

**Testimony of Philip H. Gordon**  
**Assistant Secretary for European and Eurasian Affairs**  
**House Committee on Foreign Affairs**  
**Subcommittee for Europe**  
**July 28, 2009**

**"The Reset Button Has Been Pushed: Kicking Off a New Era in U.S. – Russia Relations."**

Chairman Wexler, Congressman Gallegly, members of the Committee, thank you for the opportunity to speak to you today about the Administration's achievements in Moscow as a result of the summit meeting of President Obama and President Medvedev July 6-8.

In their Joint Statement in London on April 1, President Obama and President Medvedev committed to "resetting" U.S.-Russia relations and laid out an ambitious, substantive work plan for moving forward in a number of areas where the United States and Russia share national interests: from reducing our nuclear arsenals, preventing further proliferation of nuclear weapons, and countering the threat of nuclear terrorism to overcoming the effects of the global economic crisis and developing clean energy technologies. Recognizing that a fresh start to U.S.-Russia relations needs to be more than just warm words, the two presidents committed to deliver results.

After three months of close collaboration, the United States and Russia have worked hard to do exactly that. The achievements of the Moscow Summit will help put an end to a period of dangerous drift in U.S. - Russia relations by increasing our cooperation on a range of issues that are fundamental to the security and the prosperity of both countries. This significant progress in our relations with Russia, moreover, did not in any way come at the expense of our principles or partnerships with friends and allies. There are still many areas where the United States and Russia disagree and will continue to disagree. Nevertheless, we demonstrated in real terms our shared desire to build a relationship based on respect and mutual cooperation. Through the newly created Bilateral Presidential Commission, we will seek to broaden these areas of cooperation in a way that is mutually beneficial and improves security and stability around the world.

Today, I will highlight some of the examples of what was achieved in Moscow and outline our policy objectives as we go forward.

**DELIVERING ON A FRESH START**

First and foremost, the United States and Russia took important steps to increase nuclear security and prevent the spread of nuclear weapons, beginning with the reduction of our own nuclear arsenals. President Obama and President Medvedev signed a Joint Understanding to guide the work of negotiators on a follow-on agreement to the Strategic Arms Reduction Treaty (START), which will reduce our nuclear warheads and delivery systems by at least one third of our current treaty limitations. This is a level of reduction that will be lower than in any other previous strategic arms control agreement. Negotiators have already met once since the summit and will continue to meet as required until an agreement is reached. This new agreement will be yet another step in support of the goals outlined by President Obama during his speech in Prague and will help demonstrate Russian and American leadership in strengthening the Non-Proliferation Treaty.

In their Joint Statement on nuclear security cooperation, the two presidents further committed to work together and with other nations to secure nuclear materials worldwide. Following on his announcement in Prague to convene a global nuclear security summit next year, the President suggested to President Medvedev that Russia host a subsequent summit to continue progress on this critical issue. The presidents also agreed to strengthen U.S.-Russia cooperation to prevent the proliferation of nuclear weapons and to stop acts of nuclear terrorism as well as affirmed a common vision to see the growth of clean, safe, secure, and affordable nuclear energy for peaceful purposes.

Both presidents noted current negative proliferation trends and agreed on the need to hold other nations accountable to prevent the emergence of a nuclear arms race in some of the most volatile places in the world. In his remarks, President Obama praised Russia's recent support for UN Security Council Resolution 1874 on North Korea and welcomed Russia's agreement to participate in a joint threat assessment of the ballistic missile challenges of the 21st century, including those posed by Iran and North Korea. Also important, the presidents agreed to intensify dialogue on establishing the Joint Data Exchange Center as a basis for multilateral missile launch notification regime. President Obama and his Russian counterparts spoke at length on Iran, agreeing to continue to work together to address threats emanating from this region. President Obama noted the opportunity for intensified cooperation, emphasizing the importance of Russia's role in pressing Iran to comply with its non-proliferation obligations.

