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THE EUROPEAN UNION AS A PARTNER AGAINST RUSSIAN AGGRESSION: SANCTIONS, SECURITY, DEMOCRATIC INSTITUTIONS AND THE WAY FORWARD

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

ONE HUNDRED FIFTEENTH CONGRESS

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THE EUROPEAN UNION AS A PARTNER AGAINST RUSSIAN AGGRESSION: SANCTIONS, SECURITY, DEMOCRATIC INSTITUTIONS AND THE WAY FORWARD

TUESDAY, APRIL 4, 2017

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

The committee met, pursuant to notice, at 10:17 a.m. in room SD–419, Dirksen Senate Office Building, Hon. Bob Corker, chairman of the committee, presiding.

Present: Senators Corker [presiding], Rubio, Gardner, Young, Barrasso, Portman, Cardin, Menendez, Shaheen, Coons, Udall, Murphy, Kaine, Markey, Merkley, and Booker.

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

The CHAIRMAN. The Foreign Relations Committee will come to order. I thank everyone for being here.

We are here today to talk about Russia and how the European Union and the United States can work together to push back against Russia's aggression.

One hundred years ago this week, the United States entered into World War I. Since then, if not long before, our country's national interests have been closely linked with those of our European allies. Our shared set of interests and policies is clear on how the United States, the European Union and its member states deal with many things, including terrorism, trafficking in persons, and the threats posed by a resurgent Russia. Russia-related efforts include transatlantic sanctions, as well as security-oriented efforts in Georgia and Ukraine.

We have thus far worked together against Russia's negative influence and must continue to do so despite President Putin's best attempts to divide us.

We have seen some of those attempts here in the United States. As the intelligence community made clear on January the 6th, the Russian Government was responsible for stealing and sharing information from the email accounts of politicians and members of their staffs. Whether or not Russia played an even larger role in our elections is still being exhaustively examined by multiple parts of the U.S. Government, including the Senate Select Committee on Intelligence. These are inquiries that I fully support, and I remain

in close contact with both Chairman Burr and Vice Chairman Warner as their work continues.

As those investigations progress, today's hearing is an opportunity to look forward and to understand how our transatlantic efforts to push back against Russian aggression can continue and possibly expand.

In looking ahead, we must be particularly conscious of the concerns that Russia will also attempt to influence European elections this year.

Before we move to today's testimony, though, I do want to express my sincere sympathies to the families of the 11 Russians killed yesterday in St. Petersburg and over 40 Russians who were wounded in terrorist attacks across their great city. We may have serious differences with the Russian Government, but we stand with the people of Russia against terrorism that is a common threat to all of us.

I look forward to hearing today about the new realities and challenges facing our transatlantic partnership and how we can continue to work together in the years ahead.

And with that, I turn to my friend, our ranking member, Senator Ben Cardin.

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

Senator CARDIN. Well, thank you, Mr. Chairman. And I particularly appreciate this hearing. I think it is very, very important that we share a lot in our transatlantic partnership, and one of the things we share is that we are all targeted by Russia's activities to our democratic institutions.

But before I comment about the specific subject, I join you in our concerns about what happened in St. Petersburg. And I issued a statement about that terrorist attack. But this morning we are learning that there was now another gas attack in Syria that looks like it was not chlorine, that it was a more serious chemical agent. It could very well be sarin even though we have been informed that all of the gas elements were removed from Syria. And the number of victims appear to be much more serious than any recent attack of chemical weapons in Syria. And this could only be done by the Assad regime. And, of course, Russia is supporting the Assad regime's use of this type of warfare.

So, Mr. Chairman, it just points out the seriousness of the activities that are taking place in Syria, the fact that Russia is enabling the Assad regime to break any form of standards as far as the use of chemical weapons, and now women and children again have been murdered as a result of the Assad regime's commission of war crimes. I expect that the international community needs to stand stronger to make sure those that are responsible for these atrocities are held accountable.

As we all know, the Russian Government sought to influence the U.S. presidential election last November. They attacked the United States. As elected officials, it is our solemn responsibility to understand what happened and to ensure decisive, comprehensive action that protects our democracy.

Vladimir Putin has not rested on his laurels since November the 8th. A number of European countries have important elections this year, and we are seeing some of the same tactics of disinformation and interference across the continent. Putin's elections interference is more strategic and sinister than just meddling. Putin, as the head of a regime based on corruption and cronyism, has a fear of democracy, which is why he works so hard to suppress it at home and abroad. His aim is to undermine the international democratic values and structures that have kept the world safe for 70 years and enshrined fundamental human rights, breaking up the European Union, shaking confidence in the American electoral system. These tactics are part and parcel of a bigger aim.

So the nature of our response is critical, and the stakes could not be higher. And to this point, the administration's Russia policy has been contradictory and confusing with high level officials contradicting the President's positions.

I am particularly concerned about the upcoming elections in France and Germany.

In France, we have already seen a view in WikiLeaks of fake news stories discrediting candidates. This is the same Kremlin playbook that we saw in last year's elections here. There are reported financial ties between the Kremlin and the far right National Front Party and its leader, Marine Le Pen, who just last week was with Putin in Moscow. With the first round of voting fast approaching on April 23rd and a subsequent 2-week period until the second round, French voters sit squarely in the sight of Putin's weapons of disinformation and interference.

Germany has been Putin's target for years. In 2015, members of the Bundestag and Chancellor Merkel's party were allegedly hacked by Russian Government elements. The head of the German federal criminal police pointed last month to 10 offices that were hacked and said that the significant data drain could be used to influence upcoming elections in September.

I am also deeply concerned about the Russian Government's increased presence in the western Balkans. Putin's regime has increased pressure on Bosnia and Serbia. The Kremlin was behind a plot last fall to forcefully take over the Montenegrin parliament, install a new government hostile to NATO. Thankfully, Montenegro emerged unscathed, and I am proud that the Senate recently approved the country's accession into the alliance.

The Russian Government's assault on the European partnership requires a comprehensive, strong response. We have seen no action from this administration to counter fresh Russian disinformation. I am afraid that the administration is simply not serious in its response to the significant threat, a reckless posture given the stakes.

Many of us in the Senate have refused to sit on our hands. I was proud to draft legislation earlier this year that now is supported by 10 Republicans and 10 Democrats. The Countering Russia Hostilities Act would codify and strengthen sanctions on the Russian Federation for its aggression in Ukraine, Syria, and the United States and would establish a European democracy initiative to run in parallel to our security efforts to bolster European states' resilience. Members of this committee on both sides of the aisle are co-

sponsors, and the bill has been referred to our committee. It is a serious, substantive, and comprehensive bill, and I hope it will be marked up soon.

Americans and Europeans need to speak with one voice on the important transatlantic values we hold dear: democracy, human rights, and the just, accountable rule of law. We must develop an affirmative agenda to deliver on the democratic hopes of all of our citizens, including our most vulnerable and marginalized. I welcome the ideas of how we can strengthen the ties between both Europe and the United States.

I look forward to hearing from our witnesses today. We have a distinguished representative from the European Union, and we thank you for being here. I also look forward to the distinguished members of our second panel.

The CHAIRMAN. Thank you.

Just in reference to what happened in Syria, I appreciate you bringing that up. I know that this committee passed out an Authorization for the Use of Force in 2012 that, had it been acted upon, I feel we would be in a very different place. And that action was not taken. It was a 10-hour operation, as I understand it, based off the Mediterranean that would have put Assad on his heels, and that action was not taken. Instead, we figuratively jumped in Putin's lap, and that was the first beginning of empowering Putin in Syria and asking him to, quote/quote, work with the Syrian Government to get chemical weapons out, which obviously never fully occurred.

So I could not agree more that Russia has empowered Assad to do what he is doing. But I would also say that the Western world did not take, in my opinion, steps that should have been taken at that time to keep what has happened or happening—500,000 people dead, people being tortured. I know the Ambassador is very aware of all of that. Again, it is a blight on the Western world in my opinion, and I am glad that we have a witness here to talk about Russia today.

Our first witness is His Excellency David O'Sullivan, Ambassador and Head of the EU Delegation to the United States. Ambassador O'Sullivan previously served as Chief Operating Officer of the European External Action Service and has held a number of senior positions within the European Commission.

Thank you so much for being here today. I know that you are probably a little concerned about being here and the kinds of questions that you will be asked. So thank you even more so for being here.

If you could summarize your comments in 5 minutes or so, we would appreciate it. Obviously, we are not going to cut you off. But your written testimony, without objection, will be entered into the record. And again, thank you for the courtesy of being here today. We look forward to your testimony.

STATEMENT OF HIS EXCELLENCY DAVID O'SULLIVAN, HEAD OF DELEGATION, EUROPEAN UNION DELEGATION TO THE UNITED STATES, WASHINGTON, DC

Ambassador O'SULLIVAN. Well, Chairman Corker, Ranking Member Cardin, members of the committee, thank you very much, in-

deed, for your invitation to testify before the United States Senate Committee on Foreign Relations. And I am very honored to have this opportunity.

I am not too worried about the questions, Chairman. I am told there is no such thing as an indiscreet question, only indiscreet answers.

But if I may at the outset just echo, sir, your remarks about the terrible events in St. Petersburg and the terrorist tragedy there and our sympathy to the families of the deceased and the injured in this very, very awful event.

Sir, as you said in your introductory remarks, this year the European Union is celebrating its 60th anniversary of its founding document, the Treaty of Rome. And I would like to express my deep appreciation to Senator Shaheen and her cosponsor, Senator McCain, for introducing a Senate resolution that commemorates that occasion.

And this year, we also celebrate the 70th anniversary of the Marshall Plan which, after two World Wars, helped launch the common project of building a new Europe committed to peace and prosperity. And I think I can speak for all Europeans when I say that we are humbled and always grateful for the sacrifice of the American service men and service women who gave their lives to help free Europe. And you mentioned the anniversary of the entry into the First World War of the United States, which will be commemorated in Missouri, I believe, in 2 days' time.

Since then, fortunately, we have come a long way, and Europe has always been the United States' closest partner and the other way around, to the benefit of our peoples on both sides of the Atlantic. As for the European Union, we are continuing to work with the new administration and the U.S. Congress in a relationship that is and will always be based on the friendship that ties our peoples and our respective values, principles, and interests. Both European Council President Tusk and European Commission President Juncker have had very cordial discussions with President Trump on the telephone. And European High Representative Federica Mogherini, Presidents Tusk and Juncker hosted Vice President Pence for an early and very positive February visit to Brussels. High Representative Mogherini has visited Washington twice already this year to meet with Vice President Pence, National Security Advisor McMaster, Secretary Tillerson, Secretary Mattis, and with many Members of Congress, including yourself, sir, and the ranking member.

We both benefit from this strategic alliance, and it is self-evident from our economic relationship. Eighty percent of U.S. foreign direct investment comes from Europe. Some 15 million jobs on both sides of the Atlantic depend on our mutual trade. And together, we represent some 50 percent of world GDP and 30 percent of world trade. The European Union is and will continue to be, even when the United Kingdom leaves the EU at the end of negotiations that will last 2 years, the second economy of the world and the first single market.

But, of course, our links go beyond economics and trade. We are essential partners when it comes to foreign policy and security policy, counterterrorism, and defense. The European Union is a global

security provider. We have 16 military and civilian missions around the world, and we started a new partnership with NATO with 42 common actions to counter hybrid and cyber threats in particular. We are your closest ally in the fight against Daesh, and we stood in full solidarity with the U.S. following the 9/11 attacks. And for more than a decade, we have been closest partners in Afghanistan. Our service men and women have always fought on the same side and sometimes, sadly, lost their lives on the same battlefield.

The European Union also plays a fundamental role in the western Balkans, which you mentioned, Senator Cardin, again in close cooperation with the United States, investing in security, democracy, rule of law, economic opportunities, and peace in the Balkans.

We are the first donor when it comes to humanitarian and development aid worldwide, and all of this to show that the European Union is a reliable, trusted, and credible global actor, a role we are on our way to increase along the lines High Representative Mogherini indicated last year in the EU global strategy.

It is in this context of increased EU capability and transatlantic partnership that we address our policies toward Russia. After the end of the Cold War, neither the European Union nor the United States has ever approached Russia as an adversary. Through a vast range of policies, development of mutually beneficial economic relations, cultural exchanges, and thematic dialogues, the European Union aimed at building a strategic partnership with Russia.

However, Russia's illegal annexation of Crimea and the conflict in eastern Ukraine have seriously damaged EU–Russia relations. Sovereign equality, the non-use of force, and territorial integrity are core principles for peace and security, and their respect is and remains key for the European Union.

The European Union and the United States, along with others in the international community, have taken a principled position against the illegal annexation of the Crimean Peninsula, which we do not recognize, and against Russia's actions in eastern Ukraine. And we have adopted a package of restrictive measures that we intend to maintain until the full implementation of the Minsk Agreement. Close transatlantic coordination has been crucial for the effectiveness of the these measures.

Russia is a permanent member of the U.N. Security Council and remains a strategic country when it comes to addressing many crises. As the U.S. did in recent years, the European Union has cooperated with Russia on many dossiers, whether on counterterrorism or on the crisis in Syria or on the Middle East peace process, the Iranian nuclear file, or on Libya.

That is why we unanimously decided as the European Union to be guided by five principles when it comes to our policy on Russia.

First and foremost, the EU will continue to support Ukraine and support a solution to the conflict in eastern Ukraine based on the complete implementation of the Minsk agreements. The European Union is also politically and financially supporting reforms to consolidate Ukraine's democracy and governance. EU–U.S. cooperation on support for the reform process in Ukraine is excellent, as is coordination within the G7 framework.

Second, we are strengthening the EU's relations with our eastern neighbors through our Eastern Partnership and our Neighborhood

Policy, cooperating with the institutions to promote democracy, the rule of law, respect for human rights, and social and economic development.

Third, in the light of disinformation operations, the European Union is building up its resilience. As the European Union, we set up 1 year ago a strategic communications unit in the External Action Service that monitors and alerts on disinformation campaigns and provides correct and factual information on European Union policies.

Fourth, we will continue selectively to engage with Russia as necessary and in accordance with EU interests on foreign and security policy issues. For example, Russia has been invited to attend the conference on the future of Syria and the region that we will host tomorrow in Brussels. On these and on other crucial issues, we will continue to engage with Russia.

The fifth and final principle—and I am nearly finished, sir—of the EU's approach is our continued support for Russian people, Russian civil society, and for contacts between the European Union and Russian citizens. This is why work continues on cross-border cooperation, education, science and research cooperation, among others.

So, Mr. Chairman, our transatlantic policy towards Russia has been united and credible. More than ever in this complex and fragile world, that is what is needed, both cooperation and partnership. This is true for the European Union and we believe this is also true for the United States.

I thank you, sir.

[The prepared statement of Ambassador O'Sullivan follows:]

PREPARED STATEMENT OF DAVID O'SULLIVAN

Chairman Corker, Ranking Member Cardin, Members of the Committee, thank you for your invitation to testify before the United States Senate Committee on Foreign Relations. I am honoured to have this opportunity.

As you know, the European Union recently celebrated the 60th anniversary of its founding document, the Treaty of Rome. I want to express my deep appreciation to Senator Shaheen, and her co-sponsor Senator McCain, for introducing a Senate resolution that commemorates this occasion. This year we also celebrate the 70th Anniversary of the Marshall Plan, which after two World Wars helped launch the common project of building a new Europe committed to peace and prosperity. I think I can speak for all Europeans when I say we are humbled by the sacrifice of American service men and women who gave their lives to help free Europe.

Since then, we have come a long way and Europe has always been U.S. closest global partner, and the other way around, to the benefit of our peoples on the two shores of the Atlantic. And as the European Union, we are continuing to work with the new administration and the U.S. Congress, in a relationship that is and will always be based on the friendship that ties our peoples, and on our respective values, principles and interests. Both European Council President Tusk and European Commission President Juncker have had very cordial discussions with President Trump. With EU High Representative Federica Mogherini, Presidents Tusk and Juncker hosted Vice President Pence for an early and very positive February visit to Brussels. High Representative Mogherini has visited Washington twice already this year to meet with Vice-President Pence, National Security Advisor McMaster, Secretary Tillerson, Secretary Mattis, and with many Members of Congress, including Chairman Corker, Ranking Member Cardin, and other members of this Committee.

The United States and the European Union both benefit from this strategic alliance. This is self-evident for our economic relationship. Fully 80 percent of U.S. Foreign Direct Investment comes from Europe. Some 15 million jobs on both sides of the Atlantic depend on our mutual trade. Together, we represent 50 percent of world GDP and 30 percent of world trade. The European Union alone is, and will

be also once the U.K. will leave the EU—at the end of negotiations that will last 2 years—the second economy of the world and the first single market.

