

**THE FUTURE OF DEMOCRACY IN THE BLACK  
SEA AREA**

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**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON EUROPEAN AFFAIRS  
OF THE  
COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE  
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## **THE FUTURE OF DEMOCRACY IN THE BLACK SEA AREA**

**TUESDAY, MARCH 8, 2005**

U.S. SENATE,  
SUBCOMMITTEE ON EUROPEAN AFFAIRS,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

The committee met, pursuant to notice, at 2:38 p.m., in room SD-419, Dirksen Senate Office Building, Hon. George Allen, chairman of the subcommittee, presiding.

Present: Senator Allen.

### **OPENING STATEMENT OF HON. GEORGE ALLEN, U.S. SENATOR FROM VIRGINIA**

Senator ALLEN. Good afternoon and welcome to all who have gathered. We're a little delayed. We had a vote on the floor, and thank you all for your forbearance.

I'm proud to call this hearing to order. This is the first subcommittee hearing of any subcommittee on the Foreign Relations Committee in this term, and this Subcommittee on European Affairs is going to examine the future of democracy in the Black Sea area.

I will introduce—we have two panels of witnesses this afternoon. I'll introduce each in greater detail as they present themselves. First we'll hear from Ambassador John Tefft who is the Deputy Assistant Secretary for European and Eurasian Affairs at the Department of State. On the second panel the subcommittee will be hearing testimony from Mr. Bruce Jackson, who is the president of the Project on Transitional Democracies; Mr. Vladimir Socor, senior fellow at the Jamestown Foundation; and Ms. Zeyno Baran, the director of International Security and Energy Programs at the Nixon Center. We welcome you all.

Also, Senator Biden will not be able to be here this afternoon, and his statement will be made part of the record.

I do understand that the Ambassador from Georgia to the United States, Levan Mikeladze, is here. Mr. Ambassador, wave your hand so we can see where you are. There you are. Welcome.

And we have a good sized delegation of leaders from Turkey with us, led by Faruk Celik, who is the deputy chair, the equivalent of the majority whip here, and so we welcome all our visitors and friends from Turkey. Thank you all for being here as well.

We all know that the Black Sea region is strategically located. It lies in close proximity to Europe, to Russia, and the former Soviet Republics, as well as the Middle East. Given its geographic im-

portance and the threats facing both the United States and the world, it's clear that the United States should carefully examine the role that we play in the Black Sea region, and determine whether it's in our interest to become even more engaged.

In making such a determination, we first must examine where today's threats are coming from and where tomorrow's threats are likely to emerge, assess the situation presently, anticipate the future, and then determine the appropriate actions one should take.

Now, we all recognize that there are many trouble spots all over the world. But most would agree that the Middle East is going to continue to be a home of many governments and also groups that will threaten the interests of the United States and our allies in one form or another. And it is important, in my point of view, that we be engaged in this region, and it's not going to be just for a short period of time. It's going to be for many years to come.

Therefore, it's logical that the United States shore up its alliances with countries that surround the Middle East. It is clearly in our interest to have the governments and the countries on the Black Sea move closer toward the principles of freedom and justice.

So, given this interest, the question becomes: How can the United States help promote reform in this region? At the outset, we should take note that the recent revolutions in Georgia and the Ukraine have ushered in proreform leaders in governments that have pledged transparency, accountability, and the end of corruption. These are positive developments that we must support, when and where appropriate, to ensure their sustainability.

However, there are still a number of countries in the region that have significant progress to make before they can objectively be viewed as representative governments or free and just societies. During the recent hearing, that I chaired, on the President's international assistance budget for Europe and Eurasia, officials from USAID provided several graphs and charts, and they were from different organizations, Freedom House and others, which measured economic reforms and democratic freedoms.

I'm one who believes that objective measurements are very, very helpful, because whatever can be measured can be made better. There needs to be something that measures progress. The graphs that they had—they had all sorts of reform charts, economic reforms on one axis, democratic reforms on another axis, and then rated each country in Europe and Eurasia on a scale of one to five.

Not surprisingly, the countries in the European Union, particularly Western Europe, rated the highest as far as economic freedoms and also democratic freedoms. The West was No. 1, but then you had countries in this order: Northern Europe, Southeastern Europe, and finally was Eurasia.

What that showed were, there are a number of countries on the Black Sea that have made significant progress, such as Bulgaria and Romania, while in the South Caucasus, it was clear that a number of changes had to become—had to come into fruition to really have free and market-oriented societies.

What was also instructive about these graphs and these measurements were how these countries with the highest levels of freedom and the most economic reform not only enjoyed greater economic prosperity and opportunities and security, but they also had

a higher life expectancy. So it's not just jobs, it's not just economic, it's not just investment. It's also—there's a correlation also with the life expectancy of their citizens.

Now, I find these to be very helpful and somewhat powerful arguments and ones that our country should continue to emphasize to those nations in the Black Sea region that may have regressed from the initial democratic free market reforms that were made following the fall of the Soviet empire.

Representative government and free enterprise, of course, are noble principles. But to be successful, they must be coupled with transparency and accountability. An impediment to progress in many Black Sea countries has been the systemic corruption that drains the public of all confidence in the government and reinforces the belief that cronyism is the only path to success, with individuals not judged on their merits, but by—on their proximity to people in power.

There has been some progress, notably the efforts of the Georgian Government to purge crooked officials from ministries and law enforcement agencies. However, until national governments make the eradication of corruption a top priority, they will continue to lag.

It's clear that foreign businesses will not invest in countries where they cannot expect equal justice under the law, and where bribes are the common business practice. That's not going to give any company any confidence in the stability, the credibility they need to be making large investments when choosing among many places around the world.

Also hindering further progress in the region is the role of Russia. The Russian Government is playing an unconstructive role by maintaining troops in Moldova and in Georgia. Those troops are not maintaining order, and are often posted in regions where lawlessness and smuggling are rampant.

Russian involvement in last year's Ukrainian elections and its habit of punishing neighbors by withholding oil and natural gas are additional examples of Russia's unconstructive policy in the region.

Russia may somehow feel threatened by the emergence of democracy so close to its borders and may stubbornly want to maintain control or influence over the former republics. Now, while the United States should acknowledge how these changes are perceived by Russia, I believe that our country must take a firm stance against policies and activities that inhibit progress and fuel instability in several Black Sea areas.

Further impediments are—to greater reform are long—are in some of the longstanding conflicts that continue in the region, for example, the Nagorno-Karabakh conflict. If it could be resolved, it could have far-reaching, positive implications for the entire region. Peace between the Armenians and the Azeris would stabilize the region in question and would lead to normalized relations between Armenia and Turkey, opening the border between the two countries, and obviously access to more markets. Peace between these two neighbors would provide Armenia, also, with greater prospects for economic success and diminish the need for closer ties with Iran.

Now, given the strategic significance of the Black Sea and the prospects for movement toward democracy, I continue to believe that the United States should begin basing more assets at locations within the region. I understand that this is a decision for the Department of Defense, it's not a State Department decision. However, the threats facing the United States and our allies may require swift and sometimes massive response to remote places anywhere in the world, but especially in Central Asia, and we know, in the Middle East. We must objectively consider the merits of repositioning a portion of the U.S. bases and assets where they're more likely or more useful for the missions that are predictable ahead.

Another consideration to this argument is cost. Countries like Romania and Bulgaria offer existing infrastructure and lower costs than Western Europe. Knowing the need to maximize every dollar we spend, it makes sense that we take a hard look at an area that is geographically advantageous and reduces the cost to American taxpayers.

We all recognize our military is undergoing a transformation to become a lighter, more agile fighting force. It makes sense also, therefore, to examine how our forces are aligned around the world to make sure they're ready to confront the threats quickly and effectively.

The majority, in closing, of the countries in the Black Sea have seen the importance of aligning themselves with the United States in the overall war on terrorism and the campaigns in Afghanistan and Iraq. At the same time, the United States needs to recognize the strategic importance of the Black Sea.

Further progress toward establishment of free and just societies throughout the region would bring economic prosperity to the people in those countries that unfortunately continue to lag behind their Western neighbors. And at the same time, it serves our foreign policy and economic interests that they do so move in the right direction.

I want to thank our witnesses again for appearing before the subcommittee this afternoon. I look forward to your testimony. I'm going to first introduce our first panel of one, Ambassador John Tefft. Ambassador Tefft is presently the Deputy Assistant Secretary for European and Eurasian Affairs at the Department of State. Long, distinguished career, more recently from 2000 to 2003 he was our Ambassador to Lithuania, and he's also served as Deputy Chief of Mission at the U.S. Embassy in Moscow from 1996 to 1999, and was a Charge d'Affaires at the Embassy from November 1996 until September 1997.

Ambassador Tefft has also served as Director of the Office of Northern European Affairs from 1992 to 1994, and also Deputy Director in the Office of the Soviet Union, later Russia and CIS Affairs from 1989 to 1992. Also—at least you had one in a warm place—the Embassy in Rome from 1986 to 1989.

He has also had foreign assignments in Budapest and Jerusalem, as well as service on the United States delegation on the START arms control negotiations in 1985. In his current position as Deputy Assistant Secretary, Ambassador Tefft supervises the offices in the European Bureau responsible for United States bilateral rela-



tions with Russia, Ukraine, Moldova, and Belarus, as well as the Office of Policy and Regional Affairs, which coordinates non-proliferation, security assistance, export control, and other related issues throughout the European Bureau.

[The prepared statement of Senator Biden follows:]

PREPARED STATEMENT OF JOSEPH R. BIDEN, JR., U.S. SENATOR FROM DELAWARE

Thank you, Mr. Chairman, and thank you for holding this important hearing.

Since September 2001 we have, understandably, been concentrating on the Middle East and central Asia. Of late, a neighboring region, the area surrounding the Black Sea, has increasingly claimed our attention. It has vital strategic importance. It contains examples of significant progress, but also cases of unresolved conflicts.

Several large trends can be discerned in recent events in the Black Sea area, among them:

- A rising tide of democracy, first in Georgia, and then in Ukraine;
- Receding Russian influence and Moscow's efforts to reverse this process;
- Connected with Russia's efforts, the persistence of the so-called "frozen conflicts" in Georgia's Abkhazia and South Ossetia, in Azerbaijan's Nagorno-Karabakh, and in Moldova's Transnistria; and
- The drawing closer to Euro-Atlantic institutions by Romania, Bulgaria, and Turkey.

Mr. Chairman, we are fortunate to have four outstanding witnesses this afternoon with expertise on these and other relevant issues. Therefore, I will not take up valuable time with a country-by-country recitation of details.

Rather, I would like to make a few analytical comments on the topic of this hearing, the future of democracy in the Black Sea area.

First and foremost, I would emphasize that democratization is not a zero-sum game. Obviously, in large part I am directing this observation at our friends in the Kremlin.

To be specific: A democratic, independent Georgia or Ukraine or Moldova—that deepens its ties with the United States, the European Union, or NATO does not represent a threat to, or setback for Russia. The Soviet Union is dead and buried. It will not return in some new guise, and for its own good Moscow should come to terms with the realities of the 21st century.

On the contrary, a strengthened and increasingly western-looking Georgia, Ukraine, and Moldova would stabilize Russia's southwestern and western borders, enabling more effective controls against terrorism and providing legitimate commercial opportunities for Russia's international entrepreneurs.

I would add that the inhabitants of the break-away regions—Abkhazia, South Ossetia, Nagorno-Karabakh, and Transnistria—would also profit from peaceful settlement of their conflicts. Normalization would lead to more foreign investment and economic development.

Second, I would hold up Georgia's "Rose Revolution" and Ukraine's "Orange Revolution" as hopeful examples to still-oppressed peoples elsewhere, above all to the brave people of Belarus who continue to suffer under the brutal repression of Alexander Lukashenka. Lukashenka is running scared, and he should be, for his days in power are numbered.

Third, the run-up to Ukraine's elections last fall and the reaction to the fraud perpetrated in the first round provided an encouraging example of successful high-stakes cooperation between the United States and countries of the European Union.

Such cooperation can, and should continue elsewhere.

Fourth, Romania and Bulgaria demonstrate that even countries that for decades were cursed with two of the worst Communist dictatorships in Eastern Europe can achieve remarkable success.

Today, both Romania and Bulgaria are members of NATO, and both stand on the threshold of joining the European Union. Neither country is perfect. Both have continuing challenges. But no one—and I mean no one—in Bucharest or Sofia less than 20 years ago could have dreamed how incomparably better their country would be in 2005.

Fifth and finally, I would caution that progress rarely follows a linear trajectory. In most countries there will be false starts, mistakes, and setbacks.

In that regard, I confess to considerable disappointment in reports I have been hearing about recent developments in Turkey. I had been favorably impressed with the pragmatism of Prime Minister Erdogan, both in domestic and foreign policy.

Then came the runup to the Iraq war, during which the Bush administration badly mishandled our relations with Turkey.

A negative reaction from the Turkish public was perhaps to be expected, but not the virulent anti-Americanism and anti-Semitism that has been described in the western press.

I hope that this ugliness is just a transient phenomenon, and that Erdogan and other moderate Turkish leaders will guide opinion back into the time-tested close cooperation with the United States, even as Ankara embarks upon the lengthy process of qualifying for EU membership.

Welcome, again, to our witnesses, and thank you for your leadership, Mr. Chairman.

Sen ALLEN. Mr. Tefft, if you have an opening statement you'd like to give, we'd be pleased to hear from you.

Mr. Ambassador.

**STATEMENT OF HON. JOHN F. TEFFT, DEPUTY ASSISTANT SECRETARY OF STATE FOR EUROPEAN AND EURASIAN AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC**

Ambassador TEFFT. Mr. Chairman, thank you very much. I'm really delighted to be here this afternoon to discuss the state of democracy in the Black Sea region and the prospects for further democratic evolution there.

While we address aspects of this important issue in one way or another literally every day at the State Department, occasions for reflecting comprehensively on the region are frankly very rare. So I, especially, value the chance to share with you today our thoughts on where we are with U.S. policy toward the countries of the region and where we're headed.

Let me try to summarize in this opening statement the prepared testimony which we have submitted for the record.

Senator ALLEN. Mr. Ambassador and all our witnesses, we have your statements. Your statements will be made part of the record, and if you wanted to paraphrase or summarize your remarks, that would also be welcome.

Ambassador TEFFT. The nine nations of the Black Sea region, Romania, Bulgaria, Turkey, Ukraine, Moldova, Georgia, Armenia, Azerbaijan, and Russia, are diverse and hard to categorize as a group. Geographical proximity and overlapping histories have created rivalry and friction, as well as cooperation and alliance. Centrifugal forces impelling countries outward compete with a strong pull toward greater regional integration.

U.S. policy, by necessity, takes the specific characteristics of each country and its unique geopolitical situation into account and deals with each one of them accordingly. There are some broad commonalities. Black Sea States are all members of the Organization of Security and Cooperation in Europe, and they're either members of NATO or NATO's Partnership for Peace.

They belong, together with Greece, Albania, and Serbia Montenegro, to the Organization for Black Sea Economic Cooperation. Incidentally, Mr. Chairman, we're now considering, in consultation with the members of the Black Sea Economic Cooperation Organization, the possibility that we will participate soon as an observer to that organization.

Energy transport is one of the strongest links among the Black Sea nations. Energy pipelines that are both existing or under construction or planned crisscross the region and create real opportu-

nities for cooperation and development of a regional dialog. Coordination between energy-exporting states and transit nations is needed to solve Bosphorus bottlenecks and develop efficient solutions to ensure that energy supplies reach the world market. The United States has consistently worked toward this goal through encouragement of multiple pipelines and export routes.

But with a closer look, the similarities among these countries start to break down. They vary in size from the huge, Russia with over 140 million people, to the rather small, Moldova with 4 million and Armenia with 3 million. They are at various stages of economic development. Turkey, Russia, Romania, and Bulgaria fall firmly in the World Bank's middle-income category with annual GDP per capita well over \$2,000. Others such as Moldova and the Caucasus countries lag behind with yearly income under \$1,000 per person. Most of the countries belong to the World Trade Organization. Russia, Ukraine, and Azerbaijan are the exceptions.

On the other end of the economic integration schedule—integration scale—Romania and Bulgaria are solid candidates for EU membership this decade. Turkey, already an OECD member, is likely to be next after them.

Geostrategic differences are also striking. Three countries, Turkey since the cold war, and Romania and Bulgaria since last year, are NATO members. The others, former republics of the U.S.S.R., belong, however loosely, to the Commonwealth of Independent States. Four of these, Georgia, Ukraine, Azerbaijan, and Moldova, together with Uzbekistan, form GUUAM, an organization with projects on law enforcement cooperation and development of essential economic infrastructure. Last week in Chisinau, Presidents Saakashvili, Yushchenko, and Voronin jointly called for revitalizing GUUAM as Moldova assumes chairmanship next month.

Separatist conflicts impede nation building and democratization in a number of the Black Sea region's countries, and the United States is actively engaged in trying to solve those conflicts. Significant differences remain between Armenia and Azerbaijan over Nagorno Karabakh, but Presidents Kocharian and Aliyev are committed to a peaceful resolution. We support the OSCE Minsk group's efforts to advance toward a settlement there, and we're encouraged by discussions over the last year toward a negotiated settlement.

Transnistrian provocations caused the collapse of Moldovan political settlement talks last summer. Nevertheless, we continue to work with Moldova and OSCE partners to press Russia to work with us and the international community to promote progress on settlement in Moldova.

In Georgia, we support President Saakashvili's goal of reuniting the country and encourage Georgia to resolve the conflicts in South Ossetia and Abkhazia in a peaceful manner.

We also continue to insist that Russia fulfill its remaining Istanbul Commitments on the withdrawal of its forces from Moldova, and on reaching agreement with Georgia on the duration and status of Russian forces there.

Throughout these protracted conflicts, the United States has been consistent in supporting the territorial integrity of Azerbaijan,

Moldova, and Georgia, as well as the Russian Federation with respect to the Chechen separatist movement.

These facts provide a context for the discussion of these countries' different levels of democratic development as well. Freedom House, in its 2005 comparative ranking of world's countries, found two of the Black Sea states, Romania and Bulgaria, met its standards as free countries. Another two, Russia and Azerbaijan, fall so far short of these standards that they are rated not free.

The other five fall in between. Freedom House categorizes them as partly free. Our human rights report for 2004, which was just released to the Congress on February 28, while it does not use such specific categories, also reflects the divergence Freedom House found in the democracy and human rights records of these countries.

Mr. Chairman, I'd like to highlight, briefly, the democracy and democratization processes in each of these countries and describe what the U.S. Government is going to do to improve the record. My prepared remarks have a much more extensive discussion of each one of the countries, but let me just hit brief highlights.

Romania. In December 2004, Romania underwent a democratic transition with the candidate representing an alliance of opposition parties winning a very close Presidential run-off. Civil society organizations, including some that received U.S. assistance, played a strong role as election monitors in advocating an issue-based political campaign and in pressing for nonbiased media coverage of the campaign.

President Basescu is scheduled to meet with President Bush here, tomorrow, in Washington. The leaders of the former government, including the former President and Prime Minister, now serve in Romania's Parliament. Romania believes its location on the Black Sea, its membership in NATO, and its respective membership in the European Union, leaves it well placed to provide a bridge to Europe for the countries of the Caucasus. In particular, the Romanians believe they can serve as a model for these democratizing countries. To this end, Romania has been active in the community of democracies initiative, and recently organized an international mission to Georgia of NGO and other experts to discuss media freedom, judicial reform, and other democracy issues.

Bulgaria. Bulgaria's six national elections since 1990 are scheduled for June 2005 with a wide but moderate political spectrum expected to participate. Elections since 1990 have met acceptable standards and reflect the will of the Bulgarian people. Over the last 15 years, Bulgaria has established a full functioning free-market democracy marked by strong public support for full Euro-Atlantic integration.

Bulgaria entered NATO in March 2004 and is scheduled to sign an EU accession agreement in April 2005 leading to full membership in 2007. Aside from supporting Euro-Atlantic integration, our efforts in Bulgaria are designed to ensure stable democratic focus on strengthening local governments, civil society, and a free press.

Bulgaria has a natural route for trafficking in narcotics, contraband, and persons. Like many countries in this region, Bulgaria suffers from substantial organized crime and corruption that

threatens democratic development and successful Euro-Atlantic integration.

Reform of the weak judicial system is a pressing need, as is greater transparency in public procurement and privatizations. Bilateral law enforcement cooperation with the United States has expanded significantly over the last 2 years. The Embassy now hosts the U.S. Secret Service and the FBI plans to open an office early in fiscal year 2005.

Turkey is a staunch NATO ally and a functioning secular democracy with a constitutional government. In an effort to meet requirements for EU membership, the government has carried out extensive democratic legal reforms during the past year. For example, in September 2003, Parliament adopted a new penal code, and in May 2004, adopted a new package of constitutional amendments. These reforms are designed to crack down on torture, on honor killings, and expand freedom of religion and association.

Turkey's made rapid progress in meeting the EU political criteria laid out during the Copenhagen summit in 2002. And on December 17, 2004, the European Union decided that accession talks with Turkey would start in October. The EU's historic decision to start these talks is a major success, not only for the Turkish people, but we believe for Europe as well.

Nonetheless, some problems remain. We continue to press Turkey to resolve Greek Orthodox church property issues, and to open the Greek Orthodox Halki Seminary. Alevi, heterodox offshoot of Shi'a Islam, is concerned with discrimination by the majority Sunni population and Sunni-run religious affairs directorate. And Kurdish rights within general civil rights remain a sensitive issue.