Second, we made concrete commitments to deepen security cooperation, including by working together to defeat violent extremists and to counter transnational threats, including those of piracy and narcotics trafficking. Particularly significant was a transit agreement through which the United States will be able to transport its military personnel and equipment across Russia in support of the NATO-led International Security Assistance Force as well as our Coalition Forces in Afghanistan, a mission that has clear security benefits for Russia and the United States. This agreement will further diversify our crucial supply routes, resulting in a potential savings of up to \$133 million in fuel, maintenance, and other transportation costs. In addition, the United States and Russia affirmed their commitment to increase assistance provided to the Government of Afghanistan in developing the capabilities of the Afghan National Army and police, and in training counternarcotics personnel. Both the agreement and the Joint Statement were Russian initiatives and represent a substantial contribution by Russia to our international effort.

The United States and Russia also agreed to resume practical cooperation between our militaries. On the margins of the Summit, Admiral Mullen and the Russian Chief of Defense signed a strategic framework for military-to-military engagement, thereby raising our military cooperation to a new level and striving to deepen mutual understanding between our respective armed forces. Within this framework, U.S. and Russian military forces agreed to conduct nearly 20 exchanges and operational events before the end of 2009. This will facilitate improved cooperation and interoperability between our armed forces, so that we can better address transnational threats such as terrorism, narcotics trafficking, and piracy on the high seas.

Finally, the United States and Russia took steps to build cooperation in areas affecting the well-being and prosperity of our people. For example, the U.S. Department of Health and Human Services and the Russian Ministry of Health and Social Development signed a Memorandum of Understanding on Cooperation in the Field of Public Health and Medical Science. The Memorandum establishes a framework for deeper cooperation between these government institutions to fight infectious diseases and chronic and non-communicable diseases, to promote healthy lifestyles and to protect the health of mothers and young children. We also agreed to restore the work of the Joint Commission on Prisoners of War and Missing in Action, which will allow our researchers to resume the vital work of obtaining information on our missing servicemen and women.

While our achievements in Moscow were substantive, we recognize that the ultimate test will be whether or not we can continue to build on this progress in meaningful, tangible ways. Acknowledging the need for a more structured foundation for advancing our cooperation, the two Presidents thus agreed to create a Bilateral Presidential Commission, which they will chair and Secretary of State Clinton and Foreign Minister Lavrov will coordinate. The Commission will include working groups on nuclear energy and nuclear security; arms control and international security; foreign policy and fighting terrorism; drug trafficking; business development and economic relations; energy and the environment: agriculture; and civil society, among other areas. The work of the Commission will be geared towards producing results, not just dialogue. Its working group structure is intended to be both inclusive of the many agencies within our governments and dynamic, adapting to our many shared interests and changing priorities.

These successes build on existing U.S. assistance programs that foster U.S.-Russian cooperation on key global issues such as counter-proliferation, health threats and counter-terrorism, and are a demonstration of the value of continuing assistance to Russia in areas where it supports U.S. interests.

### **STANDING FIRM ON OUR PRINCIPLES**

Despite all of these positive developments, we have no illusions that our reset of relations will be easy or that we will not continue to have differences with Russia. Nonetheless, we are confident that the United States and Russia can still work together where our interests coincide while at the same time seeking to narrow our differences in an open and mutually respectful way.

As we advance our relations with Russia, we will not abandon our principles or ignore concerns about democracy and human rights. In numerous venues during his Moscow trip, including in his comments to the Russian press and during meetings with government officials and opposition leaders, President Obama made a point of raising human rights concerns and urging support for the development of civil society. In his remarks at the New Economic School, the President affirmed America's conviction that it is democratic governments that best protect the rights of their peoples. He stressed that it is our commitment to democratic principles and human rights which allows us to correct our own imperfections, and to grow stronger over time. The President also spoke of how the freedoms of speech and assembly allow citizens to protest for full and equal rights and how rule of law can work to shut down corruption and end abuses of power. He also advocated on behalf of independent media, which is imperative not only in fighting corruption and making government more accountable but also in making government more effective. The United States supports these universal rights and freedoms at home, in Russia, and around the globe. In support of these principles and in recognition that progress requires a sustained commitment to supporting democratic actors, this year the U.S. Government is providing over \$29 million in assistance to advance democracy and human rights in Russia, most of which is targeted to strengthen civil society, independent media and the rule of law.

