000 to 2009, Dr. Gordon was a senior fellow at the Brookings Institution in Washington, where he focused on a wide range of European and United States foreign policy issues. Prior to joining Brookings, he served as Director for European Affairs at the NSC under President Clinton, where he played a key role in developing and coordinating NATO policy in the run-up to the alliance's 50th anniversary summit.

Dr. Gordon has held numerous teaching and research positions, and he is a prolific writer on international relations and foreign policy issues and has been a frequent contributor to major publications such as The New York Times, Washington Post, International Herald Tribune, and the Financial Times.

Dr. Gordon, there are many, many issues. So, ordinarily we ask people to limit their comments to 5 minutes. But given the wide length of topics, please take the time that you need. I am hoping that others Members will come in as the votes actually stop. I thank you so much for your time, your presence, and your patience. Please.

STATEMENT OF THE HONORABLE PHILIP GORDON, PH.D., ASSISTANT SECRETARY OF STATE FOR EUROPEAN AND EURASIAN AFFAIRS, UNITED STATES DEPARTMENT OF STATE

Mr. GORDON. Well, thank you, Mr. Chairman. Let me start by thanking you first for your kind words in your introductory statement, and to you and all the members of the committee for giving me this opportunity to talk to you about the Obama administration's policies and priorities in Europe and our strategies to further the transatlantic relationship.

Let me begin by saying that President Obama, Secretary Clinton, and I are all deeply committed to reinvigorating and deepening the traditional relationships of confidence and trust that we share with

Europe. I am convinced that Europe is eager to reciprocate and increase the breadth of our close relationship, which is based on shared values, enduring commitment to democracy, transparency, accountability, respect for human rights and the rule of law.

Mr. Chairman, I submitted a much more detailed statement for the record. You will see by its length and detail indeed what a comprehensive agenda we have. What I would like to do here, if I might, is just underscore three of our broad priorities and the categories of issues we will deal with, and then we can come back, if that is all right with you, to any of the details in the written statement.

There are three main categories for our priorities. First is how we engage with Europe on global challenges. Second is how we work toward a Europe that is more whole, free, democratic, and at peace. Then, finally, how we work to have a renewed relationship with Russia. I will just offer a couple of words about each of those, if I might.

On the question of engaging with Europe on global challenges, it is a reality that many of our European partners are among the most prosperous, democratic, and military-capable countries in the world. Therefore, working with our allies both multilaterally and bilaterally will remain critical to our success in tackling the many serious global challenges that we face together.

The United States cooperates with Europe on literally all of the most important challenges. Just naming a few: Restoring growth and confidence in the world financial system, fighting poverty and pandemic disease, supporting

ongoing operations in Afghanistan and Iraq, countering terrorism and nuclear proliferation, promoting energy security, combating climate change, advancing peace in the Middle East, promoting human rights, combating trafficking in persons. The list is long, and I could name others.

The point, however, is that there is not a single one of those issues on which we are not better off when we are working closely with our European friends. And I would be happy during the hearing to talk about the ways in which we are working to enhance that cooperation to strengthen our own interests.

The second category I would mention is how we promote a Europe that is more democratic, more whole, more free, and more peaceful and stable, which is another important administration priority: Extending stability security and prosperity and democracy to all of Europe and Eurasia. This has been an objective of all United States Presidents since World War II, both Democratic and Republican, which is to say, working with Europe to realize this joint vision.

We have made great process in the past 20 years since the end of the Cold War, but clearly more remains to be done. One of the ways we are seeking to do this is through our critical alliances and partnerships in Europe, including NATO, the EU, and the OSCE. We believe that the openness of Western institutions like the EU and NATO to the countries of Central and Eastern Europe has been, simply put, the most successful democratization strategy in history, and it has brought peace, stability and prosperity to mil-

lions. And the administration strongly believes that this process must continue.

In promoting such a Europe, and while working with the

EU, NATO, and the OSCE, we will strongly support the sovereignty and independence of all European States, including those that emerge out of the former Soviet Union, such as Georgia, Ukraine and Moldova. With Congress's continued support we will continue foreign assistance programs in Europe and Eurasia to nurture democratic and economic progress in the still fragile reformers and to promote their integration in Euro-Atlantic institutions.

Looking to the Southeast, I would like to say, as you did in your opening statement, Mr. Chairman, that we support Turkey's aspirations for membership in the European Union, as Turkey advances reforms that will make it an even stronger partner and a better neighbor. We are engaged energetically to support efforts by Turkey and Armenia to normalize relations and efforts by Armenia and Azerbaijan to settle the conflict in the Nagorno-Karabakh.

As you may know, I just myself returned from a trip to the region just a few weeks after being confirmed. I felt it was important to go to the region to signal our support for those countries and to do what we can to promote the historic processes that are going on.

We also support the negotiations toward a settlement in Cyprus, and vigorously promote diversification of European energy supplies. We will continue to develop our relationship with the Central Europeans, who are now core members of NATO and the EU, and increasingly important global partners.

We will show renewed leadership in the Balkans where, more than a decade after Western interventions, the forces of democracy, openness, and modernity still struggle against backward-looking ethnic nationalism and intolerance.

Let me add finally in this category that we will engage the countries of Europe to help those still living survivors of the Holocaust to achieve some belated justice. The upcoming Conference on Holocaust-Era Assets in Prague I know is a subject that this subcommittee will be looking at on Thursday this week, and that will offer us the opportunity to do so.

Let me finally mention the third broad category where we are trying to work more successfully with Europe, which is our renewed relationship with Russia. The President has made clear the Obama administration is committed to reinvigorating our relations with Russia, and looks forward to building a relationship based on respect and mutual cooperation.

When President Obama and President Medvedev met in London in April, they agreed to work together on a variety of issues, including reducing strategic nuclear weapons and enhancing nuclear security, and cooperating on issues such as counterterrorism, Afghanistan, counternarcotics, Iran, North Korea, the environment, and many others.

We look forward to upcoming talks with Russians in a number of different fora. There is the OSCE ministerial in Corfu; the NATO Russia Council, which we have revived and will also meet in Corfu; and, of course, the summits where the Presidents will meet in July.

We look forward to those discussions and to the opportunity of strengthening relations with Russia. But I also want to make clear that at the same time that we reinvigorate our relations with Russia, we will not abandon our principles or ignore concerns about democracy and human rights.

While we look forward to a more cooperative partnership with Russia, we have no illusions that this will be easy or that we will not continue to have differences. Russia's decision yesterday at the U.N. to block extension of the U.N. observer mission in Georgia is a clear example of such differences. The United States will not recognize the Russian sphere of influence. The United States will also continue to support the sovereignty and territorial integrity of Russia's neighbors.

In conclusion then, Mr. Chairman, the United States and Europe share the important responsibility of leading the international effort to address our most pressing global challenges. We also share core values, which is a strong foundation as we work together on our global agenda of advancing these core values as well as security, prosperity and stability to the entire European Continent and the world.

Mr. Chairman and all of the members of the committee, I am very grateful for the opportunity to be with you today, and I look forward to your questions. Thank you very much.

Mr. WEXLER. Thank you very much.

[The prepared statement of Mr. Gordon follows:]

**Testimony of Philip H. Gordon
Assistant Secretary of State for European and Eurasian Affairs
House Committee on Foreign Affairs
Subcommittee on Europe
June 16, 2009**

“Strengthening the Transatlantic Alliance: An Overview of the Obama Administration’s Policies in Europe”

Chairman Wexler, Congressman Gallegly, members of the Committee, thank you for the opportunity to speak to you today about Administration policies and priorities in Europe and strategies to further strengthen the transatlantic relationship.

President Obama, Secretary Clinton, and I are committed to reinvigorating and deepening the traditional relationships of confidence and trust we share with Europe. Europe is eager to reciprocate and increase the breadth of our close relationship, one that is based on shared values, including an enduring commitment to democracy, transparency, accountability, respect for human rights, and the rule of law. Today, I will highlight some examples of what the United States and Europe have achieved and what our policy objectives are going forward. To do that, I will touch on three strategic priorities for the Administration in Europe: European engagement on global challenges; a Europe that is whole, free, and at peace; and a renewed relationship with Russia.

Many of our European partners are among the most prosperous, democratic, and militarily capable countries in the world. Working with our European allies both bilaterally and multilaterally will remain critical to success in tackling the many global challenges we face together. The United States cooperates with Europe on all of the most important global challenges, including restoring growth and confidence in the world financial system; fighting poverty and pandemic disease; countering terrorism and nuclear proliferation; advancing peace in the Middle East; promoting human rights; and combating trafficking in persons. Still, there are other areas where our cooperation with Europe needs to increase. We can and must do more to address challenges like ongoing operations in Afghanistan and Iraq; instability in Pakistan, Iranian and North Korean nuclear weapons programs; energy security and climate change. As President Obama has said, “The United States is ready to lead, and we call upon our partners to join us with a sense of urgency and common purpose.”

Critical Partnerships

One of the Administration’s most important priorities will be to continue the historic American project of helping to extend stability, security, prosperity, and democracy to all of Europe and Eurasia. The objective of all Presidents since World War II, both Democratic and Republican, has been to work with Europe to realize a joint vision of a Europe whole, free, and at peace. One

of the ways the United States seeks to further this goal is through our critical partnerships in Europe - which include the North Atlantic Treaty Organization (NATO), the European Union (EU), and the Organization for Security and Cooperation in Europe (OSCE).

NATO

In April, NATO, the most successful alliance in history, celebrated its 60th Anniversary. Allies initiated a discussion of the Alliance's future and tasked the Secretary General to launch a review of NATO's Strategic Concept to insure that NATO is both prepared and equipped to meet the new security challenges of the 21st Century, including extremism, terrorism, proliferation, insurgency, failed states, piracy, and cyber threats.

Also at the Summit, Allies welcomed Albania and Croatia as NATO's newest members, reinforcing the message that NATO's door remains open. The United States joined Allies in welcoming France's return, after over 40 years, to the integrated NATO military command structure. France's full participation in NATO is a symbol of a renewed European commitment to NATO. Finally, Allies selected former Danish Prime Minister Rasmussen as the next Secretary General of NATO, to lead the reform of the Alliance so that it retains the flexibility and resources required to meet the new challenges of our time.

The United States also remains unequivocally committed to our Article 5 commitment; we will not waiver from the enduring premise that an attack against one is an attack against all. As NATO Heads of State and Government reaffirmed at the Summit in Strasbourg-Kehl, "the strong collective defense of our populations, territory, and forces is the core purpose of the Alliance and remains our most important security task." We will continue to support adequate planning, exercises, and training to ensure NATO has the capabilities to remain as relevant to the security of Allied populations in the 21st century as it was in the 20th century.

Some of the most pivotal outcomes of the Strasbourg-Kehl Summit dealt with Afghanistan. On March 27, the President announced a new strategy for ensuring vital U.S. national interests in Afghanistan and Pakistan. This strategy for the first time integrates our civilian and military efforts in both countries, with the goal of disrupting, dismantling, and defeating al-Qaeda and eliminating its safe-havens. The Alliance unanimously endorsed this new strategy in Strasbourg. While the Summit was not a pledging conference, Allies and partners committed to provide 3000 new forces for Afghan election security and over a thousand new trainers, troops and civilians to support this new strategy. These new contributions will support political growth and security transformation in Afghanistan and contribute to regional stability.

Despite all of these positive developments, I do not wish to understate the enormity of the challenges we face – or the consequences of failure. Although Allies and Partners currently contribute over 32,000 troops to the NATO-led International Security Assistance Force in Afghanistan (ISAF), we look forward to their additional contributions in the form of troops, civilian assistance or funds. The UK, Germany, Canada, France, Italy, the Netherlands, Poland, and Turkey provide especially valuable support to the Afghanistan mission. Allied troops are deployed throughout Afghanistan, although some nations continue to impose "caveats" that restrict where their troops can go and what missions they can conduct. Our commanders in the

field have asked for maximum flexibility in deploying Allied troops assigned to ISAF, and we continue to press Allies to eliminate caveats. The United States currently provides approximately 29,000 troops to ISAF. Most of our additional deployments will also come under ISAF.

We recognize that there is not a purely military solution to the conflict, and that we must complement the security NATO provides by increasing international civilian assistance to Afghanistan. In partnership with the NSC, Special Representative for Afghanistan and Pakistan Richard Holbrooke is leading the overall effort for the Administration and has assembled an interagency team in Washington to coordinate with our military and to implement the President's new strategy more effectively.