The United States supports Turkey's efforts to implement the reforms instituted in order to gain accession to the European Union. We continue to urge Turkey to respect fully human rights, including freedom of speech and the press, freedom of religion, as well as the rule of law. I might note, Mr. Chairman, that we were appalled by the violent dispersal of demonstrators in Istanbul that we saw on film on Sunday, and we've let the Turkish Government know our views quite clearly about that.

Ukraine. One of the most significant events of 2004 was, obviously, the Orange Revolution. This was an event marking a victory for democracy. The Ukrainian people succeeded in overturning a fraudulent Presidential election and achieving a final outcome that reflected the will of the voters. Ukraine's democratic institutions demonstrated surprising strength in the face of persistent attempts by elements within the previous government and among oligarchic plans to subvert democratic processes.

When confronted with the allegations of widespread fraud, the judicial system ultimately acted in an independent manner. The legislative branch behaved responsibly in helping to broker a political solution.

Moldova. On Sunday, Moldova elected a new government. While the final results are not yet in, it appears that the governing party, the Communist Party, will remain the leading party in the country, although not with the numbers that they had before. The Organization of Security and Cooperation in Europe delegation that was there made a statement that said that the election generally com-

plied with international standards that voting on election day was generally fair. But they noted, as we have noted in our statements and in the statement that the U.S. Senate made, that there were severe irregularities during the campaign period involving media access issues, harassment of opposition, and misuse of administrative resources.

Georgia. The Rose Revolution of 2003 demonstrated that Georgians desire fair elections and good governance, and are capable of holding their government accountable. Since the Rose Revolution, Georgia has made significant internal reforms to fight official corruption, consolidate bureaucracy, and increase revenue collection in order to provide better services to its own citizens.

Progress in Georgia is hampered by ongoing separatist conflicts in South Ossetia and Abkhazia. The international community should stand firm to encourage Georgia to resolve these conflicts peacefully. Internal reform, in our view, will strengthen the economy and create incentives for separate regions to integrate into Georgia.

Armenia has made significant economic and social progress since its independence. However, the flawed Presidential and Parliamentary elections of 2003 demonstrate that it has some way to go to strengthen its democratic institutions and ensure an equitable balance of power between executive, legislative, and judicial branches. Armenia needs to take steps to improve its poor human rights record. We are providing extensive assistance to strengthen the national assembly, the judiciary, and local government institutions in Armenia.

Azerbaijan. The flawed Presidential elections in 2003 demonstrate that Azerbaijan has far to go to strengthen its democratic institutions and ensure an equitable balance of power between the various branches of government. We are focusing our assistance programs and diplomacy on improving election procedures, strengthening Azerbaijan's democratic institutions as parliamentary elections approach this coming fall.

These coming elections will be an important test of Azerbaijan's process toward democratization. Azerbaijan also needs to take steps to improve its poor human rights record. Azerbaijan's economic progress in the next year will depend on its ability to direct oil funds toward nonoil sector development.

Finally, Russia. Russia is experiencing an erosion of its democratic institutions and processes. Especially over the last 2 years, checks and balances among the branches of government have weakened. The Duma offers no meaningful counterweight to the executive. National television networks are under state control. And democratic values have yet to be inculcated in Russia's political culture.

At the same time, there has been little resistance to this situation within Russia. While the electoral process was flawed, President Putin was reelected last year with a solid majority. Independent polling indicates that as living standards improve and the threat of terrorism increases, a majority of the population continues to favor order and stability above all else. The Russian Government's efforts to centralize control have taken advantage of this

popular sentiment, further postponing the development of democratic accountable governance.

I think, Mr. Chairman, I'll stop at that point and I'll be happy to answer any questions about any of the countries or the processes in the region.

[The prepared statement of Ambassador Tefft follows:]

PREPARED STATEMENT OF AMBASSADOR JOHN F. TEFFT, DEPUTY ASSISTANT SECRETARY OF STATE FOR EUROPEAN AND EURASIAN AFFAIRS, STATE DEPARTMENT, WASHINGTON, DC

#### INTRODUCTION

Mr. Chairman, Senators, I am delighted to be with you this afternoon to discuss the current state of democracy in the Black Sea region and the prospects for further democratic evolution there. While we address aspects of this important issue in one way or another literally every day at the State Department, occasions for reflecting comprehensively on the region in its entirety are rare. So I especially value the chance to share my thoughts with you today on where we are with U.S. policy toward the countries of the region and where we are headed. The topic is certainly timely, with this past Sunday's parliamentary elections in Moldova, and the memory of Ukraine's dramatic Presidential contest still fresh.

#### OVERVIEW

The nine nations of the Black Sea region—Romania, Bulgaria, Turkey, Ukraine, Moldova, Georgia, Armenia, Azerbaijan, and Russia—are diverse and hard to characterize as a group. Geographical proximity and overlapping histories have created rivalry and friction as well as cooperation and alliance; centrifugal forces impelling countries outward compete with a strong pull toward greater regional integration. U.S. policy by necessity takes the specific characteristics of each country and its unique geopolitical situation into account and deals with each accordingly.

There are some broad commonalities: Black Sea States are all members of the Organization of Security and Cooperation in Europe (OSCE), and either members of NATO or NATO's Partnership for Peace. They belong, together with Greece, Albania, and Serbia-Montenegro, to the Organization for Black Sea Economic Cooperation (BSEC). Incidentally, we are now considering, in consultation with BSEC members, the possibility of U.S. participation as an observer at the BSEC.

Energy transport is one of the strongest links among the Black Sea nations. Energy pipelines; existing, (Caspian Pipeline Consortium, Blue Stream, Odesa-Brody), under construction, (Baku-Tbilisi-Ceyhan) and planned (multiple Bosphorus bypass plans) crisscross the region and create real opportunities for cooperation and the development of a regional dialog. Coordination between energy exporting states and transit nations is needed to solve Bosphorus bottlenecks and develop efficient solutions to ensure that energy supplies reach the world market. The United States has consistently worked toward this goal through encouragement of multiple pipelines and export routes.

But with a closer look, the similarities among these countries start to break down: They vary in size from huge (Russia, over 140 million people; next is Turkey with 70+ million) to rather small (Moldova, some 4 million; Armenia, 3 million). They are also at different stages of economic development. For example, Turkey, Russia, Romania, Bulgaria fall firmly in the World Bank's middle-income category, with annual GDP per capita well over \$2,000. Others, such as Moldova and the Caucasus countries, lag behind with yearly income under \$1,000 per person. Most of the countries belong to the World Trade Organization—Russia, Ukraine, and Azerbaijan are the exceptions. On the other end of the economic integration scale, Romania and Bulgaria are solid candidates for EU membership this decade; Turkey, already an OECD member, is likely to be next after them.

Geostrategic differences are also striking. Three countries: Turkey since the cold war, and Romania and Bulgaria since last year, are NATO members; the others, former Republics of the U.S.S.R., belong, however loosely, to the Commonwealth of Independent States (CIS). Four of these CIS states, Georgia, Ukraine, Azerbaijan, and Moldova, together with Uzbekistan, form GUUAM, an organization with projects on law enforcement cooperation and development of essential economic infrastructure. Last week (March 2) in Chisinau Presidents Saakashvili, Yushchenko, and Voronin jointly called for revitalizing GUUAM as Moldova assumes chairmanship next month.

Separatist conflicts impede nation-building and democratization in a number of the Black Sea region's countries, and the United States is actively engaged in solving those conflicts. Significant differences remain between Armenia and Azerbaijan over Nagorno-Karabakh, but Presidents Kocharian and Aliyev are committed to a peaceful resolution. We support the OSCE Minsk Group's efforts to advance toward a settlement there, and are encouraged by discussions over the last year toward a negotiated settlement. Transnistrian provocations caused the collapse of Moldovan political settlement talks last summer. Nevertheless we continue to work with Moldova and OSCE partners, to press Russia to work with us and the international community to promote progress on settlement in Moldova. In Georgia, we support President Saakashvili's goal of reuniting the country, and encourage Georgia to resolve the conflicts in South Ossetia and Abkhazia in a peaceful manner. We also continue to insist that Russia fulfill its remaining Istanbul commitments on the withdrawal of its forces from Moldova and on reaching agreement with Georgia on the duration and status of Russia forces there. Throughout these protracted conflicts, the United States has been consistent in supporting the territorial integrity of Azerbaijan, Moldova, and Georgia, as well as of the Russian Federation with respect to the Chechen separatist movement.

These facts provide a context for the discussion of these countries' different levels of democratic development as well. Freedom House, in its 2005 comparative ranking of the world's countries, found two of the Black Sea States (Romania, Bulgaria) meet its standards for "Free" countries, another two (Russia, Azerbaijan) fall so far short of those standards that they rated "Not Free." The other five fall in between; Freedom House categorizes them as "Partly Free." Our Human Rights Report for 2004, just released to Congress on February 28, while it does not use such specific categories, also reflects the divergence Freedom House found in the democracy and human rights records of these countries.

I'd like to consider democracy and democratization in each of these countries, and what the U.S. Government is doing to improve the record.

#### *Romania*

In December 2004 Romania underwent a democratic transition, with the candidate representing an alliance of opposition parties winning a very close Presidential runoff election. Civil society organizations (including some that received U.S. assistance) played a strong role as election monitors, in advocating an "issue-based" political campaign, and in pressing for nonbiased media coverage of the campaign. President Basescu is scheduled to meet with President Bush on March 9. The leaders of the former government, including the former President and Prime Minister, now serve in Romania's Parliament.

Romania believes its location on the Black Sea, its membership in NATO (since May 2004), and its prospective membership in the European Union (projected for January 2007), leave it well-placed to provide a bridge to Europe for the countries of the Caucasus. In particular, the Romanians believe they can serve as a model for these democratizing countries. To this end, Romania has been active in the Community of Democracies initiative, and recently organized an international mission to Georgia of NGO and other experts to discuss media freedom, judicial reform, and other democracy issues.

Romania also sees opportunities to reach out to its Black Sea neighbors on economic and security issues. Romania is the host country for the Southeast Europe Cooperative Initiative (SECI), and is involved in outreach efforts to Black Sea littoral and regional states on cooperative law enforcement initiatives, including customs and border security initiatives, antinarcotics and trafficking-in-persons initiatives. The United States has provided assistance for these regional, cooperative efforts. We continue to press the Government of Romania to promote media freedom and combat corruption.

#### *Bulgaria*

Bulgaria's sixth national elections since 1990 are scheduled for June 2005 with a wide, but moderate, political spectrum expected to participate. Elections since 1990 have met acceptable standards and reflect the will of the Bulgarian people. Over the last 15 years Bulgaria has established a fully functioning, free-market democracy, marked by strong public support for full Euro-Atlantic integration. Bulgaria entered NATO in March 2004, and is scheduled to sign an EU accession agreement in April 2005 leading to full membership in 2007. Aside from supporting Euro-Atlantic integration, U.S. Government efforts to ensure stable democratic focus on strengthening local governments, civil society, and a free press.

Bulgaria is a natural route for trafficking in narcotics, contraband, and persons. Like many countries in the region, Bulgaria suffers from substantial organized



crime and corruption that threatens democratic development and successful Euro-Atlantic integration. Reform of the weak judicial system is a pressing need, as is greater transparency in public procurement and privatizations.

Bilateral law enforcement cooperation with the United States has expanded significantly over the past 2 years; the Embassy now hosts the U.S. Secret Service, and the Federal Bureau of Investigation plans to open an office in early FY 2005. The U.S. Government has assisted in legal reforms, including legislation to combat trafficking in persons, witness protection, antimoney laundering and regulation of public procurement. An important USAID legacy mechanism is the National Institute of Justice (NIJ), which opened last year and is already one of the leading institutions in Eastern Europe for training magistrates. Ambassador Pardew is vocal about the need for the Bulgarian Government to face these challenges; just this week the Ambassador publicly expressed support for a declaration by 14 NGOs calling for all political forces to commit themselves to judicial reform.

On the border between NATO/EU countries and Eurasia, Bulgaria sees itself playing a significant role in the region. Bulgaria considers democratic reform and development of market economies and free trade in the region, and good neighborly relations with countries to its east, as important to its own national interest, placing a priority on the development of NATO's role in the regional security system.

#### *Turkey*

Turkey, a staunch NATO ally, is a functioning secular democracy with a constitutional government. In an effort to meet the requirements for EU membership, the Government carried out extensive democratic legal reforms during this past year. For example, in September 2003 Parliament adopted a new Penal Code, and in May 2004 adopted a new package of constitutional amendments. These reforms were designed to crack down on torture and "honor killings," and expand freedom of religion and association.

Turkey has made rapid progress in meeting the EU political criteria laid out during the Copenhagen Summit in 2002, and on December 17, 2004, the European Union decided that accession talks with Turkey would start in October this year. The European Union's historic decision to start accession talks for Turkey is a major success not only for the Turkish people, but for Europe as well.

Nonetheless, some problems remain. We continue to press Turkey to resolve Greek Orthodox Church property issues and open the Greek Orthodox Halki Seminary. Alevis, a heterodox offshoot of Shi'a Islam, is concerned with discrimination by the majority Sunni population and Sunni-run Religious Affairs Directorate, and Kurdish rights within general civil rights remain a sensitive issue.

The United States supports Turkey's efforts to implement the reforms instituted in order to gain accession to the European Union. We continue to urge full respect for human rights, including freedom of speech and the press, freedom of religion, as well as rule of law.

#### *Ukraine*

In one of the most significant events of 2004, an event marking a victory for democracy, the Ukrainian people succeeded in overturning a fraudulent Presidential election and achieving a final outcome that reflected the will of the voters. Ukraine's democratic institutions demonstrated surprising strength in the face of persistent attempts by elements within the previous government and among oligarchic clans to subvert democratic processes. When confronted with allegations of widespread fraud, the judicial system ultimately acted in an independent manner, and the legislative branch behaved responsibly in helping to broker a political solution to the crisis. Many journalists at state- and oligarch-owned media enterprises stopped taking instructions from the Presidential administration and started to report news accurately and objectively. NGOs and civil society organizations took the lead in organizing peaceful demonstrations in support of a democratic outcome.

It is not true, as some have said, that the United States funded or otherwise supported any candidate or party in the election. However, over a decade of U.S. assistance for a democratic process was a contributing factor to the positive outcome. Over a period of many months, the United States and our European allies repeatedly advised Ukrainian authorities, publicly and privately, that we were watching the election closely and considered it a test of Ukraine's commitment to democracy. The United States funded local civil society groups to conduct voter education and get-out-the-vote campaigns. We supported the work of independent media to improve coverage of campaign issues. We provided nonpartisan training to political parties and leaders, trained election officials and observers, and more. Our election-related assistance to Ukraine was approximately \$18 million. Of particular note, the United States funded what we believe was an unprecedented election-observer ef-

fort, domestic and international, which turned out to be critical in spotlighting electoral fraud, particularly in the November 21 second round.

As Yushchenko and his team turn to the task of governing, they face a great many challenges. The “Orange Revolution” spurred a reaction in eastern and southern Ukraine, where some officials began speaking of federation, autonomy, and even secession and independence. This would be disastrous for Ukraine and for the region. Fortunately, then-President Kuchma summoned these governors and ordered them to cease and desist. Nevertheless, there is disaffection in Russian-speaking parts of Ukraine which Yushchenko needs to address. He also has his work cut out for him in combating endemic corruption, reforming the economy, consolidating democratic reforms and promoting human rights. Managing relations with Russia will also be critical. We look forward to President Yushchenko’s visit to the United States early next month.

#### *Moldova*

Moldova’s campaign period in advance of the March 6 parliamentary elections has been blemished with irregularities, such as media access issues, harassment of opposition, and misuse of administrative resources. However, international criticism, including the Department’s engagement and a sense-of-the-Senate resolution, prior to election day positively encouraged the Moldovan Government to take corrective measures. The United States has provided some \$1.7 million for election-related assistance in the past year to support development of the Moldovan electoral administration and legal framework, independent media, civic involvement, nonpartisan political party training, and election monitoring. Again, our focus is on a free and fair electoral process, not on any particular party or candidate. The results of Sunday’s election show to what extent the Moldovan leadership’s late corrective measures to make the campaign more fair allowed OSCE/ODIHR to assess the elections as generally meeting international standards. (Note: Oral testimony will update the subcommittee on the results of the March 6 elections.)

Moldova’s foreign policy priority is to integrate with the European Union, as manifested by its recent conclusion of an EU Action Plan. We support Moldova’s efforts toward this goal, and we would hope that its participation in the GUUAM regional group could be deepened even further after Moldova assumes the rotating Presidency later this spring.

The repressive Transnistrian separatists are an impediment to regional stability and democracy. We are therefore actively looking for ways to resolve the Transnistria conflict in a manner that would strengthen Moldova’s territorial integrity and also be supported by its people and have international credibility. We believe enhanced international participation could give new impetus to the stalled negotiation process, and are consulting with our European Union, OSCE, Ukrainian, and Russian partners as to the most effective way forward. Equally important, Moldova, the United States, and our NATO allies continue to press Russia to fulfill its commitments made at the 1999 OSCE Summit in Istanbul to complete the withdrawal of its military forces from Moldova.

#### *Georgia*

The Rose Revolution of 2003 demonstrated that Georgians desire fair elections and good governance, and are capable of holding their government accountable. Since the Rose Revolution, Georgia has made significant internal reforms to fight official corruption, consolidate bureaucracy and increase revenue collection in order to provide better services to its own citizens.

Progress in Georgia is hampered by ongoing separatist conflicts in South Ossetia and Abkhazia; the international community should stand firm to encourage Georgia to resolve these conflicts peacefully. Internal reform will strengthen the economy and create incentives for the separatist regions to integrate into Georgia.

Georgia clearly aspires to join the Euro-Atlantic institutions; the United States welcomes the EU’s Wider Europe program in the South Caucasus and encourages Europe to work closely with Georgia and its neighbors in support of civil society, human rights, and democratic development. We also continue to support talks between Georgia and Russia on the 1999 Istanbul commitments to reach agreement on the status and duration of remaining Russian bases in Georgia.

#### *Armenia*

Armenia has made significant economic and social progress since its independence; however, the flawed Presidential and parliamentary elections of 2003 demonstrate that it has some way to go to strengthen its democratic institutions and ensure an equitable balance of powers between the executive, legislative, and judicial branches. Armenia needs to take steps to improve its poor human rights record.

The United States is providing extensive assistance to strengthen the National Assembly, the judiciary and local government institutions in Armenia.

Further reform is hampered by Armenia's relatively isolated position and the ongoing Nagorno-Karabakh conflict, which has been an enormous drain on the government's resources for over 10 years.

We welcome Armenia's attempt to work within the BSEC to expand its economic and other ties to the region, including with Turkey.

#### *Azerbaijan*

The flawed Presidential elections of 2003 demonstrate that Azerbaijan has far to go to strengthen its democratic institutions and ensure an equitable balance of powers between the executive, legislative, and judicial branches. We are focusing on assistance programs and diplomacy on improving election procedures and strengthening Azerbaijan's democratic institutions as parliamentary elections approach this fall. These elections will be an important test of Azerbaijan's progress toward democratization. Azerbaijan also needs to take steps to improve its poor human rights record. Azerbaijan's economic progress in the next year will depend on its ability to direct oil funds toward nonoil sector development.

Political and economic reform is hampered by the ongoing Nagorno-Karabakh conflict, as in Armenia, an enormous drain on the government's resources for over 10 years.

Azerbaijan continues to offer extensive and invaluable support to the United States for the Global War on Terror, including, but not limited to, blanket overflight rights, the use of Azerbaijan military bases, information sharing, and law enforcement cooperation.

We welcome Azerbaijanis' attempt to work within the BSEC to expand its economic and other ties to the region.

#### *Russia*

Russia is experiencing an erosion of its democratic institutions and processes. Especially over the past 2 years, checks and balances among the branches of government have weakened. The Duma offers no meaningful counterweight to the executive, national television networks are under state control, and democratic values have yet to be inculcated in Russia's political culture. At the same time, there has been little resistance to this situation within Russia. While the electoral process was flawed, President Putin was re-elected last year with a solid majority. Independent polling indicates that as living standards improve and the threat of terrorism increases, a majority of the population continues to favor order and stability above all else. The Russian Government's efforts to centralize control have taken advantage of this popular sentiment, further postponing the development of democratic, accountable governance.

Despite some indications that the situation in Chechnya has improved, basic security is lacking as terrorists and insurgents continue to battle pro-Moscow Chechens and federal forces, and human rights violations continue with impunity. A flawed Presidential election in August 2004 did not advance a political solution to the conflict. Terrorist attacks at Beslan and elsewhere pose a threat to the region. Conflict appears to be spreading across the North Caucasus, due to a combination of terrorist activities, religious extremism, criminality, and the weakness of state structures in the region. As the situation on the ground allows, we will look for opportunities to provide development assistance to people in the North Caucasus.

Russia and the United States have shared interests in stability and economic development in the Black Sea region but differ over how these goals should be interpreted and pursued.

We both want to fight weapons trafficking, narcotics trafficking, organized crime, money laundering, and terrorist organizations in the Black Sea region. To achieve this goal, the United States wants to encourage regional stability. Russia shares the United States desire for stability, but appears to interpret stability in a fundamentally different way. Russia has been critical of the programs the European Union is pursuing under its Neighborhood Policy to create a string of well-governed states on the EU's border and that in the Black Sea region, which explicitly includes Georgia and Ukraine.

