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“Russia, Georgia, and the Return of Power Politics”

Chairman Hastings, Chairman Cardin, Members of the Committee, thank you for the opportunity to discuss with you today the situation in Georgia following Russia’s invasion and occupation of Georgian territory.

I will focus my remarks on the events leading up to the conflict, including Russia’s obstructionist role in the international mediation efforts on Abkhazia and South Ossetia; Russia’s provocative actions towards Georgia; and U.S. policy towards Georgia, Russia, and Russia’s periphery in the aftermath of this conflict. My twofold goal is to counter Moscow’s false narrative, which claims that Russia’s war with Georgia began when Tbilisi attacked Tskhinvali, and to outline the Administration’s thoughts on where we go from here.

I speak from the perspective of a U.S. official who has been engaged in formulation and implementation of U.S. policy on Georgia and its neighbors for the past twelve years. Throughout this period, the U.S. Government has remained committed to working with the citizens of Georgia and their elected leaders to advance democracy, prosperity, and peace. Georgia has made remarkable progress over this period from a fledgling state embroiled in multiple civil wars to a young democracy with one of the world’s fastest reforming and growing economies that is linked to global markets through industrious people, energy pipelines, and a joint airport with NATO ally, Turkey.

President Eduard Shevardnadze launched Georgia’s drive toward liberalization and independence from Moscow. President Mikheil Saakashvili reinvigorated these efforts, guiding Georgia through a period of remarkable reform that has brought close a compelling dream: to restore Georgia’s historic ties to Europe that date back to ancient Greece and to integrate Georgia into today’s Euro-Atlantic institutions.

Since Georgia’s independence in 1991, each U.S. Presidential Administration has tried to convince Russia’s leaders that a successful Georgia will help Russia achieve one of its own enduring goals, stability along its southern border. We believe constructive relations between Russia and its neighbors can help advance the peace we assume all people in the region seek. We also want Georgia to succeed as a peaceful, prosperous, democratic, and free country.

During my tenure as the U.S. representative to the UN’s “Group of Friends of the Secretary General on Georgia,” the international body charged with mediating the Abkhazia conflict, I have been struck by Russia’s consistent refusal to discuss any of the substantive issues that must be resolved if there was ever to be a peaceful resolution of

the Abkhazia conflict. My mandate has been to tackle issues at the heart of the conflict, such as return of internally displaced persons and the terms of a political settlement. My Russian colleagues, pleasant and professional as they may be, seemed to have a different mandate; they continuously bogged down negotiations with our German, British, and French colleagues on technical minutiae in a stall for time.

Similarly, during mediation efforts on the South Ossetia conflict under the OSCE's umbrella, my Russian colleagues seemed to be under instructions to block progress toward a solution. When the U.S. proposed a 3-stage approach of security confidence-building measures, economic rehabilitation, and a political settlement, my Russian colleagues welcomed the first two elements but said they could not discuss a political settlement of the conflict. When Moscow complained about a lack of military transparency in South Ossetia, (implying Georgia might be moving prohibited weapons into South Ossetia's Zone of Conflict), we proposed that we increase the number of military observers beyond the eight already authorized by the OSCE; my Russian colleagues said they were not authorized to agree. When the United States and many of our friends insisted that Georgia be able to co-administer the Roki Tunnel connecting Russia and Georgia through South Ossetia, Russia consistently refused and warned it could not ensure the security of OSCE observers who sought to deter the movement of military equipment and contraband through the tunnel.

In short, we have continuously tried to work with Russia, acknowledging its interests and proximity to Abkhazia and South Ossetia, seeking to address its concerns, and to build confidence between the parties through various projects big and small, ranging from attempts to create inter-ethnic business linkages to facilitating trade and communication across ethnic and administrative boundaries.

Yet from the time Russia got involved in the wars in Abkhazia and South Ossetia in the early 1990s, it has taken steps out of keeping with its claimed role as a mediator and a facilitator of the negotiations. Russia has been handing out passports to the residents of Abkhazia and South Ossetia for many years; Russian individuals have invested heavily in property (especially in Abkhazia); and Russian business has engaged in trade – both licit and illicit – in the separatist regions.

