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COUNTERING A RESURGENT RUSSIA

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COUNTERING A RESURGENT RUSSIA

Wednesday, May 1, 2019
House of Representatives,
Committee on Foreign Affairs,

Washington, DC

The committee met, pursuant to notice, at 10:11 a.m., in Room 2172, Rayburn House Office Building, Hon. Eliot Engel (chairman of the committee) presiding.

Chairman ENGEL [presiding]. The committee will come to order.

Without objection, all members will have 5 days to submit statements, extraneous material, and questions for the record, subject to the length limitation in the rules.

Today we will hear from some of our best foreign policy minds on one of our most pressing foreign policy challenges, how to deal with an increasingly aggressive and belligerent Russia.

Ambassador Nuland, Ambassador Fried, General Keane, welcome. Welcome to members of the public and press as well.

If you look at a map of the world, you will not find too many places that Russia is not stirring up trouble. On its own borders, Russia's illegal occupation of Georgia and Ukraine has shattered decades of work to build peace and stability in Europe. Propaganda efforts and cyber warfare across the continent have spread lies and confusion with the clear aim of undermining Western unity and the Transatlantic Alliance.

Russia has weaponized its energy resources, expanding into European markets and creating greater and greater dependency, particularly with projects such as the Nord Stream 2 and TurkStream. These are clear efforts to increase its influence into European countries and advance its political aims.

In the Middle East, Russia has served as a lifeline for the murderous regime of Bashar al-Assad, aiding in the wholesale slaughter of innocent civilians. Russia has exported these same so-called counterterrorism tactics to Sub-Saharan Africa, where, for example, in the Central African Republic civilian casualties are mounting.

As we watch events unfold here in our own neighborhood, we are reminded that Putin has sent troops to Venezuela to prop up the illegitimate dictator Nicolas Maduro. Here in the United States, of course, Russia put its thumb on the scale during the 2016 election to support President Trump's campaign, as Special Counsel Mueller's report puts it, and I quote, "in sweeping and systematic fashion". Unquote. And Russia continues to work to fuel political division and undermine American democracy.

And the largest group victimized by Russia's harmful and destructive policies are Russians themselves living under the tyranny of Vladimir Putin. Putin tries to silence his political opponents,

honest journalists, and anyone else who dares to criticize his corrupt rule. His tools range from imprisonment to torture, to assassination, as the world saw in the case of Boris Nemtsov, whom I had the pleasure of meeting with right in this very building before he was brutally assassinated by Putin's people.

Putin and his thugs continue to tighten their grip on freedom of speech, expression, and access to information and economic opportunity. And let me add on that note that Russia continues to hold Paul Whelan, an American citizen, under false charges of espionage. Russia is denying him his basic human rights and has been dragging its feet every step of the way. I renew my demand that the Russian government end this charade and release Paul Whelan back to his family.

What is Russia's aim with this unrelenting malevolence? What does Putin hope to accomplish by seizing territory, distorting reality, attacking democracy, and supporting tyranny? First, of course, the answer is power, both domestically and on the international stage. Putin and his henchmen in the Kremlin are desperate to keep their grip on power, whatever the costs. They need to hide the disaster that their oligarchy, kleptocracy, and corruption have been for their own country. Putin simply blames outside forces for Russia's troubles, but we all know the troubles of the Russian people are the result of Russia's corrupt leaders.

Second, Russia wants to peddle the lie that there is a better alternative to democracy, a better alternative to the West. Putin wants a new cold war, a new battle of ideas. He thinks he can win by supporting dictators and cozying up to the West's adversaries, including his recent attempts to reach out to China. He is wrong, of course, but that will not stop him from trying.

It is a challenge we need to take seriously, and I do not think that the Administration is doing nearly enough. We are being outplayed around the world and here on our home court. We are ceding ground in Syria and across the Middle East. We are letting Russia work its will in the European energy sector. And, of course, with another Presidential race gearing up, we have not done nearly enough to shore up our own elections from Russian interference.

The White House says no President has ever been tougher on Russia. I wish I could believe that. I have got to wonder why the Administration will not meet the challenge head-on. The Special Counsel said in his report that he could not establish criminal conspiracy between the Trump campaign and Russia, but let's be clear. We know the Russians offered the Trump campaign stolen information about Hillary Clinton. We know the Trump campaign was eager to receive it. We know there was contact after contact after contact between campaign officials and Russian officials, and we know that the President was working to expand his business interests in Russia right up to the election. The fact that such behavior is not illegal should be a call for Congress to act.

And the fact is we still do not know how deeply the President is involved with Putin. We have no idea what the President and Putin discussed at their meetings. We have no idea, and that underscores why this committee's oversight and investigative work will proceed full speed ahead and why we will continue to shine a light on the real challenge that Russia poses.

In fact, the Ranking Member and I are working on legislation to push back on Russian aggression, protect American interests, ramp up the targeted sanctions, enhance diplomacy, and counter propaganda efforts to meet the Russian threat.

And I am eager to hear our witnesses' thoughts on what we should be doing to counter Russia, both in the near and long term. I do not think there is any disagreement about that in this committee with the members of this committee and our witnesses.

Before I introduce them, I will yield to our ranking member, Mr. McCaul of Texas, for any opening remarks he might have.

Mr. MCCAUL. Thank you, Mr. Chairman.

As General Keane said, if a politician loses his voice, it is like losing a weapon. So, I have sort of lost a little bit of my voice, but I am going to try to get through this very briefly.

Russia has been a threat for a long time. That is why NATO was formed. Russia did interfere with our elections. I was part of the 2016 Gang of Eight briefing on their attempt to meddle in our elections. And I have always stood firmly against that.

I asked the prior administration to stand up against that publicly and condemn it. And I think we should still condemn it. I did a lot as chairman of Homeland Security to enhance our cybersecurity apparatus to protect Americans and the American electoral system, and I am proud of that work.

I do not think this is a partisan issue. As you and I had breakfast with the secretary of State today, it is no question, no doubt in my mind, that Secretary Pompeo looks at Russia as a great threat to the United States.

And one only need look at Ukraine and what they have done in Ukraine and in Crimea, and they have been bold in their aggression. And now, looking today at Venezuela, the fact that Russians are in our own hemisphere posing a threat, putting military assets in our Western Hemisphere, the likes of which we have not seen since the Cuban Missile Crisis. The fact that President Maduro was on an airplane just yesterday to fly to Havana and the Russians talked him out of it—what is going on in our hemisphere? They would love nothing more than to poke us in the eye in our own hemisphere.

They moved into Syria. They took over the ports in Syria. They saw a power grab because we did nothing. We did nothing in Syria, and inaction is a decision in and of itself, and the Russians exploited that. Mr. Chairman, as the Foreign Minister of Turkey told us, that is precisely why the Russians are there, because we were not. We have to be a world leader. We cannot lead from behind anymore. We have to be a leader. Otherwise, the Russians, and the Chinese for that matter, will fill that vacuum. So, I commend you for having this hearing.

There was no collusion in this last election, but did they try to meddle in the elections? Absolutely. And the intelligence shows that. The intelligence community shows that. There is no doubt in my mind they are not our friend. And if anybody thinks Putin is our friend, they are wrong.

I met with two Russian opposition leaders yesterday, and they view Putin as a threat to the world. In my view, once KGB, always KGB.

So, I think this should not be a partisan exercise here. This should be an American exercise. As you mentioned, Mr. Chairman, I look forward to working with you on issues related to this matter, and I hope we can pass legislation out of this committee. Because I think I speak for most of my members on my side of the aisle that we do not view Russia as our friend. We are not complicit with Russia. Russia has been a cold war enemy, has been an enemy of NATO, and they are an enemy of the United States today.

And with that, I yield back the balance of my time.

Chairman ENGEL. Thank you, Mr. McCaul.

I am now pleased to introduce our witnesses. I will start with Ambassador Victoria Nuland, who served as Assistant secretary of State for European and Eurasian Affairs from September 2013 until January 2017 under President Obama and Secretary Kerry. She was the State Department spokesperson during Secretary Hillary Clinton's tenure, and U.S. Ambassador to NATO during President George W. Bush's second term from 2005 until 2008. Ambassador Nuland previously served as Special Envoy and Chief Negotiator on the Treaty on Conventional Arms Control in Europe, as Deputy National Security Advisor to Vice President Cheney, and in numerous overseas posts. She is now senior counselor at the Albright Stonebridge Group and holds positions at the Brookings Institution, Yale, and the National Endowment for Democracy. And she is also a personal friend of mine, and I am always amazed at how smart she is and how hard-working and how much she knows.

So, welcome, Ambassador.

Ambassador Daniel Fried was a member of the Foreign Service for four decades, serving as Ambassador to Poland, as Assistant secretary of State for Europe during the era of the NATO enlargement, and as National Security Council Senior Director during the Clinton and George W. Bush Administrations. He worked to craft the West's response to Moscow's aggression against Ukraine, starting in 2014, as the State Department's Coordinator for Sanctions Policy. He is currently a Distinguished Fellow with the Atlantic Council and a visiting professor at Warsaw University, a hard worker, very competent. And we are very delighted that you are here, Ambassador.

General Jack Keane served in the United States Army for 37 years, culminating with his appointment as Acting Chief of Staff and Vice Chief of Staff of the Army. He was a career infantry paratrooper, a decorated combat veteran of Vietnam, and commander of the 101st Airborne Division and the 18th Airborne Corps. After his 2003 retirement from the Army, General Keane spent a decade assisting senior defense officials in Iraq and Afghanistan. He is president of GSI Consulting and chairs the Institute for the Study of War and the Knollwood Foundation.

And as I said, a very distinguished panel, very distinguished general. Welcome again to all of you. We are grateful for your time.

I will now recognize our witnesses for 5 minutes each to summarize their testimony, and we will start with Ambassador Nuland.

STATEMENT OF AMBASSADOR VICTORIA NULAND, NONRESIDENT SENIOR FELLOW, FOREIGN POLICY, CENTER ON THE UNITED STATES AND EUROPE, BROOKINGS INSTITUTION, AND FORMER ASSISTANT SECRETARY OF STATE FOR EUROPEAN AND EURASIAN AFFAIRS AND FORMER UNITED STATES PERMANENT REPRESENTATIVE TO NATO

Ms. NULAND. Thank you, Chairman Engel, Ranking Member McCaul, members of this committee, for the opportunity to appear before you today.

I commend this committee for the bipartisanship that it has shown on Russian-related legislation in recent years and for its continued commitment to that, as the ranking member made clear this morning.

The first President for whom I served, Ronald Reagan, set the gold standard for policy leadership vis-a-vis the Kremlin. He understood that we in the United States had a dual mission, to contain, deter, and defeat dangerous and destabilizing behavior by the Kremlin, but also to offer Moscow a better, more collaborative relationship, if it were willing to change course.

Today, I believe our greatest challenge in countering a resurgent Russia is the lack of leadership, unity, and consistency in the United States in managing relations with Moscow. This, in turn, leaves our allies and partners adrift in confronting the many challenges from the Kremlin to our security, our democracy, and the liberal rules-based order. It also leaves Moscow unsure what we value and even more tempted to test the limits of U.S. and allied will to defend ourselves.

Reagan in his day did not view Moscow as a permanent enemy, and nor should we today. The American people do not want that, and I do not believe the Russian people want it, either. What we do not know, and what we have to continue to test, is whether Russian President Putin truly wants to improve relations. It may well be that his psychology and his leadership model are too dependent on an enemy abroad to change course. And we also have to steel ourselves for what may be a very long game that outlasts Putin.

In the meantime, as the chairman and ranking member have made clear, none of us should have any illusions about the current challenge. Just a few highlights from the Kremlin's current playbook to set the table:

Our democracy and those of our allies have been infected and undermined by Moscow's digital aggression.

Russia's neighbors have been intimidated, invaded, and in the case of Crimea/Ukraine, annexed.

Arms control agreements that kept the peace for decades have been violated.

Thugs and dictators, from Assad in Syria to Maduro in Venezuela, survive and thrive, thanks to Kremlin support.

Moscow exports corruption and resorts to money-laundering, criminality as tools of coercion.

And the human and civil rights of Russia's own citizens have been trampled, and the innovation and talent of the country have been stifled.

Today, Putin believes that the West is weak, that our political and economic systems are vulnerable, and that the values of toler-

ance, inclusion, and universal rights that we protect when we are at our best can be exploited to divide us. He aspires to lead a global club of autocrats who offer their citizens and the world an ideological and political alternative to the messiness and wonderfulness of free, open societies.

We enable Putin's quest ourselves when our own leaders call into question the basic rights enshrined in our liberal Constitution: an independent judiciary, a free press, protection of minority rights, and the oversight powers of this Congress.

So, I agree with the premise of the Trump administration's national security strategy, that we have reentered a period of competition of Russia. What I do not see, though, is a coherent, full government response to that challenge which is led by the President, in partnership with the Congress. To be effective, that strategy has to harness all the tools of our national power and those of our allies, military, political, economic, informational, and now, of course, digital.

We have to harden our own defenses. We have to better expose and blunt Russian malign activity. And we have to increase the cost for Moscow, while also offering a path to de-escalation and even collaboration, if the Kremlin changes course. And we have to coordinate all of this tightly with NATO, with the EU, with our Asian allies and partners, in order to amplify the impact of our actions, but also to close opportunities for Moscow to divide us.

We have to, once again, remember how to marshal a big stick and a big carrot. And we should not forget to speak directly to the Russian people, who are now very tired of their government's focus on Ukraine and Syria and new weapons, to the detriment of improved schools, hospitals, and jobs in Russia itself, and the corruption that is rotting that country.

Let me just give two examples of how a larger strategy might work. To address Russia's digital assault on our democracy, here is what we need to do: we need to appoint a cyber czar in the White House to coordinate national and international policy. We need a national intelligence and operational fusion center, as has been called for in some legislation, to expose, defeat, and deter digital influence campaigns, electoral manipulation, and inauthentic speech, working closely with industry and with academia.

We need an agreed escalation letter of painful new economic sanctions, legal and regulatory penalties, coordinated with allies, ready to deploy when new malign influence is exposed. We cannot wait until after the action has happened to start figuring out what the cost will be.

And we need our own suite of reciprocal legal and, when necessary, deniable digital and cyber countermeasures which increase the cost to Putin vis-a-vis his own electorate and demonstrate his deficiencies at home.

And for the carrot, we need a serious and standing sustained dialog with Moscow which offers an armistice on these issues and sanctions relief, and the prospect even of potentially collaborating to set global digital standards, if and when the Kremlin verifiably renounces weaponization of the internet.

Similarly in the military sphere, where Russia's increasing reliance on nuclear weapons and investments in hypersonic, undersea, and cyber weapons present new threats:

We should respond to Russian violations of the INF Treaty and its weapons buildup with new conventional deployments and missile defenses of our own in Europe, coordinated with our NATO allies, to deter nuclear first use and conventional adventurism, and to push the Russians back to the negotiating table.

We need to maintain and strengthen NATO and U.S. defenses and exercises along the Alliance's eastern edge and in the Baltic and Black Seas.

And we need to appoint a senior negotiator and interagency team for comprehensive talks with Moscow on strategic stability, which tie any future arms control agreements and the extension of New START to a broader de-escalation of tensions and insecurity across all the military domains of power.

And finally, we need to speak directly to the Russian people about the costs of Putin's militarization. They need to know where the wealth of their country has gone.

These are just two areas of challenge with Russia. A comprehensive policy will require rigorous lines of effort also on Ukraine, on Syria, on corruption, and on all the other areas of concern. This level of effort will require principled, steady Presidential leadership to unite our government, coordinate closely with all of you in the Congress, and to build the support of the American people and our allies.

As our intelligence community and now the Mueller report make absolutely clear, Putin seeks to pit Americans against each other to destroy our democratic system, to erode our trust in each other, and to damage our alliances. This is not about any one of us, nor is it about the President's legitimacy. It is about the safety and security of all of us and the future of the liberal world order that has served the United States so well for 70 years. Preserving these must be the first responsibility of any American President and of every Congress. We have the national strength and the allies to meet this challenge of a more dangerous Russia. What we have lacked is the resolve.

Thank you.

[The prepared statement of Ms. Nuland follows:]

Statement by Ambassador Victoria Nuland
Senior Counselor, Albright Stonebridge Group

Hearing on "Countering a Resurgent Russia"
House Committee on Foreign Affairs
May 1, 2019

Thank you, Chairman Engel, Ranking Member McCaul and Members of the Committee for the opportunity to appear before you today on this important subject. I commend this Committee for the bipartisanship it has shown on Russia-related legislation in recent years.

