

**STRATEGIC ASSESSMENT OF
U.S.-RUSSIAN RELATIONS**

HEARING

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

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CONTENTS

	Page
Biden, Hon. Joseph R. Jr., U.S. Senator From Delaware	1
Brzezinski, Dr. Zbigniew, former National Security Advisor; counselor and trustee, Center for Strategic and International Studies, Washington, DC	32
Prepared statement	35
Fried, Hon. Daniel, Assistant Secretary for European and Eurasian Affairs, Department of State, Washington, DC	5
Prepared statement	8
Responses to additional questions submitted for the record by Chairman Biden for Ambassador Fried	15
Lugar, Hon. Richard G., U.S. Senator From Indiana	2
Scowcroft, Lieutenant General Brent, USAF (Ret.), former National Security Advisor; president, the Scowcroft Group, Washington, DC	37

STRATEGIC ASSESSMENT OF U.S.–RUSSIAN RELATIONS

THURSDAY, JUNE 21, 2007

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

The committee met, pursuant to notice, at 9:45 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Joseph R. Biden, Jr. (chairman of the committee) presiding.

Present: Senators Biden, Feingold, Cardin, Lugar, Hagel, Corker, Voinovich, and Isakson.

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

The CHAIRMAN. This morning, the committee will hear testimony on the United States strategy for managing relations with Russia.

Over the last 7 years, Russia has, in my view, slipped into a mire of authoritarianism, corruption, and manufactured belligerence. These developments, along with many serious domestic problems, have been partly masked by an extraordinary oil and gas windfall. But these resources are not solving Russia's public health and demographic crisis, they aren't being used to modernize Russia's aging oil and gas infrastructure, and they aren't bringing peace to the North Caucasus. Instead, we've seen a spread of rampant corruption, Kremlin efforts to muzzle dissent and bully neighbors, and a fixation on acquiring pipelines to deliver hydrocarbons to our close allies.

In view of these stark realities, and the Kremlin's charged rhetoric about the United States, the most important conclusion we can draw about our strategy for dealing with Russia is that we need a new one. Whatever our game plan has been—and I am not convinced we've had one—it clearly isn't working.

Russia is very important to the United States in at least three respects:

First, we have an interest in the country's domestic situation, including the security of its nuclear stockpiles. Contrary to what Russian media might say, the United States needs a Russia that's strong and stable. Russia is the only other State in the world with enough nuclear weapons and delivery capacity to wipe us out. We can't afford to see its government crippled by corruption and lack of accountability. Beyond that, Russia's domestic problems, especially its looming democratic implosion, could become a source of significant instability in the world. Russia is losing the a population equivalent to the size of the State of Delaware—almost 1

million people each year. Its population could be cut in half by the year 2050. No country—no country—can endure that type of loss indefinitely without serious consequences.

Second, we have an interest in Russia's neighborhood. Many countries in Eastern Europe and along Russia's border occupy positions of significant strategic and political importance. They rely on Russia for energy, and trust that it won't abuse its size and resources like a playground bully. We must respond to Russia's actions that destabilize the country's neighbors or undermine the region's young democracies.

Third, by virtue of its permanent seat on the United States Security Council and the size of its territory, population, and economy, Russia remains a significant strategic player, with the ability to affect many of our global interests. We've seen this recently, in Kosovo. There, as in numerous other cases, Russia's influence has not been helpful.

For years, the Bush administration tried to paper over problems with Russia. More recently, the State Department has said it will work with the Kremlin when possible, and push back when necessary. This formula sounds reasonable, but I worry that it provides neither the strategic vision nor the practical framework to deal with a Kremlin that has repeatedly and successfully outmaneuvered the West in recent years.

Mr. Putin has successfully exploited the differences in the Euroatlantic community for the past several years. But with new leadership in several of our key European capitals, it is time to forge a new common strategy for dealing with Russia.

When the United States and Europe come together around a single cogent policy, we have a long and successful track record for managing relations with Moscow. A joint United States-European approach would not, and should not, constitute a threat to Russia. Indeed, I believe the principal goal of such an effort should be to refocus the Kremlin on all that Russia stands to gain from working with the West, and all it stands to lose by sticking to its zero-sum mentality that it seems to be gripped by now.

The West needs to offer a clear vision of the positive role Russia could and should play as a leader in the international community. We need to devise incentives that will recognize and reward Moscow's efforts to deal responsibly with the many common challenges we face. Conversely, if Russian leaders continue pursuing zero-sum diplomacy, then it's time we address the issue together with our allies.

I look forward to our discussion on these and many other questions, and I hope it will yield ideas for how to manage this critical relationship in the future.

I now yield to my colleague Chairman Lugar.

**STATEMENT OF HON. RICHARD G. LUGAR,
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Well, thank you very much, Mr. Chairman. I join you in welcoming this opportunity for the committee to examine United States-Russian relations.

In recent months, newspaper stories have speculated about whether our relations with Russia were descending to the point

where the cold war would return. Clearly, Washington and Moscow have disagreed on many topics lately. We have disputed aspects of policy related to energy security, missile defense, the Conventional Forces in Europe Treaty, the Intermediate Range Nuclear Forces Treaty, democracy in general, human rights, Iran, Kosovo, Georgia, Moldova, and other items.

While Americans prepare to celebrate Independence Day, President Bush will be hosting Russian President Vladimir Putin in Kennebunkport, Maine, and I applaud the President and his efforts to engage his Russian counterpart. I encourage him to do so even more regularly. The Kennebunkport meeting will not resolve all disputes, but establishing a commitment to diplomacy is important. The United States-Russia relationship is critical to the security and prosperity of the international community. Kennebunkport provides an opportunity for the two Presidents to give direction to their bureaucracies and to lead our countries toward a stronger partnership.

During the last 15 years, United States-Russian relationships have gone through geopolitical roller-coaster rides, but, throughout the highs and lows, both sides have understood that our work confronting the dangers of weapons of mass destruction was too important to be sidelined. We have worked together to implement nuclear and chemical arms-control treaties. The two countries cooperated closely in the denuclearization of Ukraine, of Belarus, and Kazakhstan, and, through the Nunn-Lugar Cooperative Threat Reduction Program, we have dismantled more than 2,000 intercontinental missiles, we eliminated 1,000 missile launchers, deactivated 7,000 nuclear warheads. In addition, our experts have worked together to remove nuclear material from vulnerable locations around the world, and to secure it in Russia. Such cooperation provides a foundation on which to rebuild trust and confidence.

I urge the Presidents to solidify new areas of cooperation on weapons of mass destruction. First, the United States and Russia must extend the START I Treaty's verification and transparency elements, which will expire in 2009, and they should work to add verification measures to the Moscow Treaty. Unfortunately, some bureaucrats on both sides are balking at such efforts in favor of less formal language that is not legally binding. I am concerned that transparency and verification will suffer if legally binding regimes are permitted to dissolve. The predictability and confidence provided by treaty verification reduces the chances of misinterpretation, miscalculation, and error.

The current U.S. policy is at odds with the Bush administration's assurances to Congress during consideration of the Moscow Treaty. Secretary Rumsfeld and others testified that the START regime would be utilized to bolster the Moscow Treaty, which did not include verification measures. The current Russian-American relationship is complicated enough without introducing more elements of uncertainty into the nuclear relationship.

A second area of cooperation relates to the coming surge in global demand for nuclear power, which may provide a pretext for more nations to seek their own nuclear enrichment facilities. The spread of this technology to additional states poses long-term risks for both the United States and Russia. While the technology may be

intended to produce reactor fuel, it can also produce materials for nuclear weapons. Both Presidents have offered plans to establish nuclear fuel assurances.

Senator Biden and I have introduced Senate bill 1138, which proposes that countries who give up their enrichment and reprocessing programs have an assurance, either bilateral, multilateral, or both, of nuclear reactor fuel at reasonable prices. Under such a regime, nations would be prohibited from using the template of nuclear energy to develop nuclear weapons. I remain hopeful that the chairman will hold a hearing on this important subject.

Now, third, the United States and Russia should be exploring how the Nunn-Lugar experience can be applied to North Korea. While difficult diplomatic work remains, we must be prepared to move forward quickly if the six-power talks succeed. The Nunn-Lugar program would have a different orientation in North Korea than it does in the former Soviet Union, but the program has the authority, flexibility, and experience to adapt to the Korean situation. Equally important, Moscow and Washington have proven that former enemies can work together to achieve shared security benefits. Such a track record will be critical to a successful diplomatic process on the Korean Peninsula.

Fourth, Russia and the United States must come together to address the threat posed by Iran's nuclear weapons program. For too long, our governments have been at odds over how to respond to Tehran's behavior. The differences in our approaches have narrowed recently, and there are prospects for continued cooperation between Moscow and Washington within the U.N. Security Council. I am hopeful this renewed collaboration will extend to missile defense, as well.

Other subjects must be discussed at Kennebunkport, but weapons of mass destruction remain the No. 1 national security threat to the United States and to Russia. Success in this area would enhance international security and improve the prospects of United States-Russian cooperation in other policy areas.

This year is the 200th anniversary of United States-Russian bilateral relations and the 15th anniversary of the Nunn-Lugar program. These anniversaries provide an occasion for both Moscow and Washington to rededicate themselves to a close partnership to address common challenges.

And I join in welcoming our very distinguished witnesses, each of whom has been a very good friend of our committee, and I look forward to their testimony.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator.

With the indulgence of my colleagues, I would like to do two things. One, I would like to make an additional brief statement, 2 minutes, and we'll have 7-minute rounds.

Let me emphasize, Mr. Secretary, what Senator Lugar said. I think there's a dangerous drift in the way in which we deal with the notion of strategic weapons. The lack of regard on the part of this administration for the Moscow Treaty is frightening. It is my understanding that START is set to expire. The next President of the United States is going to have less than a year to have to deal with this. And what I see is counterproductive actions on the part

of this administration. Moscow appears to be willing to reduce the number of strategic nuclear warheads below the Moscow Treaty levels, limit systems, as well as warheads, and is looking for verifiability and transparency. I hope what I'm hearing about the administration's attitude toward this is incorrect.

Second—and I want to reemphasize—this Nation owes Senator Lugar an incredible debt, along with Senator Nunn. There are 700 to 1,400 tons of highly enriched uranium in Russia—700 to 1,400. We're talking about worrying about Iran having 3,000 centrifuges running for a year, getting 25 kilograms—we're talking about going to war over 25 kilograms—that that's what these centrifuges could produce in a year if they run. And you've got 700 to 1,400 tons of highly enriched uranium, over 100 tons of plutonium. And, according to Russian security officials, only about 30 percent of that amount of material is secured.

So, we've got a lot to talk about, Mr. Secretary. But let me also state, at the outset, I have great respect for you. You've served in administrations, and you know a lot about this subject. We're thankful that you're prepared to come before the committee.

And I will now yield for your testimony, and then we'll go to questioning. Thank you very much.

STATEMENT OF HON. DANIEL FRIED, ASSISTANT SECRETARY FOR EUROPEAN AND EURASIAN AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Ambassador FRIED. Thank you, Chairman Biden, Ranking Member Lugar, Senators. I appreciate the invitation to appear before you.

Russia is a great country, and one with which we must work. We have significant areas of common interest, we have significant differences. We are in a complicated period in relations with Russia, and so, this hearing is well timed.

Our strategic approach to Russia means that we defend and advance our interests while building on areas of common concern, as we have done. It means we must find the right balance between realism about Russia and the higher realism of commitment to defend and advance our values.

Russia today is not the Soviet Union. As President Bush has said, the cold war is over. But the world has recently witnessed statements and initiatives from Russia that puzzle and concern us. In the past few months, Russian leaders and senior officials have threatened to suspend Russia's obligations under the CFE Treaty, criticized United States plans for a modest missile defense system, attacked United States agreements with Romania and Bulgaria to establish joint training facilities in those countries, and resisted a realistic prompt resolution of Kosovo's final status.

These and other policy concerns have been accompanied by an inconsistent, but worrying toughening of Russian rhetoric about the United States and the outside world. And all this occurs against a background of steady deterioration of democratic practices within Russia.

Yet, in other critical areas, our cooperation is advancing. These include nonproliferation, including nuclear nonproliferation; cooperation on North Korea, and, in general, Iran; counterter-

rorism—and here, I would like to note Senator Biden’s important proposal to create an international nuclear forensics library; cooperative threat reduction efforts which result from Nunn-Lugar legislation; the NATO-Russia Council, and the WTO accession process.

Against this complex background, President Bush and President Putin will meet in Kennebunkport, a venue intended to allow the leaders to step back, consider how to avoid rhetorical escalation, and concentrate on a common agenda.

Many ask why Russia has sharpened its rhetoric. While Russia’s electoral season may play a role, there may be deeper causes having to do with Russia’s view of its recent history and its place in the world.

Most in the United States and Europe saw the end of communism and breakup of the Soviet Union as an extension of the self-liberation of Eastern Europe starting in 1989. We hoped that Russia, liberated from communism and the imperative of empire, would follow the same pattern. But many Russians see the 1990s as a decade of decline and chaos. Many have bitter memories of that time: The wiped-out savings, the increasing dysfunctionality of the state, the rise of corrupt oligarchs. Many Russians associate these internal problems with democracy and reform, and also link them with the trauma of perceived external retreat. In Russia, the perception exists that the collapse of the Soviet Bloc undid Russia’s political gains in Europe in the 20th century, and that the dissolution of the Soviet Union undid much of Russia’s territorial expansion from the mid-17th century.

In fact, the 1990s brought about a Europe, whole, free, and at peace, working with the United States, and with Russia welcome to play its part as a valued partner. In the view of many Russians, however, the European order that emerged in the 1990s was imposed on a vulnerable Russia. Many Russians cite NATO enlargement, the pro-Western orientation of Georgia and, to some extent, Ukraine, and the unqualified and enthusiastic integration of the Baltics, and even Central Europe, into the Euroatlantic community as an affront. For many Russians, this order is unjust and something to be challenged, and perhaps revised.

In Russian history, periods of domestic disorder ended with the reemergence of strong rulers. President Vladimir Putin is often seen by Russians in this context, as a popular restorer of order and a state-builder. President Putin’s popularity appears partly related to Russia’s new wealth, generated in part by high world prices for oil and natural gas. But Russians also see him as a leader who has halted Russia’s international retreat and sought to reverse it.

Mr. Chairman, to understand is not necessarily to agree. The United States does not regret the end of the Soviet Bloc. The United States does not believe that any nation has the right to a sphere of influence over unwilling countries. My purpose is not to justify, but to explain, and this may provide context for current Russian-American relations and some recent Russian rhetoric and actions.

President Bush and the administration have avoided a rhetorical race to the bottom. We have sought to address problems in a constructive spirit wherever possible, while, at the same time, remaining firm in defense of our principles and our friends. The adminis-

tration seeks to protect and advance the new freedoms that have emerged in Eastern Europe and Eurasia in parallel with the development of partnership with Russia. Nevertheless, Russia's historical view seems to affect its relations with the world and the United States, especially in the region close to Russia. Zero-sum thinking is evident in Russian allegations that United States plans to establish rotational training facilities in Romania and Bulgaria are a potential threat to Russia and constitute permanent stationing of substantial combat forces. They charge that these plans violate the NATO-Russia founding act. Neither is true, however.

Last April 26, President Putin suggested that he would consider suspending Russia's implementation of the CFE Treaty. At the Extraordinary Conference on CFE in Vienna last week, which I attended as head of delegation, we and our allies stated that we regard CFE as a cornerstone of European security. We will work to address Russia's problems, but not at the expense of the integrity of the treaty regime. Russia has reacted with hostility to plans by the United States to place elements of a limited missile defense system in Poland and the Czech Republic, intended to protect us and our allies from threats from the Middle East.

At the G-8 summit, President Putin proposed that the Russian-operated radar in Azerbaijan be used jointly for missile defense purposes. This promising proposal implicitly acknowledged the potential ballistic missile threat from Iran, though recent statements from Russia are mixed. We look forward to discussions.

In Kosovo, a U.N.-mandated negotiating process led by Martti Ahtisaari has concluded that the only solution is internationally supervised independence for Kosovo. We now seek a U.N. Security Council resolution to bring into force Ahtisaari's plan. The status quo is not stable. U.S. and European troops under NATO must not be put into an impossible position.

In rejecting independence, Russia suggests that a Kosovo solution will constitute a precedent leading to the recognition of the independence of Abkhazia, South Ossetia, and Transnistria. We've made clear that these are very different situations.

