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Chairman Hastings and members of the Commission, thank you for the opportunity to appear before you. Today's subject, "Russia Today," is critical to the United States and our partners, particularly in Europe. Whether Russia is "in transition or intransigent" – the other part of your question for this hearing – is a useful if provocative way to frame the challenge of working with Russia, which remains in our interest.

Russia certainly remains "in transition" from its communist past. Its growing assertiveness in tone and perhaps in action, spurred in part by high energy revenues, may have stimulated your use of the word "intransigent." In no case, however, can Russia be presented in such stark terms: while Russia does sometimes seem a difficult partner to work with, we also have many important areas of cooperation through which we pursue common interests. Although ours may not be a strategic partnership, it includes partnership on many strategic issues. U.S.-Russia relations are complicated. Given the legacy of U.S.-Soviet relations, this is no surprise. In Moscow on May 15, Secretary Rice pointed out that we need to differentiate between discrete disagreements and our overall intention to work together whenever possible. "There are going to be times when we disagree, but it is true that sometimes the rhetoric makes it sound as if the relationship itself is in question, rather than . . . the specific differences that we have."

The Administration's analysis of Russia is realistic, and our objectives with Russia reflect this. We want Russia to be a partner in the world, and we want Russia to be strong, but strong in 21st century terms: with strong, democratic and independent institutions in and out of government; with a strong civil society, free press and active opposition; with strong and independent middle and entrepreneurial classes. We do not exempt Russia from our belief in the universal potential of freedom, and we also have Russia in mind when we say that we seek an open world characterized by partnerships with like-minded countries.

Our preferred tactical approach is cooperation—we work together wherever we can, always seeking to expand the scope of that collaboration where our interests overlap – but we push back when we must, privately when possible but publicly when necessary, in defense of our values, interests and friends. At all points, we also seek to work with our European allies and friends to coordinate our approaches and articulate the common values underlying our policies.

Given the media preoccupation (in both countries) with the problems, I wish to first mention the areas of cooperation in relations. The United States and Russia continue to cooperate in

critical areas, including counterterrorism and nonproliferation. The U.S.-Russia Counterterrorism Working Group last met in September 2006, and will meet again in a few months, to continue and deepen cooperation on intelligence, law enforcement, WMD, terrorist financing, counternarcotics, Afghanistan, UN issues, MANPADS, and transportation security.

Our strategic cooperation is intensifying. Last year, together with Moscow, we renewed until 2013 the Cooperative Threat Reduction (CTR) program, which was launched in 1992 to facilitate dismantlement of weapons of mass destruction in the former Soviet Union. As this program marks 15 years, we and Russia have agreed to accelerate some elements under the Bratislava Nuclear Security Initiative; nuclear security upgrades are on track for completion by the end of 2008. At the July 2006 G8 Summit in St. Petersburg, Presidents Bush and Putin announced the Global Initiative to Combat Nuclear Terrorism, which seeks to prevent nuclear materials falling into terrorists' hands. We and Russia are both working toward enhancing nuclear fuel cycle security, through the Global Nuclear Energy Policy and the fuel center initiative, respectively, and we are negotiating with Russia an agreement on Peaceful Uses of Nuclear Energy Agreement (Section "123" of the Atomic Energy Act) as well as one on Defense Technology Cooperation. The United States has presented a proposal for substantive cooperation on missile defense, and, with the expiration of the START Treaty in 2009, we have begun positive discussions about a post-START arrangement. There have been several high-level visits in recent months, including those of Secretary Rice and Defense Secretary Gates. We share with Russia many common global nonproliferation goals. We work closely with Russia and others to address the nuclear ambitions of North Korea and Iran, although Moscow has sometimes voiced disagreement with our approach to sanctions and other measures. Russia voted for UN Security Council Resolutions 1718 (North Korea), 1737, and 1747 (Iran), calling respectively for the denuclearization of the Korean peninsula and imposing Chapter VII sanctions on North Korea, as well as imposing sanctions against Iran until Tehran suspends its nuclear enrichment program and comes into compliance with its NPT obligations. We look forward to the full implementation of those resolutions. The United States and Russia, along with China, Japan, South Korea, and North Korea participate in the Six-Party Talks on North Korea, and Russia chairs the Six-Party Talks Working Group on a Northeast Asia Peace and Security Mechanism.