Of course, the links between Europe and the United States extend far beyond economics and trade. We are essential partners when it comes to foreign and security policy, counter-terrorism, and defence. The European Union is a global security provider: we have 16 military and civilian missions. As the European Union, we have started last year a new partnership with NATO with 42 common actions, particularly to counter hybrid and cyber threats. Europe is your closest ally in the fight against Daesh. Europe stood in full solidarity with the United States following the 9/11 attacks and for more than a decade we have been closest partners in Afghanistan: our service men and women have always fought on the same side and sometime sadly lost their lives on the same battlefields. The European Union also plays a fundamental role in the Western Balkans, again in close cooperation with the United States, investing in security, democracy, rule of law, economic opportunities—and peace, in the Balkans. The European Union is the first donor when it comes to humanitarian and development aid worldwide. All this to say that the European Union is a reliable, trusted and credible global actor, a role we are on our way to increase along the lines HRVP Mogherini indicated last year in the EU global strategy.

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Russia's illegal annexation of Crimea and the conflict in eastern Ukraine have seriously damaged EU–Russia relations. Sovereign equality, the non-use of force and territorial integrity are core principles for peace and security and their respect is and remains key for the European Union.

The European Union and the United States, along with others in the international community, have taken a principled position against the illegal annexation of the Crimean peninsula, which we do not recognise, and against Russia's actions in eastern Ukraine. We have adopted a package of restrictive measures that we have agreed to maintain till the full implementation of the Minsk agreement.

Close transatlantic coordination has been crucial for the effectiveness of these targeted measures.

Nonetheless, Russia is a permanent member on the U.N. Security Council and remains a strategic country when it comes to addressing many crises. As the U.S. did in recent years, the European Union has cooperated with Russia on many dossiers, being on counterterrorism or on the crisis in Syria, on the Middle East peace process, on the Iranian nuclear file, on Libya.

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Second, we are strengthening the EU's relations with our Eastern neighbours, through the Eastern Partnership and our Neighbourhood Policy—cooperating with the institutions to promote democracy, rule of law, respect for human rights, and social and economic development.

Third, in light of disinformation operations the European Union is building up its resilience: as EU, we have set up one year ago a strategic communications unity in the external actions service that monitors and alerts on disinformation campaigns, and provides correct and factual information on European Union's policies.

Fourth, we will continue to selectively engage with Russia as necessary and in accordance with EU interests on foreign and security policy issues. For example Russia has been invited to attend the conference of the future of Syria and the region we will host tomorrow in Brussels. On these and other critical global issues, we will continue to engage Russia.

The fifth and final principle of the EU's approach is our continued strong support for Russian people, Russian civil society, and for contacts between EU and Russian citizens. This is why work continues on cross-border cooperation, education, science and research cooperation—among others.

Mr. Chairman, our transatlantic policy towards Russia has been united and credible. More than ever in this complex and fragile world, what is needed is cooperation

and Partnership. This is true for the European Union and it's true for the United States.

The CHAIRMAN. Thank you.

I might ask just a couple of questions and then, as usual, move to our ranking member for more fulsome questions and reserve the rest of my time.

I know that many of us on both sides of the aisle were very concerned coming in that there was a potential that this administration might do, for lack of a better word, a cheap grand bargain with Russia on Syria. I think there was legitimate concerns on both sides of the aisle. I think they have evolved some, and I think the atmosphere itself has evolved.

You are talking to your U.S. counterparts here. Do you get any sense at all that the administration currently is planning to lift the sanctions that we have worked closely with Europe on relative to what has happened in Ukraine and Crimea?

Ambassador O'SULLIVAN. No. The conversations we have had with the administration on this subject, as on many others, has been very reassuring, and we have no such indication. And I think there is still remarkable unity of purpose between the United States and the European Union with regard to those issues.

The CHAIRMAN. So there is no fear on your part that the United States is getting ready to act independently relative to these issues and undermine the cohesiveness that we now have relative to Russia, Ukraine, Crimea, and other issues.

Ambassador O'SULLIVAN. No, sir, not at this point in time at all.

The CHAIRMAN. I will say just as an observation, I find, in this body, where you stand is based on where you sit. We have got an Iran sanctions bill that has a number of cosponsors that we are unable to mark up at present because of concerns about how the European Union might react and elections that are coming up.

On the other hand, there is a Russia bill—it is very broad-based—that would unilaterally impose sanctions on broad energy sectors in Russia on top of what is now in place: gas, pipelines, those kinds of things.

Are these the kind of things that you would like, Mr. Ambassador, for us to work closely with you guys on? Or do you think it is good for us to go ahead and move out unilaterally in this particular case?

Ambassador O'SULLIVAN. Mr. Chairman, I think the enormous strength of our policy and in particular our sanctions policy has been its very close coordination. We have moved in lockstep throughout this process, and I think that has not only ensured the right political response but also the effectiveness of the sanctions. It is well known that the European Union has perhaps even closer economic ties with Russia, and therefore, whatever we do has perhaps more impact than what can be decided by the United States alone. And I think it would be very important that before moving in the direction that you have indicated, we coordinate very closely because I think it is possible that measures of the kind you mentioned could have an adverse effect on the European Union.

The CHAIRMAN. There would be a pretty big blowback, would it not, on the European Union?

Ambassador O'SULLIVAN. I am sorry, sir?

The CHAIRMAN. There would be a pretty big blowback, would there not be, on the European Union relative to the energy component?

Ambassador O'SULLIVAN. Yes. We would need to look more at the details, but some of the ideas which we have seen discussed could, indeed, have a rather serious impact on the European energy sector. We are diversifying. We have a very strong policy of diversification. But the fact is we are still—many of our member states are heavily dependent upon imports from Russia, and it will be very important not to destabilize that situation, which is of vital interest for many of our member states.

The CHAIRMAN. Well, we thank you for being here. I think that the committee generally senses a unique opportunity, one we have never had since I have been here, to work closely with an administration on developing policies in various areas. I am sure there is going to end up potentially being disagreement. But I see that as an opportunity for us. We are trying to build upon that right now.

And I hope that we will continue to work in conjunction with our European partners.

Again, I think one of the bills that has been referenced—actually both of them. I have heard from many of the sponsors—is not really yet ready for prime time. It has a number of components that would, as you mentioned, blow back on our European allies. And I hope that as a body we will continue to work in a thoughtful way to put forth policies that are consistent with the way we have all been working together.

I can tell you again if I had any sense that this administration was on the verge of lifting sanctions relative to Ukraine and Crimea, I would be the first person rushing to try to pass something to keep that from happening. But I think we have got an opportunity to work in a seamless fashion together with you to have the kind of outcomes that we wish.

With that, Senator Cardin.

Senator CARDIN. Thank you, Mr. Chairman.

Following up on the chairman's point, the High Representative pointed out to me that there are certain sanctions that Europe has imposed on Russia that are stronger than sanctions that the United States has imposed on Russia and that there may be some interest for us to try to pattern some of our sanctions on what Europe has already imposed on Russia.

But I want to move to the parity here with working with Europe, which I agree with, as we work with Russia. We are not going to be effective. And what we learned with Iran is that we were able to be effective and bring Iran to the negotiating table because the United States and Europe worked together.

So would you answer in a similar vein that what we decide to do in regards to Iran that it should be done in conjunction with our European allies?

Ambassador O'SULLIVAN. Well, I think we did have close coordination——

Senator CARDIN. The chairman mentioned that we are considering additional legislation. You were pretty free to comment that before we do legislation in regards to Russia, we should work very

closely with Europe, which I agree. Would you have the same response in regards to additional sanctions on Iran?

Ambassador O'SULLIVAN. Well, as you know, Senator, we would need to look in more detail at those sanctions. Your sanctions or the proposed——

Senator CARDIN. Do you have a different view in regards to Iran than Russia about working with Europe?

Ambassador O'SULLIVAN. No, sir. I think we should work together, but that means that we have to sit down and decide what is in our best interests and how we can best achieve the objectives.

Senator CARDIN. If I interpreted your answer to the chairman's question, it is that you would like to be engaged before we enact new legislation as regards Russia sanctions. Do you feel the same way about new sanctions enacted by Congress on Iran? It is a simple question.

Ambassador O'SULLIVAN. I think, sir, of course, at the end of the day, each entity, the European Union and our member states on the one hand and the United States on the other, remain sovereign to take these decisions. And that, of course, is beyond question.

I think the point is that we should attempt, as far as possible, to coordinate and to have a common position. That may be possible in some situations. It may not in others.

I think the most important thing, sir, with respect, is that anything either of us do is done in full awareness of the possible consequences for the other side in this relationship.

Senator CARDIN. And that is true with Russia sanctions, as well as Iranian.

Ambassador O'SULLIVAN. I think it works in both directions, sir.

Senator CARDIN. Thank you.

The transatlantic partnership has been very valuable for 70 years. I agree with that. And it led to the creation of NATO, which was an effort to protect the territorial integrity of the member states and to promote democratic ideals and human rights. And it has worked very successfully.

In regard to non-NATO countries, with the fall of the Soviet Union, we found more and more previously communist countries joining NATO and joining the EU, becoming democratic states, and we have protected territorial integrity.

For non-NATO states that are not part of NATO, we have found that there are territorial issues, starting with Moldova, then Georgia, and now Ukraine. So we have challenges. There is no question about it.

Russia sanctions, as you pointed out, have been effective in both Europe and the United States imposing sanctions. We have been able to move forward.

I would just urge—in your statement you say that we should not give sanction relief unless Russia complies with Minsk, and I fully agree with that statement. But I would also add Helsinki commitments to that list. Russia is a signatory of the 1975 Helsinki Accords, and they have violated every one of the principal commitments in Helsinki by what they have done in Ukraine. And they should not be getting sanction relief unless they comply with the Helsinki Accords and remove itself from Crimea and its incursions into eastern Ukraine.

I want to point to one part of the legislation that I filed that I would urge you to take a look at because I think it is vitally important that we move quickly with the European elections. And that is the European Democracy Initiative. We formed NATO to protect territorial integrity and promote our ideals. Each one of our states are taking preemptive actions because of Russia's incursions through the use of propaganda and attacks on our democratic institutions. Would we not be more effective if we coordinate that effort, share that information, and work with a common defense to Russia's propaganda and attacks on our democratic institutions?

Ambassador O'SULLIVAN. Yes, sir. I think it would be very good to compare our concerns and how that can be reacted to. You know, this is something which is also being discussed within NATO. Just as we speak, the Hybrid Center of Excellence is being set up to increase European and NATO resilience to cyber attacks. So, yes, I think this is an issue of common concern on which we should certainly discuss and see if we can work together.

Senator CARDIN. Part of the legislation deals exactly with that point. And the last point I would make, Mr. Chairman, as we talk about taking action against Iran or Russia, they are very much related. Russia's activities in Syria and supporting Iran bolsters Iranian mischief and nefarious activities. So I think there is a direct relationship on the transatlantic partnership between how we deal with Russia and how we deal with Iran.

The CHAIRMAN. If I could follow up, I assume that our countries are working together right now. It does not take legislation. I mean, surely our intelligence agencies and the intelligence agencies of the European Union already are working together to make each other aware of the nefarious activities Russia is engaged in in their countries. Is that correct?

Ambassador O'SULLIVAN. Absolutely, yes.

The CHAIRMAN. Senator Young.

Senator YOUNG. Mr. Ambassador, good to be with you.

According to the United Nations Office for the Coordination of Humanitarian Affairs, 20 million people are at risk of starvation within the next 6 months in Nigeria, Somalia, South Sudan, and Yemen. Some 22 million children have been left hungry, sick, displaced, and out of school in those four countries. Nearly 1.4 million are at imminent risk of death this year from severe malnutrition. The United Nations is appealing for $5.6 billion in 2017 to address famines in these four countries.

They and other stakeholders, NGOs and others around the world, indicate what is really needed, not just resources, although I would love it if you would speak to what measures the EU member countries intend to take in this effort, but they are asking for a diplomatic surge. Your member countries have significant leverage, as does the United States, to help in this area. What are you doing?

Ambassador O'SULLIVAN. Well, Senator, thank you for the question.

We are actually—the European Union and its member states combined—we are the largest provider of development assistance in the world. Some 58 percent of global development assistance goes to the world, and the same is true for humanitarian. So I

think we are already extremely active. We are very sensitive to emerging new crises, and that is why we have additional funds available for emergency humanitarian aid. So, I mean, this we take very seriously.

We know that the crisis in Syria mainly turned into a refugee crisis because there was not sufficient funds for the——

Senator YOUNG. So learning from those lessons in Syria, Yemen, South Sudan, Nigeria, and Somalia, what is the European Union doing?

Ambassador O'SULLIVAN. Well, the first instance is, of course, to try to—if there is an immediate humanitarian problem, people are starving——

Senator YOUNG. There is.

Ambassador O'SULLIVAN. —is to move food and to work with the humanitarian agencies, which is who we work with, to deliver the necessary food and resources, of course.

Senator YOUNG. How much are you delivering?

Ambassador O'SULLIVAN. Sir, I cannot give you a precise number this morning. I would be happy to give it to you——

Senator YOUNG. I think it is in the millions.

With respect to a diplomatic surge, what is being done by the EU member countries on that front?

Ambassador O'SULLIVAN. Well, as always in these situations, as you rightly point out, behind the immediate crisis of humanitarian, there is frequently a problem of governance, management of the economy, and so forth. We work very closely with all the countries that you have mentioned to try to help them address those issues and get to the root cause, which then provokes famine or an immediate crisis. So we operate on both levels trying to deal with the immediate crisis, the humanitarian relief, and at the same time trying to see if we can help these countries through technical assistance, but also through more structured investment.

Senator YOUNG. Yes, sir. Thank you.

We were told roughly, I think, a week ago, a week and a half ago, that within the next 2 weeks, we would start to see the leading edge of these 20 million people dying. That is 3 times the population of my home State of Indiana. So I would certainly welcome the opportunity for the United States, which I believe needs to act far more boldly on this front, to work with our partners at the European Union to also act far more boldly on this front and try and provide some measure of relief to these individuals who will suffer.

If I could turn to the importance of our trading relationship. I am a firm believer in the need to open up our respective markets to one another. We certainly mutually benefit from it. 80 percent of U.S. foreign direct investment comes from Europe. Our economic relationship supports 15 million jobs on both sides of the Atlantic. Hoosiers. Almost 26 percent of our exports go to Europe. So thank you very much. And Germany is the third largest export destination after Canada and Mexico for our exports.

In your original prepared testimony, you indicated that our economic and trade relationship is very balanced. We could talk about the trade deficit. I am not as concerned as some are about that, although there are things we need to do domestically working with the EU to address that. But I see great imbalance with respect to

a particular sector, and that is medical. Pharmaceuticals. You have got a ceiling on price in so many of your member countries. Diagnostics, other medical services. What can the EU do to help address the subsidy that the American people pay to the wealthy countries of the European Union for pharmaceuticals, diagnostics, and others in terms of research and development?

Ambassador O'SULLIVAN. Well, Senator, at the end of the day, these are commercial transactions where products are manufactured, where they are sold. It is true that within Europe most of our member states in the health care systems do try to limit the excessive costs of pharmaceuticals and to manage that in the best way as possible, but it always done in discussion with the companies. So I am not sure there is anything—in terms of how the trade flows, this is ultimately down to the commercial decisions of companies and of the health care systems——

Senator YOUNG. Private companies working with your member governments on agreements. At the consumer level, it is American consumers that are bearing a disproportionate burden of the costs of these things that your member countries benefit from. And so I see a disparity there, and it is of concern to many Americans. And I just wanted to very directly communicate that to you, and perhaps we could work constructively on this matter moving forward.

So thank you.

The CHAIRMAN. Thank you, sir.

Senator Menendez.

Senator MENENDEZ. Thank you.

Thank you, Ambassador, for being with us today. The transatlantic partnership is incredibly important to both the European Union and the United States, and we appreciate you being here.

Let me ask you. I read your principles that you had in your presentation. I assume that one of the principles for Europe still is trying to preserve the post-World War II international order. Is that a fair statement?

Ambassador O'SULLIVAN. Yes, sir.

Senator MENENDEZ. And in pursuit of trying to preserve the World War II international order, how does the European Union approach dealing with countries that violate the international order in terms of trying to find a way to bring them back? Let us say Russia, for example.

Ambassador O'SULLIVAN. Well, I think what is clear from the five principles that I mentioned is that we believe that when there is a flagrant violation of those principles, that should be sanctioned. That is what we have done in the case of Russia, both in relation to the illegal annexation of Crimea, which we do not recognize, and the continued interference in the eastern provinces. And that is why we have put in place sanctions related to behavior in both of those situations, which will not be removed until such time as there is full compliance with the Minsk agreement with regard to the situation in eastern Ukraine.

So our policy is always one of reacting where there is a flagrant breach and trying to put in place appropriate responses and at the same time continuing to engage with countries to try to persuade them of the benefits of aligning themselves with solid international norms to which we have all subscribed.

Senator MENENDEZ. Fair enough.

So while we have cooperated and tried to be in tandem, we have not always started off—the United States and the European Union—in tandem. As a matter of fact, in some cases the EU has led, and as was referenced before, the EU has some stronger sanctions than the United States against Russia. That did not necessarily bring us in tandem. And at the same time, the United States, particularly as it related to Iran, began to lead the way in which we are very pleased that the European Union joined in that effort, and there is solidarity on it. But it is fair to say that we do not always start off in tandem at the very beginning. Is that not a fair statement?

Ambassador O'SULLIVAN. I think that can sometimes be the case, Senator, yes.