After the NATO summit in Bucharest in April, Russia backed away from negotiations on Abkhazia and launched a series of provocations in both Abkhazia and South Ossetia. On August 7, Russia demonstrated its disregard for some of the fundamental principles of the UN Charter and the Helsinki Final Act, including the principle of the non-use or threat of force and the principles of sovereignty, territorial integrity, and inviolability of borders. There will be a time for assessing blame for what happened in the early hours of the conflict, but one fact is clear – there was no justification for Russia's invasion of Georgia. This is the first time since the breakup of the Soviet Union that Moscow has sent its military across an international frontier in such circumstances, and this is Moscow's first attempt to change the borders that emerged from the breakup of the Soviet Union. This is a troubling and dangerous act.

Today I will seek to explain how we got here, how we're responding, and the implications for our relationship with Russia, Georgia, and the broader region.

Background to the Conflict

The dissolution of empires is frequently violent, and the breakup of the former Soviet Union was no exception. The collapse of the USSR was marked by ethnically-based violence, especially in the South Caucasus. This involved clashes between Azeris and Armenians, Ossetians and Ingush, Russians and Chechens, Abkhaz and Georgians, and others. These clashes deepened into a series of wars in the early 1990s that ended without lasting solutions. Uneasy truces followed, and the conflicts in areas outside Russia became known as "frozen conflicts."

Two of the disputed regions lie within the internationally-recognized territorial borders of Georgia: Abkhazia and South Ossetia.

In 1992, following two years of armed conflict between Georgians and South Ossetians, an armistice was signed by Russian and Georgian leaders. The leaders also agreed on the creation of a tripartite peacekeeping force of 500 soldiers each from Russia, Georgia, and North Ossetia, a territory which lies within the borders of Russia. In practice, however, the North Ossetian peacekeeping contingent ended up being staffed by South Ossetians. In Abkhazia, brutal fighting among various armed factions – many of them outside state control – resulted in large numbers of ethnic Georgians being expelled from their homes. Before the fighting, the ethnic Abkhaz had been a minority – approximately 17 percent – in Abkhazia, while ethnic Georgians had been a plurality of roughly 45 percent.

The next year, 1993, South Ossetia drafted its own constitution, and three years after that, in 1996, South Ossetia elected its own "president" in an election in which mainly ethnic Ossetians – not ethnic Georgians – voted. In South Ossetia, the Ossetian population comprised about 65 percent of the tiny region, whose total population was anywhere between 40,000 - 80,000.

In 2001, South Ossetia held another election and elected Eduard Kokoity as president, again with most ethnic Georgians boycotting the election. The following year, in 2002, he asked Moscow to recognize South Ossetia's independence and absorb it into Russia.

Throughout this period, Russia acted to support the South Ossetian and Abkhaz leaderships, sowing the seeds of future conflict. That support was not only political, but concrete, and never more so than through the continued presence of Russian military forces, including those labeled as "peacekeepers" from the early 1990s.

Georgia emerged from these post-Soviet wars in weak condition. While then-President Shevardnadze deserves credit for helping end the fighting, Georgia could not find its feet; its economy remained weak and its government relatively ineffective. By the early years of this century, Georgia was in danger of becoming a failed state, with a deteriorating economy and a political system near collapse.

In July 2003, former Secretary of State James Baker traveled to Georgia to broker a deal between then-President Shevardnadze and his political opposition that aimed to defuse domestic tension and keep democracy on track. I had the honor to join Secretary Baker for that mission. Secretary Baker succeeded in negotiating an agreement according to which Shevardnadze agreed to a set of guidelines to ensure parliamentary elections would be free and fair and opposition leaders agreed to abide by the rule of law and avoid violence. All parties agreed to refrain from retribution, regardless of who won the election. In the end, when the elections were held in the autumn of 2003, President Shevardnadze acquiesced in an attempt by a local Georgian strongman – Ajaran leader Aslan Abashidze – to steal Georgia’s parliamentary elections. This triggered a popular uprising of hundreds of thousands of Georgians, leading to the so-called Rose Revolution and Mikheil Saakashvili’s election as president.