Russia's energy resources constitute a source of national wealth, but also leverage, in its region, and perhaps beyond. Last month, the Presidents of Russia, Kazakhstan, and Turkmenistan issued a declaration pledging to cooperate on increasing natural-gas cooperation and development. This declaration attracted misplaced speculation. In reality, it need have no direct impact on U.S. Government efforts to develop multiple gas pipelines from the Caspian region to Europe. We do not believe in monopolies, but in competitive, open markets. We seek an open and cooperative energy relationship with Moscow. The United States also strongly supports Russia's WTO accession and seeks prompt graduation of Russia from Jackson-Vanik restrictions.

Russia's relations with its neighbors, Europe, and the United States, take place alongside of broader troubling trends within Russia itself. Increasing pressure on journalists is especially troubling. Most television networks are in government hands or owned by allies of the Kremlin. Attacks on journalists, including the murders of Paul Klebnikov and Anna Politkovskaya, among others, chill the media.

The United States and its European allies continue to support Russian democracy and civil society. We are not, charges to the contrary, seeking to interfere in Russia's domestic political development. We will, however, always stand for the advance of freedom and democracy. America and most of Europe abandoned, some time ago, the notion that the internal character of nations was none of our business.

Mr. Chairman, we will be working with a more assertive Russia for some time. We welcome a strong Russia, but one that is strong in 21st-century, not 19th-century, terms. A modern nation needs strong, democratic institutions and civil society groups. A truly strong and confident nation has respectful relations with sovereign neighbors. We must remain steady. And, as a steady country, we must work with our European partners to devise common approaches. We cannot give way to lurches of exaggerated hopes followed by exaggerated disappointment. We must simultaneously advance our interests and values, pushing back when necessary, while seeking to broaden and deepen cooperation with Russia.

Mr. Chairman, Senator Lugar, members of the committee, three American administrations have achieved much in Europe and with Russia since 1989. I hope we can take lessons from our successes, as well as learn our lessons about continuing challenges. And I look forward to your questions.

Thank you for your attention.

[The prepared statement of Ambassador Fried follows:]

PREPARED STATEMENT OF HON. DANIEL FRIED, ASSISTANT SECRETARY OF STATE FOR EUROPEAN AND EURASIAN AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Chairman Biden, Ranking Member Lugar, members of the committee, thank you for inviting me to appear before you to discuss Russia and U.S.-Russia relations.

Russia is a great country; one we must work with on important issues around the world. We have significant areas of common interest and want to build on these. We also have significant differences with certain policies of the current Russian Government. This hearing is well timed, because we are in a more complicated period in our relations with Russia than we've been in some time.

Our differences notwithstanding, Russia today is not the Soviet Union. As President Bush has said, the cold war is over. But the world has witnessed a series of statements and initiatives from Russian officials in recent months that have left us puzzled and in some cases concerned.

In the past few months, Russian leaders and senior officials have, in quick succession:

- Threatened to suspend Russia's obligations under the Treaty on Conventional Armed Forces in Europe, the CFE Treaty;
- Criticized U.S. plans for a modest missile defense system based in Europe and rejected our explanation that it is intended to counter potential threats from Iran, only to propose missile defense cooperation in Azerbaijan;
- Attacked U.S. agreements with Romania and Bulgaria to establish joint training facilities in those countries, even though this would involve no permanent stationing of U.S. forces;
- Left the impression that there's no will to find a realistic, prompt resolution of Kosovo's final status;
- Threatened the territorial integrity of Georgia and Moldova by giving renewed support to separatist regimes and issuing veiled threats to recognize breakaway regions in those countries;
- Further restricted freedom of assembly and association by preventing peaceful demonstrations as well as hindering the operation of organizations such as Internews.

These and other policy concerns have been accompanied by an inconsistent but still worrying toughening of Russian rhetoric about the United States, Europe, and some of Russia's neighbors. The Russian media—increasingly state controlled—fre-

quently paint an “enemy picture” of the United States. We have seen Russian efforts to strengthen monopoly control over energy resources in Central Asia and a willingness to use this control for political purposes. All these concerns, moreover, occur against a background of a steady deterioration of democratic practices within Russia.

In this context, some observers have suggested that Russia’s relations with the West are at a post-cold-war low. Yet in other critical areas, our cooperation is advancing. These include:

- Nonproliferation (including nuclear);
- North Korea and Iran;
- Counterterrorism and Law Enforcement—and here I’d like to commend Senator Biden for his proposal to create an international nuclear forensics library;
- Cooperative Threat Reduction efforts, which result from Nunn-Lugar legislation;
- NATO-Russia Council (including the Status of Forces Agreement recently approved by the Russian Duma and President Putin);
- Some investment and business opportunities; and
- Progress in negotiations on Russia’s accession to the World Trade Organization, including conclusion of our bilateral WTO market access agreement in November 2006.

Against this complex background, President Bush and President Putin will meet in Kennebunkport, a venue intended to allow the leaders to step back, consider how to avoid rhetorical escalation, and concentrate on a common agenda for efforts against common threats and to achieve shared goals.

Many ask why Russia has sharpened its rhetoric in the last few months. While Russia’s impending electoral season may play a role, there may be deeper causes having to do with Russia’s view of the world and its history over the past 16 years—that is, since the end of the Soviet Union.

Most people in the United States and Europe saw the end of communism and the breakup of the Soviet Union as an extension of the self-liberation of Eastern Europe starting in 1989. In these countries, regained national sovereignty was accompanied by difficult, painful, but generally successful political and economic reforms. It was also associated with the emergence of democratic, free market systems that are fully part of the Euroatlantic community. We had hoped that Russia, liberated from communism and the imperative of empire, would follow the same pattern.

But the Russian Government and official media, and to a significant extent Russian society, see the 1990s as a decade of domestic decline and chaos. Many have bitter personal memories of the hardships of the 1990s: The wiped-out savings; the increasing dysfunctionality of the state; the rise, especially after 1996, of massively corrupt and massively rich “oligarchs.” Many Russians associate these problems with “democracy” and “reform” and see these domestic traumas through the external trauma of retreat. In Russia the perception exists that the collapse of the Soviet Bloc undid Russia’s political gains in Europe in the twentieth century, and that the dissolution of the Soviet Union undid much of Russia’s territorial expansion from the mid-17th century.

In fact, the 1990s brought about an Europe, whole, free, and at peace, working with the United States in the wider world, with Russia welcome to play its part as a valued and respected partner. In the view of many Russians, however, the European order that emerged in the 1990s was imposed on a weak, vulnerable Russia. Many Russians cite NATO enlargement, the pro-Western orientation and aspirations of Georgia and to some extent Ukraine, and the unqualified and enthusiastic integration of the Baltics and even Central Europe into the Euroatlantic community, as an affront. They seem to hold the development of military relations between the United States and countries of the former Warsaw Pact and Soviet Union as a painful reminder of a period of weakness. They view the support of the United States and European Union for the Euroatlantic aspirations of former Soviet states with suspicion.

This order was, in the view of many Russians, unjust; a function of a latter day “Time of Troubles” to be challenged and to some extent rolled back. We are witnessing a backlash.

The 1990s, in this narrative, are a modern-day “Time of Troubles” for Russia: A period of weakness with antecedents to Russia’s past. In Russian history, periods of disorder ended with the reemergence of strong rulers who restored Russian power. In this current case, President Vladimir Putin is often seen as a restorer of order and a state builder, and on the international stage, as a leader who has halted national retreat and sought to reverse it. Russians attribute to Putin a return to national pride.

The United States does not believe any nation has the right to impose a sphere of influence on unwilling countries. We do not miss the end of the Soviet bloc but celebrate the fact that Central and Eastern Europeans gained their freedom after 1989. We welcome the states of Eurasia into the family of nations that can choose their own destinies and associations. My purpose is not to justify, but to explain, the sources of Russian behavior.

President Putin's popularity appears to be a function of Russia's new wealth—spectacularly concentrated in a small class of super rich Russians but spreading beyond to a growing middle class. This rising wealth is generated in part by high world prices for energy. In fact, much of Russia's new confidence and assertiveness is underpinned by this new affluence. High prices for oil and natural gas are not just bankrolling the government. Because of the dependence of many surrounding states on Russian energy supplies provided by Russian state-owned companies, the new riches give Russia greater influence.

Russia's current political situation is also influenced by the lack of a free media or robust opposition that would critique and critically analyze the government's performance. Russian citizens who want a wider view must make an extra effort to find such opinions in the remnants of the free press and local electronic media or on the Internet.

This is the context for Russia's relations with the United States, some of its neighbors, and Europe. We do not share many elements of the Russian view of recent history, but it is important to understand the Russian mindset, which may account for some of the current rhetoric coming from Moscow.

President Bush and the administration have avoided a rhetorical race to the bottom as we approach our relationship with Russia. We have sought to address problems in a constructive spirit wherever possible while at the same time—and this is important—remaining firm in defense of our principles and friends. Strategically, the administration seeks to protect and advance the new freedoms that have emerged in Eastern Europe and Eurasia, and to do so in parallel with the development of a partnership with Russia.

We want to address problems around the world where we have common interests. Indeed, much of Russia's recent rhetoric about the United States is harsher than the reality of our cooperation. In our efforts, both to develop partnership with Russia and deal with challenges from Russia, we are working with our European allies. Given the Russian mood that I have described, this will take time and strategic patience in the face of problems and pressure. It will require steadiness on our part and that of our European allies, and steadfast adherence to fundamental principles.

Nevertheless, the historical forces that I have laid out have had a deep impact on Russia's relations with the world.

They may explain, for example, why the Russians have alleged that U.S. plans to establish rotational training facilities in Romania and Bulgaria are a potential threat to Russia and constitute permanent stationing of substantial combat forces. They charge that these plans thus violate political commitments made in the NATO-Russia Founding Act, signed in 1997.

Neither is true, of course. Our plans do not involve substantial combat forces, nor would U.S. forces be permanently stationed in those countries. Our plans are for periodic rotational training deployments of one brigade combat team. This is no threat to Russia, which has the largest conventional military forces on the continent, nor is it intended to be. Training and temporary movement of brigade-size units to Bulgaria and Romania can hardly threaten Russia.

Last April 26, the day of a NATO Foreign Ministers and NATO-Russia Council meeting in Oslo, President Putin suggested he would consider suspending Russia's implementation of the Conventional Forces in Europe Treaty (CFE) if no progress were made on ratification of the Adapted CFE Treaty by NATO Allies.

This declaration triggered immediate concern that Russia intended to weaken or even end this highly successful multilateral arms control regime. At the NATO Foreign Ministers meeting, and last week at the Extraordinary Conference on CFE in Vienna, which I attended as head of delegation, the United States and its allies made the point that we regard the CFE regime as the cornerstone of European security; that we welcome the opportunity to address Russia's concerns about the treaty; and that we are eager to ratify the Adapted CFE Treaty. We also made clear, however, that we looked for Russia to fulfill the commitments it made when we signed the Adapted CFE in 1999 in Istanbul, including the withdrawal of Russian forces that are in Georgia and Moldova without those governments' consent.

The United States and our allies are prepared to be creative in helping Russia meet its Istanbul commitments and open to addressing Russia's concerns about the Adapted CFE Treaty. We hope that Russia will work with us, and not simply make

ultimatums and withdraw from the treaty, damaging European security to no good end.

For many weeks, Russia chose to react with skepticism verging on hostility to plans by the United States to place elements of a limited missile defense system in Poland and the Czech Republic. This modest system is intended to protect the United States and its European allies against missile threats from the Middle East. We have sought to address Russian concerns through more than 18 months of consultations, seeking to assure Russia that this system cannot possibly damage their own nuclear force.

We have also sought Russian cooperation on missile defense for many years and last April proposed a comprehensive package of suggestions for cooperation across the full spectrum of missile defense activities.

At the G-8 summit 2 weeks ago in Germany, President Putin put forth his own ideas for missile defense cooperation. Meeting with President Bush, President Putin proposed that the "Gabala" Russian-operated radar in Azerbaijan be used jointly for missile defense purposes. The proposal acknowledged the potential ballistic missile threat from Iran and the need to protect Europe, Russia, and the United States from such a threat.

We look forward to discussing with Russia all ideas for missile defense cooperation. Europe, the United States, and Russia face a common threat and should seek common solutions. Of course, any U.S.-Russia discussions regarding the use of the existing Azerbaijani radar for missile defense purposes would be done in full consultation and cooperation with the government of Azerbaijan.

Finding a solution for the status of Kosovo constitutes one of the most acute problems in Europe today, and one in which Russia's position will make a critical difference. The stakes are high. Resolution of Kosovo's status is the final unresolved problem of the breakup of former Yugoslavia. Eight years after NATO forces drove out the predatory armies of the nationalist Milosevic regime, a U.N. Envoy for Kosovo Status, former Finnish President Marti Ahtisaari, has concluded that the only solution is Kosovo's independence, supervised by the international community, and with detailed guarantees, enforceable and specific, to protect Kosovo's Serbian community. The comprehensive plan developed by President Ahtisaari has the full support of the United States and Europe.

We now seek a U.N. Security Council Resolution to bring into force Ahtisaari's Plan and pave the way for Kosovo's supervised independence. Russia played an important and constructive role in framing the Ahtisaari Plan, which in fact meets Russia's concerns about protection of Kosovo's Serbian community and Serbian Orthodox religious sites. We are eager to find a solution at the Security Council that Russia can support. But further delay and endless negotiations will not solve the problem. And we must solve it, because the status quo is not stable. U.S. and European troops under NATO are keeping the peace but must not be put into an impossible position.

So far, Russia continues to reject any solution that is not approved by Serbia, even the creative compromise suggested by French President Nicholas Sarkozy at the G-8; and Serbia has made clear that it will never agree to Kosovo's independence. Moreover, Russia suggests that a Kosovo solution involving independence will constitute a precedent leading to the recognition of the independence of Abkhazia, South Ossetia, and Transnistria, as well as drive separatist movements elsewhere around the globe.

We believe that such a position is destabilizing and reckless. Kosovo is a unique situation because of the specific circumstances of Yugoslavia's overall violent and nonconsensual breakup, the existence of state-sponsored ethnic cleansing, the threat of a massive humanitarian crisis bringing about NATO intervention to prevent it, and subsequent U.N. governance of Kosovo under a Security Council resolution that explicitly called for further decisions on Kosovo's final status. It constitutes no precedent for any other regional conflict anywhere in the world.

We will move forward. As President Bush said in Tirana on June 10, "I'm a strong supporter of the Ahtisaari plan . . . [T]he time is now. . . . [W]e need to get moving; and . . . the end result is independence."

Delay or stalemate will likely lead to violence. Russia can yet play a helpful role.

Let me be clear. There is no linkage or similarity between Kosovo and Georgia's breakaway provinces of Abkhazia and South Ossetia, and Moldova's breakaway Transnistria region. That said, we want to work with Russia to help resolve these conflicts peacefully. Russian-Georgian relations, after a period of extreme tension, have shown tentative signs of improvement, but we hope that Moscow does more to normalize relations. Russia should end the economic and transportation sanctions it imposed against Georgia last fall.

For its part, Georgia needs to continue to avoid provocative rhetoric and to pursue exclusively peaceful and diplomatic means of resolving the separatist conflicts, as indeed it has for some time now. Moscow should recognize that a stable, prospering Georgia is surely a better neighbor than the alternative.

We do not believe that Georgia's Euroatlantic aspirations, or Ukraine's, need drive these countries from Moscow; we do not believe in a zero-sum approach or that these countries must chose between good relations with Moscow and the Euroatlantic community.

Russia's energy resources, and its position as transit country for the energy resources of Central Asian states, constitute a source of national wealth and a potential source of political power and leverage for Russia in its region. We have seen this demonstrated in the case of Ukraine in 2006. Russia also faces growing domestic demand for energy and thus needs massive investment and technology even to maintain current production levels. At the same time, and somewhat inconsistently, Moscow seems to want to circumscribe foreign presence in its energy sector and maintain its near-monopoly over Central Asian energy exports to Europe. Thus, Russia's energy policy sends mixed signals to its foreign partners as Moscow seeks to balance these competing demands.

For our part, we seek an open and cooperative energy relationship with Moscow and have sought to use our bilateral energy dialogue, launched with high hopes in 2003, to this end. We have enjoyed some successes, such as the ConocoPhillips-Lukoil deal, the success of ExxonMobil in Sakhalin-1 in Russia's Far East, and the continued presence of U.S. energy services companies in Western Siberia and the Volga-Urals. But recent state pressure on foreign energy investors has limited the scope for cooperation.