We continue to pursue cooperation through the NATO-Russia Council [NRC], which this year marks its fifth anniversary. We have a broad menu of cooperative NATO-Russia initiatives involving diverse experts on both sides: these range from Russian participation in Operation Active Endeavor to counternarcotics program in Afghanistan. We look forward to greater opportunities for cooperation once Russia ratifies a Status of Forces Agreement (SoFA) with NATO: we welcome the Duma's ratification on May 23, and look forward to the Federation Council following suit. That said, the April 26 meeting of NRC Foreign Ministers in Oslo, Norway, showcased some important differences between Russia on the one hand and most NATO Allies on the other in light of President Putin's "State of the Nation" Address ("poslaniye") earlier that day. In that speech, President Putin suggested he would consider suspending Russia's implementation of the Treaty on Conventional Armed Forces in Europe (CFE Treaty) if no progress was made on ratification of the Adapted CFE Treaty by NATO Allies. At the NRC, NATO Ministers universally responded that we continue to regard the current CFE Treaty as a cornerstone of the European security, and that we are ready to seek

ratification of the Adapted CFE Treaty after Russia fulfills its 1999 Istanbul commitments on withdrawal of forces for Moldova and Georgia. The Administration and NATO Allies are very serious about our support for Adapted CFE: the Adapted Treaty, signed in 1999, replaces the bloc-to-bloc structure of the original Treaty with a more flexible system of national and territorial equipment limits. It allows accession by new members, and provides for enhanced information on military forces and more inspection opportunities than the original Treaty. Adapted CFE also contains specific provisions relating to host nation consent to the presence of foreign forces that are very important to our GUAM partners. There should be no question about NATO Allies' support for CFE and Adapted CFE—neither of which represent efforts by NATO to take advantage of Russia—and no question about NATO Allies' insistence on fulfillment of the Istanbul commitments as the basis for ratification of the Adapted Treaty.

We also seek to advance cooperation with Russia through the Organization for Security and Cooperation in Europe (OSCE), an organization, obviously, of deep interest to this Commission. Russia's critical attitude toward the OSCE remains a cause for concern. Speaking on February 10, 2007, to the Munich Security Conference, President Putin branded the OSCE a "vulgar instrument designed to promote the foreign policy interests of one or a group of countries." Under the guise of demanding reforms, Russia has proposed changes to the OSCE, the effect of which would be to cripple its democracy promotion efforts. The United States disagrees strongly with this Russian approach and has defended the OSCE's mandate to advance democratic reforms, including election monitoring. Indeed, these efforts embody commitments that Washington and Moscow undertook when we signed the Helsinki Final Act. The United States continues strongly to support the work of the OSCE's Office of Democratic Institutions and Human Rights (ODIHR); its elections monitoring mechanisms represent the international "gold standard" in this area.

We applaud the long and distinguished track record ODIHR has accumulated in electoral monitoring throughout the OSCE region, and look forward to its involvement in Russia's upcoming Duma elections in December 2007 and Presidential elections in March 2008. We also value highly the contributions of the OSCE Parliamentary Assembly to the OSCE's election monitoring work, and the PA's joint efforts with ODIHR. I should add that the United States accepts and welcomes ODIHR monitoring of U.S. elections.

While every organization can be improved, we believe there is wisdom in the aphorism "if it ain't broke, don't fix it." The OSCE is working well and doing important work, and we will continue to support it against "reform" efforts calculated to circumscribe its activities or debilitate its democracy promotion work.

Differences with Russia over the OSCE reflect broader, negative trends on human rights and democracy in Russia itself. We hope that the situation will not deteriorate further over the coming year, in conjunction with upcoming parliamentary and presidential elections cycles and issues connected to succession.

Let us be clear: Russia is even today a vastly freer country than at any time in Soviet history and arguably freer than at any period in Russia's history. It is also true that post-communist

transitions take time. But it would be an insult to Russia to hold that great country to low standards. Suppression of genuine opposition, abridgement of the right to protest, constriction of the space of civil society, and the decline of media freedom all represent serious setbacks that are inconsistent with Russia's professed commitment to building and preserving the foundations of a democratic state. The unsolved murders of journalists and critics are equally disturbing.