Russia defines stability as preservation of the status quo, with regimes it knows well. Russian support for separatists in other countries appears to be means, in part, of maintaining levers of influence in Moldova and Georgia. For the same reason, Russia has been slow to close its remaining bases in Georgia and remove its troops from Transnistria.

United States and Russian goals overlap more closely on the practical matter of shutting down transshipment and smuggling routes on the Black Sea. The United

States supports and encourages Russia's participation in the Black Sea Force, its cooperation with coast guards of littoral states, and its participation in Operation Active Endeavor.

Russian and United States views also overlap on the issue of Russia's Black Sea Fleet as an important element in regional security. The United States encourages continued Russian-Ukrainian cooperation that will allow Russia to lease port facilities at Sevastopol at least through the current agreement's end in 2017.

The United States and Russia have a shared interest in economic development and trade, in particular as concerns projects to bring Russian and Caspian Basin oil and gas to European and world markets. We hope President Putin's December 2004 visit to Turkey and President Erdogan's visit to Russia the following month will help advance such cooperation. At the same time, conflicts over the direction of the Odesa-Brody pipeline and other projects demonstrate that tensions exist over questions of whose oil and gas will get to market over whose territory.

Moscow continues to react strongly over a possible United States military role in the region. This can be seen particularly in the pressure that Russia has placed on Georgia to agree to a "no foreign bases" clause in a Georgia Russia Framework Treaty, and it can be seen also in Russia's displeasure over the United States Georgia Train and Equip Program (GTEP) and Sustainment and Stability Operations Program (SSOP) to train Georgian forces. We have made clear to Moscow at very senior levels that we have no plans for establishing United States bases in Georgia. Russia's concerns are likely to increase as Ukraine moves closer to NATO.

We are also urging Russia to stop obstructing an Organization of Security Cooperation in Europe (OSCE) border monitoring operation along the Chechnya portion of the Russian-Georgian border. We believe this monitoring operation has played an important role in deterring the possible movement of international terrorists and Chechen fighters between Russia and Georgia.

#### *Assistance*

Finally a word on U.S. assistance programs to the region. U.S. Government assistance targets enhancing regional cooperation and development as well as to support reform bilaterally. Our support for the GUUAM organization is enabling these countries to cooperate in law enforcement and harmonize their trade and transportation regimes. The Southeast European Cooperative Initiative (SECI), which includes Bulgaria, Romania, and Moldova (in addition to other countries that are not "Black Sea States"), serves as a regional assistance model for GUUAM projects. Since 2000, SECI has promoted cross-border cooperation in Southeast Europe in the fight against organized crime, as well as reform and harmonization of customs services to promote economic development and facilitate trade.

Democracy assistance is key to our broader bilateral assistance programs in this region that, with the exception of Turkey, are funded through the Support for East European Democracy (SEED) and FREEDOM Support Acts. Under these accounts we will be providing approximately \$126 million in FY 2005 to support civil society, access to information, pluralistic political processes, local governance and rule of law in these countries.

Political changes in Georgia and Ukraine in the past year reflect a desire by these countries—and their people—to establish themselves as democratic market economies. Our assistance continues to support their efforts to combat corruption and integrate them into the world economy, including the Black Sea region.

I welcome your comments and questions.

Senator ALLEN. Thank you, Mr. Ambassador. And that was a good survey of the region; an overview. The purpose of having such hearings is, hopefully, to educate the American public as to this region. And one thing that one understands by listening to all of this, and we'll get it from our second panel, but a study of history, all these countries are not the same. They're individual, they have their own sovereignty, their own heritage, languages, and customs. And each one has its own unique needs. Some are models for others to emulate, but the ones who will emulate it will do it in their own way, hopefully in their own way, creating more just and free societies.

One thing that ends up—and just trying to find some crosscurrents or threads and commonality—and you finished with Russia. But Russia—beyond Russia's own problems in their own country is

the question of their troops in places such as Moldova and in Georgia. And you were mentioning the recent elections in Moldova. One issue which remains there, which is an issue for Romanians, for Moldovans, for Ukrainians as well, is the Russian presence there, but also the Transnistrian region.

So, if you could share with us, the audience and this committee, as part of the record: A, what has President Bush said, and hopefully in a very strong way, to President Putin when they were meeting in Bratislava, about the concepts, not just of democracy and human rights, which is very important, but getting their troops out of Georgia and Moldova, as well as what are we doing on this Transnistrian issue, which is an area from what I can understand, I have not been there, but what I can understand is, it seems to be a lawless area, with everything from trafficking in drugs to humans to arms as well. And so long as that haven for such activity, criminal behavior as well as potentially terrorists acquiring weapons, this does need to be a concern to us.

So if you could—those are two large areas, issues, but I think they're related to the Russians' involvement in some of these places.

Ambassador TEFFT. Thank you. I was in Moldova in November myself and had an opportunity to talk to not only all of the political parties there, but with a number of others in the society. We have directed our efforts in Moldova both at trying to encourage a democratic election—I've talked about that in my remarks—but also in trying to be supportive of a process leading to a solution to the Transnistrian problem.

We are hopeful that this election that's just taken place, will act as an incentive to try to bring everyone together in a new effort to try to solve that problem. We have made this an issue with the Russians in a number of meetings. I believe it was raised in Bratislava. Certainly Secretary Rice has raised this in her first meetings with Foreign Minister Lavrov.

We think it's high time that a solution be found. We think it's high time that the Russian troops be withdrawn, and we have made that very, very clear to them.

Senator ALLEN. What's their reaction?

Ambassador TEFFT. I think at this point the—we're still waiting.

Senator ALLEN. Do they—in other words, do they sit there impassively listening politely—

Ambassador TEFFT. They—

Senator ALLEN [continuing]. Or is there a reaction?

Ambassador TEFFT. Their claim is that they still support a solution to the problem, that they still are honoring the commitments. You know that at NATO, at the NATO Russia summit last December, the communique had the Russians agreeing to withdraw their troops under the Istanbul Commitments. Our view is it's high time. Let's get on with the process.

Ambassador Steve Mann, who is our negotiator for what we call the frozen conflicts, was in Moscow last Friday at the invitation of the Russians to begin to talk about these issues. We hope this week, Senator, that Foreign Minister Tarasyuk of the Ukraine, who will be here at the invitation of Secretary Rice, that we will be able to talk to him about not only enforcing the borders on the

Transnistrian side with Ukraine, to make sure that some of the corruption and the smuggling that's been going on for years has stopped, but also talk to the Ukrainians, who are also part of the mediation effort there, to see how much they will be able to do to push this process forward.

Finally, I would note that the United States, and I think the European Union, are prepared to join in the negotiations as observers if that's what the parties decide. But we're going to try to make a major effort to see if we can get this process going again, and we'll put as much pressure as we can on the Russians to try to get some results.

Senator ALLEN. Thank you. And we'll be watching this. It's not going to get resolved quickly, but it's something that needs to stay on—right at the top of the list, because of the destabilizing impact of this narrow, small area. But nevertheless it is in a fairly crucial position to affect all those borders in that region and beyond there as well.

Now, the Russians have agreed to this convention of forces in Europe to pull their troops out of Moldova. Now what about—and also agreed to pull them out of Georgia—what has been stated to the Russians as far as their troops and bases in Georgia?

Ambassador TEFFT. We feel the same, that they should be withdrawn as quickly as we can—as they can. I know that Foreign Minister Lavrov was in Tbilisi just a few weeks ago. One of the issues they talked about was just this, the question of Russian Forces there. My understanding is that these discussions continue. There is some hope that they could get some kind of an agreement on this perhaps before President Saakashvili goes to Moscow on May 9 for the victory day celebrations that the Russians are going to hold.

I think no one has any illusions about how hard this is, but it is a matter of discussion, and we urge both sides to try to get an agreement on this.

Senator ALLEN. Do you find the Russians willing to do this or are they—it strikes me they made an agreement and, at best, you could say they're dragging their feet.

Ambassador TEFFT. I personally would agree with you, Senator. I think—

Senator ALLEN. What do you think their motivation is? Just drag their feet, just—

Ambassador TEFFT. I think there are people—

Senator ALLEN [continuing]. Troops in there—

Ambassador TEFFT [continuing]. Within the Russian system who are not only—who not only support the continued stationing of the troops, but who are clearly profiting from the situations that exist where these troops are, there where the frozen—profiting from the frozen conflicts in a sense.

This is going to take leadership on the part of President Putin to cut through this, to make the decisions, and to enforce the decisions about getting these troops withdrawn. I think only that level is going to be able to get the results that we want.

Senator ALLEN. Well, reading his actions, do you actually think he does so desire to keep those commitments?

Ambassador TEFFT. I hope so.

Senator ALLEN. You hope so? OK. You have to be an Ambassador and diplomatic. I understand. We all can translate what that means.

Finally, have you done any assessment on—and I, as I said at the outset on the bases, moving any of our assets or bases or capabilities to the Black Sea area, say moving some of them from Germany to Bulgaria or Romania? Have you—from Department of State—granted this is mostly a military logistics platform, power projection issue, although these issues do have diplomatic impacts or implications. Could you share with us your insight on that?

Ambassador TEFFT. Yes, sir. My colleagues in the Department are involved in interagency discussions about this issue. I think Bob Bradke, my colleague in the European Bureau, appeared before the group last week and addressed this.

I think, fundamentally, we're not thinking of establishing new bases per se. There's not—we're not looking at new Rammsteins in that sense.

Senator ALLEN. Right.

Ambassador TEFFT. What we are interested in is looking at enhanced training, joint exercises with our allies in Southeastern Europe. We're in the midst of some consultations, not only within the U.S. Government but with these allies. Any future announcement, I'm told, will really depend on the outcome of those discussions. DOD really is the one to talk to about the financing of this, obviously, because it's going to be expensive.

There's been discussion. I think you've seen some of the interviews that General Jones has given. I think those reflect some of the thinking in the U.S. military. State is playing the role in the interagency process on this and trying to manage the diplomatic side of this, but it's an ongoing process, Senator.

Senator ALLEN. Thank you, Mr. Ambassador. I also do want to commend General Jones. I think he's doing an outstanding job as a military leader, but also understanding the diplomatic and cultural aspects of these various countries and their people. And I want to thank you also, Mr. Ambassador, for appearing before this subcommittee today. There may be questions that are posed by members because we have several meetings going on and votes this afternoon. I hope you'll be able to respond to those questions. And with that, thank you for your testimony and your leadership for our country.

Ambassador TEFFT. Thank you, sir. We'll be happy to answer any questions that come up.

Senator ALLEN. Thank you. I'd like to have the second panel please come forward. The room will please come to order. I understand for our friends from Turkey there's translation going on in the back, and so some people wonder what the murmuring is. It's not rudeness. It's simply translation, and we're very happy to have our friends from Turkey with us.

Now, our second panel of witnesses includes Ms. Zeyno Baran, Mr. Bruce Jackson, and Mr. Vladimir Socor. Each has extensive knowledge of the Black Sea region and the challenges that it'll face in the coming years. I'm going to give everyone a background on each of you. It could be very long and I could go on for hours on each of you.

Let me do it in this order. Ms. Zeyno Baran first is the director of the International Security and Energy Programs at the Nixon Center. Her current projects include devising strategies to thwart the spread of radical Islamist ideology in Eurasia; assessing the impact of the Georgian and the Ukrainian revolutions on Central Eurasian countries; and engaging the leaderships, civil societies, representatives, and opposition forces of these countries to encourage democratic reform; and also contributing to the shaping of a new trans-Atlantic energy dialog on the Caspian and Black Sea regions.

Previously—this is not the first that Ms. Baran has been involved in this region—she was the director of the Caucasus Project at the Center for Strategic and International Studies at CIS. In 1998, Ms. Baran established the Georgia Forum, at which time—at that time was a creation—was the only program in the United States with a focus on this strategic country of Georgia and its relations with the United States and Russia.

Ms. Baran also worked on a Caspian and Black Sea oil and gas pipeline project since 1996, and frequently travels to the region. Ms. Baran, welcome.

Bruce Jackson is the founder and president of the Project on Transitional Democracies. I've known Mr. Jackson since the days I was Governor when he was advocating the expansion of NATO countries to Poland, the Czech Republic, and Hungary, and I became good friends with him back then. And over the years we have worked together on the expansion of NATO, which also gets European Union admission as well. And we've seen that spread of freedom and how those countries—our previous witness, Mr. Tefft, was Ambassador to Lithuania and those countries are good friends, true allies, not just philosophically, but also with armaments and assistance in our war on terror, particularly in Iraq and Afghanistan.

Mr. Jackson did serve in the U.S. Army as a military intelligence officer back in 1979 to 1990. The present project that he's working on is to accelerate the pace of reform in the post-1989 democracies and integrating them into the Euro-Atlantic institutions, which is perfect. He's been doing that for decades.

He also served as the president of the U.S. Committee on NATO back in the 1990s until 2003 promoting the expansion of NATO and, obviously, strengthening the ties between our country and the people of Europe.

Vladimir Socor is a senior fellow and longtime senior analyst with the Jamestown Foundation, great name of an organization, need to really use 2007, the 400th anniversary of the founding of Jamestown somehow for enhancing your visibility and those wonderful principles. Mr. Socor formerly served as a senior research analyst with Radio Free Europe, Radio Liberty in Munich, and as a specialist in the non-Russian former Republics of the U.S.S.R., CIS affairs, and ethnic conflicts.

Welcome to all of our witnesses. Ms. Baran being the courteous one is pointing. Did you—have you all huddled over there and determined you wanted to have an order of testimony? If so—I'm going to let—there's a clock here for your huddle here. I don't mind doing it in the order that you all are presented on this, which is



Bruce Jackson, Vladimir Socor, and Ms. Baran, if you want to do it that way. You probably—were you all prepared to do it that way?

Mr. JACKSON. Yes, sir.

Senator ALLEN. We'll run the play that way. Mr. Jackson, please proceed.

**STATEMENT OF BRUCE JACKSON, PRESIDENT, PROJECT ON  
TRANSITIONAL DEMOCRACIES, WASHINGTON DC**

Mr. JACKSON. Thank you, Mr. Chairman, and keeping with your injunction to summarize our prepared testimony, I'll try to run through the big picture here.

First, what is the Black Sea and why does it matter to this committee? Second, how are the states doing? And third, what should be the policy of the United States as we look forward?

I think the first major point is, this is a region in a region of Europe. Classically, it's been defined by the competitions between empires, largely Turkey, the Ottoman Empire, and Russia. The three middle states that we are so proud of today, Romania, Bulgaria, and Ukraine, have traditionally sought alliances within that region and usually tended toward Europe to offset the difficulties of the region. And the four smaller states, Moldova and the three states of the South Caucasus, lie essentially right down the seam of the region where the frozen conflicts lie, and they tend to look at Europe enviously. They tend to fear the actions of the great powers to their north and to their south, and actually Persia to their southeast. And they tend to be bloodied by every change that happens along this tectonic place.

But it seems to me that there are six reasons that make this region incredibly important to the United States today. For centuries, this region has been the entry point to the broader Middle East, and every European power has understood that the nation that controlled the Black Sea can control the most important real estate in the Middle East. If we are to be successful in our effort to support democracy in the broader Middle East, we have to build a secure and prosperous Black Sea system first.

Second, the Black Sea was traditionally the beginning of the Silk Road. While we're not interested in spices and silks these days, we are interested in the energy resources for Europe. Today they import 50 percent of their oil. Tomorrow it will be 70 percent. That comes from the Caspian basins and the Black Sea is their access to that oil.

The Black Sea region is already a part of Europe. As Ambassador Tefft laid out, they are coming into the NATO and the European Union. This is already part of our community and was recognized as such at the Istanbul summit.

Fourth, it's not only about interests, it's also about values. Obviously, the events, as you have said, in Ukraine and in Georgia inspired the President's second inaugural address and his recent speech in Bratislava. Without a doubt the most democratic changes are occurring in this part of the Euro-Atlantic.

But it is not just our hopes, it is also our fears that draw us to this region. This belt of frozen conflicts that run from Transnistria to Nagorno Karabakh are the most dangerous elements of what's left of the destruction or the collapse of the Soviet Empire. This is

where transnational crime has found a home. This is where criminal enterprises flourish. This is where people who would export weapons and technology to our enemies continue to prosper.

And finally, this is—I had an opportunity to testify before this committee before about Russia—but this is where Russia, the most negative expressions of its foreign policy exist. And suffice it to say whether we are just intent on protecting democracies from foreign influence or we care about Russia is doing to its own people, we must look at this region to answer those questions.

So the broad view is the Black Sea is where—is a knife edge of history where the forces of reactionary politics, separatism, ethnic historical Russian imperial aspirations and criminal interests are doing battle with the people that see a liberal and European future based on shared security and the vision of a European Union.

How this turns out is of great consequence to the United States, and not only will it affect how we conduct democratic change or support democratic change in the greater Middle East and protect the energy security of Europe, but if we fail in this regard to build a European system here, the lives of a quarter of a billion Europeans will be nastier, more brutish, and inevitably shorter. It matters to people. Almost one-third of the Euro-Atlantic community lives in this region.

Now, in looking—Ambassador Tefft has gone through these nations, so I'll just skip over and highlight the factors where we're being successful and where we're being retard in our progress.

Romania and Bulgaria are clearly the two great success stories. What continues to retard them is deeply entrenched corruption and a compromised judiciary. The great news is the election of President Basescu in Romania. He is committed to a program of comprehensive reform. Incidentally, he is also the most eloquent advocate of a Black Sea strategy for the West that would make the Black Sea a second Mediterranean, with everything that means.

Turkey, obviously, has achieved a historic milestone at the end of December, but frankly the trends there have been negative since then. Turkey was complicit in blocking NATO coming into the Black Sea last June with their surveillance mission. It has broken off its relations with Israel and the strategic alliance. It has not been helpful in the solution in Nagorno Karabakh. And it is entering a period clearly—it is dangerous for Turkey, and I think the Ambassador was correct to draw attention to the really brutal attack on women that occurred the other day on Sunday.

I think we can hope that the negative trend in Turkey is really related to the turmoil in the Middle East and the difficulty a secular Islamic state has in integrating into Europe, and it is not a reaction to the appearance of democracy. But still, Turkey is entering a dangerous period that we're going to have to pay careful attention to.

Obviously the story of Ukraine is well known. I think the point for this committee is Ukraine is going to have to build a nation at the same time they're trying to build a democracy, and that's going to be awfully difficult.

I think that two things we have to do is, basically, the United States and our European allies must bring their entire diplomatic and economic power to ensure that Russia or criminal groups

emboldened by Russia do not attempt to undermine the Yushchenko government in its first critical year.

Georgia. I think in your remarks you referred to many of the negative forces that exert themselves on Georgia, the persistence of Russian bases, and the attempt by Russia to close the border monitoring operations that protects Georgia and peacekeeping operations of the OSCE. I think the good news is that the Rose Revolution has been strong enough to withstand this, and this is one of the extraordinary success stories. It seems to me that if democracies could be compared to sports teams, this would be the 1980 Olympic hockey team. They shouldn't be winning, but they keep winning, and they have the scrappiness that we associated with the revolutionaries of 1989, and they are completely committed, and I think it's a great story.

The smaller states, Moldova, Azerbaijan, and Armenia, frankly retain more of the characteristics of post-Soviet autocracies than they do of emerging European democracies. They are lagging behind. The factors that retard them are the persistence of frozen conflicts on their territories and the negative effect these conflicts have on their economic development and domestic politics.

It seems to me, in sum, what we are talking about here is a special class of democracies which are torn between the desire of their peoples for a European future and the lingering grip of a brutal past. This region of Europe is a place where democracy is still at risk.

It seems to me that there are six things that we can do to support the new democracies, to dissuade or deter foreign powers from intervening in their development, and to ensure that the Euro-Atlantic institutions they seek remain open to them.

First, we must accelerate the leading democracies of the region. The integration of Romania and Bulgaria into the European Union on January 1, 2007, would convey the possibility of Europe to all the other states of the region. I think the United States can insist in that by pushing hard for judicial reform and strict standards of conduct and also making the long-delayed decision about repositioning U.S. bases. I think the offer of the basing at Constanza in Romania is an offer that should be accepted, and nothing could make more clear that the United States shares the view of the European Union that security and stability in the Black Sea is essential for Euro-Atlantic security than this decision.

Second, we have to reform and adapt our institutions for the Black Sea. Both NATO and OSCE are not functioning well, one because it's been blocked, the other because it's been eviscerated by Russian veto.

The institutions of the region, the GUUAM initiative that was referred to is confused, and the Black Sea Economic Cooperation Council is largely moribund. As a consequence, we should engage the new leaders of the region, President Saakashvili, President Basescu, and President Yushchenko, on the formation of new structures for this region, as we did in the Baltic Charter and in previous times where democracy has reached a new area.

Third, we must confront both Russia and Turkey when they're acting in a negative manner. What we hope to accomplish cannot be accomplished unless we make clear where conduct goes beyond

the acceptable. This is a question of frankness. Just because Russian officials become peevish when we point out that poison used on Yushchenko came from Russia and the plastique for the car bomb in Gori came from Russia doesn't mean we should ignore this conduct. And just because a discussion of the Ottoman treatment of the Armenian population in the early parts of the last century is a painful issue, it does not mean that coming to terms with history should not be discussed between democratic allies. If we are to succeed where democracy is at risk, we must be clear in what we say and what we do.