The Caspian region is ripe for further energy development. The key question is what form this will take. Russia will be a major player in Central Asia's energy sector under any scenario. We believe that Central Asian countries would be wise to court more than one customer and more than one source for energy transport. The U.S. Government does not support monopolies or cartels. We believe in competitive markets for energy and transport of oil and gas. America's Eurasian energy security policy promotes diversification, and that includes efforts to advance reliable, long-term flows of natural gas from the Caspian region to European markets.

Last month, the Presidents of Russia, Kazakhstan, and Turkmenistan issued a declaration pledging to cooperate on increasing natural gas exports from Central Asia to Russia. This declaration attracted attention and misplaced speculation in the press. But in reality, the three Presidents' statement need have no direct impact on U.S. Government effort to develop multiple gas pipeline routes from the Caspian Sea region to Europe.

We continue to convey the message that despite continued strong economic growth, Russia must look to the long-term and attract investment into its energy sector. Greater U.S. investment in this sector would serve the interests of both countries: American companies have the capital and high technology Russia needs to exploit many of its oil and gas fields.

Although the investment climate has improved on some fronts, investment in Russia—in energy and other areas—presents a mixed picture. Many American companies are doing well in Russia and we wish them success. The best way to sustain Russia's development is through judicial reform to strengthen rule of law, banking reform to improve the capacity of the financial sector, accounting reform to promote greater transparency and integration into international business standards, improved corporate governance, and reduction of government bureaucracy.

Following the bilateral market access agreement we signed last November, the United States strongly supports Russia's WTO accession. Russia is the largest economy remaining outside of the WTO, and there is still a considerable multilateral process to complete, but we believe it is important for Russia to become more integrated into the world economy.

As we continue to work with Russia in the multilateral process, we are focusing on some key outstanding concerns, particularly on intellectual property rights (IPR), market access for beef, and barriers to trade in agricultural products (SPS issues). Russia will need to resolve all outstanding bilateral and multilateral issues before it accedes to the WTO. We hope this process, and also prompt graduation of Russia from Jackson-Vanik restrictions, can be completed.

The complexities of Russia's relations with its neighbors, with Europe and with the United States reflect broader, negative trends on human rights and democracy in Russia itself. As President Bush said in his recent speech in Prague, "In Russia, reforms that were once promised to empower citizens have been derailed, with troubling implications for democratic development."

Curtailment of the right to protest, constriction of the space of civil society, and the decline of media freedom all represent serious setbacks inconsistent with Russia's professed commitment to building and preserving the foundations of a democratic state. And these setbacks ultimately weaken any nation as well as the partnership we would like to have with Russia.

The increasing pressure on Russian journalists is especially troubling. Vigorous and investigatory media independent of officialdom are essential in all democracies. In Russia today, unfortunately, most national television networks are in government hands or the hands of individuals and entities allied with the Kremlin. Attacks on journalists, including the brutal and still unsolved murders of Paul Klebnikov and Anna Politkovskaya, among others, chill and deter the fourth estate.

Also deeply troubling, the Kremlin is bringing its full weight to bear in shaping the legal and social environment to preclude a level playing field in the upcoming elections. There have been many instances in which the authorities have used electoral laws selectively to the advantage of pro-Kremlin forces or to hamstring opposition forces.

The ban on domestic nonpartisan monitors also seems to have been based on political criteria. The challenges to rights of expression, assembly, and association also run counter to a commitment to free and fair democratic elections. 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 consequence in this effort.

Against this background, the United States and its European allies and friends continue to support Russian democracy and civil society. We speak out and reach out to civil society and the opposition, and will continue to do so. We also maintain an open dialogue with the Russian Government on these issues. We are not, charges to the contrary, seeking to interfere in Russia's domestic political affairs. Such charges of outside interference are as misplaced as they are anachronistic.

We will, however, always stand for the advance of freedom and democracy. Russia's development of democratic institutions is not of marginal interest to us. America along with the rest of the international community, including Russia, some time ago abandoned the notion that the internal character of nations was none of our business. As the President said at the recent Prague summit on freedom and democracy, attended by representatives of Russia's democratic forces, expanding freedom is more than a moral imperative—it is the only realistic way to protect free people in the long run. The President recalled Andrei Sakharov's warning that a country that does not respect the rights of its own people will not respect the rights of its neighbors.

The United States and the Euroatlantic community must accept that we will work with, and live with, a much more assertive Russia for some time to come. We welcome a strong Russia; a weak, chaotic, nervous Russia is not a partner we can work with or count on. But we want to see Russia become strong in 21st century and not 19th century terms.

Some stabilization after the 1990s was inevitable and positive. But a modern nation needs more than a strong center. It needs strong democratic institutions: independent regulatory bodies, independent and strong judicial organs, independent media and civil society groups. In this century, strength means strong independent institutions, such as the judiciary, the media, and NGOs, not just a strong center. And it means political parties that grow from and represent and reflect the interests of the entire citizenry, not merely those of a government bureaucracy or a small number of oligarchs. Russia's modernization may yet produce a property-owning class that will come to demand a different relationship with the state than Russians have traditionally known.

In its foreign policy, a truly strong and confident nation has productive and respectful relations with sovereign, independent neighbors. Strength in this century means avoiding zero-sum thinking. It means especially avoiding thinking of the West in general and United States in particular as an adversary or independent neighbors as a threat. And we must avoid thinking of Russia as an adversary, even as we deal with serious differences.

We must also remember the many areas where we continue to cooperate well with Russia. One of these is counterterrorism, where, sadly, the United States and Russia have been victims and where we enjoy strong cooperation. The U.S.-Russia Counterterrorism Working Group met last fall and will meet again in a few months. Its mission is to continue and deepen cooperation on intelligence, law enforcement, WMD, terrorist financing, counternarcotics, Afghanistan, U.N. issues, MANPADS, and transportation security. Under our Mutual Legal Assistance Treaty, we also work closely on transnational crime, which covers terrorism, but also addresses

drug-trafficking and organized crime, human-trafficking and child exploitation, Internet fraud, and violent crime.

Last year, the United States and Russia worked together to create the Global Initiative on Nuclear Terrorism. In the span of a year, over 50 countries have joined the Global Initiative, which fosters cooperation and improves the abilities of partner nations to counter various aspects of nuclear terrorism. In that year, the United States and Russia have continued to work hand in hand on expanding the Initiative's scope and depth in what serves as a real example of bilateral cooperation.

Our strategic cooperation is intensifying. Last year we renewed until 2013 the Cooperative Threat Reduction (CTR) program, which facilitates dismantlement of weapons of mass destruction in the former Soviet Union.

We cooperate well on nuclear nonproliferation, both common global nonproliferation goals, and specifically to contain 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 U.N. Security Council Resolutions that impose sanctions on North Korea and Iran. The United States and Russia also participate productively in the Six-Party Talks on North Korea, and we and Russia are cooperating well on complex banking issues having to do with North Korea.

We continue to pursue cooperation through the NATO-Russia Council, the NRC. We have a broad menu of cooperative NRC initiatives involving diverse experts on both sides, including Russian participation in Operation Active Endeavor and counter-narcotics programs in Afghanistan. The Russian Duma's ratification of the Status of Forces Agreement (SoFA) with NATO opens up greater opportunities for cooperation.

Despite the differences, then, cooperation between the United States and Russia is broad, substantive, and includes cooperation on critical, strategic areas.

Our areas of difference are also significant.

We face a complex period in relations with Russia, as I have said. The past months have been especially difficult and the issues that we face, Kosovo especially, may strain our relations.

In this context, we must remain steady. We cannot give way to lurches of exaggerated hopes followed by exaggerated disappointment.

The strategic response to the challenges presented by the Russia of today means defending our interests while building on areas of common concern, as we have done. It means finding the right balance between realism about Russia and the higher realism of commitment to defend and advance our values. It means offering the hand of cooperation and taking the high road wherever possible, but standing up for what we believe is right and in all cases working with our allies.

The last three American Presidents have sought in various ways to find this balance. All faced the fact that relations with Russia cannot be resolved on a timetable or according to an agenda that we prefer. But since 1989 we have seen a cold war end, an empire dissolved, and the beginnings of partnership take root.

Mr. Chairman, Senator Lugar, I hope we can take lessons from our successes as well as learn our lessons about continuing challenges.

The CHAIRMAN. Thank you very much. I'm sure all of us have many questions, but we'll stick to 7 minutes on a first round.

I have made no secret of the fact that I find the two witnesses we're going to have on our next panel two of the most insightful foreign-policy analysts of this generation, and I find myself in agreement with Mr. Brzezinski—and I'm going to unfairly and—characterize, summarize what I think is one of the elements of his argument. I'd like you to respond. He suggests, in the paper he submitted, that there is a new elite that's emerged in Russia, that Putin has surrounded himself with former KGB operatives in—from, sort of, top to bottom.

And this new elite has embraced a—for a lot of reasons, some of which you referenced—a strident nationalism as a substitute for communism, and that the United States has been largely silent, in response to many of the actions that Russia is taking—because of our loss of legitimacy, with Guantanamo, and because of our inaccuracy about the war in Iraq. Our power has been viewed in diminished terms, because of us being tied down in Iraq. And that has produced a heightened need for us to seek Russia's support in, for

example, Korea and Iran, where we otherwise would not have needed that much support. That has emboldened Russia to act with impunity in its geopolitical backyard—Georgia, Ukraine, Estonia, Lithuania, Central Asia.

How do you respond to that broad assertion? Has our being tied down in Iraq, our conduct of our war on terror, put us in the position where we have diminished capacity to deal with Russia's aberrations under Putin?

Ambassador FRIED. At a first cut of an answer, I would say it is simply not true that we have been silent in the face of Russian pressure on some of its neighbors.

The CHAIRMAN. But has it limited our efficacy when we've spoken?

Ambassador FRIED. I'd put it this way. I think, in the period 2003–2004, it weakened the dispute over Iraq, weakened transatlantic solidarity on other issues, and that was a very difficult period. It's a period when President Chirac, Chancellor Schroeder, were toying—seemed to be toying with the notion of Europe as a counterweight to the United States, and, in that context, it was harder to develop what you, sir, rightly say ought to be a common United States-European approach to Russia.

However, since 2005, and since President Bush went to Europe, after his reelection, and reached out to Europe, that period has been put in the past. We're working very well with the Russians on some issues. We're working very well with the Europeans as we deal with Russian issues. We've been working with the Europeans on Baltic issues, on CFE, on issues of energy security.

So, I think that the linkage that Professor Brzezinski makes is not accurate with respect to current United States-European cooperation. And I'd like to cite Chancellor Merkel, who has managed to work with us very well while maintaining a somewhat critical position on other issues, such as Guantanamo.

The CHAIRMAN. OK. I have a number of specific questions I'll submit for the record.

[The information referred to above follows:]

RESPONSES TO ADDITIONAL QUESTIONS SUBMITTED FOR THE RECORD
BY CHAIRMAN BIDEN TO AMBASSADOR FRIED

Question. President Bush has made democracy promotion a defining rhetorical feature of his foreign policy and I assume that he's disappointed in Russia's regression toward authoritarianism. But when the President met with Mr. Putin on the margins on the G-8 Summit a few weeks ago, he reportedly didn't even mention the issue of democracy in Russia. Is that correct? If so, why not?

Answer. President Bush has a strong relationship with President Putin that enables him to raise in their personal discussions important issues that concern the U.S. government, including the rollback of democratic reform in Russia.

Moreover, President Bush has not shied from raising his concerns publicly, as he did in Prague on June 5, when he said, "In Russia, reforms that were once promised to empower citizens have been derailed, with troubling implications for democratic development."

We raise our concerns on democracy and human rights with the Russian government, at many different levels and in many different fora. Our message is consistent and clear—adherence to democratic principles is part of the fundamental "rules of the road" in world society today. Russian democracy remains one of several very important issues in the U.S.-Russian bilateral relationship, and we continue to engage the Russian government on democracy and human rights at the highest levels of government and at the working level.

Question. For the last several years, the Russians have proven very adept in dividing traditional allies within the Euro-Atlantic community. What are the prospects for forging a common approach to Russia now that there is new leadership in Germany, France and in the U.K.? What incentives could we offer Russia to act more responsibly at home, in its neighborhood and on issues of common concern like Kosovo and Iran? What leverage do we have to change Russian behavior if incentives do not work?

Answer. Beyond managing current difficulties, we seek a long-term partnership with Russia. To achieve that goal, the United States and our traditional allies within the Euro-Atlantic community should cooperate with Russia when at all possible; push back when necessary; and at all times be realistic about Russia.

In this regard, the United States is intensifying strategic dialogue with Russia, including on CFE, missile defense, and post-START arrangements. Secretaries Rice and Gates have agreed to a “two-plus-two” format with their counterparts, suggested by the Russians, to consider these issues. We seek common approaches on missile defense, not rhetorical sparring.

The booming Russian economy and huge energy resources ensure that Russia is a major player in the world economy, and the GOR is increasingly focused on being taken seriously in international economic fora, such as the G-8, WTO, among others. Engaging Russia in these fora, while insisting that it plays by the rules in them, can help induce changes in Russian behavior as Russia gradually conforms to international norms in these organizations. At the same time, we need to avoid thinking that we have great leverage and influence over Russia these days.

We should approach Moscow as a friend and potential ally everywhere in the world, but we should not pay a price for cooperation, nor indulge Russia when it behaves as if a residual sphere of influence over its neighbors is its due.

Europe and the United States should continue to speak out honestly and if necessary frankly about the use of political and economic pressure against smaller, vulnerable neighbors, such as Estonia and Georgia. Russia should recognize that it is in its own interest to cooperate constructively on issues of common concern like Kosovo and Iran.

Question. In terms of changes in U.S. policy, what consequences has the Kremlin faced as a result of its many actions that threaten democracy and stability inside and outside of Russia? What consequences will the Kremlin face for using Russia’s Security Council veto to prevent adoption of a UN Security Council resolution on Kosovo?

Answer. We are concerned about domestic political developments in Russia in the past few years, particularly the concentration of power in the Kremlin. We hope that there will be free and fair elections—not just on election day but in the days leading up to the election providing space for media and civil society—for the Duma this December and for the Presidency in March 2008, though we are not under any illusions on this score. President Bush has discussed our concerns frankly and openly with President Putin, and we continually urge the Russian president to continue democratic reforms in his country. Furthermore, we expect Russia to be a responsible participant in international organizations such as the OSCE.

We also consistently stress to the Russian government that the presence of stable and democratic neighbors around its borders is a positive development, one that should not feel threatening to Russia. We also insist that wherever democracies emerge, be it in Georgia, Ukraine or elsewhere, the United States will have good and sound relations with those countries.

On Kosovo, the United States remains committed to working with our partners to find a peaceful solution. The United States supports the Troika-led negotiations process to find common ground between the parties. However, should there be no agreement by the December 10 expiration of the Troika’s negotiating mandate, we remain committed to the Ahtisaari Plan and internationally supervised independence as the best way forward. The status quo in Kosovo is not tenable and negotiations cannot continue indefinitely. We continue to stress to Russia that failing to find a timely solution will lead to instability in the region. All of us have a common interest in preventing new instability in southeast Europe.

Question. Where does the administration think Russia will be in five or ten years? Where would you like Russia to be? To what extent will our current policy toward Russia allow us to bridge the gap between those answers?

Answer. Russia is experiencing what will be a complicated period as it moves toward an expected transfer of power this year and early next. We are clear about what sort of Russia we want to see emerge from its unfinished transformation. We

do not want a weak Russia. This does nothing for America. But a strong Russia must be strong in 21st century, not 19th century terms.

In this century, a strong state must include a strong civil society, independent media, a strong independent judiciary, and a market economy regulated by independent state institutions. On this basis, a nation may build the rule of law, which makes a good life possible. A strong center is part of this healthy mix, but a strong center in a state of weak institutions, is not.

Harnessing the Russian economy productively requires entwining it with the world economy, which is a goal that serves not only U.S. economic goals but also our geopolitical goals. Russia's membership in good standing in the WTO and OECD are two goals we hold out for Russia, in considerably shorter time (we hope) than five years out.

Relations with Russia in the near term are likely to remain a complex mix of cooperation, some friction, and some perceived competition, but over time, we hope to strengthen and deepen our partnership. We cannot resolve all our differences immediately. But we can put relations with Russia on a productive and frank path.