The State Department has publicly protested, including at the OSCE Permanent Council, the recent police brutality employed to break up opposition marches in Moscow, St. Petersburg, and Nizhny Novgorod. The EU also protested those actions. Authorities sought to prevent the marches from taking place at all: they denied permission to stage the events or tried to marginalize them by changing their venues; they harassed and detained Russians traveling to participate in these peaceful rallies; on the day of the events, disproportionate police presence wielded undue force against the protestors as well as journalists reporting on the events. Some of the same efforts were directed against members of the Russian opposition seeking to express their opinions ahead of the EU-Russia Summit in Samara May 18. The fact that the authorities allowed pro-Kremlin youth groups to engage in activity from which opposition activists were prohibited demonstrated selective use of the law. Nonetheless, it is encouraging that independent groups, despite harassment, were able to gather, garner supporters, and attract public attention.

Interestingly, Presidential Administration deputy press spokesman Dmitry Peskov acknowledged that the police response to last month's protests merits review, and St. Petersburg Governor Matviyenko and the Russian Federation's Human Rights Ombudsman, Vladimir Lukin, have both called for investigations. In his annual report on human rights in Russia, presented April 24 to the Duma and May 4 to the Federation Council, Ombudsman Lukin reiterated that his office had received and would investigate increased numbers of citizens' complaints about government obstacles to holding rallies.

President Putin's own chairperson of the Civil Society Institution and Human Rights Council, Ella Pamfilova, has said that Interior Minister Nurgaliyev should resign in connection with the police break-up of those demonstrations. Such calls indicate that, even within official Russia, views differ on human rights.

We are likewise concerned about the increasingly narrow and controlled space within which Russian NGOs are forced to operate, and continue to monitor the implementation of the new NGO law enacted in April 2006. The record is mixed thus far. While the process for re-registration of foreign NGOs was cumbersome, and require paperwork and reporting requirements that many Russian and foreign NGOs find onerous, the fact remains that the vast majority of foreign NGOs did succeed in re-registering, although some suffered disruptions in the continuity of their program operations. We are also heartened by the ability of some NGOs to effect change in the law, as when religious groups, concerned that the reporting requirements could be construed to require listing congregants or accounting for collections among the faithful, successfully lobbied the Kremlin to exempt ecclesiastical organizations

from those rules.

The increasing pressure on Russian journalists is likewise troubling. Vigorous and investigatory media independent of officialdom are essential to dynamic, healthy processes in all democracies. In Russia today, unfortunately, most national television networks media—the primary source of news for most Russians --are in government hands or the hands of individuals and entities allied with the Kremlin. The growing agglomeration of print media in the hands of government officials or those allied with them likewise undercuts press freedom. Attacks on journalists, including the brutal and still unsolved murders of Paul Klebnikov and Anna Politkovskaya, among others, chill and deter the fourth estate. Self-censorship remains a growing problem. Some space for free discussion remains, particularly on the Internet, as the vigorous and sometimes sympathetic coverage in the print media of recent opposition marches indicates, but it still appears to be shrinking.

Ahead of parliamentary and presidential elections, the Kremlin is bringing its full weight to bear in shaping the legal and social environment to preclude a level playing field. There have been many instances in which the authorities have used electoral laws selectively to the advantage of pro-Kremlin forces or to hamstringing opposition forces. The refusal to re-register Yabloko in St. Petersburg and difficulties encountered by other parties, appear to have been based on political instructions, rather than an objective judgment of whether these parties met registration requirements.

Last year, the Duma enacted amendments to the criminal and administrative codes redefining “extremism” so broadly and vaguely as to provide a potent weapon to wield against and intimidate opponents; greater self-censorship appears to be a major goal in this effort. We note, for example, that Dissenters' March leader Garry Kasparov has already been questioned by the FSB in its investigation into “extremist” activity. Even the most cursory analysis of Russian national broadcast media shows news reporting skewed decisively in favor of Kremlin-approved parties and groups.

