S. HRG. 114–794

STRAINS ON THE EUROPEAN UNION: IMPLICATIONS FOR AMERICAN FOREIGN POLICY

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED FOURTEENTH CONGRESS

SECOND SESSION

FEBRUARY 3, 2016

Printed for the use of the Committee on Foreign Relations

Available via the World Wide Web:
http://www.govinfo.gov

U.S. GOVERNMENT PUBLISHING OFFICE
31–168 PDF WASHINGTON : 2018

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STRAINS ON THE EUROPEAN UNION: IMPLICATIONS FOR AMERICAN FOREIGN POLICY

WEDNESDAY, FEBRUARY 3, 2016

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:04 a.m., in Room SD–419, Dirksen Senate Office Building, Hon. Bob Corker, chairman of the committee, presiding.

Present: Senators Corker [presiding], Risch, Gardner, Cardin, Menendez, Shaheen, Murphy, and Kaine.

OPENING STATEMENT OF HON. BOB CORKER, U.S. SENATOR FROM TENNESSEE

The CHAIRMAN. The Foreign Relations Committee will come to order.

We appreciate our witnesses being here. We have been paying a lot of attention to what is happening in Europe. I was at the World Economic Forum, I guess a week and a half ago, and they are paying a lot of attention to us. I think the presidential race here, and some of the comments that have been made, have caused people in Europe to certainly focus, right now, on the presidential race that we have underway, and wondering, if you will, where U.S. foreign policy is going to go. At the same time, obviously, because of the historical ties that we have, the long relationship, without a stable Europe, that certainly affects U.S. foreign policy in big way. So, we thank you very much for being here.

There are tremendous challenges. I look at the challenges we have in our own country—which are large—and yet, I look at the European Union and the challenges that they are facing right now, and, in many ways, the problems that we have pale in comparison to the ones that they have. The $87 billion bailout, if you will, towards Greece, and yet they are still having tremendous economic, political and fiscal issues to deal with as they move ahead, the U.K. referendum that may—it looks like it will be taking place, and, you know, Prime Minister Cameron dealing with those issues, and what they—what that may mean for Scottish independence, should that occur; the Paris attacks, and just the concerns of—that—in France, but also many countries there, relative to terrorism and countering that; the refugees and migrants issue that is affecting especially Germany, but so many of the member countries, and, you know, challenging how they uniformly deal with that; and

then, last and certainly not least, just a resurgent Russia and the pressures that that is putting on Europe, certainly the periphia; and then how they all contend with that. So, tremendous issues.

We thank our witnesses for being here today, and we appreciate the committee's willingness to focus on this issue. These problems are putting tremendous pressure on the economic, monetary, and political unions in Europe. And they matter to the U.S. They matter to us, relative to our markets, relative to our manufacturers, and certainly relative to just the allies that we depend upon mutually, relative to just defense and national security and those kinds of things.

So, again, we thank you for being here.

And with that, I will turn it over to our distinguished and great Ranking Member, Senator Cardin.

STATEMENT OF HON. BENJAMIN L. CARDIN,
U.S. SENATOR FROM MARYLAND

Senator CARDIN. Well, Mr. Chairman, first of all, thank you for bringing this hearing to our committee. And I think everyone should understand that yesterday we had and opportunity, in a closed setting, to meet with Secretary Nuland to get the administration's honest assessment of some of these challenges in Europe. And I think that was extremely helpful in preparation for today's hearing. So, Mr. Chairman, thank you for making those arrangements.

And I want to ask consent that an article that I authored in *The Guardian* be made part of our record—that way, I can shorten my opening statement—because I think it expresses many of the points that you also raised.

[The information referred to follows:]

"THE UNITED STATES MUST SUPPORT THE EU IN THESE TRYING TIMES,"
by Ben Cardin, *The Guardian, February 3, 2016*

As the European Union confronts unprecedented challenges which collectively threaten the future of the European project, the U.S. has an obligation to stand with our friends there in support of the principles that we all share: democracy and the rule of law, respect for human rights, economic prosperity and peace and security. The pressures on the union are considerable, but there are measures that the U.S. can take to help.

The heated debate within the union on how to deal with the refugee and migrant crisis has called into question the ability of Brussels to enforce commitments by its member states on borders, Schengen visa-free travel and quotas associated with resettlement. The U.S. should continue our robust support for the U.N. High Commissioner for Refugees, the International Organization for Migration and several outstanding NGOs which are working directly with refugees and migrants across Europe.

Governments across the EU are also contending with the real threat of domestic terrorism and foreign fighters. Horrific attacks have galvanized European leaders to action, but significant challenges remain as the necessity for enhanced counterterrorism and intelligence measures interact with real concerns regarding privacy. The U.S. should continue to work with Europe on strengthening border controls while maintaining the vitality of the Schengen zone. This means sharing of intelligence and preventing terrorist attacks before they happen.

Another alarming trend that has emerged in several countries across the EU is a rising nationalism exacerbated by the migrant crisis. In some countries, governments have embraced a brand of "illiberal democracy" which calls into question the very democratic values of the EU. It is worrying that we have seen an erosion of these principles in some corners of the union. We should make clear our support for the EU's democratic principles and our opposition to the chorus of illiberal voices in Europe. The U.S. should reenergize ties and provide support to democracy and

human rights civil society organizations across the continent, especially in central and eastern Europe, where strong civil society connections have atrophied as attention shifted elsewhere.

Russia, too, continues to put inordinate pressure on the EU. Ukraine is the clearest example: its aspirations for EU membership were met with the illegal Russian occupation of Crimea and subsequent invasion of eastern Ukraine. The U.S. should continue to work closely with the EU and member states to ensure that the Minsk II deal is fully implemented.

Russia has also sought to erode support for EU institutions by funding anti-EU political parties, think tanks, NGOs and media voices, using the very strengths of Europe's democratic societies—free press, civil society and open debate—against it. The EU and U.S. should work together on affirmative messaging that clearly and unequivocally states our shared values.

All of these issues matter greatly to the United States. Our partnership with the EU has afforded us the possibility of addressing some of the most challenging issues—this partnership has made us safer and stronger. We also draw great economic benefit from a stable EU—the union is our largest trading partner and our economies benefit citizens on both sides of the Atlantic. But this partnership only works if the EU's institutions are vibrant and able to respond to the challenges before it.

In 2012, the Nobel Peace prize was awarded in recognition of the EU's central role in providing stability in Europe. This sentiment holds true today even as pressure on the union grows. Across the ocean in the U.S., we should stand in solidarity with our friends in Europe and the democratic principles they embrace. Never before has the EU been so challenged or our alliance so valuable. We must bolster our ties and renew our commitment to a robust transatlantic relationship.

Senator CARDIN. And we both agree that we need a unified, stable, strong EU—that is important to the United States—an EU that can speak out and take action on our common values of democracy, rule of law, respect for human rights, economic prosperity, peace and security. And these are extremely challenging times.

I think, first, on the challenge to Europe is how they are dealing with the refugee and migrant issue. In 2015, an estimated 1 million refugees came out of Syria into Europe. That is a huge number that they are dealing with on refugees and migrants. And we are seeing some activities that are inconsistent with the traditions that we all support, where we see expulsion of asylum-seekers in Finland and Sweden; where we see Turkey being declared to be a safe third country so that they can ferry back from Greece to Turkey, those who have risked their lives to get out of Turkey into Greece; and where refugees' assets are being seized in Denmark; to the EU working out a financial arrangement with Turkey in an effort to try to keep the refugees in Turkey; the challenge to the free and open borders between the countries of the EU; the failure to share information in a timely way because of other considerations. All that adds to the challenges we have with the EU today on the refugee crisis. And then the threat of domestic terrorism and foreign fighters that the Chairman mentioned. That is a real risk in Europe today; nationalist trends—questioning the democratic values, including some of our NATO allies in actions that we have seen in their government.

And, of course, the greatest challenge, looking forward, is Russia and Russia's influence as we see the challenge in Ukraine today. There is no progress being made on Crimea annexation. And Minsk II has been stuck for a long time, and the prospects of implementing that in the way it was intended is unclear. And, of course, we could also talk about Georgia and Moldova as to the frozen conflicts with Russia.

So, Russia has also sought to erode support for EU institutions by funding anti-EU political parties, think tanks, NGOs, and media voices. Russia is using the very strengths of Europe's democratic society—free press, civil society, and open debate—against it. The answer is not counterpropaganda, but the EU and U.S. should work together to clearly and unequivocally state our shared values.

I also want to acknowledge the concern about the U.K. remaining in the EU. And that is, certainly, of great interest to the United States. Also of concern are the financial struggles of the EU, particularly as we saw with Greece still not being totally resolved.

So, Mr. Chairman, we have a lot of issues in regards to carrying out a strong, stable Europe that has shared our values.

I do want to acknowledge the two witnesses and make an apology. I need to leave for a few moments, but I will be returning shortly.

I know, Mr. Wilson, your dad is here. We very much appreciate you bringing your father with you. I understand he is a frequent visitor to our committee, so he just happened to be walking past the same committee that you are appearing in.

But, I thank both of our witnesses for being here today.

The CHAIRMAN. Thank you.

With that, our first witness is Mr. Damon Wilson, as has been mentioned, Executive Vice President to—at The Atlantic Council, where he specializes in Eurozone, NATO, and Transatlantic Relations. Mr. Wilson is a former Special Assistant to the President and Senior Director for European Affairs at the National Security Council. And Mr. Wilson, sitting behind him, if he needs any correct, please interject as he is making his presentation. [Laughter.]

The CHAIRMAN. Our second witness today is Ms. Julianne Smith, the Director of Strategy and Statecraft Program at the Center for a New American Security. Ms. Smith previously served as Deputy National Security Advisor to the Vice President of the United States.

We welcome you both. If you would present in the order I just introduced you, I would appreciate it. I think you know your written testimony, without objection, will be entered into the record. If you could summarize in about 5 minutes, that would be appreciated, and then we will be glad to ask questions.

So, with that, Mr. Wilson. Thank you.

STATEMENT OF DAMON WILSON, EXECUTIVE VICE PRESIDENT, THE ATLANTIC COUNCIL, WASHINGTON, DC

Mr. WILSON. Thank you very much, Chairman Corker. And thank you, Senator Murphy, for being here.

I also want to just start by saying I very much agree with the sentiments in your opening remarks that you and Senator Cardin made. Europe is in crisis. The continent faces a—actually, a confluence of crises that is far more profound than most realize. And, as a result, the United States risks losing its most important strategic asset in foreign affairs, which is a vibrant Europe as a partner of first resort.

I think right now is a time for the United States to shift from being an observer to an actor and return to the historic posture that we have played in helping to foster and forge European unity,

not for the sake of some vision just of a united Europe, but so that we have a European partner that is better equipped to work with us on the enormous global challenges.

It is clear that today Europe is facing historic tests. To its east, Russia seeks to roll back the gains of the post-Cold War period, aiming to rewrite the rules fundamental to Europe's security, undermine Europe's unity, its core values, and foster instability on its periphery. And, to the south, the erosion of state authority and borders in the Middle East threatens Europe with mass refugee flows and Islamic terrorism.

But, the greatest challenge to Europe is not external, it is internal. There is a crisis in confidence, a loss of a sense of strategic purposes, if you will, that puts at risk the so-called European Project, this idea that you could turn former adversaries into an integrated union. This greater integration has failed to restore growth and foster innovation, create jobs. European publics and leaders are questioning the fundamental political bargain that underpins the EU.

Essentially, we have centrifugal forces pulling the European Union apart, and we see EU leaders stumbling from crisis to crisis. They reach short-term agreements, but they are essentially failing to address the long-term challenges. And, as a result, now we see the Union, itself, in question. As you mentioned, the U.K. may turn its back on the EU this year, depriving us of a critical voice in shaping the future of Europe. Such decisions may prompt Scotland to dissolve the United Kingdom. And these could fuel more separatist efforts across the continents, opening the prospects of other states leaving the EU. And, at a minimum, we know that the Brexit debate will occupy Europe's political attention span for the year.

So, we see these challenges—a stagnating France unable to rally Europe around counterterrorism policy, a German style of leadership that just might be too cautious in this environment—we see populism and nationalism rearing their ugly heads in central and eastern Europe, and our Mediterranean allies mired in low growth.

There is a historic transition taking place whose outcome is uncertain and implications little understood, but the stakes for us are enormous, because the EU is the largest economy, foreign assistance donor, carries enormous political weight, and it is the most interoperable and deployable of the militaries among our partners. So, Europe's internal challenges have now become, I think, a critical strategic problem for us. And we risk losing Europe, lost in the politics of the parochial, as our most militarily capable, political willing, and financially able, like-minded partner.

But, I think this actually presents us with an opportunity to reengage. After all, it was the two devastating world wars that taught the Americans the costs of remaining aloof. So, I think our goal today should be a little bit bigger than what we are thinking about. How should we help restore a sense of the Atlantic community's confidence, competitiveness, capacity, and will to act at home and abroad? And I think there is a path to do this.

And first, it is about how we gain our role in fostering European unity. The European Project was an American project. We do not simply return to the past Cold War-era tactics. The EU is far more

complex and savvy. But, it does begin with us helping to be clear on things like the United Kingdom—making it clear the United Kingdom without a voice in Europe is a United Kingdom that risks losing its relevance. In turn, a Brussels that does not reform in response to Prime Minister Cameron's demands risks itself losing the legitimacy in a way that is not going to be—overcome some of the biggest obstacles it faces. And, for our own policy, while we have problems, we need to engage, not isolate, certain leaders, trying to anchor them with a political and moral tether while making it clear that there is no space for illiberal democracies within our community.