Question. Russia faces a host of serious threats to the country's future—demographic collapse, an insurgency in the North Caucasus, depopulation of the far east, and a failure to invest in the country's domestic energy infrastructure to name a few. How effective has the Russian government been in dealing with these challenges? Is the Kremlin attempting to manufacture conflict with the West in an effort to deflect attention away from these domestic problems?

Answer. In recent months there has been an inconsistent, but still troubling, toughening of Russian rhetoric about the United States, Europe and some of its neighbors. Indeed, some observers have described Russia's relations with the West as at a post-Cold War low, and have asked why Russia is taking such an approach.

It is, of course, possible that the increase in hostile rhetoric is simply the result of political campaigning in the lead-up to the December Duma and March 2008 Presidential elections. While likely an important piece of the puzzle, it is not the entire explanation, however.

As you note, Russia is dealing with a number of domestic challenges. This, combined with Russia's experience since the collapse of the Soviet Union, has undoubtedly colored Russia's worldview. The Russian government, official media, and even many in Russian society, see the 1990s as a very difficult time, characterized by domestic decline, chaos, and weakness. Russia's financial collapse of 1998 added to the already considerable economic woes induced by almost a decade of transitional chaos. As Russia has emerged from that period in recent years, riding a wave of high oil prices and a subsequent economic boom, we have witnessed a backlash at home and assertiveness on the international stage, where Russia seeks to resume its role as a global leader.

It is important to note, however, that while Russian rhetoric may be harsh, the reality of Russian cooperation with the United States is much different. The United States and our European allies are working hard to develop a stronger partnership with Russia. This work has borne fruit in a number of areas, including counterterrorism and counter narcotics. The U.S.-Russia business relationship is flourishing, with U.S. businesses reporting that some of their most profitable overseas investments are in Russia. It is important not to lose sight of the things that are going right in our relationship with Russia, while we at the same time hold the GOR accountable in areas where we wish to see improvement.

Question. Corruption is reportedly endemic in Russia. What—if anything—is the Russian Government doing to combat it?

Answer. Although President Putin has publicly pushed the fight against corruption to the forefront of the political agenda ahead of the upcoming Duma and presidential elections, it remains to be seen how serious will be the prosecution of high-level corruption, particularly given that the problem remains endemic in Russian society and a challenge within the Kremlin. At the end of 2006, the Russian Finance Ministry estimated that 26.1 percent of budget spending was being stolen by bureaucrats. In all the cost of corruption to business is estimated to be on the order of 10 percent of GDP and is rising to about \$150 billion per year. According to Transparency International (TI), Russia scored 2.3 out of 10 this year, down from 2.5 in 2006, and indicating "very serious" levels of corruption. Of the 180 nations surveyed in TI's 2007 Corruption Perception Index, Russia took 143rd place (deteriorating from 121 in 2006), placing it on the same level with Indonesia, Gambia and Togo. The implication is that the Russian government's anticorruption efforts have not yet led to any measurable improvements. However, Russia did sign and ratify the UN Corruption Convention and has become a member of the Group of States

Against Corruption, part of the Council of Europe, but again, implementation will be key. Russia's bid to accede to the OECD will require it to sign and implement the OECD Bribery Convention, which may give some impetus to Russia's anti-corruption efforts.

Since the start of 2007, a growing number of high profile anti-corruption investigations have been launched, as much to set an example to other bureaucrats as to catch wrong doers. Examples include Oleg Alekseev, deputy chief of the Federal Tax Service credit organizations department, and Alexei Mishin, a lawyer in the Central Bank's Moscow branch, who were both found to be abusing their position to demand tens of millions of bribes from banks to "loose" tax claims. Prime Minister-designate Viktor Zubkov—himself a veteran head of the Kremlin committee tasked to combat money laundering—stated in September that fighting corruption would be the main theme of his administration.

An interdepartmental working group on tackling corruption has been preparing a package of anti-corruption legislation to be considered by the Russian National Security Council this fall. Putin, who sees a direct link between money laundering and financing of terrorism, has supported and presumably will continue to strongly support Zubkov's efforts. There is reason to be skeptical, however, that any government crackdown on corruption will affect anyone other than those at the lowest levels of government. To combat high-level corruption, Putin needs to anchor any resolve with action and results.

Question. Prior to her assassination, Anna Politkovskaya was widely known as one of the bravest voices for decency in Russia. While she never stressed the point, she was also an American citizen. What has the U.S. Government done to help identify the individuals responsible for her murder?

Answer. The U.S. remains deeply concerned about the murder of Anna Politkovskaya and other journalists in Russia.

We have repeatedly called for vigorous investigations of her murder, and urged the Russian authorities to pursue all those responsible. We are disturbed that those responsible for her murder have not yet been brought to justice. We continue to monitor the course of the investigation, will press for progress as necessary, and stand ready to assist, should Russian government authorities so request.

Ms. Politkovskaya was a true Russian patriot who worked to build a better Russia through her reporting. It is important that those responsible for her murder be brought to justice. The intimidation and murder of journalists is an affront to democratic values and must not be tolerated.

Question. As part of the Kremlin's opposition to the Bush Administration's plan to site missile defense installations in Europe, Mr. Putin has said he will suspend Russian compliance with the Conventional Forces in Europe treaty—a key arms control agreement. How seriously does the Administration view this threat? How do you intend to respond?

Answer. The Russian Duma has begun the process of officially suspending Russia's participation in the CFE treaty, and is scheduled on October 9 to look at the first draft of the law suspending participation.

The United States and its NATO allies have consistently advised the Russian government that we regard the CFE regime as the cornerstone of European security; that we welcome the opportunity to address Russia's concerns about the Treaty; and that we are eager to ratify the Adapted CFE Treaty. We have also made clear, however, that we expect Russia to fulfill the commitments it made when it signed the Adapted CFE Treaty in Istanbul in 1999. These commitments include the withdrawal of Russian forces that are in Georgia and Moldova without those governments' consent.

The United States is ready to help Russia meet its Istanbul commitments. In addition, we are also open to addressing Russia's concerns about the Adapted CFE Treaty, and we will reiterate that message when Secretary Rice and Secretary Gates meet with their Russian counterparts at talks in Moscow in mid-October.

The CHAIRMAN. But I'm trying to get a sense of the sort of factual basis that is the predicate for United States determinations relative to how to respond to these differences we have with Russia, and how we view the present circumstances of the Russian Government and Russian people.

And three of the areas relate to the demographic collapse that I referenced, where the World Bank says that the debilitating decline in the Russian population is unprecedented among industrial

nations. Without studying the statistics or the bad jokes you hear in the Kremlin, which are, you know—the jokes circulating in Moscow asks, “What are the three most popular cars in Russia?” And you know the answer: A Mercedes, BMW, and a hearse. And do we start off with the proposition—with the premise that Russia does have a demographic collapse on its hands that has to be dealt with?

Ambassador FRIED. Demographic trends, until very recently, have been very bad for Russia; that is, the lowered life expectancy, less-than-replacement birthrate. Public health issues have been of great concern to the Russians, and the statistical basis for that is clear. I should add, as a footnote, that the—in the last year, some of these statistics have begun to turn around, so we have to withhold judgment about projecting into the future.

What it means, if you think strategically, 15 or 20 years out, it may mean that Russia’s current tensions with the United States and some of its neighbors are not necessarily the future that a future Russian leadership may look differently about Russia’s priorities. A strong Russia may find its way, not by getting into wrangles with the United States, but by addressing some of these problems internally; at least that is to be hoped.

The CHAIRMAN. Well, I have a number of other things I wanted to get into, but let me conclude by asking, Would you characterize, to the best of your knowledge, what the administration’s present attitude is about extending and/or amending, or replacing, the START Treaty, which is due to expire in December 2009?

Ambassador FRIED. I’m not one of the experts on that. There are people who are working on it. We do want to work with Russia to develop a post-START regime. We want to maintain transparency. We want to maintain predictability. There are discussions going on with the Russians now about how to do that. There are ways—there’s a—there are a range of options, some more formal and elaborate than others, but we certainly do want to have a predictable and confidence-building post-START regime.

The CHAIRMAN. Well, I hope that the administration can at least give the next President the opportunity to deal with it by extending START. I think it would be the single greatest negative legacy this administration could leave, if it leaves us in a situation where there is no future architecture to follow on to START. I think this administration would be judged incredibly harshly by history if they leave it undone, or unresolved by the time it leaves. I pray to God that won’t be the case.

I yield the floor. I yield to my colleague Senator Lugar.

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

I want to follow up on the chairman’s last question. In the last few days the McClatchy News Service reported that administration officials queried about the START regime’s coming to conclusion, and what would follow it, indicated that we do want to know a lot about what is going on, but we don’t need to know everything. This was attributed to an unnamed administration official.

This is consistent with the testimony that the chairman and I heard from former Under Secretary John Bolton, when he came before the committee to testify on the Moscow Treaty. At that time, we were told that the need to pin down and verify how many mis-

siles, submarines, bombers and warheads were being destroyed on a month by month, or year by year basis, was an old-regime idea, and not consistent with the views of this administration. Instead, the administration was in a more modern phase. However, we were reassured, those of us who were still fussing about these details, that the START regime was still there, and it would govern this process. But now, we find that the administration is not committed to continuing the START regime in its current form. As you suggested, it is the intent of the United States to replace verification with a yet to be defined transparency whatever this may mean.

Now, from my standpoint, we appreciate the Department of Defense sending to our office, every month, a scorecard of how many warheads were separated from missiles, how many missiles, bombers, and submarines were dismantled under the Nunn-Lugar Program. Last month, nine warheads were deactivated. This is a small detail in the midst of the 13,300 warheads Russia inherited from the Soviet Union, but this is something in which, as a Senator, I'm very much interested.

I hope the administration is as interested as I am, and the chairman is, in ensuring that these weapons of mass destruction are destroyed. I hope we are not in a situation that we're saying, the START Treaty was "not invented on my watch," and, therefore, we are prepared to let it expire in favor of a more "modern" idea of transparency. I believe it is in U.S. national security interests to know what and when Russia dismantles weapons systems under their treaty obligations. The Russians probably need to know a good bit about what we are doing, and that has been the basis of our trust, back to the "trust, but verify" idea. I take verification very seriously.

So, I appreciate you testifying to the chairman you're not an expert on this issue, but I'm hopeful that you will carry back to those who are expert on the issue, that whatever they're having to say on these issues isn't selling. And they need to know that these issues need to be rectified soon, because START I is coming to an end, and its continuation is important to many of us.

Do you have any further comment about this general issue?

Ambassador FRIED. Senator, I will certainly take back to my colleagues the—your strong views. I can only add that we take seriously the need for a post—for post-START arrangements that will make both sides believe that they are better off. We're working with the Russians now, working through the details. The negotiations are going on. We've exchanged ideas. And we're looking at this in a cooperative, collaborative spirit.

So, post-START arrangements certainly belong on the positive side of U.S.—the ledger of United States-Russian relations, and it's our intention that they stay that way.

Senator LUGAR. Now, on a second issue, efforts are underway to find common ground on both President Bush and President Putin's proposals on bilateral and multilateral nuclear reactor fuel assurances to countries who forfeit enrichment and reprocessing regimes. What is the current status of negotiations on a peaceful nuclear cooperation agreement, a "123 agreement" with Russia? Are discussions underway between the United States and Russia that would set up a means to provide countries that forego dangerous

dual-use technology that could lead to potential weaponry, with nuclear fuel services available at reasonable prices? Do you have any general comment on progress in that area?

Ambassador FRIED. Here, too, we are making good progress with the Russians. We hope to be able to conclude a "123 agreement," which provides for peaceful uses of nuclear energy, and would allow for commercial trade of nuclear materials and technologies, to some of the ends you've suggested, sir.

We are also working with the Russians on what's called the Global Nuclear Energy Partnership, so-called GNEP. This is a joint initiative that we've been working on for a year. It's a very bold initiative that does, as you said, expand nuclear energy—peaceful nuclear energy development and mitigating proliferation risks.

Under this—under GNEP, supplier countries would provide fuel services on a commercial basis, but an attractive basis, to countries that employ nuclear energy for peaceful purposes, but forego the acquisition of sensitive fuel-cycle technologies. This is a serious initiative. It is moving ahead. We need a "123 agreement" to keep moving, but, happily, this is an area where we are making steady progress, and hope to continue to do so.

Senator LUGAR. Well, that's good news. And I know you'll try to keep the committee abreast with how that's proceeding, because it's of intense interest to many of us here.

Ambassador FRIED. This is an issue on which we're working actively, and, I'm happy to report, productively.

Senator LUGAR. Let me ask, finally, currently Russia is engaged in multilateral negotiations on WTO accession. What is the administration's view on Russian entry to the WTO? Do you believe this would bring about greater transparency and rule of law in Russia? What would be the repercussions should Congress not approve permanent normal trade relations? Give us a general forecast on WTO.

Ambassador FRIED. We support Russia's entry into the WTO. They're the—one of the largest nations in the world not in the WTO regime. We think it would be helpful, for all of the reasons you cited.

That said, we're not going to cut Russia a special deal, they have to meet the requirements that we put forward for every country. We're working through that. We have had a—some successes, and we've concluded our WTO bilateral agreement. We're now working through the multilateral WTO process, and issues like agricultural trade, intellectual property rights, are things that we're still working through. But there is no question that the administration supports Russia's early accession to the WTO, and we're putting our energy into this.

Senator LUGAR. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator HAGEL.

Senator HAGEL. Mr. Chairman, thank you.

Mr. Secretary, welcome.

Can you give us a sense of the agenda objectives for the Bush-Putin meeting Kennebunkport on July 1 and 2? What, specifically, are we looking at, as to objectives? What are the main focuses of

the agenda? And what do we hope that we will attain from that meeting?

Ambassador FRIED. I have to start with the caveat that it is always difficult to predict what the two Presidents, or any two Presidents, will, in fact, discuss. We, in the bureaucracy, can serve up any number of papers, and then they do what they want.

But, that said, we are looking at a couple of things. First, it's an opportunity to get out of Washington and out of Moscow, and to have in-depth conversations about the relationship and where—and the direction it's going. Kennebunkport is—can be the setting for informal discussions, and I think that we're looking at this in that context.

There are a number of issues that could easily come up. During the President's discussion at—on the margins of the G-8, there was a lot of time devoted to missile defense. Issues that could come up include missile defense, Kosovo, the general tone of relations, nuclear cooperation in some of the areas where we're making real progress. But, again, this is more of an occasion for an in-depth look at the strategic direction of relations, and an effort to put things on a good course for the future. The advantage of a site like Kennebunkport is that it provides a venue for just that kind of discussion.

Senator HAGEL. Well, are you saying that—then there is very little structure to the exchange as to specific topics that we would want to engage President Putin on?

Ambassador FRIED. There are a number of topics which we would like to engage President Putin on. I'm just being realistic about the way these things work. There are a number of particular items high on the bilateral agenda now. I mentioned some of them. And I don't—I expect they will come up. But there's a larger context, and I think that the two leaders may discuss—again, “may discuss”—the broader direction of relations and developments in Russia and its neighborhood, and some of the things that have been troubling United States-Russian relations in recent months.

Senator HAGEL. Well, then could you give us a status on where you believe the current relationship stands concerning the missile issue in Eastern Europe, where we stand on Kosovo? And I assume those will be two topics that the two Presidents will take up, since they are as important in the short term as any two issues that we have with Russia.

Ambassador FRIED. That's certainly the case.

With respect to missile defense, we were intrigued, and remain very interested, in President Putin's proposal, which he made at Heiligendamm, to allow for joint use of the Russian radar facility in Azerbaijan. Our view is that the Russians, by opening up this possibility, have opened up the way for a much larger discussion of missile defense, and the possibility of United States-Russian cooperation on missile defense. In our view, missile defense is not intended to degrade the Russian nuclear arsenal, but is intended to deal with much smaller threats to missiles—you know, two, three missiles from a regime like Iran or some other regime in the region, in the future.

Since Russia is not intended as the object of the missile defense system, it stands to reason that we would want to work with Rus-

sia to deal with common threats. Ideally, the United States could work with Russia, we would work with our European allies, we would work with the Poles and Czechs, and all of these systems could be made compatible so that everyone's security would benefit.

We hope to have experts-level discussions on the Russian proposal soon. We've offered to engage in discussions with the Russians on President Putin's proposal. We hope they take us up.

With respect to Kosovo, we have had intense discussions with the Russians for some time now. The issue has moved to the United Nations, where we and our allies have introduced a resolution to implement the Ahtisaari plan. Ahtisaari plan provides for Kosovo's supervised independence and for extensive protections for the Serb community. Russia has not accepted this approach. They have said that this whole issue needs more time. In our view, this—the situation on the ground will only deteriorate with time. As President Bush said last week in Albania, the time is now to get moving on a solution. So, we have some intense work to get—ahead of us with the Russians.