It is important to note that Eduard Shevardnadze was a close friend and partner of the United States and our NATO Allies, enjoying near-heroic status for having supported democratization while Foreign Minister of the Soviet Union. His ouster was not something the United States favored. Yet, when the Georgian people spoke and demonstrated their democratic right to protest peacefully the fraudulent elections, we did not stand in their way. We also did not encourage the protests. But Georgians’ thirst for democracy ran its course, and we accepted and supported the outcome.

Following his 2004 election, Saakashvili and his government moved swiftly and effectively to improve governance in Georgia, reducing corruption, pushing through economic reforms, and welcoming foreign investment. The Georgian economy started to grow rapidly. At the same time, Saakashvili made clear his intention that Georgia follow the path of other successful post-communist democracies and draw closer to, and eventually join, NATO and the European Union. Although they have developed in the past few years, Georgian democratic institutions remain weak and much work needs to be done to deepen democratic practices, strengthen checks and balances, and continue economic reforms; authoritarian practices still exist alongside more democratic ones, as is the case in many transitional democracies. We have made known privately, and made clear in public, our concerns with some of these democratic deficits.

Georgia’s progress, however, was paralleled by increasing tensions between Georgia and the Russian-supported breakaway territories.

After the Rose Revolution, more clashes occurred between Georgians and South Ossetians, and between Georgians and Abkhaz. In 2004, the Georgian side cracked down on an illegal market on the administrative border of South Ossetia that was renowned as a smuggler’s paradise. Tensions rose, and a few weeks later Georgians confiscated a shipment of hundreds of missiles hidden in Russian trucks bound for Russian “peacekeeping forces” near the regional capital of Tskhinvali. More clashes ensued, and the fighting stopped only after a ceasefire in late August. Then in 2006, South Ossetians voted for a split from Georgia in a referendum that was, again, largely boycotted by

ethnic Georgians in South Ossetia. Although there were efforts to resolve the differences through negotiations, by late 2007 talks had essentially broken down.

As Georgia's ambitions to draw close to Europe and the transatlantic community became clearer, its relations with Russia deteriorated. In the summer of 2006, tension increased between Tbilisi and Moscow. Tbilisi conducted a police operation to eliminate organized criminal groups operating in the Upper Kodori Valley region of Abkhazia, which restored the rule of law and the Georgian Government's authority over this portion of its sovereign territory. Georgia later arrested several Russian military intelligence officers it accused of conducting bombings in Gori. Moscow responded with a vengeance, closing Russia's only road crossing with Georgia, suspending air and mail links, imposing embargoes against exports of Georgian wine, mineral water, and agricultural goods, and even rounding up people living in Russia (including school children) with ethnic Georgian names and deporting them. At least two Georgians died during the deportation process.

Russia's provocations escalated in 2007. In March 2007, what we believe were Russian attack helicopters launched an aerial assault, combined with artillery fire, on the Georgian Government's administrative offices in Abkhazia's Upper Kodori Valley. In August, Russian fighter jets violated Georgian airspace, then unsuccessfully launched a missile toward a Georgian radar station. In September, a Russian Lieutenant Colonel and Major who were in command of an Abkhaz unit were killed in a clash on the Abkhaz administrative border. Other small skirmishes erupted periodically throughout the fall.

This past year, although Moscow lifted some of the economic and transport embargoes, it further intensified the political pressure by taking a number of steps toward establishing an administrative relationship with both South Ossetia and Abkhazia. In March 2008, Russia announced its unilateral withdrawal from Commonwealth of Independent States (CIS) sanctions on Abkhazia, thus removing the CIS prohibition on providing direct economic and military assistance. Then in April, following the NATO Summit in Bucharest where NATO leaders declared that Georgia would one day be a member of the alliance, then-President Putin issued instructions calling for closer official ties between Russian ministries and their counterparts in both of the disputed regions.

Russia also increased military pressure as Russian officials and military personnel were seconded to serve in South Ossetia's de-facto government in the positions of "prime minister," "defense minister," and "security minister."