It is clear, to get this right, you cannot do it without growth. Growth is a strategic imperative. This is why I think our objective of an ambitious trade and investment partnership is so critical to help unleash innovation and entrepreneurship, linked with what we are trying to do on the Transpacific Partnership. And it is why the current debate on digital and privacy matters, because it remains a question whether this will be a driver for growth in Europe or whether Europe will opt out.

Third, we have to take bold steps to bolster the NATO alliance, and ensure it is strong and central to our national security policy. Yesterday, Secretaries Ash—Secretary Ash's announcement went a long way in this direction. This means adopting deterrent policies, including significant combat forces in NATO's eastern flank, building the deterrent capability of our eastern allies and partners, and working to push Germany to take on a greater defense role. It is clear that we need a stronger European pillar within the alliance, but we will not achieve that by ceding leadership of the alliance or passing the baton to the EU.

And fourth, the United States has to lead Europe in forging a strategy for Europe's east. Europe faces a fundamental security challenge from Russia. The EU is ill-equipped to handle it alone. It has held together remarkably well on sanctions. But, we do not have a comprehensive strategy that is going to avoid allowing Russia to hold Europe's neighbors in the east hostage with frozen conflicts and occupied territories. At the same time, we need to be working more decisively to eliminate avenues for Moscow to influence our allies through corruption or energy.

And finally is Europe's southern challenge, which is equally our own. We have been a central actor in these crises. We carry some responsibility to work with Europe to respond. That means, obviously, a more decisive approach to the crises themselves, a military commitment sustained in Afghanistan, and also ways to look at how we can rally Europe on counterterrorism, intelligence-sharing, and a capability-building initiative with partners in North Africa and the Middle East. There is also a space for more moral leadership from the United States by how we welcome refugees from the region, and how we protect programs like the Visa Waiver Program, which actually are an engine—economic engine for us.

To close, it is only the United States right now in this debate that can really give—rally the transatlantic community towards a greater purpose. We either come together to shape this future, or we can cede this role to less benevolent actors. It was Europe and North America that helped build the liberal international order

that brought so much prosperity and security to so many people, but we see inward-looking trends on both sides of the Atlantic that, if left unchallenged, can undermine this. I think there is time and a specific recipe for a new, savvy era of U.S. leadership to help adapt and revitalize this order. It is clear that if we face these challenges with a Europe in disarray in the coming years, it is going to be far more difficult. But, we can play that galvanizing role. It is kind of like in politics today. You think you need to begin by rallying our base. And Europe is our base.

Thank you.

[Damon Wilson's Prepared Statement follows:]

PREPARED STATEMENT OF DAMON M. WILSON

Chairman Corker, Ranking Member Cardin, members of the committee, Europe is in crisis.

In fact, Europe faces a confluence of crises far more profound than most Americans realize. As a result, the United States risks losing its most important strategic asset in global affairs: a vibrant Europe as a partner of first resort. It's time for the United States to shift from observer to actor, and return to our historic posture of helping to forge European unity—not for the sake of some vision of a united Europe, but so that we have a European partner better equipped to work with us on enormous global challenges.

Today, Europe faces historic tests from its east and its south. To the east, Russia seeks to roll back the gains of the post-Cold War period, aiming to rewrite the rules fundamental to Europe's security, undermine Europe's unity, challenge its core values, and foster instability on its periphery. To the south, the erosion of state authority and borders in the Middle East threatens Europe with mass refugee flows and Islamic terrorism.

And yet the greatest challenge to Europe is not external, but internal. There is a crisis in confidence and a loss of strategic purpose that puts at risk the so-called European project—turning former adversaries into an integrated European Union. Greater integration has failed to restore growth, foster innovation, and create jobs. European publics and leaders question the fundamental political bargains underpinning the European Union. There is a dearth of vision or leadership which only accelerates the erosion of solidarity across the continent, while fueling skepticism toward bureaucratic Brussels and the rise of anti-establishment forces in member states. Historic migration flows compounded by demographic shifts will permanently alter the character of Europe, and the political fallout has only just begun.

Centrifugal forces are pulling Europe apart, as the European Union and its leaders stumble from crisis to crisis. While they often reach short-term agreements, they fail to address more profound, long-term challenges. Today's leaders have not been able to offer the vision and sense of purpose that their predecessors articulated and which gave birth to the Union—through unity, a ravaged population could find peace and prosperity. That formula no longer resonates with reality.

As a result, the Union itself is in question. The United Kingdom may turn its back on the European Union this year, depriving us of a critical voice in shaping not only EU policy, but the future of Europe. Such a decision by London may prompt Scotland to dissolve the United Kingdom, ending the "special relationship" as we know it. These moves could fuel separatist efforts in Catalonia and Wallonia, while opening the prospect of other states leaving the Union. At a minimum, the "Brexit" debate will occupy Europe's political attention span for much of this year.

A stagnating France is struggling to rally Europe around a common counterterrorism policy in the wake of the Paris attacks, much less play its traditional role as an engine of European integration. An ever more powerful Germany and its Chancellor remain perhaps too cautious in their leadership at such a turbulent time. After years of feeling marginalized, populism and nationalism are beginning to rear their ugly head in some of our closest allies in Central Europe. And our Mediterranean allies continue to grapple with the corrosive impact of long-term youth unemployment and slow growth.

Europe is in the midst of an historic transition whose outcome is uncertain and implications little understood. At the same time, American opinion is increasingly ambivalent at best and dismissive at worst of Europe. And yet the stakes for the United States in what sort of Union the EU becomes are enormous.

North America and Europe shaped the post-World War II liberal international order, and when acting together were the most effective force for good globally. We forged a Europe whole, free, and at peace in the post-Cold War with the promise of a Europe as a strong partner of the United States on the global stage. In fact, Europe became the world's largest economy and foreign assistance donor, carries significant political throw weight, and provides the most interoperable and deployable militaries among our allies and partners.

However, Europe's internal challenges have now become a critical strategic problem for us. We risk losing Europe as our most militarily capable, political willing, and financially able like-minded partner to advance common interests and shared values. In short, the United States risks losing it closest partner. Without Europe, the challenges we face will be more difficult and the likelihood of our success will be lower.

The European Union is not headed toward an "ever closer union" that would lead to a so-called United States of Europe. Nor is the European Union on its deathbed; the bureaucracies underpinning the Union often solve problems nations cannot tackle alone and have a tendency to self-perpetuate. There is a compelling need for an integrated single market, a prospect that remains unfulfilled. The European Union is more likely to be pulled during the coming years between political forces that demand the primacy of national sovereignty and the renationalization of some functions, and others who argue that the nature of the challenges facing Europe, whether migrants or productivity, require Union-wide policies. The risk is that Europe remains mired in the politics of the parochial, and becomes a less strategic actor on the global stage.

As Europe's future is in play, the United States has an opportunity to re-engage. As French columnist Natalie Nougayrède wrote in The Guardian recently, "It's not that U.S. action in itself would miraculously solve all these problems, but its aloofness has arguably contributed to making them worse." After all, two devastating World Wars taught Americans the costs of remaining aloof to developments in Europe. Indeed, the United States fought in World War II not only to defeat the Nazi menace, but to help Europe emerge from war in a way that would never force the United States to fight again in Europe. After 45 years of Cold War, we forged a bipartisan U.S. policy to fulfill our national aims, and had a remarkably successful 25-year run advancing a Europe whole, free, and at peace. But as challenges grew around the globe, we turned our attention elsewhere and assumed our role in Europe was complete.

Today's events make clear that's not the case.

Our goal today should be to help restore the Atlantic community's confidence, competitiveness, capacity, and will to act at home and abroad. To achieve this, we can start with several steps.

First, we must shift from observer to actor, and regain our historic role of fostering European unity. The European project began as an American project. That said, we cannot simply return to Cold War-era tactics, and we must recognize that the European Union is far more politically mature and sophisticated. But with political leadership and nuanced diplomacy, we can play an important role in shaping Europe's evolution.

This begins with making it clear that a United Kingdom without a voice shaping Europe is a United Kingdom that risks losing its relevance in the world. In turn, however, a Brussels that doesn't reform itself to gain more legitimacy among the people of Europe will never have the capacity to overcome its biggest hurdles. At the same time, we must engage—not isolate—certain allied leaders, providing them a political and moral tether, and make clear there is no space for illiberal democracies within our community.

Without restoring economic growth, Europe will not regain its confidence. Nor will it significantly increase its investment in defense. So restoring growth is a strategic imperative. Our objective should be to negotiate an ambitious Transatlantic Trade and Investment Partnership (TTIP) agreement to help create a transatlantic marketplace based on high regulatory standards that help unleash innovation, entrepreneurship, and competition. Such an agreement, along with the Trans-Pacific Partnership (TPP), will help ensure that the leading free markets of the world set the global standards.

Third, we must take bold steps to bolster NATO ensuring our alliance is strong and restoring its centrality to our national security policy. Secretary Ash's announcement yesterday is a major step in this direction. This means adopting policies and postures that deter Russia, including positioning significant combat forces in NATO's eastern flank. We should help build the deterrent capability of our eastern allies and partners, including Ukraine, and cooperate with the United Kingdom,

France, and Italy in particular to sustain their military prowess. We should encourage Germany to continue to assume much greater defense responsibilities.

As we commit to Europe's defense, our European allies must step up their own defense investments. We need a stronger European pillar of the Alliance, but we won't achieve that by ceding leadership of the Alliance or passing the baton to the European Union on security matters.

Fourth, the United States must lead Europe in forging a strategy toward Europe's east. Europe faces a fundamental security challenge from Russia, which the European Union is ill-equipped to manage alone—consider the unsatisfactory results in Georgia or Ukraine. The transatlantic community has held together remarkably well on sanctions, but we don't have a comprehensive strategy to avoid allowing Russia to hold Europe's neighbors in the east hostage with frozen conflicts and occupied territories.

Our effort should begin with a redoubled, coordinated effort to help Ukraine, Georgia, and Moldova succeed in their transformations at home, deepen the resilience of their societies, and advance their integration into our community and its institutions. At the same time, we should work with Brussels to more decisively eliminate avenues for Moscow to intimidate or influence European nations using energy or corruption. As Russia continues to erode the security architecture and undermine arms control agreements that served Europe so well, we should focus any dialogue with Moscow on ensuring greater transparency and predictability.

Fifth, Europe's southern challenge is equally our own. Instability in Iraq, Syria, Afghanistan, and Libya has helped fuel the historic migration and terrorism threat Europe faces today. In turn, this migration has reversed one of the European Union's greatest achievements of opening borders across its members, and triggered beggar-thy-neighbor responses from governments, further undermining any sense of solidarity within the European Union. The United States has been a central actor in these crises, and as such, carries some responsibility not only to address the sources of the conflict themselves, but to assist Europe in responding to the refugee crisis.

The first step is a more decisive approach to Syria, Iraq, and Libya, as well as a continued military commitment to Afghanistan. But we could also lead in this crisis by joining with Europe on a deeper counterterrorism and intelligence-sharing partnership, and, with Europe, engage cooperative partners in the region on a major capacity building initiative. The United States could also demonstrate moral leadership by being more generous in welcoming refugees from the region's conflicts and avoiding reactionary policies that could curtail too severely programs like the Visa Waiver Program, which undergirds the ties among our societies.

Finally, only the United States can rally the transatlantic community toward a greater purpose: we either come together to shape the future or cede this role to less benevolent actors or chaos.

These aspirations are not unachievable. Together, North America and Europe laid the foundation for an international order that offered the prospect of security, prosperity, and freedom for so many around the globe. However, inward-looking political trends on both sides of the Atlantic, if left unchallenged, will erode our key institutions—the European Union and NATO in particular, but also the International Monetary Fund and the World Bank—and allow the global agenda to be set by our detractors. But a new era of U.S. leadership can lead an effort to help adapt, revitalize, and defend an international order which advances security, democratic governance, and prosperity rooted in the rule of law.

The Middle East and North Africa are urgent. Asia is strategic. Latin America offers new opportunities. But if we have to face enormous challenges in the coming years with Europe in disarray, our task becomes even more difficult. If we make a concerted effort now to bolster our closest partner, the United States can play a galvanizing role involving others on so many issues rather than face them alone.

Just as you would in politics, let's start by rallying our base. Thank you.

The CHAIRMAN. Thank you.

Ms. Smith.

STATEMENT OF JULIANNE SMITH, SENIOR FELLOW AND DIRECTOR OF THE STRATEGY AND STATECRAFT PROGRAM, CENTER FOR A NEW AMERICAN SECURITY, WASHINGTON, D.C.

Ms. SMITH. Chairman Corker, thank you very much for the opportunity to testify today. It is my pleasure to be here.

And I agree, in large part, with what Damon just presented. I do believe that the EU is in crisis, and I do believe that it is at risk of unraveling.

Given all of the challenges that the EU faces right now, whether we are talking about the migration crisis, which stands to alter the face of Europe for years to come, or the counterterrorism challenges from the foreign fighters that are traveling to Syria and that may return to European soil, or the homegrown terrorist threat that exists on Europe's territory, to resurgent Russia, to the rise of anti-EU political parties and the potential exit of the United Kingdom, to the weak economies all across Europe, we are now finding that Europeans are starting to ask some very hard questions about the viability of the EU as an institution.