The first President for whom I worked, Ronald Reagan, set the gold standard for policy leadership vis-a-vis the Kremlin. He understood that we had a dual mission: to contain, deter, and defeat dangerous and destabilizing behavior by the Kremlin; but also, to offer Moscow a path to a better, more collaborative relationship if it changed course. Reagan also regularly spoke over the heads of Soviet and East Bloc leaders directly to their people, holding out the prospect of a more prosperous, secure life if we worked together.

Today, our greatest challenge in countering a resurgent Russia is the lack of leadership, unity and consistency in the United States in managing relations with Moscow. This in turn leaves our Allies and partners adrift in confronting the many challenges from the Kremlin to our security, our democracy and the liberal rules-based order. It also leaves Moscow unsure what we value, and even more tempted to test the limits of U.S. and Allied will to defend ourselves.

Reagan in his day did not view Moscow as a permanent enemy, and nor should we today. The American people don't want that, and I don't believe the Russian people do either. What we don't know, and what we must continue to test, is whether Russian President Putin truly wants to improve relations. It may be that his psychology and leadership model are too dependent on "the enemy abroad" to change course. We must also steel ourselves for what may be a very long game that outlasts Putin, one in which we hope the Russian people eventually get a true vote.

In the meantime, none of us should have any illusions about the challenge. Here are some highlights from the Kremlin's current playbook:

-Our democracy and those of our Allies have been infected and undermined by Moscow's digital aggression;

-Russia's neighbors have been intimidated, invaded, and in the case of Crimea, Ukraine, annexed;

-Arms control agreements that kept the peace for decades have been violated, including the Intermediate Nuclear Forces Treaty (INF) and the Conventional Forces in Europe Treaty (CFE);

-Thugs and dictators from Assad in Syria, to Maduro in Venezuela and Haftar in Libya survive and thrive thanks to Kremlin support;

- Moscow routinely exports corruption, and resorts to money laundering and criminality as tools of coercion and enrichment of Kremlin loyalists; and

-The human and civil rights of Russia's own citizens have been trampled, and the innovation and talent of the country stifled.

In 2005, Putin declared the break-up of the Soviet Union to be one of the greatest geopolitical disasters of the 20th Century. His goal then was to restore the super power throw-weight of Moscow's perceived 'glory days.' He did not succeed because he invested more in his military and foreign adventures than he did in rejuvenating Russia's economy and tapping the talent of its people.

Today, Putin aspires to more. He believes the West is weak, our political and economic systems are vulnerable, and that the values of tolerance, inclusion and universal rights that we protect when we are at our best can be exploited to divide us. He aspires to build and lead a global club of autocrats who offer their citizens and the world an ideological and political alternative to the messiness and compromise of free, open societies. All the tools and tactics he has used over the last decade and a half are designed to make the world not just safe for autocrats like him, but favorable to them. China and other centrally controlled countries are becoming increasingly close partners in this effort. We enable Putin's quest when our own leaders call into question the basic rights enshrined our liberal constitution: an independent judiciary, free press, protection of minority rights, and the oversight powers of this Congress.

So, I agree with the premise of the Trump Administration's national security strategy that we have re-entered a period of competition with Russia. What I don't see is a coherent, full-government response to that challenge, led by the President in partnership with the Congress. In the absence of that leadership, Congress has taken important steps of its own to sanction malign activity and shore up support for NATO and our Allies. To be effective, however, our approach must harness all the tools of our national power and those of our Allies: military, political, economic, informational and now digital, deployed overtly and when necessary, covertly.

We must once again marshal both a big stick and a big carrot in dealing with Putin and Kremlin. And we should speak directly to the Russian people, who are now tired of their government's focus on Ukraine, Syria, and new weapons, instead of improved schools, hospitals, jobs and the corruption that rots Russia itself.

A coherent policy should include separate lines of effort in all the areas of concern: from digital interference, to arms control, to Russia's threat to its neighbors, to regional conflicts, anti-corruption, and economics and trade. Each of these strands of work requires hardening our own defenses, better exposing and blunting Russian malign activity, and increasing the costs for Moscow, while offering a path to de-escalation and even collaboration if the Kremlin changes course. And all must be tightly coordinated with our NATO, EU and Asian Allies and partners to amplify the impact, and close opportunities for Moscow to divide us.

I'll give just two examples to illustrate the larger strategy.

To address Russia's digital assault on our democracies, we need:

- a Cyber Tsar in the White House to coordinate national and international policy;

-a national intelligence and operational fusion center that collaborates closely with industry and academia, state and local authorities and our allies to expose, defeat and deter digital influence campaigns, electoral manipulation and inauthentic speech, and develops initiatives to improve citizen education and cyber hygiene;

-an agreed and publicly declared escalation ladder of painful new economic sanctions, legal and regulatory penalties, coordinated with Allies, ready to deploy when new Russian (or other state-sponsored) malign influence is exposed;

-our own suite of reciprocal, legal and, when necessary, deniable digital and cyber countermeasures which increase the cost to Putin vis-a-vis his own electorate on issues they care most about, including state-supported corruption;

-and, the carrot: a serious, sustained dialog with Moscow which offers an armistice on these issues, sanctions relief and the prospect of collaboration in setting global digital standards if and when the Kremlin verifiably renounces the weaponization of the internet.

Similarly, in the military sphere, where Russia's increasing reliance on nuclear weapons and investments in hypersonic, undersea and cyber weapons present new threats, we should:

-Respond to Russian violations of the INF treaty and weapons build-up with new advanced conventional deployments and missile defenses of our own in Europe, the Baltic and Black Seas, coordinated with our NATO Allies, to deter nuclear first use and conventional adventurism and to push Russia back to the negotiating table;

-Maintain and strengthen NATO and U.S. defenses and exercises along the Alliance's eastern edge and in the Baltic and Black seas;

-Appoint a Senior negotiator and interagency team for comprehensive talks with Moscow on strategic stability, and tie any future arms control agreements and the extension of New START, which expires in 2021, to a broader de-escalation of tensions and insecurity across all domains of military power, including conventional, nuclear, space and cyber;

-And speak directly to the Russian people about the costs of Putin's remilitarization so they better understand where the wealth of their nation has gone. Also, better expose the dangerous tactics of Russia's pilots and naval forces, who maneuver unsafely, often without identification, so any future accidents are appropriately attributed.

These are just two areas of challenge with Russia. A comprehensive policy will require rigorous stick and carrot approaches also on Ukraine, Syria, corruption and the other areas of destabilizing Russian activity that we have discussed today.

This level of effort would require principled, steady Presidential leadership to unite our government, coordinate closely with the Congress, and build the support of the American people and our Allies. For too many years, we have been too passive as Putin has played a relatively weak hand well. But Putin is neither popular enough at home nor rich enough to go head-to-

head with us if we use our national power properly to contain and blunt his ambitions, while holding out the prospect of better relations in the future and offering that directly to the Russian people.

As our intelligence community and now the Mueller report make crystal clear, Putin's Russia has moved beyond an aspiration to restore past Soviet glory and reestablish spheres of influence in its neighborhood. Today, it seeks to pit Americans against each other to destroy our democratic system, erode our trust in each other and damage our alliances. This is not about any one of us, or about the President's legitimacy. It is about the safety and security of all of us and the future of the liberal world order that has served the United States so well for more than 70 years. Preserving these must be the first responsibility of any American President and every Congress. We have the national strength and the Allies to meet the challenge of a more dangerous Russia. What we have lacked is the resolve.

Thank you.

Chairman ENGEL. Thank you, Ambassador Nuland.
Ambassador Fried.

STATEMENT OF AMBASSADOR DANIEL FRIED, DISTINGUISHED FELLOW, FUTURE EUROPE INITIATIVE AND EURASIA CENTER, ATLANTIC COUNCIL, AND FORMER ASSISTANT SECRETARY OF STATE FOR EUROPEAN AND EURASIAN AFFAIRS AND FORMER UNITED STATES AMBASSADOR TO POLAND

Mr. FRIED. Chairman Engel, Ranking Member McCaul, members of the committee, I also appreciate the opportunity to appear before you today. The topic is relevant and timely and, for the record, I agree with my colleague and friend, Ambassador Nuland.

President Trump once said that it would be nice if the U.S. got along with Russia. It would. But Presidents Bush and Obama tried and failed because neither would accept Putin's aggression abroad and repression at home. Putin's authoritarianism and kleptocracy keeps Russia backward. Reforms to develop Russia, rule of law, democracy, would end Putinism. Lacking democratic legitimacy, and increasingly economic results, Putin seeks to assemble a counter-alliance of autocrats to support extremists to weaken the West and to counter the U.S. wherever possible. He wants to weaken the European Union and NATO and discredit democracy itself as an appealing alternative for Russians. Putin needs Ukraine to fail in its efforts to become a free market democracy closer to Europe because a successful Ukraine would show Russians that Putinism is not the only way for them.

A wise U.S. policy toward Russia, therefore, would combine resistance to Russian aggression, efforts to reduce the risks of destabilizing clashes, and arms control, when possible, without unwarranted concessions or apologies; cooperation with Russia where our interests overlap, maybe on the DPRK and spread of weapons of mass destruction, without expecting too much too soon, and planning for potentially better relations with a better Russia. We should act in all of these things with our allies. The world's great and emerging democracies have the power and political legitimacy to maintain a rules-based system that favors freedom and advances our Nation's interests and other nations' interests.

Mr. Chairman, your invitation to this hearing requested recommendations to combat Russian coercion. So, I offer the following:

Strengthen NATO's Eastern defenses. After the cold war, the U.S. drew down its forces in Europe, and many European countries allowed their militaries to decline. I get it. We all wanted a peace dividend, and Russia appeared to be an emerging partner. But, after Russia's invasion of Ukraine, the U.S. and NATO changed course, deploying forces to the most vulnerable NATO neighbors. Our allies stepped up. The British lead NATO forces in Estonia, the Canadians in Latvia, and the Germans in Lithuania. And the U.S. leads NATO's battalion in Poland and has stationed an armored brigade in Poland on a rotational basis. These deployments seek to deter, to show Russia that it cannot mount a sudden assault on NATO countries, conventional or hybrid, without triggering a wider conflict.

The Obama Administration deserves credit for leading NATO to make this shift, and the Trump administration deserves credit for continuing, even strengthening, it. More needs to be done. That means strengthening NATO and U.S. capacity for rapid reinforcement through additional forces and military infrastructure in Europe. It means strengthening NATO and U.S. cyber defense and deterrent capacity now underway.

The U.S. and Poland have launched discussions about increasing the U.S. military presence in that country. This is a worthy initiative, and the Poles seem willing to carry their share of the burden. I support putting in Poland a mix of rotational units, standing deployments, and permanent infrastructure, integrated with NATO's defense plans.

Second, defend against disinformation using democratic means. We need to combat Russian and others' disinformation while remaining true to our democratic values. As we learned in the cold war, we need not become them in order to fight them. Here is an action plan:

The U.S. Government should support transparency and authenticity on social media, not heavy content control. This means disclosure of funders for political and issues ads, removing inauthentic and impersonator accounts, reassessing online anonymity. Angry Bob from Boise may, in fact, be Ivan from the St. Petersburg troll farm, and we should not let Ivan get away with it.

We should also deal with the algorithmic bias on social media companies toward sensational and extreme content. Legislation and regulation do have a place. The U.S. needs to get organized to fight disinformation, a lead agency or interagency body, such as a national counter-disinformation center. We need to work with our friends. The EU is way ahead of the U.S. in addressing Russian disinformation. And we should consider a counter-disinformation coalition of like-minded governments, social media companies, and civil society groups to pool knowledge. Social resilience will work best in the long run. Teaching everyone from civil servants to children how to spot disinformation and manipulation ought to be standard practice.

Third, we should employ the sanctions tool wisely. We are using sanctions a lot to deal with a lot of Russian misbehavior. There is a lot of Russian aggression around, but sorting out our options is a challenge. We need to decide what we are trying to achieve and with what priority. Do we want to use the threat of sanctions to push for a settlement in Ukraine? To deter Russia from interfering in next year's U.S. elections? To focus on Russian actions in support of Maduro? All of the above equally?

I suggest the following: some sanctions options are available right now. We should be going after corrupt Russian oligarchs close to Putin. We should curtail channels for corrupt Russian funds and others' corrupt funds, such as the use of nontransparent LLCs for high-end real estate deals. We should proceed with care on energy sanctions. If we escalate, we should go after future Russian production, not cause a spike in energy prices, giving the Kremlin a windfall. We should focus our best sanctions options on key goals.

The DETER Act aims to prevent Russian election interference. Its focus is laudable, but we have got other objectives as well. I

think we ought to save our best sanctions escalatory options for Ukraine-related and election-related. Get them ready, because if the Russians act, we need to be able to respond promptly, and the Russians need to know that we are prepared to act.

We should also continue human rights-related sanctions, the Magnitsky Act and Global Magnitsky, keyed to actual abuses. Volume is less important than the right targets. We should work with allies and maintain operational flexibility. We need to be able to remove sanctions if Russian behavior improves. Licensing authority is not a loophole; it is a safety net.

Two thoughts at the end. Sanctions work if they are embedded in a policy that makes sense. The administration needs to articulate a Russia policy and mean it. But there is more. A Russia policy should be linked to an American grand strategy that recognizes that a rules-based world that favors freedom is in our national interest. At our best, America has recognized that our interests and values advance together or not at all.

Putin and like-minded nationalists and despots stand for nothing but power. We saw the results of such thinking in the first half of the 20th century. America can do better. In fact, after 1945, and again after 1989, we did do better. Despite our mistakes and inconsistencies, U.S. leadership generated the longest period of general great power peace in human history and unprecedented global prosperity.

Our current problems are severe, some of our own making. But I hope and believe that we will recall the values and purposes which propelled U.S. world leadership and produced so much good for so many.

Mr. Chairman, Ranking Member McCaul, I appreciate the opportunity to appear before you to discuss these issues and look forward to your questions.

[The prepared statement of Mr. Fried follows:]

Statement by Ambassador Daniel Fried (retired)
Distinguished Fellow, the Atlantic Council

Hearing on "Countering a Resurgent Russia"
House Committee on Foreign Affairs
May 1, 2019

Chairman Engel, Ranking Member McCaul, Members of the Committee, I appreciate the opportunity to appear before you today. The topic is relevant and timely.

THE PUTINISM PROBLEM

The problem with a "resurgent Russia," as this hearing is entitled, is that Russia's current resurgence has taken the form of aggression: against its neighbors Ukraine and Georgia; against the United States and Europe through interference in elections and disinformation; and against opponents at home and abroad, including through murder and attempted murder.

President Trump has noted that it would be nice if the United States got along with Russia. He's right. But Presidents Bush and Obama tried and failed to sustain constructive relations with Putin's Russia, and the reasons for those failures are instructive. Russia's conditions for good relations with the US are those that no US administration can or should accept: namely, US deference to Russian domination of its neighbors, including through intimidation and war, and US indifference to Russia's repression at home.

There are some in this country and in Europe who might accept these Russian conditions. But hard experience in the 20th century – through two World Wars and the Cold War – show that a country's repression inside its borders suggests that it will be aggressive abroad, and that spheres of influence established through force and repression, Russia's usual methods, are neither stable nor self-limiting.

Putin's system of rule combines political authoritarianism and economic kleptocracy; it is a regime dedicated to enriching its members, not the nation it supposedly serves. Economically, it depends on control of raw materials which it can export. It is a value-extracted, not value-added, economy. Putinism thus keeps Russia relatively backward. Policies to develop Russia would require respect for the rule of law, property rights, independent institutions both in and out of government, and freedom of speech and assembly; in short, free market, democratic reforms. But such reforms would mean an end to Putinism.

As a corrupt system by design, lacking democratic legitimacy and, increasingly, economic results, the Putin regime is insecure. It thus relies on repression mixed with chauvinistic campaigns

directed against various made up outside enemies. That is not all. The regime seeks to prevent its democratic rivals — what we used to call the Free World — from challenging Putin's regime by the power of their example. Putin, like Soviet leaders before him, seeks to weaken the European Union and NATO, and to discredit the very idea of democracy as a potentially appealing alternative for Russia.

It is also imperative, from a Kremlin perspective, that Ukraine not succeed in its attempt to transform itself from a Putin-dependent kleptocracy as it was before 2014 into a free market democracy drawing closer to Europe. A successful, democratic Ukraine, part of a wider Europe, could be fatal to Putinism because such a Ukraine would show Russians that if the Ukrainians can succeed in such a transformation, so can they; that Putinism is not the only way for Russia.