Senator MENENDEZ. Well, actually it is the case as it relates to Russia. You are far ahead of us in some very significant ways on Russia than the United States is on some of the more far-reaching sanctions that we have yet to employ.

Ambassador O'SULLIVAN. We have a broad alignment of our sanctions. There are nuances between us. I think what we have always tried to make sure is that the differences do not cause problems for the other party so that there is nothing that we do within our own sanctions regime that would cause difficulty for——

Senator MENENDEZ. Well, sanctions in and of themselves always cause some consequence, not just to the intended party we are trying to get to observe the international order, but to those who levy them because there is a degree of sacrifice. Is that not a fair statement?

Ambassador O'SULLIVAN. Absolutely.

Senator MENENDEZ. Now, has Iran violated the international order? I am not talking about the JCPOA. I am talking about its intercontinental ballistic missile testing, its pursuit of terrorism, actively its destabilization of the region, human rights violations. Would you not categorize all or any one of those as a violation of the international order?

Ambassador O'SULLIVAN. I think that they are extremely problematic. As you know, we have sanctions in place linked to those matters, which are outside of the scope of what was agreed in the context of the JCPOA. So we have already some sanctions——

Senator MENENDEZ. So the EU does not necessarily believe that the violation of international order by Iran in other areas is ultimately to be overlooked as it relates to the agreement we made with Iran on its nuclear accord?

Ambassador O'SULLIVAN. I think, sir, they are two separate things. The nuclear accord is a self-contained agreement dealing with that issue and the sanctions which were linked to that. We have always said—and I think High Representative Mogherini repeated this when she was here—that of course, the other issues, which have not gone away with Iran which you mentioned, the ballistic missiles, the human rights, support for terrorism, and so forth—they continue to be a subject of disagreement with Iran.

Senator MENENDEZ. Now, finally, how do you assess the staying power of sanctions as it relates to Russia in the EU? We see Russia doing a series of things to try to pick apart countries, and since the

EU works through unanimity, that is always a challenge. How do you assess the staying power of the sanctions regime for so long as Russia does not change course and change the actions that caused the sanctions to be implemented in the first place?

Ambassador O'SULLIVAN. Senator, I think we have been very clear. The decision going back to 2015 said very clearly that the sanctions are linked to the implementation of the Minsk agreement and should be maintained until such time as that agreement is fully implemented. The sanctions relating to Crimea are a separate discussion, and they, of course, are linked to the illegal annexation of that part of Ukraine which we do not recognize. So I think we are very firm in maintaining those sanctions as long as the original reason for their imposition remains.

Senator MENENDEZ. Thank you.

The CHAIRMAN. Thank you.

Senator Barrasso.

Senator BARRASSO. Thank you, Mr. Chairman.

I really appreciated the opportunity to meet recently with the European Commission Vice President for Energy Union when he was in Washington to discuss energy-related issues. The European Commission has continually reiterated the need to find energy suppliers other than Russia being a high priority.

And I wanted to follow up a little bit on what Senator Menendez was talking about because Russia has demonstrated over and over again its willingness to use energy resources as a weapon. Putin has used Russia's energy resources to extort, to threaten, to coerce our allies and our partners.

So are you concerned about the European Union's over-reliance on Russia for energy resources?

Ambassador O'SULLIVAN. Well, thank you for the question, Senator.

Indeed, this commission under Jean-Claude Juncker has a very ambitious project called European Energy Union, which is to create a fully integrated energy grid across all 28—in the future 27—member states precisely designed to reduce the reliance of any member state on any one source, the idea being that all member states should have at least three sources of supply, and they cannot be hostage to a single supplier. And that is a very important project which involves infrastructure development, the building of new LNG terminals, the building of inter-connectors between the Iberian Peninsula and France, and finding ways in which our member states can progressively diversify their sources of energy supply over time.

Senator BARRASSO. Then could you please share with us your thoughts on how the United States can help the European Union meet its energy demands and diversify away from countries that use energy resources as a weapon, specifically Russia?

Ambassador O'SULLIVAN. I think one of the ways in which we would be grateful for your support would be to liberalize exports of LNG gas supplies to Europe or at least to put them on the world market. They may not automatically go to Europe but they would have the effect of making that a more liquid and a more vibrant market, which would be to the benefit of our member states who have invested in LNG terminals both in Lithuania and Croatia.

Senator BARRASSO. Thank you. No, I appreciate that very much. Clearly in Wyoming, we have a significant abundance of natural gas that could be used for exactly that purpose.

I did want to talk with you a little bit about the Nord Stream 2 pipeline. Over the last several years, I have seen Russia's continued efforts to undermine peace and security in Europe, including through its use of energy, as we have talked about, and using it as a point of political leverage. The United States has been working closely with our partners in Europe to promote energy security through diversification, as you mentioned, including all sources of energy.

But in July of 2016, I joined a bipartisan group of Senators—some are here on the panel on both sides of the aisle today, including Senator Shaheen and Murphy and Rubio and Risch and Johnson, members of the committee—in sending a letter to the President of the European Commission. The letter expressed concerns about what we saw as the devastating impacts of Nord Stream 2 on Ukraine and on European energy security. Nord Stream 2, as you know, would run from Russia under the Baltic Sea, directly to Germany. This pipeline would follow the path of the original Nord Stream pathway and would significantly boost Russia's gas exports to Germany. Several European countries have raised concerns that Nord Stream 2 would undermine sanctions on Russia and increase Russia's political leverage over eastern Europe. In addition, it is estimated that this pipeline would cost Ukraine about $2 billion annually in natural gas transit fees.

So do you believe that Nord Stream 2, this pipeline, would be a step backwards in the diversification of Europe's energy resources in terms of suppliers, in terms of routes by making Europe less or more reliant on Russian gas?

Ambassador O'SULLIVAN. Well, Senator, as I think you recall, when the Vice President met with you, the view of the European Commission about Nord Stream 2 is that it is not compatible or part of the project of energy union and diversification. The European Commission is also not convinced that it is actually needed.

But, of course, at the end of the day, it is a commercial project, and if parties decide to build it, the important thing then will be that it fully conforms with European Union legislation on energy liberalization, what we call the third energy package, both the bit that is onshore. There would also have to be some discussion about how you would manage the offshore part. But the overall position I think of the European Commission on this matter is clear, but it remains, at the end of the day, a project to be undertaken by private commercial actors.

Senator BARRASSO. Could you address some of the things I have heard in traveling—a number of countries involved where they mentioned investments, contributions by Putin, by Russia to environmental extremist groups around the Europe to prevent additional exploration for Europe in an effort to continue to keep Europe more connected, the European Union more connected to Russian sources of energy?

Ambassador O'SULLIVAN. I will be very honest with you, Senator. I am not informed about that. So I would not like to comment.

Senator BARRASSO. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, sir.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

And thank you, Mr. Ambassador, for being here today and for your kind words on our resolution on the Treaty of Rome. I certainly share—and I think all of us do—the importance of the transatlantic relationship and the contribution that it has made to the 70 years of stability that most of our countries have enjoyed since World War II and to the prosperity that so many of our countries have enjoyed.

As we look at Russia's activities in Europe, one of the things that we have seen is that as they have looked at countries that were formerly within the sphere of influence of the Soviet Union and Russia, as those countries have tried to move towards the West, that has precipitated some of Russia's actions. We saw that in Ukraine. We saw it in Montenegro and in Moldova, a number of countries that really want to move closer to the West and be part of our alliances.

As we look at countries like Albania and Serbia and Macedonia, Bosnia-Herzegovina and the interest that they have in joining the EU, what can we do? I appreciate that they need to reform many of their institutions and address issues like corruption in those countries. But as we think about the counterbalance that that provides to Russian activities, how can the EU continue to encourage those aspirant nations to continue to make the tough political decisions that are necessary to join the union?

Ambassador O'SULLIVAN. Well, thank you, Senator.

Indeed, the western Balkans is an area, which I mentioned in my introductory remarks, of great concern, and I think the High Representative, when she was here, raised with a number of you her concerns but also her enormous activity in this area. She has visited the region recently. And we are very committed. The western Balkans has a clear perspective of membership of the European Union. Indeed, a number of the countries you referred to are actually fully candidates and, therefore, on the way to becoming members.

But as you say, it is a tough process. And it is important that they make the necessary changes because to be very frank, if they were to enter without doing that, it would go badly and it would ultimately perhaps be counterproductive. So this is very important that we help these countries to make the necessary changes, including in governance, anticorruption, and rule of law, and so forth.

We work very well with the United States, I must say. We work very well with the local U.S. ambassadors in all of those countries where I think we are absolutely on the same page in terms of how we go forward.

So this is for us a very high priority. We know that the future stabilization of the region and to avoid any return to the kind of conflicts we have seen in the past in that region—future membership of the European Union is a very important element in making that happen, and we are very committed to that.

Senator SHAHEEN. And I certainly appreciate the challenges that are presented. I do think thinking of ways that we can try and ac-

celerate some of those efforts will be important as Russia tries to do everything possible to separate those countries from their Western aspirations.

You talked a little bit about some of the efforts that are ongoing in the EU to respond to Russia's disinformation campaign. How can we better coordinate our efforts as we look at how to respond? Because I think that as we look at Russia's interference in our elections, that one of the most frightening things that we have learned is the propaganda efforts that they have underway and the efforts to impact our social media and really create confusion so that people do not know what the truth is.

Ambassador O'SULLIVAN. Well, as the chairman indicated earlier, I think we are working and our intelligence services and our information services are coordinating. But that is not to say that we could not do better and that we could not do more. We are working very closely with NATO on this issue. It is a complex issue, to be frank, Senator.

Senator SHAHEEN. It is.

Ambassador O'SULLIVAN. There is perhaps no single simple answer, but we would certainly be very open to intensifying our cooperation.

Senator SHAHEEN. And I do not mean to interrupt, but I think this goes beyond just intelligence efforts and efforts on the part of our militaries. It seems to me that this is an issue about making our publics aware, and I know that in countries where Russia has done this meddling—I was in Poland in February, and they were very aware of these efforts and I know other countries are. But there are a number that are not and that do not differentiate between what is Russian propaganda and what they see and think is news and the facts. So I am really talking about how can we better inform our publics. Is there anything in that arena that you think we can initiate?

Ambassador O'SULLIVAN. Well, we have already, under the leadership of High Representative Mogherini, set up an East StratCom Task Force with 10 Russian language communications specialists within the European External Action Service to ensure effective communication and promotion of EU policies, to strengthen the media environment, and to improve our capacity to forecast and address issues of disinformation. We have an extensive network of people around the European Union who feed us the information, and we do a weekly report of this kind of disinformation. So that is one area in which we are active. We, I think, could certainly imagine close cooperation with allies and partners in the same effort.

Senator SHAHEEN. Thank you very much.

The CHAIRMAN. Just to follow up before going to Senator Gardner, I think in the United States there is probably 100 percent awareness by citizens of Russia's involvement in our elections.

Senator SHAHEEN. Are you kidding me?

The CHAIRMAN. Maybe 110 percent.

[Laughter.]

The CHAIRMAN. I think people are very aware that there are concerns about Russia and their involvements here. I think that is a general statement that is true.

In France, just out of curiosity, with the upcoming election, just to follow on Senator Shaheen's comments, what is the awareness there of Russia's potential—I will say beyond potential—their involvement in the elections there would you guess?

Ambassador O'SULLIVAN. Sir, I think this is a subject which is openly debated in the media across Europe. How much of that sinks into the consciousness of the individual voters I would not like to say, but it is a subject of regular debate on TV programs and newspapers and social media. So I think there is an awareness that this is a serious issue. Of course, people have different views about it, and in the context of national elections, it can also become part of the political debate, which can complicate the matter. But I think there is generally a high level of awareness.

The CHAIRMAN. Senator Gardner.

Senator GARDNER. Thank you, Mr. Chairman.

Ambassador, thank you for your time this morning testifying before the committee today.

I want to follow up a little bit on what Chairman Corker just mentioned. France, Germany, other nations—where do you see Russia predominantly aiming their focus on news interference, disruption within the European Union?

Ambassador O'SULLIVAN. Well, I think that we are aware that there is a big effort underway to spread disinformation, to confuse news stories. But I have to say I think we must also have fairly good confidence in the robustness of our democratic systems. We have just had the elections in the Netherlands. The elections are ongoing in France and in Germany in September. Of course, a moment of election is a moment of heightened political activity, and you see an increase in this kind of disinformation and other spreading of rumors. So I think there is awareness of that.

I think member states who are responsible ultimately for this have taken some steps to avoid any possible interference in the good conduct of the elections. In the Netherlands, they went back to manual counting to avoid the risk. I think in France, for the presidential elections, some possibilities for people living overseas to vote online have been changed to more secure means just to try to make the system as secure and robust as possible.

So I think any moment of election is a moment of increased discussion and tension in any national situation, but I think our member states are well aware of this and addressing it.

Senator GARDNER. Outside of the elections in Poland, Hungary, other nations, have you see Russian involvement in other actions taking place by those governments in Poland, Hungary, or——

Ambassador O'SULLIVAN. I have no personal knowledge, sir, that I could share with you this morning.

Senator GARDNER. Thank you.

There was a report in the past 24 hours about Lithuanian intelligence sources stating that Russia could attack Eastern Europe with as little as 24 hours' notice. They talked about the NATO decision speed, the decision speed with which NATO would respond, NATO's reaction time. How does the European Union react to these types of reports from Lithuania?

Ambassador O'SULLIVAN. Well, I think you will have discerned yourself, sir, it is primarily a NATO question, it is a military ques-

tion for which the European Union is not directly responsible. We work, of course, very closely with NATO. Twenty-two of our member states are members of NATO. So there is a large coincidence of view. But when it comes to matters military, that is entirely within the remit of the alliance and not strictly speaking within the European Union.

Senator GARDNER. I mean, help me out. Do you talk to NATO about this type of report?

Ambassador O'SULLIVAN. We have very good cooperation with NATO, and we share a lot of information. So, yes, I am sure we do discuss these things. But the state of military preparedness, if you like, is a responsibility of the NATO alliance.

Senator GARDNER. I understand that. I understand that. But I am just curious about what—in conversations with General Breedlove last year in NATO, talk about the intelligence community within the European theater as it relates to Russia—what do you see from member nations, European Union member nations, about intelligence efforts within the European Union to counter Russian aggression?

Ambassador O'SULLIVAN. Well, I think there is very good cooperation between our intelligence services. This is, of course, at the end of the day, a matter of member state national responsibility, not something which is decided at the level of the European Union, but there is very good cooperation and sharing of information between our national intelligence services dealing with all of these issues.

Senator GARDNER. Has the European Union sanctioned any Russian individuals or entities regarding cyber activity or human rights violations?

Ambassador O'SULLIVAN. Can I get back to you on that? Off the top of my head, I would not be sure that I could give you an accurate answer. So let me come back to you with a precise answer on that, sir.

Senator GARDNER. Could you talk a little bit about Russia's involvement in perhaps the migration crisis across Europe?

Ambassador O'SULLIVAN. Well, I am not sure that I can add very much. I mean, the migration crisis in itself, of course, has been a major challenge for the European Union. I think we have got a grip on it in recent years and are managing it now more effectively than was the case at the immediate moment of the surge. I do not think that we are aware of a particular Russian role in that beyond, of course, the whole situation in Syria, which is the root cause of much of the crisis.

Senator GARDNER. Thanks, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Coons.

Senator COONS. Thank you, Mr. Chairman and Ranking Member. Thank you, Chairman Corker, Ranking Member Cardin for your diligent and determined and bipartisan leadership on this critical issue.

And I would like to thank all of our witnesses, both Ambassador O'Sullivan who is before us and Ambassador Volker and Baer who will soon join us, for your willingness to share your expertise with our committee.

I have seen firsthand, as have many members of this committee, the effects of Russian disinformation campaigns, cyber attacks, and attempts to influence elections. And that is why I think it is critical that we work together to mark up legislation that will strengthen our hand as we seek to indicate to our European partners a bipartisan determination to take firm action in the face of Russian aggression.

Last summer, I had the opportunity to lead a bipartisan delegation. We visited the Czech Republic, Ukraine, and Estonia. And I was deeply concerned by the anti-EU sentiment that I witnessed during this trip and the rise of anti-establishment ideologies and anti-EU parties, similar to some of the anti-establishment and populist political ideology we have seen here.

How could this trend of more and more sort of anti-establishment, anti-EU political parties across the entire continent threaten our partnership with the EU? And what tools do our democracies possess to fight Russian disinformation campaigns that we could strengthen together?

Ambassador O'SULLIVAN. Well, on the question of the disinformation campaign, I think I have already addressed that.

On the more general question, Senator, of the trend towards anti-establishment or more nationalist looking parties or parties with more extreme views very critical of the European Union, forgive me, but at the end of the day, we are democracies and I think it is important that whatever sentiments are out there in the general population find their way into the political system and find an expression through the political system. Obviously, I would hope that many of these views would not become mainstream or would not become majority trends. And I think the challenge in many countries these days is for the establishment parties to reestablish relevance and an ability to address the concerns of citizens who perhaps turn to these other parties because they feel they are not getting the answers that they were looking for from the establishment. And I think that is a challenge on both sides of the Atlantic to find a way of doing that.