Within the EU itself, we have a number of EU officials that are asking questions about the EU's vitality as its aging structures try to deal with a number of geostrategic surprises. In national capitals across Europe, we are finding that member states are starting to question EU solidarity as calls for help fall on deaf ears. And in the streets of Europe, we find European citizens questioning the value of an institution that they believe is unresponsive to their needs.

I believe that America has a vested interest in helping preserve this European Project. And I say that for a couple of reasons. First and foremost, the United States was not a founding member of the European Union, but, through the European Recovery Plan—the Marshall Plan, as it is more famously called—we were able to help rebuild Europe after the war and restore its confidence and make it more prosperous. Since then, the United States has had a very strong interest in supporting the EU and seeing it succeed.

Second, I would note that the EU–U.S. is actually the backbone—the EU–U.S. relationship is actually the backbone of the western alliance. And I think a fractured or divided European Union weakens it, and it emboldens our adversaries at a time when they are challenging us from all sides.

Third, the European Union plays a critical role in the U.S. foreign policy agenda. I think some like to sometimes joke about how the EU has a preference for dialogue over action. But, in reality, the EU brings international legitimacy, clout, skilled diplomacy, and real capabilities. And they have been instrumental in helping the United States on a number of challenges in recent months, whether we are talking about the Iran nuclear deal or helping the people of Ukraine or layering on sanctions against a resurgent Russia, or a very—a variety of counterterrorism measures. In short, I think when we talk about the European Union, we have to admit that, in this case, the whole is, indeed, greater than the sum of its parts.

I would also note that a weak or distracted Europe or EU removes a critical carrot that we have relied on for countries that are not yet members of the European Union, and we have used, together, that carrot to integrate these countries into Western institutions, like the countries in central and eastern Europe some time ago.

I would also state, as was mentioned earlier, that the EU, of course, sits at the heart of the global economy. The EU–U.S. trade

relationship is the largest in the world. And I think a collapse of either the Euro or the EU would have severe ramifications for the global economy, for the value of the dollar, and for U.S. employment.

As a result, I think the U.S. does need to work to—with Europe to try and strengthen and prop up this institution at is—as its facing a seemingly intractable list of challenges, but I also think we have to be clear-eyed about the degree to which the United States can help Europe shape the EU's future.

That said, I think there are a few things that we can do in the short and medium term, and I have outlined those in my testimony today, things such as assisting Europe with a migration crisis, which, frankly, I think is going to get a lot worse this spring, in no small part thanks to Russia's role in the conflict in Syria. I think we need to energize and redesign the EU–U.S. relationship, which has atrophied in recent years. I also think we need to press our friends in London not to exit the EU, because it would issue a devastating blow to this institution. And lastly, I do think we need to, in the medium term, try and focus on delivering on TTIP, the Transatlantic Trade and Investment Partnership.

In this environment that we are in right now, this extremely complex security environment with so many challenges coming at us each and every day, I think it is easy to stay focused and get absorbed with what we are fighting. But, I think we also cannot afford to lose sight of what we must fight to preserve. And finding ways to harness U.S. leadership to ensure that the European Union does not collapse needs to be a top U.S. priority.

Thank you.

[Julianne Smith's prepared statement follows:]

PREPARED STATEMENT OF JULIANNE SMITH

The European Union (EU) has long been a symbol of peace, prosperity, and unity. But today, in the face of an array of complex external threats (a historic migration crisis, the threat of terrorism, and a resurgent Russia) as well as internal challenges (the rise of right wing parties, the potential exit of one of its largest members, weak economies, and a loss of faith in the institution as a whole), the EU is at risk of unraveling. Within the EU, officials are questioning the organization's future as its aging structures struggle to keep pace with and respond to what feels like a never ending series of geostrategic surprises. In national capitals, EU member states are questioning EU solidarity as countries fail to answer others' calls for assistance. And in the streets of Europe, European citizens are questioning the value and vitality of an institution that they increasingly see as unaccountable and unresponsive to their needs. That America has a vested interest in saving the European project it has long supported goes without saying. The real question is what to do about it. Broadly, the United States needs to reinvigorate and reinvest in the EU-U.S. relationship, which has atrophied in recent years. More specifically, the United States will have to do more to help alleviate some of the external and internal challenges plaguing the EU, most notably in regards to the migration crisis. As a country that is not a member, the United States faces limitations in what it can do. But given the stakes, the United States cannot afford indifference. A weak, fractured or failed EU would have devastating consequences for the United States, the global economy, and the wider region.

Europe's External Threat Environment

After several years of relative stability in its immediate neighborhood, the EU now finds itself addressing a number of compounding security threats. Looking to Europe's south and southeast, one finds a region brimming with weak, failing or failed states that threaten the European continent with instability, migration flows, and terrorism. Syria, the most tragic case and most consequential for Europe, has been engaged in a brutal civil war for five years. In addition to leaving more than

250,000 dead and 6.5 million internally displaced, the war has left large swaths of the country ungoverned, creating the ideal operating space for radical terrorist groups like the Islamic State and Al-Qaeda. The developments in Syria have created two separate but interlinked challenges for the EU.

The first is a transformative migration crisis on a scale not seen since the 1960s when several Western European countries invited "guest workers" to address the labor shortage following World War II. Last year approximately a million refugees arrived on Europe's shores. The EU estimates that another two million will arrive by the end of 2017.[1] Not all of the refugees that arrived in Europe last year were from Syria but the conflict there continues to be the greatest driver.[2] EU officials, trying to strike a positive note and reassure an anxious public, stress how, if integrated into the workforce, the refugees will boost the EU's economic output. But the reality on the ground looks much darker. Countries are erecting border controls and razor-wire fences, which might lead to the dissolution of the "Schengen Agreement" allowing for passport free travel throughout 26 of the EU's 28 countries. Pleas from Germany (the country that has taken in the highest number of refugees) to "Europeanize" the problem and share the burden have fallen on deaf ears.[3] Tensions between city leaders and federal officials continue to rise as cities reach maximum capacity at temporary shelters and conclude that most of the refugees aren't a good fit for economies seeking high skilled workers.[4] And European efforts to get Turkey to disrupt the people-smuggling networks that are bringing many of the refugees to Europe have largely gone nowhere. For the EU, this crisis has been devastating, raising questions about solidarity among member states and fueling anti-EU and anti-immigration sentiment across the entire continent.

Beyond the migration crisis that stands to alter the face of Europe for generations to come, the conflict in Syria poses a very serious national security risk for Europe. Thousands of European nationals—estimates range between four and six thousand—have traveled to Syria to join the fight, often alongside the Islamic State.[5] Despite an array of counter radicalization efforts across Europe, those numbers are growing.[6] In fact, Syria attracts foreign fighters faster than in any past conflict, including the Afghan war in the 1980s or Iraq after the Americans invaded in 2003.[7] EU officials' chief concern is the ease with which these fighters could return home to Europe and attack European citizens. In May of 2014, one such foreign fighter, Mehdi Nemmouche, did just that. After a year fighting in Syria with Islamic State-linked militants, he returned to Europe and killed four people in Belgium's Jewish Museum in Brussels.[8] Several other alleged terrorist plots linked to returnees have been foiled.

As the Paris attacks in November of 2015 proved, an equally worrisome—if not greater—terrorist threat stems from homegrown terrorists—European nationals that are radicalized from within Europe, sometimes without ever travelling to Syria or other terrorist hotbeds. Some of these jihadists have direct links to groups like the Islamic State. Others are simply inspired by the group's ideology. Both groups have been able to capitalize on a national security system that was built and designed for another era and that values freedom of movement and freedom of expression. The Paris attacks revealed a number of weaknesses in member states' national counterterrorism capabilities. But they also revealed several EU shortcomings in the areas of border security, intelligence sharing, and the collection of data from the movement of people across borderless Europe. With many fearing that another large-scale attack is all but inevitable, the EU is under enormous pressure to show that it has the capacity and resources to protect European citizens.

To Europe's East, the biggest threat stems from Russia, a country that the West spent some 20 years courting and carefully integrating into Western institutions and structures. The hope behind all of those cooperative efforts and what they might deliver in the future faded to black in 2012 when Putin returned to his position as President, a post he formerly held from 2000 to 2008. Since then, President Putin

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[1] Directorate-General for Economic and Financial Affairs, "European Economic Forecast," *European Commission* (Autumn 2015)

[2] "Migrant crisis: Migration to Europe explained in graphics," *BBC News* (January 2016)

[3] Ibid.

[4] "An Ill Wind," *The Economist* (January 2016)

[5] Paul Gonzales, "Vera Jourova : 'Près de 6000 Européens sont partis faire le djihad'", *Le Figaro* (April 2015)

[6] Kristin Archik, Christopher M. Blanchard, Carla E. Humud, Derek E. Mix, "European Fighters in Syria and Iraq: Assessments, Responses, and Issues for the United States," *Congressional Research Service* (April 2015)

[7] "It Aint Half Hot Here, Mum," *The Economist* (August 2014)

[8] Charles Lister, "Returning Foreign Fighters: Criminalization or Reintegration?" *The Brookings Institution* (2015)

has rolled back democratic reforms at home, used force to illegally seize the territory of neighboring states, violated international norms, and used economic coercion to advance his agenda. In response, the United States and Europe have issued sanctions and isolated Russia internationally. But even though Putin himself recently stated that the sanctions were "severely harming" the Russian economy, his aggression abroad and authoritarianism at home show no signs of slowing.[9] Still frail from the economic crisis of 2008, the 28 countries that make up the EU are now struggling to find the best way to deter Russian aggression without weakening their own economies. Many of them also want to avoid damaging the critical energy ties to Moscow on which they still rely. Increasingly, EU member states are divided about the degree to which the West should engage Moscow, with views varying depending on geography and historical relationships. With Putin likely to remain in office at least until 2024, this challenge threatens to divide Europe for years to come.

Any one of these three external challenges—the migration crisis, the terrorism threat, and Russia—would be enough to test the limits of EU solidarity and capacity. Taken together, though, they are nearly intractable and expose deep differences in approach and urgency among EU member states. Understandably, the countries in Europe's south are more consumed with the migration crisis and the instability in North Africa and the Middle East. Conversely, the countries in Central and Eastern Europe question the degree to which wider Europe cares about their security and whether in an actual crisis with Russia its European neighbors to the West would do much about it. The end result has been an alarming fracturing of EU solidarity, policy paralysis, and inaction, which in turn is exacerbating a number of internal crises.

Challenges from Within

The EU's struggle to respond to the challenges outlined above has only compounded the existing loss of faith in the institution as a whole. The message citizens take away from these challenges is that the EU can neither defend its borders nor protect its citizens. Citizens then pair those messages with the conclusion many of them reached long ago that the economic stagnation they face at home is rooted in Brussels' overreach. Having failed to solve the structural problems associated with the 2008 financial crisis and facing high public debt, the EU is not seen as a credible guarantor of European economic policy. Europe's growth in 2015 was just 1.6 percent in the euro area and 1.9 percent in the broader EU (mainly due to a stronger performance by the United Kingdom and Poland).[10] It is likely that growth across the EU will remain anemic. Excessive regulation, weak protection of property rights, heavy taxation, generous welfare systems and inefficient bureaucracies at the national and supranational levels will continue to stifle much-needed entrepreneurship and long-term investment. In addition to these issues, the viability of the euro remains an open question.

Europe's underperforming economies, questions about the EU's democratic legitimacy, and concern about threats from abroad, particularly refugees, are triggering a backlash against Brussels, one that is, as my CNAS colleague Robert Kaplan describes, "finding powerful expression in domestic politics." Europe has witnessed a notable rise in anti-EU, anti-immigration, anti-austerity parties in recent years, which is rooted in large part by the public's growing disaffection with globalization. One of the better known examples is the National Front in France, which gained 28 percent of the vote in the first round of last December's regional elections. (In the second round, the right and left united to keep Marine Le Pen's party out of power but polls in 2014 showed that she could beat Hollande in a second round run off in 2017.)[11] Similar trends can be found in virtually every corner of Europe. Sweden has its Swedish Democrats, The Netherlands has the Dutch Party for Freedom, and last October, Poland's opposition Law and Justice party, another hard-line, euro-skeptic party, won parliamentary elections. And of course, the infamous Viktor Orban, Hungary's Prime Minister, with his contempt for much of what the EU stands for, will remain in power at least through 2018.

For the United Kingdom, the uptick in anti-EU sentiment, stands to do far more than shift the balance of domestic politics at home. It could very well issue a fatal blow to the UK's relationship with the EU. British Prime Minister David Cameron promised to hold a referendum on EU membership before the end of 2017 if the To-

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[9] Robin Emmott, "Sanctions Impact on Russia to be Longer Term, US says," *Reuters* (January 12, 2016)

[10] Enrico Colombatto, "Global Trends: Europe's Weak Spots Ready to Become New Crises," *Austrian Economics Center* (January 2016)

[11] Hugh Carnegy, "Poll Shows Le Pen beating Hollande in presidential run-off," *The Financial Times* (September 2014)

ries won reelection in 2015. In the wake of that Tory victory last spring, Britain's actual exit from the EU ("Brexit") seemed remote. But the polls have narrowed in recent months due to the migration crisis and Europe's weak economic performance. Cameron is now promising to reform his country's relationship with the EU in advance of the vote. But his efforts to allow Britain to delay benefits to newly arrived migrants or secure recognition that the euro is not the only recognized currency of the EU have not gotten very far.[12] While no one knows when the actual referendum will take place, British policymakers as well as Brussels bureaucrats are genuinely worried that a "Brexit" may indeed occur. America should worry too.