EU

Another increasingly important partnership for the United States is with the European Union, which has become one of our most crucial partners in addressing regional and global challenges in Europe and around the world. Our priorities for U.S.-EU cooperation cover almost all major U.S. foreign policy concerns including: energy security, climate change, Afghanistan, Pakistan, Iran, and the Middle East. The President raised each of these issues with his European counterparts at the April 5 EU Summit in Prague. He also assured them that the United States will be a ready partner on all these issues.

We are listening to our European partners and consulting with them closely, but also calling on them to bear their fair share of responsibilities for defending and promoting our common interests. During the Swedish EU Presidency that will begin on July 1, we look forward to continued close, results-oriented U.S.-EU cooperation. In July, I will meet with counterparts from the 27 EU member states, the European Commission, and the Council Secretariat.

The United States and the EU have the largest economic relationship in the world. Together, we generate 60 percent of world GDP. We will continue to work with the EU to promote the growth of our own market and support free trade and open investment around the world through the Transatlantic Economic Council. We will also cooperate with the EU to mitigate the effects of climate change, an issue that is now front and center in our foreign policy. The Department's Special Envoy for Climate Change, Todd Stern, will work with our partners in Europe and around the globe to craft environmentally sound, scientifically driven, and pragmatic solutions to the world's toughest environmental challenges and to lay the foundation for a successful outcome at this December's UN climate conference in Copenhagen.

The EU also shares our concerns on security issues, such as Iran, including its nuclear activities, support for terrorism, and the domestic human rights situation. The EU-3 (France, Germany, and the United Kingdom) have worked closely with us in the P5+1 (the permanent members of the UN Security Council and Germany), while EU High Representative for the Common Foreign and Security Policy Javier Solana has served as the representative of the P5+1 in direct negotiations with the Iranians on the nuclear issue. In addition to UN Security Council resolutions, the EU has also implemented additional autonomous sanctions intended to press the Iranians to come to the negotiating table.

The United States and the EU are coordinating closely on providing significant financial, political, and military support for Afghanistan and Pakistan. Among other priorities, we are working to alleviate the refugee situation in Pakistan, and to monitor upcoming elections and train police in Afghanistan.

The EU is also a crucial partner in our efforts to bring peace to the Middle East. As the largest donor to the Palestinian people, the EU worked closely with us earlier this year on the resolution of the conflict in Gaza, and it has consistently been a strong partner for us within the Quartet (the United States, Russia, the EU, and the UN). The EU has offered to reactivate and expand its dormant Gaza border monitoring mission while maintaining an ongoing police and rule of law training mission in the West Bank designed to complement our own efforts to improve the capabilities of the Palestinian security forces.

Energy is increasingly at the heart of U.S. and European security concerns. The mutual focus on energy independence and new energy technologies – combined with the ongoing Russia-Ukraine gas issues, energy price volatility, the financial crisis and ongoing climate negotiations – necessitates deeper transatlantic energy cooperation. We are committed to working with the EU to develop access to alternative sources of gas, such as the Southern Corridor, which could tap into Caspian and Middle Eastern supplies, delivering gas to many of Europe's most vulnerable markets. European energy security is strengthened when prices for natural gas, a key strategic commodity, are determined by market rather than monopoly forces. Increasing such market efficiencies requires greater competition in European gas markets through increased diversified supplies of gas from the Caspian region and Iraq, as well as via liquefied natural gas; interconnections of European natural gas networks; and application of European competition policy to prevent manipulation of gas prices. The President appointed Ambassador Richard Morningstar to be Special Envoy for Eurasian Energy and has asked him to take the lead in coordinating our work with Europe to enhance and strengthen our cooperation to address European energy security.

OSCE

The OSCE is an important regional organization for promoting security defending human rights, and supporting democratic development throughout Europe and Eurasia. Our challenge is to reinvigorate the OSCE as a key promoter of fundamental freedoms, human rights, and civil society as necessary components of security in the region. The Secretary will initiate a structured dialogue on priority security issues when she attends the informal OSCE ministerial in Corfu later this month.

G-20

We also continue to work closely with our European partners through the G-20. At the April G-20 London Summit, the United States and the EU committed to steps that will address the global financial crisis. We are now following through on those commitments, which include strengthening international financial institutions, including the International Monetary Fund and the Multilateral Development Banks, in preparation for the next meeting of G-20 leaders in

Pittsburgh this September. Together with the other G-20 participants, we are resisting protectionism and promoting global trade and investment.

Europe Whole Free & at Peace

Over two decades ago, the United States set out a vision for working with our European allies and partners on a Europe whole, free, and at peace, extending the zone of peace and prosperity throughout all of Europe. Many Central and Eastern European countries are now full members of NATO and the EU – this reality is one of Europe’s most significant post-Cold War accomplishments. Yet we still have unfinished business in extending that vision and prosperity to Europe’s south and east. Critical challenges remain, and only through collective action will we continue to make progress.

The global economic crisis has created additional pressures on our European friends and Allies and particular challenges for accomplishing our shared objectives in Europe and around the world. Europe’s stability and prosperity affect its strength as a global partner of the United States. Economic uncertainty may also aggravate Europe’s internal questions of identity, including those related to immigration, race, globalization, and trade. The economic crisis has hit certain parts of Europe especially hard, and we may very well see conditions get worse before they get better. Still, we must not allow this crisis to derail the critical work of pursuing a Europe whole, free, and at peace. Our collective security objectives will not be reached by decreasing capacities or turning increasingly inward. On the contrary, we must continue to make the case to our friends and Allies that, despite the devastating effects of the economic crisis, the many global and security challenges we face are too critical to ignore.

Turkey

Turkey is crucial to success in many of our most important foreign policy priorities, including stability and prosperity in Afghanistan, Pakistan, and Iraq, achieving a lasting peace in the Middle East, securing European energy diversity and resolving frozen conflicts and regional disputes. We support Turkey’s aspirations for eventual membership in the EU as Turkey advances reforms that will make it an even stronger partner. We encourage the EU to reach out to Turkey to demonstrate real prospects for membership. Doing so will serve as a catalyst for additional internal reforms. We are also encouraging Turkey to make additional needed reforms required to meet membership criteria, reforms that will strengthen Turkey’s democracy and economy. We encourage Turkey to take steps that will bolster its relations with its neighbors by re-opening the Halki Seminary and normalizing relations with Armenia, including a candid exploration of the two countries’ sometimes tragic history. We must also work to resolve outstanding disputes in the Aegean, to reduce prospects for heightened military tensions in a strategic area. Turkey is also at the center of U.S. and European Union efforts to diversify European gas supplies by expanding a “Southern Corridor” of energy infrastructure to transport Caspian (and eventually Iraqi) gas to Europe.

Armenia

The United States seeks to help Armenia strengthen its security and prosperity by settling Armenia's conflict with Azerbaijan over Nagorno-Karabakh and by encouraging Turkey and Armenia to normalize their relations. We believe these two processes should proceed separately, but in parallel, and at different speeds. Armenia and Turkey announced in their April 22 joint statement they had "agreed on a comprehensive framework for the normalization of their bilateral relations." This represents an historic opportunity as Turkey and Armenia are closer than ever before to normalizing relations and re-opening their border. Meanwhile, the United States has helped invigorate progress towards a Nagorno-Karabakh settlement through its mediation as a Co-chair of the OSCE's Minsk Group. The meetings of Armenian President Sargsian and Azerbaijani President Aliyev on May 7 in Prague and June 4 in St. Petersburg cleared the way to accelerate efforts to finalize a framework agreement by the end of 2009. We also seek to advance democratic and market economic reform in Armenia, including through the Millennium Challenge Corporation Compact with Armenia.

Azerbaijan

Azerbaijan is an important partner of the United States on regional security (especially counterterrorism) and on helping our European allies diversify their supplies of natural gas. Azerbaijan also exports nearly one million barrels of oil per day to global markets via the Baku-Tbilisi-Ceyhan pipeline, free from geographic chokepoints (such as the Turkish Straits and the Straits of Hormuz) and from monopolistic pressures. As noted above, the United States has helped generate new progress toward a settlement of the Nagorno-Karabakh conflict. Our U.S. Co-chair of the OSCE's Minsk Group, Deputy Assistant Secretary Matt Bryza, joined his Russian and French colleagues in facilitating five meetings between Presidents Sargsian and Aliyev over the past year. Secretary Clinton has been personally engaged in a series of discussions with Azerbaijani and Armenian leaders, including meetings with Foreign Ministers Mammadyarov and Nalbandian in Washington on May 5. I made my first trip to the Caucasus last week, where I visited Armenia, Azerbaijan and Georgia to pursue our objectives in the region.

Cyprus

We will also continue to support the current negotiations in Cyprus – led by the two Cypriot communities under the auspices of the UN Good Offices Mission. Resolution of the Cyprus problem will have a tremendous impact on the region by strengthening peace, justice and prosperity on the island, advancing Turkey's EU accession, improving NATO-EU cooperation and removing a source of friction between two NATO Allies, Greece and Turkey. As President Obama said, we are "willing to offer all the help sought by the parties as they work toward a just and lasting settlement that reunifies Cyprus into a bizonal and bicommunal federation."

Greece

Greece is an important NATO Ally and the people-to-people ties between our countries run deep, sentiments the President reiterated to Prime Minister Karamanlis when they met in April.

We look forward to working with Greece on a host of global challenges ranging from piracy to non proliferation. We also recognize the role Greece plays in important regional issues, including in the Balkans, the Aegean and Cyprus, and through its current chairmanship of the OSCE. We support Greece's application for the Visa Waiver Program, and together, we are moving the process forward.

Balkans

We are showing renewed leadership in the Balkans where more than a decade after Western interventions, the forces of democracy, openness, and modernity still struggle against backward-looking ethnic nationalism and intolerance. In concert with our European partners, we are intensifying our engagement with the region's leaders and pressing for reforms that will advance their states toward the European mainstream. The Administration places great importance on completing the task of fully integrating the Balkan region into the Euro-Atlantic community. However, much work remains to secure a peaceful and prosperous future for the region.

Macedonia

Supporting Macedonia's integration into NATO and the EU remains a vital element in our efforts to promote peace and stability in the Balkans. As Allies reaffirmed at the Strasbourg-Kehl Summit, Macedonia will join NATO as soon the name issue is resolved. We would like to see this issue resolved soon. To that end, and in keeping with longstanding U.S. policy, we support a mutually acceptable solution to Macedonia's name through the ongoing UN process led by Ambassador Nimetz. Deputy Secretary Steinberg delivered that message personally during his visits to Athens and Skopje in May.

Bosnia and Herzegovina

In his recent trip to Bosnia and Herzegovina, Vice President Biden made clear our continuing commitment to help the country overcome its wartime legacy and transition to a modern state that can join NATO and the EU. To do so, Bosnia's leaders must abandon divisive rhetoric and actions that threaten or violate the Dayton Peace Agreement, which remains the foundation for stability. Reforms that have been achieved must be protected, state-level institutions must be strengthened, and attempts to undermine them must stop.

Bosnia's leaders must work across ethnic lines to reach compromises on governmental reforms that will enable the country to meet its Euro-Atlantic aspirations. Recently, while in Bosnia, Vice President Biden and EU High Representative for Common Foreign and Security Policy Javier Solana stressed that Bosnia's future is in Europe, and it is natural that the EU will take on a greater role in guiding the reform process consistent with EU accession requirements. But before the Office of the High Representative can transition to an EU Special Representative, the so called "five plus two" reform agenda of outstanding Dayton implementation and state building objectives and conditions must be completed.

Serbia

The Vice President also met with Serbian President Tadic, Prime Minister Cvetkovic, and Defense Minister Sutanovac to stress the Administration's intent to reinvigorate the relationship. He made clear that, despite our differences over Kosovo, we have extensive common interests, and the United States stands ready to support Serbia as it moves towards full integration into European and Euro-Atlantic institutions. This includes strengthened ties and membership in the European Union and closer cooperation with NATO, including eventual membership when Serbia is ready. The Vice President stressed that Serbia must uphold its commitment to work with the international community on practical humanitarian matters in Kosovo that will help improve the lives of all of Kosovo's citizens, including ethnic Serbs. Belgrade's full cooperation with the EU rule of law mission remains a key element in this. Vice President Biden also emphasized that we expect Serbia to continue its efforts to capture and extradite to The Hague the remaining war crimes fugitives Ratko Mladic and Goran Hadzic.

Montenegro

Montenegro is a new democracy, strongly committed to integration into Euro-Atlantic institutions, including NATO and the EU. In his May trip to Montenegro, Deputy Secretary Steinberg reaffirmed our strong support for Montenegro's NATO and EU aspirations and encouraged the government to continue to play a stabilizing role in the region. He also stressed the need to step up efforts to strengthen rule of law, as well as transparency and accountability in government.