Senator HAGEL. Thank you.

How are we engaging the Russians on energy, and energy security issues, in light, specifically, of a couple of weeks ago, the announcement by the Russians of the new pipelines coming up from the south, and—Turkmenistan's gas and Kazakhstan's gas connecting to the main pipeline into Europe? Give us a sense of this issue—energy—and our relationship and our engagement with the Russians on it. In particular, as you know, we've had some issues where Shell Oil and other companies have lost some ground—

Ambassador FRIED. That's quite right.

Senator HAGEL [continuing]. As the Russians have nationalized those interests.

Ambassador FRIED. Senator, we believe in an open and competitive energy regime—open upstream, at the producers; open through transport, open pipelines; and downstream, at the consumer level. We don't believe in monopolies or cartels. We think that there ought to be multiple sources of transport, multiple sources of gas for Europe, and we've made our views very clear.

We're doing several things at once. We are working with the Europeans on a common energy strategy, based on these principles. We're also working with the Russians so that they properly understand our policy. We want—we believe that Russia's energy future will require massive upstream technology and investment, and we think that a open and welcoming investment climate is conducive to that. So, we are working on multiple levels at once, with the Russians, with the Europeans and with the producer countries, including in Central Asia.

This is—this issue is going to take some years to develop. We've had some successes with the Baku-Ceyhan oil pipeline, the Shtokmanese gas pipeline, and we want to build on that. There's much more I could say, but that's a—that sketch covers the bases.

Senator HAGEL. Thank you.

Mr. Chairman, thank you.

The CHAIRMAN. Senator Voinovich.

Senator VOINOVICH. First of all, I want to thank you, Secretary Fried, for the cooperation that you have given me by providing in-

formation on the tentative future of Serbia and Kosovo. I would like, if possible, to get another update on the infrastructure to support the U.N.'s comprehensive proposal for the Kosovo status settlement based on those recommendations from Kai Edie. I would like to see how that has progressed.

I also am worried about whether the Europeans are as concerned with that infrastructure as they should be. I would like you to comment on that and on the status of NATO forces, international police, and the governance model that would be put Implemented. I am very concerned about whether there would be sufficient infrastructure in place to support the proposed settlement, in the event that the U.N. Security Council should go forward with it.

Second, I am interested in your comments about why Russia is not supporting Special Envoy Marti Ahtisaari's plan in the U.N. Security Council. Russia says the problem is that a precedent that would be set for Abkhazia, South Ossetia, and Transnistria to demand independence. But I wonder if that really is the reason. Is Russia just trying to extend its influence with the Serbs in Southeast Europe? Is it looking for a quid pro quo—for example, for something in return for the Western missile defense deployment in Poland and the Czech Republic? What are the Russians really up to here?

Ambassador FRIED. Sure.

Senator VOINOVICH. And, last, but not least, if we cannot able to get a U.N. resolution through the Security Council, what other options are available for dealing with the final status of Kosovo, where you have just said the situation on the ground is real cause for concern?

Ambassador FRIED. Senator, those are excellent questions. And those are the ones we are dealing with on a daily basis.

First of all, the good news is, I think we—the international community is ready to support a settlement based on the Ahtisaari plan. NATO has increased its forces, its readiness, and its ability to keep order. We have been working very closely with our NATO allies, and we're confident that they're in much better shape than they were during the March 2004 riots, and they're ready to handle security challenges.

On the civilian side, we are ramping up, preparing for the international civilian supervision of Kosovo during its transition phase. The European police mission and—law enforcement mission—is also similarly ramping up. I'm confident that we're ready to do this.

Under Ahtisaari, there would be 120-day transition period, where we would actually stand up these bodies, but a lot of work is being done on the ground right now. And, Senator, I'm happy to provide details to you.

[The information referred to above follows:]

Ambassador FRIED. Secretary General Ban Ki-moon announced on August 1 [2007] the initiative of the Contact Group to undertake a period of intensive engagement with the Serb government and the Kosovar Albanian authorities to discuss Kosovo's future status and asked the Contact Group to report back to him by 10 December. The United States welcomes U.N. Secretary General Ban Ki-moon's announcement.

The Troika's objective is to seek an agreement between the parties on Kosovo's status.

The U.S. views this period as a serious, final attempt to reach an agreement between the parties. Ambassador Frank Wisner, U.S. Representative to the Kosovo Status Talks, will represent the United States in this troika.

UN Special Envoy Martii Ahtisaari and his staff will remain associated with the process.

The Troika will stay in close touch with the Contact Group and meet regularly to report on its activities.

Ambassador FRIED. And I appreciate both your interest and your insights that you've shared with us over the past year and a half.

Your second question has to do with Russian motives. And, of course, that's hard, as an outsider, to evaluate. The Russians have not linked Kosovo with other issues, such as missile defense. They've just not made the linkage. They have, however, made the linkage between Kosovo and other separatist conflicts: Abkhazia and South Ossetia, in Georgia; Transnistria, in Moldova. In our view and the view of our European allies, Kosovo is a unique case. It has no precedent value. It's unique because of the way Yugoslavia fell apart, unique because of the Security Council Resolution that has put Kosovo under U.N. administration for the past 8 years. It has no bearing on the other separatist conflicts. Russia disagrees. They have said that, if Kosovo is independent, it is possible that Abkhazia and South Ossetia should be, as well. We consider that to be an—we disagree with that position. We believe, and have said so publicly and privately, that we support the territorial integrity of Georgia. So, we do—we want to draw a hard-line under Kosovo and say that this is a one-off case. We don't like it—we don't like the notion of precedent.

If there's no U.N. resolution, we obviously have a much more difficult situation. It is much better to do this with a Security Council resolution than without. There is no advantage to doing it without a resolution, there are only disadvantages. However, the situation, as I've said, will not improve with age and neglect. We can't stay where we are and hope just to kick this can down the road. There are some problems that have to be dealt with. We're in very close consultations with our European partners about exactly this question, and, as President Bush said last week, the time is now to move ahead—hopefully, through the U.N. process, but, in any event, we can't simply kick this down the road and hope for the best.

Senator VOINOVICH. I am concerned about the availability of viable options and the involvement of the European Union, because I have talked with a couple EU members, and they have some questions about the legality of taking action without a U.N. Security Council resolution.

I think it is extremely imperative that we allow the Europeans to take a leadership role here, because it is their problem more than ours. They will be responsible for the governance and enforcement of the recommendations and so on. And I think that perhaps the President might have been more careful about his statement he made in Albania. I know he probably wanted to say something that would be well received, but I think in some quarters, particularly with members of the European Union, there was a feeling that they would have preferred him not making that statement.

So, I think everyone must pay careful attention to dot the I's and cross the T's in the event we decide to proceed without a U.N. reso-

lution because I do not want to see another Iraq. If we do not handle this situation carefully, it could blow up. It will not be as much of a problem as Iraq, but it could be something that destabilizes the area and does great harm to the steady progress built up over the last several years there. It would impact Slovenia, Macedonia, Croatia, Bosnia-Herzegovina, you name it.

Ambassador FRIED. It could be very difficult, indeed, and I completely agree with you that we need to be working in lockstep with our European partners. We're—we are going to work with them every step. We're in close consultation with them. And you are right, that Kosovo affects their security more than ours. So, when I say that we're working through these issues with the Europeans, I do mean it. We take that very seriously.

I also agree that it is in no way advantageous to do things without a Security Council resolution. Doing things with a resolution certainly is our preference. Yesterday, we and our allies introduced a resolution in New York. We stand by that. And we want to work through the U.N. process. That certainly is our preference, and we would—we hope that Russia will help us. But, in any event, we're going to work with our European colleagues very—and allies—very closely.

Senator VOINOVICH. Thank you.

The CHAIRMAN. Thank you.

Senator Feingold.

Senator FEINGOLD. Thank you, Mr. Chairman.

Mr. Fried, thank you for testifying.

I'd like to talk for a minute about the state of democracy in Russia. You said at a May hearing with the Helsinki Commission, that Secretary Rice is well informed of issues of civil society and democratization and the Russian political scene, and that she had extensive discussions both with President Putin and Foreign Minister Lavrov about these issues.

So, how seriously does the Russian Government take United States concerns about these issues, and has there been any relaxation of current restrictions on civil society and political organizations? And, if there has, which elements are due to U.S. initiatives, and if not, how does the administration intend to engage with Russia on these essential democratic tenets?

Ambassador FRIED. We have made issues of democracy, press freedom, civil society, and, in particular, Russia's NGO law, a subject of bilateral discussions with Russia on many levels. Secretary Rice has done this. Under Secretary Burns has done this. I've done this. Our Assistant—my colleague, Assistant Secretary Lowencron, for Human Rights, has done this.

I can't give you, with certainty, a causality between what we say to the Russians and their actions. I'll give you an example; it is not necessarily proof. We did raise the civil—the NGO registration bill with them, we talked about it with both the government, the Presidential administration, and with the Duma. As that bill was going through the committee process, some changes were made that made it somewhat less onerous. Its application has not been as—has not had the negative effects that some people feared. Is that the result of what we and the Europeans said to Russia? I can't

make that claim. I can only tell you what we did, and I can tell you what the result was.

Do the Russians listen to us? They don't like, I don't think, to be lectured to. They think that the 1990s was a period that they were "talked at," and they are resistant. But we have to speak out where we see problems. And we do. We have to find the right way to speak out, but we have to continue to do so. We work with civil society groups. We work on behalf of a free press. We keep in contact with various opposition groups.

In the end, Russia's fate is going to be in the hands of the Russians, both the government, civil society. The role of outsiders—well-meaning, otherwise—is going to be—is going to be second order. Russia will find its way, for good or ill. But, in any event, we should not be silent. We are well past the point where we regard another country's democracy, or lack thereof, with indifference.

Senator FEINGOLD. Thank you for that candid answer.

I'd now like to briefly touch on the Russia-Iran relationship and its relevance to the United States. I understand you believe Russia has been a cooperative player as of late with regard to sanctioning Iran. In the past, Russia has been a principal source of assistance in Iran's development of nuclear power, but now seems to have reversed course of late by informing Iran that it expects "spent" nuclear fuel to be returned. Russia has also refused to deliver nuclear fuel to Iran, stopped construction on a nuclear plant, and agreed to U.N. Security Council sanctions, albeit somewhat weak ones. What do you think accounts for this reversal? What is driving Russia's apparent about-face, and can we take it at face value?

Ambassador FRIED. Russia's policy and its actions have moved slowly but steadily in a more positive direction, from our point of view, over the past 5 or 6 years. I can't say for certain what accounts for it, but I suspect that some of it has to do with impatience with the way the Iranian regime has defied the world and missed opportunity after opportunity to respond to reasonable proposals.

I think that the Russians do not appreciate the resistance that Iran has shown to their efforts to advance reasonable settlements, and I think that we've seen a tightening of Russian attitudes toward Iran. Certainly, the Russians were helpful on the two Security Council resolutions we have passed. And if we get into a third resolution, as I suspect we will, I hope the Russians will be equally helpful.

Senator FEINGOLD. Well, in that vein, obviously a critical component dealing with Iran is forging a strong multilateral consensus, which some elements of this administration seem to embrace and others do not. And it seems to me that this needs to include a positive and active engagement from Russian, which you were just talking about. If Iran continues to move forward in the direction it is currently headed, and does not cease uranium enrichment, do you think Russia would be supportive of more punitive sanctions? I don't know if that's what you were referring to when you just talked about—

Ambassador FRIED. Uh-huh.

Senator FEINGOLD [continuing]. The next phase, but, through the U.N. Security Council on Iran even though, in the past it has resisted harsher measures?

Ambassador FRIED. I can't make a prediction as to Russian policy in the future. But the Russians, over the past years, have moved steadily in a direction of putting more pressure on Iran to come into compliance with what the United Nations asks of it. They have done so step by step, in a measured fashion, but they have moved in this direction.

Sometimes they have not moved as fast, or as far, as we would like, but, in the end, we've had some pretty good results. We certainly do believe in a multilateral approach to this problem. It's been a difficult approach, but we've made real progress over the past 2½ years, and we intend to keep working in this direction.

Senator FEINGOLD. Thank you, sir.

And thank you, Mr. Chairman.

Senator LUGAR [presiding]. Thank you.

Senator Isakson.

Senator ISAKSON. Thank you, Senator Lugar.

Thank you very much, Mr. Secretary.

Senator Voinovich is the preeminent Balkan expert, as far as I'm concerned, and I pay very close attention. He's been there many, many times. I've only been there three times, but I've been to Kosovo as recently as back in January. First question, do we know for sure if Russia would veto a Security Council resolution for Kosovo independence?

Ambassador FRIED. They have said that they cannot accept, at this point, any resolution that would provide for Kosovo's supervised independence. I can't say for sure what they would do—what they will do with the resolution we introduced yesterday. They have already publicly said it's inadequate. We hope to be able to work with them on a resolution that would let us move forward.

There were a lot of discussions at the G-8 summit about Kosovo, as you heard. We hope that the Russians will allow this process to move ahead. It is certainly, as Senator Voinovich said, much, much better to do this through a Security Council resolution, and we hope that the Russians make this possible.

Senator ISAKSON. That is the first best choice. There's no option—

Ambassador FRIED. It is most certainly the first best choice. There are no advantages to doing this outside of the Security Council. It is the worst choice than all, except perhaps doing nothing.

Senator ISAKSON. Well, I understand the "kick the can" comment and the "do nothing" comment, with which I also associate myself. I do think what Senator Voinovich said, in the possible situation where there is a veto, if things move forward, hopefully, the first step will be with the European Union and our European partners. They need to be a critical part of whatever happens, in the absence of that resolution, I would think. And I agree wholeheartedly with Senator Voinovich.

Ambassador FRIED. As do I, sir.

Senator ISAKSON. In January, I had the privilege of being at the International Security Conference, in Munich, with Secretary Scowcroft, who's here and going to testify later, and heard the Putin

speech that's gotten so much comment. You made a statement in your testimony—and I heard it, I didn't read it, so if I said this wrong—but you said, "The United States and Russia wish to avoid a rhetorical race to the bottom." I believe that was the quote. Is that right?

Ambassador FRIED. Almost. The United States wishes to avoid a rhetorical race to the bottom.

Senator ISAKSON. Well, I'm glad you said it that way in response, because when I heard that speech, which Secretary Scowcroft and I were just discussing, there very definitely was the return-to-the-cold-war mentality at the beginning. There definitely were some less-than-positive comments about the West in the middle. But, in the end, there appeared, to me, a little bit of a plea for recognition, and that that was the motivation of the speech, more than taking the rhetoric to the bottom.

So, with that, my comment on what you've said about the agenda coming up at Kennebunkport, I think, is very important, because the rhetoric that comes out of that, and the commentary that comes out of that, will be that two roads diverged in a yellow wood, you're going to go down one or the other. And I hope they come out of it with a little bit better message than has happened in the individual comments that have been made, including the speech by Putin, in January, and subsequent ones that have been made.

Ambassador FRIED. I accompanied Secretary Rice in her most recent trip to Moscow, where she made the point to the Russians, and publicly, that it was important to keep rhetoric reasonable and not allow rhetoric to get in the way of cooperation, where it is possible. But I—and, although I wasn't at Munich, I certainly read President Putin's speech, and have read subsequent speeches. So, we all understand that there has been some rather sharp rhetoric coming from Russia, and it's important to look at the motivations behind that, but also to be steady, ourselves.

Senator ISAKSON. Last, on the Iranian situation and Russia's recent positive moves, over the missile defense, the President did quite a good job of—to me—of explaining the missile defense idea was not aimed at Russia, but it was aimed at a potential rogue nation that might have one or two or three warheads in the protection of that area. Do you think making that point helped Russia take a look at the United Nations and the world concerns with Iran, and maybe be more positive than he had been in the past? Because—and I say that, because—excuse me for interrupting before you spoke—because they have their difficulties, such as Chechnya, and things of that nature, so they very well, themselves, could see themselves as a potential beneficiary from a missile defense system.

Ambassador FRIED. We certainly hope that the Russians will come to understand that our missile defense plans are not aimed, in any way, at degrading their nuclear arsenal, but are aimed to deal with future potential threats coming from Iran or other areas—other countries in the region, and that, on this basis, they would be prepared to explore with us possibilities of cooperative arrangements.