Implications for U.S. Foreign Policy

Will the European Union collapse under the weight of such a long list of seemingly intractable internal and external challenges? We don't know. What we can predict with relative certainty is that even if the EU remains in tact, its ability to shape events in and outside Europe will likely be weakened in the coming years. Either one of these scenarios—a complete unraveling of the EU or an exceedingly weak EU—spells trouble for the United States. The EU, after all, was an American project of sorts. The United States obviously wasn't a founding member but its European Recovery Program—more famously known as the Marshall Plan—helped rebuild Europe after the war, restore its confidence, and make it prosperous once again. Between 1948 and 1952, Europe's economies grew at an unprecedented rate, and the development of the coal and steel industries helped shape the EU we know today.[13] Since then, the United States has had a strong interest in seeing the EU succeed and grow.

For decades, the EU-U.S. relationship—along with the NATO Alliance—has served as the backbone of the Western Alliance. A fractured or divided EU would weaken that critical alliance and embolden our adversaries at a time when multiple actors around the world are challenging our resolve and unity.

President Putin is already doing everything he can to capitalize on and fuel the rise of anti-EU sentiment across Europe with the goal of dividing Europe and driving a wedge between the United States and Europe.[14] Preventing the further weakening or complete fracturing of the EU is therefore in America's national interest.

Historically, the EU has played a critical role in the U.S. foreign policy agenda. A weakened or failed EU would result in the loss of one of America's most reliable and closest partners. Americans sometimes joke about the EU's preference for dialogue over action and its struggle to throw its weight around in the national security realm. But the "whole" of the EU is almost always greater than the sum of its parts. Partnering with the EU brings international legitimacy, clout, skilled diplomacy and real capabilities. The EU has been an indispensable partner in a number of U.S. foreign policy priorities, including, most recently, the Iran nuclear deal, sanctions against Russia, counterterrorism cooperation, and supporting the prosperity and territorial integrity of Ukraine following Russia's illegal annexation of Crimea. Those that assume that a collapse of the EU would benefit the United States by enabling it to focus on only the strongest European partners lack an appreciation of how Europe works. A failed European project would very likely result in a distracted, divided, and discombobulated Europe, unable to focus on the outside world and incapable of making valuable contributions to joint missions with the United States. Today European soldiers are serving alongside the United States in Afghanistan and assisting the United States in the anti-ISIS coalition to name just two examples. Those soldiers are not serving in EU missions but it is hard to imagine countries making such contributions—under any multinational framework—in the face of an EU collapse.

A weak or distracted Europe also spells disaster for countries that fall between Europe and Russia, countries such as Moldova, Georgia and Ukraine. For these countries and for so many in Central and Eastern Europe that are now members of the EU, the prospect of EU membership has been an important way to spur much-needed reform while integrating these countries into Western institutions. Without the "carrot" of EU membership, the United States and Europe would lose one of the most effective tools in security their long repeated goal of a Europe that is "whole, free, and at peace."

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[12] "What Britain Wants From Europe," *BBC News* (January 2016)

[13] The George C. Marshall Foundation, "The History of the Marshall Plan," *GCMF* (December 2015)

[14] Russia's active support for parties on the far left and far right has been well documented. See https://www.wilsoncenter.org/sites/default/files/pc—prezi—wilsoncentre.pdf

Finally, the EU sits at the heart of the global economy. It is comprised of 28 nations but operates as one large market with a total GDP of $18.51 trillion.[15] And, while it may only be home to 7 percent of the world's population, the EU's trade with the rest of the world accounts for about 20 percent of total global exports and imports.[16] An economic collapse would spell disaster not only for the West, but the entire global economy. Ultimately, the negative impact of an economic disaster in Europe would be felt heavily by the United States. The U.S. and EU's bilateral trade relationships is not only the largest in the world, it is also the most complex. In 2015 alone, the U.S. exported almost $251 billion dollars in goods to the EU.[17] The transatlantic relationship also employs up to 15 million workers in mutually "onshored" jobs on both sides of the Atlantic.[18] A collapse of the euro would mean far fewer U.S. opportunities to export goods and services to Europe due to the unaffordability of the dollar. It would also be disastrous for U.S. and European employment. Most troubling, the chance for another economic recession with worldwide consequences, reminiscent of 2008, would loom overhead.

A U.S. Response

The United States must be clear-eyed about the degree to which it can and should shape the future of the European Union because it is not, after all, an actual member. And Europeans themselves will tell you that there are no quick fixes to the countless challenges facing this institution. But the United States needs to make its relationship with Europe a priority and take a number of steps to strengthen Europe's position in the world, alleviate some of the pressure bearing down on Brussels, and enhance the EU-U.S. relationship.

Assist with the Migration Crisis: By far the greatest pressure on the European Union stems from the migration crisis. Just to provide a sense of scale, last year in the month of January, Germany welcomed a total of approximately 2,000 refugees. This January, Germany welcomed approximately 2,000 refugees PER DAY. In fact, January's total refugee count in Germany came to 64,700.[19] This total comes mid-winter when refugee flows are supposedly at their slowest. As Europe prepare a plan to address what will no doubt be a significant surge this spring (thanks in no small part to Russia's role in the Syrian war), it is imperative that the United States do its part. As Harvard Professor Michael Ignatieff stated in a recent report on the subject, "this is more than a humanitarian drama. It is a strategic challenge for the United States."[20] With Europe expected to double or possibly triple the million refugees it accepted in 2015, America should commit to accepting at least another 65,000 refugees. We shouldn't just do this because it would signal strong U.S. leadership and reinforce U.S. values. America should shoulder some of the burden of this historic migration crisis because it is threatening our closest allies in ways that will ultimately threaten the United States.

Energize EU-U.S. links: In recent years, U.S. willingness to join an array of EU-U.S. engagements at all levels—including at the Heads of State level—has waned. In 2010, President Obama decided not to attend the scheduled EU-U.S. Summit, causing the EU to cancel it. Irrespective of the reasoning behind that particular decision, U.S. policymakers along with their European counterparts regularly question the utility of the heavily scripted exchanges that rarely result in the free exchange of ideas. However frustrating such engagements might be, it behooves both partners to now invest in these forums while altering their format. Today's complex security environment demands that our international institutions and forums be agile, flexible, and innovative. Reenergizing EU-U.S. engagements at all levels, including with the U.S. Congress, should be a priority. But carrying on with the traditional, hierarchical formats of the past should not. The EU and the United States should use quarterly and annual engagements to run table top scenarios, conduct forecasting, share intelligence, and foster dialogue with the private sector and NGOs.

Press the United Kingdom to remain a part of the EU: Telling another country what is in their national interest is rarely a good idea. And in this case, the United States publicly urging British citizens to renew their faith in an institution that has failed to address their list of grievances may very well backfire. But senior leaders

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[15] The World Bank, Data on the European Union (2016)

[16] The European Union, About the EU, Facts and Figures, The Economy (January 2016)

[17] The United States Census Bureau, Trade in Goods with European Union (January 2016)

[18] Daniel Hamilton and Joseph P. Quinlan, "The Transatlantic Economy 2015," Center for Transatlantic Relations (2015)

[19] I was given this figure by a senior ranking member of the German Foreign Ministry.

[20] Michael Ignatieff. "The United States and the Syrian Refugee Crisis: A Plan of Action," Prepared for the Holbrooke Forum, American Academy Berlin at the Brookings Institution on February 4–6, 2016.

in United States should stress to their British counterparts the geostrategic risks that a UK departure from the EU would pose. Such a departure would not only issue a crushing blow to the future of the European Union, it could also jeopardize the "special relationship." Post exit, Britain would be subject to "the same tariffs, and other trade-related measures, as China, Brazil, or India," warned Michael Froman, the U.S. Trade Representative. That scenario is neither in the interest of the United Kingdom nor in the interest of the United States.

Get the Transatlantic Trade and Investment Partnership (TTIP) Done: A new trade agreement between Europe and the United States would provide much needed economic growth, position the two sides of the Atlantic to set global standards in a number of sectors, and send a clear message about the U.S. and EU's willingness to open markets in order to more easily facilitate trade and cooperation. It would also breathe fresh life and energy into the transatlantic relationship at a time when the West is worried about its share of global power and the durability of the liberal order. Just as Truman launched an ambitious campaign to educate the American public about the Marshall Plan, Washington and Brussels need to launch their own engagement plan that would answer tough questions, directly engage stakeholders, and counter the anti-TTIP narrative dominating the debate today. This project's value stretches far beyond creating jobs and boosting exports but one would never know that from the way the two sides have been promoting it.

In an environment where global crises seem to erupt almost every month, it is easy to become consumed with what we are fighting—terrorists, land grabs, global pandemics, rogue states, governments that are killing their own people, and interstate war. But as we take on such challenges, we cannot afford to lose sight of what we must fight to preserve. The European Union is a critical component of a liberal order that has benefited the West and the United States in countless ways. Finding ways to harness U.S. leadership to ensure that institution does not collapse therefore needs to be a top priority for the United States.

The CHAIRMAN. Thank you both for your testimony.

Now, Ms. Smith, I apologize for having to step out a moment. It is part of being around here.

Let me ask you both this. I look at Cameron's ask, if you will, of the European Union, and it is hard to discern whether they are real, from a standpoint of substance, or whether he is just looking for something, if you will, to say that he got something, or whether it is all being totally driven by just internal politics. And I would love to have your assessment of what his requests are at this moment, and what is actually driving them and if you sense a real desire on his part just to get something so that, if you will, the debate about the referendum will be different in nature.

Mr. WILSON. Sure, I can take that first.

It is a combination of both. Politics is driving it, and it is built on the backbone of some key issues. His four asks are about the protection of the non-Euro area, the city of London in particular, competition issues within the EU, the sense of an ever-closer union, and benefits restrictions. All of them have merit, particularly in the British debate and expectations about the EU.

I have two concerns, however. Fundamentally, I think the backlash against the EU is its perception as an institution. That is, it has been seen as becoming an overly bureaucratic, intrusive element of life based out of Brussels. What the four asks do not deliver is a fundamental rethink and reform of how the EU actually operates.

But, the second side of this equation is the riskiness of what Prime Minister Cameron has put in play. Whether he gets the degree of concessions on any of these four issues may, at the end of the day, be—I do not want to say irrelevant, but the amount of refugees flowing into Europe the week of the referendum may have more to do with the outcome of that referendum. I think it is a very

risky proposition, as you can see, the fluctuation in how people vote in referendums. The vote could become an alternative substitute for expression of other concerns about what is gripping Europe. And in today's turbulent times with, as you see in Europe, I think it is a very risky proposition that, even if he were to get everything he wants—and I think his European partners who have dragged their feet on this, but will come along—I am not sure that is the fundamental issue that the British people will take to the polls.

The CHAIRMAN. Ms. Smith.

Ms. SMITH. I would just add, when Cameron decided to commit himself to this referendum around the election last year, I think the risk of the folks in the U.K. actually voting to leave the EU was relatively low. The EU and the U.K. have always had a complicated relationship. And, to be sure, there has been a significant debate about the value of the U.K. being inside the EU for quite some time. But, as Damon pointed out, now this is a risky gamble, because the migration crisis has layered on additional complaints and concerns about the EU's ability to protect its citizens and to protect its borders. And when you pair that with just general disaffection about globalization, you have got a dangerous mix, where we are now seeing some polls indicating that this could, in fact, very well happen.

Now, if the EU actually delivers on some of the requests that Cameron has made, to show that he is bringing about reform, maybe we can—they can persuade the U.K. public that this is worth continuing to engage in as an institution. But, again, I am not exactly sure Brussels is ready to go as far as Cameron needs it to go. And I am not exactly sure that the leadership inside London is prepared to press the U.K. public on the geostrategic value of being inside this institution.

I think our role is going to have to be careful—a careful one. If we give a very public bear hug to our friends in London, and stress the importance of the EU, in some cases that can backfire. I think, that said, we can send very important messages to other folks in leadership positions and drive home the point that we view this as a critical decision point, one that would affect the transatlantic relationship, the U.K., and the United States directly.

The CHAIRMAN. On that note, just briefly, I—I know the President is planning to make a pretty big public outreach in this regard. I remember Cameron pushing us on some issues that recently came out. I have got to be honest. It was not received well. It certainly was, by me personally. So, how do you think the people of U.K. will respond to us, at the highest level, embracing this, if you will?

Ms. SMITH. Well, I think, you know, in the words of my former boss, Vice President Biden, it is never in your interest to tell another man what is in his interest. And it presents itself with challenges and, again, can backfire. But, I think, in this case, laying out a geostrategic debate, not trying to lecture the U.K. public, not trying to make the full case of why they need to continue to be part of this institution, but to give a little perspective—they are looking at it very much through a domestic lens, and I think it would not hurt to make a broader debate about the state of the world. We face a resurgent Russia. We face challenges in Europe's south. We

need transatlantic unity right now more than anything. And laying that out for the British public, no doubt, would be helpful. But, again, it has to be perceived in the right light and not be perceived as lecturing.