On April 20, the Russian pressure took a more ominous turn when a Russian fighter jet shot down an unarmed Georgian unmanned aerial vehicle over Georgian airspace in Abkhazia. Russia also increased its military presence in Abkhazia without consultation with the Government of Georgia. In late April, Russia sent highly-trained airborne combat troops with howitzers to Abkhazia, ostensibly as part of its peacekeeping force. Then in May, Russia dispatched construction troops to Abkhazia to repair a railroad link within the conflict zone.

During this buildup of tension, the United States frequently called on Moscow to reverse its provocative actions and to participate with us and key European allies in a diplomatic process to resolve these conflicts. In June and July, for example, the Friends of Georgia group, which included the United States, Germany, the UK, and France, urged fellow Friend Russia to engage in invigorated negotiations to advance Georgia's peace plan for Abkhazia, which proposed widespread autonomy for Abkhazia, representation for Abkhaz in all government ministries and judicial bodies, constitutional protections for the Abkhaz language and culture, and a new post of Vice President for an Abkhaz representative.

Russia downplayed these Georgian openings and resisted intensified discussions, in one case even failing to show up for a mid-June meeting in Berlin that President Medvedev promised Russia would attend. In June, I traveled to Moscow to appeal for mutual de-escalation in Abkhazia by Russia and Georgia; my Russian colleagues replied that any de-escalatory first move by Moscow was not possible. In July, Georgia accepted the Western Friends' request that Russia and Georgia join the Friends and the Abkhaz for discussions to reduce tension and advance the peace process. But once again Russia's Foreign Ministry refused to send a representative, this time saying that "everyone was on vacation."

During this time, we continued our efforts that stretched back four years urging Georgian officials to resist the temptation of any military reaction, even in the face of repeated provocations. In July, Secretary Rice traveled to Tbilisi to intensify diplomatic efforts to reduce tension. Working closely with counterparts from Germany, France, and the UK, she called for intensified diplomatic efforts on an urgent basis. While expressing support for Georgia, she also cautioned President Saakashvili against any temptation to use force to resolve these conflicts, even in the face of continued provocations.

Unfortunately, Russia resisted these European-American efforts to intensify diplomatic efforts to stave off a wider conflict. After Russian military aircraft overflew Georgian airspace in July, in violation of Georgia's sovereignty, while Secretary Rice was visiting Tbilisi, President Saakashvili recalled Georgia's ambassador to Moscow.

August began with two bomb explosions in Georgian-controlled territory in South Ossetia, injuring five Georgian policemen. On August 2, a firefright broke out in South Ossetia that killed six South Ossetians and one Georgian policeman. On August 3, Russia declared that South Ossetia was close to a "large-scale" military conflict, and the next day, South Ossetia evacuated hundreds of women and children to Russia.

On August 5, Moscow issued a statement saying that it would defend Russian citizens in South Ossetia. It is important to note that these so-called Russian citizens were mainly South Ossetians – that is to say, Georgian citizens – to whom Russia had simply handed out Russian passports.

On August 6, both Georgia and South Ossetia accused each other of opening fire on villages in the region.

The Assault on Georgia

On August 7, Georgia's minister for conflict resolution traveled to South Ossetia for negotiations, but his South Ossetian counterpart refused to meet with him and his Russian colleague failed to show up, claiming his car had broken down. On the night of August 7, those pressures rose to heights never before seen. Artillery and rocket-propelled grenade fire broke out between Georgia and South Ossetian armed forces in South Ossetia. Georgia declared a ceasefire, but South Ossetian forces continued firing. The chain of command of those South Ossetian forces, though not entirely clear, may have led up to those same Russian officials mentioned above whom Moscow had seconded to South Ossetia's de-facto government. Thus, Russian officials may have indirectly been involved in armed hostilities well before Georgian forces attacked Tskhinvali. The Georgians told us that South Ossetians had fired on Georgian villages from behind the position of Russian peacekeepers. The Georgians also told us that Russian troops and heavy military equipment were entering Georgia via the Roki Tunnel border crossing with Russia. In previous days, South Ossetian de facto authorities had asked for "volunteers" to travel to South Ossetia.

We had warned the Georgians many times in the previous days and weeks against using force, and on August 7, we urged them to avoid armed conflict with Russian military forces at all costs, as Georgia could not win. We were blunt in conveying these points, not subtle. Our message was clear.