Now, if it turns out that President Putin's offer of joint use of the Qabala radar facility in Azerbaijan, is an opening to that kind of

cooperation, it could be a very important and positive development. Signals from Russia are mixed, but we intend to explore the Russian proposal in a very positive spirit, and we hope that it means what we hope it means.

Senator ISAKSON. Thank you, Mr. Secretary.

Senator LUGAR. Thank you, Mr. Secretary. The chairman is absent, but he asked to join me in thanking you for your testimony today, and your forthcoming responses to our questions for the record. It is always great to have you before us.

The chairman asked me now to call before the committee our second panel, and that will be composed of Dr. Zbigniew Brzezinski and General Brent Scowcroft. If those gentlemen would come to the witness table, we would appreciate it, and we'll proceed, then, with their testimony.

Ambassador FRIED. Thank you for your attention, Senator.

Senator LUGAR. Thank you.

The CHAIRMAN [presiding]. Would our next panel please be seated?

We are, indeed, fortunate to have two former National Security Advisors, but, much, quite frankly, more consequential than that, two men who, for the better part of the last two decades, have played a major, major role in our foreign policy and strategic doctrine, and two of the most outspoken and well-respected voices from both a Republican and Democratic administration. And I welcome you both.

With your permission, I'll put your bios in the record, since you're probably two of the best-known folks in the foreign policy field. And, without objection, I'd like to be able to do that.

[The information previously referred to follows:]

BRENT SCOWCROFT

Lieutenant General Brent Scowcroft, USAF (Ret.), a counselor at the Center for Strategic and International Studies, is president of the Scowcroft Group, Inc., an international business consulting firm. He is also the founder and president of the Forum for International Policy, a nonprofit organization providing independent perspectives and opinions on major foreign policy issues.

General Scowcroft served as assistant to the president for national security affairs in the Ford and Bush administrations. He also served as military assistant to President Nixon and as deputy assistant to the president for national security affairs to Presidents Ford and Nixon.

Prior to joining the Bush administration, General Scowcroft was vice chairman of Kissinger Associates, Inc. He serves as director on the boards of Pennzoil-Quaker State and Qualcomm Corporations. He is also on the board of advisors of ExpertDriven, Inc.

In the course of his military career, General Scowcroft has held positions in the Organization of the Joint Chiefs of Staff, headquarters of the U.S. Air Force, and the Office of the Assistant Secretary of Defense for International Security Affairs. Other assignments included faculty positions at the U.S. Air Force Academy and the U.S. Military Academy at West Point, and assistant air attache in the U.S. Embassy in Belgrade, Yugoslavia.

General Scowcroft had an aeronautical rating as a pilot and has numerous military decorations and awards. In addition, President Bush presented him with the Medal of Freedom Award in 1991. In 1993, Her Majesty Queen Elizabeth presented him with the insignia of an Honorary Knight of the British Empire (K.B.E.) at Buckingham Palace.

General Scowcroft was born in Ogden, Utah. He received his undergraduate degree and commission into the Army Air Forces from the U.S. Military Academy at West Point. He has an M.A. and Ph.D. from Columbia University.

ZBIGNIEW BRZEZINSKI

Dr. Zbigniew Brzezinski is counselor, Center for Strategic and International Studies; and the Robert E. Osgood Professor of American Foreign Policy, the Paul Nitze School of Advanced International Studies, Johns Hopkins University, Washington, DC.

From 1977 to 1981, he was National Security Adviser to President Carter. In 1981 he was awarded the Presidential Medal of Freedom “for his role in the normalization of U.S.-Chinese relations and for his contributions to the human rights and national security policies of the United States.”

Other Current Activities

Public and Pro Bono: honorary chairman, AmeriCares Foundation (a private philanthropic humanitarian aid organization); co-chairman, American Committee for Peace in the Caucasus; member, board of directors, Jamestown Foundation; member, board of trustees, International Crisis Group; trustee, Trilateral Commission (a cooperative American-European-Japanese forum); member, board of directors, Polish-American Enterprise Fund and of the Polish-American Freedom Foundation; member, Honorary Board of American Friends of Rabin Medical Center; chairman, International Advisory Board for the Yale Project on “The Culture & Civilization of China”; member, International Honorary Committee, Museum of the History of Polish Jews in Warsaw, etc.

Private Sector: international adviser to major U.S./global corporations; frequent participant in annual business/trade conventions; also a frequent public speaker, commentator on major domestic and foreign TV programs, and contributor to domestic and foreign newspapers and journals.

Past Activities

U.S. Government: 1966–68, member of the Policy Planning Council of the Department of State; 1985, member of the President’s Chemical Warfare Commission; 1987–88, member of the NSC-Defense Department Commission on Integrated Long-Term Strategy; 1987–89, member of the President’s Foreign Intelligence Advisory board (a Presidential commission to oversee U.S. intelligence activities).

Public and Political: 1973–76, director of the Trilateral Commission; in the 1968 Presidential campaign, chairman of the Humphrey Foreign Policy Task Force; in the 1976 Presidential campaign, principal foreign policy adviser to Jimmy Carter; in 1988, co-chairman of the Bush National Security Advisory Task Force; past member of boards of directors of Amnesty International, Council of Foreign Relations, Atlantic Council, the National Endowment for Democracy; 2004, co-chair, Council on Foreign Relations-sponsored Independent Task Force, Iran: Time for a New Approach.

Academic: On the faculty of Columbia University 1960–89; on the faculty of Harvard University 1953–60; Ph.D., Harvard University, 1953; B.A. and M.A., McGill University 1949 and 1950; his most recent book is “The Choice: Global Domination or Global Leadership”; also author of “The Grand Chessboard: American Primacy and Its Geostrategic Imperatives”; the best selling “The Grand Failure: The Birth and Death of Communism in the 20th Century,” as well as “Out of Control: Global Turmoil on the Eve of the 21st Century”; “Game Plan: How To Conduct the U.S.-Soviet Contest”; “Power and Principle: Memoirs of the National Security Adviser, 1977-1981”; “The Fragile Blossom: Crisis and Change in Japan”; “Between Two Ages: America’s Role in the Technetronic Era”; “The Soviet bloc: Unity and Conflict”; and of other books and many articles in numerous U.S. and foreign academic journals.

The CHAIRMAN. And I would now, because we’re very anxious to hear what you have to say, turn to you, Dr. Brzezinski, by pointing out, by the way, that you and I suffer from a similar fate; we have children who are better than we are. Your daughter is incredible. I don’t know whether you get a chance to watch her on television, but she is—she’s tough, and she’s smart, you’ve trained her well.

My dad used to say, “The greatest satisfaction a parent can have is to look at their children and know they had turned out better than they did.” I think that can be said about you—as well as your sons.

But, at any rate, I welcome you, and the floor is yours, and, after that, we’ll turn to you, General Scowcroft, and we’re anxious to hear from you both.

STATEMENT OF DR. ZBIGNIEW BRZEZINSKI, FORMER NATIONAL SECURITY ADVISOR; COUNSELOR AND TRUSTEE, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES, WASHINGTON, DC

Dr. BRZEZINSKI. Thank you, Mr. Chairman. You have totally disarmed me. [Laughter.]

The CHAIRMAN. Though it happens to be true.

Dr. BRZEZINSKI. Well, I realize that. I’m now at a stage in my life in which, when I go into a restaurant, people come up to me, and I puff up, because, you know, I feel I’m being recognized, and they say to me, “Are you the father of Mika?” [Laughter.]

The CHAIRMAN. Well, I’m known as Beau Biden’s father, in Delaware. He’s the attorney general. So—

Dr. BRZEZINSKI. Thank you very much for having me here, and the issue that you’re focusing on is obviously important and timely. I’ll make a few comments about it, in general, but let me start by giving three capsule formulations which guide my approach to this issue. The first is: Don’t dramatize. The second is: Don’t propitiate. The third thing is: Don’t personalize.

In my view, we’re not facing a renewal of the cold war. I think that is an overdramatization of the present state of American-Russian relationships. But we are in a phase of a cold peace, and that cold peace is related to Russia’s internal, and rather difficult, historical transition.

Russia is in the process of moving from an imperial consciousness, an imperial evocation which has defined it over the centuries, to being a national state imbued with nationalism as the source of its internal unity, as the source of its political impetus.

It has, as a consequence, regional ambitions. And we have seen them reflected in some one-sided, highhanded actions by Russia toward Estonia or toward Georgia or toward Ukraine. And it is still motivated, at least on the top elite levels, by what might be called an imperial nostalgia.

But the basic fact is, it is no longer a superpower. Its economy is one-dimensional. It’s an energy-exporting economy, but it has a very antiquated industrial infrastructure. Its social conditions outside of the major cities are still rather poor and primitive. And Russia faces an extremely serious demographic crisis in which its population is declining rapidly, and, while declining, it is also aging rapidly, which is a rather incongruous combination, but it maximizes the economic and social weaknesses of Russia.

Russia today, worldwide, has no ideological appeal. The Soviet Union did. Russia cannot exploit an ideological appeal, because it doesn’t have it. It tries to substitute for it by money. And it’s learning to play the money game, including, I may add here, in Washington. If there is any doubt about it, you should have your staff

dig up for you an article which appeared in the Wall Street Journal about a month or so ago on how Russian money is used in this city to buy services and influence.

But money, unlike ideology, does not buy commitment, it doesn't generate devotion. It can capitalize on opportunism, and it can be very useful, but not as a powerful source of influence.

Russia is, therefore, in no position to reignite a cold war with us, either. And it's rather interesting to me to note that Russian observers say that quite often. A leading Russian geopolitical thinker recently observed, in writing—Dmitri Trenin is his name—“Energy superpower is a myth, and a dangerous one, because it may mislead the Russian leaders into thinking they have more influence than they actually can generate thereby.”

An article in a major Russian paper, *Novaya Gazeta*, recently said the following: “Would a confrontation,” presumably with the United States, “be beneficial to Russia?” The answer: “Obviously not. Russia's economic resources are not comparable to those of the West. In the event of a confrontation, our country would certainly have to choose between guns and butter, while the West, much to the displeasure of many Russian,” quote/unquote, “patriots,” can afford both. A confrontation would not be good for the budgets of Russian corporations, some of them already burdened with debts to Western creditors; neither would it increase dividends for their shareholders. That's the best-case scenario. In the worst-case scenario, the Western creditors would call in their debts, and a substantial part of those debts would be paid by the state at the expense of the people.”

In brief, I don't think we are moving toward a confrontation of a cold-war type, but it is a process of accommodation to the new realities prevailing between us and the Russians and involving, also, Russia's new, different position in the world.

A broader accommodation between the United States and Russia, which one had hoped for in the early 1990s, I think has been delayed by two wars and their destructive impact on the policies, both of Russia and of the United States. I have in mind, first of all, the war in Chechnya, which badly damaged democratic prospects in Russia and set in motion political processes which have emphasized authoritarian institutions of power. And, I think, by and large, the West ignored that. Interestingly, only one Western leader who is now in power has made an issue of that war, its destructive and immoral aspects, and that's President Sarkozy, who explicitly said, recently, that he condemns the silence about the 200,000 dead and 400,000 war refugees in Chechnya generated by the war. He's been quite outspoken on that subject.

The war in Iraq has damaged American position in the world, and that's created temptations for the Russians, for Putin personally, to exploit the consequences of that war, and some of his rhetoric clearly reflects that, the recent rhetoric; and some of his statements addressed towards Western Europe, such as about targeting sites in Western Europe, or their other excessively energetic reaction to the Estonian incident involving the Russian War Memorial, or the CFE issue that was recently raised in Vienna, reflects, in my judgment, an excessive reaction, which has rebounded negatively against Russia.

Having said this, I will also argue that the Putin regime—probably followed before too long by, perhaps, the Ivanov regime—is gradually coming to an end, in the sense that that regime reflects the last gasp of the old Soviet elite. They are the products of the KGB, once the pampered children of the Soviet system with access to the world, with access to the Western literature, trained in politics and hard-nosed playing. But, within a decade they're going to be replaced, probably by a new generation of leaders, many of them trained in the West, much more open to the West, not brought up in this imperial atmosphere. And hence, in the longer run I think we can more optimistic and expect steady improvement in American-Russian relations.

In that context, Mr. Chairman, I think our policy should reflect the mixed nature of shared, as well as conflicting, interests with Russia. We should emphasize nonproliferation as a shared interest. And I think we do, to some extent. The growing interdependence, economically, is to be welcomed. I think, personally, the Jackson-Vanik amendment should be looked at critically. The WTO issue is, I take it, maturing, and, before long, Russia will be entering.

But we should, at the same time, support the new states around Russia in the preservation of their independence. We should further economic cooperation, particularly in energy, but avoid dependence. And we have been slack in exploiting opportunities in Central Asia, with the risk to potential diversification. And, above all else, our long-range goal ought to be to create a context in which Russia sees its own interest in becoming more closely associated with the Euroatlantic world, because, in my view—in fact, historically—there is no other option for Russia. Russia, as an imperial undertaking, is already historically assayed.

Russia, as a regional dominant power, will simply stimulate the resentment of all of its neighbors, and it has, to some extent, already. Russia alone, between the Euroatlantic world and China, runs the risk, eventually, of losing its vast eastern spaces to China. Russia really has no choice but to be part of the West, and we should try to catalyze that.

And an important way of catalyzing that is to help Ukraine become part of the West. And I emphasize that. Helping Ukraine to be part of the West is not an anti-Russian policy, it is a policy which paves the way for Russia to be part of Europe, because if Ukraine moves to Europe, to the West, Russia will have to follow suit. So, it is a strategic objective that is actually in our shared interest.

Let me conclude by one final point. The President will be entertaining Mr. Putin in Kennebunkport. In my view, personal theatrics should follow progress in strategic relationships, but should not create deceptive illusions. If I may say so, it is lesson to be drawn from the experience of the Bush-Gorbachev relationship in which Brent was involved. That was a relationship in which personal cordiality was closely linked to strategic progress, and strategic progress preceded personal cordiality, and that, in my judgment, was the way to do it.

To do it the other way is to create illusions, misconceptions; it breeds assertions such as the one made not long ago by the Secretary of State, that the American-Russian relationship is the best

in history. It isn't. And it takes a long time and effort to make it the best in history. But personal relationships should formalize and express a changing reality.

And I hope that, before the President meets Putin in Kennebunkport, and entertains him in this family setting, which is likely to create illusions, that he reads an important book. And I brought it here. It's called, "A Russian Diary," by Anna Politkovskaya. And this is the Russian journalist who was shot to death in Moscow not long ago.

Mr. Putin dismissed the significance of her killing. The killers have not been discovered. And the book is a remarkable statement of personal courage and decency by a sensitive Russian woman who just kept a diary about what is happening today in Russia, day after day after day, noting the things that troubled her, politically and morally. And it conveys what is good about the Russian people, some of them: their depth of feeling, their ability to empathize, their sense of history. But it also conveys what's wrong, and what shouldn't be ignored: The brutality, the insensitivity, the mendacity, the cruelty, particularly—and she was concerned with that—in Chechnya, but, more generally, in the system at large.

We have to have that mixed perspective to understand what is going on, and we have to feel for someone like Politkovskaya to have a better understanding of both the opportunities and limits of the personal relationship with a President who originates from a very particular institution of the Soviet state, and whose traditions, to some extent, he still embodies.

Thank you very much.

[The prepared statement of Dr. Brzezinski follows:]

PREPARED STATEMENT OF DR. ZBIGNIEW BRZEZINSKI, FORMER NATIONAL SECURITY ADVISOR; COUNSELOR AND TRUSTEE, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES, WASHINGTON, DC

HOW TO AVOID A NEW COLD WAR

America's relationship with Russia is on a downward slide. President Vladimir Putin's recent threat to retarget Russian missiles at some of America's European allies is just the latest flash point.

The elaborate charade of feigned friendship between Putin and President George W. Bush, begun several years ago when Bush testified to the alleged spiritual depth of his Russian counterpart's soul, hasn't helped. The fact that similarly staged "friendships"—between F.D.R. and "Uncle Joe" Stalin, Nixon and Brezhnev, Clinton and Yeltsin—ended in mutual disappointment did not prevent Secretary of State Condoleezza Rice from boasting not long ago that U.S.-Russian relations were now the best in history. Surely it would be preferable to achieve a genuine, sustainable improvement before staging public theatrics designed to create the illusion that one has taken place. It's a lesson Bush should keep in mind in July, when Putin is scheduled to visit the President in Kennebunkport, Maine.