The CHAIRMAN. Let me ask the—I met with the Secretary General of NATO at the forum I was telling you about earlier. And I guess there are some elements within Europe now that are beginning to look at the European Union having its own security alliance, which—you know, it is interesting. We cannot even get most of the countries to pay their fair share, relative to NATO. As a matter of fact, one of the few countries that is—U.K. just passed a budget that takes them there eventually. Greece, believe it or not, is one of the few countries that is actually contributing at 2 percent. So, all of this that is happening—and you have got the Russian issue that certainly is putting external pressure on the union—but, how are all the—all of these issues affecting, from your perspective, the NATO alliance, itself, which, from a national security standpoint, is obviously very, very important to us and—I hate to be too pejorative, but to them, as consumers of our security services, obviously very important to them, whether they want to acknowledge that, or not—but, what—how are these pressures affecting the NATO alliance, itself?

Mr. WILSON. Excuse me, Senator, I think this is fundamental. When the—in a time right now when the greatest challenge in Europe is from a resurgent Russia and its approach, we need a stronger European pillar on security, but that is going to be sufficient. The Russians will not even take the EU as a serious interlocutor on these issues. So, part of what we are going through—what we are seeing right now—and a lot happening, but insufficient—is a NATO that is relearning actually how to think about defense on the continent. We have lost the muscle movements of doing this. And it has to be U.S.-led, but it has got to galvanize the Europeans. We are seeing that now with a group of countries in the east joining some of the others and moving their defense budgets up. But, the real challenges are, Where is Germany? Where are some of the key laggards, if you will, in the investment.

The CHAIRMAN. Yeah, Germany is at 1 percent, I might add.

Mr. WILSON. Right.

The CHAIRMAN. And, of course, we have, you know, a plethora of NATO and U.S. troops in Germany, which I think makes them feel pretty safe.

Ms. Smith, you want to address that?

Ms. SMITH. Over the years, for quite a long time, we have been hearing about plans for the EU to strengthen its foreign and defense capabilities and policies pretty much since the late 1990s, and we have always had concerns about what it would ultimately do to NATO and what impact it would have

The CHAIRMAN. Yeah.

Ms. SMITH. On the other hand, we have also had times where we have realized we need more capacity. And if it is helpful for European countries to develop that capacity inside EU channels, in essence, we are talking about the same set of troops.

But, the reality is, right now, with an EU that is distracted, divided, resource scarce, I think this is a second-order priority. And, frankly, I do not see the EU making any advances on this front.

It does, however—what is happening inside Brussels —play into the NATO alliance, and it worries me and Damon and others greatly. We talk about this regularly, about how we have a Europe that is distracted by a number of internal crises, and it prevents the alliance, in many ways, from lifting its head and looking out at the challenges to its east and its south. There have been a lot of things done since Russia annexed Crimea, important initiatives by the NATO alliance. But, frankly, when you talk to the folks inside the alliance, you feel the strain, you feel the divides. We have countries in central and eastern Europe that are questioning the Article 5 commitment, worried about solidarity inside NATO and the EU, and really are turning to the United States, in many ways, to deliver, should any crises erupt on NATO territory.

The CHAIRMAN. Thank you both. I know there are numbers of other questions.

Senator Murphy?

Senator MURPHY. Thank you very much, Mr. Chairman.

Good to see you both.

One quick attempt at a counter-narrative, and then a few specific questions.

You can certainly view all of these challenges that we have listed—Russian aggression, the Greek crisis, the migration crisis—as weaknesses within the alliance, but you can also read them as strengths, given the fact that, in each instance, there was an existential threat to the European Union itself, and they have, thus far, adapted and survived all of these crises, which, you can argue, in the lifetime of the alliance, are as big and as tough as they have faced. And so, I do not deny that there is some level of crisis, but you can read the reaction to many of these challenges in an optimistic way just as you can read it in a pessimistic way.

And so, I want to take one of the—one of the, sort of, slow-burning crises, underneath the broader umbrella, that maybe does not get a lot of attention. And I will direct the question to you, Mr. Wilson. And this is the crisis of data-sharing within the European Union and then with the United States.

So, our ability to protect ourselves as a nation with the No Fly List is only as good as the information that is shared within Europe about law enforcement and then shared with the United States. In addition to the importance of law enforcement data, we also have a major outstanding question about how U.S. technology companies are going to be able to do business in Europe with a European court case right now that compromises the relationship that our companies have with European governments.

As you probably know, we have a piece of legislation that is pending on the floor of the Senate right now, the Judicial Redress Act, which the Europeans have said is both a—preconditioned to a new law enforcement agreement, the umbrella agreement, going into effect and is necessary to also work out this question over how U.S. technology companies are going to interact in Europe.

I just wanted to ask your opinion about the importance of this piece of legislation, which is pending on the floor of the Senate

today, but also your assessment of how Europeans are doing amongst themselves in sharing data, especially when it comes to potential terrorism investigations, and how much more pressure we can put on them to populate the records that we share in a more meaningful way.

Mr. WILSON. Thank you, Senator.

On your first point, on the narrative—over the long term I am optimistic. As you think about what is happening with today's complexity, our societies—the United States and Europe—are the most capable of managing dynamism and change. So, this is messy. I think the crises are real. We are slow to galvanize and rally. But, we will move in the right direction. I think this gives us a leg up, if you think globally, and we actually need to be able to understand that we can harness that change and dynamism because of the nature of our open democratic societies. And that is why coming together gives me optimism over the long term.

On the specific issue you raised, the division between the United States and Europe on digital privacy, cyber—first of all, the principle is, that division is very unhelpful. It opens the space for adversaries, and it really creates problems for American firms. So, how do we get aligned? And I think we are moving in that direction. You have seen the recent—the deal that has been announced, and this piece of legislation, the Judicial Redress Act, I think, is part of that. We need to take privacy seriously. It is an engine for economic growth, so we have got to get this right. And we have got national security elements there.

I think that the legislation that is under debate right now provides some of the assurances for privacy protection, and provides the safeguards we need on national security. The movement in the Senate, combined with the negotiations that have just played out, is a way to help bridge this gap and ensure that this does not become a big transatlantic divide, opening space for those that do not share our interests., It remains crucial that we come to an agreement, that is both practical, security-oriented, and political, that allows American companies to compete while still taking privacy seriously and protecting our security interests.

Senator MURPHY. Mr. Chairman, the legislation that I am talking about is out of the Judiciary Committee. It is Senator Hatch's and my legislation, pending on the floor. And I think, as a committee, it would be important for us to weigh in on its passage. It passed the House unanimously, so it is just waiting on us.

Ms. Smith, I wanted to just turn to this new $3.4 billion European Reassurance Initiative that was announced. I am wholeheartedly supportive of it. I think it scratches many of our allies exactly where they itch. But, it worries me in only one respect, which is that, you know, I think we need to have a recognition that military influence is the method of last resort for the Russians, in terms of how they expand their influence in and around the continent. Their preferred means of influence is buying off government officials, extending the reach of their propaganda campaigns, further monopolizing energy trade. And yet, we are not announcing a quadrupling of our assistance for anticorruption programs or energy assistance or anti-propaganda campaigns or economic development assistance for developing nations on the periphery of Russia.

So, maybe talk to me about, sort of, what a right-sized U.S. approach is to countering Russian interference and influence. And am I right that this cannot simply be a question of putting more troops in and around the Russian border? Because, ultimately, that is playing a different game than the Russians are really playing on a daily basis, separate and aside from what they are doing today in places like Ukraine or Georgia.

Ms. SMITH. You are absolutely right, Senator. Russia has very skillfully relied on an array of instruments to show its aggression towards neighbor states, some inside NATO territory, some outside. Obviously, Ukraine, the best case in point. They are relying on strategic communications tools, cyber tools, energy, coercion. They are using every tool in their toolbox. And our response has to equally be a full-spectrum response. We need a plan, and we need resources for the agencies in our government to address some of these other areas.

I fully support what DOD is doing, and I applaud it. I would like to see it become permanent. And I think it is an important part of our deterrence posture to deter the Russians from messing around on NATO territory and further pursuing its aggressive behavior, even in non-NATO member-states territory.

But, all that said, DOD cannot be the only agency crafting a proper response to the threats stemming out of Moscow. And I think you are right to stress not only resources—the importance of resources and new policies and tools being made available in the U.S. Government, but also inside the NATO alliance, inside the EU–U.S. relationship. There are other roles for international institutions to play. NATO is trying to grapple with the cybersecurity threat, but has not made significant progress. We, as the United States, should lead that effort inside the alliance. But, we have to get our house in order here at home and ensure that we are presenting our allies with a full-spectrum response to what Russia is bringing at us right now.

Senator MURPHY. I just think we are playing into their hands if our only response is a major plus-up on military support. That is incredibly important, but it has got to be complemented by other pieces of this puzzle.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Thank you very much.

Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Thank you both for you testimony and your insights.

I wanted to explore with you a concern I have that gives me the sense that we, in many different moments in bilateral contexts, have effectively conceded our position of relative power or strength, vis-a-vis a certain set of circumstances, in order to come to an accommodation. Now, accommodation, in and of itself, is something to aspire to, but it is the nature of the accommodation that is very important.

So, without going through a listing of what those accommodations have taken place that make me concerned, I look at these reports of a negotiation between the United States and Russia, vis-a-vis Ukraine. And my question is, With respect to Ukraine, would

you say that the United States or Russia holds the relative position of strength or power?

Mr. WILSON. Senator, this is an excellent question, because this is the lesson—

Senator MENENDEZ. The only ones I ask. [Laughter.]

Senator MENENDEZ. Well, at least I would like to thank so, but they are not always so good. So, anyhow.

Mr. WILSON. Well, you are hitting at a point that the Russians have internalized. We are uncomfortable with an uncomfortable relationship with Russia. And we—the Russians have watched us, over years of diplomacy in the transatlantic community—negotiate with ourselves when we are in a tight spot with the Russians. If you look at the, frankly, sloppy—but, for an understandable reason—sloppy diplomatic agreements over Georgia or Ukraine—these are negotiated in a crisis, late at night—the Russians have learned that there is not really great stomach in fighting for some of these issues. We are committed to the principles, but do we really want to fight to apply them in some of these messy countries, which are messy? So, I think the accommodation issue that you raise is the red flag we have to watch out for right now. You listen to some of our European allies, some of our counterparts here, and there is an eagerness to figure out, How do we get this right? We may need a dialogue with Russia because of transparency, predictability issues. This is a dangerous set of issues that are unfolding. But, we need to hold firm on some of the core principles: the restoration, ultimately, of Ukraine's national sovereignty and control of its territory. The Russians have the short-term high ground because of facts on the ground. The strategy that Senator Murphy was referring to is why it is so important not to piecemeal it. When you roll out sanctions by themselves, well, that causes some questions in Europe about the costs that we pay. When you roll out military by itself, it is a little bit of a—it does not capture the spirit.

What deterrence is, is an understanding in Moscow that there is a comprehensive, long-term strategy that the United States is leading, with its European partners, that is based on these certain principles and values so that the pathway of short-term accommodation is not going to be where we go. We have sort of swallowed some of that, as we have seen the aftermath of 2008 in Georgia. The Russians are banking on that in this crisis, and I think it is absolutely right to say, "You know, we are comfortable with an uncomfortable relationship with you right now. Here are some of the principles that we are guided by." And it does not mean you do not talk, but it does not mean you open up this pathway to actually salami-slicing your own principles.

Senator MENENDEZ. Ms. Smith, I—when I heard you talk before—I want you to answer that question, too, but, when I heard you talk before about the Russians using all of the tools in their toolbox, they are seeking to divide the union, using NGO monies, energy as a form of blackmail, I would say—in my words, not anybody else's—but, you know, tell—talk to me about this concern about accommodation when they are using all the tools in their toolbox and, my sense is, we are not using all of the potential tools we have in ours.

Ms. SMITH. Yeah, I think—you are absolutely right —I think in—Russia does look across the Atlantic and look at its European partners, and they see that we are distracted, they see that we are, in many ways, divided on next steps. I think they see and they hear the rhetoric coming out of Europe—- in particular, questioning the utility of our sanctions policy. And they know that we are all worried about our ability to stay the course on the sanctions policy, which is one of the strongest tools that we are using right now. They see that we have limited resources, in some ways. The U.S., from a military perspective, obviously has fewer forces in Europe. And so, they do feel emboldened right now, particularly as they look at Brussels and see the number of crises that are hitting this institution on a weekly basis. And so, what we have to do is push back and, obviously, invest in a wider toolkit, but, most importantly, we have to preserve this transatlantic unity and not let the divides and discussions we are having on sanctions really steer us off into a divided Europe and the United States.

And I do think the United States needs to get more engaged, vis-a-vis Ukraine. We have relied heavily on our friends in Paris and Berlin to really lead the negotiations through this Normandy format. I think that was a smart move initially, but now I would really like to see a formal role for the United States in that process. We are obviously in close touch with our European allies all the time, and talking to them on a regular basis. But, this needs to be a concerted transatlantic approach.

And so, I would like to see us up our game, so to speak, and invest in other instruments, and have a little bit more of a—of resolve as we address Russia and try and take on this challenge, which is, by no means, going away.

Senator MENENDEZ. And, in that line, I think the last time you testified before the committee was the Subcommittee on European Affairs, back in 2014, I think, and you said, at that time, that, moving forward, we need to keep Crimea, quote, "in the back of our minds," and the key to dealing with Russia was getting the NATO piece right.

In 2016, now, and with another NATO summit set for this summer, what do you believe the focus should be on getting the NATO piece right?