Kosovo

Kosovo's success as an independent state within its current borders remains a critically important factor for stability in the Balkans. Yesterday (June 15th), Kosovo celebrated the one-year anniversary of the establishment of its constitution, and it has made tremendous progress during the sixteen months since its independence. Kosovo's independence is irreversible. To date, sixty countries from around the world have formally recognized Kosovo. The shareholders of the International Monetary Fund and World Bank also recently voted to admit Kosovo as a member. Membership in these international financial institutions will help Kosovo's efforts to achieve economic stability and prosperity for the benefit of all its citizens.

Kosovo's leadership is upholding its commitments to build a multiethnic democracy, with far-reaching protections for Kosovo Serb and other minority communities. The government has demonstrated Kosovo is willing and able to play a constructive role as a responsible member of the international community. Of course, much work remains as Kosovo's leaders build for the future. The United States will support Kosovo as it re-doubles efforts to build governing capacity, develop a sound economy and environment for investment, and maintain momentum in creation of a robust, multi-ethnic democracy.

Eurasia

Furthermore, in promoting a peaceful, united, and democratic Europe and Eurasia, we must strongly support the sovereignty and independence of all European states, including those that emerged out of the former Soviet Union.

Georgia

The United States strongly supports Georgia's territorial integrity and sovereignty and its commitment to further democratic reform. We must work with our international partners, including the UN, OSCE and EU, to improve the security and humanitarian situation throughout Georgia and to increase international access to the separatist regions of South Ossetia and Abkhazia. We will maintain solidarity with the international community in refusing to recognize the independence of these separatist regions of Georgia. We regret that Russia blocked the extension of the OSCE and UN missions in Georgia. EU monitors play a crucial role in defusing tension along the administrative border between South Ossetia and the rest of Georgia. On June 22, 2009, Secretary Clinton and Foreign Minister Vashadze will chair the inaugural meeting of the U.S.-Georgia Strategic Partnership Council, based on the charter our two countries concluded in January 2009, which reaffirms our commitment to deepen cooperation with Georgia.

Ukraine

The United States is committed to insuring a prosperous, democratic, and independent Ukraine by helping consolidate its democratic institutions and continue reforms. It is important for Ukraine's leaders to work together to address its serious economic crisis as well, including taking all necessary steps to implement the \$16.4 billion IMF Standby Program.

The United States strongly supports the right of both Ukraine and Georgia to pursue their membership aspirations in NATO. To achieve NATO membership, both countries must complete rigorous reforms to meet NATO's performance-based standards. Under the auspices of the NATO-Ukraine and NATO-Georgia Commissions, Allies, including the United States, are working with both countries to provide concrete advice, assistance, and practical support to help guide these efforts.

Moldova

A country that has been a concern recently is Moldova, where repeat parliamentary elections will take place after the parliament failed to elect a president. We will urge the Government of Moldova to conduct the elections in a fair and transparent manner, seriously addressing concerns raised about the conduct of the previous parliamentary elections, including accurate voter lists and a free and independent media. This would increase confidence in Moldova's democratic institutions and demonstrate that Moldova remains on a path of reform and democratic development. We will continue to work for a negotiated settlement of the separatist conflict in the Transnistria region that provides for a whole and democratic Moldova and the withdrawal of Russian forces.

Belarus

In Belarus, we will encourage the regime to emerge from isolation and to respect the Belarusian people's basic rights and democratic aspirations through undertaking genuine political and economic reform. Our assistance program in Belarus complements these goals.

Russia

As we work to promote security, prosperity and democracy across Eurasia, the Obama Administration is committed to reinvigorating our relations with Russia and looks forward to building a relationship based on respect and mutual cooperation. President Obama and President Medvedev met in London on April 1, where they reaffirmed that Washington and Moscow share common visions of many of the threats and opportunities in the world today. The two presidents' joint declaration recognized that more unites us than divides us. The task is now to translate that sentiment into actual achievements as we look ahead to a July summit in Moscow.

We also share major common interests and will work together on these important areas. In this regard, Presidents Obama and Medvedev agreed to develop a robust agenda for bilateral cooperation, agreeing to work together on a variety of issues, including reducing strategic nuclear weapons and enhancing nuclear security, and to cooperate on such issues as counterterrorism, counternarcotics, Iran, North Korea, the environment, strengthening civil society, and the global economic crisis. We also appreciate the Russian decision to allow non-lethal transit through their territory to assist international efforts in Afghanistan, a mission that has clear security implications for Russia and an area that offers the United States and Russia more common ground on which to constructively work together in the future.

Another part of that agenda will be the negotiation of a follow-on agreement to the START treaty, which is set to expire on December 5, 2009. So far, there have been two rounds of productive meetings in May and June. The negotiators are charged with reporting their progress to the Presidents during their meeting in Moscow in July.

Russia and the United States bear a special responsibility for the future safety of the world. We are working very hard together to find practical solutions, including through the UN Conference on Disarmament, the Comprehensive Test Ban Treaty, Cooperative Threat Reduction programs, and the Global Initiative to Combat Nuclear Terrorism.

One of the outstanding issues we face is the drift in relations between Russia and the NATO alliance, as well as the weakening of European security structures triggered by Russia's suspension of its implementation of the Treaty on Conventional Armed Forces in Europe. At the OSCE ministerial in Corfu, we will discuss ways to strengthen European security. We are pleased that the NATO-Russia Council will also meet at the ministerial level on the margins to resume dialogue and refocus on areas of shared interest. The Secretary spoke about an "all weather" forum for dialogue where areas of common interest and grave importance to our shared and global security can always be discussed. We welcome a dialogue with Russia in the OSCE about its ideas for a new European security architecture. We remain committed to working through and improving existing structures and mechanisms for joint cooperation on European

security. The OSCE will serve as an important forum for such a discussion, as the sole multilateral organization in Europe that brings us all together on equal terms.

At the same time that we reinvigorate our relations with Russia, we will not abandon our principles or ignore concerns about democracy and human rights. While we look forward to forming a more cooperative partnership with Russia, we have no illusions that this will be easy or that we will not continue to have differences. The United States will not recognize a Russian sphere of influence. The United States will also continue to support the sovereignty and territorial integrity of Russia's neighbors. They have the right to make their own decisions and choose their own alliances. The United States and Russia can still work together where our interests coincide while seeking to narrow our differences in an open and mutually respectful way.

Western Europe

As we recognize the many challenges that we face in spreading security, prosperity, and democracy to South and Eastern Europe, it is also important that we recognize and continue to work with our traditional friends and allies in Europe's West.

The United States enjoys some of its closest and most productive partnerships with the countries in this region. President Obama made two visits to reinforce these relationships in the first five months of his presidency. Our Allies throughout Europe share an enduring set of common interests and values with us and they also possess the ability to bring real assets to the table – diplomatic, financial, and military – for joint action to promote and defend those interests. The United States is grateful to all of these countries and our NATO partners in other regions such as Australia for their significant contributions to the joint mission in Afghanistan, and looks forward to continuing our close cooperation as we begin implementing the new strategy there. Sixty years ago, our nations came together to fight a common enemy that threatened the freedom of the citizens of Europe. Today, we continue to work together with these important Allies on many new and emerging threats.

Global Cooperation

Finally, let me address several specific issues, some old and others very new, which pose significant challenges to the United States and our transatlantic friends. As President Obama said on his first trip to Europe, "America can't meet our global challenges alone; nor can Europe meet them without America."

Foreign Assistance

An integral part of working with our European partners on global issues is being a good partner ourselves. Specifically this involves making good on our foreign assistance commitments and maintaining them in the years to come. The job we started after the fall of the Berlin Wall – to help nurture democratic and economic reform among the states of the former Soviet Union -- is far from over. Many countries in Central and Eastern Europe have been phased out of foreign

assistance, primarily because of their membership in the EU or NATO. Countries that are still receiving our help in making the democratic transition arguably present an even tougher challenge today, especially during a global economic downturn. U.S. foreign assistance invests in American security by contributing to European security and helping build stable and full participants in the transatlantic community.

Our assistance is essential to bolstering the efforts of still-fragile reformers like Ukraine, Georgia, and Moldova to integrate into Euro-Atlantic institutions. In the Balkans, our Fiscal Year 2010 request to Congress represents a re-balancing of aid levels to maintain robust funding for Kosovo, to increase aid to consolidate progress in Albania and Macedonia, to strengthen reforms in Serbia, and to ensure that Bosnia and Herzegovina gets back on the path to Euro-Atlantic integration. We are seeking additional resources to prevent or reverse further democratic backsliding in places like Belarus, Azerbaijan, and Armenia. In Russia, we focus on programs to promote democratic development and human rights to enhance cooperation with Moscow to counter nuclear proliferation, terrorism, and global health scourges.

Our military assistance to Europe and Eurasia, for which we seek to restore funding following sharp cuts in 2008 and 2009, pays us dividends by building new capabilities in countries that support our security operations abroad, including Afghanistan, and by improving the professionalism of European forces, and developing their interoperability with NATO.

Public Diplomacy

One of the most important components of global cooperation in the 21st century is our Public Diplomacy strategy. That involves being able to effectively communicate with European governments and publics in a way that creates an understanding of our policy objectives, lays the groundwork for concerted action with European partners beyond Europe's borders, and engages Europe's young generation of "first time voters" to create a sense of common values and purpose with the United States. To do this, the Department is engaged in rapid and targeted delivery of policy messages to meet ever-shorter news cycles; developing innovative uses of new media to engage youth audiences; expanding programs that invite dialogue – listening as well as talking; and creating new exchange programs that allow us to engage Europe's future leaders, and in expanding our use of our soft power tools, like culture and sports, to open doors and begin dialogue.

Engagement with Muslims in Europe

Another crucial aspect of our strategy is to engage constructively with Muslim populations in Europe. As President Obama said during his trip to Turkey in April and in his Cairo speech earlier this month, the United States seeks a new beginning with Muslims around the world, one based on mutual interest, mutual respect, and the principles of justice, progress, tolerance, and the dignity of all human beings. The Department's engagement efforts in Europe seek to capitalize on these interests by improving understanding of the United States, helping to build networks of European and American Muslims, facilitating improved inter-community relations, and supporting peaceful grassroots organizations, with a particular focus on youth outreach. Our approaches are tailored to the different contexts and the variety of Muslim communities in

different countries, and include engagement with students and community groups, internships, mentoring, exchanges and many others.

Holocaust Issues

Yet another aspect of our global cooperation involves engaging the countries of Europe to help those still-living survivors of one of the worst genocides in the history of the world, the Holocaust, achieve some belated justice. The upcoming Conference on Holocaust Era Assets offers us that opportunity. Former Deputy Treasury Secretary Stuart Eizenstat will head the U.S. delegation to the Prague Conference which will address five main themes: immovable (real) property restitution and compensation, Nazi-confiscated art, Holocaust education and remembrance, recovery of Judaica, and social welfare needs of Holocaust survivors.

Counterterrorism

Another critically important area where the United States and Europe work increasingly well together is counterterrorism. Steps taken by European governments, often in concert with us, and ongoing counterterrorism relationships with European countries have had a direct and positive impact on the security of the continental United States and our interests overseas. We cooperate closely on law enforcement, cyber security, intelligence gathering and information exchange, as well as on international transport security and border control, and on dealing with the consequence of terrorist attacks. We also work closely with European governments to freeze assets and designate individuals and organizations with financial links to terrorists.

Conclusion

The United States and Europe share the important responsibility of leading the international effort to address our most pressing global challenges. We also share core values – human rights, democracy and the rule of law – a strong foundation as we work together on our global agenda of advancing these core values as well as security, prosperity, and stability to the entire European continent and around the world. We must continue to embrace this responsibility to lead and recognize that our results are best, and our partnership strongest, when we work together.

Mr. Chairman, Congressman Gallegly, members of the Committee, I am grateful for the opportunity to speak before you today, and I welcome the opportunity to respond to your questions.

Mr. WEXLER. Mr. Assistant Secretary, you must be the equivalent of a rock star up here, because I don't remember six or seven Members of the House coming to the Europe Subcommittee in a very long time. So you are a big draw.

Before we go to questions, I would call upon my colleagues if they have any comments to make.

Mr. Sires from New Jersey.

Mr. SIRES. No, I don't have any comments.

Mr. WEXLER. Mr. Delahunt.

Mr. DELAHUNT. No.

Mr. WEXLER. Mr. McMahon.

Mr. Scott.

Mr. SCOTT. Well, Mr. Chairman, I would just like to make a brief opening statement. I think the presence of all of us here certainly shows the importance of Europe to our future. And our European partners have proven to be some of our more lasting and committed allies, stretching back to the birth of our Nation. From our own battle for independence, to the Barbary Coast, to the world wars, to the Cold War, we have cooperated with European nations to meet the challenges we face domestically and around the world.