There are many reasons for the chill but none greater than the regrettable wars both nations have launched: Russia's in Chechnya and the U.S.'s in Iraq. The wars have damaged prospects for what seemed attainable a decade and a half ago: Russia and the United States genuinely engaged in collaboration based on shared common values, spanning the old cold war dividing lines and thereby enhancing global security and expanding the transatlantic community.

The war in Chechnya reversed the ambiguous trend toward democracy in Russia. Mercilessly waged by Putin with extraordinary brutality, it not only crushed a small nation long victimized by Russian and then Soviet imperialism but also led to political repression and greater authoritarianism inside Russia and fueled chauvinism among Russia's people. Putin exploited his success in stabilizing the chaotic post-Soviet society by restoring central control over political life. The war in Chechnya became his personal crusade, a testimonial to the restoration of Kremlin clout.

Since the beginning of that war, a new elite—the siloviki from the FSB (the re-named KGB) and the subservient new economic oligarchs—has come to dominate policymaking under Putin’s control. This new elite embraces a strident nationalism as a substitute for Communist ideology while engaging in thinly veiled acts of violence against political dissenters. Putin almost sneeringly dismissed the murder of a leading Russian journalist, Anna Politkovskaya, who exposed crimes against the Chechens. Similarly, troubling British evidence of Russian involvement in the London murder of an outspoken FSB defector produced little more than official Russian ridicule. All the while, Russia’s mass media are facing ever growing political restrictions.

It doubtless has not escaped the Kremlin’s attention that the West, including the United States, has remained largely silent. The Bush administration was indifferent to the slaughter in Chechnya, and after 9/11 it even tacitly accepted Putin’s claim that in crushing the Chechens, he was serving as a volunteer in Bush’s global “war on terror.” The killing of journalist Politkovskaya and Putin’s dismissal of its import similarly failed to temper the affectations of personal camaraderie between the leaders in the White House and the Kremlin. For that matter, neither has the general antidemocratic regression in Russia’s political life.

The apparent American indifference should not be attributed just to a moral failure on the part of U.S. policymakers. Russia has gained impunity in part because of the effects of America’s disastrous war in Iraq on U.S. foreign policy. Consider the fallout: Guantanamo has discredited America’s longstanding international legitimacy; false claims of Iraqi WMD have destroyed U.S. credibility; continuing chaos and violence in Iraq have diminished respect for U.S. power. America, as a result, has come to need Russia’s support on matters such as North Korea and Iran to a far greater extent than it would if not for Iraq.

As a consequence, two dominant moods now motivate the Kremlin elite: Schadenfreude at the U.S.’s discomfort and a dangerous presumption that Russia can do what it wishes, especially in its geopolitical backyard. The first has led Moscow to take malicious slaps at America’s tarnished superpower status, propelled by feel-good expectations of the U.S.’s further slide. One should not underestimate Russia’s resentment over the fall of the Soviet Union (Putin has called it the greatest disaster of the 20th century) and its hope that the United States will suffer the same fate. Indeed, Kremlin strategists surely relish the thought of a United States deeply bogged down not only in Iraq but also in a war with Iran, which would trigger a dramatic spike in the price of oil, a commodity in plentiful supply in Russia.

The second mood—that Russia has free rein to act as it pleases on the international scene—is also ominous. It has already tempted Moscow to intimidate newly independent Georgia; reverse the gains of the Orange Revolution in Ukraine; wage aggressive cyberwar against EU member Estonia after the Estonians dared to remove from the center of their capital a monument celebrating Soviet domination of their country; impose an oil embargo on Lithuania; monopolize international access to the energy resources of Central Asia. In all these cases, the United States, consumed as it is by the war in Iraq, has been rather passive. U.S. policy toward Russia has been more grandiloquent than strategic.

Despite the tensions, the uneasy state of the relationship need not augur a renewed cold war. The longer term trends simply do not favor the more nostalgic dreams of the Kremlin rulers. For all of Russia’s economic recovery, its prospects are uncertain. Russia’s population is dramatically shrinking, even as its Asian neighbors are growing and expanding their military and economic might. The glamour of Moscow and the glitter of St. Petersburg cannot obscure the fact that much of Russia still lacks a basic modern infrastructure.

Oil-rich Russia (its leaders refer to it as an “energy superstate”) in some ways is reminiscent of Nigeria, as corruption and money laundering fritter away a great deal of the country’s wealth. To an extent, Russia can use its vast profits to get its way. But buying influence, even in Washington (where money goes a long way), cannot match the clout the Soviet Union once enjoyed as the beacon of an ideology with broad international appeal.

In these circumstances, the United States should pursue a calm, strategic (and nontheatrical) policy toward Moscow that will help ensure that a future, more sober Kremlin leadership recognizes that a Russia linked more closely to the United States and the European Union will be more prosperous, more democratic and territorially more secure. The United States should avoid careless irritants, like its clumsily surfaced initiative to deploy its missile defenses next door to Russia. And it should not dismiss out of hand Moscow’s views on, for example, negotiations with Iran, lest Russia see its interests better served by a U.S.-Iran war.

But the United States should react firmly when Russia tries to bully its neighbors. America should insist that Russia ratify the European Energy Charter to dis-

pel fears of energy blackmail. The United States should continue to patiently draw Ukraine into the West so that Russia will have to follow suit or risk becoming isolated between the Euro-Atlantic community and a powerful China. And, above all, the United States should terminate its war in Iraq, which is so damaging to America's ability to conduct an intelligent and comprehensive foreign policy.

The CHAIRMAN. Thank you very much.
General Scowcroft.

**STATEMENT OF LIEUTENANT GENERAL BRENT SCOWCROFT,
USAF (RET.), FORMER NATIONAL SECURITY ADVISOR; PRESI-
DENT, THE SCOWCROFT GROUP, WASHINGTON, DC**

General SCOWCROFT. Thank you, Mr. Chairman, for inviting us to appear before you on such an important subject.

Almost everything that could be said about the relationship has been said this morning, and I will not tread the same path that Zbig has. I largely agree with his observations. But let me just say, briefly, where I come from.

I believe that Russia is in the process—Zbig called it a historical transition—I think it's—it is that, but it is Russia coming to grips with itself. Zbig said Russia is no longer a superpower. That is a—we can pass that off our tongues. That is a traumatic event for Russia and the Russian peoples. They're used to occupying a huge space, huge geopolitical space in the world, and this is a traumatic adjustment for them. And I think this adjustment is taking place in typical Russian fashion.

We're not going to determine the outcome. We can hasten it, we can retard it. There are many disagreeable aspects to this current phase in the transition, different from previous ones, hopefully worse than succeeding ones. But preaching to them about how they ought to be just like us is, first of all, not likely to succeed, and, second, not likely to be useful; indeed, it could be counter-productive. We ought to make certain that they understand our views on their policy and what we think of it, but that's different from harassing them and, thus, exacerbating the situation.

I think that, on the whole, at this particular juncture, we ought to focus on the things that we can do together rather than on the things that divide us. And there are many of those. I think—Senator Isakson talked about Putin's speech, which began this rhetorical descent last February, and there were three parts to Putin's speech. And it—I think it tells more about what's going on, both in Putin's mind and in the Russian soul, if you will, than the actual words themselves. He—there were three parts to his speech. The first part of his speech was, "At the end of the cold war, when we were flat on our back, you walked all over us. You took advantage of us, you pushed us here and there." The facts are almost irrelevant here; that's the way they feel. This is part of this descent from superpower into abject poverty and insignificance.

The second part of his speech was, "We're now strong again"—largely due to energy, but, "now we're strong again, and we're going to push back. We're not going to take it anymore." And that, again, is the Russian bravado in the face of difficult circumstances.

But the third part of his speech, nobody paid any attention to. He said, "But now we need to cooperate. We need to cooperate on strategic nuclear weapons. We need to get on with this accession to the Moscow Treaty. We need to cooperate on nonproliferation,

and we need to cooperate so that no country feels it necessary to nationally enrich uranium." Now, that's a pretty dramatic statement, and nobody paid any attention to that.

And so, I think what we need to do is to work to understand—not—we don't need to sympathize with the Russians, they are where they are, but we need to understand what motivates them, in part. And I think the trauma they're going through is probably harder than—for the Russians than almost any other society of which I'm aware.

But to try to work on the kinds of things that we do have in common, among them are the things that Putin mentioned—nuclear weapons, Iran, those kinds of things—we do not differ significantly on those, and I think we can make progress. The area around Russia, the former Soviet space, and so on, that is probably the area where we come close to confronting each other right now.

On the personal versus the policy, I don't disagree with Zbig at all, but I think one of the things that has happened since the end of the Soviet Union is that the leaders have gotten together—gotten along much better than the bureaucracies on both sides. I don't think there's ever been a real reconciliation of the bureaucracies. We don't like dealing with each other. The first attempt to do it was the Gore-Chernomyrdin thing, to force the bureaucracies to work together, and so on.

Then there was personal diplomacy. When President Bush, early in his first term, met with Putin and says, "Here's somebody I think we can do business with," and that sort of suffused a glow, but there wasn't anything underneath it, and it fell apart, partly because of our actions. Putin reached out after 9/11, reached out about terrorism, and we pretty much brushed him aside. I think Putin thought he was going to be able to participate in Afghanistan and so on, because they knew much more about it, and so on. So, I think now he feels rebuffed, and I think this is his answer.

Will this solve the problems? No. But Kennebunkport is quintessentially atmosphere. And if we can change the atmosphere, it might affect the policy. But this is going to be a long road. And, I think, on our part—hey, we're the winners here—on our part, it's going to take a lot of patience, understanding, and firmness, when required.

Thank you.

The CHAIRMAN. Thank you very much.

Why don't I yield to Senator Lugar to begin.

Senator LUGAR. Well, thank you very much, Mr. Chairman.

General Scowcroft, as you commented, there were some areas of potential cooperation presented by President Putin in the speech that Senator Isakson and you heard at the Munich Security Conference. You pointed out that he mentioned cooperation on weapons of mass destruction, with the goal of trying to bring proper controls to weapons and materials. Likewise, the possibility of providing nuclear fuel services to countries that are prepared to forego enrichment and reprocessing technologies that could also be used for weapons purposes. You suggested that perhaps no one was listening to these proposals, but the chairman, Senator Isakson, and I were. This is why we queried the previous witness about where our administration is heading in these areas, where I believe there are

tremendous opportunities which are very important for our security, as well as Russia's.

You also indicated, however, that there are potential controversies in so-called Russian space, as they see it, countries that are near Russia or on their borders. Specifically on how we pursue energy supplies for ourselves, as well as for our friends in NATO or Europe, and it's in this area that I really want you to comment. How do we discuss with Russia the important work, for instance, that Dr. Brzezinski is doing in a task force with former Minister Volker Ruhe, of Germany. The group is advising Ukraine on how it might progress at a very difficult time in that country's development? Or, those of us who have been visiting frequently in Georgia, with a government there that certainly counts upon our understanding and support. Similarly, our strong support for the Baku-Tbilisi-Ceyhan pipeline that travels through Georgia and perhaps, in the future, connecting with Kazakhstan and other energy sources further east. What is an appropriate way to approach Russians on these subjects without presenting an in-your-face-type strategy? These issues are important to us, and we do not hide that. And we need to engage with Russia in a dialogue on these subjects, in addition to other areas in which we might seek cooperation.

General SCOWCROFT. Well, I think—I think that this is the most difficult area for us to cooperate. And I think we each deeply suspect the motives of the other in it. And I think I would probably disagree with Zbig on Ukraine. I think having Ukraine lead the Soviet Union to the West probably will retard—Soviet Union—Russia to the West—will retard Russia going to the West, because they will look at it as us trying to tear the brotherhood apart and isolate Russia and bring Ukraine into the West.

I think we need to be very cautious on this. You know, one of the problems in the—with the previous witness, we talked about the NGO, blah, in Russia. Well, look what happened. The Orange Revolution—we trumpeted the role of the NGOs in the Orange Revolution. What do the Russians do? They turn around and say, "We've got NGOs here, we'd better prevent that from happening." Was it intended? No. No, it wasn't. But we have—we need to think more—put ourselves in Russian shoes and be smarter in the way we handle things.

On the other hand, with energy, for example, I think we ought to make clear to the Russians that we are not content with them having an energy monopoly, and thus, coercive capability over Europe. And I think we ought to push hard, just as an example, for a pipeline under the Caspian Sea, which would bring Central Asian oil and gas into Europe. It doesn't hurt Russia, it simply breaks their monopoly.

So, I think we need to be more sophisticated than we have, because each one of these problems needs to be dealt with on its own bottom.

Senator LUGAR. Dr. Brzezinski, would you want to comment on Ukraine, specifically, and the difference of opinion that apparently you have with General Scowcroft?

Dr. BRZEZINSKI. Well, first of all, let me say that I don't think foreign policy is the same thing as psychiatry. Foreign policy in-

volves defining your objectives, assessing how reasonable it is to seek them, try to avoid a confrontation with the other side, while, at the same time, advancing those objectives, in a manner that doesn't put the other side in complete jeopardy. That requires careful balancing, but not an excessive concern for the moods and sensitivities of the others, because that opens you up to manipulation and exploitation.

Obviously, it's important to have a sense of history and understand what is happening in a given part of the world, but, in doing so, I think one has to have a much broader view than concentration simply on hurt feelings or complexes.

As far as Ukraine is concerned, I think the argument that Ukraine moving to the West is going to help Russia move to the West is sustainable by some degree of evidence. For example, the fact that Ukraine has been moving forward on WTO has helped to accelerate Russian interest in moving into WTO. And that's all to the good. I want Russia in WTO. I'll be very happy to see Russia in WTO.

I think the question of energy dependence of Ukraine and Russia, and the issue of ownership of pipelines in Ukraine, has helped to advance a discussion on access, not only of Russian capital to downstream arrangements in the West, but Western capital to upstream arrangements in Russia—again, creating a suction effect on Russia moving to the West.

So, I rather stick to my position, that advancing Ukraine's evolution to the West is not an anti-Russian policy, but one which, in fact, paves the way to Russia moving in the same direction.

Conversely, if we adopt a policy toward Ukraine which is dependent on Russian sensitivities, we will help to reawaken the lingering nostalgia for, essentially, an imperial position in which Ukraine, Belarus, and the others are viewed as an extension of a traditional sphere of imperial power.

Finally, when it comes to dealing with the question of the oil producers outside of Russia, and particularly the Central Asian states, I think we have to deal with them directly, and make an effort to deal with them directly, and make it attractive to them to diversify the sources of access to world markets.

The fact of the matter is that all of these new states feel vulnerable in their political independence, and they prefer to be independent. And they know that, if they have no access to world markets, they become much more susceptible to pressures. But to deal with that, one has to negotiate with them and be prepared to really make serious commitments.

The reason we got the Baku-Ceyhan line was that the United States was really prepared to put its money where its mouth is to develop a consortium that was engaged in this effort. I know a little bit about it, because I was a presidentially emissary to Azerbaijan, dealing with that issue, and that was a success. We need to do the same now regarding the Trans-Caspian pipeline that Brent correctly mentioned. That's very important. But that means we have to deal with the Turkmeni regime at a very high level, flatter them, take into account their diverse national interests; we have to deal with Kazakhstan. And we shouldn't go too far—in fact, I think we have gone too far—in ostracizing the Uzbek regime,

which is also an important source of independence for the Central Asian states. So, we have to have a comprehensive strategy, which is not one of hostility toward Russia, but which is designed, above all else, to create a context in which Russia's movement to the West, to the European community, to a closer association with it, is tangibly furthered, in keeping with historical dynamics.

Senator LUGAR. I thank you both.

The CHAIRMAN. Thank you.

Senator HAGEL.

Senator HAGEL. Mr. Chairman, thank you.

Gentlemen, welcome.

A question for each of you. What should be the agenda for July 1 and 2, in Kennebunkport, when the two Presidents meet?

Dr. Brzezinski.

Dr. BRZEZINSKI. Well, a nice boat trip—

[Laughter.]

Dr. BRZEZINSKI [continuing]. Photo opportunity, family dinner, showing great conviviality, joint press conference on the lawn in a nice-scening setting. But then, in addition to it—and, actually, more seriously—I would hope that the President would say to Mr. Putin, “Look, we have a long road to travel. Your country and my country are going to be playing important roles in the world. We have to deal with problems in a calm, nonaccusatory fashion. It would be good if your neighbors feared you less, hated you less, and perhaps you ought to think a little bit about that. It might be helpful to you to know that the road to the West for you is also going to be open, that we would like to have a closer association with you in some fashion.”