The importance of addressing human rights concerns was made more real when just over a week after the President's return from Moscow, human rights activist Natalya Estemirova was kidnapped and later found dead. The State Department and White House have spoken out against this heinous crime and we are vigorously supporting President Medvedev's calls for an appropriate application of justice in this case. This tragedy reminds us of the pressing nature of the concerns facing civil society in Russia, and underscores our resolve to make progress in our bilateral discussions with Russia on civil society cooperation.

During his visit to Moscow, the President also made clear that the "reset" in our bilateral relationship will not come at the expense of our friends and allies. Rather, we believe our efforts to improve relations with Russia can only benefit these countries as we seek to defuse zero sum thinking about our relations with Russia's neighbors. The United States does not recognize a Russian sphere of influence and will continue

to support the sovereignty, territorial integrity, and independence of Russia's neighbors, including their sovereign right to make their own choices about their defense and alliance relationships. This message was reiterated strongly during the Vice President's visit to Ukraine and Georgia last week.

## **LOOKING AHEAD**

The Moscow Summit succeeded in generating a fresh start in our relations with Russia. We need to take advantage of this positive momentum as we launch the new Bilateral Presidential Commission and follow up on the goals set by our presidents, in particular with regard to reaching agreement on a treaty to replace START, which expires in December 2009. Assistant Secretary of State Rose Gottemoeller and her counterpart have not wasted any time, having met last week to discuss further the parameters of the new treaty and to plan a robust schedule of future discussions as we seek to conclude the treaty by December. Following up on other summit deliverables, we will work to implement cooperation on non-proliferation, missile defense, and security and stability in Afghanistan. We will also continue to coordinate closely with Russia on such issues as counterterrorism, counternarcotics, Iran, and North Korea, and on bringing peace to the Middle East.

We are confident that improved U.S.-Russia relations will increase trust and cooperation and enhance European security as well. The United States remains committed to working with Russia to improve existing structures and mechanisms for joint cooperation concerning European security and exploring ways to increase their effectiveness, including through improved implementation. The Organization for Security and Cooperation in Europe 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. The Administration welcomes the resumption of the NATO-Russia Council as a forum for all-weather political dialogue and as an important venue for achieving practical results in areas of mutual interest, such as Afghanistan and counterterrorism. In addressing the impasse created by Russia's suspension of its implementation of the Treaty on Conventional Armed Forces in Europe, we will continue to work with Russia, along with our allies and partners, to seek a solution that is acceptable to all CFE states.

The United States and Russia also have much work to do to realize the "reset" in our economic relations. Recognizing that our economic fortunes are intertwined, the Administration will seek to deepen our economic ties with Russia, opening up opportunities for new investments and trade between our two countries, which will create new jobs, promote innovation, and contribute to our shared prosperity. Two-way trade between the United States and Russia, while growing, totaled only \$36.1 billion last year. This figure is relatively low when compared to our other trade relationships. We believe we can do better. Across the Administration we are working on a number of fronts with Russia to expand and deepen our bilateral trade and investment. The new Bilateral Presidential Commission will supplement those efforts, through working groups on Business Development and Economic Relations, Agriculture, Energy and Environment, and Science and Technology, to explore these new opportunities and expand our cooperation across a wide range of economic sectors.

While looking to create opportunities, the Commission's working groups will also focus on removing obstacles to improving our trade and economic relations. As the President pointed out in Moscow, transparency, accountability, and rule of law are vital to the health of any economy, and we support the initiatives of the Russian president to strengthen Russia's legal system and fight corruption. The United States and Russia need to work together to limit bureaucracy and refrain from imposing protectionist measures which stand in the way of our shared prosperity and economic recovery.