Against this background, the U.S. and its European Allies and friends continue to support Russian democracy and civil society. These issues are regular parts of our bilateral and multilateral consultations. President Bush, when he was in St. Petersburg last summer, hosted an event with NGO and civil society leaders, sending a powerful message of American support and solidarity. Just last week, the Secretary took part in Moscow in a roundtable discussion with leaders of civil society and other figures. She also has regularly and candidly articulated our concerns with Russia’s leadership, as she did last week. The Secretary, my colleague Assistant Secretary Lowenkron of the Bureau of Democracy, Human Rights, and Labor, and I have participated in NGO events in Russia to showcase our support for independent media and civil society. The OSCE also remains an important forum for the United States and others to remind Russia that its commitments to democracy and human rights are not just “internal matters,” but commitments that all State Parties to the Helsinki Final Act have undertaken to observe and protect.

Russia’s relations with its neighbors and with Europe remain an issue of considerable concern.

Moscow often still approaches its neighbors with a zero-sum mentality, particularly when it comes to those countries, such as Georgia and Ukraine, which choose to pursue closer Euro-Atlantic ties. We and European countries have spoken out against Russia's use of energy to apply political and/or economic pressure on neighbors, such as in the case of Ukraine in 2006. We are concerned by apparently political interference with infrastructures, as in the case of claimed structural deficiencies that restricted traffic on a bridge to Estonia this month, prolonged "repairs" to an oil pipeline to Lithuania, or the closing of Russia's only legal border crossing with Georgia last year.

Russian-Georgian relations, after a period of extreme tension, have shown tentative signs of limited improvement, but Moscow could do much more to normalize relations. Russia maintains the economic and transportation sanctions it imposed against Georgia last fall. Likewise, it continues to take actions that call into question its professed support for Georgia's territorial integrity by supporting separatist regimes in Georgia's South Ossetia and Abkhazia regions; it provides the same support to the separatist regime in Moldova's Transnistria region. The United States continues to call on Russia to end these policies and work with our European partners to implement confidence-building measures designed to bring the sides in each conflict closer together. At the same time, we encourage Russia to play a more constructive role and to use its influence with the separatists to advance a peaceful resolution of each conflict in Georgia. The United States has had productive high-level discussions with Russia on these issues. Russia recently sent officials to Tbilisi to discuss reducing tensions in South Ossetia, and publicly scolded South Ossetian de facto authorities for violations of existing agreements. We have also encouraged both sides to ameliorate their relationship and understand that Russian and Georgian officials are scheduled to meet soon for this purpose.

The United States is also working to advance a resolution in the separatist conflict in Moldova's Transnistria region. The United States and EU are official observers at the 5 + 2 Talks, negotiations that have been at an impasse for more than a year because of the Transnistrian side's unwillingness to engage. The Russian and Moldovan governments have recently called for a resumption of the 5 + 2 process, although Russia has to date failed to use its heft to bring the Transnistrians back to the negotiating table, and we hope that all parties will engage seriously. Russia's recent statements calling for resumption of the 5 + 2 process have also made mention of the principle of Moldova's territorial integrity. Finally, despite promises by President Putin himself last fall that the ban against Moldovan wine and agricultural goods would be lifted, the ban is still in place.

On one separatist conflict, in Nagorno-Karabakh, the United States and Russia work well together in trying to facilitate a resolution. Together with OSCE Minsk Group Co-Chair country counterparts from Russia and France, I traveled to the region last spring to push the peace process forward by presenting to the Presidents of Azerbaijan and Armenia a set of proposed basic principles for the peaceful settlement of the Nagorno-Karabakh conflict. These principles remain the centerpiece of negotiations between the two sides even today. While recognizing that the burden for resolving the conflict lies with Armenia and Azerbaijan, we nevertheless continue to show that the United States and Russia can work together to facilitate a peace process that could bring greater stability and security to the South Caucasus, which is

in our mutual best interest.

We regret Russia's so far hostile attitude toward U.S. plans for placing elements of a limited missile defense system in Poland and the Czech Republic (intended to shield the United States and its European allies against missile threats from the Middle East) and President Putin's announcement on April 26 that Russia would consider a moratorium on implementation of the Adapted Treaty on Conventional Forces in Europe.