But as I said before, I remain very confident in the robustness of our democratic systems on both sides of the Atlantic and the ability of our political systems to manage and contain these movements without it overthrowing the fundamental principles of democracy, human rights, and the rule of law.

Senator COONS. Well, let me ask about a specific case in the upcoming French elections. Can you explain to me a scenario whereby Marine Le Pen secures the French presidency and then seeks to withdraw France from the EU? And tell me what sort of security and economic impacts that would have on the transatlantic relationship, whether it would be constructive in any way.

Ambassador O'SULLIVAN. I fear, Senator, that is one of those fair questions but to which I could only give an indiscreet answer. So if you will forgive me, I am not going to speculate about what might be the result of the French election or what might be the consequences. I do not feel competent to comment on that here today.

Senator COONS. You may well be competent, but it is probably wise for you not to be too pointed in that answer.

And are you concerned some EU countries may move soon to lift or ease sanctions against Russia due to the ongoing political and perhaps economic pressure that is being applied on them to do so?

Ambassador O'SULLIVAN. No, Senator. As I said earlier, we are very confident in the strong consensus that exists about the sanctions which are in place, why they are there, and the conditions under which they could eventually be removed which are clearly set down in our decision. So, no, I do not have that concern.

Senator COONS. In the visit I just referenced to Estonia, we heard about the so-called Bronze Soldier cyber attack in 2007. A World War II era statue of a Soviet soldier was moved just a short way from the capital to outside the capital in a military cemetery. And in response, Russian hackers launched a massive cyber attack against Estonian websites, and the former president called this a public-private partnership.

What recommendations do you have for us about countering this style of interference? And are there lessons the U.S. could learn from the EU East StratCom Task Force and what work it has been doing?

Ambassador O'SULLIVAN. Well, on your latter point, we would be happy to share further details of what we are doing to see if this is something that we could work further on.

On the question of hacking and cyber warfare, I think we are working very closely both within NATO, and we also have between our member states a clear strategy to address hybrid and cyber strategies. This is obviously an issue of very big concern on both sides of the Atlantic, I think for all developed societies. The damage which could potentially be done is huge, and I think all our systems are working very closely to figure out how we can counter or, even better, prevent any kind of attacks of this kind, from whichever source, by the way.

Senator COONS. Well, Mr. Ambassador, just thank you for sharing your experience about ongoing, widespread and, sadly, often effective Russian aggression against our democracies.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Portman.

Senator PORTMAN. Thank you, Mr. Chairman.

David, good to see you.

So we have had a good discussion today about Russian disinformation and propaganda. And I often think when I hear our discussion that if we had only listened to our allies in Central Europe, Eastern Europe, we would be a little ahead of the game because they have been warning us for a long time about what is happening to them.

I am looking at Disinformation Review this week, and here is the top of many stories that they are exposing. A Czech Republic disinformation outlet wrote that the Council of Europe is enforcing a rule that Czech children are stolen from their mothers in order to privilege the LGBT community and help the Islamization of the nation, thus playing into two very common anti-Western narratives in one, and obviously very false narratives you will tell us this morning. Correct?

So this is happening constantly among your member states like the Czech Republic but also in Western Europe. We are now seeing this happening in France and in Germany with the elections. We certainly are experiencing it here. I think the chairman is right. People are aware that there was meddling. I think they are not aware of the extent to which it happens all the time and not just here in this country, but in other democracies, many of which are fledgling democracies. And it is this combination of cyber attacks, hacking, troll farms on social media. What we just read here is an example of some of the disinformation. Think tanks that are useful to them, political organizations, state-sponsored media, including here in this country.

We have recently authored legislation here, which passed at the end of last year. And Senator Murphy is here this morning. We authored this to try to get the United States more aggressive in responding by coordinating better and having more effective messaging. It is called the Countering Foreign Propaganda and Disinformation Act. It would set up a global engagement center at the State Department.

And my question to you today is to dig a little deeper into what you have already talked about. You mentioned the EU External Action Services StratCom Task Force, and it seems to me they are doing very important work. The question is very specifically how could we coordinate better with your own new organization, StratCom, to better provide information back and forth about disinformation and how to counter it. And I hope you are taking that from this hearing, that you will be reporting back and saying we would like to encourage that and increase that.

Our State Department effort is just standing up.

My first question I guess is what else are you providing to your member states. I know you also have under Europol, as Chairman Corker referenced, the EU Intelligence and Situation Center, other data collection efforts which offer real opportunity for sharing information and mutual support. Is that also going on between you and your member states?

Ambassador O'SULLIVAN. Yes, Senator. And we also have the Counter-Cyber Center in Europol as well. So there are a wide range of efforts being undertaken to combat these different threats that you mentioned which are, as you rightly say, something of enormous concern on both sides of the Atlantic.

Senator PORTMAN. Can StratCom actually tap into those intelligence resources?

Ambassador O'SULLIVAN. I would not like to say for certain they can in that way. We certainly work very closely across all the institutions in Europol and the External Action Service and the commission. So I think there is a very strong degree of coordination at the European level.

Senator PORTMAN. My sense is that here in this country—and my sense is this is true in the EU as well—that there is not the kind of coordination that would be useful always with regard to countering the disinformation. And so I know sometimes there are legal barriers to it. Sometimes there are different levels of classification that make it difficult. But I think this is, again, something that is in our interest and your interest both to coordinate across the At-

lantic but also to have better coordination in our intelligence services and the efforts we are making to try to counter.

You have got 22 member states in NATO, as you said earlier, and they have come up with this new approach to combat what they call hybrid threats. So kinetic and nonkinetic, and certainly disinformation is a big part of that. This joint framework on countering hybrid threats has now been established.

Can you talk a little about that? Again, can we collaborate better? Obviously, the EU and the United States are the major players here. And is there information sharing between NATO and the specific organizations like StratCom?

Ambassador O'SULLIVAN. Well, firstly, of course, the Hybrid Center of Excellence that you mentioned is being set up in Finland as a NATO exercise. And yes, there is a very good exchange of information and best practice across the different layers. This is not to say that one cannot always do better. As I think Senator Shaheen pointed out, it is not just a question of—the disinformation is not just about intelligence, it is also about dealing with things which are not secret but which are actually sort of very public and how you deal with that and how you respond to it, how you make it better known that this is misinformation and disinformation. But we would be certainly happy to discuss further how we could work even more closely together on those issues.

Senator PORTMAN. Well, thank you.

I think the example I used at the outset is one along those lines. It is not a matter of intelligence sharing on that. It is a matter of ensuring people know that these are false narratives and communicating clearly. And we certainly have a shared interest in that. So we thank you for your personal commitment to that cooperation between the United States and the EU and look forward to working with you more closely on this.

Ambassador O'SULLIVAN. Thank you, sir.

The CHAIRMAN. Thank you.

Senator Murphy.

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

Good to see you, Ambassador.

Thank you, Mr. Chairman, for holding this hearing and for maintaining this bipartisan commitment to the transatlantic relationship.

Thank you, in your opening remarks, Ambassador, for talking about the 70th anniversary of the Marshall Plan. It is important that we remember this country's commitment to building open economies and robust democracies in and around Europe. That is a time when we were spending about 2 percent of our country's GDP on economic and democracy advancement overseas. Today that number is 0.1 percent and, if this administration has their way, heading even further in the wrong direction.

Second, to the chairman's comment about whether this is a settled case or not regarding Russia's interference in the U.S. elections, there was a really interesting CBS News poll from just about a week ago suggesting it is not a settled case, that only about 40 percent of Americans believe that Russia interfered in the U.S. elections to benefit President Trump, and that for about 60 percent of Americans, it is still an open question. And I do not think that

is coincidental to the President's weekly tweeting that all this coverage about the Russian interference in our elections is fake news.

I think my worry is that this sort of open assault by President Trump on the mainstream media in this country—it plays into Russia's objective. We talk about Russia's interest in trying to spread their specific narrative throughout its periphery. But in many ways, that is not their primary objective. Their primary objective is to really shatter objective truth, to just raise questions about everyone's narrative so that people in their sphere of influence just believe that everything is spin and that there is no truth any longer. And so I think we have to remember that what is happening here, this exceptional assault on the media coming from the chief executive of our country frankly plays very nicely into the strategy that Putin has employed throughout the region.

Which gets me to this effort that Senator Portman and I have been engaged in to try to build some increased capacity to partner with yours, to try to grow objective, independent journalism. We have to remember that in the Balkans and Eastern Europe, this kind of independent journalism is really in its infant stages still compared to how long we have been at it in Western Europe and the United States. And I know that this is in part what the EU East StratCom Task Force is talking about trying to raise a fund that could potentially be partnered with the dollars that may come into the Global Engagement Center to directly assist independent media sources to grow their ability to tell an objective story.

So I maybe want to ask you specifically about the work that the EU is engaged in to try to promote independent, objective journalism in places where it just does not have the roots that it does in other parts of the continent.

Ambassador O'SULLIVAN. Well, I should emphasize the StratCom East Task Force is a fairly lean operation. In fact, they do not have an operational budget. They only have their own administrative budget. They are not in the business of giving money to other people for this activity.

I think the point you make is a very valid one, and it is certainly something we do a lot through our development assistance programs outside of Europe. I think the feeling within Europe is that this would be very much a matter for our individual member states. I mean, it goes to journalism courses. It goes to the training of journalists and so forth.

So I am not aware, but I certainly can take it back and just double check of the specific action by the European Union as such on the issue of journalism within Europe. But I can have it double checked to make sure I am not misinformed.

Senator MURPHY. Just to change subjects quickly. If we were here 2 years ago, we would be spending a lot of time talking about the EU–U.S. trade deal, and we have not spent a lot of time talking about that because we sort of feel like we are in a post-trade deal environment here. But the President has floated a bilateral trade deal with Britain which to many of us would seem to reward them for walking away from the European community.

So can you just talk about your member states' continued desire to ultimately have a trade deal with the United States and how we should think about ordering any new trade agreements with Eu-

rope or with individual states? I would think our preference should be to do a European trade deal before we do any bilateral deals with countries that have withdrawn from the European Union.

Ambassador O'SULLIVAN. Well, as you know, Senator, we were negotiating for 3 and a half years on a comprehensive free trade agreement between the United States and the European Union. And I want to emphasize that is a bilateral deal. It is not like TPP where you sit with 11 partners around the table. You have one negotiator on behalf of the entire European Union, the European Commission, and one U.S. negotiator.

Those talks have now been suspended pending the review of trade policy by the incoming administration. There is not yet appointed a United States Trade Representative. So we are waiting patiently for the new administration to reflect on this issue and to engage with us on how we go forward. I think the fundamental reasons why we started the negotiation in the beginning, which have been highlighted by a number of you and in my introductory remarks about the importance of the transatlantic economic corridor, which is the single most economic corridor in the world by far. We are much more heavily invested in each other than either of us are anywhere else in the world. And, therefore, the logic of a future comprehensive trade deal remains pertinent in our view. But, of course, we understand that this administration is reviewing its trade policy, how it wants to proceed. We wait patiently for the necessary responsible people to be in place, and we would hope to take up that conversation.

As for an agreement with the United Kingdom, when the United Kingdom leaves, it will be for them to decide how they wish to take forward their own trade policy. This will not happen for at least 2 years following the triggering of Article 50, at which point it will be entirely a matter between the U.S. and the U.K. as to how they want to proceed.

I would just point out that I think the U.K. economy is 2.5 trillion euros. EU 2017 will be a 15 trillion economy. So in terms of the economic impact of the trade deal, those numbers give you some sense of the orders of magnitude.

The CHAIRMAN. Thank you.

All combined, 48 percent of the world's GDP, you know, not much in the way of labor differences, environmental differences—so at some point, hopefully, collectively all of it will be done.

Senator Rubio.

Senator RUBIO. Thank you.

Thank you so much for being here.

I think it has been mentioned earlier before, and it is relevant to the question I am about to ask with regard to the European Union. But we are all now aware of these stark images emerging from an attack yesterday in Syria involving nerve agents by all accounts. It is sad. If that would have happened 2, 3, 4, 5, 6, 7 years ago, we would all be outraged by it. It would be leading every newscast. Now it is accepted almost as a matter of course. It is truly unbelievable. We have reached a point in this world and in our political discourse in this country where people are being gassed with nerve agents from airstrikes, and it is just like another

day. The outrage level has reached a point of resistance now where it is just truly startling.

I know the Secretary of State a couple days ago—our Secretary of State commented that the people of Syria would have a role to play in Assad's future. Well, it depends on which ones are still alive if this continues.

And it would have been impossible had it not been for Russia's cooperation and support of Assad. And I think our allies in Europe understand this.

And I ask you this because this attack happened basically on the same day that the European Union was hosting a conference about who is going to pay for rebuilding Syria. And the message seems to be I am going—"I" meaning Assad, is going to keep gassing and killing people and doing whatever he wants with the help of the Russians, the Iranians, Hezbollah, and others, and then you, the world, including the European Union, are going to pay for it.

What is the sentiment of the European Union in light of the fact that as this gathering is occurring, I believe in Brussels, on the eve of it or on the same day of this gathering, we receive news about this horrifying atrocity committed by the Assad regime assisted by Vladimir Putin? What has been the sentiment in light of the timing between this attack happening on the same day or on the eve of this important gathering?

Ambassador O'SULLIVAN. Well, Senator, I can only share your outrage at the horror of the attack and, if it is confirmed, the use of chemical weapons, which we are completely opposed to. I think Syria is one of the greatest humanitarian crises of our lifetime, of our generation. The neighboring countries have borne the brunt. We have also seen the consequences.

The European Union I think has worked tirelessly to try to find a ceasefire and a political transition, which would enable the people of Syria to determine their own future. This is the sense in which we have worked. We have worked closely with the United States. It has eluded us for the moment, but we will continue to work in that direction.

The conference that you mentioned at the initiative of High Representative Mogherini is, indeed, designed to get us to start thinking about the day after. Assuming that we can get a ceasefire, assuming that we can get a viable process of political transition and allowing the people of Syria to determine the fate of their own country, how do we support that process and encourage them? Because the reconstruction which will be needed in Syria is massive, Senator, as you can imagine the destruction which has been done. And it will require a massive effort of the international community.

So it is not that we are abandoning our issue of wanting to see a ceasefire and wanting to see a political process whereby we can figure out how Syria determines its own future. But if we do not start now thinking about what the reconstruction and how that could be funded and how it could be done, that will also be an incentive to the warring parties perhaps to also realize the benefit of actually stopping the fighting and trying to find a way forward. So it is in that spirit that we are convening this conference. It is not in any sense to be complacent about the ongoing horror of what is happening in Syria.

Senator RUBIO. And by no means did I mean to imply that they are being complacent. I think it is an important conference as well. I would just say as a matter of a personal view—and I hope it is one that is widely shared—it is hard to imagine the international community getting together and helping rebuild a Syria in which a war criminal, a monster like Bashar al-Assad—it is not the first time he has done this sort of thing—would somehow be running that country. It would be difficult for the people of Syria. Imagine for a moment if you were one of these people who just had your child killed by a nerve agent dropped by the regime ever accepting that this individual is going to be governing you.

So I know you cannot comment on that, but that is my view, and I wanted to share it.

And I wanted to share one more thing, and this I think goes right to the alliance between the European Union and the United States. It is a quote. The Washington Post ran this about 48 hours ago, and it really I think goes right to the heart of what is happening. This is from Jeane Kirkpatrick back in the 1980s. She wrote, quote, to destroy a society, it is first necessary to de-legitimize its basic institutions so as to detach the identifications and affections of its citizens from the institutions and authorities of the society marked for destruction. An alliance among democracies is based on shared ideals. The process of de-legitimization is, therefore, an absolutely ideal instrument for undermining an alliance, as well as for undermining a government.

Is that not in fact what we see occurring via Vladimir Putin? He is attempting to de-legitimize the institutions of democracy across our alliance for purposes of destroying that alliance.

Ambassador O'SULLIVAN. Well, I think that we understand that perhaps President Putin sees real democracy as a threat to the situation in Russia. We, as you know, strongly support democratization and the institutions which go with it.

I come back to the point I made earlier, Chairman and Senator. I continue to have great faith in the robustness of our democracies on both sides of the Atlantic. And I believe while there are forces at work, which would seek to de-legitimize or to put into question the effectiveness of those institutions, I believe that in the end the commitment of our citizens to the democratic process, to the rule of law will carry the day. But we understand that there are very distinct threats coming in that direction.

Senator RUBIO. Just for the record, Mr. Chairman—I thank you for your testimony, for your support, for everything you have done with us here today.

Just for the record, I do not want to be unfair. As far as I know, as of 11:40 a.m. Eastern time on Tuesday, I am not aware of either a State Department or a White House statement condemning what has occurred in Syria, and I hope that changes.

The CHAIRMAN. Before I turn to Senator Markey, do you see any circumstance where the European Union would not wish to pursue war crimes against Assad?