Ms. SMITH. Well, what was announced yesterday by the United States is a good first step. What happens, oftentimes, is that the U.S. chooses to lead, and we spur action on the part of our partners. We saw, in the case when Russia first annexed Crimea, first went into Ukraine, that, when the United States came forward with a billion-dollar commitment, it then was able to knock on the doors of our European partners to say, "What will your piece be of this? We are not going to do this alone. We will do this as partners. This will be our contribution, but we need you with us." And that is a much stronger negotiating position than simply coming in and saying, "What will you guys be prepared to deliver?" And so, similarly, now, as we approach the Warsaw Summit, the U.S. again comes to the table saying, "Folks, we have tripled our commitment here, and we need all of Europe to step up and help us," not—again, to Senator Murphy's point, not just in regards to the mili-

tary instrument, but, really, we have to come with a broader plan, here.

But, I do think the focus—look, at the—the last NATO summit, in Wales, was very much on reassurance, right?

Reassuring our allies in central and eastern Europe. Very important. We did some good work there. But, now we have to focus heavily on deterrence and figure out what more we need to be doing to deter the Russians from doing anything crazy. Because if there is one thing we have learned in the last 2 years, it is that they are entirely unpredictable. And so, we should make no assumptions. I know people say, "Well, they would never do X, they would never do Y." Let us not be so sure about that. Let us be prepared at every turn. And I think the NATO alliance is working toward some new initiatives, but it is going to require a lot of leadership that is in short supply, particularly on the other side of the Atlantic.

Senator MENENDEZ. Mr. Wilson, any observations?

Mr. WILSON. I think there are four key points for the alliance. It is this shift from reassurance to deterrence. Reassurance means you do not really trust me, and I need to reassure my allies. Deterrence focuses on the mindset of the adversary. I would, in fact—I think Secretary Ash's announcement was great—I would rename it. Not the European Reassurance Initiative. We have got to decisively move in Warsaw to deterrence.

Second is resilience, the resilience of our own societies, particularly those in the east, because of the other methods that the Russians are using. That has to enter into a plank in the NATO discourse, and not just be left to the European Union.

Third is really the idea that the alliance had so long embraced about how it projects stability. Well, right now, it does not want to have that conversation. The alliance does not know what its role should be with some of other partners in the east and the south. We need to get over some of that concern about NATO in Ukraine or—we need to be building deterrent capability in Sweden, Finland, Ukraine, Moldova, Georgia—defense capacity initiatives. That is a big gap right now for the Warsaw Summit, because it is politically sensitive.

And then the final one, the current debate that is really pulling at the alliance, is how to structure a dialogue with Russia, where some do not want it, some do not trust the nature of it. And I think there is a case to be made for transparency and predictability, but it needs to be done in a way that does not play on the neuroses of some of our allies that fear the dialogue will lead to accommodation, if you will.

The CHAIRMAN. Thank you.

Senator Cardin.

Senator CARDIN. Well, thank you both for your participation here.

Let me—we talked about the NATO summit. And Europe has had the operations of the OSCE for a long time. It works under the three pillars for stability: certainly to be able to defend your borders; economic opportunity is absolutely essential; but, also the pillar of good governance, democracy, human rights. So, you have given some response to the NATO summit in regards to the mili-

tary threats to our NATO allies coming from Russia, but let me talk from within for one moment.

We have NATO allies that have done things that are inconsistent with the commitments to good governments and democracy, the most recent being the actions in Poland in a law that curbs the media and judicial freedom. We know the extreme party in Hungary and its impact on decisions in that country. And there are others. So, as we talk about a strategy for long-term stability and strength and unity in Europe, it needs to reflect the values that I said in my opening statement.

So, what strategies should we be deploying, either at a NATO summit or in our conversations with Europe or in our investments to strengthen the democratic institutions, including in countries that we thought we had already crossed that bridge?

Mr. WILSON. Senator, this is a critical point, because, at the end of the day, what makes this relationship quite valuable and special is the anchoring of the values that bring us together. This is not a transactional one-time alliance. It is built on that longevity. And this has been challenged.

The OSCE is an important instrument in this domain. In fact, you see the European Union often struggling to come to a common position in the OSCE over the values-and-interests angle. I think that is alarming, because it opens up space for divisions.

I think there needs to be a serious set of private consultations. Part of the problem we have—and I have talked to some of these leaders who we have some concerns about with what they are doing—they feel a little bit isolated. They see a lack of leadership. They are kind of turned off by what is happening in Brussels. And they are not really engaged at the political level very much in the United States. This is not an excuse for them, but they have used that to take their marbles and play another game at home.

These are our allies. They are treaty allies. We are committed to defend each other. We cannot let this corrode and go in that direction. So, as we think about corruption as a national security issue, it is the avenues of corruption that Russia is using—have used to manipulate Ukraine, and are now using in Europe. The State Department has begun important work in this area. But, corruption is a national security issue, and, therefore, how we plan, think, our intelligence, the way we operate around that set of issues needs to be higher among our priorities, combined with serious political engagement. We have not had some—at the senior political level, some of these leaders have actually never been engaged that way. They are our allies. I think we have to engage them, embrace them with some very tough love but privately.

And so, I think there is a political piece and a corruption-as-a-national-security strategy that needs to come together. And it can play out at NATO, it can play out at the OSCE. I would not wed it to one institution. But, I think we need to play a role, particularly in galvanizing, perhaps, Chancellor Merkel as our partner in taking this on.

Ms. SMITH. I agree with everything that Damon said. I think engaging these types of leaders directly is absolutely critical. Many of them lack relationships here in Washington. And I think reestablishing those ties and making clear to them that the United

States is concerned about some of the developments that they are seeing unfold in their own countries is going to be critical.

But, I also think trying to figure out how we can support civil society in these countries is absolutely critical. We have some institutions that do terrific work, but, frankly, we could be doing a lot more.

This whole agenda set has atrophied quite significantly over the last 20 or so years, because I think we all thought that Europe was whole, free, and at peace, and now we have come to learn that there are some troubling developments within the European continent. And so, I think reengaging those ties and providing, in some cases, resources to American nonprofits or think tanks that are focused on engaging civil society in these countries will be absolutely critical, moving forward.

Senator CARDIN. Clearly, Russia's engagement in Ukraine is the driving force for the instability. There is no question about that, with Crimea still under Russian control and their influence in the eastern part of Ukraine, the failure to move forward with Minsk II, and we go through a lot of other issues.

But, I want to go to Ukraine, itself. Many believe that the Maidan was all about people wanting an honest government and an opportunity to be able to have a chance in their country, more so than whether it was aligned with the East or West, quite frankly. We saw the Minister of Economy resign, I think yesterday or today. We know that they have a huge corruption issue. That is not new, but it is been a challenge for the government officials to break up the network that has existed in Ukraine for a long time.

Can you tell us your prognosis and what the United States needs to do in order to make anticorruption a reality in the policies in Ukraine?

Ms. SMITH. I think there are a number of concerns about what is happening inside Kiev, inside Ukraine right now. And we are obviously watching and tracking developments there and their efforts to reform and address the corruption problem that you mentioned, Senator. But, I think we also have to appreciate how hard it has been for Poroshenko to simultaneously manage, literally, fighting going on inside Ukraine, driven by Russia, in large part, and simultaneously deliver on those campaign promises to reform the government, fight corruption, be more legitimate, answer to people's concerns. And I am worried that, if he does not deliver, then, in fact, we will see another round of this. I mean, the Ukrainian people do not hesitate to take to the streets when they are concerned about the future of their country.

All that said, I think Poroshenko is a good and effective leader. He has challenges. He has relationships that are not working for him.

Senator CARDIN. But, as you point out, unless he deals with the internal issues, he cannot succeed.

Ms. SMITH. That is correct.

Senator CARDIN. So, what can the United States do, other than continuing to support Ukraine's independence, which we do, and we will continue to do that in every quarter, including sanctions—what can we do to give him a better chance to—because I think he wants to implement these policies.

Ms. SMITH. He does.

Senator CARDIN. How do we give him a stronger hand internally in Ukraine?

Ms. SMITH. Well, the United States has provided a number of advisors to try and go in and help reform some of these ministries. And we will have to maintain that engagement at the highest levels. We are also going to have to provide resources. The United States has provided resources to Ukraine. So has our—so have our friends in Europe. It is not enough. They are going to need more. They are also going to need a lot of handholding at the highest levels. I mean, Vice President Biden has been over there repeatedly. He has been engaged. We are going to need high-level engagement from the State Department, from the White House, from every agency possible, to try and keep him on track. But, I think, without U.S. and European assistance, this simply will not happen.

Mr. WILSON. If I could just add to that point, because I think this is critical, because this is where the battle for Ukraine is right now. We need to recognize—we call it a revolution, the Maidan Revolution, and yet the leaders —President Poroshenko, Prime Minister Yatsenyuk—are creatures of the past. We need to see them as historically transitional leaders who will tip Ukraine more in the right direction, but we need to understand where they come from. This was not a revolutionary class that took over, in that sense.

So, there are four—I would say five things we need to be drilling down on. The first is at the political level. You set the tone by the President, the Prime Minister, themselves. And we have got some problems there. I would have liked to have seen a President Poroshenko that divested of his media assets, put the bulk of his financial holdings in a blind trust, and repudiated his Ukrainian government salary to set the tone from the very beginning. It is not too late for him to take steps like that to really send the signal, because that tells people, "This is a new game in town." He has not done that.

Second is the prosecutor general and the judiciary. We have seen, when you lock in the independence of the judiciary, as we saw in Romania, it can be powerful. If you look at what has happened in Romania over the past 2 or 3 years because of this, this is the battle that is playing out right now. The prosecutor general and how—to protect the independence of the judiciary, they do not have it right yet, and I think we are in pretty heated conversations with them.

The third is the process. What we have seen from Estonia to Georgia is, the more that you can get rid of processes that create opportunities for corruption through electronic processes, through transparency—and that is stuff that can play out concurrent with what we are doing. We are seeing it experimented in Ukraine. You have got to embrace that wholesale, as we saw Georgia and Estonia do.

And the last two, as Julie said, civil society in Ukraine is the story. I mean, it is an incredible story. There is an agency in that country that is quite valuable, and we need to stay aligned with, committed with the nongovernmental organizations that, at the end of the day, serve as an incredible check on any President or

Prime Minister or Government of Ukraine, and will continue to do so.

And the final is the linkage of our own assistance. As we grow our assistance and hopefully coordinate it better with the European Union, there is a way to link some of this specifically to some of the benchmarks on the corruption threshold.

Senator CARDIN. I thank the—good suggestions. Thank you.

The CHAIRMAN. Thank you.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

And thank you both very much for being here and for all of the work that you have done on the topic of U.S.-EU relations.

I had the opportunity to speak with some Ambassadors from former—eastern Europe and former Soviet Republics last week. And they said very much what both of you have said, that we need to do more to support EU during these challenging times, and to be very clear about how we stand with respect to Russia, and not send any mixed signals.

So, I want to explore a little bit more some of the suggestions that you all have made, but first I want to go to what I think is one of the challenges right now that Congress needs to address, and that is our failure to confirm nominees to the State Department who are going to put in place policies that do the kinds of things that you all have talked about. And I know our Chairman is very much on board with trying to confirm these nominees. But, let me just lay some of them out.

So, you talked about, I think—Mr. Wilson, you talked about the importance of our Scandinavian partners and shoring them up as we think about NATO. What kind of message does it send to Sweden that 265 days after the Ambassador was nominated—or 398 days, actually, after the Ambassador was nominated, so over a year, we still have not taken up confirmation of the Ambassador to Sweden?

Norway, 265 days since Samuel Heins was nominated to be Ambassador to Norway. We still have not taken that up—that confirmation up.

And in 2014, Norway scrambled its F–16 fighters 74 times to intercept Russian warplanes.

I—I mean, when we talk about, "How do we support our partners in this effort?"—making sure that the people are in place who can help lead that fight is absolutely critical. You know, the fact that we have got Ambassador Shannon, who is been nominated to one of the most senior positions at the State Department as Under Secretary for Political Affairs who would be responsible for coordinating the G7 to combat Russian aggression, is still waiting to be confirmed. Adam Szubin at the Treasury Department, we have not taken up his nomination, and we are looking at how we make sure that sanctions continue to bite on Russia.

I—you know, obviously, I am preaching to the choir here, but I wonder if both of you could comment on what kind of messages that sends to our partners as we are trying to work together to fight Russian aggression, to shore up Europe. What does it say to them when we have got a Congress that refuses to confirm the people who are necessary for that fight?

Mr. WILSON. Senator Shaheen, God bless you. I operate in the realm of policy, not politics. I have to defer to all of you for that. But, from a foreign policy standpoint, this is an enormous issue.

Sitting in Washington, we often do not appreciate the power of the voice of the United States and Americans. Even when CNAS or the Atlantic Council shows up in one of these countries under duress, it is a major story. You know how it is when you show up on your CODELs. The absence of having a consistent American voice to be able to help shape the narrative, shape the debate, provide understanding, whether it is from managing all the crazy stories that come out about the United States, such as in intel-sharing—it is a real —we are in this battle with one armed tied behind our back. It is something that we hear almost every time we are in a country without an Ambassador, because it is certainly overinterpreted by the people of that country, in terms of a signal. And we are always saying, "Please, this has nothing to do with that. Please do not read this as a signal about our commitment to the relationship." But, that does not carry a lot of water. So, I have to defer to the realm of politics, but it would be an astonishing and incredible development if we could empower the ability of American foreign policy by just putting players on the field.

Senator SHAHEEN. Thank you.

Ms. Smith.