To challenge the Free World's democratic, rule-of-law system, Putin seeks to assemble a counter-alliance of autocrats, to support extremists and nationalists to weaken the West, and to counter the United States on an opportunistic basis, wherever possible. This resembles Soviet political practice, though this time the Kremlin is happily supporting the right as much or more than the left.

The Trump administration's national security strategy argues that the world has returned to a period of great power rivalry, with Russia and China challenging the United States and its allies. The administration has a point, and I hope that it will seek, in a consistent way, to strengthen ties with our friends and resist the aggression of our adversaries.

Given this background, some believe that Russia will always be the United States' strategic rival, that its history condemns it to perpetual hostility to the United States and to the values which our country has championed for at least one hundred years.

I do not share this view. While relations with Russia are currently bad and may get worse, Russia's history suggests that if the West resists and Russian aggression abroad fails, Russia may turn to reform at home, accompanied by efforts to improve relations with the West to support its economic reforms and integration with the world.

A wise US policy toward Russia, therefore, would combine:

- resistance to Russia's current aggression, including by working with our allies;
- efforts to reduce the risks of destabilizing clashes, including military deconfliction and arms control where possible, but without unwarranted concessions or apologies;
- cooperation with Russia where our interests overlap (e.g., on the DPRK and the spread of weapons of mass destruction), without expecting too much, too soon; and
- the anticipation of, and planning for, potentially better relations with a better Russia.

That policy should not be unilateral, but undertaken with our allies in Europe and Asia, capitalizing on our great strength: if we work together, as we have since the end of World War II, the United States and its democratic allies around the world have the economic, technological, and military power to maintain a rules-based system that favors freedom and advances our and other nations' interests.

We must be determined, principled, and realistic. A strong, democratic, and peaceful Russia would be an asset to the world and a country with which we should seek and could sustain better relations. But to get to that better relationship with a better Russia, we must deal with the Russia we face today.

ELEMENTS OF RESISTANCE

Mr. Chairman, the invitation to this hearing requested recommendations "for US responses to strengthen deterrence and combat Russian coercion." Resisting Russian aggression is only one part of a full Russia strategy, but it is a critical part now.

I offer the following, not a complete list, as elements of a resistance strategy:

Strengthen NATO's Eastern defenses.

For twenty years after the end of the Cold War the United States drew down its forces in Europe, and many European countries allowed their militaries to decline. This was understandable: the Soviet Union was gone, we all wanted a "peace dividend," and Russia appeared to be an emerging partner. NATO grew to take in 100 million newly-free Europeans, enlarging the space of freedom, prosperity, and security, and in parallel opened new relations with Russia. For many years, the United States and its key allies believed we did not have to plan, or deploy, for the military defense of our new allies or ourselves against a potential Russian threat.

After the September 11, 2001, terrorist attacks against the United States, NATO and the United States focused on terrorism originating from outside Europe and launched two major missions in Afghanistan and Iraq. The Bush administration, with some basis, regarded Putin's Russia as a viable partner in the broader counter-terrorist effort and a benign presence generally.

As it turned out, hopeful US assumptions about Russia were mistaken. Russia's invasion of its neighbor, Georgia, in August 2008 was a warning, one the United States did not fully heed. It was not until Russia's invasion of Ukraine in 2014, including its attempted annexation of Ukraine's Crimea territory, that the United States and NATO reexamined their security assumptions.

Happily, at its three summits following the Russian invasion of Ukraine (Wales in September 2014, Warsaw in July 2016, and Brussels in July 2018), NATO finally pivoted, increasing the

strength of its deployable forces and deploying forces, as a form of deterrence, to the NATO members most vulnerable to potential Russian aggression. NATO's European allies have stepped up, with the British leading NATO's enhanced Forward Presence (eFP) forces stationed in Estonia, the Canadians leading in Latvia, and the Germans leading in Lithuania; the United States leads NATO's eFP battalion in Poland, stationed near the "Suwalki Gap" in Poland's northeast. In addition, the United States has stationed an armored brigade in Poland on a rotational basis.

The purpose of these deployments is deterrence: to demonstrate to Russia that it cannot hope to mount a sudden assault on NATO countries — either with conventional forces or hybrid, disguised forces, as when it attacked Ukraine using so-called little green men — without triggering a much wider conflict. These modest NATO deployments would be supported by national troops and rapid reinforcement of additional NATO forces.

The Obama administration deserves credit for leading NATO to make this shift and the Trump administration deserves credit for continuing, and even strengthening, this approach.

The direction is right. But more needs to be done to make good on this deterrence strategy. That means strengthening NATO and US capacity for rapid reinforcement, including through the right mix of stationing additional military forces and building more military infrastructure in Europe close enough to the scene of possible Russian aggression to be useful. It also means strengthening NATO and US cyber defense and deterrent capability, a process happily underway.

The US government and Poland have launched discussions about increasing the US military presence in Poland. This is a worthy initiative, and the Poles appear willing to carry their share of the burden (Poland's defense spending has crossed the NATO benchmark line of 2 percent of GDP). I support the Atlantic Council's recent recommendations[1] for putting in Poland a mix of rotational units, standing deployments, and permanent infrastructure, structured to keep the US presence in Poland integrated with NATO's overall defense plans for North Central Europe, including plans to reinforce the Baltic States, while strengthening the Alliance's overall defense and deterrence posture.

We need to keep our eye on the goal: an increase in NATO's ability to deter Russian aggression through in-place presence plus capacity for rapid reinforcement, focused on the most vulnerable NATO countries.

Defend against disinformation using democratic means

[1] "Permanent Deterrence: Enhancements to the US Military Presence in North Central Europe," February 2019, The Atlantic Council, Ambassador Alexander Vershbow (ret.), General Phillip Breedlove (ret.), and Lauren Speranza.

Russia's use of disinformation to interfere in the US presidential elections in 2016, documented in the Mueller Report, is only one piece of a broad Russian effort to use disinformation to destabilize Western societies generally. While many Americans became aware of such Russian tactics only in 2016, many Europeans, particularly Ukrainians, Estonians, Latvians, and Lithuanians, have faced such Russian methods for years. Spain, Greece, France, and the UK have faced intense Russian disinformation campaigns more recently. As many countries in the West have learned, Russian disinformation campaigns can work.

Moscow's employment of disinformation tactics — bots, state-sponsored trolls, inauthentic online accounts and false personas, and potential use of emerging techniques such as "deep fakes" and more — is cutting edge. Their disinformation army works with their intelligence service's computer hackers, overt propaganda such as *RT* and *Sputnik*, and their enablers in the West (in my day we called them "useful idiots"). Of course, Russian use of hostile propaganda and what used to be called "active measures" against the West date back to the Soviet period; we've dealt with this before. The Russians may be leaders in state-sponsored disinformation, but they will not be the last. China, Iran, and other state and non-state actors are following.

The democratic community — aka the Free World — needs to face the challenge of Russian and other forms of contemporary disinformation while remaining true to our democratic values and norms of freedom of expression. As we learned during the Cold War, we must not and need not become them to fight them.[2]

The bad news is that the United States, for a variety of reasons, has dithered in its response. The good news is that we and our democratic allies can manage the disinformation challenge. We have the means to fight disinformation using democratic methods, if we mobilize governments, social media companies, and civil society, and work with our democratic allies who face the same challenge.

Here's an action plan:

- *The US government* should focus on supporting and, as needed, enforcing the principles of *transparency and authenticity* on social media, not heavy content control. That means, for example, requiring full disclosure of the funders of political and issue ads (as suggested in the Honest Ads Act introduced in the last Congress), pressing social media companies to remove inauthentic accounts, mandating standard definitions of impersonator and inauthentic accounts across social media companies, and exploring ways to deal with the algorithmic bias toward sensational content, which leads social media users to extremism. The DETOUR Act just introduced in the Senate by Senators Warner (D-Virginia) and Fischer (R-Nebraska) seeks to address the problem of manipulation of users on social media. Its focus is on issues other

[2] See "Democratic Defense Against Disinformation," February 2018, The Atlantic Council, Ambassador Daniel Fried (Ret.) and Alina Polyakova.

than disinformation, but its effort to apply standards to social media suggest a useful direction for legislation.

The USG needs to *get organized* to contend with Russian and other disinformation. DHS, FBI, and the State Department (especially the Global Engagement Center) have expertise and mandates of different kinds. The USG now needs to designate a lead agency or official, perhaps standing up an interagency body such as a national counter-disinformation center.

The USG needs to work with its friends. The European Union is way ahead of the USG in addressing Russian disinformation. A best-case initiative could include standing up a *"counter-disinformation coalition"* of like-minded governments and including social media companies and civil society groups to pool knowledge, including in real time; and set common approaches, including regulatory standards as needed. While some of the information will be classified, civil society groups (like the Atlantic Council's Digital Forensic Research Lab or the Baltic Elves, Ukraine's Stop Fake, or EU DisinfoLab) are often the first to spot and best placed to expose Russian disinformation campaigns.

- *Social media companies* have moved beyond their initial denial of the problem, but need to keep cleaning up their platforms, including by establishing common transparency standards to deal with suspicious accounts or deceptive sites, and reassessing online anonymity. We have learned that "Angry Bob from Boise" may in fact be Ivan from the St. Petersburg troll farm (the Internet Research Agency) and we may not want to permit deception of this sort. Social media companies need to address the problem of algorithmic bias toward extremism. But because this may challenge their established business model, it may require regulation applied fairly to all social media companies to get them to move. We ought not have our social media companies acting as unwitting research arms or enablers for Russian intelligence.

- *Civil society groups* in Europe and the United States could be the heroes of counter-disinformation. They have proven themselves adept at exposing Russian disinformation campaigns, e.g., Russian hacking into the 2017 French elections and Russian lies about its 2014 shootdown of a Malaysian airline over Ukraine. Civil society activists — bot hunters, troll spotters, and digital Sherlocks — may be far more capable than most governments, and their work can be made public fast. They are natural partners and should be supported and brought into discussions of solutions.

Fighting disinformation can work, but long-term social resilience will work best. Action by governments, social media companies, and civil society can mitigate the disinformation challenge. But disinformation has been around since the invention of the printing press and will remain a part of the media landscape. The best long-term defense against disinformation is social

resilience. Teaching everyone — from civil servants to children — how to spot disinformation ought to be standard practice as much as public health classes.

Employ the sanctions tool wisely

In the face of Russian aggression in so many areas, the administration — and Congress — have turned to sanctions as a principal tool of the US response. Launched during the Obama administration and continued in the Trump administration, it's now a long list, including: extensive Ukraine-related sanctions, coordinated with the EU and key other allied governments; human rights sanctions through the original Magnitsky Act and now also Global Magnitsky (or GloMag), some Syria- and DPRK-related sanctions; and cyber/election interference-related sanctions. As mandated under the Chemical and Biological Weapons Act, the administration is reportedly preparing additional sanctions in response to Russia's attempted murder of two Russians in Salisbury, UK, on March 4, 2018.

In 2017, Congress passed a major piece of Russia-related sanctions legislation, CAATSA (Countering America's Adversaries Through Sanctions Act), and is considering additional sanctions legislation, including the Defending Elections from Threats by Establishing Redlines Act (DETER) and the Defending American Security from Kremlin Aggression Act (DASKAA), both reintroduced in updated (and improved) forms in this Congress.

Sanctions are intended to advance diplomacy by giving weight to our proposals, credibility to our threats, and leverage from which to negotiate. US sanctions programs against Russia are extensive, but this reflects the breadth of problematic Russian behavior, not US profligacy in the use of sanctions. Still, the scope of the United States' Russia sanctions programs across the legislative and executive branches is a challenge.

The objectives embedded in our Russia sanctions programs are worthy, but we need to decide what are trying to achieve, and with what priority. Do we want to use the threat of sanctions to push for a settlement in Ukraine that gets the Russians out? To deter Russia from interfering in next year's US presidential elections? To focus on Russian actions in support of Maduro in Venezuela? All of the above? Equally?

Sanctions escalatory options are finite. One sanctions option would be to target issuance of new Russian sovereign debt. This would be a strong step and doable. But we can only introduce this sanction once. And if we use it for one purpose, e.g., to push the Russians not to support Maduro, or as a response to Russia's use of a nerve agent last year in the UK, we cannot use it to support a Ukraine settlement or to deter the Russians from new election interference.

I am not suggesting that the United States use sanctions to pursue only one objective with Russia. But we need to think through how to use our escalatory options to respond to the many challenges that Russia's aggressive behavior poses.

This background suggests the following guide to Russia sanctions, including pending legislation:

Some sanctions options are ripe now, if handled with care. This category includes targeting corrupt Russian oligarchs close to Vladimir Putin (e.g., DASKAA Section 602/235). Perhaps inspired by CAATSA Section 241, (the "Kremlin Report" which identified Putin's power circles), DETER and DASKAA alike mandate a study of Putin's wealth, which could generate additional sanctions targets. These are good ideas. Studies identifying Putin cronies ought to be prepared now. Sanctions against them need not be rolled out all at once, but in response to particular Russian actions, with election interference and aggression in Ukraine high on the list.

However, even bad oligarchs may not be simple targets. Oleg Deripaska was a worthy target in many ways, but his vast holdings in the global aluminum industry also made him a complex target, as the administration discovered when it designated him in April 2018. The administration's leadership needed to think through the implications before, not after, making the decision to designate. Due diligence is not an optional virtue in sanctions policy.

Some options should be pursued now regardless of additional Russian bad actions, including restrictions on use of disguised funds, e.g., through non-transparent LLCs, for high-end real estate deals. This has been a channel for Russian (and others') money laundering. Because such Russian funds flow to New York, Miami, London, and various other European countries, it would be a powerful step (and even out the relative burdens) if the United States, the UK, and the European Union acted in concert. (DASKAA of 2018 Section 702 included such a provision, but it appears to have been dropped from DASKAA 2019.) We should not wait to pursue measures to reduce channels of potentially corrupt Russian (and others') financial flows.

Proceed with care on energy sanctions. Energy sanctions were originally designed to pressure the Russian economy by curtailing future Russian oil production, without causing a spike in near-term oil prices, which could give the Kremlin an unintended windfall. They avoided the gas sector, in part because of European and Japanese dependence on Russian gas, although technology restrictions on cutting-edge oil exploration also hit similarly high-tech gas field exploration.

The United States should maintain that general approach. Viable escalatory options thus include targeting future oil projects inside Russia (DASKAA Section 239B). DASKAA Section 237, which targets Russian LNG projects outside Russia, appears intended to counter Russian efforts to maintain gas leverage over Europe, and thus has strategic logic to it. Other provisions are less wise: DASKAA Section 239A targets energy projects outside Russia if supported by a Russian state-owned or parastatal company. But this measure could give Russia the ability to inject

"poison pills" into foreign energy projects by channeling funds, even disguised funds, from Russian state-owned or parastatal companies for the sole purpose of killing a project.

The Nord Stream II gas pipeline project is a bad idea. But the use of sanctions to attempt to kill it may cause too much collateral damage with Germany. Happily, efforts to mitigate Nord Stream's potential strategic damage are on track. These include secondary European gas pipelines allowing for "reverse flow" of gas into Ukraine from the West, which have reduced Ukraine's gas dependence on Russia; the introduction of the EU's Third Energy Package as binding on Nord Stream II, thus limiting Russian monopoly power over the project; Polish and Baltic LNG projects and pipelines from non-Russian sources; and discussions to guarantee a level of Russian gas shipments through Ukraine's gas pipelines, thus giving Ukraine steady gas transit revenues. Contingency sanctions may have a place in the enforcement of a prospective EU-Ukraine-Russia gas transit arrangement. In the meantime, Congress has been wise to hold back for now from explicitly targeting Nord Stream. For its part, Germany should increase its efforts to mitigate the potential strategic risks of the Nord Stream project. The so-called Three Seas Initiative, a Central European initiative supported by the United States, and now the EU and Germany, seeks among other things to thicken the web of energy interconnections in Central Europe; its progress would also mean the mitigation of Nord Stream's potential damage to European energy security.

Use our best sanctions options to achieve key goals. The DETER Act is aimed at preventing Russian interference in US elections. Its focus is laudable, but we should not give up our other objectives. I recommend sorting our biggest sanctions escalatory options into Ukraine-related and election-related.