Fourth, we must prioritize the frozen conflicts as you said in your opening remarks, beginning with the conflict in Transnistria. With the help of Ukraine, we can end the criminal enterprise in Transnistria and the secessionist conflict with the constitutional government in Chisinau.

In Nagorno Karabakh, we must press Azerbaijan and Armenia back to serious negotiations and force them to begin where they left off at the Key West Accords in 2001. And most importantly, where leaders of the region offer a peace plan, we must basically embrace it. President Misha Saakashvili offered an enlightened peace plan for South Ossetia, which was greeted by resounding silence both in Brussels and here. That shouldn't happen.

Fifth, this is an area where we're going to need to enhance and continue the same cooperation we developed, with the European Union in the 10 years in the Balkans, of a close partnership with the European Union. Both the European Union and the United States have democracy support programs for the Black Sea region, but there is no formal coordination as yet, and that needs to improve.

And also our—we have to challenge our NGOs that are funded by bills coming through this committee to do more than just do elections. Civic society, parliamentary opposition, the growth of civic society is essential for the early years of these new democracies.

Finally, we have to focus on Ukraine. For better or for worse, the extent and character of democracy in the Black Sea region will be defined by whether democracy in Ukraine succeeds or fails. Without a democratic Ukraine, peace in Moldova will remain elusive and the democracies in the South Caucasus will be isolated. If the Orange Revolution succeeds and European institutions remain open, then all the states of the Black Sea will someday have a place in Europe, including at some point, Russia.

So, in conclusion, sir, what I believe is occurring around the Black Sea is the beginning of the final phase of a Europe whole and free. Over the 5 years remaining in this decade, I think the rapid democratic transformation of Central, then Eastern, now Southeastern Europe, will come to a conclusion and a new, larger community of Euro-Atlantic democracies will result.

While the democratic change is ultimately their responsibility, the United States has a significant role to play in supporting and protecting these young democracies in their early years. How well we play this role will affect the lives of tens of millions of people and will quite literally shape the future of the West.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Jackson follows:]

PREPARED STATEMENT OF BRUCE PITCAIRN JACKSON, PRESIDENT, PROJECT ON  
TRANSITIONAL DEMOCRACIES, WASHINGTON, DC

Mr. Chairman, Members of the Committee, thank you for the opportunity to testify before you on the state of democracy in the Black Sea region and the possibilities which the vast democratic transformation of this region presents for U.S. policy. I would like to discuss three major questions:

(1) What is the Black Sea region and why should developments there command the attention of this committee and of U.S. policymakers?

(2) Where are the states of the Black Sea region in the development of democratic governance and what factors retard development of a free and prosperous civil society in these states?

(3) Given the strategic importance of the region and the threats to the freedom of peoples who profess to share our values, what should be the policy of the United States toward the new democracies around the Black Sea?

I

Historically, the Black Sea has stood at the confluence of the Russian, Ottoman and Persian Empires and has been a central theater in the "Great Game" which was played out along its shores throughout the 19th century.<sup>1</sup> The contours of the Black Sea region which were established in the competitions between the great European powers in the Crimean War and World War I are still evident today. The geopolitics of the region remain heavily influenced by the internal character and foreign policy aspirations of the larger regional powers, Russia and Turkey. The middle powers, Ukraine, Romania, and Bulgaria, continue to seek security and stability in regional cooperation and, particularly, in closer relations with European institutions. The smaller littoral states, Moldova, Georgia, Azerbaijan, and Armenia, watch the great regional powers fearfully, envy the more cosmopolitan and Europeanized middle powers, and are bloodied by every tremor along the tectonic plate of the former imperial powers.

Today, the same factors, which rendered the Black Sea region a "black hole" in European history, now argue that this region is of central strategic interest to Europe and the United States. There are six major points:

1. *The Black Sea region has for centuries been the entry point to the broader Middle East.* The borders of the democracies of the region touch Syria, Iraq, Iran, and the shores of the Caspian Sea. As the United States discovered to its dismay on March 1, 2003, without the cooperation of Black Sea States, in this instance Turkey, we cannot easily reach the northern approaches to the broader Middle East. Every 19th century European power understood that the nation which controlled the Black Sea could control the most important real estate in the Middle East. If we are to be successful in our efforts to support the democratization of the Middle East, we will have to build a secure, prosperous, and democratic Black Sea region in the process.

2. *The Black Sea region was the beginning of the Silk Road of trade with Asia.* While silk and spices have lost much of their allure since the times of Marco Polo, the energy reserves of central Asia are becoming increasingly important to our European allies and to the stability of world oil prices. Today, the member states of the European Union import approximately 50 percent of their energy needs; by 2020 imports will rise to 70 percent of consumption. This increase will be delivered to Europe across and around the Black Sea region, on routes such as the Baku-Tbilisi-Ceyhan pipeline.

3. *The Black Sea region is rapidly becoming part of Europe.* With the exception of Croatia, all current candidates for EU membership are from the Black Sea region. Romania and Bulgaria are expected to gain EU membership in 2007 and Turkey sometime around 2014. The western and southern shores of the Black Sea are also the borders of NATO and soon the European Union. These facts so impressed the heads of state of member states of NATO that at the Istanbul Summit in July 2004 the NATO Joint Communiqué recognized that the Black Sea region was an essential part of Euro-Atlantic security.

4. *It is not, however, only U.S. interests which tie us to the Black Sea region, but also our political values.* Both the Rose Revolution in Georgia and the Orange Revolution in Ukraine occurred in countries along the northern and eastern shores of the

<sup>1</sup>For a fuller discussion see Ronald D. Asmus and Bruce P. Jackson, "The Black Sea and the Frontiers of Freedom" in Policy Review, June and July 2004

sea. The possibilities created by these democratic revolutions not only inspired President Bush's Second Inaugural Address and his recent speech in Bratislava, but they changed the structure of politics in Minsk, Chisinau, and as far away as Almaty, Bishkek, and Beirut. Without doubt, the largest and most dramatic democratic changes are occurring in this part of the Euro-Atlantic.

5. *Sadly, it is not only our hopes that draw our attention to this region, but also our fears.* The most sharp and dangerous fragments of the former Soviet Union lie scattered in an arc across the northern shore of the Black Sea. A belt of "frozen conflicts" begins in Transnistria in eastern Moldova and runs through Abkhazia and South Ossetia in Georgia to the mountain heights of Nagorno-Karabakh on the border of Armenia and Azerbaijan. In each of these "frozen conflicts" created in the civil wars of the dying Soviet Empire, brutal warfare and ethnic cleansing have occurred and could reoccur. In Transnistria, Abkhazia, and South Ossetia, transnational crime has found a home and developed a base for trafficking in weapons, drugs, women, and children. These criminal enterprises destabilize the governments of the region, threaten Europe with illicit traffic, and ultimately pose a danger to the United States with their capability and intent to sell weapons and technology to our enemies.

6. *Finally, the most negative expression of Russian foreign policy aspirations now occurs along the northern rim of the Black Sea region.* Since I have already been given an opportunity by the committee to testify on the subject of Russian neoimperialism in what the Kremlin regards as Russia's "near abroad," I will not repeat the argument here.<sup>2</sup> Suffice it to say, whether we are intent on protecting new democracies from outside inference and coercion or are simply concerned about the damage Russian policy is doing to its own people, we are forced to focus on the region.

In short, the democracies of the Black Sea lie on the knife edge of history which separates the politics of 19th century imperialism from European modernity. Reactionary forces in the region (separatism, historical Russian aspirations, and criminal interest) would prefer a return to a balance of power system where the powerful rule over spheres of interest and the powerless would serve either autocrat or kleptocrat. On the other hand, those democratic reformers who view themselves as the direct descendants of the leaders of Solidarity and Charter 77 who freed Central and Eastern Europe in 1989, aspire to see their new democracies following the path of Poland and the Czech Republic into a European system based on liberal values and shared security.

Which of these forces ends up defining a modern Black Sea system is a matter of great consequence for the United States and Europe. Not only would a return to the politics of the past constrain our ability to work for democratic change in the greater Middle East and damage the energy security of Europe, but if the new democracies fail to make the Black Sea a part of the Euro-Atlantic system, the lives of a quarter of a billion Europeans will be nastier, more brutish, and (inevitably) shorter.

## II

Let me turn from the region as a whole to a summary discussion of the state of democracy in its constituent states, where it is somewhat easier to see the great possibilities and the factors which retard reform and political integration.

Romania and Bulgaria are undoubtedly the success stories of Southeast Europe and the Black Sea. Both were invited to join NATO in 2002 where they have performed well and contributed to missions in Afghanistan and Iraq. As I mentioned earlier, both are expected to join the European Union on January 1, 2007, leading their region into the institutional core of Europe. The two factors that retard the political and economic development of both Romania and Bulgaria are deeply entrenched governmental corruption and a weak and often compromised judiciary. But, even in this, there is a good news story to be told. In the recent Romanian Presidential election for the first time, the issue of corruption dominated the campaign and swept reformer Traian Basescu into the Presidency. His government has launched a large-scale offensive against corruption in government and business. Forthcoming elections in Bulgaria may offer a similar, albeit long overdue, opportunity to accelerate reform. Clearly, Romania and Bulgaria are two democracies whose long-term prospects look extremely bright.

Incidentally, Mr. Chairman, President Basescu arrives in Washington later today for a meeting tomorrow with President Bush and Members of the Senate. President

<sup>2</sup>Bruce Pitcairn Jackson, Testimony before the Senate Foreign Affairs Committee on "Democracy in Russia," February 17, 2005.

Basescu is one of the most eloquent advocates of a comprehensive strategy for the Black Sea, aimed at advancing prosperity and democracy throughout the region. His goal is nothing less than to make the Black Sea “a second Mediterranean” in terms of shared security, commerce, and political cooperation.

Turkey achieved an historic milestone on December 17, 2004, when the European Union finally agreed to open membership negotiations. Despite this confirmation of Turkey’s European destiny, there are strong indications that Turkey’s national and geopolitical identity crisis is far from over and that Turkey may be entering a difficult and problematic stage. In June 2004, in order to maintain some manner of regional hegemony, Turkey played a key role in blocking the extension of the NATO surveillance operation ACTIVE ENDEAVOR to the Black Sea. Internally, the ruling AK Party seems have taken a turn for the worse, characterized by strident anti-Americanism, cultural anti-Europeanism, and a resurgent xenophobia. (The television footage of Turkish riot police savagely beating young women at a peaceful protest for political rights that appeared on BBC yesterday is but the most recent negative development.)

In foreign policy, during the term of Prime Minister Erdogan, Turkey has quietly broken off its strategic relationship with Israel, refused to negotiate with Armenia on the opening of their common border (thereby obstructing negotiations on Nagorno-Karabakh), and demanded of the United States a draconian treatment of the Kurdish population of Iraq. In diplomatic parlance, Turkey has become “unhelpful.”

Perhaps, most worrying are reports of Turkish-Russian discussions of a coordinated policy in the Black Sea region, which would inevitably be conducted at the expense of smaller, pro-European democracies. The motivation for Turkey’s negative regional behavior appears to be a classic case of Great Power insecurity and a fear that Turkey will lose its distinct identity in the economic and demographic uncertainty of modern Europe. We can hope that the negative trend in Turkish politics is related to the turmoil in the Middle East and the problems and contradictions which a secular Islamic government encounters in the course of European integration rather than a response to the flowering of democracy around the Black Sea. Nevertheless, Turkey has entered a dangerous period both for itself and for United States-Turkish relations which deserves serious attention.

Ukraine is possibly the best-known and most inspiring of the Black Sea democracies. The triumph of Viktor Yushchenko and the Ukrainian people is without question the most significant event in the advance of democracy in Europe since the fall of the Berlin Wall. That said, President Yushchenko and Prime Minister Yulia Tymoshenko have a Herculean task in front of them. First and foremost, they must unite a nation even as they undertake the reforms which are necessary for Ukraine to become a European democracy.

The most dangerous year for a new democracy is its first year, and for Ukraine the critical period is from today through the parliamentary elections in March 2006. In this defining 12-month period, Viktor Yushchenko will have to address the criminal conduct of the Kuchma period, define and negotiate the rules of the game for the business community, and make significant progress both within the Action Plan of the European Union’s Neighborhood Policy and in an intensified dialog with NATO. Any one of these tasks would be formidable, but the new government must accomplish this and more, and do so in such a way that convinces the people of Kiev, Lviv, and Donetsk that they share a common future in a united pro-Western Ukraine. The critical task will be to establish transparent business practices and to eliminate the “grey economy” without resorting to large-scale renationalization which would destroy the confidence of foreign investors and dangerously inflame sectional resentments.

The further danger for Ukrainian democracy lies in the hostility of Moscow toward pro-European democracies in the former Soviet space and the fear that democratic reform inspires in the criminal clans, which have dominated the “grey economy” of Ukraine up until now. Sadly, but necessarily, the stability and security of EU and NATO membership is some years off and over the immediate political horizon. The United States and our European allies must bring their entire diplomatic and economic power to bear to ensure that Russia, or criminal groups emboldened by Russia, do not undermine the Yushchenko Government. We must support the Ukrainian people in their truly historic endeavor.

Georgia’s democratic revolution is only slightly less well-known than Ukraine’s and is succeeding against even longer odds. Georgia, under the leadership of President Misha Saakashvili, has finished an extraordinary first year of reform, which saw the breakaway province of Adjara reunited with the constitutional government in Tbilisi. By all indicators, such as its qualification for participation within the Millennium Challenge Account, Georgia is delivering on its commitments to economic

reform and the democratic transformation of its society and government. Like Ukraine, however, Georgia has encountered serious and continuous obstruction from Russia. The Russian Government has refused to comply with its international treaty obligation to withdraw its troops from the Soviet-era bases on Georgian soil and has consistently supported separatists in the breakaway Georgian region of Abkhazia. Late last year, Russia blocked the OSCE from reinforcing a peacekeeping mission in South Ossetia in order to protect its ability to ship prohibited weapons and explosives through the Roki Tunnel to paramilitary gangs in South Ossetia. And, at the December OSCE Summit in Sofia, Bulgaria, Russia forced the OSCE to close the Border Monitoring Operation which patrolled the northern border of Georgia with Ingushetia, Dagestan and Chechnya. Russia's actions could very well prove to be the death knell for the OSCE; we must ensure that they are not for democratic Georgia.

Despite Russian attempts to destabilize the Saakashvili Government, Georgian democracy continues to mature and was strong enough to withstand the recent tragic death of Prime Minister Zurab Zhvania, who was a mainstay of the Rose Revolution. If democracies could be compared to sports teams, Georgia would be the 1980's U.S. Olympic Hockey team. Like the Lake Placid Olympic team, Georgia should not be winning, except it does. It seems to me that Georgia has the essential quality of scrappiness that animated successful democratic movements in Poland, the Czech Republic, Slovakia, and the Baltic States against the monolith of Soviet power; they care more and are willing to work harder for democracy than the reactionary forces are willing to work to restore autocratic rule and criminal enterprise.

In contrast, the other smaller states of the Black Sea regime, Moldova, Azerbaijan, and Armenia, retain more characteristics of post-Soviet autocracies than of emerging European democracies. To varying degrees, recent elections have not met European standards. Opposition parties are harassed and opposition candidates are occasionally threatened with criminal charges or simply imprisoned. Both civil society and the free press are under duress in these countries, as we can see from the recent assassination of the editor of an opposition newspaper in Baku.

For the most part, the major factors retarding the democratic development of Moldova, Azerbaijan, and Armenia are the persistence of frozen conflicts on their territories and the negative effect these conflicts have on their economic development and domestic politics. The standoff between Moldovan Government and the Smirnov clan in Transdnistria has proliferated corruption and crime throughout Moldova and served as an excuse for President Voronin to limit the political and press freedoms of Moldovan citizens. Similarly, the impasse on Nagorno-Karabakh has served to maintain extremists in both Azeri and Armenian politics, and succeeded in isolating both countries from constructive interaction with their Black Sea neighbors and with Euro-Atlantic institutions.

This brief survey of the mature, nascent, and inchoate democracies of the Black Sea region reveals a special class of democracies which are torn between the desire of their peoples for a European future (and all the economic and political freedoms these peoples associate with Europe) and the lingering grip of a brutal past. In short, this is a region of Europe where the future of democracy is still at risk.

### III

If I am correct in arguing that the Black Sea region is a area of enormous democratic potential, but where democracy remains at risk, then the policy of the United States has to be to support new democracies, to dissuade or deter foreign powers from intervening in their development, and to ensure that the Euro-Atlantic institutions they seek remain open to them. I have six recommendations for this committee to consider and for U.S. policy generally:

1. *Accelerate the leading democracies of the region.* The prospects for democracy in the Black Sea region will be substantially enhanced by the formal integration of Romania and Bulgaria in the European Union. Their accession must remain on track for January 1, 2007, in order to convey to the other states of the region that the possibility of near-term European integration exists and that painful reforms have their reward in security and prosperity. The United States can assist Romania and Bulgaria in achieving their goal by pushing hard for judicial reform and strict standards of official conduct. The Department of Defense should make its long-delayed decision on the repositioning of United States European bases to the sites offered by the Romanian Government in the vicinity of Constanza on the Black Sea. Nothing could make more clear that the United States shares the view of the European Union that security and stability in the Black Sea region is essential to Euro-Atlantic security.

2. *Reform and adapt our institutions to perform in the Black Sea region.* Existing institutions, such as NATO and the OSCE, must be made to perform in service of



democracy in the Black Sea littorals. We must revisit the decision to block Active Endeavor from being extended to the Black Sea and overturn the archaic Montreux Convention, which is sometimes invoked as the justification for barring NATO surveillance from transiting the Bosphorus. Similarly, we must demand that the OSCE fulfill its peacekeeping and monitoring responsibilities throughout the region. Even if we are successful with both NATO and the OSCE, the Black Sea region remains “institution-poor.” Regional initiatives, such as the confused GUUAM (Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova) or the moribund Black Sea Economic Cooperation forum have not filled the gap. As a consequence, we should engage with regional leaders, such as Romanian President Basescu, Georgian President Saakashvili, and Ukrainian President Yushchenko, on the formation of new structures for a Black Sea strategy.

3. *Confront both Russia and Turkey.* Whatever we hope to accomplish in the Black Sea region will be impossible without the willingness to confront Russia where its conduct goes beyond the acceptable. But we must also communicate frankly to Turkey that we expect our friends and allies to support other democratic states and to work for the peaceful resolution of conflicts in their region. Just because Russian officials become peeved when we point out that the poison used on Yushchenko and the explosives used in the car bombing in Gori, Georgia, came from Russia, does not mean we should ignore this conduct. Just because Turkish officials become indignant at the mention of a genocidal campaign conducted by Ottoman authorities against Armenian civilians in the early years of the last century does not mean that coming to terms with history should not be discussed between democratic allies. If we are to succeed where democracy is at risk, we must be clear in what we say and do.

4. *Prioritize the frozen conflicts.* Beginning with the conflict in Transdnistria, our negotiators need to redouble their efforts to find creative solutions. The Orange Revolution in Ukraine has opened up the possibility of ending the criminal enterprise in Transdnistria and its secessionist conflict with the constitutional government in Chisinau. For negotiations to succeed, however, we should expand the so-called Pentagonal-format to include both the European Union and Romania, as essential and constructive partners. In Nagorno-Karabakh, we must press Azerbaijan and Armenia back to serious negotiations and insist that negotiations begin from the point reached at 2001 meeting in Key West. Finally, we must show far greater resolve and enthusiasm when parties take a meaningful step toward peace. President Misha Saakashvili’s enlightened peace plan for South Ossetia has been greeted by a resounding silence in Brussels and Washington, which is dumbfounding. It is also callous and derelict.

5. *Harmonize the democracy support programs of the United States and the European Union.* Both the Millennium Challenge Account and European Union’s Neighborhood Policy were designed to assist emerging democracies in their efforts to accelerate economic development and strengthen the capacity of democratic institutions. Both the United States and the European Union are active in the Black Sea region, but formal coordination does not yet exist. The four freedoms of market access, labor mobility, investment, and travel offered in Europe’s Neighborhood Policy are the obvious complement to what the United States can offer in terms of security support and developmental aid. Closer coordination is essential. We must also challenge our congressional-funded NGOs, such as the National Endowment of Democracy, IRI and NDI, to address a wider spectrum of democracy-support activities. Elections are not the only things that matter in the Black Sea region. Strengthening civil society, the press and parliamentary oppositions are also key.

6. *Focus on Ukraine.* For better or for worse, the extent and character of democracy in the Black Sea region will be defined to a great extent by the successes and failures of democratic change in Ukraine. Without a democratic Ukraine, peace in Moldova will remain elusive and the democracies of the South Caucasus will be isolated from Europe. The ultimate disposition of Ukraine may well finally answer the question that has nagged at us since 1989: “What is the size of Europe?” If the Orange Revolution succeeds and European institutions maintain an “Open Door” policy toward Ukraine’s candidacy for membership in NATO and the European Union, then we can assume that all the democracies on the Black Sea have a place in Europe, including, some day, Russia.

Mr. Chairman, I believe that what is occurring around the Black Sea may be the beginning of the final phase of the completion of a Europe whole and free. Over the 5 years remaining in this decade, I think that the rapid democratic transformation of Central, Eastern, and now Southeastern Europe will come to a conclusion, and a new (and far larger) community of Euro-Atlantic democracies will result. While democratic change is ultimately the responsibility of the Black Sea States themselves, the United States has a significant role to play both in supporting and pro-

tecting these young democracies. How well we play this role will affect the lives of tens of millions of people and, quite literally, shape the future of the West.