Ambassador O'SULLIVAN. I would not feel able to answer that question, Senator. I think the question of how the political transition takes place in Syria, what is the continued, if any, role of

President Assad in that process as part of a transition or as part of an end game, and what the——

The CHAIRMAN. I understand, but that to me is a different topic. The notion surely that speaking of just who we are, regardless of what may occur in a transition, do you see any situation where the European Union members would not wish to pursue war crimes against—that Assad committed and to have him punished and hopefully put away for that? Do you see any circumstance where that would occur?

Ambassador O'SULLIVAN. I am not aware that that issue has been discussed and decided at the European level, and I would not wish at this point, Chairman, whatever my personal views might be on the matter, to say something which implies a commitment on the part of the European Union or its member states.

I take the point. You know there has been much debate about how the political transition will go forward, and that is something which will have to be, I think, decided in particular by the Syrian people once we can get a process of transition. But I take the point.

The CHAIRMAN. Senator Markey.

Senator MARKEY. Thank you, Mr. Chairman.

And thank you, Mr. Ambassador, for your great work for the whole planet.

In response to Russia's campaign to influence the recent U.S. presidential elections, the Obama administration imposed sanctions on a number of individuals and entities, including Russia's military intelligence service, the GRU, which ran the operation.

One of the individuals designated under sanctions was Evgeniy Bogachev, a cyber crime kingpin, whose criminal organization stole upwards of $100 million before it was taken down by the FBI and a global consortium of law enforcement agencies.

In addition to theft, Bogachev also used his network of hundreds of thousands of hacked computers to search for sensitive intelligence relating to Georgia, Ukraine, and Syria. That suggests that he operated with impunity in Russia in exchange for working as an intelligence asset. It also raises troubling questions about Russian support or tacit acceptance of organized crime to support its intelligence gathering and cyber warfare objectives.

Can you speak about the importance of the law enforcement cooperation that is necessary between the EU and the United States in order to make sure that we are properly policing these areas that are very, very shady and in fact help to enhance the cyber war capacity of Russia in this effort that they are engaging in versus the West?

Ambassador O'SULLIVAN. Well, thank you for your question, Senator.

I mean, I think a fairly consistent theme of this morning has been, indeed, the fact that we are working together closely on these issues, sharing information, comparing notes, and I hope that we will continue to do so because this is, as you say, a common threat where we need to maximize the sharing and pooling of our information about what is happening and how we can respond to it.

Senator MARKEY. Is there a coordinated effort amongst the EU to ensure that there is a promotion of liberal democratic values in its member states, given what has already happened with regard

to the Russians in their efforts not only in the United States, but in countries within the EU? Is there something that is coordinated that has had meetings amongst EU nations towards pushing back on Russia?

Ambassador O'SULLIVAN. Well, as I said, I think an answer to Senator Shaheen, for example, in the western Balkans, this is an area where we are very insistent as part of the future membership process of those countries, that indeed, they have to subscribe to those very principles of democracy, rule of law, human rights. Those principles are enshrined in our basic treaties, the Lisbon Treaty and in the Charter on Fundamental Rights, and all our member states are committed to respecting and to taking forward those principles. So they are, if you like, at the core of the existence of the European Union.

Senator MARKEY. Could you speak a little bit as well about this offensive/defensive nuclear weapons tension that has been rising between Russia and the West and the impact that that has upon accelerating this ever-increasing confrontation between Russia and the West?

Ambassador O'SULLIVAN. Well, I am not sure, Senator, that I am qualified to answer that question. It is not something that I follow in great detail. I mean, clearly the discussions between the nuclear powers on how to avoid unnecessary confrontation or how to avoid the unknown facts of use or misuse, the issue of nonproliferation is, of course, something on which we work closely. So we are heavily engaged in all of these areas, but I do not feel able this morning to give you more details.

Senator MARKEY. Okay, great.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Kaine.

Senator KAINE. Thank you, Mr. Chair.

And thank you, Ambassador O'Sullivan.

I know many of these topics must have been covered as I was in other hearings and I apologize.

But the title of this is important. The European Union is a partner against Russian aggression. Partnership implies a number of things. I think partnership implies a shared goal, a shared set of values, and the United States and the European Union do have a shared goal of trying to confine Russian aggression. That is a shared goal. Partnership also implies some reliability. You will help us and we will help you.

What would it say to our EU allies who are engaged in this partnership with us if the United States fails to take seriously Russian aggression against the United States? What would it say to our allies about our willingness to help them deal with Russian aggression?

Ambassador O'SULLIVAN. Well, I think, Senator, we have a shared objective, which is the preservation of our respective societies and countries and keeping our citizens safe. And we have many shared objectives between us in terms of the issues we have been discussing this morning.

Your question, if I may say so, is designed to trap me, and the question of what constitutes aggression and how a country chooses to address that is very much for each of our instances to decide.

Senator KAINE. Does the EU have a position whether an effort by Russia to destabilize a domestic election of an EU member would be considered aggression?

Ambassador O'SULLIVAN. I think we are all agreed that external meddling in domestic elections is not to be approved, and I think that is a consistent position we all take. But it is, I think, at the end of the day, for each of our—in the case of the United States or for our member states in the European Union to make that determination as to whether that point has been established.

Senator KAINE. Do EU nations hope that the United States would be a partner in countering Russian aggression in their own domestic politics or in their own sovereign affairs?

Ambassador O'SULLIVAN. I think if any of our member states or if the European Union felt that they wanted assistance from the United States, they would feel able to ask it, and I am sure they would feel that they would receive it.

Senator KAINE. They would hope that we would be cooperative.

Ambassador O'SULLIVAN. I have every reason to believe that America would be. You always have been a great partner and ally to all our member states and to the European Union.

Senator KAINE. If these nations see the United States or the administration, the current administration, being lackadaisical about Russian attacks, saying that they did not happen, saying that it is fake news, trying to demean the intelligence community that is suggesting there were such attacks, trying to slow down or stop an investigation into the attacks, would that not send a message, a real mixed message to European nations that, wow, if the United States is not even willing to take steps to protect itself against Russian aggression, what is the likelihood that they would be willing to take steps to protect us against Russian aggression?

Ambassador O'SULLIVAN. Senator, I think you are trying to take me into domestic U.S. politics, and you will forgive me I feel that it is not my position to comment on your domestic debate.

I can only reiterate what I have said from the beginning. We have a very strong partnership with the United States. We feel with this administration we have a good understanding on the issues that we have been discussing. Of course, there will always be a domestic political debate about the issues you raise, but that is really a matter for yourselves and not for anyone from outside to comment.

Senator KAINE. Do you feel like what we do domestically about the Russian attack on our electoral system sends no message to European allies?

Ambassador O'SULLIVAN. I think people view these issues as part of a domestic political debate in the United States, and as I say, these are issues ultimately for the United States political system to determine. And I certainly do not feel able to comment on how people would categorize that or categorize in terms of the language that you have used. I do not think that is necessarily language that would be used by other observers. It might be shared by some, but perhaps not by all.

Senator KAINE. So you do not worry however we resolve this domestic issue, which is an issue of the attack of a foreign nation on our electoral system, the Russians that we are having this hearing

about—you do not think European nations will draw any conclusions about what kind of a partner we would be with them against Russian aggression from our resolution of this issue.

Ambassador O'SULLIVAN. I repeat, sir, I think this is essentially a domestic issue for the United States to resolve through your political system, and we remain convinced that the United States is a reliable partner and ally in this discussion.

Senator KAINE. Thank you, Mr. Chair.

The CHAIRMAN. I know you were probably at an Armed Services hearing. I did ask if he felt there was any sense of this administration doing something soft relative to Ukraine or Crimea, and you sense no change in status as far as our coordination with Europe and our strong position relative to Minsk, Crimea, Ukraine, and everything else. Is that correct, sir?

Ambassador O'SULLIVAN. That is correct, Chairman.

Senator CARDIN. I know we are completing this panel. We have a second panel. I just want to clarify two points for the record.

First, in response to Senator Rubio and the chairman's comment on Assad's conduct, I understand you cannot speak for every nation. But the civilized world must make it clear that when you gas people as part of a military operation, that is a war crime. And those who are responsible must be held accountable. And the lack of clarity on this only encourages more of this outrageous behavior which the civilized world cannot be silent about. And I understand your restrictions. But Assad must be held accountable for his war crimes.

The second point I wanted just to clarify and that is you are correct about how we have to prepare against what Russia is doing on disinformation. And you mentioned specifically hardening our ways that we register and count votes, and that is something we have to do in today's world.

But the other part of this is the misinformation, the use of social media, the fake news, the cyber attacks to get information. And that is much more complicated and much more difficult. And it is that information where I think we can do a better job because Russia is ahead of us. They do things we would not think about doing. And we have to do a better job.

I appreciate it, Mr. Chairman. I wanted to clarify this point.

The CHAIRMAN. I appreciate that. And I thought the exchange was actually very healthy.

And I do hope that somehow before European countries would consider participating in rebuilding Syria, regardless of what political transition is worked out, that there would be first a step relative to assuring that Assad is punished for his war crimes. I hope there is some caveat there that takes place and not just an automatic rebuilding that takes place on his behalf. So I know it is on behalf of the Syrian people also, but I do hope that.

Listen, you have been a great witness and you did a great job of making sure you did not speak for the rest of the European Union inappropriately. You have been a good sport and a great friend to the United States, and we appreciate you being here very much.

There may be some additional questions. We will keep the record open until the close of business Thursday. I know you have other

responsibilities, but to the extent you could answer those fairly promptly, we would appreciate it.

Again, thank you so much for your willingness to be here. Thank you for our shared concern relative to Russia's nefarious activities in trying to break down the institutions that have made the European Union what it is and have made our country what it is.

And with that, we will go to the second panel.

Ambassador O'SULLIVAN. Thank you very much.

The CHAIRMAN. Well, gentlemen, we thank you both for being here. I am going to move right into it. We have also a noon vote. So there is going to be some coming and going. We apologize. Sometimes that is a hazard of a second panel, but we thank you both for your expertise.

We will now turn to the witnesses of our second panel. One is Mr. Kurt Volker, the Executive Director of the McCain Institute for International Leadership at Arizona State University, a friend to many of us. He previously served as the United States Permanent Representative to NATO, as well as Deputy Assistant Secretary of State for European and Eurasian Affairs. Thank you so much for being here, sir.

Our third witness, second witness on this panel, is Mr. Daniel Baer, who served as U.S. Ambassador to the Organization for Security and Cooperation in Europe under President Obama. He has also served as Deputy Assistant Secretary of State for the Bureau of Democracy, Human Rights, and Labor. We thank you so much for being here, sir, and your previous service to our country. With that, if you would give your opening comments in about 5 minutes or so, we would appreciate it. Without objection, your written testimony will be entered into the record. And if you would go in the order that you were introduced, we would appreciate it. Again, thanks for being here.

STATEMENT OF HON. KURT VOLKER, EXECUTIVE DIRECTOR, THE MCCAIN INSTITUTE FOR INTERNATIONAL LEADERSHIP, ARIZONA STATE UNIVERSITY, WASHINGTON, DC

Ambassador VOLKER. Thank you, Senator, for the introduction. Thank you for having me here. It is an honor to testify before this committee.

I will just briefly say I have been following the discussion this morning about the attacks in Syria. It is absolutely outrageous to see chemical weapons used again in such a way in Syria. We should have intervened long ago in Syria. I wrote an article 5 years ago in April of 2012 arguing that, and it is inconceivable to me that we end up with a situation where Assad would be asserting the right to rule over all of Syria. At best, you have to see some kind of separation where the majority of people can live without the threat of that kind of regime lording over them in the future.

To turn to the topic of the hearing, I would just like to make four brief points. I can elaborate on them, and I look forward to the question and answer.

The first. It used to go without saying, but maybe it is worth stating very clearly again. A strong, healthy Europe, including a strong European Union and a strong NATO alliance is a vital national security interest for the United States. We are a country

that is anchored on core democratic values. Our European partners are anchored on those values as well. We join together in dealing with challenges around the world. We face the same challenges, and the stronger Europe is, the better for the United States. The more our values advance in the world, the better for the United States.

Second, Europe is facing almost unprecedented challenges, certainly unprecedented since the formation of NATO and the European Coal and Steel Community, which was the predecessor of the European Union. These are challenges both internal and external.

Externally we see terrorism, we see the refugee flows, the migrants. We see Russia's aggression in Europe.

Internally we see the rise of populist movements. We see the effect of these on non-integrated refugee and migrant communities. We see the financial crisis in the Eurozone, which is managed but not gone away. We see slow economic growth, and this has given rise to populist movements from the right and the left that are challenging the established institutions.

So Europe is in very serious shape right now. That should be a concern of the United States because a strong Europe is in the United States' interest.

Third, Russia has been a major player in seeking to create and exploit these circumstances in Europe; its aggression, as mentioned. It is occupying parts of Ukraine, of Moldova, of Georgia. It uses information warfare. It engages in massive propaganda. It uses energy as a weapon, is engaged in financing political movements, engaged in commercial deals that are seeking to influence the policies of governments in Europe. It is doing all those things.

But fourth, Russia's actions, such as they are, are not the decisive factors influencing the direction of Europe. Europe, nonetheless, has strong democracies, strong institutions, strong media, strong commitment to core values. Russia is exploiting weaknesses where it can. It is creating problems where it can. But ultimately I believe that Russia is in a weak situation. It is playing a weak hand very well. But, nonetheless, Russia faces its own challenges.

Ultimately, I think the strength of Western values and Western institutions, including the United States' values and U.S. institutions, will outlast all of this. But we do face this kind of activity from Russia, and it means that we need to be vigilant. We need to work to mitigate the impact of this, and we need to ride it out.

So those I think are the key things to talk about in the discussion this morning, and I look forward to your questions, Mr. Chairman, and those of the other members of the committee. Thank you.

[The prepared statement of Ambassador Volker follows:]

PREPARED STATEMENT OF KURT VOLKER

Thank you Mr. Chairman, and all the distinguished Senators here today, for the opportunity to testify about the European Union, Russia, and U.S. interests more broadly on this, the 68th Anniversary of the North Atlantic Treaty Organization.

It is an honor to be here.

I would like to make four basic points. I'll come back to each of these in turn.

- First, a strong and healthy Europe, including the European Union and a strong NATO Alliance, is a fundamental American national security interest.

- Second, Europe is facing severe political, economic and security challenges such as we have not seen since the establishment of NATO and the European Coal and Steel Community, the EU's predecessor, generations ago.
- Third, Russia is a major player in both creating and exploiting these challenges, seeking to weaken Europe, weaken the transatlantic tie, and advance perceived Russian interests in the region and globally.
- But finally, all that being said, just because Russia is involved does not mean it is the determining factor in Europe, nor that it will be successful in the long run. Our values and our transatlantic community are far stronger than that.

To the first point. America is a nation founded on core values of freedom, democracy, rule of law, and human rights. These are universal values, shared by people around the world—though not always by governments.

To the extent these values are respected and advancing around the world, America finds a more peaceful, more prosperous, and more friendly global environment. The realization of these values makes for a better and safer world. On the other hand, to the extent these values are being trampled, America will face a growing threat to its well-being, interests and ultimately, its national security.

Europe is the part of the globe where these values are most deeply embedded, and where governments join the United States in addressing challenges to shared values and shared interests around the world. A strong Europe, with democracy, prosperity, and security, is the best possible partner for the United States globally.

Values-based democracy is not unique to Europe. Japan, South Korea, Australia and many other nations are part of this broad, values-based community. But Europe has long stood out for its cohesiveness and willingness to take on broader challenges in Alliance with the United States.

A strong Europe is a strong trading partner. It generates jobs in the United States. It shares political influence globally. It has key votes in the United Nations, the G7, the IMF and other multinational organizations. It sends forces to join us in coalitions from Afghanistan to Syria and beyond. It provides massive humanitarian and development assistance. And Europe is facing threats from terrorism and from Russia and other quarters just as we are, and it is working with us to deal with them.

A strong Europe is a core American interest, and the European Union has helped make Europe strong. By overcoming political divisions, trade barriers, internal customs and immigration obstacles, and a thousand other regulatory issues, the EU has made Europe a single market that works.

How the EU evolves in the future, to take account of the democratic wishes of its own people, is for Europeans to decide. But whatever course this takes, it is clearly an American interest for Europe to be a strong and effective partner for the United States.

Second, Europe, and the European Union specifically, are facing grave challenges, both internal and external. And these challenges spill directly into NATO as well.

Internally, Europe's finances remain in intensive care. The Euro-zone debt crisis has been managed but not solved. Growth has continued to be slow. Economic differences have drawn a wedge between Germany and EU members on the periphery. Weak economies have led to demands for change.

Mass migration has overwhelmed the ability of many countries to absorb the newcomers. This has put pressure on internal security, schools, health systems and so forth. These new migrants come on top of already existing, and largely non-integrated immigrant communities in every European country. In most cases, these migrants are of different ethnicity, religion, culture and education from local populations.

Europe's elites have sought to be compassionate to the migrants, but have been too slow and timid in responding to the concerns of European populations.

This has caused a backlash among local populations, strengthening far-right and far-left movements, a rejection of elites, and a rejection of traditional politics and institutions, by many within Europe's populations.