Georgia's move into the South Ossetian capital provided Russia a pretext for a response that quickly grew far out of proportion to the actions taken by Georgia. There will be a time for assessing blame for what happened in the early hours of the conflict, but one fact is clear -- there was no justification for Russia's invasion of Georgia. There was no justification for Russia to seize Georgian territory, including territory well beyond South Ossetia and Abkhazia, in violation of Georgia's sovereignty, or to attack and destroy military infrastructure.

But that is what occurred. On August 8, the Russians poured across the international border, crossed the boundaries of South Ossetia past where the conflict was occurring, and pushed their way into much of the rest of Georgia. Several thousand Russian forces moved into the city of Gori and other areas far from the conflict zone, such as Georgia's main port of Poti, over 200 kilometers from South Ossetia.

Moscow's pretext that it was "intervening" in Georgia to protect Russian "citizens" and "peacekeepers" in South Ossetia was simply false. It was soon revealed that the real goal of Russia's military operation was to eliminate Georgia's democratically elected government and to redraw Georgia's borders. The continued presence of Russian troops near the Black Sea port of Poti, 200 km from South Ossetia, further undercuts Russia's professed objectives in South Ossetia. Moreover, in the midst of its attack in South Ossetia, Russia launched a concurrent military assault, in cooperation with Abkhaz separatist forces, on Georgian positions in the Upper Kodori Valley. By so doing, Russia

violated every existing international agreement relating to Abkhazia, including the 1994 Moscow Agreement, as well as the letter and spirit of the documents and discussions associated with the UN Friends process, including numerous UN Security Council resolutions.

Russia's attack on Georgia also resulted in the partial disruption of the Southern Energy Corridor, which discomfited some investors and suppliers interested in bolstering this supply route and circumventing Russia's attempts to assert monopolistic control over the supply of oil and gas to Europe. The bombing of a strategic bridge near Kaspi on Georgia's only east-west railroad also disrupted the flow of oil on the rail line from Azerbaijan to the Black Sea, while the Baku-Supsa pipeline also shut down as a result of Russian military operations. The good news is, the Baku-Tbilisi-Ceyhan oil pipeline and South Caucasus Gas Pipeline continued functioning, thanks to the foresight of engineers and government officials who designed safety features and more secure routings into those projects.

The full story of the Russian assault, and of what occurred when the Russian forces dug in and allowed "irregular" South Ossetian and North Caucasus militias to rampage through the lands Russian forces had seized, is still not fully known. We have received evidence of the burning of Georgian villages in South Ossetia. Russia's invasion resulted in a large number of internally displaced ethnic Georgians who fled South Ossetia to Tbilisi and other Georgian towns. Although Russian forces attempted to prevent access to the area by humanitarian aid workers, some Human Rights Watch researchers were able to reach the area and reported that the Russian military had used "indiscriminate force" and "seemingly targeted attacks on civilians," including civilian convoys. They said Russian aircraft dropped cluster bombs in populated areas and allowed looting, arson attacks, and abductions in Georgian villages by militia groups. The researchers also reported that Georgian forces used "indiscriminate" and "disproportionate" force during their assault on South Ossetian forces in Tskhinvali and neighboring villages in South Ossetia. The Georgian Defense Ministry claimed in a letter to Human Rights Watch that cluster munitions were used only against "military equipment and armament" (sic) moving from the Roki tunnel to the town of Java. The letter also states that cluster munitions were never used against civilians, civilian targets, civilian-populated areas, or near civilian-populated areas. Senior Russian leaders have sought to support their claims of Georgian "genocide" against the South Ossetian people by claiming that 2,000 civilians were killed by Georgian forces in the initial assault. Human Rights Watch has called this figure of 2,000 dead "exaggerated" and "suspicious." Other subsequent Russian government and South Ossetian investigations have suggested **much** lower numbers. We are continuing to look at these and other reports while we attempt to assemble reliable information about who did what in those days.