And now, as we are in the midst of global crisis and reaching to face new challenges in Afghanistan and Pakistan, never before have we needed European cooperation combating global warming, the dwindling of energy supplies, and also in improving and enhancing all of our partnerships in Europe and neighboring countries, particularly with Russia, as Mr. Gordon mentioned, and certainly with China and the emerging economies of India.

Mr. Chairman, given the scope of this hearing, the width and the breadth of our interactions with the whole of Europe, I doubt that we will have the time to delve into many of the challenges lying before us, but I look forward to dealing in a few specific ones. I am specifically interested in your thoughts concerning how we can develop a more workable, meaningful relationship with Russia.

I think Russia holds the key not just to Europe, but for so many things that we need to enhance peace and security around the globe, global warming, cooperation in terms of nuclear non-proliferation. So many critical issues. And I think that Russia certainly plays a very important role in that, as well as enhancing our cooperation with our NATO allies as we grapple with the many issues.

Mr. WEXLER. Mr. Tanner.

Mr. TANNER. I will wait. Thank you, Mr. Chairman.

Mr. WEXLER. Mr. Inglis, you have any comments you would care to make?

Mr. INGLIS. Yes. Thank you, Mr. Chairman.

This is a great opportunity for me to mention something better than cap-and-trade, because it seems to me that Europe is finding out that there are some real challenges with cap-and-trade. And we in America, I think, are about to find out that it sure is hard to pass something like that, especially a massive tax increase, in the midst of a recession, a Wall Street trading scheme that would make Wall Street traders blush, I think, after what we have been through, and that punishes American manufacturing.

But there is something better. There is an opportunity here to, when that falls apart, to pursue something different, which is basically a revenue-neutral tax swap that involves reducing taxes on payroll and in an equal amount imposing a tax on carbon dioxide.

So it is not a tax increase of any sort, it is simply a tax swap. Revenue-neutral. So you move from taxing wages and income and industry in the payroll tax, you take that tax away and you put a tax on carbon dioxide. And what it does is changes the economics of alternative technologies.

And also of importance to our friends in other countries, it would be border-adjustable, so that this bill we have got pending could be removed—the tax could be removed on exports and imposed on imports.

It may be something that, from what we hear from European friends, may actually be very similar to a VAT export rebate in that way, something that they have a great deal of experience with. And we think that it is WTO-compliant, unlike the current cap-and-trade bill, which, as I understand it, is a per se violation of WTO to give away free allocations. Eighty-five percent of them have been given away for free. You have got to wonder whether our trading partners are going to sit still and say, Yo, you think that is a WTO violation?

And so if they do, we have got the alternative. And it is something that I think we can work together with our European friends especially to bring about real change in our economies and address the challenge ahead of us.

So, thank you, Mr. Chairman, for the opportunity to speak about that.

Mr. WEXLER. Thank you.

Mr. WEXLER. I will begin, then, maybe focusing on two principal areas, Russia and Azerbaijan. You have ably outlined the parameters of the new administration's approach to Russia. I was wondering with maybe a bit of specificity if you could talk about the areas that are of potential contention between the United States and Russia, as well as the areas that are of potential strategic cooperation, and what role will the administration seek with our European allies as we engage Russia in that regard.

And with respect to Azerbaijan, in the context of the engagement between Turkey and Armenia, there are obviously certain sensitivities with respect to Azerbaijan. I think the Secretary very ably, when the Azerbaijan Foreign Minister visited Washington, talked about the strategic importance of Azerbaijan. I would like to ask you what steps the administration is taking to bolster the American relationship with Azerbaijan; what steps are we taking to navigate the course of the engagement between Turkey and Armenia so that Azerbaijan comes out a winner as well? And very specifically you may be aware I introduced legislation with Congressman Shuster that would lift Jackson-Vanik trade restrictions for Azerbaijan, and would ask if you are prepared to comment at all in that regard.

Mr. GORDON. Thank you, Mr. Chairman. Both of those are very important topics, and I appreciate the opportunity to address them. Let me begin with Russia because it is indeed central to our European policy.

The President came into office and very early on made clear that we wanted to put the difficulties and recriminations we have recently had with Russia behind us, to the extent possible. The previous years it had seen a serious deterioration in our relationship with Russia, and the President's view was that this was unfortunate because we really do share a number of common interests, and we are better off if we can work constructively with Russia.

And you asked about some of the areas. We are better off when we get Russian cooperation on Afghanistan, Iran, nuclear non-proliferation, the world economy, climate change, and European security.

So, he proposed that we try—and the word is maybe overused now—but try to reset the relationship with Russia and see if we can change the tone and the substance of the relationship. That is what we are trying to do. He had very constructive discussions with President Medvedev in London in April and looks forward to resuming those in July.

But there is a second part of the way the administration thinks about the issue that I want to make equally clear, that even as we seek to have a more constructive relationship with Russia, for all the reasons I just said, we will not do that at the price of our principles and interests and friends. That is to say, as the Vice President made very clear early on at the Munich Security Conference, that there are certain principles that go along with this. We don't recognize any privileged sphere of influence for Russia in Europe. Democratic European countries have the right to join the alliances that they want to join without any third country having a veto, and, specifically, we will not recognize the breakaway regions of South Ossetia and Abkhazia.

I think, just to make clear, that just this week we demonstrated that we will not pay any price in order to have a more constructive relationship with Russia over the issue of Georgia. We stood firmly behind our principles at the U.N. during the discussions of a follow-on U.N. mission in Abkhazia, a part of Georgia, and we are not simply prepared to concede that principle to the Russians in the name of a better relationship. And I can give you other examples of how, whether it is NATO enlargement or others, we will stand by our friends and by our principles.

That said, I think there still is an opportunity for a more constructive relationship with Russia.

Finally, Mr. Chairman, when you asked which areas are in the issue of possible cooperation and which possible confrontation, the reality is both. In each of the areas I gave, we can go one way or another, and what we are trying to do is make sure that we cooperate on all of those, rather than the opposite.

If I might address the question of Azerbaijan, which is also very important, and, as I said, only a couple of weeks into my own tenure in office, I decided to go to Armenia and Azerbaijan and Georgia because it seemed to me that of all the many challenges we face in this vast region, there are some serious opportunities there. And you talked about what they are.

You have two parallel but separate tracks going on, a Turkey-Armenia normalization reconciliation process that we do think is quite potentially historic, where two countries have agreed on a

framework for normalizing their relations that would include opening the border, which has been closed for far too long, which would establish diplomatic relations, and would provide commissions in key areas, including history. And we encourage that process, and we support it.

We have said that it is an independent process and believe that it should move forward regardless of whatever else is happening in Europe or anywhere else, because both countries would benefit.

That said, it is nonetheless the case that at the same time negotiations on Nagorno-Karabakh are going on between Armenia and Azerbaijan. That is the part of the context in which the region moves forward, and we are encouraging that process as well.

Again, our view is that these are separate tracks. They are moving forward at different speeds. But we are engaged vigorously on both, because if both were to succeed, it really would be an historic opportunity for the region from which all three of those countries would benefit.

Mr. WEXLER. Thank you very much. Mr. Sires.

Mr. SIRES. Thank you, Mr. Chairman.

Dr. Gordon, the United States policy has been to support a Cyprus settlement based on a bicomunal, bizonal federation, with a single sovereignty and international personalities. Given that current direct talks are taking place under the U.N. framework, what is the United States doing to encourage the Turkish Government to embrace this framework for final solution?

Mr. GORDON. You have indeed well described the administration's approach and the administration's aspired outcome. At present the two sides on the island have been talking directly to each other since last September, which is a good thing. And they have been doing so under U.N. auspices.

We have said from the start that we are prepared to be helpful as we can. At present it looks like the direct talks are going on regularly, and the U.N. is being helpful. And we will support that process. If a more direct role would ultimately be useful, we would be prepared to consider that.

We have directly engaged with both sides, including the Turkish Government, to make clear that that is our view as you described it. The outcome should be a bizonal, bicomunal federation with a single sovereignty. And we make that clear to our Turkish counterparts consistently when we talk about the issue.

A Cyprus settlement, just as I described, regarding Armenia, Azerbaijan, and Turkey, a Cyprus settlement would also be win-win. Both sides would benefit from a political settlement, and we will be actively engaged to achieve it.

Mr. SIRES. Getting back to Russia and the visit by the President in July, are you concerned at all the expectations may be too high, meaning with Russia, in terms of what we can accomplish?

Mr. GORDON. Expectations should indeed be realistic. We are not going to go from a very contentious relationship with Russia, where the United States and Russia have had significant disagreements about European security, about missile defense, about NATO enlargement, about other regional issues, to one in which we agree on all of those things. So I appreciate the spirit of your question.

Expectations should be kept in check, particularly because, as I said, we are not prepared to pay any price for a successful summit or a better relationship with Russia. We will stand by our principles and our interests, but I do think there are opportunities for not just a successful summit, but for concrete results from that successful summit. We are looking at areas in which we can do that.

We welcome the Russian Government's offer of providing transit for assistance, including lethal transit assistance to Afghanistan. That is an example of something that is in our common interest, a stable Afghanistan. As it is Russia's interest, it is in our interest. If they are prepared to help us with that, that is a good thing, and we welcome it.

We welcome Russia's cooperation on the issue of containing nuclear proliferation to Iran. We are talking seriously about strategic nuclear arms reductions and a follow-on to the START agreement, and believe that that is also in our mutual interest, and that we can move that ball forward at the summit in July. We are talking about economic relations between the two countries and possibly Russia's eventual WTO membership.

So, while keeping expectations in check, I would also want to underscore there are some real prospects for progress, and we will do all we can to achieve them.

Mr. SIRES. Thank you very much.

Mr. WEXLER. Mr. Delahunt.

Mr. DELAHUNT. Thank you, Mr. Chairman.

I applaud you for your statement about standing on principles. I am not quite sure about standing with friends if they do something rashly. And I would suggest that in terms of the conflict between Georgia and Russia, Mr. Saakashvili did not respond to concerns expressed by your predecessor. Dan Freed actually testified in front of this committee that he was in communication with the Georgian officials the night before the invasion and asked them to move cautiously and do not launch a military offensive. They ignored him. I don't know if I really want to stand by that friend.

I dare say if they had acceded to NATO, there would have been certain treaty obligations that could have been not just embarrassing, but might very well have implicated the United States in terms of some sort of military engagement.

So, while I appreciate standing on principles, and I think we should do that worldwide, by the way, whether it is the Mideast, whether it is Asia, whether it implicates China, whether it implicates the principles that we are known for in human rights, due process, we ought to consider those very, very seriously whether it implicates those who are our friends as well as those with whom we have a contentious relationship.

Care to comment?

Mr. GORDON. Sure. I appreciate your thoughts on that. We have said that whatever the origins of the war in Georgia last summer, and whatever the actions of the Georgian Government, they didn't justify the Russian invasion of Georgia, dismemberment of Georgia, the disproportionate use of force and occupation of the breakaway regions of South Ossetia and Abkhazia, nor would those actions have justified or do those actions justify the subsequent violations

of the cease-fire agreement that Russia reached with the European Union under the French Presidency.

Mr. DELAHUNT. Mr. Secretary, with all due respect, do you think that the Georgians have any culpability or responsibility in terms of what occurred in August of last year?

Mr. GORDON. As I said, the origins of the war can and have been and should be debated—

Mr. DELAHUNT. What is your opinion about the origins of the war?

Mr. GORDON. My opinion about the origins of the war is that President Saakashvili may well have fallen into a group that he shouldn't have. The international community—the United States and the international community was unsuccessful in persuading him not to fall into that trap.

Mr. DELAHUNT. So you are suggesting a trap that was intentionally laid?

Mr. GORDON. I certainly think there were provocations that Georgia's use of force and going into Skinvali didn't occur in a vacuum. There were provocations on both sides. There were certainly provocations coming from the South Ossetian side.

Let me be clear, I would have strongly—or I would have done everything I could to avoid seeing the Georgian Government, as I have put it, fall into this trap and the war that followed it. Nonetheless, I would repeat that—

Mr. DELAHUNT. Mr. Secretary, again, with all due respect, I am going to suggest to you that if they fall into a trap, and it implicates American national security interests, that we should be very wary of who we chum around with in that particular region. And it would appear, listening to your testimony, that, at least in your opening statements, that there appears to be no responsibility and no culpability on the part of the Saakashvili regime, a regime that has a rather speckled human rights record. And I am sure that you have reviewed that.