In the U.K., these perceptions contributed to the "Brexit" vote. With the U.K. now leaving the European Union, the EU itself is going through a crisis of defining what the EU will be in the future. While elites want to double-down on the unity of the EU, many in the public want to follow the British in re-asserting greater national identity.

Externally, Russia has sought to overturn the post-Cold-War settlement of Europe by redrawing borders using military force. Russian forces occupy parts of Ukraine, Georgia and Moldova, and in a brazen show of force, Russia simply annexed the Crimean peninsula.

But other external factors are also at play—the crisis in Syria, the lack of governance in Libya, the difficult partnership with Turkey, the competition with low-cost Chinese goods . . . all of these are also putting pressure on Europe.

Third, Russia is a player in many of these challenges. It has helped create some of them—such as undermining security in Georgia, Ukraine, Moldova, and increasingly, the Balkans. And Russia has worked to exploit challenges facing Europe in order to weaken Europe and advantage Russia wherever possible.

For example, in addition to its invasions of its neighbors, Russia has:

- Engaged massively in advancing propaganda throughout Europe—both in local languages and among Russian speaking populations. This includes major investments in RT and Sputnik;
- Used "fake news" and hacking and trolling to influence and distort European public perceptions about issues;
- Used energy as leverage on European governments' decision-making;
- Used investments, trade deals, consulting arrangements, and more, to create centers of economic interests within European that are closely tied to Russia. These centers then act internally in societies to pressure governments into more pro-Russian policies;
- Engaged in direct "financing"—for example, making funds available to the National Front in France, or to Jobbik in Hungary;
- Engaged in provocative military behaviors, such as air and sea-incursions, massive military exercises, and threats of nuclear targeting and missile deployments, in order to raise the level of concern in Europe about confronting Russia anywhere.

Many of these actions sound familiar to American ears as well. But let us also be clear in Europe, as we are clear in the United States.

But just because Russia is doing these things does not mean that Russia is the decisive Most of Europe's challenges are built on their own dynamics. Russia exploits opportunities, and is willing to be brazen in its actions. But it is not now, nor will it ever be capable, of defining the future of Europe or the United States.

Russia faces major challenges of its own—from demographics to a declining and undiversified economy, corruption, political decay. It is playing a weak hand well—but make no mistake that it is a weak hand.

Ultimately, while the values and institutions of Europe—and the United States—are strong, Russia's institutions are weak, and its people will have to reckon with the failings of their own leaders.

Mr. Chairman, members of the Subcommittee, that concludes my statement. Thank you for the opportunity to testify at this hearing.

The CHAIRMAN. Thank you.

Mr. Baer.

STATEMENT OF HON. DANIEL B. BAER, FORMER AMBASSADOR TO THE ORGANIZATION FOR SECURITY AND COOPERATION IN EUROPE, DENVER, COLORADO

Ambassador BAER. Thank you, Mr. Chair.

Let me say at the outset that I join you and others in expressing condolences to the families of the victims of yesterday's terrorist attack. And I join Senator Rubio, Senator Cardin, and others in sharing the outrage over the attack yesterday in Idlib, which is still under investigation.

Thank you for inviting me here today. When I was posted overseas, I was grateful to have both your support and the support of the ranking member. And I am glad to be here today with Ambassador Volker, and I agree with what he has just laid out.

My written testimony also provides a fuller treatment, but I want to hit on three points.

The first point is that the EU is an essential partner. I am a fervently pro-European American, and the U.S., in cooperation with the EU and its member states, with NATO and NATO allies and partners, has worked over the last 75 years to support an inter-

national system based on rules rather than on zero sum power calculations. The EU is a partner that shares our core values and can be counted on to work with us to seize the opportunities and confront the challenges of the 21st century.

Second point. We face a shared challenge in Putin and Putinism. Vladimir Putin, so often portrayed as a strongman, is like many strongmen, perpetually insecure with good reason. Putin knows that the people of Russia are increasingly ill-served by his regime and that at some point their dissatisfaction will be a greater force than he can contain. Putin's current foreign policy behavior is motivated almost entirely by domestic political pressures and we must be prepared for Putin's behavior internally and externally to get worse before it gets better.

Putin has pursued a number of policies aimed at attacking democracy, political stability, and the strength of rule of law and institutions in the U.S. and Europe. These include the invasion of Ukraine and attempted illegal annexation of Crimea, attacks on the American elections in 2016, including the marriage of hacking, propaganda, human and technical amplification on social media, and passive and possibly active coordination with U.S. political actors aimed at fueling divisions in American society, undermining trust in our democratic institutions, elevating the candidate Putin saw as challenging American values, and undermining the candidate he thought would uphold American values. Attacks on elections in several European democracies, including the upcoming elections in Germany and France. Support for far right groups and parties in Europe. Exploitation of energy supply as a political tool. Support for corrupt political actors, including in EU member states. Efforts to maintain corruption and low-level instability in the Balkans. And massive use of Russia's propaganda organizations, including Russia Today and Sputnik, to pollute the public sphere and undermine public debate.

Third point, what we can do to confront this shared challenge together. It is vital that the U.S. corrects course and that the current administration moves quickly from a set of alarming and ignorant comments to having a real policy and strategy for managing and mitigating Putin's negative impacts on world peace and security.

Here are several components that should be part of a broader strategy for dealing with Russian aggression.

One, together with the EU and NATO allies, we must support Ukraine. This means not only continuing our sanctions and our support for Ukraine's right to defend itself against Russian aggression, but also supporting the young reformers in civil society and parliament pressing for changes that will complete the revolution of dignity.

Two, we need an independent commission to examine Russia's intervention in the 2016 U.S. elections. This should not be a partisan issue. The Russians view their intervention in our elections as a successful operation. We must understand how it was executed, what worked, what did not work, and how to defend ourselves in the future and how to effectively help our European partners defend themselves.

Three, sanctions. I congratulate the bipartisan group of Senators, including many from this committee, who have cosponsored the

Counteracting Russian Hostilities Act of 2017. The executive branch should also review existing sanctions to identify appropriate additional targets and do the ground work to prepare for additional sanctions under executive authority.

Four, partnerships, both government-to-government and with civil society and independent journalists to expose the nature and extent of Russian active measures.

Five, countering corruption should be explicitly identified as a U.S. national security priority. I applaud the inclusion of specific initiatives to support counter-corruption work in the draft legislation I just talked about.

Six, the White House should instruct the interagency to develop a plan to enhance our law enforcement partnerships with Europeans to increase enforcement of criminal sanctions for money laundering and other financial crimes.

Seven, send clear and sincere messages of friendship to the Russian people. Because Putin's grip on Russian media is so tight, this is increasingly difficult, but we should continue to seek innovative and effective ways of doing so.

Eight, the United States and the European Union cannot counter Putin's aggression unless we continue to offer moral leadership. Putin can attack truth, but he cannot kill it and he will not win. We can counter Putin by defying his efforts to undermine our confidence in our democracy and by reaffirming our commitment to the universal principles that underlie it. We can counter Putin by making use of the Magnitsky Act and the Global Magnitsky Act to punish human rights violators. When we speak out on behalf of human rights, when we call for protections for the most vulnerable, when we lend our support to those who seek to hold their governments accountable, when we champion the anti-corruption reformers around the world, we are reaffirming the moral foundation upon which our country and our progress rests. We must never cease to work toward a more perfect union here at home, and we must never cease to be a champion for human rights in the world.

Before closing, I want to offer a word of personal gratitude for the efforts of several of you on this committee on both sides of the aisle to ensure that during this unusual political time in the United States, voices of moral clarity on national security issues continue to be heard. There have been several times in recent weeks when I have been grateful to see members of the committee reaffirm an undying commitment to America's role as a beacon, as President Reagan put it, for those who must have freedom. Thank you very much for that.

And I welcome your questions.

[The prepared statement of Ambassador Baer follows:]

PREPARED STATEMENT OF DANIEL B. BAER

Thank you Mr. Chairman and Mr. Ranking Member. When I was posted overseas I was grateful to have both of your support and, occasionally, your good advice, and I am grateful that you have invited me to testify today with Ambassador O'Sullivan and Ambassador Volker at this hearing on an important topic.

I would like to focus my comments on three main points. First, I want to talk about the EU as a partner. Second the challenge that we face with respect to Vladimir Putin's Russia. And third, what we can do about it.

I. AN ESSENTIAL PARTNER

The European Union is an essential partner to the United States—it is the only political actor in the world of comparable size to the United States in terms of population and economy that shares our core values and can be counted on to work with us—based on those values—to seize the opportunities and confront the challenges of the 21st Century.

The European Union, like the United States, is founded on universal principles grounded in human dignity. Despite the challenges of the present political moment, and in spite of Brexit and other steps backward, we should remember that the European Union has been a remarkably successful political project. Even half a century ago, many would have scoffed at the idea that what began as a Coal and Steel Union would continue to develop and grow into a community of values that inspires individuals outside its borders and attracts aspiring member states. Yes, the institutions of Europe need constant improvement—as institutions do everywhere. But the idea of Europe is one that reaches far beyond the formal delineation of member states and institutions, and resonates in the hearts of millions of people across Europe and Eurasia and around the world. I am a fervently pro-European American. The European Union and the United States, along with NATO and other entities grounded in universal values of liberty, equality, and human rights, must work together to build a more peaceful, prosperous world.

When I was U.S. Ambassador to the OSCE, the EU ambassador was my closest day-to-day partner in working to support a more democratic, peaceful, and prosperous Europe and Eurasia. We sometimes faced different political and policy constraints, but our cooperation was based on a confidence that we shared the same objective, and that our constituents would all benefit from the progress of open societies cooperating within a rules-based system.

The cooperation that was achieved between the EU and U.S. (as well as Canada and other partners) in the process of applying sanctions to Russia for Russia's attempted illegal annexation of Crimea and ongoing violations of Ukraine's sovereignty and territorial integrity in the Donbas will, I think, be studied in the years to come. It was truly impressive the way that we were able to coordinate both at the political and the technical levels. People may not realize how complicated an instrument sanctions are—and that complexity could have stymied our attempts to deliver a common message to President Putin. But it didn't—we managed to impose several sets of sanctions with distinct purposes and targets in tandem with the EU, thereby maximizing the political impact of this policy tool.

II. THE CHALLENGE WE FACE IN PUTIN AND PUTINISM

The U.S., in cooperation with the EU and its member states, with NATO and NATO allies and partners, has worked over the last 75 years to support an international system based on rules, rather than zero-sum balance of power calculations. The horrors of World War II inspired this project at its inception, the inhumane repression of Soviet totalitarianism was a constant reminder of the importance of persisting through the Cold War, and, for the last quarter century, our efforts have been focused on opportunity: welcoming tens of millions of people into the free world, supporting the growth of democratic institutions, and knitting together the players in the international system in a way that use of force becomes increasingly unlikely and win-win partnerships across borders become increasingly possible.

The United States and the EU share an interest in a politically stable, economically strong European region—including not just EU member states but also aspirants and neighbors. I want to be very clear that this is also in the interests of the vast majority of the citizens of Russia. A strong, peaceful, economically successful Europe has the potential to be a partner to Russia and to help Russian citizens build the future they deserve.

Vladimir Putin seeks to weaken Europe by undermining its political unity and democratic institutions. He does this not because doing so would be good for Russia, but because he sees a strong democratic Europe as a threat to his own grip on power—a grip that is maintained by a mixture of corruption on a truly epic scale and authoritarianism, including both the rampant use of political violence as a tool to quell dissent and almost total control over the media.

Putin's attacks on European and American democracy are not motivated by ideological conviction but rather by a cold calculus that strong democracies and the rule of law pose a threat to his own kleptocratic authoritarianism. Putin, so often portrayed as a strongman, is, like many strongmen, perpetually insecure. With good reason: Putin knows that the people of Russia are increasingly ill-served by his system, and that at some point their dissatisfaction will become a greater political force than he can contain. The organic growth of mass anti-corruption protests 10 days

ago must have unsettled him. He knows the facts: Russia's economy is about the 15th largest in the world, around the same size as Spain's—it's GDP per capita is less than that of Uruguay. It is economically stagnant and with no near term prospects of sustained and significant growth—why? Because Putin and his cronies were so busy stealing money during the oil boom of the last decade that they didn't invest in diversifying the economy or the workforce. Public health problems limit life expectancy and harm productivity, yet Putin continues to drive toward an expensive military modernization. And his efforts to tighten his grip on power have nearly banished rule-of-law and free expression from Russia, damaging both the potential for incubating home-grown innovation and the attractiveness of Russia as a destination for foreign investment.

Putin's current foreign policy behavior—including using military action to stir up nationalist fervor, presenting Russia as a supposed counterpart and counterweight to the U.S. or NATO—is motivated almost entirely by domestic political pressures (and certainly not consistent with the long term security and economic interests of most Russians). There is a direct link between Russia's external aggression and Russia's internal repression. Putin is doubling down on a losing formula; he's facing the "dictator's dilemma": once you've cheated and failed the people, you have to tighten your grip more and more and use more and more authoritarian tactics to "keep a lid on the pot" as discontent rises. Sadly, this suggests we must be prepared for Putin's behavior—internally and externally—to get worse before it gets better.

So, where are we today? Putin has pursued a number of policies aimed at attacking democracy, political stability, and the strength of rule of law and institutions in Europe. These include:

- Invasion of Ukraine and attempted illegal annexation of Crimea. After the attempted annexation of Crimea 3 years ago, which Putin used to fan nationalist sentiment at home and distract from domestic failures, Putin continues to fuel a conflict in Eastern Ukraine, motivated in part by his fear that a democratically successful Ukraine would prove to the people of Russia that they have an alternative to Putinism.
- Attacks on the American elections in 2016 which aimed at fueling divisions in American society, undermining trust in our democratic institutions, elevating the candidate he saw as challenging American values, and undermining the candidate he knew would uphold American values in our foreign policy. A combination of hacking, propaganda, human and technical amplification on social media, and passive—and possibly active—coordination with U.S. political actors led to what I believe the FSB assesses as the most successful Russian intelligence operation since the end of the Cold War.
- His attacks on a number of European democracies, including efforts to sabotage or skew outcomes of upcoming elections in Germany and France and in the recently held elections in the Netherlands. Russia also seeks to undermine progress like Montenegro's NATO accession that would make European countries less susceptible to Russia's strong-arm tactics.
- Support for far right groups and parties in Europe, including through financial support—for example loans to Marine Le Pen's far right Front National party—and political propaganda.
- Exploitation of energy supply as a political tool accompanied by Putin's moves to maintain European dependence on Russia and to stymie efforts to enhance energy independence like those taken by the EU.
- Amplification of the challenges attendant to the arrival of refugees from Syria, Afghanistan and elsewhere in the Arab world in Europe. Russia supports media and political actors that fan xenophobia and anti-Muslim sentiment because Putin knows that this divides European societies and puts strain on European governments and leaders.
- Support for corrupt political actors, including in EU member states like Bulgaria, which gives him a network to use to sabotage progress on rule of law.
- Efforts to maintain corruption and low-level instability in the Balkans and to retard progress there so that he can use the threat of unrest in that region as a lever over the EU.
- Massive use of Russia's propaganda organizations, including RT and Sputnik, to pollute the public sphere and undermine public debate in Europe and the United States. Putin doesn't just seek to influence specific outcomes in our politics, he seeks to undermine fact-based discourse across the board, knowing that this will undermine the credibility of our democratic process. RT's motto "Question more" isn't about critical thinking, it's a reflection of the Kremlin's desire

to use what some have called "weaponized relativism" and "whatabout-ism" to encourage us to doubt everything, robbing us of the ability to make fact-based judgments and values-based assessments. (It should be noted that that Russia's own citizens are victims of a similar kind of propaganda war on truth.)

What all of these efforts have in common is their aim to undermine the political project that has been the story of the United States since our founding, and that has found its international complement in the work we have done with our European and other partners over the last three quarters of a century: to build the institutions and laws that can protect the freedom and dignity of individuals and be a foundation for peaceful and prosperous societies.

III. WHAT WE CAN DO TO CONFRONT THIS SHARED CHALLENGE

It is vital that the U.S. corrects course and that the current administration moves quickly from a set of alarming and ignorant comments—paired with conspicuous silences—from the President, Vice-President and others to having a real policy and strategy for managing and mitigating Putin's negative impacts on world peace and security. The news that President Trump has hired Dr. Fiona Hill as the Senior Director for Russia at the National Security Council is reassuring. Dr. Hill has tremendous expertise and experience; she is tough, she is decent, she is kind; I hope that the members of this Committee will engage with her, and I hope that the White House will welcome and act upon her counsel.

The following is not a strategy or an outline thereof, but rather a non-exhaustive list of specific actions that should be part of a broader strategy for dealing with Russian aggression.