Ms. SMITH. I would just second that. I mean, it sends a disastrous signal to our allies, that we do not care about their security, about the Russian probing that Sweden and Norway and many others are coping with, that Europe does not register on the list of foreign policy priorities, and that Europe simply will not be a priority. Ever since the administration announced that it was going to be rebalancing towards the Pacific, Europeans have been asking questions—you get them, we get them quite regularly—about, "What does this mean about the value of the transatlantic relationship?" And when we do not send an Ambassador for an extended period of time, over a year, it definitely is translated into a message, a very clear message, that Washington no longer cares about European security. And with the EU in the middle of this crisis, and Europe under such strain right now, it is absolutely critical that the United States move forward with these nominations as soon as possible—and confirmations.

Senator SHAHEEN. Well, thank you. I could not agree more. And I think that is a message that we need to continue to talk about, because, as you said, fighting with one arm tied behind our back is not the way we want to position ourselves.

I want to go back to some of the recommendations you laid out, Ms. Smith. And, Mr. Wilson, you also talked about some of these. You talked about energizing the EU–U.S. links and thinking about how we design and redesign our relationship. Can you talk a little bit more about how we do that? Because I agree, that is one of the critical things we need to do, think about every way in which we can support the EU. So, if you could talk a little bit more about that.

Ms. SMITH. Sure. I think, because the United States has been focused for quite some time on everything that has been happening in the Middle East and everything that has been happening in

Asia, at times we have let Europe go a little bit. It is not that we do not have senior-level officials in our government focused on this relationship, but it does not always get the number-one or -two slot on our list of priorities, in terms of crises. And so, as a result, what we have allowed is some atrophy in the relationship. And the EU–U.S.—

Senator SHAHEEN. I do not disagree with that. What I am interested in is, What can we do?

Ms. SMITH. So, for example, right now when the EU and the U.S. meets, you get the heads of state together at the highest levels, they sit down for a few hours. This is a heavily scripted event, where leaders read prepared statements. Everything has been negotiated in advance. And we do nothing to take advantage of the fact—

Senator SHAHEEN. Sounds like the Senate.

Ms. SMITH.—we take—we do nothing to take advantage of the fact that we have some of the best and brightest minds all together in a room for few hours. We need freewheeling exchange. We need not prescripted statements. We need to ask hard questions. We could be running tabletop exercises with these groups, such as the one, actually, I am running today with CNAS. We could be looking at forecasting. We could be testing our assumptions.

I mean, all of us assumed, Europe and the United States, that the migration crisis would stay in the neighborhood. We never sat down to ask ourselves, "Gee, guys, let us think of the worst-case scenario. What if they start showing up on the shores of Europe?" It does not mean we can predict the future, but I think we should be thinking about, as partners, how we can test some of our assumptions about what Russia is going to do next, or where we are going to end up in Syria, or what is going to happen in Libya. We need to utilize these—first of all, we have to hold these engagements more often. But, secondly, we have to use them far more strategically than we are using them right now. Putting everyone in the room to listen to a couple of prescripted speeches does nothing to energize this group and make—want people to show up. You know, I mean, essentially what you hear from participants on both sides of the Atlantic is, "Oh, geez, know, I really do not want to sit there for 4 or 5 hours to listen to this." Let us make it worth heads of states' time, and ministers and assistant secretaries or whoever else is engaged, and think more innovatively about how we use these engagements.

Senator SHAHEEN. Thank you.

I am out of time, but can I get Mr. Wilson to respond to that?

The CHAIRMAN. Sure.

Mr. WILSON. I will do so briefly.

That's an important question. There are two challenges. The European Union does not put its most influential leaders into its top jobs. It sends the signal to us that they want to retain that decisionmaking authority in capitals and not empower it. Imagine if Juncker were Merkel and Mogherini were Carl Bildt. It would be a different dynamic. So, one, this is a European choice.

Second is the challenge of the institutional connection. It is awkward to work with the EU institutional.

There is good connectivity. Our top diplomats are on the phone regularly. It is—it works. The Commission, which has a lot of authority, does work with our Cabinet on regulatory issues. And that works, more or less. The President, himself, focuses on key engagements, VTCs, videoconferences, with key leaders. What is broken is the U.S.-EU summits, institutional collaboration. And so, that is where there is a way to think about, How do you rejigger that? And, as Julie and some of our colleagues have thought about, What if we embedded TTIP in the idea of a broader agreement with Europe. We do not really have one; we have a Washington treaty for the alliance. We do not want a new EU treaty, but, what if you thought about a—some type of—new Atlantic charter that is a political sort of agreement that brings the European Union and the United States together and, within that, we embed something like TTIP so that we actually explain, we are doing it in a more strategic way.

You are never going to have this perfect. It is always going to require savvy diplomacy on the part of the United States. And that is okay. We can work capitals and Brussels together. It would certainly help if they start empowering Brussels, but it looks like they may not move in that direction. And I think that is a reality we are just going to have to contend with in some respects.

Senator SHAHEEN. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Before I turn to Senator Kaine, I—on the Ambassador issue, I do—for those who do not pay attention to this on a daily basis—both Norway and Sweden and Shannon, actually, all three of them, have passed out of committee and are on the floor. And what sometimes people do not realize is, one Senator can hold a nomination. So—and without that hold being lifted, you end up having to go through a series of motions on the floor that take up a lot of time. I just want to make sure that people understand it is not, quote, "necessarily Congress." It is, in many cases, one or two individuals. And having received the multiple phone calls from Amy Klobuchar every Saturday, relative to both Sweden and Norway, and contorted myself on the floor to try to get these through, I just want to make sure everybody knows—I do not think anybody is putting more effort out to try to make that happen.

And in the case of Shannon, I think maybe—there may be multiple situations. It might even be bipartisan. I am not sure. But, I know there are some holes there.

But, again, I just did want to explain, not in any way to defend Congress. I would never want to do that. But, just to say that this is a situation where time ends up getting burned on the floor. A Senator over a issue can, in fact, with their rights, hold these. And I, too, would like for them to be confirmed.

Szubin has not yet come out of the Banking Committee. That is a separate committee. He is serving in the capacity that he would be confirmed to in a more permanent way. And certainly, I have very warm feeling towards his mission, too.

But, I just want to make sure we explain.

Senator CARDIN. Yeah, Mr. Chairman, I just want to just underscore everything you said. You have been very attentive, in this committee, to getting the information to all the members of this

committee so that we can make the recommendations to the floor. You have done that in a timely way, and you have been able to deal with all the members of this committee so that we have been able to schedule timely business meetings to move nominations. And I thank you very much. Not from a party point of view, but from an institutional point of view, I think that is been the right step. And you are absolutely correct that an individual member can block the normal considerations of a nomination on the floor, and that is when we schedule it for a vote and debate and vote on it, or we can do it by consent.

Two problems have existed. One, we have individual members who will not release this. And you have worked with these individual members, in some cases, and have been successful. And I thank you for that. It is not easy to deal with some of the members that you have been dealing with, and I give you high marks on that.

But, there is another way. And that is, the Leader can bring forward a cloture motion. These are important positions. And the Leader has chosen not to use the floor time for a cloture motion. And I understand the competition for floor time. Do not get me wrong.

The CHAIRMAN. Yeah.

Senator CARDIN. But, I must tell you, we have been having long weekends that we could have used for nominations. We have work periods that we could be using for nominations. These are important positions. And I can tell you, as one member—now, I am—admit I am not far from the Capitol, where I live, but it seems to me it has been successful in the past that just the threat of having a cloture motion on a person who is going to pass overwhelmingly, like a Tom Shannon, will release—or quicken the objection of the individual member or members who are holding up those nominations, because clearly there are 60 members of the Senate that are going to vote for his confirmation.

So—and I have expressed this to the Majority Leader, and I am disappointed that he has not used the power of the schedule to bring forward cloture votes so that we can move these.

In a matter of transparency, I will be going to the floor, I hope as early as today, with some unanimous consent requests so that the individuals who are objecting at least are going to have to come to the floor and identify themselves as those who are objecting to moving these forward.

But, I do want to underscore the point that you made. And that is—you have been incredible in the—your leadership of this committee, in the best traditions of the United States Senate Foreign Relations Committee, and I thank you for that.

But, I just do want to underscore—it is so difficult for us to deal with critical foreign policy issues—not just major national security issues, but just—dealing with businesspeople needs in countries, dealing with trafficking of individuals, dealing with drugs, dealing with economic opportunities, as well as huge national security issues, when you do not have a confirmed representative in the country or a confirmed person in the Cabinet that is responsible for those positions. And we cannot be silent about it. This committee

has primary jurisdiction in this area, so we cannot be silent about it.

So, I am as frustrated as you are, and you have put more time into it than I have, because of dealing with the individual members on your side of the aisle that have raised individual objections. I have spent a lot of time dealing with our leadership, trying to get accommodations to the Majority Leader so that we can move as many as possible. But, we have got to find a path forward. It is just the beginning of February. If we are going to be tying these up because we are going to get to a November election soon, this is ridiculous. We have got to move these nominations.

But, I thank you very much for your leadership.

The CHAIRMAN. I thank you. I appreciate people continuing to raise the point, and could not agree more that having people on a daily basis having—you know, run a company that, you know, operate around our Nation, I—it is very difficult to be doing things in Wyoming if you do not have someone there on the ground, and it is very difficult for us to leverage our foreign policy efforts without having someone there. So, I appreciate the comments. I just wanted to explain that it is not necessarily Congress, it is, you know, particular individuals, in most cases. And if you want to say—

Senator SHAHEEN. No, I just wanted to thank you for that explanation. And clearly I did not intend those comments to be aimed at you or this committee, which I think has done a great job in trying to move people through.

I would disagree on one point, though. And that is, I think it is the Congress, because I think we have failed to address the rules that allow one person to hold up nominees indefinitely. And I think that needs to change.

But, thank you very much for addressing the issue.

The CHAIRMAN. Thank you.

Senator Kaine, I am—thank you for being so patient with a delayed discussion.

Senator KAINE. Well, and I echo my colleague's comments, Senator, as both—Chair, but also as Ranking, before you were Chair. You have been very good in getting this committee to do what needs to be done. And the only thing that I find ironic is, the—there is a high correlation between individuals placing holds who then also are out, blasting the administration for not showing leadership in the world. And they are the ones that are blocking us putting people in place. That is—there is not a complete 100-percent correlation, but it is usually the case that there is a near 100-percent correlation. But, be that as it may.

I want to ask a question about Turkey. Eight of us, the first week in January, were in Vienna, Jerusalem, Ramallah, and Turkey. And I am not a Turkey expert, and I kind of want you to educate me. My perception of Turkey over the last—well, really during the Erdogan leadership of the country—is that there was an initial desire, really, to move toward Europe that was, frankly, rebuffed by Europe. And then there was a decision, "Well, okay, if you are not going to let me get closer to you, I will turn my energies to the east and draw closer with the Arab world and nations to the east." As Turkey is now dealing with this massive refugee issue, Europe

is now, you know, really liking Turkey and promising financial assistance to Turkey to take care of the 2-plus million that they are taking care of. But, they would like them to actually keep more refugees in Turkey, rather than having them come to Europe. So, there is financial assistance, and there—have even put back on the table, "Hey, these EU accession discussions have been stalled for a while. Maybe we can, you know, open those discussions again."

Talk a little bit about—Is that a meaningful prospect? Would Turkey even be interested in it at this point? You know, they—I think they were interested in joining a club that seemed really cool, you know, 15 years ago, and they may have more wariness about that now. But, Turkey has its challenges, too. I think a stronger Turkey-EU relationship could be very, very good. But, what are the prospects of that?

Ms. SMITH. I think on—in terms of how Turkey is looking at the European Union right now, they are certainly appreciative of the fact that the Europeans are willing to open some of these chapters, which should, you know, have to occur to—for them to walk towards formal membership. But, I think the Turks are skilled diplomats. They fully appreciate the obstacles. I think they understand this is a long-term process, that no one is going to turn a key overnight, that this never happens overnight, even though they have been at it for a while. I think they will seize on anything they can, but the reality is that they both now need each other a great deal to deal with this migration crisis. Turkey needs financial resources, first and foremost, above and beyond any membership question, to deal with the pressures that they are facing. And I think Europeans, equally, need Turkey to do everything it can to disrupt these smuggler routes, secure the border, and then work with them on some sort of process. The Germans and others are now looking at ways in which they could still agree to take some of these refugees, but have them initially return to Turkey to be vetted and process, and then Europe would—in theory, one model would be, they could put a cap. So, say, Germany says, "We will still take 300,000, but we will start with the ones sitting in Turkey, not with the ones showing up on our doorstep."

So, they need to work all of this out, but it is an indispensable relationship, one that we should support. And again, as I noted in my opening remarks, this situation is about to get a heck of a lot worse. Russia and the Syrian regime have been aggressively going after Aleppo.

Senator KAINE. Yeah.

Ms. SMITH. If Aleppo then falls into the hands—back into the hands of Assad, estimates are, we could see another 500,000 refugees show up in Turkey, which would just be devastating, for many reasons. Also, even in Jordan, we are seeing instances where the Russians are now moving forward with bombing so far to the south, it is also spurring more refugee flow into Jordan. And so, there is just—this spring, it is going to be an enormous strain on both of these countries.

And so, above and beyond membership, I think both Brussels and Ankara are focused on the migration crisis.

Senator KAINE. Please, Mr. Wilson.