Thank you, Mr. Chairman.

Senator ALLEN. Thank you, Mr. Jackson, for your, as always, articulate insight and leadership. At the conclusion I was glad to get a sense of optimism about the future.

We'll hear from all our witnesses and then we'll pose some questions. Thank you, Mr. Jackson. Now we'd like to hear from you, Mr. Socor.

**STATEMENT OF VLADIMIR SOCOR, SENIOR FELLOW,  
JAMESTOWN FOUNDATION, WASHINGTON, DC**

Mr. SOCOR. Mr. Chairman, I'm grateful for the opportunity to appear and testify in this hearing on a region that has surged to salience in debates on U.S. foreign and security policy and strategy. With your permission, I will skip those parts of my prepared presentation that overlap with Ambassador Tefft's and Bruce Jackson's presentations, and I will read those parts of my presentation that deal with threats to U.S. interests and to the interests of U.S. allies and partners in the region.

Senator ALLEN. You have my permission and I think that's a good strategy.

Mr. SOCOR. Thank you—and with the frozen conflicts. American and overall Western interests in this region require stable reform-capable states in control of their own borders, safe from external military or economic pressures or externally inspired secessions, secure in their function as energy transit routes and capable of supporting U.S.-led or NATO coalition operations.

Those interests can only be sustained if the region's countries develop good governance with functioning democratic institutions and political processes resistant to corruption or hostile manipulation, and if they are protected by international law and Western-led security arrangements.

Georgia, Ukraine, and Azerbaijan have acted as de facto allies in providing political backing, guaranteeing air and land passage rights, and fielding peace support troops for NATO and United States-led operations. Georgia and Azerbaijan are active members of the antiterrorist coalition. Their participation in the coalition is also a means to maintain close relations with the United States, advance the modernization of their security sectors, and earn their credentials as NATO aspirant countries.

For its part, Azerbaijan gave radical Islamist organizations no chance to make inroads into the country. Successful development of Azerbaijan as a Muslim secular state is also a shared interest of that country and the West. This goal has good prospects of fulfillment in Azerbaijan's society characterized by religious tolerance and receptiveness to Western cultural influences.

The region's Western-oriented countries are facing a wide spectrum of threats to their security, mainly from Russia and its local proteges. The overarching goal is to thwart these countries' Euro-Atlantic integration and force them back into a Russian sphere of dominance. The scope, intensity, and systematic application of threats has markedly increased over the last year as part of President Putin's contribution to the shaping of Russia's conduct.

These may be described as old, new, and newest type threats to security. The old-type threats stem from troops and bases stationed unlawfully in other countries, seizures of territories, border changes de facto, ethnic cleansing, and creation of heavily armed proxy statelets. Georgia, Moldova, and Azerbaijan are the targets of such blackmail.

New-type threats are those associated with illegal arms and drugs trafficking, rampant contraband, and organized transnational criminality, all of which use the Russian-protected secessionist enclaves as safe havens in staging areas. Such activities are generally associated with nonstate actors of an often terrorist nature. In the Black Sea region, however, state actors within Russia are often behind these activities, severely undermining the target countries' economies and state institutions.

The newest type threats to security can be seen in Russia's assault on electoral processes, some months ago in Ukraine's Presidential elections and in recent weeks in Moldova's parliamentary elections and meanwhile even in loyalist Abkhazia. Using massive financial, mass media, and covert action means, Russia has sought to influence the outcome of elections or hijack them outright in order to install its favorites in power.

Closely related to this is the export of the Russian model of governance, characterized by a symbiosis of neo-KGB structures, organized crime, state bureaucracy, and government-appointed big business. In all of the situations described above, security and democracy are equally at risk.

The Black Sea region is the most conflict-plagued region along the new Euro-Atlantic perimeter. This situation limits the ability of the United States to capitalize on the region's high strategic value. Thirteen years after the U.S.S.R.'s dissolution, Moscow continues heavily to dominate conflict management in this region. Russia, largely responsible for sparking or fanning these conflicts, has a vested interest in keeping them smoldering, so as to pressure Georgia, Azerbaijan, Armenia, and Moldova and thwart their Euro-Atlantic integration.

Russia's policy consists of freezing, not the conflicts as such, but rather the negotiating processes which Russia itself dominates. The United Nations and OSCE, left largely to their own devices, have merely conserved these conflicts.

There are those who suggest that the United States should defer to Moscow on these issues, lest Russia's cooperation with the United States in antiterrorism and anti-WMD proliferation efforts be jeopardized. This thesis seems to underestimate Russia's own declared interests in cooperating with such efforts, to overestimate the practical value of Moscow's contributions, and to ignore Russia's outright obstruction of United States efforts in a number of cases. Moreover, that thesis would seem to confirm the Kremlin in its dangerous expectation that strategic partnership with the United States should entail acceptance of Russian paramountcy on peacekeeping and conflict resolution in the post-Soviet space.

Such a quasi-monopoly would be an ingredient to sphere-of-influence rebuilding. It is crucial to avoid the perception, let alone the fact, of a Russia-United States or Russia-West division of peacekeeping and conflict management spheres, or an informal partition

of countries' territories. Strategic partnerships cannot long be sustained with rump countries vulnerable to armed secessions pressures across arm-controlled external borders.

It is high time to move this issue to the front burner of U.S. security policy, preferably in synergy with NATO and the EU countries. The United States is the best place for promoting conflict settlement solutions that would consolidate the region's states in strategic partnerships with the United States.

Turning the broader Black Sea region into a policy priority need not compete with the priorities assigned to other areas. On the contrary, stabilization of this region would entail incomparably lower risks and incomparably smaller resources compared to the risks and resource commitments in Iraq, Afghanistan, or emergent initiatives in the broader Middle East. The fact is that a secure and stable Black Sea region is necessary for sustaining those U.S.-led operations and initiatives.

And may I conclude my prepared testimony, Mr. Chairman, with some remarks on the CFE Treaty and Istanbul Commitments, leading off from the first panel's presentation. Russia has openly repudiated its obligations under the 1999 adapted treaty on conventional forces in Europe and Istanbul Commitments, twin parts of a single package, regarding withdrawal of Russian Forces from Georgia and Moldova. The OSCE, custodian of those documents, has cooperated with Russia in eviscerating them.

Troops withdrawal deadlines were postponed and then removed altogether. Preconditions to withdrawal were attached where the troop withdrawal was to have been unconditional. Excuses were found for retaining some Russian troops in place where the withdrawal was to have been complete. Wide verification loopholes were tacitly accepted. Heavy weaponry, coyly designated as unaccounted-for treaty-limited equipment by a complacent OSCE, was transferred from Russia's arsenals into those of the separatist enclaves. The creation of Russian-staffed separatist forces was tolerated. And the requirement of host country consent to the stationing of foreign troops is being flouted.

Since 2002, Moscow has rejected the very notion that it had made commitments in Istanbul to withdraw its troops from Georgia and Moldova. The OSCE itself all along turned those Russian commitments only politically binding as distinct from legally binding, that is, not binding in practice. All these concessions notwithstanding, the OSCE is no longer able, since 2003, even to cite its own 1999 decisions, because Russia has easily vetoed such references in the organization's routine year-end resolutions. Realistically speaking, the Istanbul Commitments are dead.

Since 2004, moreover, Moscow threatens to destroy the OSCE by blocking the adoption of the organization's budget and terminating certain OSCE activities. Russia does not want to kill the OSCE, but rather to harness and use the weakened organization. Under these circumstances, no one can possibly expect the OSCE to resurrect the Istanbul Commitments, let alone ensure compliance with them.

Meanwhile, the United States and NATO governments collectively take the position that they would not ratify the adapted CFE Treaty, which Moscow wants ratified, until Russia has complied

with the Istanbul Commitments. This form of leverage has manifestly proven too weak to induce Russia to withdraw its troops from Georgia and Moldova. Russian officials scoff at calls for troop withdrawal based on the Istanbul documents.

It is high time for Georgia and Moldova to go beyond the OSCE to international organizations and argue the case for Russian troop withdrawal on the basis of national sovereignty and international law. The United States, along with the Euro-Atlantic community, should place these issues prominently on the agenda of United States-Russia, NATO-Russia, and EU-Russia agendas, and not just at summit time, as has been done occasionally and feebly this far, but on a regular basis until this legitimate goal is achieved.

And this, Mr. Chairman, completes my testimony.  
[The prepared statement of Mr. Socor follows:]

PREPARED STATEMENT OF VLADIMIR SOCOR, SENIOR FELLOW, JAMESTOWN  
FOUNDATION, WASHINGTON, DC

Mr. Chairman, members of the committee, I am grateful for the opportunity to appear and testify in this important hearing on a region that has surged to salience in debates on United States foreign and security policy and strategy: The broader Black Sea region, new frontier in the advance of Euro-Atlantic security and democracy. My presentation will succinctly identify the interests of the United States and its friends in the region, threats to those interests, and steps the United States can take to promote its security and democratic goals together with its friends in the region.

INTERESTS

The Black Sea region forms the hub of an evolving geostrategic and geo-economic system that extends from NATO Europe to central Asia and Afghanistan, and as such is crucial to United States-led antiterrorism efforts. It provides direct strategic access for American and allied forces to bases and theaters of operation in central Asia and the Middle East. It also provides westbound transit routes for Caspian energy supplies which are key to our European allies' energy balance in the years ahead.

Countries in the Black Sea region rarely if ever experienced security, democracy, or prosperity. Their chance came with the end of Soviet dominance and the enlargement of the Euro-Atlantic community of interests and values.

At present, however, Russian President Vladimir Putin leads a campaign to halt and turn back that process at the former Soviet borders, so as to restore a sphere of Russian political, economic, and military dominance in a large part of the Black Sea region. Threats of force against Georgia, refusal to withdraw Russian troops from that country and from Moldova, overt support for secessionist enclaves in those two countries, fanning of civil confrontation during the Presidential campaign in Ukraine, the poison attack on Viktor Yushchenko, are among the recent brutal hallmarks of Mr. Putin's policy in this region. The answer must be a redoubling of democratic institution building within these countries, and anchoring them to Euro-Atlantic institutions. The United States is uniquely equipped to lead this effort within the Euro-Atlantic community and in the region itself.

With Romania and Bulgaria now in NATO and set to join the European Union, and with old NATO ally Turkey aiming for EU entry, now is the time to start planning for the Euro-Atlantic integration of countries that have declared that aspiration in the broader Black Sea region: Ukraine, Georgia, Moldova, Azerbaijan.

FRIENDS AND PARTNERS

American and overall Western interests in this region require stable, reform-capable states, in control of their own borders, safe from external military or economic pressures or externally inspired secessions, secure in their function as energy transit routes, and capable of supporting U.S.-led or NATO coalition operations. Those interests can only be sustained if the region's countries develop good governance, with functioning democratic institutions and political processes resistant to corruption or hostile manipulation, and if they are protected by international law and Western-led security arrangements.

Thus, effective state- and democracy-building and strategic interests are twin sides of a common set of United States and Euro-Atlantic interests in the Black Sea region. By the same token, security threats to countries in this region and actions that undermine their sovereignty run counter to those interests.

Within this region, Romania and Bulgaria became providers of security and contributors to coalition operations even before accession to NATO. Their role is set to grow further as the two countries become hosts to U.S. military installations on the Black Sea littoral. NATO aspirants Ukraine, Georgia, and Azerbaijan have acted as de facto allies in providing political backing, guaranteeing air and land passage rights, and fielding peace-support troops for NATO and United States-led operations. Georgia and Azerbaijan, active members of the antiterrorist coalition, have thus graduated from the role of pure consumers of security to that of net consumers and incipient providers of security to the region and beyond.

Tbilisi and Baku regard their participation in the antiterrorism coalition as synonymous with their national interests. Already before 9/11 they had experienced terrorist threats and attacks in the form of externally inspired coup and assassination attempts against their leaders and ethnic cleansing. Thus they are vitally interested in combating terrorism in all its forms. For both Georgia and Azerbaijan, participation in the antiterrorism coalition is also a means to maintain close relations with the United States, advance the modernization of their security sectors, and earn their credentials as NATO aspirant countries.

Moreover, Georgia and Azerbaijan are on the alert to prevent a spillover of the Russian-Chechen war into their territories and to interdict the passage of any foreign gunmen, their suspected accomplices, or radical Islamist missionaries. With United States assistance, Georgia cleaned up the Pankisi Valley in 2002–2003 and holds it under control since then. For its part, Azerbaijan gave radical Islamist organizations no chance to make inroads into the country. Successful development of Azerbaijan as a Muslim secular state is also a shared interest of that country and the West. This goal has good prospects of fulfillment in Azerbaijan's society characterized by religious tolerance and receptiveness to Western models.

The success of prodemocracy movements, known as Rose and Orange Revolutions, in Georgia and Ukraine recently, is seen by many as potentially repeatable in Armenia, but unlikely to be duplicated in Azerbaijan or Moldova. In these two countries, democratization will likely follow an evolutionary path. Last week Presidents Mikheil Saakashvili of Georgia and Viktor Yushchenko of Ukraine, meeting with Moldova's President Vladimir Voronin, announced their readiness to work with him toward completing Eastern Europe's third wave of democratization—that in the broader Black Sea region. Mr. Voronin and his team, communists in name only, have reoriented Moldova westward and are resisting what they describe as "Russia's attempts at recolonization." These Presidents along with Ilham Aliiev of Azerbaijan are scheduled to meet again next month in Moldova with a view to revitalizing the GUAM (Georgia, Ukraine, Azerbaijan, Moldova) group of countries.

#### SECURITY THREATS: OLD, NEW, NEWEST

The region's Western-oriented countries are facing a wide spectrum of threats to their security, mainly from Russia and its local proteges. The overarching goal is to thwart these countries' Euro-Atlantic integration and force them back into a Russian sphere of dominance. The scope, intensity, and systematic application of threats has markedly increased over the last year, as part of President Putin's contribution to the shaping of Russia's conduct. These may be described as old-, new-, and newest-type threats to security.

The "old-type" threats stem from troops and bases stationed unlawfully in other countries, seizures of territories, border changes de facto, ethnic cleansing, and creation of heavily armed proxy statelets. Georgia, Moldova, and Azerbaijan are the targets of such blackmail.

"New-type" threats are those associated with illegal arms and drugs trafficking, rampant contraband, and organized transnational criminality, all of which use the Russian-protected secessionist enclaves as safe havens and staging areas. Such activities are usually associated with nonstate actors, often of a terrorist nature. In the Black Sea region, however, state actors within Russia are often behind these activities, severely undermining the target countries' economies and state institutions.

The "newest type" threat to security can be seen in Russia's assault on electoral processes, some months ago in Ukraine's Presidential election and in recent weeks in Moldova's parliamentary elections (and meanwhile even in loyalist Abkhazia). Using massive financial, mass-media, and covert action means, Russia has sought

to influence the outcome of elections or hijack them outright in order to install its favorites in power.

Closely related to this is the export of the Russian model of governance, characterized by a symbiosis of neo-KGB structures, organized crime, state bureaucracy, and government-connected big business. In all of the situations described above, security and democracy are equally at risk.

#### “FROZEN” CONFLICTS

The Black Sea region is the most conflict-plagued region along the new Euro-Atlantic perimeter. This situation limits the ability of the United States to capitalize on the region’s high strategic value. Thirteen years after the U.S.S.R.’s dissolution, Moscow continues heavily to dominate conflict-management in this region. Russia, largely responsible for sparking or fanning these conflicts, has a vested interest in keeping them smoldering, so as to pressure Georgia, Azerbaijan, Armenia, and Moldova and thwart their Euro-Atlantic integration. Russia’s policy consists of freezing not the conflicts as such, but the rather the negotiating processes, which Russia itself dominates. The United Nations and OSCE, left largely to their own devices, have merely conserved these conflicts.

There are those who suggest that the United States should defer to Moscow on this issue, lest Russia’s cooperation with the United States in antiterrorism and anti-WMD-proliferation efforts be jeopardized. This thesis seems to underestimate Russia’s own declared interest in cooperating in such efforts; to overestimate the practical value of Moscow’s contributions; and to ignore Russia’s outright obstruction of United States efforts in a number of cases.

Moreover, that thesis would seem to confirm the Kremlin in its dangerous expectation that strategic partnership with the United States should entail acceptance of Russian paramouncy on “peacekeeping” and conflict-resolution in the “post-Soviet space.” This is an ingredient to sphere-of-influence rebuilding. It is crucial to avoid the perception (let alone the fact) of a Russia-United States or Russia-West division of peacekeeping and conflict-management spheres, or an informal partition of countries’ territories. Strategic partnerships can not long be sustained with rump countries vulnerable to armed secessionist pressures across uncontrolled external borders.

It is high time to move this issue to the front burner of U.S. security policy. Preferably in synergy with NATO and EU countries, the United States is best placed for promoting conflict-settlement solutions that would consolidate the region’s states in strategic partnership with the United States. Turning the broader Black Sea region into a policy priority need not compete with the priorities assigned to other areas. On the contrary, stabilization of this region would entail incomparably lower risks and incomparably smaller resources compared to the risks and resource commitments in Iraq, Afghanistan, or emergent initiatives in the broader Middle East. The fact is that a secure and stable Black Sea region is necessary for sustaining those U.S.-led operations and initiatives.

#### CFE TREATY, ISTANBUL COMMITMENTS

Russia has openly repudiated its obligations under the 1999-adapted Treaty on Conventional Forces in Europe and Istanbul Commitments (twin parts of a single package) regarding withdrawal of Russian forces from Georgia and Moldova.

The OSCE, custodian of those documents, has cooperated with Russia in eviscerating them. Troop withdrawal deadlines were postponed and then removed altogether; preconditions to withdrawal were attached where the troop withdrawal was to have been unconditional; excuses were found for retaining some Russian troops in place where the withdrawal was to have been complete; wide verification loopholes were tacitly accepted; heavy weaponry—coily designated as “unaccounted-for treaty-limited equipment” by a complacent OSCE—was transferred from Russia’s arsenals into those of the separatist enclaves; the creation of Russian-staffed separatist forces was tolerated; and the requirement of host-country consent to the stationing of foreign troops) is being flouted. Since 2002 Moscow has rejected the very notion that it had made “commitments” in Istanbul to withdraw its troops from Georgia and Moldova. The OSCE itself all along termed those Russian commitments only “politically binding,” as distinct from legally binding; i.e., not binding in practice. All these concessions notwithstanding, the OSCE is no longer able since 2003 even to cite its own 1999 decisions, because Russia has easily vetoed such references in the organization’s routine year-end resolutions. Realistically speaking, the Istanbul Commitments are dead.

Since 2004, moreover, Moscow threatens to destroy the OSCE by blocking the adoption of the organization’s budget and terminating certain OSCE activities. Rus-

sia does not want to kill the OSCE, but rather to harness and use the weakened organization. Under these circumstances, no one can possibly expect the OSCE to resurrect the Istanbul Commitments, let alone ensure compliance with them.

Meanwhile, the United States and NATO governments collectively take the position that they would not ratify the adapted CFE Treaty (which Moscow wants ratified) until Russia has complied with the Istanbul Commitments. This form of leverage has, manifestly, proven too weak to induce Russia to withdraw its troops from Georgia and Moldova. Russian officials scoff at calls for troop withdrawal based on the Istanbul documents. It is high time for Georgia and Moldova to go beyond the OSCE to international organizations, and argue the case for Russian troop withdrawal on the basis of national sovereignty and international law. The United States, along with the Euro-Atlantic community, should place these issues prominent on the agenda of United States-Russia, NATO-Russia, and EU-Russia agendas, and not just at summit time (as has been done occasionally and feebly thus far) but also on a regular basis until this legitimate goal is achieved.

Senator ALLEN. Thank you so much, Mr. Socor, for your testimony. You've made some very probing and interesting assertions that I want to follow up with you on in question time, but thank you.

Ms. Baran.

**STATEMENT OF ZEYNO BARAN, DIRECTOR OF INTERNATIONAL SECURITY AND ENERGY PROGRAMS, THE NIXON CENTER, WASHINGTON, DC**

Ms. BARAN. Thank you, Mr. Chairman, for the opportunity to appear before you today. I will not discuss developments in all the countries and skip over some of the issues that were mentioned before. And I'd like to only mention, as far as the recent revolutions in Georgia and Ukraine, that sustainability of these reformist revolutions is essential, and the United States needs to continue to support these two countries as they proceed with their difficult transition process.

I'd like to focus on three key issues. First is the Russian energy monopoly over the European and Eurasian countries, which is one of the main impediments to the future success and prosperity of Georgia and Ukraine, as well as to the democratic future of the Black Sea region as a whole.

Second, I'd like to mention the dangerous trend in Armenia and especially Azerbaijan. I believe if Azerbaijan does not hold democratic parliamentary elections in the fall of 2005, Islamist forces may gain ground. Moreover, if there is no solution to the Karabakh issue over the next several years, I strongly believe Armenia and Azerbaijan may once again go to war.

Third, I was asked to focus my remarks especially on Turkey and the deterioration in the United States-Turkish relationship. Turkish mistrust of United States long-term objectives in the Black Sea region dramatically hinders American initiatives in this area, and Bruce Jackson briefly mentioned some.