1) The first thing that we should continue to do, together with the EU and NATO allies, is support Ukraine. This means not only continuing our sanctions and our support for Ukraine's right to defend itself against Russian aggression, but also, and particularly, supporting the young reformers in civil society and parliament who are pressing for the changes that will complete the Revolution of Dignity. The U.S. and EU have stood side-by-side in supporting the free choice of the people of Ukraine to abandon the "Putin-light" Yanukovych era and to move toward a European-style democracy. The best way to support the promise of a democratic future for Russia is to support democracy in Ukraine today. The transition from a corruption-driven economy to a competition based economy, and from a mobster-based political system to a democratic one, especially while fighting an invasion by a larger neighbor, is an enormous challenge. The progress has not been, and will not be, linear. But the progress must happen. It will require both pressure and support from Ukraine's friends. But we must not doubt the determination of the people of Ukraine to embrace the free, prosperous, secure future they know can only come with completing the work that began on the Maidan. The U.S. and the EU are both grounded in universal values—in the belief that all men and women are entitled to certain rights by virtue of their humanity. The people of Ukraine have made clear that they too want to be part of that community of values. We cannot be true to our values, we cannot be ourselves, if we do not have an answer to their calls for help on the road to a democratic future.

2) We must have an independent commission to examine Russia's intervention in the 2016 U.S. elections. This should not be a partisan issue. The Russians' view their intervention in our elections as a successful operation. We must understand how it was executed, what worked, what didn't work, and how such efforts can be countered. This time their apparent target was Hillary Clinton. Next time it could be a Republican. We must acknowledge that any time Russia or another state intervenes covertly in our elections it is an offense against all voters because it disrupts and distorts the open contest upon which our democracy depends. Russia's aggression against the United States had an impact on our elections, and we must understand how that happened in order to defend ourselves in the future and in order to effectively help our European partners defend themselves.

3) Sanctions are a policy tool that can be used both to impose consequences and to deter further hostile actions. I congratulate the bipartisan group of Senators, including many from this committee, who have cosponsored the proposed Countering Russian Hostilities Act of 2017. This kind of legislation would enhance U.S. efforts to counter Russia's insidious attacks on American and European democracies. I hope that the bill will be marked up soon. In addition to legislative tools, the Executive branch should review existing sanctions to identify appropriate additional targets, and also do the groundwork to prepare for additional sanctions under executive authority as part of a broader strategy for constraining Russian aggression. As I said before, our cooperation with the European Union has increased the impact of

our own sanctions and has helped us deliver a unified political message. We should continue to seek a coordinated approach with the EU wherever and whenever possible, while also being prepared to take the lead when necessary. We must also do better at explaining that while sanctions have costs for us, too, and particularly for our companies, these costs are part of an investment in reinforcing a rules-based system which is essential for the growth of international commerce in the long-term, and from which multi-national companies benefit today.

4) We should invest in partnerships—both government-to-government and with civil society and independent journalists—to expose the nature and extent of Russian efforts. The White House should instruct the Director of National Intelligence to review our current intelligence sharing with allies and partners in Europe to identify additional opportunities, consistent with protection of sources and methods, to inform our partners about Russian efforts to attack their democratic processes. We should enhance our efforts to work with allies and partners to share information with our publics about Russian disinformation. The EU's "Mythbuster" products are a good example of how Russian propaganda can be exposed and defanged. In addition, we should recognize the role that civil society and independent journalists can play in unmasking Russian efforts to use propaganda or to coopt political discourse and advocacy campaigns to accomplish Russian objectives. The goal should not be to ramp up counter-propaganda or to counter every lie, but to expose the nature and extent of Putin's efforts to manipulate the citizens of democratic countries.

5) Countering corruption should be explicitly identified as a U.S. national security priority. Corruption rots societies from within and makes countries vulnerable to covert manipulation and subjugation by Putin's regime. Yanukovych's Ukraine epitomized this weakness. I applaud the inclusion of specific initiatives to support counter-corruption work in the draft Counteracting Russian Hostilities Act. We should have a focused, outcome-oriented dialogue with the EU, as well as in bilateral channels and through other organizations including the OSCE, to identify additional steps we can take to support those working to attack corruption in European and Eurasian countries.

6) The White House should instruct the interagency to develop a plan to review and enhance our law enforcement partnerships with European countries with a focus on increasing enforcement of criminal sanctions for money laundering and other financial crimes. There are laws on the books in many countries that are not being enforced to their full extent. This is a way to put pressure on Putin and his corrupt clique who are happy to steal from their fellow Russians but want the ability to buy real estate and go shopping in New York, Miami, Paris, London, and Vienna. The inclusion of the Financial Crimes provisions in the draft legislation referenced above is smart. There are very few honest billionaires in Russia; we should not be enabling the kleptocracy that poses a threat to us and to our allies.

7) Send a clear and sincere message of friendship to the Russian people. Because of Putin's grip on Russian television, the main source of news for most Russians, it is increasingly difficult to speak directly to the people of Russia. But we should continue to seek innovative and effective ways of doing so. We should be clear that the international system we seek is one in which Russia is a constructive partner, not a destructive menace. We should be clear that we look forward to a day when partnerships between Russians and Europeans and Americans in business and the arts and civil society are easier to achieve and richer. We should be clear that we look forward to the day when there is a strong democratic, peaceful, prosperous Russian Federation that delivers on the aspirations of its citizens and can be a partner in tackling global challenges. The Russian people are victims of Putinism, and we must be clear that our concerns about the actions of their government in no way undermine our desire for friendship with them.

8) The United States and the European Union cannot counter Putin's aggression unless we continue a legacy and tradition of moral leadership. The U.S. and EU share a commitment to the only kind of security system that can be stable and lasting: a system that is grounded in the protection of human freedom and dignity. This system is under attack militarily and politically from Vladimir Putin and others. These attacks are serious. But we must be confident and undeterred. For there has been no convincing moral or intellectual attack on the notion that free and open societies with respect for the rule of law and human rights are the fundamental building blocks of a Europe (and a world) that is prosperous, that delivers for its citizens, that is whole free and at peace. We didn't get it wrong; Putin can attack truth, but he cannot kill it, and he will not win. We can counter Putin by defying his efforts to undermine our confidence in our democracy, and by reaffirming our commitment to the universal principles that underlie it. We can counter Putin by making use of the Magnitsky Act and the Global Magnitsky Act to punish human rights viola-

tors. When we speak out on behalf of human rights, when we call for protections for the most vulnerable, when we lend our support to those who seek to hold their governments accountable, when we champion the anti-corruption reformers around the world, we are reaffirming the moral foundation upon which our country and our progress rest. We must never cease to work toward a more perfect union here at home. We must never cease to be a champion for human rights in the world.

In closing, let me offer a word of personal gratitude for the efforts of several of you—on both sides of the aisle—to ensure that during this unusual political time in the United States, voices of moral clarity on national security issues continue to be heard. I had the honor of hosting a number of you in Vienna over the years, and I know from my time there how closely our European partners listen when a traveling U.S. Senator visits. There have been several times in recent weeks when I have been grateful to read the speeches or see the statements of members of this committee—statements that reaffirm an undying commitment to America's role as a beacon, as President Reagan put it, "for all those who must have freedom." Thank you for that.

I thank you for the opportunity to testify today and I look forward to our discussion. I will do my very best to respond to any questions that you might have.

The CHAIRMAN. Thank you.

Senator Rubio.

Senator RUBIO. Thank you.

Thank you both for being here.

You know, one of my concerns that I have in all this conversation about investigations is that—and I said this last week at the open hearing—we are missing the forest because we are focused on a couple of the trees in there. All this is relevant. We want to know the truth about everything. I am very proud of the work the Intelligence Committee continues to do. I know the chairman spoke about that in the opening of the first panel.

But I think it is important for us to inform the American people as to what is happening. This is not just about one election or one candidate or one person. This is a broader effort of disinformation, misinformation strategically placed for purposes of creating all sorts of things.

The first is undermining institutions. Ideally I think one of the things Vladimir Putin had in mind for the United States and ultimately for Europe is to argue that these democracies are fake. It is not real. These institutions you guys rely on, these elections are rigged, and we are going to prove it, planting stories and the like to undermine our confidence in institutions. I do not know if you both heard the quote that I had from Jeane Kirkpatrick that dates back to about 30 years about de-legitimizing institutions and how that ultimately de-legitimizes our alliance and alliance of democracies.

The other is undermining individual leaders. And that can range from a word that a lot of people have learned about over the last few months, "kompromat," all the way to just strategically placed information for purposes of creating political problems, some of it fake, others not.

And the third is for purposes of creating internal friction points. We know that there is a topic in a country. We know that topic is very sensitive. What stories can we create or what fracture lines can we create so that these people end up fighting against each other? And I think that is the broader challenge that we face is that this is in many ways an information war in which both the strategic leaking of real information combined with fake information and news, combined with some even more nefarious elements

all are put together as part of a very strategically, well thought out, well practiced effort to undermine individuals and institutions and sow instability and conflict within individual countries. That has been the experience in 2016 in the United States in that election cycle. But I think that is what we are now seeing in places like France where we are seeing—and the German elections and the like.

I wonder what you both view as the status of those efforts in France and in Germany, how those countries have reacted to it, and whether there are any lessons to be learned by the way they are addressing it.

Ambassador VOLKER. I would be happy to go first, Senator, and thank you for the question.

I agree completely with your characterization. This is a much larger, full-scale effort on the part of Russia to try to achieve strategic impact. It is about the direction of the European Union, the direction of NATO, the direction of individual countries in Europe and even the United States.

As I said in my testimony, I do not think that ultimately they will be successful in this, but part of that has got to be our being aware of what the challenge is and pushing back on it.

I would address a couple of things.

One, in addition to the examples you gave, I asked some colleagues in Europe for more examples of what they see. One, for instance, preying on the weakness of traditional media because of financing in Europe. Sputnik and RT make themselves available as partners for media. And in Slovakia, for example, the national broadcaster wanted to work a contract with Sputnik to gain content. That only was stopped because of public outrage when it became public that that would be the case.

In another instance, because of the paucity of party financing, political parties turned to businesses in Europe for support. Russia has invested in some of these businesses, and then those businesses put pressure on government to influence policy in ways that are favorable to Russia such as by lifting sanctions over Ukraine.

So those are some of the mechanisms that we have seen in place.

In the case of France, the National Front leader, Marine Le Pen, has publicly stated that she has received loans from Russia in order to sustain her political activities. We have not seen as direct an influence in party financing in Germany, but we do see a direct effort on the part of Russia to work with and influence individual politicians. And this has a very direct effect on the debate. And given the way the French elections will have a decisive impact on the direction of the European Union, I would expect a full-scale effort by Russia after the first round in the presidential election to do everything possible to discredit Marine Le Pen's opponent and leave her as the sole candidate standing who would have a chance of winning. It could be that that is Macron, and so I am confident that Russia is building the dossier right now to try to release on him after that first round.

Ambassador BAER. Thank you. I agree with what Ambassador Volker has just said.

And I agree with you, Senator, that this is a much broader effort. I think one of the things in my written that I said is, you know,

RT's slogan is not about critical thinking. It is about calling everything into question and thereby undermining our ability to have the kinds of fact-based debates that should be the contest of ideas that our democracies depend upon and making it difficult to apply our values to the reality that we see in front of us.

I think two of the friction points, for example, that you alluded to—one is the way we have seen Russia fan the anti-refugee, anti-Muslim sentiment in Europe not because they are particularly—I mean, there is no ideology here. But because they know that puts a strain on European societies and European leaders and that that is a pressure point that they can turn.

Another example would be the way they have co-opted some environmental NGOs, people who are genuinely committed to environmental progress, to use them as a way to try to increase European energy dependence on Russia. And I think we have to be attentive to these.

In terms of your question about what is going on now, I think Clint Watts, who briefed the Senate Intel Committee last week, has done an amazing amount of open source research which he presented, including the research that as soon as they were finished training their sites and their bots and their distribution of information content vis-a-vis the U.S. election, the same actors, the same gray sites, the same bots started putting out junk about the French and German and Dutch elections. And so we have seen a continuation of these elections.

I think one of the things going forward—I think we will need to do after-actions of the French election, after-actions of the German election to see what we can learn about what Russians did there.

I think one of the things, going forward, would be to encourage our intelligence community to redouble efforts to identify things consistent with sources and methods that we can be sharing in terms of our intel context with our European partners to identify commonalities between what we saw in the U.S. and what we see there so that they can help defend themselves.

Senator RUBIO. I just think if we took a step back and put ourselves in the position of Vladimir Putin right now, as he looks at the news in the United States, he would say to himself, well, let me see. For what we did there, we now have one party basically accusing the President of the United States of potentially not being legitimate because of ties potentially with us. We have all this controversy swirling. He looks at the other party and says the other party is at war with the intelligence community and the former President. So he looks at all this chaos, and I think he has got to feel pretty good about the end product here. In essence, he basically has—what they did basically has us fighting against each other all day long as opposed to solving some of our challenges or coming together on some of the other challenges before our country.

And that is the broader point that I think we are missing here. This is not so much about end results, a specific winner or a specific loser. It may be. But it is even more than that. It is about the state of affairs in a country where he now has the standing, he thinks, to go around the world and say, America? You mean the America that is fighting against each other every day on this, that, and the other, an America where the political parties cannot even

agree on the basic validity of some of their institutions from time to time, the America where you have this sort of—I am not talking about political debate. These are all legitimate. But the internal strife that we are creating here—and I think all of us in this process need to ask ourselves about it because some of these are legitimate issues. I am not asking that they not be covered. But all of this back and forth that seems to dominate our coverage politically today, all of this undermines us internationally. And I think he points to it as a fruit of this labor.

And so when he does that to a country in his periphery, it is important and it matters. When it does it to the United States of America, when he begins to undermine not just our internal confidence but global confidence in our institutions and our leadership and our ability to govern and our ability to lead on the global stage, he is achieving far more than perhaps he even thought possible when he began this endeavor.

I guess I am using you guys to make the argument is this not more than just about an individual election, who won, who lost. It is actually a direct attack on our elections process and ultimately our system of governance and its credibility and legitimacy.

Ambassador VOLKER. I wholeheartedly agree, Senator. I think that is exactly what it is about. I think that Russia is trying to weaken the EU, weaken NATO, weaken the transatlantic link, weaken our institutions, weaken the belief that people have in our institutions and the value of democracy and our own values that underpin that, freedom, human rights, rule of law, believing that everything is all the same or everything is relative or that only a strong leader is going to make a difference.

As you said—and I completely agree—Putin believes that instability is in his interest. We believe stability is in our interest. We believe security is in our interest. He believes lack of security creates opportunities to exploit change.

When we look at an intervention somewhere in the world, we look at an exit strategy. We want to know what is going to work to leave stability behind. Putin looks at it as an opportunity and does not care about an exist strategy. He can leave anytime he wants and does not take responsibility. So there are vast differences between them here.

As you framed this issue of internal strife and how that plays into Putin's hands, what I would say is that two points seem to be clear to me, and I would hope that they sink in in our domestic dialogue to make this easier.

One of them is that it is incontrovertible that Russia has tried to influence the events inside the United States, influence politics. It does not mean specifically going to a polling station and rigging the vote in that machine. But it means, as a strategic matter, Russia is trying to have an influence on us just as they do all over the world. No surprise there. Nothing new there. This is not something that was created in 2016.

At the same time, the fact that Russia is doing this has not had a strategic impact. We are, nonetheless, a strong country with strong values and strong institutions, and despite the fact that Russia has been active does not mean that they have been able to tweak us. And as a result of that, I think that we ought to be able

to have these two points in front of us and then move on to talk about how do we actually address this, how do we mitigate Russian influence, how do we build, as Ambassador Baer said, a strategic approach to dealing with Russia as we see it now.

Senator RUBIO. I apologize. I need to go vote. I hate missing votes.

Senator CARDIN. Let me thank both of for being here.

Ambassador Baer, I want to start with you if I might because this is an extraordinarily important moment for the OSCE. You have one of its member states that has set a horrible record in violating every one of the principle tenets of the Helsinki Accord in its activities in Ukraine. So you have a country that has shown a total disrespect for the Helsinki principles. And of course, Helsinki itself operates through consensus. So it is going to be challenging to see the OSCE be able to take action. But it is clear that those of us who believe in the importance of our commitments on territorial integrity, the use of negotiating differences, not using force, and standing up for democratic principles, not attacking other countries, democratic institutions, all of the above—so the question is how can we be more effective in countering the Russian aggression.

What can we do with those countries that are not only threatened but are committed to the principles of democratic institutions? How can we be more effective in countering Russia, recognizing that nothing is off the table when it comes to Russia? They will invent news as we have seen. They will lie. They will use social media to elevate its importance. They will do all of the above.

So what is your recommendation for the United States Senate, for U.S. leadership and how we can galvanize a more effective response to protect democratic institutions that we have worked for 70 years to not only preserve but expand in Europe and, of course, now the attack on the United States?

Ambassador BAER. Thank you, Senator, for that very easy question.

[Laughter.]

Ambassador BAER. You know, obviously, I share your assessment that when we have an organization that is based—I mean, it goes back even further than that. In some sense, the OSCE, the Helsinki Decalogue, was a delicate balance between the West and then the Soviet Union and associated states. And the balance was we cared about open societies and they cared about preserving borders. And we said, okay, we will acknowledge borders in exchange for you caring about open societies. And when the side that cared about borders is now violating borders willy-nilly, it poses an even greater challenge to our work within the OSCE.