The Ceasefire, Russia's failure to honor it, and recognition of South Ossetia and Abkhazia

In the days that followed the Russian invasion, our attention was focused on halting the violence and bringing about a ceasefire. President Bush spoke with a number of

European leaders as well as with President Saakashvili, President Medvedev and Prime Minister Putin in an effort to halt the fighting. At Secretary Rice's request, I traveled to Tbilisi to maintain contact with the Georgian leadership. Working with Ambassador John Tefft, we helped our Georgian colleagues think through the ceasefire proposal taking shape. Meanwhile, Secretary Rice worked with the Georgians and Russian Foreign Minister Lavrov, and with key Europeans including the French as EU President, and Finnish Foreign Minister Stubb, in Finland's role as Chairman-in-Office of the OSCE, to seek to halt the fighting.

On August 14, Secretary Rice flew to France to consult with President Sarkozy, and then flew to Georgia to seek – and successfully obtain – President Saakashvili's signature on a ceasefire agreement. President Sarkozy had negotiated a six-point agreement which included the following:

1. No resort to force.
2. A definitive halt to hostilities.
3. Provision of free access for humanitarian assistance.
4. Georgian military forces must withdraw to the places they are usually stationed.
5. Russian forces must withdraw to their positions prior to the outbreak of hostilities. While awaiting an international mechanism, Russian peacekeeping forces will implement additional security measures.
6. Opening of international discussions on security and stability modalities in Abkhazia and South Ossetia.

The U.S. role in this process was central and timely. The Georgians had questions about the ceasefire agreement, so we worked with the French who issued a clarifying letter addressing some of Georgia's concerns. Secretary Rice conveyed the draft Ceasefire Agreement and the letter to President Saakashvili the next day. Based on these assurances, additional assurances from the French, and the assurances of our support, President Saakashvili signed the ceasefire agreement on August 15.

The Ceasefire Accord provides for the withdrawal of Russian forces from Georgia to their positions before the hostilities began, and allows for peacekeepers in South Ossetia, limited to the numbers allowed under previous agreements, to conduct patrols a few kilometers from the conflict zone in South Ossetia, not including any cities and not in ways that impede freedom of movement.

But, the Ceasefire Accord does not establish a buffer zone; it does not allow the Russians to set up checkpoints around Georgia's ports or along Georgia's main highways and other transportation links; and it does not allow the Russians to have any forces whatsoever in places such as Poti, 200 kilometers from South Ossetia.

This agreement was signed – and should have been honored immediately – by Russian President Medvedev, who had promised to French President Sarkozy Russia’s immediate withdrawal upon President Saakashvili’s signature of the Ceasefire. Yet Russia has still not lived up to the requirements of the Ceasefire Agreement. In these circumstances, with Russia’s having failed to honor the terms of the Ceasefire Agreement and its promise to withdraw its forces, Secretary Rice flew to Brussels for an emergency NATO meeting on August 19 and, with our Allies, produced a statement in support of Georgia’s territorial integrity and sovereignty – a statement that was stronger than anyone thought possible.

Russia, still failing to honor the Ceasefire Agreement, again escalated the conflict on August 26 when it recognized the independence of Abkhazia and South Ossetia. It did so in defiance of numerous United Nations Security Council resolutions that Russia had approved and that explicitly affirmed Georgia’s territorial integrity and that the underlying separatist conflicts must be resolved peacefully, through international negotiations. This outrageous and irresponsible action was condemned by the European Union, NATO’s Secretary General, key Allies, and – in an unprecedented move – the foreign ministers of the G7 countries. Other than Russia and the South Ossetia and Abkhazia separatist regimes themselves, only one other country, Nicaragua, has recognized these territories as independent countries.

President Sarkozy traveled to Moscow on September 8 to again seek Russia’s compliance with the Ceasefire. President Medvedev agreed to withdraw forces from areas that Russian troops currently occupy outside South Ossetia and Abkhazia by October 1 based on the condition that an international monitoring mechanism to include no fewer than 200 EU monitors deploys to the areas adjacent to the breakaway republics and a pledge signed by Georgia and guaranteed by the EU to not resort to force.