- The United States should develop sanctions options to support renewed negotiations for a Ukraine settlement. When Ukraine's new president is ready, possibly after upcoming parliamentary elections, the United States should work with France and Germany (who, with Ukraine, have the lead in direct negotiations with Russia to end Russia's aggression against Ukraine) on a major diplomatic push. We should, coordinating with our allies, develop and hold additional sanctions in reserve, to use if the Kremlin refuses to engage seriously or escalates in Ukraine (as it did last fall in the Kerch Strait).
- We should develop separate election-related sanctions options as deterrence against another round of Russian election interference, including disinformation.
- Ukraine-related sanctions could include energy sanctions. Election/disinformation-related sanctions could include cyber and technology-related sanctions (including expanded and multilateral export control restrictions), and sanctions against banks and other entities associated with funding election interference. Other financial sanctions could be split, with restrictions on new sovereign debt in one basket and other financial sanctions, e.g., against designated Russian state-banks, in another.
- We should prepare viable sanctions escalatory options to be used promptly if the Russians intensify their aggression, either against Ukraine, the United States, or our NATO allies

using cyber or other means. The West's response to Russia's aggression in the Kerch Strait last fall was well coordinated but slow, and thus lost much of its punch.

- Human rights sanctions (Magnitsky and Global Magnitsky) should continue. These should be timed to discovery of actual abuses; volume is less important than choosing the right targets.

We should not, of course, give Russia a pass on sanctions violations in other areas (e.g., DPRK, Venezuela, and Iran), but should focus our escalatory steps where they can make the greatest difference.

Work with Allies. The United States imposed Russia sanctions, especially related to Russia's actions in Ukraine, in solidarity with its European and other allies, and our allies generally did their part. Putin may not have expected that European governments, given their varying views about Russia, would agree to impose meaningful sanctions or to sustain them. But they did. When they did, this international unity of purpose extended the sanctions' power and may have frustrated Putin's expectations.

Moving forward, the United States should choose Russian sanctions targets aware of their relative impact on the United States and European countries, as well as Japan, Canada, and other allied nations. Those impacts are not likely to be equal, but the United States should strive for some rough equity. US and European companies have taken hits from sanctions and should expect more in the future; companies should know by now that doing business with Russia carries extra risks due to the Kremlin's aggressive course. Nevertheless, both the executive and Congress should be aware of sanctions' costs before making decisions. We should make clear that we will enforce sanctions, including, if warranted, through action against European companies or our own for sanctions evasion. We must play it straight, however: we cannot let a narrative develop that US companies get off the hook while European companies get hit.

DASKAA includes language in support of cooperation with allies. This could be strengthened by giving the administration flexibility to apply even mandatory sanctions with respect to countries that are cooperating with the United States in maintaining a common sanctions policy on Russia. Some European countries, e.g., the Baltics, Finland, and Poland, have taken major economic hits from the multilateral sanctions against Russian aggression and the Kremlin's counter sanctions, but have remained strong on sanctions. The United States should have the flexibility to recognize this, case by case.

Maintain operational flexibility. The USG needs to retain the flexibility to remove sanctions should Russian behavior improve or should a sanction generate unintended (and unwanted) consequences. The United States, for example, needs to be able to fulfill its commitment to remove most Ukraine-related sanctions should there be an agreement that restores effective sovereignty of the Donbas and Ukraine's eastern international border to Ukraine. (Crimea-

related sanctions should remain in place while Russia occupies Crimea). Given the limitations imposed by CAATSA, this could be a challenge. While the reasons for CAATSA giving Congress a voice in decisions to remove Russia-related sanctions are understandable, the precedent CAATSA sets could weaken the effectiveness of the sanctions tool altogether, because for sanctions to be effective the executive needs the flexibility to remove them.

The USG's sanctions licensing authority (administered by Treasury's Office of Foreign Assets Control) is not a sanctions loophole. It is, rather, a safety net that allows the administration to proceed with sanctions actions faster than it would without the ability to correct for surprises or unintended consequences. It needs to be protected.

LEAD AND HELP FIX THE FREE WORLD

I want to end with two larger thoughts: the power of sanctions depends on whether they are embedded in an overall policy that works, is credible, and is consistently expressed. Russia policy has been a challenge for this administration, especially given some of the president's remarks, including during his Helsinki press event with Putin last summer. Nevertheless, the administration has at hand significant tools, and through wise legislation the prospect of more, to advance a strong policy of resisting Russian aggression, defending US interests and values, setting the stage for better days to come. It needs to articulate such a Russia policy and mean it.

But there is more. A strong Russia policy should be linked to an American Grand Strategy, which recognizes that a rules-based world that favors freedom is in the United States' national interest. At our best, we have recognized that our interests and our values advance together or not at all. The United States was different from previous great powers, exceptional, if you will, because we understood that our nation would do well when, and only when, other nations also did well. We were not interested in merely guarding a sphere of influence, like other great powers of the past. Instead, in a breathtaking display of confidence and vision, we understood that we could make the world a better place and do well for ourselves in the process.

Putin, and likeminded nationalists and despots, stand instead for nothing more than power. We saw the results of such thinking in the first half of the 20th century. The United States can do better. In fact, when the United States' time to lead came in 1945 and again after 1989, we did do better. And so did the world. Despite our mistakes, inconsistencies, and downright blunders, the United States' leadership has generated the longest period of general great power peace in human history, alongside unprecedented global prosperity.

Past success gives us no basis for complacency. Our current problems are severe, some of our own making.

But at the end of our current national debate about the United States' purposes in the world, I hope and believe that we will recall the values and purposes which have propelled US world leadership and produced so much good for so many.

Mr. Chairman, Ranking Member McCaul, I appreciate the opportunity to appear before you to discuss these issues and look forward to your questions.

Chairman ENGEL. Thank you, Ambassador.
General Keane.

STATEMENT OF GENERAL JACK KEANE, U.S. ARMY, RETIRED, CHAIRMAN, INSTITUTE FOR THE STUDY OF WAR, AND FORMER ACTING CHIEF OF STAFF AND VICE CHIEF OF STAFF OF THE U.S. ARMY

General KEANE. Chairman Engel, Ranking Member McCaul, distinguished members of the committee, thank you for inviting me today to testify. I am honored to be here with my esteemed colleagues, Ambassador Nuland and Ambassador Fried. I want to thank the committee also for your leadership in establishing a broad bipartisan effort in the Congress in holding Russia accountable, particularly for a tough sanction regime.

The United States and our allies are facing a resurgent Russia to be sure that desires to change the international order that existed for 70-plus years, relitigate the end of the cold war, return Russia to the world stage as a global power, while challenging the American hegemon and increasing its own sphere of influence in a multipolar world. This sphere of influence, which is historically based, has grown rapidly in the last two decades to include Eastern Europe, the Middle East, South Asia, Latin and South America, Africa, and the Arctic.

I spent over a year on the bipartisan congressional Commission on the National Defense Strategy, and we found the NDS accurately describes the strategic framework we are facing today with a return of big power competition with Russia and China while confronting North Korea, Iran, and radical Islam. However, the Commission believes the execution of the NDS is less than satisfactory and we are at considerable risk if we were to fight a conventional war with Russia or China today. The risk is driven by the harsh reality that United States military capability and dominance has seriously eroded. 9/11 wars, budget reductions, and sequestration have enabled Russia and China to close the technology advantage that we enjoyed, and in some capabilities they actually exceed us.

You asked for some recommendations, Mr. Chairman, and I will mention a few, and certainly we can take on some more in Q&A.

First, we need to develop a comprehensive strategy to deter, confront, and engage Russia. The strategy should include ways, means, and ends to counter the Russian challenge, particularly the doctrine of hybrid warfare, which includes influence operations, election meddling, et cetera. It should be publicly endorsed by the President of the United States, using a whole-of-government approach, and developed in collaboration with our allies. That recommendation absolutely subsumes everything I am about to say in terms of its criticality.

The Russian hybrid war threat advantages doubt and confusion. Making a positive declaration statement puts Russia on notice. A suggested statement, quote: "The United States and NATO will regard the appearance of any Russian military forces, whether in uniform or out, and including private military companies, in any NATO member state as an attack defined by Article 5 of the North

Atlantic Treaty, and will come to the defense of the member States." Unquote.

Hybrid warfare is Russia's norm for applying force, influencing, and taking control, and the statement is just a step in the right direction in countering it. NATO, the world's most successful, enduring political and military alliance, which to date has prevented the calamity of another world war, NATO is an alliance that must be strengthened, as Ambassador Fried just mentioned, not just in terms of financial burden-sharing, but in specific military capabilities from each member that directly contributes to deterrence.

While there has been some improvement in forward-deployed forces in Europe, it is inadequate for a credible defense. Remember what we have learned through the cold war: to prevent a war, you have to be able to capably deter war. What is deterrence? Your adversary has to see the capability and he has know that you are willing to use it.

While European forces need to be increased, it is essential that the United States deploy a corps-level joint and combined headquarters and a division headquarters with two armored brigades, in addition to what we already have. This is not a return to the cold war where we had two corps, four divisions, close to 400,000 troops.

In Ukraine, Russia will try to manipulate the new, inexperienced President Zelensky, and, hopefully, not move him down the path of normalizing relations with Russia in order to get the Ukraine economy moving and to placate the oligarchs in getting Russian money. Europe and the United States must strongly engage Zelensky to support Ukraine's anti-corruption efforts and to strengthen their economic viability. And also, we need to help them add military capability.

The Middle East. The United States should persist in renewing its leadership role in forming a Middle East Strategic Alliance, MESA, to counter Iran and reduce Russia's influence. Publicize Russian atrocities in Syria and those it facilitates by the Assad regime in Iran. Move diplomatically to reduce Russia's influence in Egypt and in Libya.

And in Venezuela, Russia, who has made significant military and economic investments in Venezuela for years, is attempting to accomplish in the Western Hemisphere what so successfully they have done in the Middle East and Syria, prop up a repressive regime, which is an ally, and if successful, diminish U.S. influence in our own region. Russia, as part of its hybrid warfare doctrine, in January deployed 400 personnel from the Wagner Group, a private military firm that operates as a military unit. Their mission? Protect Maduro. Last month, Russia brought in actual military leaders and advisers to help with Venezuela's overall security. There is no doubt that these leaders are talking to Putin and his elites on a regular basis and they are in control of Maduro.

The reality is that I give the Trump team high marks so far in dealing with Venezuela. However, when Putin interfered militarily—and let's face it, he truly has—we should have responded not just with rhetoric, but with strong confrontation. What am I talking about? We should have told Putin that we are going to put increased lethal aid in his back yard in Ukraine. And a phone con-

versation with Vladimir should go like this, "Vladimir, you put military intervention into the Western Hemisphere. I am putting military aid into Ukraine. I am not going to stop it until you get out of Venezuela. You moved in there secretly; you can get out secretly. I do not need to talk about it publicly." And also expose the fact that Putin, in violation of the U.N. resolutions that he supported, is providing economic assistance to North Korea on a regular basis.

Mr. Chairman, I am out of time, but I just want to mention two more recommendations.

One, the most important issue for this committee is keeping the sanctions on Russia. They help to deprive Putin of the resources he needs to build his military to conduct major offensive operations, major conventional operations. Excuse me. They also help with his hybrid warfare threat, to deprive Putin of the resources to buy influence in other countries. So, continue to sanction additional oligarchs and entities involved in illegal activities.

On human rights, one of the best pressure tools available, given Russia's obvious and continued pushback on it, the President should speak to this issue personally and hold Putin accountable. Reagan demonstrated that personal diplomacy with Gorbachev was still effective, despite Reagan's identification of the Soviet Union's human rights abuses.

In conclusion, countering Russian aggressive requires steadfast American leadership in collaboration with our allies to establish a credible deterrence to war, the courage to confront aggression, and the openness to continue to engage Russia on issues of mutual benefit and concern. Certainly, nuclear disarmament is at the top of that list. Despite the progress made in countering Russia, there is much more work to be done, particularly in developing a comprehensive strategy to counter the Russian advance.

Mr. Chairman and Ranking Minority Member McCaul, I thank you for permitting me to testify today and I look forward to questions.

[The prepared statement of General Keane follows:]

Testimony

United States House of Representatives
Committee on Foreign Affairs

By

General John M. Keane, USA (Ret)

on

Countering a Resurgent Russia

1000 hours, 1 May 2019

2172 Rayburn House Office Building

Chairman Engel, Ranking member McCaul, distinguished members of the Committee, thank you for inviting me to testify today. Am honored to be here with my esteemed colleagues, Secretary Nuland and Ambassador Fried to discuss such a critical national security and foreign policy challenge.

RUSSIA'S STRATEGIC IMPERATIVES AND GOALS

Given my background and that of my colleagues I thought it may be useful to the committee if I offered some remarks on the national security and defense challenges that the US and our allies are facing in countering a resurgent Russia that desires to change the international order that has existed for 70 plus years, relitigate the end of the cold war, return Russia to the world stage as a global power while challenging the American hegemon and increasing its own sphere of influence in a multi-polar world. This sphere of influence, which is historically based, has grown rapidly in less than 2 decades to include Eastern Europe, The Middle East, South Asia, Latin and South America, Africa and the Arctic.

Russia as the world's largest land mass nation has no natural geographic barriers such as oceans, mountains or deserts. As such Russia has always sought to provide security by territorial expansion of its borders. Given that a Frenchman in the 19th century set Moscow on fire and a German in the 20th century came within 30 miles of Moscow, the Kremlin has always desired a strategic buffer to the west. After the unexpected collapse of the Soviet Union with the catastrophic loss of Eastern Europe, most of it shockingly migrating to NATO, Russia is pre-occupied with returning that strategic buffer by weakening the transatlantic alliance and, if possible, eventually breaking it. It explains the aggressive intimidation and coercion campaign in the Baltics and other Eastern European aligned countries and the territorial expansion into non-aligned Georgia, Crimea and Eastern Ukraine.

Equally disturbing is Russia's bold and systematic assault on the European and American democracies by meddling in national elections to undermine the peoples' confidence in their political system. Certainly the aftermath of the 2016 American election meddling resulting in countless investigations and causing deep political divisions in the US, has likely exceeded Russia's original expectations.

Russia's intervention in Syria in the fall of 2014 was the first out of region operation in 39 years since the invasion of Afghanistan. While the Iranians pressured Russia to intervene, Putin saw it as a significant strategic opportunity to replace the US as the most influential country in the Middle East. Russia saw the US unwilling to engage in Syria in any consequential way, and after the US abandoning Mubarak in Egypt during the Arab Spring in 2010, withdrawing from Iraq in 2011 and not assisting the newly elected regime in Libya that replaced Qaddafi, Putin recognized the value and obvious contrast with the US, in Russia coming to the aid of an ally in propping up the Assad regime. The leaders of the Middle East now all take Russia into consideration as a strategic player to include Israel which has not participated in the sanctions against Russia. Most Arab states are executing arms deals with Russia as a hedge against Iran who is Russia's political and military ally. Turkey is purchasing Russia's most sophisticated air defense system the S-400 and Russia is building multiple nuclear power plants in Turkey, Egypt and developing plans for Jordan.

ASSESSMENT OF US NATIONAL SECURITY/DEFENSE STRATEGY

I was a member of the Congressional Commission on the National Defense Strategy for over a year appointed by the late Senator John McCain, and we rendered a report to the Congress at the end of 2018.

The Commission agreed with the National Security Strategy (NSS) and the National Defense Strategy (NDS) which identified a strategic framework that is complicated and challenging in facing a return to big power competition with Russia and China while confronting North Korea, Iran and radical Islam. However, the Commission believes the implementation and execution of the NDS is less than satisfactory.

Compounding this challenge is the harsh reality that US military capability and dominance has seriously eroded. The 9/11 wars and defense reductions which began as the wars were winding down contributed to Russia closing in on the technology advantage that the US enjoyed since the collapse of the Soviet Union (precision guided munitions, space based technology, stealth, offensive and defensive missiles etc) and in some areas they have advanced beyond the US (electronic warfare, anti-ship missiles, long-range artillery, improved strategic and tactical nuclear weapons etc).

Russia was stunned by the US conventional dominance in the first Gulf War in liberating Kuwait in 1991 displaying a sophisticated integration of air and ground forces and once again a decade later in the liberation of Iraq in 2003 in decisively overwhelming Iraq's forces. While Russia recognized they had to avoid a conventional confrontation with the US they needed improved military capability to support their strategic and geopolitical goals. They developed two strategies:

1. Conventional Warfare – Build military capacity that is asymmetric and defensive to deny US and NATO air and maritime power the ability to penetrate Russian defenses. The so-called anti access, area denial. Once NATO use of air power to include cruise missiles is ineffective then NATO loses air superiority and the NATO ground forces are vulnerable in a way not seen since WWII. Also, given

the US is an ocean away from the conflict requiring a major strategic deployment, then deny the US a permissive deployment which the US executed successfully in the Gulf Wars and in Afghanistan. Russia plans now to conduct aggressive cyber attacks against US homeland critical infrastructure and military units in the US during the pre-deployment and deployment phases as well as kinetic interdiction of the strategic deployment.