I am not sure the Russians really want to be part of NATO, and probably their membership in it would mean the death of NATO, but we can have a wider security arrangement with them, particularly focusing on nonproliferation and more tangibly on Iran.

I think we could say to them that we would help and support some wider arrangement involving the transatlantic community and its special association with Russia, historically. If we look, 20, 30 years ahead, I think the Russians know that they have a serious problem in the Far East, which is being depopulated, and which faces an overpopulated and thriving China; and some shared engagement in the development of a Euroatlantic community that embraces Russia is a vision that I think would attract many Russians, who know that their standard of living is infinitely lower than in the West, and that their security is threatened by protracted isolation in the democratic crisis.

I think that would be helpful. But specific negotiating relationships cannot be negotiated in a weekend in which neither President is really supported by a lot of the material that is needed by the complexities of respective positions, and so forth, and I would not like to create illusions if, you know, personal friendship that obscures certain problems that we have to work out in common.

Senator HAGEL. Thank you.

General Scowcroft.

General SCOWCROFT. I agree largely with that, except about the boat trip—

[Laughter.]

General SCOWCROFT [continuing]. Which, in my experience, could set back U.S.-Russian relations by a few decades. [Laughter.]

I—no, two people are not going to solve the problems. There's no question about that. And foreign policy is not psychiatry, but foreign policy is not made by states. There is nothing—Russia, United States. It's made by people. And when you're making policy, you need to figure out, How is the policy—how is it going to be taken? What you want to do is, do it in a way that makes it more effective. And I believe Zbig has been very critical of this administration by saying, "We know what's right, you just fall in line behind us." We don't consult, and so on, and so forth.

So, that's what I'm talking about, and, it seems to me, on—the one area where Russia, putatively, is still a superpower, that is in nuclear weapons. But the two of them could sit down and say, "Look, we're the"—it could even take off from Putin's speech at Verkunde—"OK, let's do—let's figure out what we do after 2009. What's the kind of nuclear world we'd like to see in 30 years? How do we deal with nonproliferation? How do we deal with nonproliferation in Iran, North Korea?" and so on. That is something the two of them could, in broad outlines, come to an agreement on and set the course for negotiations, which, right now, I think, are pretty nonexistent.

Senator HAGEL. Also for each of you, what is your sense of the Putin succession process? We have parliamentary elections scheduled in Russia this fall—in December—and then a Presidential succession election scheduled for next year.

Dr. Brzezinski.

Dr. BRZEZINSKI. I think Putin will step aside, and I think that's an important step. If he does it, he will be the first ruler of Russia to have ever done so. And, even if he retains influence behind the scenes, that, nonetheless, is an important step in institutionalizing regularity and respect for procedures.

His most likely successor, however, is going to be someone from his immediate entourage. The one that's talked about the most is the recently promoted Secretary of Defense Ivanov, who is also a KGB product, who actually tends to be even somewhat more outspoken, more—sharper—maybe belligerent is too strong a word, but more assertive in some ways than Putin has been, even in the last year. And he may be even more inclined than Putin to appeal to Russian nationalism and its various roots, including the resentments and so forth that Brent has talked about.

So, in that sense, I don't think there's going to be a significant change of policy. However, I do think that the next President of Russia is going to be facing a much more serious economic and social crisis. Putin has been able to consolidate the chaos that ensued upon the fall of the Soviet Union. And this year, 2007, Russia regained the same level of GDP that it had at the time of the fall of the Soviet Union, which is also a measure of the problems that they've had to overcome, because they've had a lot of growth in recent years, but they have now reached only the level of the former Soviet Union. But, in doing so, they haven't really made major investments in social infrastructure, in addressing the social problems. And these will come home to roost in the course of the next presidential incumbency. And that, I think, will be the time when,

perhaps, new voices and new faces will begin to appear on the political scene.

And I'm preoccupied about the short-term relationship, because I think we have to have a strategic framework for it, but I'm, historically, more optimistic about the long range, once the Soviet elite that Putin and Ivanov exemplify has passed from the scene and an altogether new political formation begins to dominate the political scene, people who have been part of the world, who have dealt with the world, who have gone to Western business schools and so forth.

So, that is basically the prognosis. Greater difficulties inside, but also probably, eventually, resumption of more positive political change.

Senator HAGEL. General Scowcroft.

General SCOWCROFT. I, too, believe that Putin will step down. I believe he will try to manage things from behind the scenes. Whether he subsequently will attempt to change the Constitution to put power on a Prime Minister is another thing.

But they have one great element of cohesion. If you take what, putatively, are the 10 top people in the structure right now, they're also chairmen of some of the top corporations and—commercial entities—in Russia. So, the overwhelming objective is to preserve that, because, if they leave office, then they will lose that. So, there is this attempt, which they're assiduously carrying out, to make sure that there's nothing that disrupts the transfer of power.

But I think what's likely to happen—Putin ruled in a very unusual time. He followed Yeltsin—a time of great chaos, and so on—and there was great angst in Russia about things falling apart. He brought it back together. I believe his successor will have a lot more trouble. I think there could be splits within the leadership, and so on. And I agree with Zbig, that gradually this will evolve into something which is more reasonable, more stable, and durable. But—whether it'll happen immediately after Putin, I don't know, but I think it will happen.

Senator HAGEL. Thank you.

The CHAIRMAN. Thank you.

Gentlemen, I'd like to pursue what we've been talking about the last few minutes. To the extent that it matters, I share your view that, generationally, there's reason for optimism, that we're—in the next, whether it's 3 years, 5 years, 10 years, there is likely—there is a greater reason to be optimistic about developments internally in Russia.

And you said, Zbig, that your present preoccupation—this was the specific issues that affect our bilateral relationships now—if—there's only one thing I look at that makes me pessimistic about the optimistic projection of a emerging generation educated in the West—different perspective, not coming out of the security apparatus—that worries me, and that is strategic doctrine, strategic relationship. If we do not, during this period of transition, harness and deal with what is a, I think, very worrisome strategic relationship the next couple of years—that is, not as it relates to threatening one another, but as it relates to the continued instability of stored material—plutonium, highly enriched uranium—failure to follow through on the Moscow treaty, losing an opportunity to move

toward significantly further reductions—that I don’t know how you recapture that if it begins to erode.

I mean, you know, there’s a lot of things we can change. We can change—almost by treaty, by discussion, by agreement—energy relationships. We can change relationships as it relates to our economic relationships, our—but I don’t know how you harness what will become a very—a lost opportunity here, if something isn’t done more concretely to promote this—what has, heretofore, been a progressively better strategic—a—sort of a consensus on how to deal with the existence of nuclear weapons and material, and cooperating together to prevent further proliferation.

Could you talk to me a little bit about that dynamic? I mean, it seems to me—Putin talked about it, it’s the positive part of his speech—it seems to me that it raises and ups the ante on its importance. It’s the one place we may be able to cooperate. And failure to deal with it—because I see no—I’ve—I don’t detect any sense—and Senator Lugar would be better prepared to speak to this than I would, in his relationships with the administration—I don’t detect any sense of urgency. As a matter of fact, I don’t detect any sense of desire to maintain what is viewed as the old regime, in terms of arms control, even improving it. So, that’s a little bit of a rambling preamble to my question.

Could you guys discuss a little bit about strategic doctrine, United States-Russian attempts to deal with proliferation—controlling, reduction, et cetera?

Dr. BRZEZINSKI. Well, let me, perhaps, parse what you have said into three segments. One is the United States-Russian strategic relationship, strictly speaking. Second is the issue of nuclear proliferation, including “loose nukes,” you know, theft from arsenals, the Nunn-Lugar Initiative, and all of that. And the third is the geopolitical context on how it might interplay, particularly with the second of the three.

I think, basically, the strategic relationship between the United States and Russia is relatively stable, in the sense that both sides have an equilibrium that they can live with and that is reasonable—reasonably understood by both sides. Though there are some uncertainties that should not be ignored, I personally think that we may have been somewhat insensitive to the Russian sense of American nuclear superiority—which, in effect, does exist—in our pursuit of the missile defense shield in Central Europe, some aspects of which do impinge on Russian capabilities, either immediately, in the short run—that is to say, the radar facility, which would actually cover part of Russia—not so much the 10 interceptors in Poland, but if the interceptor system becomes larger in scale, and more effective, statistically, in probabilities, it could affect, in the long run, Russian capabilities. So, I think we should have been a little more prudent in the unveiling of this system.

The second aspect is the “loose nukes.” Obviously, much more needs to be done. And I am deferring, in this respect, to Senator Lugar, who has been a pioneer in this issue. But obviously, we and the Russians have, and should have, a continued stake in making certain that there is no illicit access to these systems outside of the preeminent state actors that are responsible for generating the existence of these systems. And I think a great deal more can be

done, and there are some question marks about the efficacy of some of the existing arrangements.

But that brings me to the third issue, which is the geopolitical context. I think much depends, also in this connection, how the situation in the Persian Gulf and in the Middle East will unfold. If the United States gets involved in a protracted war in the Middle East, beyond what it is engaged in today, and particularly if it spreads to an American-Iranian conflict, the Russian position on that may very well be very ambivalent.

On the one hand, certainly, the Russians would not wish the spread of nuclear weapons to rogue entities, Islamic fundamentalists, given the fact that a large percentage of Russian population, now, is Muslim—in the Russian population is 140-odd-million people, close to 30 million are Muslims, and, after the war in Chechnya, increasingly self-aroused, politically, and resentful—a war in Iran would contribute a great deal of instability to that. At the same time, it would also have the effect of bogging down the United States to an unprecedented degree.

And we shouldn't ignore the fact that there's a great deal of schadenfreude already in Russia about the costs to us of our present imbroglio in the Middle East. And hence, there may be some temptation to view that, at least in a limited sense, as of some benefit in equalizing the status, the very asymmetrical status of these two powers, America and Russia.

All of that will add further complexity to the relationship, produce more suspicions, more fears on both sides; and hence, it is something that we have to try to avoid, on several levels: Maintain the strategic relationship, but not be insensitive; tighten controls, to the extent that we can, on a bilateral basis; and also be very prudent, specifically in the Persian Gulf area.

The CHAIRMAN. Thank you very much.

General.

General SCOWCROFT. I think this is a very important area for us, both of us. As I say, we are still the two big nuclear powers. And I am less sanguine about the bilateral—yes—is it stable? Yes. Is it likely to remain stable? I don't know. Four of our colleagues recently wrote an op-ed saying we ought to move toward complete nuclear disarmament. You know, I don't—I don't know how much traction there is in something like that. But if that gets hold in this country, we could have—be facing something very different.

And so, I think we ought to consult each other on a nuclear future. What kind of a nuclear world do we both think would be the most stable, the most unlikely to precipitate a war—indeed, the most likely to preserve stability? So, I think we have discussions at the nuclear level. My guess is that the arsenals are not ideally configured to long range that way.

In the nonproliferation—that also spills over into nonproliferation. We still have an NPT. It is flawed. The Iranians are pushing a—what do you call it?—a gap, a lapse, whatever, in it. But another part of the NPT is an agreement among all the nuclear powers to start reducing their nuclear weapons. So, you can take advantage of that, perhaps, to put some more pressure on the Iranians.

And I think the—first of all, I think a United States nuclear—or United States-Iranian military confrontation is not likely, unless it's by accident. But I think we have significantly common interests, as Zbig indicated, on Iran and on the Iranian nuclear development. And I think if we can cooperate across the board on nuclear issues, we can bring enough, perhaps, pressure—and solidarity—that Iran will think twice about proceeding, willy-nilly, ahead.

The CHAIRMAN. Thank you very much.

I can't resist the temptation, I'd like to ask one last question, if I may.

What should our policy be now, with regard to Iran, if you're willing to respond? I know that wasn't part of the hearing, per se. But it does affect the relationship. Are you—either of you—willing to venture a response to that? I know that's a essay question, but how would you recommend, were you in your old positions, we proceed on Iran now? And you can defer, you can demur, you can—we can end the hearing, if you'd like, but I—if you—

Dr. BRZEZINSKI. I'm willing to answer that—

The CHAIRMAN. Well, please.

Dr. BRZEZINSKI [continuing]. If you want.

The CHAIRMAN. I would like to hear your answer.

Dr. BRZEZINSKI. I think we ought to engage the Iranians on two levels. One, regarding Iraq, because the fact is that every one of the states adjoining Iraq is going to be threatened if and when we leave and if then Iraq explodes. So, there is a kind of latent shared interest here. My own view is that we ought to leave. And I won't get into that. But if we are ever going to leave, I think we have to engage the states around Iraq in serious discussion as to what should be done in conjunction with our disengagement. And I think Iran obviously is a major influence, and we have to engage it on that issue. And my own personal view is: The sooner, the better.

Second, I think if we do that, it'll make it, perhaps, somewhat easier to engage Iran also in negotiations about a nuclear weapons program. There, I think we have an opportunity in the fact that the Iranian posture, publicly, on the nuclear issue, is different from the North Korean public posture. The North Korean public posture is, "We have a nuclear program, it is also a weapons program. We want weapons, and, at one point, triumphantly, we have tested weapons."

The Iranians are saying something quite different; namely, "We don't have a nuclear weapons program. Second, we don't want nuclear weapons. Third, our religion forbids us to have nuclear weapons." Now, they may be lying through their teeth, and we suspect that they might be, but it is still an opening, which is to say, "Fine. If that is really your posture, then we have a shared interest in us believing you. And, therefore, we ought to negotiate about arrangements, mutually agreed to, which would enhance our confidence that that really is the situation." And we can, you know, perhaps define some technical ways of dealing with that.

But, to do that, we have to be willing to sit down. And here is where I part company with the administration. The administration says, "We will not sit down until you stop enriching." The problem with that is that they have a right to enrich—not to enrich to 95 percent in order to have weapons-grade uranium, but they're en-

riching only to 5 percent, which is in keeping with what a lot of other countries are doing when they're enriching uranium.

We are, in effect, saying to them, "Stop your program, though you have the right to it, for the privilege of negotiating with us about mutual accommodation." That makes it easier for the hardliners in Iran to say, "No way." It mobilizes their nationalism. It tempts them to feel that we're essentially using this as a device to make them stop while negotiating *ad infinitum*.

I think our position out to be, "We want you to stop, at least for some duration of time, pending the negotiations, but we are prepared to do something in return, simultaneously." And here, I have in mind some substantial lifting of sanctions that have, over the years, been adopted by the United States, whether in ILSA or subsequent to ILSA. And these are various sanctions—financial, banking, trading—toward not only ourselves, but even to our friends. That would give the Iranians some sort of *quid pro quo*, some also facing—saving of face, and it would probably divide the moderates from the extremists in Iran, instead of a posture which actually unifies the extremists with the moderates and stimulates their nationalism.

Now, whether that will lead to a good outcome, I don't know, but it certainly would break the paralysis into which I think we have actually injected ourselves.

The CHAIRMAN. Thank you very much.

General.

General SCOWCROFT. I, too, think we need—we should talk to Iran. I don't think they're probably in a mood they feel they need to do us any favors on Iraq, that they're broadly content with us being bogged down. But I'm—I think they're prepared to talk about it. But, most importantly, it could lead to a talk about the region. And from the Iranian perspective, it's a dangerous region. And we ought to be willing, both to put things like ILSA and the other sanctions on the line, but to say, "We're prepared to look at security arrangements in which you could feel secure."

On the nuclear side, I think it's important that we have a united front between—or among the United States, the Europeans, the Russians, and the Chinese. And I think that is not too hard to maintain, because I don't think anybody wants Iran to have nuclear weapons.

And there, we proceed toward—whether it's—you call it the GNEP or other kinds of things, to deal specifically with the Iranians' objections of what they say is—"We have been prevented from doing things, because countries—we make agreements with countries, and then they withdraw." If we can have a process sanctioned by the United Nations that will guarantee, to any state in compliance with U.N. restrictions, nuclear fuel for their reactors, it seems to me we have an overwhelming weapon to use with them. We're not trying to deny them everything. And it's beyond the right of any one nation to veto. It seems to me that that's the kind of approach that, in the long run, might work.

In the short run, it's—they're rug merchants, and they're skillful at playing one off against the other, and so on. And it's going to be long and hard, and they're going to say yes and no and maybe, and up and down. But, I think, with patience we can avoid what

I think would be a real disaster in the region, and that is an Iran having the capability of—quick capability to develop nuclear weapons.

The CHAIRMAN. Thank you both. My one regret is, you're both not still in the Government.

Thank you.

[Whereupon, at 12 p.m., the hearing was adjourned.]

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