Full Implementation of the Ceasefire

Working with our European allies, we demand that Russia fully implement the commitments President Medvedev made when he signed the Ceasefire document and the supplementary September 8 agreement. Russia must withdraw all of its military forces that entered Georgia after August 6. We are working fast with the European Union to put in place the international mechanism that will replace Russian troops: a combination of Organization for Security and Cooperation in Europe (OSCE) and EU monitors. Twenty additional Military Monitoring Officers (MMOs) have already been deployed to Georgia by the OSCE, part of a group of 100 new MMOs authorized by the OSCE Permanent Council. The United States has strongly supported these efforts, spearheaded by Finnish Foreign Minister Stubb, with both political and material assistance. International discussions on South Ossetia and Abkhazia will commence on October 15 in Geneva and we will again work closely with our European partners to ensure that we not lose sight of Georgia’s territorial integrity.

Support for Georgia

In the face of this Russian assault on Georgia, the United States is pursuing four key objectives: (1) supporting Georgia; (2) blunting Russia's strategic objectives of dismembering Georgia and undermining the Southern Energy Corridor; and (3) bolstering our friends and partners in the broader region.

First, we must support Georgia. We seek to address humanitarian concerns; sustain confidence in Georgia's economy and restore economic growth; preserve the Georgian people's democratic right to elect and maintain their leaders, and assist them in strengthening the country's internal political checks and balances.

We have already taken immediate steps to address Georgia's humanitarian needs. The United States has provided over \$38 million worth of humanitarian aid and emergency relief, including food, shelter, and medical supplies, to assist the people of Georgia. U.S. aircraft made a total of 59 relief flights to Georgia from August 13 through September 3, and on August 24 and 27, 115 tons of emergency relief commodities arrived in Batumi on the USS *McFaul* and the USCGC *Dallas*. In addition, a third ship, the USS *Mount Whitney* anchored in Poti on September 5, delivering an additional 17 tons of emergency relief commodities that will be delivered by USAID non-governmental organization partners. On September 3, UNHCR reported that 90,500 individuals have returned to places of origin, following the August conflict. However, UNHCR staff note that the number of returnees may be significantly higher due to the passage of time, as well as the difficulty of accurate, in-field returnee counts. According to UNHCR, approximately 30,000 individuals may be displaced in the long term. We have been working with the Government of Georgia and seven relief organizations to ensure that our assistance gets to internally displaced people and other conflict-affected populations.

On September 3, Secretary Rice announced a major effort to help meet Georgia's pressing humanitarian needs, repair infrastructure damaged by Russia's invasion, sustain commercial confidence, and restore economic growth. \$570 million, the first phase of a \$1 billion United States economic support package, will be made available by the end of 2008 and will include emergency direct support to the Georgian Government. While this funding works to sustain Georgia's near-term economic viability and offset the public financing gap and revenue decline caused by the crisis, ongoing U.S. programs will continue to strengthen Georgia's democratic institutions, including through support for judicial independence, government transparency and accountability, and stronger checks and balances between Georgia's branches of government. We will be working extensively with Congress in the days to come to fine tune how the assistance will be delivered. We are hopeful that there will be strong bipartisan backing for a second phase of support, an additional \$430 million to be provided in future budgets.

Georgia, like any sovereign country, should have the ability to defend itself and to deter renewed aggression. The Department of Defense has sent an assessment team to Tbilisi to help us begin to consider carefully Georgia's legitimate needs and, working with our Allies, develop our response. For several years, the United States has played a significant role in preparing Georgian forces to conduct counterterrorism missions, first as part of an

effort to help Georgia rid its Pankisi Gorge of Chechen and other extremists and then as part of multinational coalition efforts. NATO's North Atlantic Council decided on August 19 to develop a NATO-Georgia Commission aimed at supporting Georgia's relations with NATO. NATO has also decided to help Georgia assess the damage caused by Russia's invasion, including to the Georgian Armed Forces, and to help restore critical services necessary for normal public life and economic activity. NATO has sent an advisory support team to Georgia and its Special Representative for the Caucasus and Central Asia. The North Atlantic Council Permanent Representatives plan to visit Georgia in the near future. Finland's Foreign Minister Alexander Stubb, the OSCE Chairman-in-Office, showed strong and effective leadership in working with French Foreign Minister Kouchner to lay the diplomatic foundation for the ceasefire agreement and activate the OSCE's crisis response mechanisms.