It causes me great concern that there appears to be within Georgia a growing tendency toward authoritarianism. You know what happens in terms of closing of the media outlets. Peaceful protesters were assaulted by security forces. What I suggest is a more balanced view, without just simply ignoring the responsibility of the Saakashvili government.

Mr. GORDON. I appreciate that. I will, if I might, just address both of those points.

On the first, again, I would say that whatever the origins of the conflict last summer, they didn't justify Russia's disproportionate use of force, nor the recognition of the two breakaway regions, a recognition that has simply not been supported in the international community.

I think only Nicaragua has joined Russia in recognizing those two breakaway regions, and the rest of the world has stood firmly behind the principle of territorial integrity, which is the principle that the United States also stands firmly behind.

There is not a military solution to those breakaway regions. That is clear. But it is also inappropriate for Russia unilaterally to have recognized them and also to fail to implement the cease-fire agreements, which require Russia to bring its forces back to the posi-

tions that they were prior to the outbreak of conflict, something that Russia signed up to do and has not yet done, nor has it allowed the full humanitarian assistance to go in.

On your second point about democracy in Georgia, I also went to Georgia to pay close attention to that issue. There have been massive protests throughout the country in recent months. I think, on the whole, the Georgian Government has shown significant and appropriate restraint in dealing with those protests.

We have encouraged them to do that. We welcome the fact that they have. But we have also encouraged them to move forward with the democratic reforms that are necessary to see Georgia remain on the path to Europe.

Mr. WEXLER. The time has expired.

Mr. Bilirakis.

Mr. BILIRAKIS. Thank you, Mr. Chairman.

Dr. Gordon, thank you for your public service and your testimony here today.

I have two questions. First, since the 1974 Turkish invasion, over 36 percent of the territory of the Republic of Cyprus has been occupied by approximately 43,000 Turkish troops. Can you comment on how the United States can use its close relationship with Turkey to convince it to remove the disproportionate and unnecessary number of troops from Cyprus, thereby removing a major hurdle on its path of accession to the EU?

Secondly, I am convinced that the Government of Turkey continues to prosecute journalists and academics under Article 301 for writing about the Armenian genocide. Most recently, the persecution of Turkey's first literature Nobel laureate, Orhan Pamuk, was upheld by Istanbul's highest appeals court. His trial is expected to resume this year for his remarks about the Armenian genocide.

In light of Turkey's continued prosecution of intellectuals who express themselves, what steps will you outline with the Turkish Government to ensure greater freedom of press and expression in Turkey? Thank you.

Mr. GORDON. Thank you for both of those questions.

On the first, as described earlier, we have a very clear type of Cyprus settlement in mind that would be a bizonal, bicomunal federation, single sovereignty. It is for the parties to decide exactly how that comes out in terms of territory and refugee return and troops and demilitarization, but in any imaginable Cyprus plan that I have seen and that the parties are discussing, it would also involve a significant reduction in outside forces on the island, including Turkish forces.

Again, the path to the outcome that you describe, which is a reduction of the Turkish military presence in Cyprus, is a Cyprus settlement. That is why we are so engaged and so keen to have one. It would bring about the outcome that you referred to, and it would benefit both sides in so many ways.

As for freedom of expression in Turkey and Article 301, I can say the United States everywhere is a strong—and the Obama administration is a strong proponent of freedom of expression, freedom of the media, freedom of the press, free societies. Turkey took some steps last year to revise Article 301 of its penal code that made it more difficult to have political prosecutions. That was an important

step forward. It would do well to continue down that path and allow for more freedom of expression. And we have a constant dialog with the Turkish Government about these issues, and will continue to make that view clear.

Mr. BILIRAKIS. Thank you.

Mr. WEXLER. Thank you. Mr. McMahon.

Mr. MCMAHON. Thank you, Mr. Chairman, and thank you for convening this very important and interesting subcommittee meeting.

And thank you, Dr. Gordon, for being with us today. I just want to add my voice to those who are very concerned about the situation in Cyprus and see it as very important to the people of Cyprus that it gets resolved, but also for those of us who want to see Turkey become a full partner in Europe and part of the EU, certainly I see it as a major stumbling block, because as long as there are all those troops in Cyprus, as long as there is not a recognition there that there should be one federation and no reference to a Republic of Northern Cyprus, which we have heard too often, even sometimes from the American Government, I think, will we be able to get that done.

So when I hear you say that you kind of have an attitude that we want to see this—get this done, but I don't quite hear that America sees that as the imperative that it needs to be so that we then can say with one voice: Yes, Turkey should go into the EU, but it can't until the situation gets resolved.

So I guess my question is: What is the administration doing to—and you are right, Cyprus has to solve itself, but I am sure Ankara should hear from our Government that this is a step for us to then say: Get Turkey into the EU.

Mr. GORDON. Absolutely. Let me say it quite clearly. This administration is strongly engaged toward just that goal. The Secretary has had this discussion with her counterpart, the Cypriot Foreign Minister, with her Turkish counterparts. She and the President, of course, have both traveled to Turkey, and they have made clear that we see real opportunities in Cyprus this year with the parties talking directly to each other, and that it is a strong United States interest to get a deal on Cyprus done as soon as possible.

You mention it as an obstacle to Turkey's access to the EU, and we agree with that. A Cyprus settlement would be a major step forward in opening up the door, the EU door, to Turkey. That is a further reason that we support it. That is why the Greek Government supports it. It would be good for Turkey, and even the EU.

So we will be very closely engaged, and the Secretary is very personally interested in this. It has been too long. It shouldn't wait any longer. This year would be a good time to have a Cyprus settlement.

Mr. MCMAHON. I think you said it, but it is clear, I think, that the administration and the Secretary see this as a very important issue and one that they will press in the immediate future.

Mr. GORDON. Absolutely.

Mr. MCMAHON. Assume that were to happen, and there were to be a withdrawal of troops and an agreement on Cyprus, what other impediments do you see in terms of Turkey allowing admittance into the EU? It seemed that when the President, to his credit, vis-

ited Turkey that—I wouldn't want to say displeasure, but it seemed that our great allies in France and Germany, Chancellor Merkel and President Sarkozy, were not thrilled by it.

How do you see—assuming, and only assuming, in my opinion, and obviously from my colleagues, that the Cyprus issue is resolved favorably, what other impediments do you see, and how can America help to remove those impediments?

Mr. GORDON. It is an important question. Thank you. I will be frank. It is a real challenge. I think as a general proposition it is fair to say there is enlargement fatigue in the European Union, not just toward Turkey, but especially in the context of an economic crisis, countries and populations are not terribly enthusiastic about bringing in new members. That is unfortunate, but I think it is a reality.

It is a particular challenge toward Turkey, which is a country of some 70 million geographically further away, a majority Muslim country that faces some skepticism among European populations.

But we continue to make the case that European Union membership for Turkey has been an enormous incentive toward the type of Turkey that Europe would like to have as a neighbor and ultimately as a member, a more democratic Turkey, a freer Turkey, a more stable Turkey, and one that can contribute strategically, economically, culturally, and in so many ways to the European Union. That is a discussion we have had for years. We will continue to have it. As the President has said, we know we are not members of the EU. This is not up to us. But as friends of the Europeans, we are able to talk about these strategic issues and common events, and we will continue to make the case as to why that would benefit Europe.

Mr. MCMAHON. Thank you for your forthrightness and being with us today. Thank you, Mr. Chairman. I yield the remainder of my time.

Mr. WEXLER. Thank you.

At this time I want to recognize the former chairman and now the ranking member of this subcommittee Mr. Gallegly.

Mr. GALLEGLY. Well, I thank the former ranking member and now the chairman of this committee for yielding to me. I apologize to all of you for being a little tardy. Unfortunately, one of the things we can't make more around here is more time. I appreciate you giving me the opportunity, Mr. Chairman. And thank you for holding this oversight hearing today on the transatlantic relationship.

I would also like to welcome Dr. Gordon, the recently appointed Assistant Secretary of State for Europe and Eurasian Affairs at the State Department. Thank you for being here.

There are many areas I would like to focus on regarding United States-European relations. However, in the limited amount of time today, I would like to focus on just a couple of areas.

First, I am very concerned about the situation in Bosnia. We are now 14 years after the Dayton Accords. Instead of improvements in the political situation, we are seeing little progress in creating a more unified, multiethnic society.

Second, in Kosovo I see very little evidence that the Serbian enclave in the north is willing to cede authority to the central govern-

ment. In fact, every briefing I have received indicates that the Serbs who are living in Kosovo conduct their day-to-day lives as if they were being governed from Belgrade instead of Pristina.

I would also like to hear Dr. Gordon's analysis on the situation in both Bosnia and Kosovo and the strategy of our Government in conjunction with the Europeans to build a more stable future in these two countries. If we do not make progress in Bosnia or Kosovo, I believe there is a real danger of renewed violence in the entire region.

In addition, I would like to touch upon the situation in Cyprus. I know that there was some reference to Cyprus as I was walking in, but having been a Member who traveled to Cyprus, it is one of those areas that is less traveled than some of the other places in the world. I visited that country less than 2 years ago and strongly support negotiations between the Greek Cypriot and Turkish Cypriot leaders as they work to reach a settlement regarding the future of the island.

I was pleased to see that in his written statement

Dr. Gordon reiterated the administration's support for the negotiations. However, there have been questions raised as to whether Turkey is helping to facilitate an agreement or is actually constraining Mr. Talat's ability to reach common ground on specific issues with the Greek Cypriot counterpart. I hope we can explore this in the future during the question-and-answer period, which obviously has already started.

I thank you, Mr. Chairman, Mr. Former Ranking Member, and I look forward to the testimony of our witness. Thank you very much. I yield back.

Mr. WEXLER. Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman. I would like to ask you, Dr. Gordon, about Russia. It would be very helpful to me. I will be going to Russia in the next week, and I want to try to prepare myself to engage in those areas where I believe we can have a partnership with Russia. I think it is critical that we find areas of common interest that we can work together on, and I want to get your comments on each one of them.

I believe nuclear nonproliferation is an area that we can work on, and most paramount with that is the situation in Iran and the situation in North Korea.

Now, in many respects, Russia has as much to win or lose from this situation as we do. So how can we engage in that? What is the administration's position on that? What must we be prepared, what kinds of questions do we need to get answers for in terms of Russia and Iran; Russia and North Korea; and how can we get Russia to play a more definitive and positive role in helping us? Those are the two most critical areas of nuclear nonproliferation, to stop North Korea and stop Iran.

That is the first part of my question, Iran and North Korea and Russia, and what degree can the two of us work together to disarm these two nations from their nuclear weapons capacity?

Mr. GORDON. If I may, I will answer that right now, and maybe we will have a chance to come back to Mr. Gallegly's questions about the Balkans.

Nuclear nonproliferation cooperation with Russia is a priority for this administration. One of the reasons that we are trying to create a broader and more trusting general relationship with Russia is so that we can work together on issues like the one you mention. The fact is, and it is regrettable in many ways in recent years, Russia has appeared to view relations with us as a zero-sum game. If it is good for us, they must be against it; and if it is good for them, it won't be good for us.

And we see things differently, and you have given an example of how this should be good for both of us. A nuclear armed North Korea means potential for proliferation and weapons of mass destruction getting in the hands of people who could harm us and people who could harm Russia. That is even more true of Iran. Iran is lot closer to Russia than it is to us, and Russia would be equally threatened by a nuclear armed Iran, and I think Russia's leaders know that.

So the question is, how do we maximize cooperation? As I said, one is to just have a better overall relationship with Russia so they don't see a gain for us as a loss for them. But more specifically, we have been prepared to talk seriously with the Russians about how they can be involved in containing a nuclear proliferation in Iran.

Mr. SCOTT. Let me ask this because my time is coming, and I want to get my last part of this question in. In an effort to get Russia to deal more positively and more meaningfully with us on these two very critical issues in North Korea and Iran, what role could the missile defense system possibilities that we have on the table in our plan of placing them in the Czech Republic play into this? What is administration's thought on this? Is that an area of no touchability? Are we being held strongly and succinct in our positions there? And how do we play the missile defense shield situation? We have got one going in Alaska and California to take care of North Korean missiles. This was there for Iran's. Is that in play?

Mr. GORDON. Thank you for raising that important issue, which comes up a lot.

On the missile defense plans, let me say this. The administration is reviewing the plans that existed to put interceptors in Poland and the radar in the Czech Republic. The President has said there is a ballistic missile threat; there is a nuclear threat, and if missile defenses will make us and our allies safer, we will deploy them. But he wants to take a serious look at whether the system works, whether it is cost-effective, and whether it is the best way to protect ourselves and our allies.