2. Hybrid Warfare – New doctrine designed to operate below the level of conventional conflict by conducting massive disinformation campaign against adversaries, their allies and the Russian people. Introducing special operation forces to create fake unrest or accelerate the unrest among the civil population requiring the introduction of force, disguised as non-Russian. All designed to paralyze opponents into not making a decision to intervene until it is too late. This form of warfare is now the norm, given its success in Crimea and Ukraine and it is what Russia practices during its exercises along with the introduction of conventional capability.

The Commission concluded that in a war with Russia in Europe, US/NATO forces would take casualties to personnel and high value assets that we have not seen in many decades and that indeed we would struggle to win. The Chairman of the Joint Chiefs and the Joint Chiefs sounded the alarm in 2017 that the US is at risk in a conventional war with Russia. The Commission also concluded that the US does not have a comprehensive strategy to confront hybrid warfare which requires a major inter agency effort to succeed in cooperation with our allies.

COUNTERING A RESURGENT RUSSIA: RECCOMENDATIONS

- Develop Comprehensive Strategy: The US and our allies should develop a credible capability to DETER Russia, the moral courage to CONFRONT Russia

despite the legitimate concern over escalation and the willingness to ENGAGE Russia to find common ground with mutual benefits to national interests. The strategy should articulate the ways, means and ends to counter the Russian challenge and it should be publicly endorsed by the President, using a whole of government approach and developed in collaboration with allies.

- Declaratory Policy: The hybrid war threat advantages doubt and confusion. Making a positive declaratory statement puts Russia on notice. "The US/NATO will regard the appearance of any Russian military forces whether in uniform or out and including private military companies, in any NATO member state as an attack defined by Article 5 of the North Atlantic Treaty and will come to the defense of the member state."

- NATO: The world's most successful, enduring political and military alliance which to date has prevented the calamity of another World War. It is the bastion of the most advanced democracies on the planet who collectively have created unparalleled prosperity for its citizens while upholding individual freedoms, equal rights and democratic values. NATO as an institution and as an alliance must be strengthened not just in terms of financial burden sharing but in specific military capabilities that directly contribute to deterrence. Nations should be asked by NATO leadership to provide capabilities that add real value to collective deterrence and are not unnecessarily redundant.

- Forward Deployed Forces: While there has been some improvement in forward deployed forces in Eastern Europe, namely the Baltics and Poland it is inadequate for credible deterrence. While European forces need to be increased it is essential that the US deploy a corps level joint and combined headquarters with corps level enablers, a division headquarters with two combat brigades and their

enablers. This is not a return to the Cold War force levels where there were two US corps level headquarters and four US divisions.

- Ukraine: Russia will try to manipulate the new, inexperienced President Zelensky who may move down the path of normalizing relations with Russia in order to get the Ukraine economy moving forward and to placate the oligarchs in getting Russian money. US and Europe must engage to support Ukraine's anti-corruption efforts and to strengthen their economic viability and military capability and, in general, encourage a close alignment with the West.

- The Middle East: The US should persist in its leadership role in forming The Middle East Strategic Alliance (MESA) to counter Iran and reduce Russia's influence. Publicize Russian atrocities in Syria and those it facilitates by the Assad regime and Iran. Move diplomatically to reduce Russia's influence in Egypt and Libya.

- Venezuela: Russia who has made significant military and economic investments in Venezuela for years is attempting to accomplish in the Western Hemisphere what was successful in the Middle East in Syria; to prop up a repressive regime which is an ally and, if successful, diminish US influence in its own region. Russia in January deployed 400 personnel from the Wagner Group, a private military firm that operates as a military unit. Their mission is to protect Maduro. Last month Russia brought in actual military leaders and personnel to help with Venezuela's overall security and to repair the Russian missile defense systems. The Trump team should respond with more than rhetoric by increasing the lethal military aid to Ukraine (in Russia's backyard) and expose the economic assistance Russia is providing to North Korea in violation of the UN resolution which Russia supported.

- The Arctic: As climate change opens northern Arctic shipping lanes and specifically the Northern Sea Route (NSR), Russia is reopening 7 military bases in the Arctic and is spending billions to dominate the region, control the NSR and tap the colossal hydrocarbon reserves that lie beneath. Russia has the only nuclear icebreakers rapidly expanding to nine with scores of conventional icebreakers while the US has one conventional icebreaker. During the summer the NSR is now open for 3 months given the reduced ice cap and it is predicted to gradually expand by days and weeks. Trafficking the NSR requires an icebreaker and is 40% faster from Europe to China than the Suez Canal, dramatically reducing fuel costs and carbon emissions. The US is expected to release a new Arctic strategy this summer to describe how best to defend US national interests and support security and stability in the region.

- Sanctions: The most important issue for the Committee is keeping sanctions on Russia. They help with the conventional threat because they continue to deprive Putin of resources he needs to build his military to conduct major conventional operations. They help with the hybrid threat to deprive Putin of resources to buy influence in other countries. Continue to sanction additional oligarchs and entities involved in illegal activity. Ban US financial institutions from acquiring new Russian sovereign debt.

- Human Rights: One of the best pressure tools available given Russia's continued pushback. The President should speak to this issue not just the national security team and hold Putin accountable. Reagan demonstrated that personal diplomacy with Gorbachev was still effective despite his identification of human rights abuses.

In conclusion, countering Russian aggression requires steadfast American leadership in collaboration with our allies that establishes a credible deterrence to war, the courage to confront aggression and the openness to continue to engage Russia on issues of mutual benefit and concern. Certainly nuclear disarmament is at the top of the engagement list. There is much more work to be done in developing a comprehensive strategy to counter the Russian advance despite the progress made. Thank you and I look forward to your questions.

[Applause.]

Chairman ENGEL. OK, you brought your own cheering section.

Thank you very much.

While I know that my colleagues in the Senate are at this moment questioning Attorney General Barr about the Mueller report and Russia's interference in our own elections, I am concerned about the relationship between the President and Vladimir Putin and what that means for our foreign policy vis-a-vis Russia.

Ms. Nuland, in your statement you noted that "our greatest challenge in countering the resurgent Russia is the lack of leadership, unity, and consistency in the United States in managing relations with Moscow."

So, I would like to ask the witnesses to address how President Trump's leadership on a series of issues have, I believe, undermined our response to Russia. First of all, I am concerned that President Trump's stated plan to withdraw from Syria essentially cedes the ground to Russia and other nefarious actors such as Turkey, and rewarding Putin's military intervention in Syria appears to have only emboldened him to act in Venezuela, as we saw yesterday.

So, let me ask, starting with Ms. Nuland, how concerned are you that Putin feels free to intervene in a growing list of countries?

Ms. NULAND. Chairman, I agree with you, and as I said in my statement, when we are unclear, when we are not strongly led from the Presidential level, that is the time for adventurism by Moscow. We have seen that in past decades and we see it now.

And I do not think that this began with President Trump. I think we have been ambivalent about our leadership role for some time, including in Syria. But there have also been enormous opportunities missed by this administration.

I will start, as you did, with Syria. When the administration redoubled force to clean out ISIS in Raqqa, that would have been the moment to redouble diplomatic pressure on Russia for a lasting settlement that would have kept Iran out and given the Syrian people an opportunity to choose their own path. And we squandered that.

Similarly with regard to Ukraine, we had an opportunity when Russia moved in the Azov Sea to put passive naval monitors into that sea and protect the entire literal from the Azov into the Black Sea and into the Med, and we missed that opportunity.

With regard to disinformation, Putin has understood that he presented the greatest national security challenge to U.S. freedom and democracy perhaps since the Cuban Missile Crisis, and we are inchoate and unclear in the way we are responding. And the statements by the President have all been about the linkages to his own legitimacy rather than the threat to U.S. national security. I would hope that the lesson from the Mueller report will be that it is time to turn the page and protect America now.

Chairman ENGEL. Thank you.

Second, President Trump seems to find common cause with certain autocrats, right-wing autocrats, in Europe, people like Viktor Orban of Hungary, who frequently supports Russia and serves as Putin's Trojan Horse in Europe. And this extends to Turkey, as I mentioned before, where we must not accede to President Erdogan's purchase of the Russian S–400 missile system, which

will be disastrous for U.S.-Turkey ties. The procurement is a grave concern because it would undermine NATO interoperability and potentially give Russia critical technical insights into the F–35 fighter, which Turkey helps build and is planning to operate. It would also likely trigger sanctions against Turkey under Section 231 of CAATSA. We have made a last-ditch effort to convince Turkey to cancel the deal, offering the Patriot missile system instead.

Let me ask, what other levers can the United States use to show Turkey that it is headed down the wrong path and that cozying up to Putin is a grave mistake? If anyone would like to answer that one?

General KEANE. Well, I certainly agree that Turkey acquiring the S–400, the most advanced air defense missile system in the world, is certainly contrary to our national interests, and particularly given the fact that I think you recognize that Turkey is part of that multinational group that is actually manufacturing the F–35. And you put those two together, and clearly, Russian technicians and intelligence personnel would have access to the stealth technology that the F–35 represents as a major U.S. penetrator. So, clearly, we have to push back on this and push back on it strongly.

I also want to say something that you mentioned before, Mr. Chairman, about Syria. Russia saw the opportunity in Syria because we were not taking any consequential action to do anything about it, frankly. We had abandoned Mubarak as a result of the Arab Spring in 2010. We pulled out of Iraq in 2011. We had a leader elected to replace Gaddafi, and all he wanted was some help to put down the militias that helped to overthrow Gaddafi, knowing they would overthrow him. And we refused him.

As a result of that, Putin correctly assumed that the United States' normal leadership role in the Middle East had largely been abandoned, and he moved into Syria and conducted a tactical operational move with huge strategic implications for it. Every Arab country is now doing arms deal with him, and he is proliferating the building of nuclear power stations in the Middle East as well.

And I believe our policy is uneven in this response. Certainly, the issue over Syria was not handled very well. We had made a commitment to stay in Syria I think for two reasons. The stated purpose was dealing with ISIS and make certain it does not reemerge, and certainly to counter the Iranians' influence in Syria, which is encroaching on Israel. And to suggest that we would just summarily pull out of Syria and abandon those two goals clearly was not in U.S. national interest. Fortunately, the President listened to advisors and was able to readdress that decision, and at least for the time being we are remaining there.

But the unevenness of the policy I think creates doubt in the minds of our allies and, also, in the minds of our adversaries about the United States' determination to provide a leadership role in the Middle East, which I think is critical to U.S. national interests.

Chairman ENGEL. Thank you, General. I absolutely agree with your statement. I think you hit it right on the head.

Mr. McCaul.

Mr. MCCAUL. Thank you, Mr. Chairman.

I think we both agree on Syria, and I think Turkey, a NATO ally, buying Russian S–400's is so contrary to the NATO doctrine. I go

back to Reagan, Ambassador, you talked about, Churchill, Kennedy. You know, weakness invites aggression. If we leave a power vacuum in the world, and we do not lead, others will lead and they will follow. And that is kind of the primary premise. I think that is a problem in Syria. I think it is a problem with Turkey.

You know, Reagan had deterrence, and that is why Gorbachev and Yeltsin came to the table and we had Perestroika. And we were able to actually have a conversation with Russia.

Putin is a very different animal with a very different profile. I think he views, and if I had a behavioral scientist, he would say, or she, that he views them as traitors to his country, that they betrayed the glory of the old Soviet Empire.

So, my question is, I mean, how do you deal—and I could talk about cyber forever and the cyberattacks going on—how do you deal with a personality, and that is what we are dealing with, who is leading his country, I think, in the wrong direction? But how do you sit down and do what Reagan did with Gorbachev and Yeltsin when you are dealing with a mindset that goes back to the KGB, and he wants to become Stalinesque? I think it is very, very difficult.

And then, General Keane, I have one question for you after that. But if I could ask the panel that question? Yes?

Mr. FRIED. Mr. McCaul, I agree that Putin is leading Russia in a bad direction, bad for us, bad for Russia's neighbors, but also bad for Russia and the Russian people. Russian history suggests that authoritarianism at home goes along with aggression abroad, and that Russia turns to reform and modernization at home usually when their foreign aggression fails. That is a rough—that is not a precise rule. But the best way to get to a better Russia is to counter the aggressive Russia we now see.

Gorbachev had to turn inward toward reforms because Brezhnev's aggression in Afghanistan, and elsewhere around the world, was seen to be failing. And then, we had the most hopeful period we have had since before World War II. Because Reagan was able to resist the Soviet Union's aggression abroad, we were able, then, to turn and help a genuine reformist Soviet leader. Now it did not turn out as we hoped, but the general pattern is there.

I do not believe that Russia is destined by virtue of its history to be our adversary forever. It is now, but we can get to a better Russia if we are realistic about the Russia we have got now. We should not do dirty deals with Putin, sell out Ukraine, recognize his sphere of influence, none of that. We should be true to our values and confident that, if we are, we raise the odds of a better Russia we can deal with, and we should not rule out that possibility. I think your question is right.

Mr. MCCAUL. Thank you.

Ms. NULAND. I would agree 100 percent with that. I would simply add that Reagan also made Kremlin adventurism extremely expensive, whether it was having to match our own deterrence and arms buildup, whether it was playing directly to the Russian people about the human rights abuses and failures of their own country, thereby stirring up an appetite for change or, as Ambassador Fried said, supporting those countries that faced Russian aggression strongly.

I have had—I am looking for the verb—the privilege of being in the room with President Putin five or six times over the period of 2015–16 on U.S. delegations. He is a highly transactional player, and the entire conversation is usually about what it is going to cost me and my friends if I do not work with you and how serious are you about the opportunity. So, this is a relationship that needs to be thoughtful or from a position of extreme strength and collaboration with our allies, but also with a clear path forward.

Mr. MCCAUL. So, General Keane, you mentioned Russia in our hemisphere. I do not think we have seen anything like this since the Cuban Missile Crisis you mentioned. They have defense systems in Venezuela. They, by all accounts—and we talked to the Secretary this morning-stopped Maduro on the tarmac from leaving Venezuela to go to Havana because it is in their best interest to have Maduro in power.

What is your take on that? I am very interested in your policy response to that. And that is the transactional nature, Ambassador Nuland, you mentioned. And that is, if you do this, if you go forward in the Western Hemisphere, what I worry about is you are going to say, "Maduro, we are going to prop you up if you give us the military port in Caracas," strategic military port in Caracas. And your response is we are going to put more lethal aid in Ukraine?

General KEANE. Yes, I mean, this is a serious strategic issue that is taking place here. The framework for it is certainly Russia, China, and Iran, Turkey to a lesser degree, are supporting communist and socialist regimes that are not in the interest of the United States, and that is Venezuela, Nicaragua, and Cuba.

This administration I believe has taken an action to push back on that, and I applaud them for doing it, not just dealing with Venezuela, but recognizing what the strategic framework truly is. In reference, Putin and China have both made significant investments in Venezuela for their own self and national interests, and they are about protecting that. But, for Putin, it is much more than that. This is a strategic move on his part into the Western Hemisphere, no less than his strategic move into the Middle East and using Syria as the vehicle of opportunity. And that is what he sees here.

And he is using the same doctrine in a sense to do that. In the Middle East, he brought in a modest amount of military capability to achieve a strategic goal, because the Arabs all saw Russia standing up behind an ally in the region, at the expense of the United States who had failed to do that on a number of occasions just prior to that, and also failed to stand up significantly for the Syrian modern opposition forces which wanted to overthrow the Assad regime. So, that was a clarion call there.

And the benefit he achieved out of that has encouraged him to take this other step in the Western Hemisphere. So, make no mistake about it, even though he is using hybrid warfare, 400 military personnel, the Wagner Group—by the way, that is the same group that was in eastern Ukraine. That is the same group that we killed a couple of hundred of in Syria. That is the same group that is in Africa. He brought them in here for one reason only, to successfully prop up this regime. And then, he brought his advisors in here, and

he has got highly qualified military and political advisors who are shoring up the Maduro regime.

So, when the secretary of State says on national television, international television I would suggest, that Maduro is about to leave and Russia is calling the shots, about the same time Russia was having a national security meeting, is words for it. You know that Putin was told by his advisors that he is talking to on a regular basis what the actions were, and he is telling them, "Hold him. Hold him, even if you have to do him at gunpoint. Do not let him get out of there."

And when Ambassador Bolton is talking about the three leaders, which was unprecedented to see the National Security Advisor of the United States on international television calling out the Defense Minister, the Chief Justice of the Supreme Court, and the head of the Presidential Guard for not complying with the weeks of effort that the United States diplomats had put into getting them to turn against Maduro, and calling them out for failure to do that is really extraordinary.