Blunting Russia's Strategic Objectives

Our second key objective is to prevent Russia from drawing a line through Europe and declaring that nations on the wrong side of that line belong to Moscow's "sphere of influence" and therefore cannot join the great institutions of Europe and the transatlantic family. President Medvedev's recent statement of Russia's foreign policy principles implies such a claim.

The United States does not believe in or recognize "spheres of influence." Since 1989, the United States – under the leadership of Presidents George H. W. Bush, President Clinton, and President George W. Bush – has supported the right of every country emerging from communism to choose the path of its own development, and to choose the institutions – such as NATO and the European Union – that it wants to associate with and join. Each country must show itself ready to meet the standards of the institutions it seeks to join. That is its responsibility, and Georgia and Ukraine should be treated no differently than other European countries seeking to join European and transatlantic institutions.

NATO and EU enlargement has been the institutional embodiment of the slogan, "Europe whole, free, and at peace." A Europe whole, free, and at peace has been good for Europe, good for the countries on Europe's periphery, and, I would argue, good for Russia, which now faces the most benign set of countries to its west in all of its history.

Europe whole, free, and at peace should include Russia; and throughout this process the United States and Europe sought to deepen ties with Russia in parallel with the growth of Western institutions throughout all of Europe. But Europe whole, free, and at peace certainly does not mean that Russia gets to veto the right of independent countries to choose their future, and especially not through intimidation and threats. We want to respect Russia's legitimate interests. But we will not sacrifice small nations on the altar of great power expediency.

Shoring Up Friends on the Periphery

Third, we need to explore ways to shore up other countries on Russia's periphery, and take advantage of some possible opportunities offered by the fallout from Russia's invasion of Georgia. Above all, we need to remove other opportunities for Russia to fish in troubled waters. The best way to do so is to redouble our efforts to ease tensions and resolve conflicts throughout the region. This past weekend, the leaders of Turkey and Armenia took an important step toward reducing the long-standing tensions that have kept their border closed for the past 15 years. We applaud the initiative of Armenian President Sargsyan to invite his Turkish counterpart to Yerevan, and Turkish President Gul's willingness to accept the invitation. Their meeting has not resolved their countries' bilateral problems, but it has created a new atmosphere in the relationship, and given hope that a long-overdue thaw has begun. The normalization of relations between Turkey and Armenia would not only ease Armenia's isolation, but would help open up trade and transportation routes for the entire South Caucasus.

Closely connected to the question of Turkish-Armenian rapprochement is resolution of the Nagorno-Karabakh conflict. The consequences of this unresolved conflict have weighed like a millstone around the neck of the entire South Caucasus. Its costs can still be counted in terms of refugees and internally displaced persons—nearly a million altogether—provinces denuded of population, lost economic opportunities, and disrupted trade. It is hard to identify any real winner in this situation, and the shock of Russia's assault on Georgia might have the unintended effect of encouraging the parties to show greater flexibility and creativity in their negotiations. The U.S. Government will do all it can to encourage such flexibility. We will do everything possible to promote a just and lasting settlement of the Nagorno-Karabakh conflict that proceeds from the principle of our support for Azerbaijan's territorial integrity, and ultimately incorporates other elements of international law and diplomatic practice.

The Russian assault on Georgia should also serve as a wake-up call to strengthen the southern energy and transport corridor from the Caspian region to Europe. Russia's past willingness to use energy as a means of coercion had already cast doubt upon its reliability as a supplier. The new willingness to use force to change borders on its periphery makes Russia an even more dangerous and unpredictable partner. Russia might have hoped that its war on Georgia would frighten away investors and disrupt pipelines. If the various players along the southern route draw the appropriate lessons from the invasion and show the requisite wisdom and flexibility, Russia's actions might actually forge a stronger consensus on the importance of a southern corridor. The good news is, the corridor through which large volumes of Azerbaijani and other Caspian gas will run to Turkey and the rest of Europe were unscathed by Russia's military operations. Working closely with our Allies, we can ensure this corridor expands and continues to attract the investment required to help Europe diversify its supply of one of its most important commodities, natural gas.

Thank you. I look forward to taking your questions.