We have held numerous briefings and consultations with Russia on our missile defense plans for more than a year (both bilaterally and in the NATO-Russia Council), and geography and geometry both demonstrate that the very modest system proposed in Poland and the Czech Republic poses no threat whatsoever to Russia. Speaking at the NATO Ministerial in Oslo April 26, Secretary Rice described as "purely ludicrous" the idea that somehow 10 interceptors and a few radars in Eastern Europe are going to threaten Russia. We and the Russians simply do not agree here, but we will continue to work to reach a better understanding between our two countries on this important issue. Both the State and Defense Departments, including Secretaries Rice and Gates, have briefed Russia on our missile defense plans for more than eighteen months. We have kept—and will continue to keep—Russia fully informed about those plans. We are committed, as we have been in the past, to consulting with Russia and being transparent with it about missile defense. We have offered to cooperate with Russia across the full spectrum of missile defense activities, an offer that the Russians themselves have described as "serious," and that offer remains on the table. But Russia does not have a veto over our missile defense plans.

Regarding the Adapted CFE Treaty, it isn't clear to us exactly what Russia's concerns are. The Russians have made it clear that they want NATO Allies to ratify the Adapted Treaty, among other reasons because they would like some of our new NATO members, particularly the Baltic states, to be able to join. The United States and its NATO Allies are prepared to ratify the Adapted CFE Treaty after Russia fulfills its outstanding Istanbul Commitments, dating from 1999, in Moldova and Georgia. Under the provisions of the adapted CFE treaty signed in Istanbul in 1999, Russia made three sets of commitments. First, it pledged to reduce its forces in the CFE flank area to the level specified by the Adapted Treaty, and has done so. Second, there's been important progress in Georgia, where the commitments are almost fulfilled, except for the need for Russia to reach agreement with Georgia on the status or withdrawal of the Russian presence at the Gudauta base. On the third set of commitments, concerning Moldova, Russian forces were supposed to have been withdrawn by the end of 2002; that deadline was extended by agreement of the OSCE to the end of 2003. In fact, there has been a stalemate on Russian withdrawal since early 2004. Russian forces, some designated as peacekeepers, remain in the separatist area of Transnistria, along with some 20,000 tons of stored munitions. Moldova wants all Russian munitions and forces, including the peacekeeping force (PKF), to be withdrawn. However, Moldovan authorities have said that they would be willing to accept Russian participation in a genuinely multinational PKF, under an OSCE umbrella. We are urging Russia and others to negotiate seriously on a transformed PKF. A decision to field such a force would be a major step toward solving this conflict and

toward fulfillment of the Istanbul commitments.

Russia has made dramatic economic gains over the past few years. We welcome Russia's economic revival, particularly after difficult economic transitions in the 1990s. Prosperity and peace is in everyone's interests. We welcome Russia's economic revitalization, but are concerned that this revival is built upon certain vulnerabilities: Russia's wealth remains more value-extracted than value-added. Russia's economic gains have fueled a certain bravado in Russia's external agenda. But those gains are also fostering the growth of a nascent middle class whose emergence, over time, we hope will bring with it modern political reforms, including greater accountability and governmental responsiveness. The United States supports Russia's integration into rules-based international organizations, such as the World Trade Organization, consonant with Russia's commitment to those organizations' principles. An important step towards Russia's integration into the norms of the global economy was reached last fall with the closure of the U.S.-Russia bilateral WTO agreement -- arguably the biggest single step forward in our economic relationship in the past decade. While not a miracle cure for either of us, it very much serves the interest of both our countries.

The range of both U.S. and Russian interests are clearly global. Given that reach, it is imperative that both our countries seek to work together wherever possible, even when such cooperation may prove challenging. At the same time, we are committed to defending our principles, pushing back wherever we must. U.S.-Russia relations require ongoing dialogue. As I mentioned, Secretary Rice just completed a good visit to Moscow last week, and the President will meet with President Putin during the G8 Summit in Germany in June. This and other opportunities in the coming months will provide important moments to try to narrow our differences on issues that matter to us while pressing forward on elements of our constructive engagement with Russia as well.

Mr. Chairman, members of the Commission, I am grateful for the opportunity to speak before you today, and look forward to your questions.