Now, Mr. Chairman, on the Russian energy monopoly, which I believe is a very important yet often ignored hindrance to further reform in Georgia, Ukraine, and the Black Sea region, President Putin's policies indicate a desire to strengthen Russia's already strong position in the Eurasian and European energy markets. If Russian monopoly power increases across the Eurasian region, then countries will have difficulty resisting Russian political and economic pressure. Similarly, if Russian market power within the European gas sector increases, then the Europeans will be even



less willing than they are now to lean on Russia when Moscow's policies toward the Eurasian countries undermine the sovereignty and independence of these states.

Armenia is already facing this problem of Russian energy leverage. Post-revolution Ukraine and Georgia, as well as others in Central Asia, and even the Baltic countries are beginning to grasp the need to quickly come up with comprehensive energy security plans.

While many of these countries want to ensure their energy security, without strong political support from the United States and the European Union, they will not be able to resist the Russian pressure. Moreover, those individuals and corporations who currently benefit from nontransparent energy deals with the Russian firms currently have no incentive to give up their power, which would make Western support for democratic governance even more important.

The United States needs to be aware that Russian gas monopoly, Gazprom, wants to control the gas markets of Georgia, Turkey, and Ukraine to form a strategic ring around the Black Sea which would then be under permanent Russian energy control. I would then strongly recommend the United States to include Eurasian energy strategy in its trans-Atlantic dialog. The United States has already helped Georgia and Azerbaijan with their energy diversification by supporting the East-West energy corridor, by which Azerbaijani oil and gas will soon be transported via Georgia and Turkey to world markets, thus breaking up the Russian monopoly. Now the United States ought to further extend the East-West corridor from central Asia to Europe, a corridor with the Black Sea region at its heart.

Second, Mr. Chairman, I have followed the developments in Armenia and Azerbaijan closely since 1996, and I believe that until the Karabakh issue is resolved, it will be very difficult to see real progress in democratic and economic reform. Both countries' politics are totally consumed by this issue, and both sides believe time is on their side. As a result, neither one wants to make a concession, which is a dirty word in that part of the world. The main losers are the youth of these countries, who are spending their most productive years in waiting.

To change political and economic conditions on the ground, and the calculations of the two sides, the United States needs to get engaged at the highest levels. In addition, the solution to Karabakh requires democratic process in both Armenia and Azerbaijan so that the governments have legitimacy in the eyes of their people, which is essential for support for the final agreement. The United States, therefore, needs to encourage the leaders of these two countries to embrace the democratization process as essential to regional security and stability.

I will not spend much time on Armenia, as issues relevant to Armenia are well known here thanks to the work of the strong Armenian diaspora. I will simply mention that the strength of the diaspora cuts both ways, as it also limits U.S. ability to encourage democratic change in that country. The United States simply cannot put the same kind of pressure on President Robert Kocharyan as it was able to do with President Leonid Kuchma of Ukraine.

Azerbaijan, however, has fewer friends here, as it does not have a major diaspora. Potentially it can be a great strategic partner to

the United States. It is the only Muslim country with troops in Afghanistan, Iraq, and Kosovo. It is a secular democracy with a Shiite majority neighboring Iran. As many Azerbaijanis proudly state, theirs was the first secular democratic Republic in the Muslim world. Though short-lived, the 1918 Republic included opposition parties in the Parliament and allowed women to vote. It is an oil- and gas-rich country, and if it manages to spend its energy wealth wisely, Azerbaijan can become a great example for the rest of the oil-rich Muslim world.

The November parliamentary elections could be a turning point in the United States-Azerbaijan relations. The Bush administration has made a strong commitment to prodemocracy forces throughout the region to support their cause for free and fair elections. Many in the opposition and civil society in Azerbaijan have been inspired and energized by recent events in Georgia and Ukraine, and expect the United States to deliver on its promises of democracy and freedom.

Over the next 8 months, the United States needs to both assure Aliyev, President Ilham Aliyev of Azerbaijan, that Washington does not want to oust him, and at the same time be firm in supporting free and fair elections. As a start, the United States, together with the European Union, can ask Azerbaijan to allow the operation of at least one independent television station and to let the opposition hold meetings.

In Georgia, the so-called Baker Plan, which was delivered by James Baker to his friend Eduard Shevardnadze and the leaders of the opposition, provided the framework for the critical November 2003 elections. Such an approach can also work in Azerbaijan.

The United States should also be concerned about the November elections in Azerbaijan because if the secular parties in and outside the government lose more ground, the Islamists are elected to fill their place. As a leader of the opposition Popular Front Party, Ali Karimli, recently stated in Washington, with the secular political opposition activities restricted, Islamists are getting stronger. As he put it, quote, on Friday more than 3 or 4,000 people turn up at services in every mosque, in a country where I cannot gather 50 people together for a meeting. This is worrisome in a country neighboring Iran, which experienced a similar development that brought in the Islamic Republic.

Finally, Mr. Chairman, let me spend a couple of minutes on Turkey and the growing mistrust toward the United States, and I think as Bruce and others have mentioned, this I believe is going to be an increasingly important issue. As you know, after decades of NATO alliance and strategic partnership, Turkish-American relations began deteriorating with the Turkish Parliament's refusal to allow United States troops to transit Turkey and into Iraq in March 2003, and deteriorated as the war in Iraq unfolded.

There had been ups and downs in the relationship before, but the level of anti-Americanism in Turkey today is unprecedented. A recent BBC survey found that about 82 percent of Turks have a negative view of the Bush administration's policies and considered today's America to be one of the biggest threats in the world.

The Turkish anger is primarily a result of the Iraq war, which many in Turkey opposed. Turkish concerns have focused on the

presence of the several thousand PKK terrorists in northern Iraq. The United States has promised to eliminate the PKK terrorists, but so far has not made a move.

Turks now associate Iraq with chaos and damage to their national interests, while the United States hails Iraq as a test case for spreading democracy and freedom in the world. This has led many Turks to associate American democracy and freedom initiative in the Middle East with an expansionist policy that will weaken Turkey. And this is part of the context for the Turkish reluctance to support United States or European initiatives for democracy in the Black Sea region.

Many in Turkey were skeptical of the Georgian and Ukrainian revolutions, which they believed were managed by the United States. They fear that under the rubric of democratic alliance the United States is creating an anti-Russian alliance in the Black Sea region which will lead in instability and undermine Turkey's security in the region. Also, when the United States talks about democracy in the Black Sea region, Turks hear American naval presence, which they strongly oppose to be based in the Black Sea region.

There has also been lack of bilateral dialog, and the first such meeting took place only recently in Washington with a visiting senior Foreign Ministry representative, and both sides agreed that more such discussions are necessary. At the same time, the United States needs to understand a much deeper psychological issue is at play, and this is why Turkey has been moving closer to Russia.

The United States should not ignore the psychological hangups of former empires like Turkey and Russia. We still suffer from the 19th- or 20th-century views of strategic factors and do not share President Bush's vision of advancing democratic change in pursuit of freedom. Turkey and Russia fear being surrounded by a West hostile to their interests. Both oscillate between feelings of insecurity about their waning influence in global politics and a sense of strategic indispensability in Eurasia.

Both have, in varying degrees, resented growing American presence in the Caucasus and central Asia, where they have historic, ethnic and religious ties, and a sense of entitlement. The last thing they want is to see the United States also enter the Black Sea region, which Turkey and Russia feel is their special zone of influence where they are the two major powers. Ultimately, both are status quo powers in terms of foreign policy who oppose change in the Black Sea region, mainly because in their recent past any change meant losing territory or influence.

What Turkey needs more than anything is a carefully balanced message from the United States that Washington appreciates Ankara's importance and seeks partnership, but that Turkey's strategic importance will not shield it against the consequences of nasty behavior. In the Black Sea region, this means that Turkey needs to hear that Turkish and American interests overlap in terms of shared NATO values. But Turks also need to understand that the unchecked growth of anti-Americanism is not acceptable.

Anti-Americanism has grown in many countries since the Iraq war, but the tone and the depth of the anger in Turkey is the result of a number of other factors that have created a perfect storm. In fact, today Turkey's secular military, Islamists, leftists, and na-

tionalists, forces that often oppose each other, have united in their common opposition to the United States.

Maybe, the best example for understanding what is happening inside Turkey is a very quick look at the best-selling fiction in Turkey today, "The Metal Storm." While it is fiction, Turkish and American Government leaders' names are used and the context is based on actual events. "The Metal Storm" is about a war the United States launches against Turkey in 2007 under the name "Operation Sevres," which is the much-feared agreement signed at the end of the World War I, whereby the Western powers hoped to dismantle the Ottoman Empire. In the book, Armenians, Greeks, and Kurds are once again portrayed as fifth columns of Turkey who the West can use to destabilize Turkey.

I won't go into more details about the book, which I have actually described at length, but I think it's important to understand this book because it's important in understanding the Turkish mindset today. With the EU reform process forcing fundamental changes in Turkey that exacerbate many people's sense of insecurity about their future and sense of certainty, this book has brilliantly captured the mood in Turkey.

It also clouds effect in fiction by hinting at current issues of contention in United States-Turkish relations, including whether the tragic events of 1915 constitute the Armenian genocide, the unresolved Cyprus issue, and the developments in Iraq. Getting United States-Turkish relations back on track in the Black Sea region and beyond requires a Turkish leadership to put an end to the wild and destructive speculation portrayed in "The Metal Storm."

There are also certain steps the United States can take. In the short term, the United States can take three steps to try to reverse the negative trends and restore a sense of partnership in relations with the United States. First, together with the Iraqi Government, the United States needs to find a formula to assuage the Turkish irritation with the continued PKK presence in northern Iraq. Until and unless the PKK issue is resolved, Turkish-United States relations cannot move to a better phase, and Turkey would continue to resist any United States initiatives in the Black Sea region.

Second, given the prevalent Turkish view that the United States is running a campaign against Turkey, it would be very damaging if the Armenian genocide resolution passed the Congress this year. This year is the 90th anniversary of the tragic 1915 massacre, and certainly the Armenian diaspora groups would like to get recognition.

However, such a resolution would play right into the hands of the growing set of anti-Americans and ultranationalists in Turkey. For the Black Sea region, it will mostly hurt the Turkish-Armenian rapprochement.

Third, the United States needs to continue raising Turkish EU membership as part of the trans-Atlantic dialog and insist that Turkey should be accepted into the European Union on the merits. Turkey needs to be also assured it will not be swapped with Ukraine. This certainty is necessary for Turks to support Ukraine's and Georgia's ongoing democracy reforms and make the fundamental and institutional changes at home.

Thank you.

[The prepared statement of Ms. Baran follows:]

PREPARED STATEMENT OF ZEYNO BARAN, DIRECTOR, INTERNATIONAL SECURITY AND ENERGY PROGRAMS, THE NIXON CENTER, WASHINGTON, DC

Thank you, Mr. Chairman and members of the Committee, for the opportunity to appear before you today and share my views on the progress the countries of the Black Sea have made in their democratic reform process and on the impediments to further reform these countries face. I will also present some suggestions on how the United States can continue to advance its own security interests in this strategic region.

I will not discuss developments in all the countries of this region, which includes the three South Caucasus countries (Armenia, Azerbaijan, and Georgia), Moldova, Ukraine, new NATO allies Bulgaria and Romania, and the two big powers, Turkey and Russia. I will concentrate on four principal issues:

I. The recent revolutions in Georgia and Ukraine. Georgia's November 2003 Rose Revolution and Ukraine's 2004 Orange Revolution have inspired people and countries from throughout the region (especially Moldova) and around the globe.

II. Russian energy monopoly over the European and Eurasian countries. This is one of the main impediments to the future success and prosperity of Georgia and Ukraine, as well as to the democratic future of the Black Sea region as a whole.

III. The dangerous trend in Armenia and especially Azerbaijan. If Azerbaijan does not hold democratic parliamentary elections in the fall of 2005, Islamist forces may gain ground. Moreover, if there is no solution to the Karabakh issue over the next several years, Armenia and Azerbaijan may once again go to war.

IV. The deterioration in the United States-Turkey bilateral relationship. Turkish mistrust of United States long-term objectives in the Black Sea region dramatically hinders American initiatives in this area.

#### I. GEORGIA: INSPIRATION FOR CHANGE

Mr. Chairman, I was an election observer during the November 2003 parliamentary elections in Georgia and saw firsthand how tens of thousands of people refused to accept the theft of their votes and the silencing of their voices. More than anything, the Georgian people no longer wanted to live in a "failing state"; they feared that if the post-Communist regime stayed in office any longer, the damage would be such that they would forever lose the prospect of reuniting with Europe, where they believed they belonged.

The Rose Revolution was not a movement led or even inspired by the United States; it was a domestic uprising against a corrupt and weak regime that was rotting internally and could not deliver on any promises to restore stability and economic growth and bring Georgia closer to the transatlantic community. Its internal weakness was exploited by Russian companies as they took over strategic assets, tying the country's economy and future directly to Moscow—just as they had previously done in Belarus and Armenia.

Yet, over the course of a decade, American assistance was essential, especially to preparing a cadre of reformers, both inside and outside government. Current President Mikheil Saakashvili received training and strong support for his overarching reforms in the judicial sector when he was Minister of Justice. Former Prime Minister and parliamentary speaker Zurab Zhvania, who recently died in a tragic accident, similarly benefited from his close work with the American assistance community. These are just some of the many Georgians who, over this period, developed personal relations with American leaders, while discovering that both sides shared the same values and principles. Based on these experiences, these Georgians took the initiative to move their country in a positive direction, both while in government and in the opposition. Following this example, then, I strongly urge that the United States assist reformers within governments, not just those in NGOs or in opposition parties.

The Georgian revolutionaries were indeed committed to the ideal of a democratic revolution, and wanted to share it with their country's strategic partner, Ukraine. Soon after the "Rose Revolution" of November 2003, even before he was inaugurated as President, Saakashvili made Kyiv his first foreign destination in January 2004. In fluent Ukrainian, Saakashvili confidently predicted that Ukraine would become democratic over the next year, while pledging his support for his friend, Viktor Yushchenko. While few in the West (or in Russia) noticed, over the next year Georgians and Ukrainians, in government as well as in civil society, worked together to ensure Ukraine's democratic triumph. While many in the West (and in Russia) looked down on the state of Ukrainian civil society, Georgians knew that they had helped inspire this European nation and reawaken its quest to reclaim its place in

the West on the basis of the same shared values and principles. When the Georgian President, Prime Minister, and other officials met with their American counterparts over that period, they urged United States support for Ukraine's democratic voices. They knew that if Georgia remained the sole island of democratic change in the Black Sea region, it would be very tough to succeed, especially given the Russian pressure.

Now Saakashvili and Yushchenko want to support others who want to move in a prodemocratic direction by aggregating their voices to obtain more attention from the European Union and the United States. This is precisely what happened with the Moldovan parliamentary elections on Sunday, March 6. Both Saakashvili and Yushchenko met with President Voronin just ahead of the elections in order to provide support for a leader who seeks to reintegrate Moldova into Europe. It is no coincidence that Saakashvili and Voronin were the only Presidents of the former Soviet countries who did not accept the falsified second-round election results that declared former Prime Minister Viktor Yanukovich as the winner of the Ukrainian elections in November. Nor is it surprising that they in turn were also the first to congratulate Yushchenko for his eventual victory.

But the situation in Moldova is complicated. While Voronin is head of the Communist Party of Moldova, he has distanced Moldova from Moscow in recent years in pursuit of Moldova's European vocation. His underlying goal may have been to preempt any democratic revolution by playing Moldova's European card. In contrast to Georgia and Ukraine, Moldova is thus pursuing an evolutionary rather than a revolutionary reform process. But the country's progress toward democracy is no less real.

As Saakashvili stated, Georgia, Ukraine, and Moldova now together believe that "we can complete democratization's third wave in Eastern Europe."<sup>1</sup> Completing this wave means that each country has committed to fighting crime, corruption, and the influence of clans that has led these countries to internal weakness and external vulnerability; it means that each country must consolidate democratic gains and move closer to the Euro-Atlantic institutions; and it means that each country needs the continued support of the European Union and the United States to succeed.

The sustainability of the Georgian and Ukrainian revolutions is essential for others in the Black Sea region to follow a reformist trend, whether revolutionary or evolutionary. For this sustainability, Georgia and Ukraine have submitted their EU action plans—plans that need to be seriously considered, as the prospect of eventual EU membership will provide the necessary incentive for both countries to undertake tough but necessary reforms. The United States needs to support, and to urge its European allies to support, both Georgia and Ukraine in their EU process as well as in their implementation of the NATO Individual Partnership Action Plans (IPAP), which pave the way for their eventual alliance membership.

Second, the United States needs to work closely with its European allies to urge the resolution of the separatist conflicts in the Georgian regions of Abkhazia and South Ossetia, as well as the Moldovan region of Transnistria. It is encouraging to see Ukraine and Romania cooperating on the issue of Transnistria, and to see the recently founded New Group of Friends of Georgia (consisting of Poland, Romania, Bulgaria, Estonia, Latvia, and Lithuania) taking the lead in urging Brussels and Washington to pay attention to these issues. In fact, these former Soviet-bloc states that have now joined the European Union (Bulgaria and Romania are expected to join in 2007) and NATO have become the most visionary and constructive of America's European allies. They are also helping the Europeans to better understand Russia and are urging the resolution of these frozen conflicts, without which further democratic reforms are difficult, to say the least. As long as these conflicts remain, they will be sources of potential instability and of potential Russian pressure.

Senator Richard Lugar's resolution on Russian troop withdrawal from Georgia and Moldova, urging it to implement the 1999 OSCE agreement to withdraw its troops from these two countries, is extremely timely and very important as the existence of the Russian military forces have become a hindrance to peace. One of the four Russian bases in Georgia has been vacated, the status of the second is in dispute, and talks are ongoing regarding the remaining two. Yet after 6 years, Russian troops still remain in both countries, and discussions on troop withdrawal are often held in parallel with other political concessions.

The United States also needs to at the high levels engage the European Union and NATO to ensure a new Border Monitoring Mission (BMO) in Georgia to replace the OSCE mission, which, following the Russian veto, will terminate in May. The BMO has been critical to the effort to obtain credible information on Georgia's bor-

<sup>1</sup>Vladimir Socor, Wall Street Journal Europe, "The Moldovan Front: Next Test for Post-Soviet Democratization." March 4–6, 2005.

ders with the Russian Republics of Chechnya, Dagestan, and Ingushetia. Moreover, in the past, it was thanks to these monitors that the West found out that Russian planes had bombed Georgian territory. The United States needs to help find a mechanism to replace the BMO; there are several European countries that are willing to step up to the task, but none wants to take the lead for fear of drawing Russia's wrath.

Georgia, Ukraine, and Moldova are also eager to revive the GUUAM organization, consisting of Georgia, Ukraine, Uzbekistan, Azerbaijan, and Moldova, an effort for which they need United States political support. As GUUAM is perceived in Moscow to be an alliance against Russian interests, Uzbekistan and Azerbaijan at this point are not interested in reviving it in a political form; they instead want to increase cooperation in the economic sphere, especially regarding east-west transportation corridors. While Georgia, Ukraine, and Moldova may prefer to include security and democratization issues in GUUAM, in order to avoid a breakup of the organization and to instead utilize it as much as possible, an initial focus can be energy—an area in which the United States can be particularly helpful.

## II. RUSSIAN ENERGY MONOPOLY

Mr. Chairman, a very important yet often ignored hindrance to further reform in Georgia, Ukraine, and the Black Sea region is the effects of the Russian energy monopoly in Europe and Eurasia. The West ignored the clear intentions of Anatoly Chubais, head of Russia's RAO UES, who declared in September 2003 that "Russian business ought to be allowed to expand . . . with the aim of creating a liberal empire" in the former Soviet sphere. In addition to such an expansion of Russian energy monopolies, over the last year Russia's largest oil company Yukos has been dismantled and through Rosneft its assets consolidated under Kremlin control. When Rosneft merges with Gazprom, Putin will be in direct control of the world's largest integrated oil and gas company.

Putin's policies indicate a desire to strengthen Russia's already strong position in the Eurasian and European energy markets. If Russian monopoly power increases across the Eurasian region, then countries will have difficulty resisting Russian political and economic pressure. Similarly, if Russian market power within the European gas sector increases, then the Europeans will be even less willing than they are now to lean on Russia when Moscow's policies toward the Eurasian countries undermine the sovereignty and independence of these states.

Armenia and Belarus are already facing this problem of Russian energy leverage. Post-revolution Ukraine and Georgia, as well as the central Asian and even the Baltic countries, are beginning to grasp the need to quickly come up with comprehensive energy security plans.

While many of these countries want to ensure their energy security by diversifying their sources away from Russia, without strong political support from both the United States and the European Union, they will not be able to resist the Russian pressure. Moreover, those individuals and corporations who currently benefit from nontransparent energy deals with the Russian firms currently have no incentive to give up their power, which would make Western support for democratic governance even more important.

The United States needs to be aware that Gazprom wants to control the gas markets of Georgia, Turkey, and Ukraine to form a strategic ring around the Black Sea, which would then be under permanent Russian energy control. Georgia is the gateway through which Caspian gas will be able to enter to Turkey and then be transported onward to the European markets. However, it is also the weakest link in this Black Sea chain. The difficult economic conditions prevailing in Georgia have given Gazprom a great opening to try and acquire the title to the Georgian gas pipelines, thus bolstering its monopoly power. If Tbilisi unintentionally helps Gazprom in this effort, then Georgia will only be enhancing the company's long-term leverage over European gas consumers, and thus discouraging Europeans from taking a firmer line with Russia on political issues, such as the frozen conflicts mentioned earlier.