I think one of the things that we have going for us in the long run is geography. If you look at a map of the world without the names of countries on it and you said which country should care most about the inviolability of borders, the fact that Russia is undermining the rule of law with respect to sovereignty and territorial integrity is insane from a national security long-term strategy of the Russian Federation.

Senator CARDIN. Let me stop you on that point because when I met with the State Department to go over the appointment of our

Ambassador to the OSCE and your name was mentioned, they said we want Daniel Baer because he is a Russia expert.

How do you change the equation for Russia? You are leading to it is counterintuitive to their geography. But how do you change the equation? Because right now it looks like they are trying to create space by instability so that they can bring down democratic systems of government because they need an autocratic, corrupt system for Mr. Putin to conduct his business. They want space so they can increase their influence, which is good for their local popularity. How do you change that equation?

Ambassador BAER. Well, I think in the short term it will be difficult to change the equation. All we can do is attempt to apply consequences for Putin's negative actions. But in the long term, we have to be confident that, as Ambassador Volker said, you know, Putin is playing a weak hand, and it is a hand that is getting worse by the day, not better by the day.

And there will be a post-Putin perestroika. There will be a day when the people of Russia have the chance to make their own future and a future that delivers. And one of the things that we can do today to make that day both sooner and easier for the people of Russia is to support Ukraine because the greatest way to support the future of democracy in Russia in the year 2017 is to support the democratic future that is being built in Ukraine today. And so I think that is one of the concrete areas of focus.

I think another really important thing is for us not to engage in the kind of unilateral moral disarmament that Putin wants. Part of the reason he deploys active measures, part of his own international discourse is to try to draw an equivalence between himself as leader of Russia and the President of the United States of America. And I think it is very important that the President of the United States of America, whoever that is, understands that as President of the United States of America you are not only the leader of the United States of America, you are the leader of the free world and to embrace that not as some kind of added task that takes up time but as a fundamental component of your job. And I think that continued moral leadership, which I emphasized in my testimony, is also important to playing the long game in this.

Senator CARDIN. Let me just underscore that. I met a couple of times this last 2 weeks with Vladimir Kara-Murza, who, of course, has been poisoned twice by Russia. He is here in the United States with his family. I quote him frequently. He was sitting where you are sitting. He said we are not asking America to come to our defense. All we are asking America to do is stand by your values and do not give legitimacy to Mr. Putin. This is not all about the Russian people. It is about the Putin government. And we have to stand true.

To say in closing, it has also been striking me right now with President el-Sisi of Egypt here—and we will have a chance to talk to him shortly—that so far we have not seen any statement come out of the White House on American values, which are universal values of good governance and fighting corruption and fighting the rights of civil society. And when they are absent from the discussion, it just leads to that void that gives the Putin types more leeway to expand their influence.

The CHAIRMAN. Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

And thank you both for being here. Sorry that the Senate schedule has meant that so few of us can be here to question and hear what you have to say.

I want to ask you, Ambassador Baer. You talked about the importance of Putin seeing consequences of his actions. I share the concerns that Senator Cardin raised. For me, one of the most disconcerting aspects of their interference in U.S. elections is this effort to manipulate our news and our social media to their benefit and the failure I believe of the American to really recognize that.

So what kinds of responses do you think are appropriate—I guess I would ask you both this—in response to the actions that Russia has taken? What should we be looking at?

Ambassador BAER. Thank you, Senator. I share your concern. I think while many people may be aware of the fact that Russia deployed active measures during the course of the 2016 election, it is probably less well understood and part of the reason why I believe that we need to investigate this—it is less well understood how a story started with an FSB agent or a GRU agent in Moscow, was then packaged by Sputnik or RT, pushed out to a number of either paid or just willing collaborators often sitting in Eastern Europe who then propagated to gray sites that are not overtly part of Russian propaganda and then——

Senator SHAHEEN. Then it gets picked up.

Ambassador BAER. Then it gets amplified through bots and retweeted. And then importantly, somebody in New Hampshire posts it on their Facebook page without knowing that what they are putting on their Facebook page is Russian junk. And they deserve to know how that happened because that is something they have an interest in. And the voter in New Hampshire deserves to know whether she or he had more impact than a GRU agent in Moscow. So I share your sense that this is an important area to focus on.

I think in terms of consequences, everything should be on the table. We talked about sanctions. I think additional sanctions—obviously, there have been sanctions imposed already for the actions that Russia took during the course of our election. I think the executive branch, as well as the legislative branch, should be looking at what additional sanctions may be appropriate. I think another thing that an independent commission could do would be to recommend certain appropriate consequences that could be considered by the Senate or the House or the executive branch.

I think, in addition, we should be thinking about delivering consequences at both a political level in terms of what we withhold. We know that Vladimir Putin cares greatly about his stature on the world stage. The United States has the ability to influence the view of Vladimir Putin on the world stage, and we should be thinking about that. And I think we should not lose sight of the fact that Vladimir has his own staged election coming up next year in which he will have to steal votes again. He will have to manipulate resources in order to get the returns that he wants. And shining a spotlight on that, calling into question his legitimacy—he cannot

win without stealing. I think that is obviously an opportunity where he has vulnerabilities as well.

Senator SHAHEEN. Let me ask. Senator Young and I have legislation that would close the loophole in the Foreign Agents Registration Act that would require RT to comply, which they are avoiding right now because they claim to be organized through another entity. Do you think that is helpful to be able to push back in that way?

Ambassador BAER. I think that in general, yes, it is helpful. We want to be able to do it in a way that it does not get used against us an instance of us curtailing media freedom. Now, RT and Sputnik are not news agencies. They are propaganda arms of the Russian Government.

Senator SHAHEEN. And clearly that is what they have already tried to do. The headline is "What is Next: Public Executions." But this is not an effort to curtail media freedom. This is an effort to make sure that they comply with the law just like every other entity complies with the law.

Ambassador Volker.

Ambassador VOLKER. Thank you, Senator. And I would agree.

First off, we have laws on the books, as you say, that media companies and others are required to comply with. We do need to make sure that we are enforcing our own laws equally across the board.

Senator SHAHEEN. Right.

Ambassador VOLKER. The second thing to add to some of the answer that Ambassador Baer gave, I think in pushing back on this, we need transparency, so shining a light on what is actually happening as much as possible. I think that is itself one of the most powerful ways of diminishing the impact of what Russia is doing.

Second, as Senator Cardin said, I would agree. Standing very forcefully and articulately on behalf of our own values to say what those are, to make sure that people in countries around the world, whether they are own or whether they are in Russia, know what it is we are standing for.

And then thirdly, I think we need to be taking the initiative on policy issues. Putin has done a great job of seizing the initiative and then we have been floundering and responding late and insufficiently. Take, for instance, Ukraine. I think if it starts looking like Russia is failing in Ukraine, that is going to be a different narrative for Putin than what it looks like today. So I think we need to be taking the initiative to push back on Russia and Ukraine to be supporting the Ukrainian Government more, providing more armaments there, providing some more monitors from a NATO perspective inside Ukraine, not letting people forget about Russia's occupation of Georgia, not letting people forget about the occupation in Moldova, and exposing some of the things happening internally to democracy activists and NGOs and political parties inside Russia. Those are the sort of pushback that I think we need to be doing.

Senator SHAHEEN. Great.

I know I am out of time, Mr. Chairman, but do you both agree that we should provide defensive weapons to Ukraine?

The CHAIRMAN. Lethal.

Senator SHAHEEN. Yes.

Ambassador VOLKER. Lethal weapons I would say. Lethal weapons to Ukraine, and I would not emphasize defensive. I would emphasize those that are necessary for Ukraine in order to have a capability military able to defend its own territory.

Senator SHAHEEN. Ambassador Baer.

Ambassador BAER. Yes.

Senator SHAHEEN. I think the committee generally agrees.

The CHAIRMAN. We passed unanimously a piece of legislation—what—3 years ago out of the committee? So it has been a shame that not only not that has been supplied, but intelligence that might make it look like we are operational.

So we thank you both for your testimony.

Senator CARDIN. Mr. Chairman, on that point, I agree with you completely. Considering the last witness, I remember the pushback we got was that it would cause a problem with Europe. It was interesting. We had, of course, the representative of Europe said they want to work closely with us. We have got to lead. I will just make that point.

The CHAIRMAN. Yes. I would agree with that 100 percent, and I hope we will do so on Iran very soon.

With that, guys, we thank you both for your testimony. I am sorry that it was shortened a little bit because of votes and what is getting ready to happen. But we thank you both for being here.

There will be additional questions, as you heard a moment ago, and the record will be open until the close of business Thursday.

Thank you both for your service to our country, for your contribution in this effort.

And with that, the meeting is adjourned.

[Whereupon, at 12:34 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL FOR THE RECORD

RESPONSES OF DAVID O'SULLIVAN TO QUESTIONS SUBMITTED BY SENATOR BEN CARDIN

EUROPEAN UNION RESILIENCE

Question. What specific steps is the European Union taking to counter Russian government aggression in states within the EU area, including newer member states in the southern and eastern areas of the EU? How are democratic and security vulnerabilities in EU states addressed in the Multiannual Financial Framework for 2014–2020? What flexibility exists to respond to emerging threats from Russia against EU states within this budget?

Answer. In March 2016, the EU Member States confirmed the five principles which guide EU's relations with Russia. These principles include among others, the principle of strengthening relations with the EU's Eastern Partners and other neighbours, in particular Central Asia as well as the principle of strengthening resilience of the EU (energy security; countering hybrid threats, including disinformation).

Addressing Russia's ongoing disinformation campaign is a key component of the EU effort to strengthen its resilience. Since September 2015, the EU has a dedicated team in the European External Action Service working on strategic communication, including

positive fact-based messaging on what the EU actually does in the region as well message to raise awareness on and counter disinformation. Last July in Warsaw the EU and NATO agreed to cooperate on hybrid threats, strategic communication, cyber security and defence. Our EU, U.S. and NATO experts closely consult and cooperate in this endeavour. EU Member States are also building up their capabilities in this area. In addressing this challenge it is essential that join up our resources and put in place shared capabilities that support, complement and reinforce each other.

ASSISTANCE TO VULNERABLE NON-MEMBER STATES

Question. What amount of annual assistance has been provided since 2014 to non-EU states to counter Russian aggression, via the Eastern Partnership, Black Sea Synergy, or directly to individual states? What areas of governance and/or security does this assistance address? What portion of this assistance directly supports civil society?

Answer. In line with the European Neighbourhood Policy, the EU wishes to strengthen the prosperity, stability, security, and good neighbourliness in the region. This cooperation addresses issues that go beyond borders and that are better addressed in a regional context than by countries individually. It contributes to confidence-building, fostering exchanges, dialogue, best practice and political cooperation between EaP Partner countries, EU Member States and the EU. To reach these objectives, the EU uses mainly the European Neighbourhood Instrument.

The EU cooperation with the Eastern Partners focuses on the four key priority areas based on the Eastern Partnership Summit Declaration adopted in Riga in 2015: 1) Economic development and market opportunities; 2) Strengthening institutions and good governance; 3) Connectivity, energy efficiency, environment and climate change; 4) Mobility and people-to-people contacts. The programme identifies key actions within these priority areas, in line with the "20 Deliverables for 2020" and the key global policy goals set by the U.N. 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change. Complementary support will be provided to cover cross-cutting themes (civil society, gender equality and non-discrimination, as well as strategic communication).

The indicative allocation for ENI Regional East programmes in 2014–2020 is €741,000,000-€906,000,000. Average annual spending is approximately EUR 117.6 million. This ENI East regional cooperation does not include 6 bilateral envelopes in the framework of ENI and other instruments like NIF, DCI, European Instrument for Democracy and Human Rights (EIDHR) for EaP.

Regarding civil society, the European Commission is now implementing the highest amount of financial assistance made available for civil society in the Neighbourhood East (indicatively up to €176m for 2014–2017 from ENI, DCI, EIDHR).

The country specific financial allocation (in millions) is as follows:

Country /region	Multiannual indicative allocation 2014-2020	Multiannual indicative allocation 2014-2016	Multiannual indicative allocation 2017-2020 financial planning table	Proposed Multiannual indicative allocation 2017-2020
Armenia	252-308	105-128	149-182	112-136
Azerbaijan	139-169	58-71	82-100	
Belarus	129-158	54-66	76-93	112-136
Georgia	610-746	251-307	359-438	374-458
Moldova	610-746	251-307	359-438	248-348
Ukraine	828-1013	(2014-2017) 418-511	(2018-2020) 489-597	(2018-2020) up to 600
Regional East	741-906	313-382	449-549	456-558

ASSISTANCE TO SUPPORT REFORMS IN RUSSIA

Question. How is the EU supporting Russian-led efforts toward reform, given the link between the Putin regime's repression of democracy and human rights in its own country and its efforts to do the same abroad? What amount of annual assistance have been provided since 2014 to this end?

Answer. European Instrument for Democracy and Human Rights (EIDHR) and the Civil Society Organisations (CSO) programme have been the main actions in support to strengthening human rights and civil society since 2014. Currently (April 2017), under EIDHR and CSO older and newer calls, 28 projects for about €15 million are ongoing in Russia. As a result of the call for proposals launched in 2015, the EIDHR is funding 10 new projects for €6 million (2014–2015 allocation) and the CSO programme supports seven new projects for €4 million (2014–2017 allocation). Funding covers topics such as: training and capacity building actions for human rights activists, support to media, freedom of association, local governance; vulnerable groups such as low income communities in remote areas, orphans, HIV positive, people with disabilities.

The European Commission launched a new €6 million call for proposals for Russia under the EIDHR in January 2017 with the following priorities:

Priority 1: Raising openness, communication and accountability of public bodies, support to effective functioning of democratic and human rights institutes and mechanisms

Priority 2: Promotion of tolerance, inter-cultural understanding and social cohesion, promotion of freedom of speech

Priority 3: Support to human rights defenders, civil society initiatives and organisations, support to independent media

Projects under this call still need to be selected as the deadline for applying is 21 April.

The Partnership Instrument provided in 2015 a €1.2 million grant to the EU–Russia Civil Society Forum and supports public diplomacy activities aiming to present EU activities in Russia to Russian think tanks, media and the general public. In addition to the EU funds for civil society and human rights, some Member States also have programmes supporting those areas in Russia. Significant additional resources (around €20 million annually) are put into Eramus+ programmes with Russia, to favour academic and student mobility and some other education-related activities.

RESPONSE OF HON. DAVID B. BAER TO QUESTION SUBMITTED BY SENATOR TODD YOUNG

Question. Mr. Baer, in your prepared statement, you note Moscow's "exploitation of energy supply as a political tool" and Putin's efforts to "maintain European dependence on Russia . . . ." What is your assessment of current EU member country energy dependence on Moscow, and how specifically should the U.S. and the EU work together to reduce the vulnerability of our European allies to Moscow's use of energy as a weapon of coercion? I would appreciate it if your response addressed, at a minimum, 1) the role of potential or increased oil or natural gas exports from the U.S. to Europe; 2) associated infrastructure investments that would be helpful or necessary on both sides of the Atlantic; and 3) joint private sector research and development opportunities related to reducing energy consumption and increasing the use of alternative sources of energy.

Answer. Thank you, Senator, for the important question about European energy security. One of the silver linings of Vladimir Putin's invasion of Ukraine and attempted annexation of Crimea was that it catalyzed political will in Europe to tackle the collective action problem of European energy security.

In general, in order to make sure that energy is a commodity rather than a political vulnerability for Europe, European leaders need to continue work along three lines of effort.

First they must continue to diversify available sources of energy. Putin has proven adept at using Russia's dominance of the European energy market as a political cudgel. But, as with many such relationships, the dependence is mutual. Russia's undiversified economy needs the income from sales of gas to Europe. Europe will

have a stronger negotiating position on price as well as be less vulnerable to political exploitation if it works to continue to diversify potential sources of energy, including by looking at American LNG imports, of course.

That leads to the second project, which is diversifying European energy infrastructure, particularly infrastructure that allows for imports that aren't controlled by Russia. The new LNG-compatible port terminals that have been built in the Baltics and Scandanavia will reduce dependence on Russia even before they reach full capacity. In contrast, enlarging the Nord Stream pipeline by building Nord Stream 2 should be viewed with skepticism because it deepens the long-term European dependence on Russian gas by expanding and diversifying Russia's infrastructure as an exporter (potentially allowing it to bypass Ukraine, and to use the threat of doing so as a political lever) without meaningfully diversifying Europe's import infrastructure.

The third project is to continue to ensure that Europe itself functions as a single market for energy, so that it truly is a commodity once it is imported. Unifying the market has had great political impact already, because it forces Russia to negotiate with Europe as a whole, rather than picking off countries one by one, and it removes some of Russia's ability to target specific countries for political pressure in the form of energy cuts. Techniques such as reverse flow—such as when Slovakia sold gas back to Ukraine when Moscow choked the supply of gas to Kyiv—can further reduce the use of gas as a political tool.

The United States should continue to support all of these steps, and should also be prepared to work with our European partners who are not in the EU to help them ensure that Russian efforts to use energy as a coercive political tool are effectively mitigated.

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