While the Cubans have 20,000 goons in that country conducting paramilitary operations and killing the Venezuelan people, it is Putin who is impacting on the political control of that regime for their own national and self-interest, and the stakes are high because this is the Western Hemisphere.

Chairman ENGEL. Thank you, General.

Mr. Sherman.

Mr. SHERMAN. Thank you.

I will pick up on what Ambassador Nuland, that we have got to make adventurism expensive. And the greatest adventurism of this administration, of the Putin administration, was not to tamper with the territory integrity or sovereignty of Georgia or Ukraine, but rather, and boldly, to tamper with the democracy and the sovereignty of the United States. The U.S. intelligence has said unambiguously that the Russian Federation interfered with the 2016 Presidential election. And so far, our only response, the only pushback we have had, is we have identified a few Russian individuals who will not be able to visit Disneyland. They will not get visas. That is it.

And so, which of the witnesses would agree that we should, in response to their interference with our sovereignty, prohibit U.S. persons from buying Russian sovereign debt? I just need a yes/no. I only have time for a yes/no.

I see a yes from General Keane, a yes from Ambassador Fried, and a yes from Ambassador Nuland. Sounds like a good bill.

General, I am sure that is it never a good military strategy to only have a defense and not have an offense. Should it be the policy of the United States to use our intel resources to discover, document, and publish the private communications of Putin, his government, and the oligarchs around him for the purpose of showing to the Russian people their theft, their crime, and their corruption? Again, I will ask for yes/no answers.

Ambassador Nuland.

Ms. NULAND. As I said in my statement, I do not know if I would phrase it exactly the way you did or speak in public about precisely

what we would do, but certainly Putin's greatest vulnerability at home is——

Mr. SHERMAN. Well, since we have done nothing yet, Congress would have to establish our policy. We do not have a secret way to do that.

Ms. NULAND. Well, Congress has been doing a good job holding the line on policy. We commend you.

My point would simply be that I think that we need to make sure the Russian people understand that they are being ripped off by their own government.

Mr. SHERMAN. We have done nothing to accomplish that goal with the executive branch making the decisions. So, either the Congress requires that by statute, and there is no secret way to do it, or we continue the policy of having a dozen people not able to visit Disneyland.

Ambassador Fried?

Mr. FRIED. I think one of the best pieces of the CAATSA sanctions legislation was the Congress' demand for a report of Putin's power structure. And it was called "The Kremlin Report," identifying those cronies close to Putin. That really rattled Moscow——

Mr. SHERMAN. But not nearly as rattled as they were by the Panama Papers.

Mr. FRIED. Right.

Mr. SHERMAN. And if we could show pictures to the Russian people of the theft that has gone on, we can do a lot.

I want to move on to another question, and it is really a question for all my colleagues here, because we are all part of political organizations. We saw in the last election that a foreign hostile power was able to obtain allies in the United States to provide information that was used. In this case, the NRCC took the information stolen by the Russians and made use of it in their campaign materials. And so, I would hope each of us, for the record, would answer the question, will we for our own campaigns, for organizations that we support, insist that campaigns not make use of materials stolen by hostile adversaries? I will ask everyone to respond to the record for that, since I cannot get answers from my colleagues.

But if this committee cannot set the example and say, "We do not want to benefit from the theft of information by foreign adversaries," then we are going to have a tough time.

General Keane, you were with IP3. That is viewed as a spinoff of ACU, which was trying to get the Saudis to buy both Russian and American nuclear programs or power plants. Should we support selling Soviet reactors or Russian reactors to Saudi Arabia? And I do not know if you have or not.

General KEANE. No, that is not an accurate characterization. But I got involved with IP3 simply, as with three other foreign national security experts, simply for one reason, because the Middle East was going to go nuclear with 40 nuclear power plants and Russia and China was going after that.

Mr. SHERMAN. General, should we draw the line and tell the Saudis——

General KEANE. Absolutely——

Mr. SHERMAN [continuing]. No nuclear weapons, no nuclear program——

General KEANE. Of course not.

Mr. SHERMAN [continuing]. Without adequate safeguards. We drew the line for Iran and we told them they could not. Why not——

General KEANE. I am trying to say, Mr. Congressman, we got involved in this to prevent that from happening. We got involved in it because we did not want any nuclear proliferation, and we got involved in it because we knew they would not know how to secure it.

There is no——

Mr. SHERMAN. So, would you support turning to the——

General KEANE. There is no industry that is more regulated than that. The one——

Mr. SHERMAN. General, I am going to reclaim my time and ask you, should we insist that, before Saudi Arabia goes with nuclear power plants, that they sign the additional protocol, agree to the gold standard limitations, and make sure that they are not using it as a front for developing nuclear weapons?

General KEANE. Absolutely, because there is no doubt the United States policy, and everybody I know who is supporting it, whether it is Saudi Arabia or any other country in the world, they have to sign a 123 Agreement. The government has to before any commercial entity can work with them to establish nuclear power, not nuclear weapons, because we do not want that proliferation. And Congress has oversight of the 123. You are going to have the say about it.

Mr. SHERMAN. Our say on 123 Agreements is too weak, and we have legislation to make that say stronger. But my time has gone on. And I agree with you, we need tough controls.

Thank you.

Chairman ENGEL. Thank you.

Mr. Smith.

Mr. SMITH. Thank you very much, Mr. Chairman.

Thank you all for your testimony and for your leadership, each and every one of you.

Let me just ask, Ambassador Nuland, hindsight is 20/20, and I think you made a very powerful statement about how Ronald Reagan set the gold standard for policy leadership vis-a-vis the Kremlin, and I agree with that. But, frankly, I lived through that. I have been on this committee since 1983. I got elected in 1981, 1980; took office in 1981. And Ronald Reagan was branded a warmonger when he responded to the Soviet Union's aggression and buildup with Pershing II missiles and with cruise missiles. He was branded a warmonger. And I sat on this committee. We had one debate after another. And yet, in hindsight looking back, peace through strength made a huge difference in terms of outcome. Even when he walked away from Reykjavik, he was branded by especially Members of the U.S. Senate in a very, very pejorative and very negative way by those individuals.

Even when I traveled to the Soviet Union, my first trip on human rights on behalf of Soviet Jews, 1982, in January, the delegation members kept mocking Ronald Reagan in the presence of Kremlin leaders saying, "Do not worry, he will be gone in 1984. He

is a grade B actor. And then, you can work with people that will work with you."

So, I do think that Donald Trump needs space. Now that the Mueller report said there was no collusion, he needs more space, I think, to operate within and to be strong. And, of course, what is happening in Venezuela is another clear example of a manifestation of Russian power. We saw it during the Reagan years with the FMLN and the Sandinistas operating through Cuba again. And again, that was branded as very negative as well. So, my hope is that there will be more space for the President to act decisively on behalf of American and Western interests.

And you even said, Ambassador Nuland, that we need to respond to INF Treaty violations with advanced conventional deployments, and I agree with you. Peace through strength is the only way we are going to get from here to there.

Let me also ask you, if you could, all of you, Poland has come forward—and, Ambassador Fried, you made mention of this, called it a worthy initiative. They have offered to put up $2 billion for a permanent base there as a deterrent. And as you pointed out, the purpose of deployments is deterrence, and I think that buys a tremendous amount of deterrence. I met with President Duda and others; and they are very serious. Again, they are willing to put up real money. You might want to speak to that. It is very, very important.

We also say that, when it comes to Africa—and, General, thank you for again bringing up the Wagner Group. Just yesterday, we had a hearing with Karen Bass in our subcommittee on CAR. And we know the Wagner Group is very active in CAR. They are facilitating the fleecing of that country of very precious metals. And, of course, they are bypassing the arms embargo imposed upon CAR, and the Russians are the ones that are bypassing it. And the U.N. peacekeepers are not doing, I believe, a good job in trying to stop that.

Equally important is that Russia, since sanctions were rightfully imposed after the annexation of the Crimea in 2014, 19 have signed on with Russia for agreements. Most recently, Burundi, Guinea, Burkina Faso, Madagascar now have cooperation agreements for weapons and training. So, again, the Russians are, in a nefarious way, spreading their tentacles, like the Chinese are doing, throughout Africa and the world. And we are seeing it, of course. So, we have a mega-threat with Russia.

That said, one final comment, we do have to find places of cooperation, as you said, Ambassador Nuland, in the area of carrots. One carrot that I think we need to use now, and aggressively, is to work with them on mitigating the scourge of human trafficking. I am the prime author of Trafficking Victims Protection Act of 2000. And after that was enacted, President Bush—W. Bush—went ahead and did some great work with the FSB in trying to combat the buying and selling and the commodification of Russian women who were being sold in New York, being sold in northern New Jersey, all over the country, especially being sold in Russia. So, my hope would be that that would be an area where we could work in a cooperative way to protect those Russian women who are being

so cruelly exploited. It would be a carrot, Ambassador. So, any comments, please?

General KEANE. I am glad you brought up Africa because Russia clearly is moving rapidly into Africa. They are interested in strategic bases in the Med, in Libya, also at the Red Sea, in Eritrea, and Sudan. They are expanding their military influence across Africa with security agreements, with arms sales, and with training programs. You mentioned the Central African Republic. Also, in Libya, Egypt, Algeria, and the Sub-Saharan. And they are also seeking new economic markets in energy resources, and Russia has major oil and gas interests in Algeria, Angola, Egypt, Libya, Senegal, South Africa, Uganda, and Nigeria. There is no doubt that they see Africa clearly as a sphere of influence for them, much as China does.

Our commitment to Africa is very modest, to say the least. We have about a thousand civilians working there and about 6,000 military there. And obviously, the State Department has the lead on Africa, but it is something we truly have to look at to see if our resources that we are applying is in our interest, given the geopolitical interest that China and Russia both have in Africa.

Chairman ENGEL. Thank you very much.

Mr. Meeks.

Mr. MEEKS. Thank you, Mr. Chairman.

And thank you. Hi to all Ambassadors and general.

Sometimes it seems funny, Mr. Chairman, anytime we are talking about Russia on the other side, I look and say, where is Dana Rohrabacher?

Chairman ENGEL. I think he used to sit in your seat, Mr. Meeks.

Mr. MEEKS. And the reason why I say that is, just sitting here and I was listening to some of the testimony in my office, actually, and thinking through my time here in Congress. When I first came in, my thought was Russia was a big, growing country post-the cold war; things should change. We were more interdependent now with other countries around the world, and we were looking to talk about getting rid of Jackson-Vanik, so that we could have a better relationship. Things seemed to be moving a little bit better at that time.

And then, actually, former President Barack Obama had an open mic talking to Medvedev, and he says, "After the election, we will talk a little bit more." And then, we end up, starting with the Obama Administration, where we are now.

So, it seems to me that, when it comes to counting Russia, it is difficult to prioritize where we should direct most of our efforts because in some instances it appears as though Russia is taking the shotgun approach to foreign policy, that they are shooting out anything that they can do, basically, to undermine the United States and its allies. And they try to see what sticks. They just throw something out against us and see what might stick against the wall. Other times, however, it seems like Russia is operating with a coherent strategy that is being directed from the top.

So, I will start with Ambassador Nuland. In your opinion, does Russia have a coherent strategy for achieving its foreign policy goals? And does it have a specific end game that it is trying to reach? What are you thoughts on that?

Ms. NULAND. I think President Putin initially, as he said in 2005, sought to restore the glory and spheres of influence of the Soviet Union, but now his appetite has grown with the eating. And as I said in my testimony, he believes we are weak and he can exploit our divisions. He believes we did not respond with the kind of strength he would have expected, whether it was in Syria or Ukraine or against the INF Treaty violations, or now in Venezuela. And therefore, as you said, he will take any target of opportunity to exploit and accrete into those spaces where we are not, whether it is undercutting democratic development in the Balkans, an area that the chairman and I have worked on a lot together, with corruption and those kinds of things; whether it is aligning with China on digital aggression and other things.

So, I think he has a very coherent strategy. He wants to make the world safe for autocracy, and not just safe for it, but to make that an alternative governance model. And he wants to do that, in part, to stay at power at home because he is not offering his own people better schools or better hospitals or a better economy. He has to only offer them this illusion of glory.

So, it is both a defensive and an offensive strategy for him, but he is not a thousand feet tall. You know, Russia has a GDP the size of Italy and three times the population and five times the land mass. We just do not have our act together, and we need to get our act together and be stronger at home, stronger with our allies, and roll it back. And I think we can, and give the Russian people another set of choices and call them to question whether they are actually living better in this system that he has offered.

Mr. MEEKS. Ambassador Fried.

Mr. FRIED. I agree with what Ambassador Nuland said, and I would like to build on it. Putin is an opportunist and his theory of autocrats can make progress because we have pulled ourselves out of the game. We need to remember that our strength was derived from our association and leadership of the free world. That is, we understood that values and interests ultimately were the same. That was our big strategic breakthrough decades ago, and we need to remember this.

Because when we are spending—the Trump administration is right that we have reentered a period of great power rivalry, but, then, for God's sakes, let's align ourselves with our friends, the better to deal with our adversaries. We waste too much political capital in ideological fights with the European Union. The European Union can be a headache, but they are not our problem. They are not a strategic rival. We need to align ourselves with our friends on behalf of our values, and when we start doing that, we can push back most effectively against Putinism. Because, as Ambassador Nuland said, he offers power and not betterment of his own people. And we won the cold war when it became clear that the Soviet Union offered nothing but chaos and poverty, and that to its own people. We need to get back at that vision of ourselves.

Mr. MEEKS. Thank you. I am out of time.

Chairman ENGEL. Thank you, Mr. Meeks.

Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

I thank each of you for being here today.

Ambassador Fried, with your background, having been Ambassador to Poland, the question that Congressman Smith had proposed relative to our association with that NATO ally, can you expound on this?

Mr. FRIED. Happily. I spent many years in Poland. The Trump administration is right to be talking with the Poles about increasing the U.S. military presence there. It is not just a bilateral deal. We need to do this within the NATO framework, and the Poles understand this. I should add that this is bipartisan in Poland. The government supports it. It is a conservative government. The liberal opposition supports it. I have asked them.

This is the right thing to do, and it needs to be taken out of—our military presence in Poland needs to be put in a context of the united West, NATO, the U.S. and the EU, standing for our values of democracy and defending NATO allies. This is the right thing to do. I appreciate what the Trump administration is doing. I hope they close the deal. I really do.

Mr. WILSON. Thank you very much.

And, Ambassador Nuland and General Keane, in line with Congressman Meeks, the interference or strategy of Russia to interfere in elections, with the most recent elections in Ukraine, what is your assessment of the interference and did it have an outcome? Ambassador Nuland?

Ms. NULAND. Well, interestingly, in the latest Ukrainian elections, the Russians had almost no influence. They did not have a candidate. As you saw, the outsider won an overwhelming majority all across the country, in part, because the citizenry does not think that there has been enough change in the anti-corruption side and saw the other candidates as representatives of the old guard.

So, it is interesting to watch Moscow unsure how to work with President-Elect Zelensky. I think we need to offer Ukraine strong, strong support and get in there with Zelensky when he sits, and encourage further reform, particularly on the anti-corruption side, and continue to tie our assistance to Ukraine, to positive development there.

The greatest nightmare for Russia is a successful Ukraine because, then, they will have a neighbor at their door that is democratic, and not to mention the example that Ukraine sets with democratic alternation of power that could not be manipulated from the presidency. That is something Russia has not seen in a long time.

Mr. WILSON. Thank you.

General.

General KEANE. Yes, dealing with Ukraine, I really think Putin has sort of got a wait-and-see attitude with it. Obviously, he is directly involved, but he is also exercising some patience. Because I think he fundamentally believes, given the problems that Poroshenko had in this election, so resoundingly defeated, the domestic reforms were never really put in place. He tied to corruption himself personally. And now, we have someone with no political experience whatsoever who is running the country. While that may not have been Putin's choice, I think he looks at it very favorably.

And if the government cannot really produce a degree of political stability, and also a degree of economic viability and prosperity,

Putin, it is on his side. He would be able to wait this thing out and achieve what his national interests are. I firmly believe that we have got to be more involved than what we currently are in terms of politically, diplomatically, and, also, militarily, in terms of helping their military forces.

So, yes, in terms of our own election, I will take it at face value that it did not impact on the election. But I do not believe that that is the only goal that Putin has when he is meddling in elections in France and Brexit and the United States, and other countries. He is really seeking to undermine the democratic and political process. And given what happened in our country with investigations that are still going on as the Congress is meeting today, and the significant political divisions that we have in our country as a result of his meddling, he probably thinks that is a major victory for himself and encourages him to do even more of it.