The United States should therefore include Eurasian energy strategy in its transatlantic dialog. The United States helped Georgia and Azerbaijan with their energy diversification by supporting the East-West energy corridor, by which Azerbaijani oil and gas will soon be transported via Georgia and Turkey to world markets, thus breaking up the Russian monopoly. Now, the United States ought to further extend the East-West corridor from central Asia to Europe, a corridor with the Black Sea region at its heart.

While gas is more directly relevant to strategic considerations in the South Caucasus and European countries, the situation is similar in the oil sector. Ukraine needs the most help in this area; it had constructed the Odesa-Brody oil pipeline

to transport Caspian oil to European markets; yet, under Russian pressure, the Kuchma government last year agreed to its reversal so that Russian oil could be transported to the Black Sea. While commercial reasons were presented as justification for the reversal, it is more likely that it was done in consideration for Russian political support to the Yanukovich Presidential campaign. This is apparent by the fact that, over the past several months, the Russians have not put enough oil into the line to make it profitable; expectations were that it would supply half the amount it originally pledged for 2005.

The Yushchenko government recently announced—at a joint press briefing of the Ukrainian and Georgian Prime Ministers—that Odesa-Brody would be reversed back to its original direction. On March 4, the Ukrainian and Polish Prime Ministers also agreed to the extension of the pipeline to the Polish city of Plock. In this way, Poland will also be able to diversify away from Russian oil. Despite its intentions, Ukraine will be unable to make the reversal happen on its own; it needs American political support, which can help facilitate an intergovernmental agreement between Kazakhstan, Ukraine, and Poland that will ensure supplies on one end of the pipeline, and markets on the other end, thus making it commercially viable.

### III. ARMENIA AND AZERBAIJAN: TIME IS ON NEITHER SIDE

Mr. Chairman, I have followed developments in Armenia and Azerbaijan closely since 1996 and believe that until the Karabakh issue is resolved it will be very difficult to see real progress in democratic and economic reform. Both countries' politics are totally consumed by this issue and both sides believe time is on their side; as a result, neither one wants to make a concession—which is a dirty word in that part of the world. The main losers are the youth of these countries, who are spending their most productive years waiting.

Azerbaijan is told by the West that it lost Karabakh in the war and needs to give up this piece of land for the sake of peace and prosperity and move on with its EU and NATO integration process. This kind of talk only hardens the nationalists, who believe that with massive oil and gas revenues starting to flow into the budget over the next several years, they can strengthen their military, and take back their land. Given that there are already four U.N. resolutions supporting Azerbaijani territorial integrity, if they play the oil card well, they may have a chance in getting diplomatic support. Hence, they believe the best strategy for them is to bide their time.

Armenia too believes time is on its side to turn Karabakh's de-facto separation from Azerbaijan to de jure acceptance. They do not think Azerbaijan would risk a war when its oil and gas pipelines may be attacked and its economy devastated. Armenia also can wait, as its economy has grown despite having no trade with two of its neighbors—Azerbaijan and Turkey. While Armenia wants to resume economic relations with Azerbaijan as a best confidence-building mechanism, Azerbaijan claims that the refusal to have economic relations is the only peaceful mechanism they have to keep Armenia at the negotiating table. Azerbaijan's strategic partner Turkey has also closed its borders with Armenia, and will also not open them until the Karabakh issue is resolved.

To change the political and economic conditions on the ground and the calculations of the two sides, the United States needs to get engaged at the highest levels. In 2002 Presidents Bush and Putin issued a joint statement on the need to resolve the frozen conflicts of Abkhazia and Karabakh, but no further steps were taken. The Karabakh process has been left to the OSCE Minsk group, which cannot deliver a solution, as the issue requires top level discussions. While it is good to keep the dialog going between Armenia and Azerbaijan, failure to deliver a solution is leading to massive frustration among the people and hurting the image of the OSCE.

In addition to a committed Bush-Putin discussion, the solution to Karabakh requires democratic progress in both Armenia and Azerbaijan so that the governments have legitimacy in the eyes of their people, which is essential for support for the final agreement. The United States, therefore, needs to encourage the leaders of these two countries to embrace the democratization process as essential to regional security and stability.

I will not spend much time on Armenia, as issues relevant to Armenia are well known here thanks to the work of the strong Armenian diaspora. I will simply mention that the strength of the diaspora cuts both ways, as it also limits U.S. ability to encourage democratic change in this country. The United States simply cannot put the same kind of pressure on President Robert Kocharyan as it was able to do with President Leonid Kuchma of Ukraine; it is inconceivable to think that Washington would threaten to keep senior Armenian Government officials out of the United States in case of falsified elections.



Azerbaijan, unlike Armenia, has fewer friends in the United States as it does not have a major diaspora; however, potentially it can be a great strategic partner. Azerbaijan is the only Muslim country with troops in Afghanistan, Iraq, and Kosovo. It is a secular democracy with a Shiite majority neighboring Iran. As many Azerbaijanis proudly state, theirs was the first secular democratic republic in the Muslim world. Though short-lived, the 1918 republic included opposition parties in the Parliament and allowed women to vote. It is an oil and gas rich country and if it manages to spend its energy wealth wisely, Azerbaijan can become a great example for the rest of the oil-rich Muslim world.

The November parliamentary elections could be a turning point in the United States-Azerbaijan relationship. The Bush administration has made a commitment to prodemocracy forces throughout the region to support their calls for free and fair elections. Many in the opposition and civil society have been inspired and energized by recent events in Georgia and Ukraine and expect the United States to deliver on its promises of democracy and freedom. The government, however, is nervous that opposition will receive support from the United States and possibly try to have a revolution as well. Given that there is no fundamental difference between President Ilham Aliyev and the leaders of the pro-Western opposition groups, with a correct engagement strategy, the United States can help move the country in a positive direction.

At the same time, many people are benefiting from the current corrupt, clan-based system in Azerbaijan and these forces will try their best to avoid free and fair elections in November, which will be a turning point for Azerbaijan. In fact, since Aliyev succeeded his father in the October 2003 Presidential elections there has been a crackdown on media and opposition activists; this has led many to wonder whether Aliyev is not fully in charge of his government or whether he himself sanctions these policies. The most brutal incident so far occurred last week, when Elmar Huseinov, the editor in chief of the Azerbaijani opposition magazine *Monitor* was shot dead in front of his home in Baku. Aliyev blamed "internal and external forces" that want "to deliver damage to Azerbaijan's international image, to discredit it before the parliamentary elections and present the country as an unstable and nondemocratic state, where freedom of speech is violated and acts of terrorism are committed."<sup>2</sup> It is highly unlikely that Aliyev himself was involved in this murder, and it is critical for him to make sure the killers of Huseinov are found and properly punished so that neither his nor his government's image is further damaged.

Over the next 8 months the United States needs to both assure Aliyev that Washington does not want his ouster, and at the same time be firm in supporting free and fair elections. As a start, the United States, together with the European Union, can ask Azerbaijan to allow the operation of at least one independent television station, and to let the opposition hold meetings. In Georgia the so-called Baker Plan, which was delivered by James Baker to his friend Shevardnadze and the leaders of the opposition, provided the framework for the critical November 2003 elections. Such an approach can also work in Azerbaijan.

The United States should also be concerned about the November elections in Azerbaijan because if the secular parties in and outside the government lose more ground, the Islamists are likely to fill their place. As the leader of the opposition Popular Front Party, Ali Karimli stated in his talk at the Nixon Center on February 15, 2005, with the secular political opposition's activities restricted, Islamists are getting stronger. As Karimli put it, "on Fridays more than 3 or 4,000 people turn up at services in every mosque, in a country where I cannot gather 50 people together for a meeting!" He also mentioned, and as I have observed in my recent visits, the Islamists are gaining ground because they exploit the Karabakh issue, arguing that even though Azerbaijani territory is invaded and there are four U.N. resolutions about it, "because we are Muslim, our rights are not respected"; second, the Islamists highlight the "extreme poverty and the huge inequality between the average person and the top 1 or 2 percent who own everything"; and third, they take advantage of the fact that "no one seems to care" about democracy in the country.<sup>3</sup> These are all worrisome signs in a country neighboring Iran, which experienced a similar development that brought in the Islamic Republic.

<sup>2</sup>Baku Today, "President Calls for Speedy Investigation into Journalists Murder." March 3, 2005.

<sup>3</sup>Nixon Center Program Brief, "Getting Azerbaijan Right." February 15, 2005.

## IV. TURKEY: GROWING MISTRUST OF THE UNITED STATES

After decades of NATO alliance and strategic partnership, Turkish-American relations began deteriorating with the Turkish Parliament's refusal to allow United States troops to transit Turkey and into Iraq in March 2003, and deteriorated as the war in Iraq unfolded. There had been ups and downs in the relationship before, but the level of anti-Americanism in Turkey today is unprecedented. A recent BBC survey found that about 82 percent of Turks have a negative view of the Bush administration's policies and consider today's America to be one of the biggest threats in the world.

This Turkish anger is primarily a result of the Iraq war, which many in Turkey opposed. They initially feared their neighbor turning into an ethnic and religious war zone. Turkish concerns have focused on the presence of the several thousand PKK terrorists in northern Iraq. The United States has promised to eliminate the PKK terrorist threat in Iraq, but so far has not made a move. After a brutal civil war with its Kurdish population that lasted a decade and cost over 30,000 lives, Turks are angered with the United States for not taking action against a group that already began terrorist operations inside Turkey. They are therefore wondering whether the "global war on terror" is waged only on groups that threaten the United States and excludes groups that threaten only U.S. allies.

In addition, Turks fear the Kurds in Iraq may eventually establish an independent state that would also appeal to Turkey's own Kurds living in the border areas; such a development could once again lead to separatism and instability inside Turkey, potentially rekindling civil war and even undermining Turkey's territorial integrity. The fact that the oil-rich city of Kirkuk is gradually coming under Kurdish control and the Turkmen—their ethnic brethren—living in Kirkuk are being discriminated against, further causes suspicion and mistrust toward the United States.

Turks now associate Iraq with chaos and damage to their national interests, while the United States hails Iraq as a test case for spreading democracy and freedom in the world. This has led many Turks to associate American democracy and reform initiatives in the Middle East with an expansionist policy that will weaken Turkey, but cloaked in the rhetoric of "freedom" and "justice." Fearing further chaos and change in its southern neighborhood, Turkey has even pulled closer to Syria and Iran.

This is part of the context for the Turkish reluctance to support United States or European initiatives for democracy in the Black Sea region. Many in Turkey were skeptical of the Georgian and Ukrainian revolutions, which they believe were managed by the United States. They fear that under the rubric of "democratic alliance," the United States is creating an anti-Russian alliance in the Black Sea region, which will lead to instability and undermine Turkey's security in this region. Second, when the United States talks about democracy in the Black Sea region, Turkey hears American naval presence. Turkey is strongly opposed to any foreign military presence in the Black Sea, which it fears will undermine the Treaty of Montreaux of 1936, which designated the Turkish Straits as an international waterway but afforded Turkey rights to impose safety regulations. Retaining some jurisdiction over the Bosphorus and Dardanelles remains one of the highest priorities of Turkish national security policy, as it has since 1453.

United States-Turkish tension is aggravated by a lack of dialog. There have been few discussions on the Black Sea region at governmental levels; the first one in several years took place only in the last week of February when Ambassador Halil Akinci, the Turkish Foreign Ministry's Director for Russia, Caucasus and central Asia visited Washington. In his meetings Akinci stated that Turkish policy in the Black Sea region is based on four pillars: "Contributing to the consolidation of state building; supporting political and economic reforms; promoting the Black Sea States' integration with the international community; developing and enhancing bilateral relations on the basis of equality, mutual interest and respect for sovereignty."<sup>4</sup> Given that this Turkish vision and the American vision are at the core complementary, more bilateral discussions need to be held between diplomats, military and the civil society so that the Turks can understand these interests are shared.

At the same time, the United States needs to understand a much deeper psychological issue is at play, and this is why Turkey has been moving closer to Russia. The United States should not ignore the psychological hangups of former empires like Turkey and Russia, which still suffer from the 19th/20th century views of strategic factors and do not share Bush's vision of advancing democratic change in pursuit of freedom. Turkey and Russia still pine over lost lands and fear being surrounded by a West hostile to their interests. Both oscillate between feelings of inse-

<sup>4</sup>Nixon Center Program Brief, "Turkish View of Russia and Eurasia." February 25, 2005.

curity about their waning influence in global politics, and a sense of strategic indispensability in Eurasia. Both have in varying degrees resented growing American presence in the Caucasus and central Asia, where they had historic, ethnic, and religious ties and a sense of entitlement. The last thing they want is to see the United States also enter the Black Sea region, which Turkey and Russia feel is their “special zone of influence” where they are the major powers. Ultimately, both are status quo powers in terms of foreign policy who oppose change in the Black Sea region, mainly because in their recent past any change meant losing territory or influence.

What Turkey now needs, more than anything, is a carefully balanced message from the United States that Washington appreciates Ankara’s importance and seeks partnership, but that Turkey’s strategic importance will not shield it against the consequences of nasty behavior. In the Black Sea region, this means that Turkey needs to hear that Turkish and American interests overlap in terms of shared NATO values. But Turks also need to understand that the unchecked growth of anti-Americanism is not acceptable. Anti-Americanism has grown in many countries since the Iraq war, but the tone and the depth of the anger in Turkey is a result of a number of other factors that have created a perfect storm. In fact, today Turkey’s secular military, Islamists, leftists, and nationalists—forces that often oppose each other—have united in their common opposition to the United States. Why?

Maybe the best example for understanding what is happening inside Turkey is a brief look at the best selling fiction in Turkey today, “The Metal Storm.” While it is fiction, Turkish and American government leaders’ real names are used and the context is based on actual events. “The Metal Storm” is about a war the United States launches against Turkey in 2007 under the name “Operation Sevres,” which is the much-feared agreement signed at the end of the World War I whereby the Western powers hoped to dismantle the Ottoman Empire. In the book Armenians, Greeks, and Kurds are once again portrayed as fifth columns of Turkey who the West can use to destabilize Turkey.

The American operation against Turkey begins when the Turkish military enters northern Iraq after the attacks in Kirkuk on non-Kurds, i.e., Turkmen, have increased significantly. The United States does not diplomatically oppose the Turkish move as it is about to attack Syria. Moreover, the United States has been running a psychological campaign against Turkey for some time and uses this opportunity to portray the Turks as the aggressors, even though it is the United States that launches a brutal attack on them. It is interesting to note that the book makes clear that by that point in 2007, Nicholas Sarkozy has become France’s President, and afterward the European Union ended talks with Turkey, which in turn has moved away from the West. The Turkish Government has withdrawn its Ambassador to the United States as a result of the Armenian genocide resolution that passes the United States Congress. As part of the campaign against Turkey, the United States was also portraying Turks are wrong in Cyprus.

Now, while for many in the United States such scenarios may be far-fetched, to say the least, in the Turkish context they are quite believable. Since this book was published a few months ago, there have been several TV shows in the United States where the Turks were portrayed as terrorists, which was taken as a sign of a psychological operation against Turkey. Only a few days ago Sarkozy, who is the most likely candidate to be France’s next President, received a huge applause when he objected to Turkey’s EU membership. The list goes on.

In the book there are two more reasons for the United States to launch a war on Turkey. The first is to “liberate Istanbul from 500 years of occupation by the Turks” and let the Evangelical Church construct the biggest ever church in this city. At secret meeting in Vatican called “The New Byzantium,” the church decides to re-Christianize Anatolia, which has many holy Christian sites. Again, while this theory sounds almost insane, many in Turkey do not understand the role of the Evangelical church in American politics and fear that President Bush was serious when he announced the beginning of a new crusade after the attacks of September 11, 2001. On top of this comes the EU’s religious freedom reform pressure, which again, is perceived in Turkey as a way to “Christianize” Turkey. Consequently, those in Turkey promoting interfaith dialog have been accused of serving American and Western interests, not Turkish ones. (This is, of course, very unfortunate since Turkish moderate traditions and long history of interfaith acceptance can be the best antidote against the radicalism prevalent in many Muslim societies.)

A second reason for the U.S. attack in the book is the American desire to move away from dependence on Middle Eastern oil and the need to develop new energy sources. Turkey has rich borax, uranium, and thorium mines; it has monopoly in borax, which is mainly used for space and weapons technology and, therefore, is a strategic mineral. While few in the United States ever think of these mines, many in Turkey, starting several years before this novel was published, have feared an

eventual United States attack to take over these mines. It is probably not surprising that in the end of the book, Russia and Germany help Turkey by taking on a common diplomatic position against the United States—simply because they do not want the United States to control these mines and become even more powerful.

Throughout the book honorable Turkish military and political leaders wondering how and why the United States would attack Turkey after decades of partnership. Turkish Prime Minister Recep Tayyip Erdogan and others are often portrayed as having difficulty grasping that the United States is indeed attacking Turkey. In several parts, the book states, “For a long time there was speculative news about the United States plans on Turkey. Many people ignored these as fiction because it was considered so insane”; clearly this language is intended to make the story even more believable.

I have spent a significant part of my testimony on “Metal Storm,” because it is essential in understanding the Turkish mindset today. What can the United States do when many Turks read this book and daily articles in the press that play on the softest spots in the Turkish psyche to create a sense of insecurity and fear of United States intentions?

The average reader in Turkey has difficulty in separating fact from fiction and reports indicate many read the book as a prophetic one. With the EU reform process forcing fundamental changes in Turkey that exacerbate many people’s sense of insecurity about their future and sense of certainty, this book has brilliantly captured the mood in Turkey. It further clouds fact and fiction by hinting at current issues of contention in United States-Turkish relations, including whether the tragic events of 1915 constitute the “Armenian Genocide,” the unresolved Cyprus issue, and developments in Iraq.

Getting United States-Turkish relations back on track in the Black Sea and beyond requires the Turkish leadership to put an end to the breed of wild and destructive speculation portrayed in “Metal Storm.” Turkish political leaders need to step back and contemplate whether they truly believe the United States would contemplate the outlandish actions concocted by the authors of “Metal Storm,” who use references to actual American leaders and a deep familiarity with United States military technology to convey a sense of authority in their writing. Turkish leaders must then decide whether they must clarify to the Turkish people that wild speculation about a United States plan to dominate Turkey are divorced from reality. Perhaps this will lead to a genuine debate about the future of United States-Turkish relations, including in the Black Sea. Instead, Turkey’s civilian and military leaders are silent, allowing thousands of Turkish readers to misperceive the book’s ruminations as plausible, if not fact, and causing potentially serious damage to United States-Turkish relations. There is a danger that, as Turkey proceeds with democratic reforms required to advance its quest for EU accession, and as the hallowed role of the military decreases in Turkish politics, Turkish society may compensate these developments with growing anti-Americanism and anti-Westernism.

Hopefully, Turkey can come out of the process much stronger and as a valuable member.

In the short term, there are three specific steps the United States can take to try to reverse these negative trends and restore a sense of partnership in relations with Turkey. First, together with the Iraqi Government, the United States needs to find a formula to assuage the Turkish irritation with the continued PKK presence in northern Iraq. Until and unless the P.K. issue is resolved, Turkish-United States relations cannot move to a better phase, and Turkey would continue to resist any United States initiatives in the Black Sea region.

Second, given the prevalent Turkish view that the United States is running a campaign against Turkey, it would be very damaging if the Armenian Genocide resolution passed Congress this year. This year is the 90th anniversary of the tragic 1915 massacre and certainly the Armenian diaspora groups would like to get recognition. However, such a resolution would play right into the hands of the growing set of anti-Americans and ultra-nationalists in Turkey. For the Black Sea region, it will mostly hurt the Turkish-Armenian rapprochement.

Third, the United States needs to continue raising Turkish EU membership as part of the transatlantic dialog and insist that Turkey should be accepted into the European Union on the merits. Turkey needs to be assured that it will not be swapped with Ukraine; this certainty is necessary for Turks to support Ukraine’s (and Georgia’s) ongoing democracy reforms, and make the fundamental mental and institutional changes at home.

Senator ALLEN. Thank you, Ms. Baran, for your provocative testimony as well. I’m going to ask each of you—and if one of you all, for whatever question that I may ask one of the other witnesses on

this panel, if you would want to make a comment so that we—if you may have a slightly different point of view on it, you're certainly welcome to do so.

Both Mr. Jackson and Mr. Socor—got to put another quarter in there to keep the lights on, this happens at 4 o'clock, I think, around here, a slide show or Cinderella turns into a pumpkin or something. Got it—talked about Russia as being a problem in—actually all three of you did in different ways. Mr. Socor was the most direct. Mr. Jackson brought it up. Your was, Ms. Baran, is what I was talking about, how they use their energy dominance as a way to jerk people around or keep them under their thumb.

The one thing on the countries, Moldova, Georgia, the Transnistrian area, is a lot of this is the Russian—Russia simply completely ignoring any commitments they made. When we had Ambassador Tefft here, I was saying, oh, what's their reaction and so forth, and he's an ambassador and he's got to be diplomatic. The answer to the question is they—I see no action that indicates that they're going to do anything but drag their feet and keep their troops there because they want to keep that influence in these areas.

We have been working in these areas, maybe not with the same intensity as the last few years or since 9/11, 2001, that changed everything. These areas—Armenia was always a concern because there are many Armenian-Americans in this country, so we're more aware of that. Turkey is clearly a key country, you pay attention to Turkey. It's an important country for a variety of reasons, economically as well as its size and its aspirations to join the European Union and, obviously, is a NATO country.