That review is ongoing, and we will see where it comes out. In terms of the link with Iran, there is one, but in the opposite direction, I would say. That is to say, the President has said, if we can prevent Iran from developing nuclear weapons and ballistic missiles, the less there is a need for a missile defense system in Europe. It is just sort of a logical conclusion.

The point of the missile defense system is to protect against an Iranian nuclear and ballistic missile threat. If that threat goes away, then the need for the system also goes away. And he has said that to the Russians to underscore that if they can help us deal with the threat, then there will be less of a cause to have the missile system that they oppose.

Mr. SCOTT. Thank you, Dr. Gordon.

Thank you, Mr. Chairman.

Mr. WEXLER. Mr. Gallegly has graciously suggested, Mr. Tanner, that we go to you.

Mr. TANNER. Thank you, Mr. Chairman.

Thank you Mr. Secretary. I have just a very brief question and comment about NATO. It has some challenges, no question about it. Any consensus organization does. It has the financial challenge and so forth, but it also has an institutional challenge with respect to prosecuting the effort in Afghanistan and Pakistan.

And that is the—not only the member nations of NATO and what they bring to the table, but the cooperation, hopefully, with the European Union to help on the civilian side on some of the things that are maybe a little bit outside of NATO's mission.

I would be anxious to hear what you all are doing in that regard to convince or to urge the European Union to do more with respect to the building of the civilian part of the equation that must take place in that part of the world.

Secondly, we just got back from a NATO trip where we went to Sweden. Sweden is becoming president, as you know, in July. And we were in Finland and Norway, Oslo, at the NATO PA conference. But we went to the other countries to discuss the High North issue. And I wondered what the administration was doing with respect to the issues that are going to be developing in the areas called the High North. Thank you.

Mr. GORDON. Thank you very much.

On the first part, we are indeed actively encouraging the Europeans to do more on the civilian side in Afghanistan and Pakistan just as we are. At the NATO summit, our allies stepped forward with modest military contributions, including some 3,000 troops to help get through the elections, but there were not significant added military contributions, which you know as well as I do are very difficult to get from Europeans. And therefore, we are encouraging them all the more to do what they can on the civilian side because we know that there is not ultimately a military solution in Afghanistan and Pakistan.

The EU is a special priority of Special Representative Holbrooke who is working on the Afghanistan-Pakistan issue. There is a Pakistan pledging conference this week, and we have been strongly encouraging our European allies to get more engaged there and do what they can because we have also reached a conclusion that you can't solve Afghanistan unless you solve Pakistan, and that requires a lot of assistance.

And we have said to them, we understand that there are constraints in what you can do on the military side, but it is in our common interest that you do more on the civil side, and we hope that they will.

The High North, you are right to draw attention to it. It has been overlooked, but it is something I think we are going to have to start paying more attention to. NATO, as you know, has had a couple of recent conferences on this subject. The new secretary general comes from a northern country with a long history of involvement. And we agree with you that we are going have to pay attention to that emerging issue. It is not just a security issue, but it

is an energy issue, and because it is an energy issue, it is a security issue.

Mr. WEXLER. Thank you.

Mr. Gallegly.

Mr. GALLEGLY. Thank you, Mr. Chairman.

Dr. Gordon, I am sensitive to the fact that you have been sitting there for 2 hours, and I appreciate that. And I am going to keep my questions very brief in view of that. But I would like to get back to that issue of Kosovo and Bosnia and the strategy that you see that we are going to try to implement in order to try to preclude further problems.

Mr. GORDON. Thank you, Mr. Gallegly.

I think you hit the nail on the head when you talked about Bosnia. We are not satisfied with the situation in Bosnia 14 years after Dayton. I think an honest assessment would conclude that Bosnia is not just not moving forward in the way that we would like but has actually taken some steps backward.

The Vice President recently took a trip to Bosnia because we wanted to show that we are engaged, and we are paying attention, but he was very clear with his Bosnian counterparts on all sides that they need to get beyond this ethnic nationalism that is dividing the country and bringing serious risk to stability throughout the region. We stand by the Dayton agreement. With the agreement of the parties, it can be tweaked and you can make constitutional and political progress.

But there needs to remain a single Bosnia, and we just won't recognize any attempts to break away from that single Bosnia. But at the same time, there are entities that the constitution recognized, and those need to remain.

It is a serious challenge, but we are trying to bolster the High Representative that stems from the Dayton Peace Accords. I think over time, I talked about EU enlargement fatigue; there was a bit of an international Bosnia fatigue as well. People felt, well, the war is over; we don't have to pay much attention anymore. And I think the high representative didn't get the political backing that he needed to keep Bosnia on the right track. And we are going to try to bolster that and stand firm behind the Dayton constitution and work with our European allies. After all, they are at least or more engaged than we are in Bosnia to put Bosnia back on track and make sure that this sort of ethnic nationalism doesn't pay.

You also highlighted the challenges in Kosovo. They are there, and I wouldn't deny them for a minute. But I would say, if we pause a year, I think yesterday after the adoption of Kosovo's constitution, for a first year, that country has done pretty well. It has now been recognized by some 60 countries around the world, including most of the Europeans. It was voted in to IMF membership a couple of weeks ago. The World Bank recently voted as well. It is gradually acquiring its place in the international community, and we stand by it. The Vice President went there as well to underscore that.

You are right that in the north of the country, ethnic Serbs still seem reluctant to buy into Kosovo as an independent state. But let me be clear that we cannot accept the idea of partition. We think that is a route that, if you started to travel down in the north of

Kosovo, it would just never stop in the Balkans. So we are doing everything that we can to support Kosovo and hope that, over time, its citizens in the north will realize that their home is in Kosovo, and Kosovo is going to be a place where people of any ethnicity can have their rights respected, their religious rights preserved and respected, and they can find a stable home there.

Mr. GALLEGLY. Very briefly, can we jump back to the issue of Cyprus and give us an assessment of how you see the role that Turkey is playing in trying to facilitate or otherwise? How would you assess Turkey's role in this process as it exists today?

Mr. GORDON. I think that Turkey has an interest in a Cyprus settlement, and the Turkish Government realizes the interest in the Cyprus settlement. All of the parties in the Cyprus dispute are tough negotiators. And Turkey, while not a direct party, is included in that category. They, like everyone else will have to make some compromises if there is going to be a settlement. And as I have said before, we have this discussion with them on a regular basis, and I will continue to have it and to make clear that all sides are going to have to compromise for there to be a settlement. But if there is a settlement, all sides would benefit, including in the case of Turkey where a big obstacle to Turkey's EU aspirations would be removed.

Mr. GALLEGLY. Thank you, Dr. Gordon.

Thanks, Mr. Chairman.

Mr. WEXLER. Thank you.

Mr. Costa.

Mr. COSTA. Thank you very much, Mr. Chairman. A number of questions. First, beginning with Russia, earlier this year with some fanfare, the administration talked about the reset button; although I think we got the translation wrong. You enumerated what you thought the areas in which we could move forward on with this new approach. What do you think we should be looking for in terms of the next 6 months or 12 months to determine Russia's sincerity in terms of making this reset effort successful?

Mr. GORDON. That is a good question. Obviously, we will welcome cooperation wherever we can find it.

. But priorities for this administration in foreign policy include the Iranian nuclear issue. And that would have to be near the top of the list to see Russia cooperating with us on such a critical issue where they can play such a political role is something that we will be very much looking for. Without cooperation on that issue, that is clearly going to be a significant blow to the cooperative relationship we would like to see.

Afghanistan and Pakistan is another. It is a place where Russia can make a positive contribution, and it is a priority for the administration.

Strategic arms control is another because we have a real prospect to do something in our mutual interests. Are they going to be working with us constructively in that area? That will be another test case.

But I think I could go on for some time with examples where there will be indicators of whether they are also interested in a better relationship with us.

Mr. COSTA. In your sense of the meetings that have taken place, both with the President and the Secretary of State so far in the visits to Europe, I know we are not calling it a war on terrorism anymore; but to what degree do you think the Europeans, you talk about Bosnia fatigue, you talk about fatigue with regards to Afghanistan, that they continue to sense that the threat, I mean the bombings in Spain and London is continuing to be a source of concern among European countries?

Mr. GORDON. That is something that we all have to be very conscious of and cautious about not losing sight of the degree of threat that is out there. When weeks and months go by without a terrorist attack, it is easy for populations to lose sight of it. I am sure that applies to Europe as well, but you gave the best possible reasons why that shouldn't happen. We have a good dialogue with Europeans on terrorism. I think we are on the same page.

Mr. COSTA. But do you gauge they sense the same sense of threat, the European countries?

Mr. GORDON. I think, since 9/11, there has been a gap in the degree of threat felt by populations. It depends on the country. Europe is a diverse range of views.

Mr. COSTA. No, I understand.

On NATO responsibility, and we talk about Afghanistan, and we look at the problems that concern the problems with poppy production and eradication; that is an area that directly goes into Europe. Where do you think NATO can play a greater role in that effort?

Mr. GORDON. NATO has gradually—in the beginning in Afghanistan, NATO and all outside forces were highly reluctant to get involved in the drug issue. It is dangerous. It is hard to have success because you end up often displacing it rather than eradicating it. But over time, I think, we and our NATO allies in Afghanistan have realized that it is too central a part of the challenge we face to ignore. And gradually, NATO has gotten more aggressive in targeting the labs that make the drugs.

Mr. COSTA. So you think it has gone beyond reluctance at this point?

Mr. GORDON. No. I need to be honest, there is still reluctance.

Mr. COSTA. Let me move over. We talked—I am kind of going full circle here back to Russia and the sanctions we are trying to deal with Iran. It is my understanding that France's oil enterprise, Total, hesitated regarding its investment in Iran, but the state-owned China National Petroleum Corporation took total spot of about a \$4.7 billion contract.

In addition to that, we are told that Royal Dutch Shell of Dutch and British origins and Reposal of Spain have offered new proposals for an initiative of Iran's major gas production in the Gulf and with the Iranian Government. How do we make sanctions work if our allies are not on the same page?

Mr. GORDON. You have underscored exactly the reason why this is a global challenge where we need all of our partners and not just some. That is what we hear all the time from oil companies in certain countries; that if we pull out, someone else will go in. I would actually say that we and the Europeans are pretty unified in terms of the financial investment consequences that Iran should pay for failing to cooperate on the nuclear weapons issue, but if we don't

get China and Russia to cooperate as well, that is only going to have a limited impact.

Mr. COSTA. A final question if I might, Mr. Chairman.

And since I want to cover all the continents here, we were in Sudan over a year ago, and obviously the EU has been trying to play a role in an effort there. USAID has been a big part of that. But providing the monetary support for the military forces to try to protect those folks has been limited. Do you think we are going to get the kind of support we need in Sudan from our European allies?

Mr. GORDON. I can't make a prediction on that. I can only say, it is a priority. And I began this by talking about how we need Europe to be a global partner, and that is a good area where they could show global responsibility alongside us.

Mr. COSTA. All right.

Thank you very much, Mr. Chairman. I have exceeded my time.

Mr. WEXLER. Thank you.

Mr. Secretary, I would like to follow part of Mr. Costa's questioning with respect to Iran in the context of the dynamic of Europe. Obviously the Iranian election is too fresh, too new to know fully all the ramifications, although I suspect they may, in fact, be far greater than any of us realize as we sit here now.

Mr. Costa rightfully points out what would seem to be some of the divisions, notwithstanding all of the efforts that the EU3 have provided in terms of negotiating with Iran and the degree of commitment that is in fact shared between the United States and Europe in terms of thwarting Iran's nuclear ambitions. There is a division when it comes at times to contractual relationships.

And in the context of the President very ably, at least at this early stage, navigating between his commitment to a policy of engagement, which many of us and I certainly do support very strongly, and at the same time of course pointing out the need for a legitimate election and a review and standing up for people's voting rights and their human rights and the like, there is almost complete unanimous support in Europe for the President's engagement policy.

But what worries me is, once we get beyond engagement, should it not result in the type of Iranian behavior that we would wish, what kind of commitment do you foresee at this point in terms of the next steps, should they be required? Are our European allies, in your view, considering the next level of options that may, hopefully not, but may be required? Is the EU in a position to seriously contemplate autonomous sanctions against Iran outside of the U.N. if the ability to develop that framework within the U.N. does not exist? And what impact do you think the election in Iran is having in Europe?

And just totally aside from that, if you could, maybe just point out or make a comment with respect to the agreement I understand that was made this Monday between the European Union and the United States with respect to Guantanamo and the detainees? If you wish to comment on that, which I think is a very important development, I would like to give you the time to do that.

Mr. GORDON. Thank you, Mr. Chairman.

Those are challenging and important questions. I will comment on both.