Mr. WILSON. And I thank each of you for your being here today and your insight, and we appreciate your service to our country.

Chairman ENGEL. Thank you.

Mr. Keating.

Mr. KEATING. Thank you, Mr. Chairman.

I want to underscore your comments in terms of the outrage of holding Paul Whelan for no legal reasons whatsoever in Russia.

And also, I just want to comment briefly, I find it extraordinary that the top-line message of all of our witnesses today is that we are absent the resolve as a country right now in having a consistent Russia policy. I think that is something that is so obvious by your testimony, but really has to be highlighted. We have to do better than this as a country.

Now let me probe a little more deeply in things you touched upon. Could you tell us, any of you, the relationship you have seen with like Deutsche Bank, dealing with the oligarchs and that relationship? Anything that you might want to comment about that kind of financial relationship with really the power brokers of Russia, the oligarchs? Plus, if you would comment on Putin's use of the VEB bank?

Mr. FRIED. In my last job in government, I was the State Department Sanctions Coordinator. So, I got into some of these issues.

There is plenty of evidence that the Russians and Putin use the Western financial system to launder money and park it. They take advantage of our system because they trust our banking system more than they trust their own. We should start drying up the channels for potentially corrupt Russian money flows. For example, why should high-end real estate deals be allowed to exist without full disclosure of the beneficial owner? That means that Russian secret money can flow into New York or Miami or London or, you know, various places in Europe, without any kind of oversight.

Mr. KEATING. And we can do something stronger than we are doing now——

Mr. FRIED. Sure.

Mr. KEATING [continuing]. To influence that? Make sure, for instance, that there is compliance with our request for banks like this that might be conducting themselves this way right now.

Mr. FRIED. Well, I also believe that there are regulatory and legislative changes that could mandate disclosure of beneficial owners——

Mr. KEATING. OK.

Mr. FRIED [continuing]. In high-end real estate deals. I am in favor of that.

Mr. KEATING. Also, you know, the VEB bank, is it safe to say, fair to say that is Putin's bank, basically? That he has enormous influence? Is that fair to say, a fair statement?

Mr. FRIED. Let me say that——

Mr. KEATING. What message are we getting when past and current members of the Trump administration or campaign are meeting with the head of that bank in secret meetings? What message does that send back to Russia?

Mr. FRIED. In general, and without getting into the specifics, I think it is good to send the Russians a message that we do not appreciate what they are doing and passing that message, also, to the heads of the big state Russian banks.

Mr. KEATING. OK. I just want to shift gears, too. We have something that Russia does not have, for that matter China. But we have a coalition. So, in my subcommittee of this committee, I am going to have a laser-like view on strengthening that coalition.

Just a few weeks ago, I was in Europe, met with our officials, and happy to report that the strength we have together with NATO is still vibrant. It is still formidable. It is obviously important.

But it is no mistaking that Russia is using significant resources in Central Europe and the Balkans to extend their influence. And yet, they seem to have these relationships with Viktor Orban and Hungary, with Erdogan and Turkey, which is a great concern, and even influence in Serbia. That is something, if you could spend the rest of my time just commenting on briefly, because I think that is a concern. We want to keep this strong, and they are trying to divide us.

Mr. FRIED. With respect to Central Europe, we need to be active and present. I do not like a lot of what Viktor Orban has said about the Russians, but I do not regard Hungary as a lost cause. I think we need to show up. I think we need to be present in that space. I think that the Russian aggression has spoiled their relations with even some of their more traditional friends.

Mr. KEATING. Ambassador Nuland? I am sorry, I am running out of time, but I would welcome anything you have to say in that regard.

Ms. NULAND. Thanks, Congressman Keating.

As you and I have discussed privately, we know a lot about Russian money sloshing around Eastern Europe and the Balkans. We know a lot about its corrupting influence. I think it is time to shine a light on that and expose those who take it and expose the Kremlin's use of the Russian taxpayers' money for malign purposes.

Mr. KEATING. Great. Thank you.

My time is up and I yield back.

Chairman ENGEL. Thank you.

Mr. Perry.

Mr. PERRY. Thank you, Mr. Chairman.

And I thank the panel. We are privileged to have folks of your breadth and scope of knowledge.

I want to start out with a basic premise, just to see if I can set the table, and then, go through some rhetorical questions to set up a question here. To me, contrary to popular belief, Russia really does not have a particular preference of which party in the United States. Their goal I think is to cause discord and spread disinformation and make people in America generally distrust our political system. Does anybody vehemently disagree with that, any of the panel members? I am not seeing any big yeses.

So, with that, these are rhetorical questions. Let me preface it with this: every one of us here is probably disappointed in every administration's response to some of this stuff at some level. However, I think it is important to kind of correct the record over the long term here.

How was it in the United States' interest to not realize the full extent of Russian influence operations, and then, the reluctance to act until after the election? How was that in America's interests? How was it in America's interest to do almost nothing of import and effectiveness regarding Ukraine and Crimea, regarding a resurgent Russia? How was it in America's interest to happily cut our military capability and telegraph that all around the world? How was it in our interest to scale back missile defense plans in Europe? How was it in our interest to allow Russia to play a pivotal role in the Iran nuclear agreement? And it was not in our interest, I do not think, to fail to get a multilateral agreement with Russia on the Syrian civil war.

How was it in our interest when the previous President said to Medvedev that he just needed a little more time regarding missiles and our missile capability in Europe? How did it serve America to have the sale of U.S. uranium capability? And how did it serve America's interest to provide access to Russia regarding technology, including hypersonic cruise missile technology at Skolkovo? That is all the previous administration. Like I said, there is frustration on both sides.

I wonder how long that Russia has been suspected of violating all the missile agreements or arms agreements. It has been since we have had them, essentially, right? So, my question essentially is this—and, Ambassador Fried, I agree with you; Americans do not want to be in a fight with Russia or anybody. We would like to get along with everybody. Unfortunately, the Russians have a vote, or at least their leaders do, and they vote otherwise, right? And we have to deal with the reality of that.

And I wonder, because each of you has spoken about unity, Ambassador Nuland, Ambassador Fried, about unity in the United States, and, General Keane, you have as well, about our unity and our singular purpose regarding Russia. How can there be unity when some in positions of great leadership and authority continue to promulgate the narrative that this President is a traitor and a collaborator with Russia, based on what has now been determined by the Special Counsel, millions of dollars, 2 years, subpoenas, interviews, et cetera, to be patently false? How can there be unity? How can there be unity when this body passes bills to limit this

President's capabilities in Venezuela? That is just a general question. You can comment on that, any of that.

Ambassador Nuland, you said a lot fast, and I wish I had your testimony, but you said something about the lesson from the Mueller report. And I think you referenced that this is the President's victory; it did not have anything to do with Russia. And I think the assumption was that this President needs to learn that lesson and move on. But I do not want to put words in your mouth. So, the lesson to who? Is it to the President or to folks in the United States and in this Congress that continue to accuse the President of being a traitor and collaborating with Russia? I am wondering who the lesson is for.

Ms. NULAND. Congressman Perry, just to repeat what I said, the lesson of the Mueller report, and from our intelligence community before, was that Putin seeks, as you said, to pit Americans against each other, to destroy our democratic system, to erode trust. So, what I was trying to say was I think we are all seeking stronger Presidential leadership vis-a-vis the Kremlin to ensure that he cannot do it again in 2020, in 2022, in 2024, starting with some stronger statements. And I would like to have stronger statements about Russian activities in Venezuela and in Ukraine and in Syria. That would be a start and it would change Putin's calculus immediately. And then, if we had actual actions to strengthen ourselves and make it cost for him from this White House, that would also begin to reverse it.

Mr. PERRY. I think you will find few people up here on either side that would object to that. But would you agree that this President has been limited by the anchor that has been placed around his neck and thrown to the bottom of the ocean with this whole Russian collusion, "you are a traitor, and you are working with them to undermine the United States," and that anything he does, even when the Russians actually come into compliance, we refuse to lift the sanctions on certain occasions in this body? Is that a limitation for this President, to this President, to this administration, in dealing with Russia effectively?

Ms. NULAND. I would have argued the opposite, that if the President had taken a very strong stand against Russian aggression in our democracy from the day of his inauguration, he would have been stronger domestically as well in the context of the Mueller investigation.

Chairman ENGEL. Thank you.

Mr. PERRY. General, I would love to hear your comment.

General KEANE. Well, I think that list that you presented, certainly, the degree that all that happened I suspect was a strategic surprise to Putin to a certain degree. I mean, clearly, when he came into power, he wanted to weaken the Transatlantic Alliance, for all the reasons we know so well. But, then, he was given, I think, an opportunity as the United States was disengaging to pursue other strategic objectives. And that is why he is in the Middle East. That is why he is aggressively in Africa, and now he is also in the Western Hemisphere.

As Ambassador Fried said, he is an opportunist. He is smart. He thinks strategically, and he has taken advantage of the playing field. And that is what we are facing.

Now I think it is a mistake to assume that, because President Trump desires to have a personal relationship with Putin as a result of his diplomatic efforts, that the United States is not pushing back on Russia. When you look at the policy, they are. What we are suggesting, and certainly what I am suggesting, is we can do considerably better than where we are right now, much more comprehensively, much more strategically, and much more involved with our allies in doing it.

Chairman ENGEL. Thank you, General.

Mr. Phillips.

Mr. PHILLIPS. Thank you, Mr. Chairman.

And thank you to our witnesses. I am grateful you are here.

There is a hearing occurring right now on the other side of the Capitol that surely is filled to the brim with observers, media, cameras, surely more Senators. And frankly, I am appalled and surprised and disappointed that this hearing is not attracting the same attention because I think that the gravity, the consequences, and the acute nature of it is one of the great risks to our country right now.

If there is one element of the Mueller report I think on which we all agree, it is that Russia meddled in our recent elections and they seek to undermine our democratic process, and they will surely do so again. And we are not alone. I know the Alliance for Securing Democracy, in 2017, identified at least 27 examples of Russia meddling since 2004 in other countries.

So, my first question is, are there methods being deployed by any of our allies around the world that have curbed or diminished the impact of such behavior? We would start with you, Ambassador Fried.

Mr. FRIED. Yes, during the French elections, the Russians hacked the Macron campaign and released a bunch of emails that were intended to embarrass him. But the impact in France was very different than what happened in the United States. The French civil society activists exposed the Russian play. And the big story in France, instead of the contents of the emails, was the Russians are trying to interfere in our election and the hell with them. That is my characterization.

And that was an example of turning back a Russian effort in interfering in elections. What happened was society rejected it. And you also had civil society activists able to spot the Russian interference and a general population and media ready to expose it. That was a successful example.

Now the Russians are not going to repeat the same tactics. They are going to evolve, but the basic model is there. That is, expose what the Russians are doing and, then, focus on that rather than get involved in whatever nonsense the Russians are peddling or whatever documents they have stolen. Yes, we can push back.

Mr. PHILLIPS. OK. Thank you.

Ambassador Nuland.

Ms. NULAND. Just to say I agree completely that the Macron example is the best one and the most publicly understood one. Sunshine is the best disinfectant. So, exposing this stuff for what it is, which is inauthentic interference in what should be a domestic conversation—the Germans also did very well with the influence cam-

paign the Russians tried to enact when claiming that a Russian-German girl had been attacked, when, in fact, she had not. And the German leadership, led by Chancellor Merkel, exposed that for what it was, and created a much better understanding, I think, within the German public that they should question what they read in this regard.

So, that is something that needs to be done in the United States. We also need better public education about this stuff and with our allies across Europe.

Mr. PHILLIPS. Thank you.

General Keane, anything to add?

General KEANE. I associate myself with my colleagues on those comments. The one thing I would add is this administration has taken a positive step in deregulating our capability to respond through offensive cyber much more timely and rapidly than what we have had in the past in terms of decisionmaking authority and the layers of bureaucracy and lawyers you had to go through to do it.

And we have been somewhat reluctant. We have absolutely hands-down the best offensive cyber capability in the world. The Russians have the second. And there are times when, clearly, it is appropriate to use it, when they are attacking us.

As a result of that, that in itself becomes a deterrent. And I think now that there is more freedom to be able to use that, in concert with our values and in concert with appropriate oversight, hopefully, we will be able to use that as a way, also, of pushing back.

Mr. PHILLIPS. Thank you.

One more question for Ambassador Fried. In the first weeks of the current administration, did it, indeed, try to lift sanctions against Russia?

Mr. FRIED. I believe that there was some consideration being given to that. I am being very careful the way I phrase it because I cannot prove it. I do not have documents. But I believe that there were some in the incoming team who simply wanted to do a quick deal. Now that was defeated, and it was defeated partly, in fact, principally, because of the strong reaction in Congress.

As an executive branch veteran, I am not usually a believer in legislation to impose sanctions. In this case, I think what Congress did with the CAATSA bill, now law, it was the right thing to do under those circumstances.

Mr. PHILLIPS. Thank you, Mr. Ambassador.

I yield back.

Chairman ENGEL. Mr. Yoho.

Mr. YOHO. Thank you, Mr. Chairman.

And thank you for the panel.

One of the growing concerns, obviously, is Russia, and that is why we are here today. We see them going from the failed USSR to where they are today. And we all know that Putin wants to rebuild the Russian Empire. And we cannot change what has happened in the past, you know, with past administrations. We are here today at this point.

And what I see is that change in world powers, the tectonic shift in world powers that we have not seen since World War II and at

the end of the cold war. And now we are seeing a resurgence with a strong China. And the concern that we have today is what is going on in the Western Hemisphere. It is something that we really need to pay attention. And I think this goes way beyond just Venezuela and Maduro. I think this is a rubicon moment where Russia cannot allow Maduro to fail; Cuba cannot allow Maduro to fail, because if they do, if he does fail, that means the Russian system and the Cuban system, and even the Chinese and Iran with their influence in there, and a little bit of Turkey, it all shows that those kind of autocratic or communist regimes or dictatorial type of regimes that suppress people cannot succeed.

What are your thoughts on that as far as moving forward, as far as holding Russia accountable? What can we do to offset what they are doing in the Western Hemisphere? Whoever wants to take the first—General Keane?

General KEANE. Well, I totally agree with the premise that, strategically, it is much more important, what is taking place in our Western Hemisphere because of the implications; that I think the Trump administration got it right strategically immediately; that asking for a transition of government with Maduro after he manipulated the election, and there was somebody available to take over who is President of the National Assembly, and working to get global support for that, now up to 54 countries, was the right thing to do because I do believe the national security team saw the strategic implications of it in terms of the impact on Nicaragua and, also, Cuba, and particularly the heavy hand that the countries that you identified have in these States in terms of Russia, China, Iran.

Mr. YOHO. And they are all anti-Western democracies.

General KEANE. Absolutely. And particularly, Russia and China see this—China, obviously, leads with economic investment——

Mr. YOHO. Sure.

General KEANE [continuing]. And intimidating along with that, but Russia leads also with hybrid warfare intervention as well as economic investment. And they certainly see the opportunity to exploit their national interests in our hemisphere.

Mr. YOHO. Let me come back to you because I want to ask you about——

General KEANE. And it is critical——

Mr. YOHO [continuing]. The hyper warfare.

Ambassador Fried, if you would want to weigh-in on what your thoughts are on that?

Mr. FRIED. Maduro and the Cubans and the Russians want to make this about the Yankees leaning on a sovereign state.

Mr. YOHO. Right.

Mr. FRIED. That is not the real issue. Therefore, our play ought to include working as closely as we can with Latin American countries, which I think this administration is doing, and with the European Union, which the Europeans are on the side of Venezuelan democracy. We ought to use this to isolate the Russians and not let them frame this as a kind of Yankee imperialist thing.

And that is why I hope that this administration will keep building relations and investing capital in our allies, so we can use it in common causes.

Mr. YOHO. We are going to help them do that. We just came back from a bipartisan delegation trip to Colombia, and we bordered the Venezuelan border.

Ambassador Nuland, if you have anything you want to add to that?

Ms. NULAND. Just to say that I think your premise is right. This is not only about great power competition; this is about ideological——

Mr. YOHO. Exactly.

Ms. NULAND [continuing]. And systemic competition again. And we need to fight with and for our team.

Mr. YOHO. We cannot afford for this not to—Maduro has to go. And I hope the first thing that legitimate President Guaido does is throws out all foreign military personnel out of his country.

General Keane, I want to go back to, during a recent speech, the top general of Russia, Valery—I am going to butcher this—Gerasimov, the so-called creator of the Russian "active measures," doubled down on Russia's use of hyper warfare. Do you feel Russia is ahead of us in hyper warfare? And if so, do you think that Bradley Manning or Edward Snowden, with the intelligence breaches that they did, played into Russia's hand and made them jump ahead of us in this? What are your thoughts on that?