Regardless, Mr. Jackson and Mr. Socor, on the issue of these countries, the Georgia issue, the Moldova issue, Transnistria issue, with all the efforts we've made, why in the heck have we been—and I don't want to just blame the United States for everything, you know, the United States can only have so much influence everywhere. It's not as if we all get—we get two out of three of you all to agree and, therefore, it will be so. It's just not going to happen that way.

But why have all these efforts been so fruitless in having the Russians abide by their commitments? And moreover, it's not just us. Why are not other NATO countries, other European countries also insisting on Russia? In other words, the international community that should care about the concept of sovereignty of countries and self-determination—now granted some of them won't, but there's more and more. Freedom's on the march. There's more free countries than there were back in 1980.

Why has Russia been able to get away with this? Why have they been able to abrogate, ignore these agreements to remove their troops? And if you two could answer whatever order you all want to, I'd like to get your perspectives.

Mr. JACKSON. Thank you, Mr. Chairman. It seems to me that we made a fundamental mistake as we came into this period by not putting clear red lines in for Russia where the limits were and what was acceptable and unacceptable boundaries. As a result, they have tended to probe and take advantage of us when we were preoccupied in the Middle East or where—and the European Union

turns inward with the pressure of expansion and the West becomes preoccupied, there's a tendency to probe and take advantage.

So we haven't made clear that there are consequences and held them to consequences. We note that the Syrians are withdrawing from Lebanon in a matter of weeks with 15,000 troops. Russia has said it will take them 15 years to get 3,000 troops out of Georgia and want \$½ billion from the United States to pay for it. So clearly this is not a serious discussion.

The point we have not made clear is you cannot harbor 19th century imperial neurosis and enjoy 21st century legitimacy. And the consequences that this body has considered is to bar Russia from access to international fora that require a certain level of democratic activity, such as the G-8, WTO, and other recognitions of legitimacy that they covet.

Second, I think we have to take actions to devalue what they gain from these things. They profit from criminal enterprises. They profit from the instability of the states on their borders. This serves their purposes and they destroy institutions that compete, like the European Union or OSCE.

I would strongly advise the NATO powers to put NATO surveillance into the Black Sea as we have in all the other seas of Europe. If those—if this trafficking cannot occur, there's no reason to have the bases and the traffickers there. When Georgia found that out, the peace started—the conflict started to be resolved where they just simply interdicted the trafficking lines, and then the criminal elements got bored and went home. So you have to disincentivize and devalue what Russia seeks in having these bases and having this control over these gray economies on their border.

That's why I also think we should do what we can with our European allies to put the border monitors back into the Georgian borders so reactionary interests cannot exploit the vulnerability of these young democracies.

Senator ALLEN. All right, if we did that—I do want to hear from you, Mr. Socor—that would be predicated on the European countries actually wanting to work in concert on that, whether NATO or—on a less than NATO basis. Do you see a willingness on the part of the European nations to actually assist—I'm talking about NATO. We've heard about Turkey. Would Turkey agree to that? And for that matter, would France, would the Netherlands, Italy, Spain, and others? Would we find some—we're finding a commonality in interests in getting the Syrians out of Lebanon. France and the United States are absolutely together on that. But do you see that as a likelihood, or would this just be another thing that we're bickering with the Europeans on, who by the way ought to care more about this than we do, because it's right—heck, it's part of Europe.

Mr. JACKSON. Sir, I'm going to get in trouble on this, but my view is that Europeans would be interested in following if the United States started leading. And if we made clear that we are part—we agree to defend the Euro-Atlantic space together and this is part of the Euro-Atlantic space and these threats that emanate from this region are threats to the United States and Europe and we were serious about this, I am certain that European allies would come on.

I think what they think today, is that we have a back-channel partnership with Russia and a back-channel interest in Turkey and that we've cut deals on the side to allow this kind of special exemption, and if it's all right for us to cut deals, they're going to cut their deals, and probably with Putin on oil or economic interests. I think that to be good allies across the Atlantic we have to be forthright, we have to stand together when freedom is threatened and democracy is at risk. And I think this discussion, I hope the President began in his meetings in Brussels exactly on developing a new agenda of greater transparency and greater common causes, our European allies, there's no better region to begin than here.

Senator ALLEN. Thank you.

Mr. Socor.

Mr. SOCOR. Thank you, Mr. Chairman. Bruce has zeroed in on some major reasons why we find ourselves in the present situation with regard to Russian troops and bases in Georgia and Moldova. I would like to add a couple of considerations.

The existing conflict settlement negotiating frameworks and peacekeeping mechanisms were created by Russia, on a one-on-one basis with the target countries, these helpless target countries, during the 1990s. These structures are relics of a bygone era. Nobody in the 1990s would have imagined that NATO and the European Union would enlarge the way they have and that their interests in these countries would increase in an exponential manner. The increase in Euro-Atlantic interest in these countries has overtaken, greatly overtaken, those obsolete conflict settlement and—

Senator ALLEN. Say that again. Start that sentence again so I can understand you. Say it again.

Mr. SOCOR. Those peacekeeping and conflict settlement mechanisms are relics of a bygone era of the 1990s—

Senator ALLEN. Right.

Mr. SOCOR [continuing]. When the enlargement of NATO and the European Union was not on the agenda, was not foreseeable, now Euro-Atlantic interest in these two countries have increased exponentially and have overtaken those peacekeeping and conflict settlement mechanisms. Those need to be simply jettisoned. We cannot afford tinkering with them, getting bogged down in procedural issues, adding a couple of observers to the existing settlements, continuing to treat, for example, Moldova and Transnistria or Georgia's Abkhazia as coequal parties, getting them together, imploring Russia, maybe, to get them together.

Senator ALLEN. OK.

Mr. SOCOR. That's a thing of the past.

Senator ALLEN. OK, all right. Let me—then from this, let me ask you all this question then. For countries like Georgia, Moldova, which elected a Communist government, they had free elections, they elect Communists. I'm not sure how good that will be for investment in their country, but it's their country. Different states do different things in this country, too, nothing like that, but regardless, that's representative democracy.

The others have to make a better claim. So long as you have free elections and people vote that way, that's what you get. Now, the question is, is the motivation for people—and this is—Baran mentioned this as well in a roundabout way with Turkey—but can you

motivate—will the people in Georgia, the people in Moldova, the people in Ukraine and Azerbaijan, Armenia, all on different levels, would accession to being in the European Union, not so much maybe NATO—some might want to get into NATO, which would be actually wonderful.

But we've seen in Central Europe, what we call—used to be called Eastern inaccurately, it's Central Europe. I'm talking about from Bulgaria, Romania on up to the Baltics, those countries with the benchmarks and the criteria they needed to make the reforms they need to make to get into NATO, to get into the European Union, was it seen by their leaders and by a majority of the people in their countries as something they would want to aspire to? We called them aspirant countries.

Mr. SOCOR. Yes, it's—

Senator ALLEN. It wasn't as if we were taking them in. They wanted to get in, and they had to meet certain benchmarks. Is that motivation still there—

Mr. SOCOR. Yes, very much so.

Senator ALLEN [continuing]. On the part of these countries? If so, that is one way to not just have it just externally come in—obviously you have to deal with the Russians—but to actually effectuate the will of the people, which makes it a lot easier than if we're just talking here or talking at different confabs as to what people ought to want to do. If they generally want to do it themselves, it makes it much easier to effectuate that shared goal.

Mr. SOCOR. Yes. The prospect of European integration is of course—of course exerts a magnetic force of attraction.

Senator ALLEN. Well, is it enough of a magnetic attraction to offset the leverage that Russia can impose upon them—

Mr. SOCOR. Not really.

Senator ALLEN [continuing]. Whether it's for energy or militarily?

Mr. SOCOR. It's not enough for a number of reasons. The more these countries advance on the road of reforms, the greater the gulf separating these reforming countries from the secessionist enclaves, which are not reforming. So the gulf between them will deepen. That's one thing.

Second, the generation is growing up there which no longer has a sense of belonging to the same country as the generations on the other side.

Third, the Russian troop presence becomes, by default, the new status quo. The mere duration of this presence has the unintended effect of legitimizing it by—

Senator ALLEN. Legitimizing it?

Mr. SOCOR. Conferring it a spurious appearance of legitimacy.

Senator ALLEN. However, don't—I'll ask all three of you—wouldn't the people of these countries, Moldova maybe not, but at least Georgia want—the people of Lebanon rose up. It was remarkable their bravery and courage. And I'm not saying Hezbollah doesn't have a great deal of power still in Lebanon. They had counterdemonstrations today. But regardless, would they not have that same sort of feeling that the Lebanese have about the Syrians? Would they not have that same feeling in these countries about Russian troops?

Mr. SOCOR. They definitely should.



Senator ALLEN. Well, do they? Bruce? Zeyno—excuse me, Ms. Baran?

Ms. BARAN. Well, they do, but it's very difficult because the Russian troops there have been involved in corruption and also sort of the way that they have operated is really dominating the local thinking, and there's a lot of fear on the ground. So it's very, very difficult for the people to just feel comfortable. For example, in Ossetia and Abkhazia, most people there just have a very distorted view about what the rest of Georgia looks like, and they're constantly getting disinformation. So it's a very, very difficult process.

For example, the President of Georgia, as Bruce mentioned, issued a very interesting comprehensive peace initiative to the South Ossetians, and they're not going to really get excited unless they hear and see that Brussels and Washington is going to really support them, because any kind of move away from the current status quo is going to anger Russia. And they know that an angry Russia can do a lot of harm, ranging from electricity and gas cut-offs to local provocations.

And on the previous issue mentioned, you have, Mr. Chairman, focused on some traditional European allies, France and Spain. What we are seeing now is some of the newer NATO allies and EU members really pushing those two organizations to look at Russia and what Russia is doing in the neighborhood in a different way.

For example, there's a new Friends of Georgia group formed, which consists of Poland, Romania, and the three Baltic countries. And what they hope to do is to force the rest of the European and NATO countries to understand the difficulties that other, you know, former Soviet countries are facing. So, I think we need to look at different types of alliances with the Europeans.

Senator ALLEN. That's good to hear, Mr. Jackson, that the new countries of Europe are leading Europe and helping NATO understand the trials and tribulations of that transition. They won't have—you called a deafening silence in Brussels. Ms. Baran mentioned—

Mr. JACKSON. Well, I always encourage these countries not to shut up.

Senator ALLEN. No.

Mr. JACKSON. They make very important contributions.

Senator ALLEN. No, and I think it's one of the reasons why they are so helpful. They understand what it's like to live under repression. You wanted to say something, I can tell, Mr. Jackson.

Mr. JACKSON. Yes, sir. On your major point, every single successful democratic revolution, beginning with Otpor in Serbia and the Rose Revolution and the Orange Revolution, the democratic opposition has been running on a pro-European platform. There are no exceptions. And the only reason Mr. Voronin and the Communist one in Moldova yesterday, or over the weekend, is they ran on a pro-European platform because they couldn't win any other way.

Once the institutions of Europe close to this quarter of a billion people, that's the end of the democratic transformation. That is the engine, that is the magnet, that is what people are changing for. I don't think that there is a lack—to your second point—that there is a lack of resolve or a lack of gumption about this. I think because we—when we were working together under your leadership,

Poland never had a counterrevolution going on. Nobody was poisoning Havel or shooting at them or running people off the road. These people are confronting very dangerous entrenched autocrats and kleptocrats that kill people. Every single person that's run for President in Russia is in jail and in Belarus is in jail or in Ukraine they were poisoned or multiple assassinations. Russian paramilitary hand out AK-47s in South Ossetia to paramilitaries.

There are forces in this third phase that did not exist in the first. These democratic revolutions in Poland and down to Romania occurred basically in a vacuum after the fall of the wall. This third phase is not occurring in a vacuum. It's occurring despite active opposition of entrenched interests in the politics of the past. That's where the \$300 million came from, at least, to stop Yushchenko being elected, and the same people are coming back to run against—from outside—to run against the Orange Revolution and the parliamentary election in 12 months.

So, I think it is considerable admiration that these people have done so much under this kind of adversity against far more powerful services and militaries.

Senator ALLEN. Thank you for that realism. The purpose of hearings is to get this perspective, and I thank all of you for it. Let me ask a few more questions as we—so many things were brought up.

On energy, Ms. Baran, you didn't have it in your testimony, but I wanted to ask you about this. Azerbaijan, talking about getting their energy, and of course if they have this, this is going to really help their countries if properly utilized, the revenues from these natural resources. I understood that Azerbaijan was considering doing something similar to the Alaska permanent fund where the oil revenues would actually be shared by the people of that country.

The reason I bring this up is I met with Ibrahim al-Jafari a few weeks ago in Baghdad. And in addition to presenting him the Virginia Declaration of Rights and all these great ideas for a free and just society, I also brought up that concept for Iraq to do something like Alaska, where Alaska residents get a dividend, so to speak, from the oil revenues, which is ownership, national unity, plus the idea that people will care about terrorists blowing up oil pipelines because that's money out of their own pocket and they want those pipelines and oil industries operating at—upgraded from the atrophied state that they're in after many decades of Saddam Hussein.

At any rate, I understand Azerbaijan was considering this. If Azerbaijan, which is not a—it's a Shiite country, but not necessary Arab, right?

Ms. BARAN. Right.

Senator ALLEN. If they do that, that might be also a model that ultimately the Iraqis would look to to have some unifying economic and ownership benefits from it. What do you know of Azerbaijan considering any such idea?

Ms. BARAN. Sure. They actually have already an oil fund and the head of the oil fund and the teams that were setting it up spent considerable time studying the Alaskan oil fund, and went to Norway and developed an ongoing project which is considered to be fairly successful by the IMF, World Bank, even the Soros organization that has looked into the oil fund.

And the concept for it is really to, precisely, Mr. Chairman, the issues that you mentioned, and also this is one of the areas where Azerbaijan internally is talking about being an example or a model for Iraq and Iran. Although it is a majority Shiite country, it also has significant Sunni presence, and would like to be the model country, together with Kazakhstan on the other side of the Caspian, which also has a strong, not as transparent maybe, oil fund. The two of them would like to be the first countries that use their oil wealth in a way that's going to help the rest of the society. And now—

Senator ALLEN. Does every resident get a check or a payment?

Ms. BARAN. Well, here is the trick. Now money is accumulating in the oil fund, and people are not going to start seeing any kind of immediate checks or benefits, I believe, until 2007 when initial money starts coming to the government, because now there's a lot of investment and—

Senator ALLEN. Understood.

Ms. BARAN. And at that point—

Senator ALLEN. But then they would.

Ms. BARAN. At that point, provided Azerbaijan moves into more of a democratic, transparent country and moves away from the clan-based corrupt system, yes. And this is why it's also very, very important that over the next couple years until the big oil money comes into the government, the country goes into further democracy. Otherwise, we're going to see a small group of people benefiting from this oil, and that leads to my concern that I mentioned in my testimony, Azerbaijan looking more like Iran used to under a shah as opposed to becoming an example for the new Iran and the new Iraq.

Senator ALLEN. Well, thank—I know that wasn't going to be your testimony here, but economics—the concept of human freedom, obviously, is very important, but also economic freedom, and that the fact that the resources and wealth of a country, if it is actually shared, and it's no thanks to any government that there's oil or gas under a certain country, but the extent it's shared with all the citizens, that is a democratizing factor.

I'm not going to get much into the Armenian genocide with you. Suffice it to say, if that upsets the Turks—and I'm speaking only for myself—the Armenian genocide happened. You may want to call it a massacre. I have found, as a leader in studying things throughout history, that leaders need to stand up and deplore activities when they're wrong. And that goes on now when maybe there will be people—a few years ago when I was Governor they were bombing black churches. We saw the genocide in Europe by the Nazis.

I'm always touched and remember what Hitler was told and what Hitler said when he was told that, gosh, if you start this genocide of Jewish people by the Germans, the world is going to get very upset, they're going to be mad, you'll have to pay a tough price. And he said, well, who remembers the Armenians? If people remember what happened in the past, it's not as if I'm talking—I'm not asking for reparations and so forth, it happened 90 years ago—but one needs to remember the past and recognize it so that sort of activity doesn't happen in the future. And while we all feel

that we're very enlightened, this sort of genocide, maybe not exactly the same, but wiping out masses of people because of their ethnicity or because of their religion, still is occurring in this world.

And speaking only for myself, we want to have good relations with Turkey, but we're not going to sweep things that happened in history under the rug. We are not blaming anybody presently in Turkey for doing it. Anybody who was involved in it is undoubtedly long gone and dead. But it is part of, I think, our responsibility on human rights. So I just—that's from my point of view.

Finally, Mr. Jackson, I want you to elaborate, and any others, your second point of your testimony, we need a formation of new structures for a Black Sea strategy. And you went through the list of the new leaders, new Presidents of Georgia, Romania, Ukrainian Presidents. Could you elaborate on what you mean by a new structure? That was a very intriguing statement, but can you put some meat on those bones?

Mr. JACKSON. I could chicken out of this question, sir, by referring to President Basescu, who has actually started talking about this and developing the ideas organically. I think that one thing we realize, it is the states of the given region of the Euro-Atlantic that begin to take responsibility for their regional security and their economic integration. This occurred in the Visegrad Group that linked Poland and the Czech Republic and Hungary and Slovakia.

Senator ALLEN. I see.

Mr. JACKSON. It occurred in the Nordic-Baltic cooperation that built a zone of security, and Mr. Haltzel sitting behind you is one of the key authors of this. So we have seen, basically, organic creations of regional structures where President Saakashvili has reached out to the West and asked for support and peacekeepers. It has been denied.

Where President Basescu has asked for coalitions of the willing to come in to improve surveillance and traffic and bases, it has been—we cannot get it approved. I think we have to realize—

Senator ALLEN. Approved by who?

Mr. JACKSON. Well, it depends on which organization you go to. I mean, NATO can go into the Black Sea to conduct—

Senator ALLEN. Right.

Mr. JACKSON [continuing]. Active endeavor. Any coalition can, basically, police the shores of NATO and EU states for interdiction of drugs. That would basically be pressure on Transnistria not to— to use the Black Sea as a free zone of export. That has to—we're seeing Romania supporting Georgia in improving interregional cooperation. That has to be encouraged and enhanced.

Regional peace dialogs, for instance, the approach in Transnistria, is limited to a very narrow number of powers, all of whom were responsive to Moscow's desires. Why isn't Romania in that table? Why isn't the EU part of that dialog? Why aren't European structures allowed to lend aid and act as training wheels as the region gets up on its own feet?

Projects that exist within Europe's new neighborhood policy and our Millennium Challenge Account, one, they have to be funded, but also we should look for regional projects where the states are internetting themselves together as the Western European States have done.

It seems to me that one could draw the wrong conclusion from the events of the Rose Revolution and the Orange Revolution, which are, of course, inspiring. But the real job of democracy support comes in the next 3 to 5 years as to helping them succeed. You know, the first inspirational event, that's not where the risks are. It's in this period where they try to build new structures and institutionalize, as a U.S. legislator must know instinctively. It's the institutionalization of the democratic imagination that makes all the difference.

Can they translate this vision into a real institutional character that can be conveyed among nations and among peoples in perpetuity? That's essentially what they're trying to do. And we know a lot about this and I've talked about the coordination we could do with the European Union, who actually were in front of us in recognizing that this was fundamentally part of Europe's neighborhood and might actually—they have set up programs where Ukraine may pass from a neighborhood country to a membership country, which is certainly what my organization hopes to be a part of supporting.

So, I think that this is what we should—the second Bush administration and this Congress should pay attention to and see if we can support them.

Senator ALLEN. Thank you, Mr. Jackson. We've gone on for over 2 hours here, and I want to thank all of the panelists here, Mr. Jackson, Mr. Socor, and Ms. Baran, for coming and spending time. I could actually go on longer. I do have to get somewhere else and I know you do as well.

The testimony you all brought forward here is very important. I will, as chairman of this committee—I've learned a great deal from you. I will express this to my colleagues. These issues will come up. This is a vitally important area for our country, our future, but for theirs as well.

I'm also encouraged, to some extent, that in various ways the European countries are also involved. This is not something that the United States can do unilaterally. It's good to know the will of the people. There are differences I recognize in each one of these countries, but to the extent that they can—I like to, maybe, not use the word institutionalize, but the point is to set up constitutions, laws that protect God-given rights, have private ownership of property, religious freedom, freedom of expression, the rule of law, the rule of law that protects those rights and adjudicates disputes in a fair manner, and putting in those structures where people say not only are we free, not only are we controlling our own destiny, we are seeing that prosperity.

And that—you're exactly right, Mr. Jackson—it's hard not to call you Bruce as a friend, but Mr. Jackson is exactly right that it's key that people see tangible impacts, that this is meaning something for them and for their children's future. And so we have a great opportunity. I realize there's a lot of problems here. Russia's the main culprit in a variety of ways.

However, we do need to seize this opportunity and not look back 5 years from now or 4 years from now and saying, gosh, if we'd only done this, if we'd only done that. And it's within our grasp, it is within our security interest militarily, and also, I think it's in

our economic interest to also have these countries developing energy. It's good for them and it's also good for these high prices we're paying for natural gas and gasoline as well and getting that online and not having just to rely on the existing sources.

So, for our security as well as our economic interests, and of course, Americans love to spread freedom, this is a great opportunity. I thank all three of you all for your care, for your wisdom, your insight, and I look forward to fighting alongside of you to advance our shared goals.

Thank you all. The subcommittee hearing is adjourned.  
[Whereupon, at 4:36 p.m., the hearing was adjourned.]