Mr. WILSON. I would just add to this. This is one of the most complicated issues, in that—I mean, Turkey is in play right now, and it is surrounded by, just, compounding crises. And if you think from President Erdogan's perspective, as well as Prime Minister Davutoglu, they had some big ideas. Unlike some other—they had big ideas. First, it was moving quite dramatically with reforms that advanced their path with the EU. That hit a dramatic roadblock. Then they embraced the strategy of no problems with their neighbors, and really began this "charm offensive." Look at that today; it is in tatters. It is a disaster from Syria to Russia. And then he had a big strategy of outreach to his own Kurdish population to fix this perennial political issue, and now we have warfare in Turkey's southeast again. These were big ideas, and they are all in complete tatters.

At the same time, we see this potential of driving Turkey away from our transatlantic community. This is going to be tough. It is going to be long term. Turkey is an ally. I think we have got to engage, particularly, Erdogan. We have got to cultivate, over the long term, the demands within Turkish society that actually want to be part of this community, because there is no—you know, in the short term, yes, you may open a few chapters for negotiation as part of this deal. There are some bigger ideas as part of the refugee deal to actually put on the table the prospect of visa-free travel for Turks to Europe, which would be dramatic and, over the long term, as part of helping to create societies that are going to demand the kind of change at home that will embed Turkey closer in the community—in the transatlantic community. I think we need to stay focused on those fundamental pieces. That is going to take quite a while.

There will never be a Turkey in Europe until Europe comes to grip with a sense of national identity that begins to replace the basis of ethnicity and religion as their basis of identity. In fact, I do not—I am not sure they can even have a commitment to Europe until that happens. And it may never happen. It may be one of the things that evolves eventually out of this refugee migration flow, to have an identity attached to political entities and governance.

So, we are in this for the long haul. It is going to be bumpy. There are some bad trend lines both in the country and in the region. But, I think it actually is an imperative for us to remain very engaged with Ankara.

Senator KAINE. One positive trend line that I saw is, you know, if you can tell anything by how much time the leader of a foreign country wants to spend with you, Erdogan is not necessarily the one that wants to spend the most time talking to congressional delegations. But, when we visited, in early January—and I viewed this as sort of in the shadow of the challenge with Russia and the downing of the plane—we had a 2-and-a-half-hour meeting that he was—he would have taken the 3 and a half hours, except we had another meeting to go to. There seemed to be an intense realization, "Wow. Being a NATO ally is an important thing. The U.S. relationship is very important." They talked a lot about a desire to eventually be concluded in the TTIP—included in the TTIP discussions. So, a whole series of things. There may be an opening for, you know, a deepening of the relationship in positive ways with

Turkey, because they do perceive, now, a degree of an existential threat because of the renewal of this historic, you know, Russian-Turk or Russian-Ottoman animosity. And so, that is something that may give us an opportunity. But, thank you for your thoughts on that.

Thank you, Mr. Chair.

The CHAIRMAN. Yeah, I would just agree. You know, I was there not long ago, and far more time than I would have ever expected in a one-on-one kind of situation. And I do think your analysis is correct.

So that we do not give Tom Shannon or the State Department additional heartburn, I did ask my staff to clarify. It is not bipartisan objection. I think it is in a similar state as the other folks that you mentioned. So, Tom, if you are listening, calm down.

Senator Gardner.

Senator GARDNER. Thank you, Mr. Chairman.

I am sorry I missed the excitement earlier, but thank you, to the witnesses, for being here, as well. And I am—I apologize if I am repeating a couple of the questions.

If you look at the arc of foreign policy, starting in the Middle East, from Syria to Iran to China to North Korea, go around the globe now to what we see in eastern Europe, Ukraine, the challenges in Turkey, we face a very complex set, on multiple fronts, perhaps we have not seen in decades, if ever—unlike we have seen in decades, if ever. And so, I spent some time, just a couple of weeks ago, in Europe, visiting with General Breedlove, visiting with General Hodges, was able to spend some time with Ambassador Lute, our Mission to NATO, and our EU Mission, as well. And one of the terms that kept coming up in every single one of these meetings was this issue of muscle memory, that, after looking to the Middle East for so long, we have lost the muscle memory in Europe that we need to fight a war in Europe, to resist Russia in Europe, to do what it takes to defend Europe. And so, as you look across our NATO allies, and as—and I do not know if you have seen this report; it just came out, so it is—I would not expect that you have seen it, but RAND came out with a report, just yesterday, I believe, and here is a quote from the RAND report. They did a series of war games, testing capabilities. Are you pretty familiar with it? Did you talk about this already today? Okay. No, but, I mean, the quote is this, "The games' findings are unambiguous. As currently postured, NATO cannot successfully defend the territory of its most exposed members." And it goes into quite—some detail about what that means.

So, I guess from a military muscle-memory standpoint, we know that it is a challenge now to move tanks from Germany to Estonia, because you have to—permits and everything else you have to go through. In times of war, I am sure that will change. But, what diplomatic muscle memory has the U.S. lost when it comes to security in Europe, diplomatic pressure on Russia and sort of the diplomatic measures that we have to regain in order to protect our NATO allies?

Mr. Wilson?

Mr. WILSON. Thank you, Senator. Yes, the term "muscle memory" has come up, because, you point out correctly, whether it is de-

fense planning or these exercises, the microproblems they have encountered really underscore how far we have moved away from some of that. That is in train —and General Breedlove is actually doubling down, as you well know, on working through those. There are a couple of pieces, though, that I would point out.

One is the most vulnerable, so the Baltic and the Black Seas are the two areas that are most vulnerable. You have heard the discussion about A2AD. And so, there is quite a bit of necessity to think about how we actually have presence and deterrence that is effective in the Baltic, and particularly in the Black Sea, because of something called the Montreux Convention which limits our military presence. Those are two particular areas of concern. I am actually even more concerned about the Black Sea area, because I think it is more vulnerable for Russian action.

But, at the same time, we actually do not want to get into that game, ultimately. We want to avoid that game. And so, deterrence is—yes, it is about activities and exercises, capabilities, but it is also about the psychology of your adversary. And I think it is important that we move on these specific pieces of the capabilities, the pre-positioning, what we are doing in the Baltic/Black Sea. But, I think the way that we communicate that we are in for a long-term comprehensive strategy to check what Russia is doing to rewrite the rules, and embedding that in a coherent strategy that we communicate as such—we are doing pretty good things on sanctions, on energy, on all these various pieces—to integrate that with clarity in a way that makes clear to our adversary that there is a political and credible plan to back it up—and so, it actually means you might actually have to spend less money, do fewer exercises, because you have captured that psychology of deterrence—while combining that with the old diplomatic muscle movement of alliance management. And we have lost some of that muscle movement, as well. It takes time. I mean, look at the Cold War history of the alliance.

Senator GARDNER. What is the most alarming loss of muscle memory, do you think, from a diplomatic standpoint?

Mr. WILSON. I think we have assumed that, because of the EU, because of where Europe has come, that the Europeans are able to lead on many of these issues today. If the Europeans are leading in a negotiation with Russia without the Americans by their side, it will be a bad negotiation. We will fail. And in the Cold War, we understood that American leadership at the table on many of these issues was fundamental to getting it right. The Europeans would often complain, but they would also be thankful. And I think, in some respects, we have to calibrate that. Europe is a different place. We have got to be savvy with our diplomacy. But, we cannot just exhort Europe to get it right. We are actually going to have to drive this forward on the whole set of equations. It requires time, it requires an understanding that we have got to bring more of these leaders into the Oval Office, we have got to engage with them more regularly, we have got to cultivate that so that we are taking our closest allies, who have never been coherent in any of the crises we faced in the Cold War, and we are rallying them behind clarity of vision and principle that is backed up by strategy. And sometimes when we do not lead with that, it feels like we have

got scattered—lack of leadership or a scattered sense of reaction among our allies.

Senator GARDNER. So, how do you find that clarity, though, when you have got part of our NATO allies looking east, part of them looking south? And that almost seems like a hard line between the two that you cannot find the clarity that we need to. So, what steps do we take there?

Mr. WILSON. So, this is where I think the alliance is struggling right now. It is trying to protect its own with Article 5, to strengthen the alliance. But, it has no idea what to do about the fires on its periphery. You cannot be secure if your neighbors are on fire. So, I think we actually have to take it head-on. What is the role that we can play with our European allies and thinking about how we project stability in the east and the south. It is not easy. But, for example, within the alliance, a major defense capacity-building initiative that was focused on—not the 55 partners we have for the alliance, but who are the key few strategic partners where we really need to see their capacity enhanced because it affects our security? And you could identify Ukraine, Tunisia, if we get to that point, Libya—and the context of one major NATO initiative at Warsaw on defense capacity-building that unifies our southern and eastern strategies. That is where there has been a little bit of hesitancy, I think, within the alliance. And it is going to take something like that to help bridge that gap between east and south.

Senator GARDNER. And, Ms. Smith, I do not want to deny that opportunity to you to speak on this same issue, but I wanted to ask one more question, too, and I am running out of time. What happens, what is the fallout if sanctions are not renewed in midsummer? Sanctions on Russia by the European Union.

Ms. SMITH. It is bad news, because what it does is, it sends a message to Moscow that the transatlantic community is no longer united. And that is exactly what Moscow has been hoping for all along. Moscow is actively doing everything it can to divide Europe from within, and it is actively trying to divide Europe from the United States. So, if we hit the summer right around the Warsaw NATO Summit, and we have to simultaneously announce that Europe and the United States can no longer move forward and join hands on this sanctions policy, it sends all the wrong signals to Moscow. We have to find a way to stand united, even as Europe faces all of these crises.

And on your other point about Europe—in general, I would say two things: For years and years and years, we were able to focus on Europe, that neighborhood and the Soviet Union, all through the Cold War. Once the wall fell, it was very much about what Europe and the United States would do somewhere else. And now, on the diplomatic front and military front, we have to say to ourselves, wait, hold up, it is not about what Europe and the United States are going to do in Syria. It is, in part. But, guess what? It is also about returning to that transatlantic agenda. The problem is, when we return to that transatlantic agenda, the generation of people that have those transatlantic instincts, that have personal relationships, that speak European languages, that speak English on the other side, have all, in many ways, fallen away. I mean, for us as a country, the foreign policy community that is coming up through

the ranks now is very much trained to focus on China. They speak Mandarin, they speak Arabic, they speak Farsi. I do not get as many people coming through, saying, "I want to be you, someone who is focused on Europe." Now I get a few more of those folks. But, by and large, we have had a generational shift that we feel on both sides of the Atlantic. I cannot find as many members of the German Bundestag or in the French Parliament that have those transatlantic instincts. And, frankly, we have seen changes in our own Congress, as well.

And so, we have to reinvest in these relationships, find the transatlantic experts, and spend the time focusing on a neighborhood that, frankly, we thought was kind of solved, in many ways, in terms of international security crises. And so, we have been put on notice by Moscow that this neighborhood is, by no means, solved. And we have to ensure that, as Russia tries to divide us, we stay united.

Senator GARDNER. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Very good. Does anyone—

I will say that I think there has been tremendous interest in this hearing. And you all have been outstanding witnesses. And not only do I appreciate the information that was put forth, but also the passion with which it was done. And you all have just been extraordinary. So, thank you.

If you would not mind, we would like to leave the record open through the close of business Friday, and would love to have quick—fairly quick responses, which will be a part of the record, if that is okay.

And, without further ado, we thank you, we thank the committee members. And the meeting is adjourned.

[Whereupon, at 11:40 a.m., the hearing was adjourned.]

Additional Material Submitted for the Record

RESPONSES TO ADDITIONAL QUESTIONS SUBMITTED TO MR. WILSON AND MS. SMITH BY SENATOR SHAHEEN

Western Balkan Development

Question 1. Ms. Smith, Mr. Wilson, it has now been 20 years since the Dayton Accords ending the Bosnian War were successfully negotiated and signed at Wright-Patterson Air Force Base in Ohio. Do you believe that Europe is sufficiently engaged in developing western Balkan countries, like Bosnia and Herzegovina, so that they may eventually attain EU membership?

Answer. European integration for Bosnia and Herzegovina has come at a slow pace due to both delayed reforms and ethnic divisions that have persisted since the early 1990s. But thanks to a German and British initiative launched in 2015, Bosnia has started to make real progress, securing an official nod from the EU that it can now officially apply for EU membership. Bosnia will do so on February 15th of this year. Years of tough negotiations and much-needed reforms will follow. Official membership will very likely happen years from now. Until then, Europe and the United States should spend more time focused on this corner of Europe, particularly in light of the ongoing migration crisis, which is putting extraordinary pressure on the countries that make up the Balkans. In particular, these countries need help with border monitoring and immigration services.

Question 2. Ms. Smith, Mr. Wilson, I am concerned that the significant achievement of ending the Bosnian War and the opportunity it presented for Bosnia and

Herzegovina is in danger of being lost due to economic stagnation there. One proposal I have put forward is legislation to authorize a USAID enterprise fund for Bosnia and Herzegovina to encourage growth of small and medium-sized enterprises. Do you believe there is more that the U.S. should do to support Bosnia and Herzegovina as it seeks to develop its economy and improve employment opportunities for its citizens?

Answer. American leadership in the Balkans, especially in Kosovo, Bosnia and Herzegovina has helped the region recover from the economic and political trauma of the 1990s. But these countries continue to need U.S. support both in terms of economic recovery and good governance. The United States should do more to provide assistance to small and medium sized enterprises, support civil society and strengthen political institutions that can solidify Bosnia and Herzegovina's democratic trajectory.

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