The Administration has been working with Russia to address some current measures that raise concerns. Since last year, Russia's Agriculture Ministry has attempted to control imports of meat and poultry products from the United States through the imposition of food safety measures that are not in accordance

with international standards or based on science. Furthermore, Russian veterinarians continue to restrict the number of American plants processing poultry, pork and beef that can ship to Russia by refusing to recognize U.S. Department of Agriculture's (USDA) inspection of those plants as agreed in a bilateral agreement. Working with our colleagues in USDA and USTR, we have made some important progress in restoring that trade; since the Summit, Russia has lifted restrictions on imports of U.S. meat and poultry, stemming from an unfounded fear of H1N1 contamination, from several states. These restrictions threatened U.S. exports, which earned over \$1.3 billion last year. The Administration will continue to work with Russia's Veterinary Service to eliminate H1N1-related bans on our meat trade from the last remaining state, Florida. We will also continue to press Russia's veterinarians to recognize USDA's authority to inspect poultry, pork, or beef plants and approve them to export product to Russia. In addition, we will continue to urge Russia to issue a Government Decree establishing a process by which it would move to developing food safety standards based on international standards. All of these steps will increase the predictability and stability of our bilateral meat and poultry trade.

On non-agriculture trade issues, the Administration is working to ensure full implementation of the United States-Russia Bilateral IPR Agreement to strengthen Russia's IPR regime and enforcement against extensive counterfeiting and piracy, including Internet piracy. We are also seeking implementation of the United States-Russia Bilateral Agreement on Products with Encryption Technology to liberalize the importation of mass-market information technology products.

A major opportunity for expanding U.S.-Russian economic ties continues to be lost with Russia's absence from the 153-member World Trade Organization (WTO). The United States supports Russia's accession to the WTO and integration into the global rules-based trading system. While the United States wants to see Russia join the WTO, the pace at which Russia makes progress towards this goal continues to depend on Russia. In London this past April, Presidents Obama and Medvedev agreed to take steps to finalize as soon as possible Russia's individual accession into the WTO. Subsequent Ministerial-level contacts confirmed this. The June 9 announcement that Russia would suspend its individual WTO application and seek to join the WTO as part of a customs union with Belarus and Kazakhstan came as a surprise to us and many other WTO Members. As USTR Kirk has told his Russian counterparts, the WTO rules do not provide for the accession of a customs union, and following this path will only further delay Russia's accession. We stand ready to work hard with Russia and the other 152 Members of the WTO to complete its accession to the WTO as an individual country member.

Lastly, Americans and Russians have a common interest in the development of the rule of law, the strengthening of democracy, and the protection of human rights. As President Obama stated, we not only need a "reset" in relations between the American and Russian governments, but also a reset in relations between our societies and he called for "more dialogue, more listening, more cooperation in confronting common challenges." The Bilateral Presidential Commission's working groups on Civil Society and Educational and Cultural Exchanges will work to promote ties between our societies and make civil society promotion an integral part of our bilateral relationship. Beyond the working groups, we will continue to make a point of maintaining an open dialogue through a variety of channels, official and non-official, with Russian leaders, civil society representatives, members of the media, and human rights activists.

## ***Conclusion***

At the Moscow Summit, the United States and Russia took significant steps forward in translating the "reset" in relations into concrete achievements to benefit both our nations as well as our global partners. Without abandoning our principles or our friends or ignoring our concerns about democracy or human rights, we demonstrated that the United States and Russia can work effectively together on a broad range of issues where our interests coincide, from security issues and economic issues to energy, the

environment, and health. Recognizing that more unites us than divides us, President Obama and President Medvedev expressed confidence that the United States and Russia can continue to act to benefit the people of both countries, while seeking to narrow our differences in an open and mutually respectful way. Russia and the United States will continue to work very hard together to find practical solutions to some of the most pressing global challenges.

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.