On Iran, I think we have made enormous progress over the years in coming together toward a more unified United States and European view. I think that by taking the lead in some ways on the talks with Iran about the nuclear program, the EU3 process that you mention, Europeans have developed a sense of responsibility on the issue and I think increasingly got on the same page as us in making clear to the Iranians that, on one hand, we are open to a better relationship, in bringing Iran into the international community, but on the other, if they refuse to give up their nuclear weapons programs, then there would be consequences.

And I think we have seen a significant cutting back, not just in terms of the U.N. resolutions and U.N. sanctions, but a significant cutting back in financing from European countries for Iran and in terms of European investment in the Iranian energy sector.

You asked the challenging question, will they be prepared to take the next steps if we don't have success in this? And I can only say, Mr. Chairman, that that is what we are working constantly on. I think the answer is yes. I think Europeans understand that if we allow, we collectively, the international community, allow Iran to develop a nuclear weapon, then whatever is left of the international nonproliferation regime is dead; that other countries would follow suit.

And when they think it through, they understand that proliferation throughout the Middle East and the Gulf is not in their interest. And they understand and I think they are following the leadership of the Obama administration on this score to make clear to Iran we are ready for talks; we will talk about anything; we will hold up the prospect of bringing Iran back into the international community; but there has to be a serious price to pay.

I do think we and the Europeans are significantly on the same page on that issue. I said already that getting Russia and China and India and others on board will be critical as well.

You are right to draw attention to the importance of the EU-U.S. Agreement, the EU statement on Guantanamo. That was a prerequisite in many ways for getting the Europeans to help with the closure of the prison on Guantanamo. They have been calling for it for a long time. The Obama administration said it would do so. And clearly, a path to being able to close the prison would be for Europe to take some of the detainees. EU countries would only do that when there was a framework among them, which is understandable, so that, given open borders in Europe, it was understandable that some countries wouldn't want to accept, wouldn't want their neighbors to accept detainees with open borders.

So that agreement is an important step. But I think we also have to recognize the reality that the Europeans have said that their willingness to accept detainees will be influenced in part by our own. And they have made clear that it is hard for them to explain to their populations why they should take detainees even if they want to help with closure of the base if the Americans aren't prepared to do so as well.

Mr. WEXLER. Well, it seems like a fair position.

Mr. GORDON. I will let you characterize it.

Mr. WEXLER. You have been very generous with your time.

Mr. Delahunt.

Mr. DELAHUNT. If I can, Mr. Chairman.

This morning we had a hearing in front of the committee that I chair, which is the Committee on Oversight of American Foreign Policy.

And I understand that there are guests from France here, and I wish to acknowledge their presence.

The hearing this morning was on the issue of detainees. We are doing a series of hearings on them.

We extended our gratitude to the Government and the people of Bermuda, as well as to the Government and the people of Palau.

We welcome the expression of support from the European Union. We understand the difficulty dealing with publics. We all are elected members of this body, but we do respectfully seek your help. You can be assured of our gratitude if you are able to assist us in this very problematic issue.

Now that I have a few minutes, I believe that there is overwhelming sentiment to support the rescision of Jackson-Vanik here in Congress on the leadership of yourself and others, Mr. Chairman.

If we are successful in passing that resolution, what would your recommendation to the President be, Mr. Secretary, if it ends up on the President's desk.

Mr. GORDON. I believe the President has said that he sees Jackson-Vanik as anachronistic, no longer really applying to the issues of the day, and I think he would welcome that development.

If I might, I would also like to thank you for your comments about those countries who have been helping with the detainees. I would also like to express my appreciation to those who have done so, and simply to add that the Italian Prime Minister, Berlusconi, announced that Italy would also take three. France had previously taken one and said it would consider others. We appreciate those efforts because this is a common endeavor so that we can work together to close the prison.

Mr. DELAHUNT. Thank you, and I am sure that expression of gratitude coming from the White House is joined by all members of your committee and the full committee.

With that, I yield back.

Mr. WEXLER. Thank you.

Just to give the other members another opportunity if they wish.

Mr. Scott.

Mr. SCOTT. I certainly will take advantage of Dr. Gordon's wisdom here.

I want to go back to, if I may, to Russia a bit here. What is your understanding of Russia and the closure of the base in Manas? How do you view that? I mean, we are getting mixed signals. What is the real deal on Russia's role in closing that very critical military base that supplies our troops in Afghanistan with their supplies? I mean, can you explain their role and how the administration views it and if the United States has some strategy for dealing with that situation? Because if that base is closed, where do we go? How do we feed our troops? How do we get the supplies to them?

Mr. GORDON. Again, good questions.

I don't have any independent confirmable information about what went on with the back and forth over the Manas Air Base. We would have liked to continue to use it for the reasons that you say. The Kyrgyz Government explained that it wanted to close it. That did coincide with a Russian foreign assistance package, but nobody has ever stated linkage between the two things. And we are left to deal with the reality of the situation, which is that the Kyrgyz Government denied access to the base.

It is useful but not absolutely indispensable. Our military has other means of getting what it needs to Afghanistan. But, obviously, we would have preferred to be able to continue to use the base.

Mr. SCOTT. Why do you think they did that? What was their point? What point were they trying to make by putting pressure on them to close that base.

Mr. GORDON. Well, again, I don't want to speculate about that because I just don't know. We don't even want to say explicitly that this is a Russian decision. The Kyrgyz Government told us we couldn't use the base anymore, and we have to respect that.

Mr. SCOTT. Okay. Now, let me ask you about Europe and the almost nearly virtual monopoly that Russia now is beginning to have on energy, supplying energy, particularly gas, into European countries. And apparently there seems to be a split decision here, and I am wondering how the United States deals with that, or do you agree that there are some countries in Europe who have viewed a more tolerant role of dealing with Russia vis-à-vis their energy situation, and then there are others who say this bad stuff here, particularly like Lithuania, Estonia, some of the more closer ones in?

And what really intrigues me about this is, here is Russia, with probably the largest natural gas reserves of any place else on the planet, with a staggering weak economy, that it seems to me that if they use their energy surplus and their energy significance in a more constructive way, it could boost and help get their economy go in another way, but instead, correct me if I am wrong, it seems to me that they tend to use their energy powers as a political tool. Is that a fair assessment? And how do we reason to that, and what is the feeling in Europe going forward?

Mr. GORDON. I think it is a fair assessment, and I think our response needs to be focused on enhancing diversification of energy supplies across Europe. It is not a healthy situation for countries to be dependent on other countries for energy because that risks making them politically dependent as well, and you alluded to that. And there is a correlation between a country's political dependence and views toward Russia and their energy dependence. This is, of course, particularly true for gas, where you need pipelines, and you can't diversify simply by having ships come in from somewhere else.

So we are very keen to promote energy diversification in Europe. I think the Europeans have been sometimes slow in coming to the conclusion that this is necessary. The Secretary appointed Dick Morningstar to be special coordinator for Eurasian energy, because this is such a priority for us. In the Clinton administration, he was very successful in promoting energy diversification then, and he is

very much focused on helping do so now so that we are not in the position that you just described.

Mr. SCOTT. May I just follow up with one quick question, Mr. Chairman, and my last question?

But I do want to get a clear understanding, I asked you about Iran and North Korea vis-à-vis Russia and we kind of dealt with Iran, but I didn't get your response to North Korea. In your assessment, what is your assessment of Russia's feeling that North Korea presents a threat to them, because a threat is a threat, but it really doesn't really become a threat until it threatens you? And so does Russia see North Korea's getting nuclear weapons a threat to Russia?

Mr. GORDON. I think they do. They voted along with us and other members of the Security Council on a significant U.N. Resolution that imposed further sanctions on North Korea, a ban on arm sales and provided for inspections to prevent proliferation. Russia went along. I am pleased to say that they did. They didn't hesitate to cooperate with us on an issue where we have a common interest. And that is a good example of the places that we can cooperate in a common interest.

Mr. SCOTT. Thank you, Doctor. I appreciate it.

Thank you, Mr. Chairman.

Mr. WEXLER. Thank you.

If I can conclude the hearing just on one issue, if I may. The visa waiver program. I believe last year we welcomed seven new European countries into the visa waiver program, which I think gained us a good strength of proper good will with those countries, and we benefit mutually on both sides of the Atlantic. Understanding that it is not just the State Department but also Homeland Security and others that play a very significant role in this process, I just want to put in a special plug for Greece, which has gone through an arduous process, and we would serve Greek-American relations quite well if we can figure out a way to allow Greece into this program quickly.

And in a broader sense, my understanding is, at the end of the month, the waiver provision that is provided in the bill expires, which would make it more difficult for countries such as Poland and Bulgaria, Romania and Croatia to ultimately take advantage of the visa waiver program. And I am wondering if the administration has any plans on asking for an extension of that waiver so that the expansion of the program might go forth in a more successful fashion in the future.

Mr. GORDON. I am not sure I have the answer to your second question. I think that group of countries that you mentioned is not yet on the verge of meeting the criteria necessary.

I would want to say on the first, though, the importance of getting Greece in the program, we share your view. Greece has gone through an arduous process, and we appreciate that, and it has made progress. And I think we are getting close. We now have the agreements necessary in place. They still have to be ratified in Greece. An American review team has to go out there. But I think that we are coming near the end of this arduous process, and we would very much welcome that. It would be good for Greece and

Greek-American business ties and cultural ties, and we will celebrate the day when Greece is finished this process and can join.

Mr. WEXLER. Well, hopefully, we can celebrate in Athens.

Mr. GORDON. That would be nice.

Mr. WEXLER. Dr. Gordon, thank you very much for your time. Your testimony I think is greatly appreciated by all the members, and we very much look forward to months and years of working with you. Thank you very much.

[Whereupon, at 4:07 p.m., the subcommittee was adjourned.]

A P P E N D I X



MATERIAL SUBMITTED FOR THE HEARING RECORD

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

Subcommittee on Europe
Robert Wexler (D-FL), Chairman

June 09, 2009

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend the following **OPEN** hearing of the Subcommittee on Europe, to be held in **Room 2172 of the Rayburn House Office Building**:

DATE: Tuesday, June 16, 2009
TIME: 1:30 p.m.
SUBJECT: Strengthening the Transatlantic Alliance: An Overview of the Obama Administration's Policies in Europe
WITNESS: The Honorable Philip Gordon, Ph.D.
Assistant Secretary of State for European and Eurasian Affairs
United States Department of State

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations please call 202-225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee as noted above.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON Europe MEETING

Day Tuesday Date 6-16-09 Room 2172

Starting Time 2:17 p.m. Ending Time 4:04 p.m.

Recesses 1 (2:23 to 2:41)

Presiding Member(s) Chairman Robert Wexler

CHECK ALL OF THE FOLLOWING THAT APPLY:

- Open Session
- Electronically Recorded (taped)
- Executive (closed) Session
- Stenographic Record
- Televised

TITLE OF HEARING or BILLS FOR MARKUP: (Include bill number(s) and title(s) of legislation.)

Strengthening the Transatlantic Alliance: An Overview of the Obama Administration's Policies in Europe

SUBCOMMITTEE MEMBERS PRESENT:

Rep. Sires, Rep. Delahunt, Rep. McMahon, Rep. Scott, Rep. Tanner, Rep. Inglis, Rep. Costa, Rep. Gallegly, Rep. Bilirakis

NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an * if they are not Members of HIRC.)

HEARING WITNESSES: Same as meeting notice attached? Yes No

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

ACTIONS TAKEN DURING THE MARKUP: (Attach copies of legislation and amendments.)

RECORDED VOTES TAKEN (FOR MARKUP): (Attach final vote tally sheet listing each member.)

Subject	Yeas	Nays	Present	Not Voting

TIME SCHEDULED TO RECONVENE _____

or
TIME ADJOURNED 4:04 p.m.


 Subcommittee Staff Director

Committee on Foreign Affairs - Subcommittee on Europe
Statement of Rep. Elton Gallegly
Strengthening the Transatlantic Alliance: Pres. Obama's Policies in Europe
June 16, 2009

Mr. Chairman, thank you for holding this oversight hearing on the transatlantic relationship. I would also like to welcome Philip Gordon, the recently-appointed Assistant Secretary of State for European and Eurasian Affairs at the State Department.

There are many areas I could focus on regarding U.S. – European relations. However, let me limit my remarks to just a couple of areas. First, I am very concerned about the situation in Bosnia. We are now 14 years after the Dayton Accords. Instead of improvement in the political situation, we are seeing little progress in the creating a more unified, multi-ethnic society.

Second, in Kosovo, I see very little evidence that the Serbian enclave in the north is willing to cede authority to the central government. In fact, every briefing I have received indicates that the Serbs who are living in Kosovo conduct their day-to-day lives as if they were being governed from Belgrade instead of Pristina.

I would like to hear Dr. Gordon's analysis on the situation in both Bosnia and Kosovo and the strategy of our government, in conjunction with the Europeans, to build a more stable future in these two countries. If we do not make progress in Bosnia and Kosovo, I believe there is a very real danger of renewed violence in the region.

In addition, I would like to touch upon the situation in Cyprus. I visited that country 2 years ago and strongly support the negotiations between the Greek Cypriot and Turkish Cypriot leaders as they work to reach a settlement regarding the future of the island. I was pleased to see that in his written statement, Assistant Secretary Gordon reiterated the Administration's support for the negotiations. However, there have been questions raised as to whether Turkey is helping to facilitate an agreement or is actually constraining Mr. Talat's ability to reach common ground on specific issues with his Greek Cypriot counterpart. I hope we can explore this further during the question and answer period.

Again, I would like to thank Mr. Wexler for holding this hearing and I look forward to the testimony of Assistant Secretary Gordon.

Representative Michael McMahon
Subcommittee on Europe

“Strengthening the Transatlantic Alliance:
An Overview of the Obama Administration’s Policies in Europe”

Opening Statement

June 16, 2009

Mr. Chairman, I thank you for calling this timely hearing on the transatlantic partnership.

As the son of an Irishman and a Bavarian mother, the transatlantic relationship is one that I am personally familiar with and hope to further through my position on the Foreign Affairs Committee.

The transatlantic alliance, which is perhaps the world’s most inter-reliant relationship, is quickly expanding through the evolution of institutions like the European Union and NATO.

This evolution naturally follows the rapidly changing face of the international community.

I am happy to see President Obama and Secretary Clinton working to openly engage our allies on a number of issues ranging from security to energy to the global financial crisis.

And, I would like to hear more about how the United States and Europe are working together to include key players in the EU and NATO in these various global efforts.

I am particularly interested in the United States’ security concerns in Iran and the prospects of the transatlantic community coming together on this issue, as well.

I feel that the dynamic character of the transatlantic relationship can foster greater security, stability and progress in the world if maintained wisely.

Mr. Gordon, I thank you for your time and look forward to your testimony and responses to the committee’s questions.

Thank you Chairman Wexler, I yield my time.

SHELLEY BERKLEY
1ST DISTRICT, NEVADA

406 CAVANAUGH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2595
Fax: (202) 225-3119
shberkley.berkley@mail.house.gov

2340 PAGES DEL PLAZO
SUITE D106
LAS VEGAS, NEVADA 89102
(702) 730-8825
FAX: (702) 730-8841
www.berkley.house.gov

Congress of the United States
House of Representatives
Washington, DC 20515-2601

June 17, 2009

WAYS AND MEANS
SUBCOMMITTEE ON HEALTH
SUBCOMMITTEE ON
INCOME SECURITY AND FAMILY SUPPORT

FOREIGN AFFAIRS
SUBCOMMITTEE ON
THE MIDDLE EAST AND SOUTH ASIA
SUBCOMMITTEE ON EUROPE

CHAIR, TRANSATLANTIC LEGISLATORS'
DIALOGUE

CO-CHAIR, CONGRESSIONAL TAIWAN CAUCUS
CO-CHAIR, FRIENDS OF KAZAKHSTAN CAUCUS
CO-CHAIR, GAMBO CAUCUS
CO-CHAIR, CONGRESSIONAL OSTEOCHONDROSE CAUCUS
CO-CHAIR, CONGRESSIONAL STOP ELLI CAUCUS

The Honorable Robert Wexler
Chairman
Subcommittee on Europe
H2-257 Ford House Office Building
Washington, DC 20515

The Honorable Elton Gallegly
Ranking Member
Subcommittee on Europe
2309 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Wexler and Ranking Member Gallegly:

Thank you for holding a hearing on June 16, 2009 entitled "Strengthening the Transatlantic Alliance: An Overview of the Obama Administration's Policies in Europe." Below you will find questions I would like submitted for the record.

Transatlantic Legislators' Dialogue

I am the chair of the Transatlantic Legislators' Dialogue (TLD), which is a biannual meeting between members of the European Parliament and the U.S. Congress, discussing issues of common concern such as the global financial crisis and Iran's nuclear threat. In the past few years, we have succeeded in raising the profile of this important dialogue and I hope that the Obama Administration will take an active role in promoting it as well. In particular, when Secretary Clinton testified before our full committee in April, I asked her to identify someone within the State Department who would be our point of contact for the Transatlantic Legislators' Dialogue.

- Could you update me on progress toward identifying a person within the State Department who can be our point of contact for the TLD?

Iran

My colleagues on the TLD, as well as other European leaders, recognize the threat that a nuclear Iran poses to them and to the rest of the world. However, many European businesses are continuing to trade with Iran. Just last week, a German firm reportedly signed a deal with Iran valued at over \$1 billion to help build three plants involving synthetic and plastic material.

- What is the Obama Administration doing to get European businesses to cease trading with Iran?

Cyprus:

As you are aware, Turkey has yet to implement its obligations under the Ankara Protocol to all Member States of the EU which includes the Republic of Cyprus. One example of this is the fact that Cypriot interest vessels still cannot dock at Turkish ports, which is a violation of Turkey's obligations.

- Does Turkey's continued refusal to meet its obligations toward the Republic of Cyprus as a member of the EU cause additional strain in EU-Turkish relations?

Armenian Genocide:

In April, President Obama released a statement that did not use the word "Genocide" in reference to the massacre of Armenians at the hands of the Ottoman Empire.

- In what ways do the Obama Administration policies differ from the Bush Administration's policies toward Armenia and the Armenian Genocide?

Belarus:

When I was in Lithuania this past April as part of the TLD, I met with a group of Belarusian dissidents, who shared with the group a number of recommendations for reforming the Belarusian political system.

- Has your office received these recommendations? I look forward to your reaction and comments.
- In your opinion, was it helpful for the European Union to invite Belarusian President Lukashenko to attend the Eastern Partnership summit in May? (Note: the Eastern Partnership initiative provides EU aid to former Soviet states.)

Thank you for allowing me to submit these questions. Should you have any questions, please contact Jeremy Kadden of my staff at 225-5965.

Sincerely,


SHELLEY BERKLEY
Member of Congress

**Questions for the Record Submitted to
Assistant Secretary Philip Gordon by
Representative Shelley Berkley (#1)
House Committee on Foreign Affairs
June 16, 2009**

Question:

Could you update me on the progress toward identifying a person within the State Department who can be our point of contact for the TLD?

Answer:

The European Union is one of our most valued partners, and a strong U.S.-EU relationship is important for addressing the global challenges we face. The Transatlantic Legislators Dialogue is a key part of this relationship, and the State Department, through the Assistant Secretary for European and Eurasian Affairs and through the Office for European Union Affairs, is ready to provide its support to the TLD as Congress requests.

**Questions for the Record Submitted to
Assistant Secretary Philip Gordon by
Representative Shelley Berkley (#2)
House Committee on Foreign Affairs
June 16, 2009**

Question:

What is the Obama Administration doing to get European businesses to cease trading with Iran?

Answer:

Three years ago, the United States was virtually alone in subjecting Iran to economic sanctions, with the result that Iran enjoyed unfettered and growing access to most of the global economy. Since then, the rest of the world has awakened to the threat posed by Iran's failure to comply with its international responsibilities.

Multilaterally, we have forged a coalition that has secured passage of three UN Security Council resolutions imposing sanctions, and worked successfully with the thirty-four member Financial Action Task Force (FATF) to issue a statement calling on its member states to implement "effective counter-measures" to protect their financial systems from the terror finance and anti-money laundering risks emanating from Iran. FATF further urged its members to reassess their business relations with Iran.

The European Union has implemented all UN Security Council resolutions on Iran, going beyond the strict requirements of the resolutions to implement those portions of the resolutions left as voluntary for UN member states. For example, when the EU implemented the most recent Iran sanctions resolution (UNSCR 1803), it went beyond the strict requirements by requiring EU states to exercise restraint in granting export credits; requiring additional pre-arrival and pre-departure documentation for Iran Air Cargo and Islamic Republic of Iran Shipping Lines (IRISL); imposing additional prohibitions on the supply, sale, and transfer of items that contribute to Iran's nuclear activities; banning exports of the most sensitive dual-use items; and requiring banks to exercise "continued vigilance" over all transactions with Iranian banks – specifically by subjecting Bank Saderat to mandatory reporting requirements. The EU has also designated hundreds of individuals and entities involved in Iran's nuclear program for visa bans and asset freezes.

We continue to press the European Union to proceed with a package of additional designations of Iranian entities. Not only do these sanctions counter Iran's destabilizing policies, they also send a message of international solidarity – a message that is particularly powerful given Iran's quest for international legitimacy.

Our successes include catalyzing foreign governments, through our sustained outreach at the very highest levels, to scale back voluntarily their own economic engagement with Iran, and to advise their domestic enterprises on the risks of doing business with Iran. Large international banks have responded to the growing concerns about Iran by significantly reducing their business with that country.

Our aim remains – in coordination with allies – to find the right combination of engagement, incentives, and pressures, to provide the atmosphere and opportunity for Iran to change its policies of concern and become a constructive international player.

**Questions for the Record Submitted to
Assistant Secretary Philip Gordon by
Representative Shelley Berkley (#3)
House Committee on Foreign Affairs**

June 16, 2009

Question:

As you are aware, Turkey has yet to implement its obligations under the Ankara Protocol to all Member States of the EU which includes the Republic of Cyprus. One example of this is the fact that Cypriot interest vessels still cannot dock at Turkish ports, which is a violation of Turkey's obligations.

Does Turkey's continued refusal to meet its obligations toward the Republic of Cyprus as a member of the EU cause additional strain in EU-Turkish relations?

Answer:

While EU accession is a matter for its member states to decide, the United States strongly supports Turkey's EU accession, which we believe is good for Turkey and good for the EU. We have welcomed and encouraged the political and economic reforms this accession requires, which Turkey has pursued not just because they are good for EU membership, but also because they are the right thing for Turkey. Because the Additional Ankara Protocol has yet to be implemented, the EU Council has frozen eight of thirty-five chapters in Turkey's EU accession process. These chapters remain frozen, but other Chapters have been opened during recent EU Presidencies.

The United States also supports the current Cypriot-led talks under the auspices of the UN Secretary General's Good Office's Mission. As President Obama has said, "The United States is willing to offer all the help

sought by the parties as they work towards a just and lasting settlement that reunifies Cyprus into a bizonal and bicomunal federation.”

**Questions for the Record Submitted to
Assistant Secretary Philip Gordon by
Representative Shelley Berkley (#4)
House Committee on Foreign Affairs
June 16, 2009**

Question:

In what ways do the Obama Administration policies differ from the Bush Administration's policies toward Armenia and the Armenian Genocide?

Answer:

The Obama Administration is committed to deepening our relationship with Armenia. Secretary Clinton met with Foreign Minister Nalbandian in Washington in May, and I traveled to Yerevan soon after my confirmation. We are working to promote Armenia's regional integration through a normalization of relations with Turkey. We are also engaged at the highest levels in a parallel effort to realize a peaceful, just and lasting resolution of the Nagorno-Karabakh conflict and continue to provide Armenia assistance aimed at democratic and economic reform. Achieving these goals would dramatically enhance Armenia's prosperity, economic health, stability and security.

In his statement on Armenian Remembrance Day, President Obama called the terrible events of 1915 "one of the great atrocities of the 20th

century” and said that “the *Meds Yeghern* must live on in our memories, just as it lives on in the hearts of the Armenian people”. He also communicated his views on this issue publicly during his visit to Turkey.

**Questions for the Record Submitted to
Assistant Secretary Philip Gordon by
Representative Shelley Berkley (#5)
House Committee on Foreign Affairs
June 16, 2009**

Question:

When I was in Lithuania this past April as part of the TLD, I met with a group of Belarusian dissidents, who shared with the group a number of recommendations for reforming the Belarusian political system.

- Has your office received those recommendations? I look forward to your reaction and comments.
- In your opinion, was it helpful for the European Union to invite Belarusian President Lukashenko to attend the Eastern Partnership summit in May? (Note: the Eastern Partnership initiative provides EU aid to former Soviet states.)

Answer:

The Department of State received the recommendations of the group of Belarusians you met with in Lithuania. We agree that positive steps on human rights, democracy, and fundamental freedoms are necessary in Belarus.

Although he was invited to the Eastern Partnership summit in Prague, President Lukashenko did not attend. We encourage the EU to base its interaction with Belarus on measurable steps toward respect for democracy and human rights. U.S.-EU coordination on Belarus remains very close.