General KEANE. Well, first of all, General—Gerasimov is a brilliant strategist.

Mr. YOHO. Thank you for saying that properly.

General KEANE. And what drove them to this is they were quite stunned by the liberation of Kuwait, when they saw the prowess of the United States military and coalition partners, but largely the United States military and the integration of air power and ground power and high-end conventional warfare. And then, once again repeated with the liberation of Iraq in 2003, so much so that they changed their strategies. They recognized they could never deal at that time with a high-end conventional war.

And General Gerasimov developed a doctrine with some leaders around him that we can try to achieve our geopolitical objectives and operate below the level of major conventional confrontation. And so, influence operations, election meddling, they are all part of the fabric of that, disguising the use of Russian troops, massive disinformation campaigns. And particularly, on their own domestic audience, on the United States audience, the information campaign, when they went into Crimea and Ukraine, was so significant, it paralyzed decisionmakers in the United States——

Mr. YOHO. Right.

General KEANE [continuing]. And in Europe as to what is this. It cast doubt about the execution of it. It does not look like warfare, but, yet, they seem to be taking control.

Mr. YOHO. And very astute at it.

General KEANE. Yes.

Mr. YOHO. I am out of time, but I would love to followup with you on that. Thank you.

Chairman ENGEL. Thank you, Mr. Yoho.

Mr. Deutch.

Mr. DEUTCH. Thank you, Mr. Chairman.

Thanks to the panel for being here today.

We have seen just in the past decade or so Russia has launched military incursions into Georgia and Ukraine, intervened in Syria to support Assad, in Venezuela to boost Maduro, backed a coup attempt in Montenegro, used chemical weapons as a tool of assassination in Europe. They tried to destabilize democracy in Europe, in the United States, most notably, interfering in the 2016 election. Volume 1 of Special Counsel Mueller's report notes that "The Russian government interfered in the 2016 Presidential election in sweeping and systematic fashion," but, then, meticulously details how the Kremlin meddled in our democracy. And the U.S. intelligence community unanimously reached the same conclusion in January 2017.

Let me start with that last point and move backward. That is what the Kremlin tried to do here in 2016. I ask, starting with you, Ambassador Nuland, to talk about Russia's attempts to meddle in democratic elections elsewhere and, as we are having this discussion in advance of the EU elections, let's talk about that, and then, the role that Russia has played in Europe in helping to promote some of the far-right parties who have now attained places in government in countries for the first time in history, please.

Ms. NULAND. Thank you, Congressman Deutch.

Just to remind that Russia's manipulation of elections, and its perfection of its strategies and tactics for this, began in Russia itself as it sought to manipulate elections for President Putin and his allies and various techniques there, moving into the first cyber efforts that we saw in Estonia in the aught years, and then, as we have discussed throughout the hearing, their efforts in France, their efforts to strengthen far-right and far-left parties in order to stress the center of politics in countries from Germany to Italy, to many believe that they were active in the Brexit vote as well, and certainly, playing in the Eastern and Central European Rim.

And it is not simply their digital tactics and techniques. It is also their other tools of influence that are as old as Russia and the Soviet Union itself, buying politicians, setting up false flag NGO's, creating inauthentic conversation within politics and policies.

So, this is well-practiced. It predated the digital age, but it is now turbocharged in the digital age. So, as we all said in our testimony—and we outlined some concrete steps—this is not an insurmountable challenge if we harden ourselves here, if we expose what is going on, both with digital and with money, and with corruption of politicians, and if we work in concert with our allies to pool information, and if we are willing to apply some of the same medicine to Putin himself where he is vulnerable at home, notably, on corruption.

Mr. DEUTCH. Ambassador Fried.

Mr. FRIED. So, one of the knocks against the European Union is that it is a big bureaucracy, but they are way ahead of us in dealing with disinformation. One thing they know how to do is regulate. The European Union has forced big social media companies to sign onto a voluntary code of practice, basically, promising they are going to clean up their act. This gives the Europeans leverage. In my view, we ought to be talking to the Europeans, coming up with a joint plan, and using our combined leverage to get the social media companies to do the right thing. Exactly as Ambassador

Nuland said, purge the inauthentic accounts, the imposters, clean-up social media, so that the Russians cannot infiltrate it.

These are all doable, and I am not talking about censorship or content control. If the Trump administration believes that great power rivalry pits us against autocratic foes, then we ought to align ourselves with our democratic friends, operationally, not just rhetorically.

Mr. DEUTCH. General, if I may, although I have a lot of questions, I would like to ask a followup there. And actually, Ambassador Fried, I am particularly interested in Russian support in promoting white nationalist narratives and ideology. Perhaps we could talk about that after.

General, I just want to turn to Russia in Syria. Is there a role to play—talk about Russia's relationship to Iran and Syria. Can they be counted upon to limit Iranian influence in Syria? Is their sole goal, as you referred to, to achieve their positions with the port? What can we expect? What is reasonable to expect?

General KEANE. You know, that is a great question, Congressman. Qassem Suleimani, acting on behalf of the Supreme Leader, in 2014, visited Moscow twice and met with Vladimir Putin to motivate him to conduct a military intervention into Syria. Initially, they did not agree, and they were painting a picture that the Syrian opposition forces, largely led by the radicals, were having their way with the regime that they had not had in some time. And then, finally, Putin agreed that summer, and you saw the intervention take place in the fall.

The Iranians run the war in Syria. They run the ground war. The IRGC has had two to three of their generals killed. They direct the air power that is being used. So, even though Russia is a much larger country geopolitically, it is the Iranians who are really truly in charge.

And so, the thought that Putin is somehow going to curb Iranian behavior, it is not going to happen. The Iranians are fixed on their strategic objective, which is regional hegemon, at the expense of the United States, and to encroach on the sovereignty of Israel. They are about that business, and Russia will not be able to reduce their strategic objectives.

Mr. DEUTCH. OK. Thanks. Thank you.

Yes, yes, go ahead.

Ms. NULAND. Just to say that it actually serves Russia's interest to have Iran there because they learned from Afghanistan and from our experience in Iraq that they, themselves, do not want to be on the ground. They want to have another country do that dirty work. So, they want the Iranians on the ground keeping social order and those things, and they want the Cubans on the ground in Venezuela. So, this is a strategy that is well-honed now.

Chairman ENGEL. Thank you.

Mr. Kinzinger.

Mr. KINZINGER. Thank you, Mr. Chairman.

And again, all of you, thank you for being here. This is a great panel and on a really important subject.

I actually am really worried about really the last few years kind of where foreign policy has gone in terms of our ability to talk about it. I think the days of kind of consensus foreign policy and

having polite debates has kind of gone away and everything is now being seen through a political spectrum, which is actually pretty frightening to me, given that we are the United States of America and we have such an important role to play in the world.

Look, under the last administration, Russia meddled in the election. I a hundred percent believe that. I believe President Obama should have been clear at the very beginning of what was happening. The question now is not how do we continue to look back and lay blame at people's feet; it is, how do we prevent it in the future? How do we go forward and make it clear to the American people when they are reading a news article that is actually produced by Russian propaganda, and then, is being retweeted by RT, and then, ends up on Facebook? It ends up in Twitter, and now is basically seen as gospel. We saw that happen the last election, and it is going to happen again this time.

So, I think if we can now as a committee come together, and as a country come together and figure out how to expose that, and say, look, I do not care who you elect for President of the United States, but I want it to be an American decision, not influenced by especially the Russians.

I want to look at our hemisphere. We have talked a little about Venezuela, and I want to ask you, General, a question. If the United States—so, this committee passed, I do not know if you guys know this; thankfully, it has not passed, I do not think, the floor yet, but passed a preemptive prevention of the President from using military action in Venezuela. So, thankfully, it is not going to be passed by the Senate and signed by the President, but I think it was a terrible message to send out of the foreign policy committee.

But let me ask a question of you, General. If the United States—we are talking hypothetically and just your definition—if the United States placed a 20 to 25 thousand troops into Venezuela and surrounded Guaido, would you consider that—do you think the Webster definition would call that a military intervention? I mean, I am just asking generally, would that be considered a military——

General KEANE. Where are the troops?

Mr. KINZINGER. U.S. troops, let's say.

General KEANE. Yes, but where physically are they?

Mr. KINZINGER. We would put them right in the middle of Venezuela.

General KEANE. Of course.

Mr. KINZINGER. OK. What about if the United States had, basically, intelligence assets and counterdefense, things like that, if we put them in Venezuela? I would say that would also be considered military intervention. So, the question, the point I make is, Cuba has already intervened militarily in our hemisphere. The Russians have already intervened militarily in our hemisphere. So, when there is this preemptive thing about we are worried about military intervention in the hemisphere of the United States of America, Russia and its allies have already intervened militarily in our hemisphere in Venezuela.

And so, my question to you is this: we, obviously, know the terrible thing of what is going on. And I think the future of the United States of America and our hemisphere is going to be dependent on

what happens in Venezuela. It is going to be, is this a march toward freedom? I mean, we talk about our issues on the southern border and they are serious, but the reason is because people are fleeing corrupt leaders; they are fleeing corrupt countries, and they are fleeing the inability to have freedom. They are fleeing cartels. A strong Central and South America is good for the United States.

So, let me ask you a question. Would a U.S. show of force—so, as we are looking at this debate in Venezuela and saying, really, the key is what side is the military on, does the military side with Guaido or does it stay with the illegitimate government of Maduro? Would a U.S. show of force, not a military intervention, but putting military assets nearby and making it clear that we exist, would that be beneficial, do you think, General, in helping to change the calculus of some of these military generals?

General KEANE. Well, certainly the premise that you are making about intervention militarily by the Cubans and certainly by Russia—as I said, it is part of their hybrid warfare doctrinal playbook—is a serious intervention and has huge strategic implications. I think the opening of the door to Cuba and hoping that somehow they would move toward democratic values and free enterprise, I do not see any evidence of that. They are still maintaining their aggressive stance.

Given the volatility of the situation that exists in Venezuela, I do not think, one, we should take any military action at this time. Two, I do not think we should even contemplate such a thing without consulting with our allies in the region and, if military action was called for, to do it in concert with them.

I would, if I was working for the administration, I would not be recommending military action. I would be recommending exactly what the administration is trying to do, which is cultivate the leadership that is around Maduro and separate that leadership from Maduro—and there is some evidence that some of that has been working—and continue those efforts.

And why? Can the United States roll into Venezuela and conduct some kind of military operation similar to what we have done in the past in Haiti or Panama and bring it to a conclusion? Yes, but, also, military operations, despite the best of intentions, have a tendency not necessarily to go in the direction that you want them to go. And then, as a result of it, we also own the aftermath of that, what has taken place in that country.

So, I would exercise caution, even though there is energy surrounding this and there is the desire to want to do something. And we certainly do not want thousands of Venezuelan people killed in the streets.

Mr. KINZINGER. Thank you. And I will just say, but taking that option off the table preemptively does not help diplomacy in that matter.

General KEANE. Well, it should never come off the table.

Mr. KINZINGER. Right.

General KEANE. I mean, I can imagine any President, Democrat or Republican, would always want that on the table as leverage to use diplomatically.

Chairman ENGEL. Thank you.

Mr. KINZINGER. Thank you.

And, Ambassador Nuland, I had so many questions for you. Good to see you.

I am way out of time. I will yield back.

Chairman ENGEL. Mr. Bera.

Mr. BERA. Thank you, Mr. Chairman.

And thank you, Ambassador Fried, for continuing to point back to the CAATSA Act of 2017 as things that we can actually do in Congress.

And, Mr. Chairman, Ambassador Fried made reference to a report, and I ask unanimous consent to add to the record the unclassified report to Congress to Section 241 of the CAATSA Act of 2017. And that was dated January 29, 2018. Mr. Chairman? Mr. Chairman, unanimous consent to add that to the record?

Chairman ENGEL. Yes. Yes, without objection.

Mr. BERA. Thank you.

[The information referred to follows:]

Report to Congress Pursuant to Section 241 of the Countering America's Adversaries Through Sanctions Act of 2017 Regarding Senior Foreign Political Figures and Oligarchs in the Russian Federation and Russian Parastatal Entities

January 29, 2018

Section 241 of the Countering America's Adversaries Through Sanctions Act of 2017 (CAATSA) requires the Secretary of the Treasury, in consultation with the Director of National Intelligence and the Secretary of State, to submit to the appropriate congressional committees 180 days after enactment a detailed report on senior political figures and oligarchs in the Russian Federation (Section 241(a)(1)) and on Russian parastatal entities (Section 241(a)(2)). Pursuant to Section 241(b), the report shall be submitted in an unclassified form but may have a classified annex. This is the unclassified portion of the report.

Section 241(a)(1) – Senior Foreign Political Figures and Oligarchs in the Russian Federation

As required by Section 241(a)(1)(A) of CAATSA, the Department of the Treasury is providing in this unclassified report a list of senior foreign political figures and oligarchs in the Russian Federation, as determined by their closeness to the Russian regime and their net worth. For purposes of this unclassified portion of the report, this determination was made based on objective criteria related to individuals' official position in the case of senior political figures, or a net worth of $1 billion or more for oligarchs.

To determine the list of senior political figures, the Department of the Treasury considered the definition in CAATSA Section 241(c)(2), which incorporates by reference the definition of "senior foreign political figure" in section 1010.605, title 31 of the Code of Federal Regulations. For purposes of this unclassified portion of the report, such names consist of: i) senior members of the Russian Presidential Administration; ii) members of the Russian Cabinet, Cabinet-rank ministers, and heads of other major executive agencies; iii) other senior political leaders, including the leadership of the State Duma and Federation Council, other members of the Russian Security Council, and senior executives at state-owned enterprises. These individuals are listed in Appendix 1 of this report.

To determine the list of oligarchs, the Department of the Treasury enumerated those individuals who, according to reliable public sources, have an estimated net worth of $1 billion or more. Those individuals who meet this criterion are listed in Appendix 2 of this report.

The Department of the Treasury is also providing in a classified annex to this report additional information required pursuant to Section 241(a)(1). The classified annex may include individuals who are not included in Appendices 1 and 2 to this unclassified report, and such persons may hold a position below those included in the unclassified report or have a net worth below $1 billion.

This report has been prepared and provided exclusively in response to Section 241 of CAATSA. It is not a sanctions list, and the inclusion of individuals or entities in this report, its appendices, or its annex does not and in no way should be interpreted to impose sanctions on those individuals or entities. Inclusion in this report also does not constitute the determination by any agency that any of those individuals or entities meet the criteria for designation under any sanctions program. Moreover, the inclusion of individuals or entities in this report, its appendices, or its classified annexes does not, in and of itself, imply, give rise to, or create any other restrictions, prohibitions, or limitations on dealings with such persons by either U.S. or foreign persons. Neither does inclusion on the unclassified list indicate that the U.S. Government has information about the individual's involvement in malign activities. Named individuals and entities who are separately subject to sanctions pursuant to sanctions programs established in U.S. law are denoted with an asterisk (*).

Section 241(a)(2) – Russian Parastatal Entities

CAATSA Section 241(a)(2)-(5) requires a report on Russian parastatal entities, including an assessment of their role in the economy of the Russian Federation; an overview of key U.S. economic sectors' exposure to Russian persons and entities; an analysis of the potential effects of imposing additional debt and equity restrictions on parastatal entities; and the possible impact of additional sanctions against oligarchs, senior political figures, and parastatals on the U.S. and Russian economies.

Russian parastatals have origins in the Soviet Union's command economy. After the dissolution of the Soviet Union, the Russian government conducted large-scale privatization of these entities; in the early 2000s, it began to renationalize large companies. The Russian government has responded to economic shocks, including the financial crisis in 2008 and the imposition of sanctions in 2014, by increasing its role in the economy and ownership of parastatals. As of 2016, Russian parastatals accounted for one-third of all jobs in Russia and 70 percent of Russia's GDP.

For purposes of this requirement, Russian parastatals are defined as companies in which state ownership is at least 25 percent and that had 2016 revenues of approximately $2 billion or more. A list of such parastatals and the required analysis specified in Section 241(a)(2)-(5) are included in the classified annex of this report.

Appendix A: List of Senior Political Figures

Presidential Administration

1. Anton Vayno	Head, Presidential Administration
2. Aleksey Gromov*	First Deputy Head, Presidential Administration
3. Sergey Kiriyenko	First Deputy Head, Presidential Administration
4. Magomedsalam Magomedov	Deputy Head, Presidential Administration
5. Vladimir Ostrovenko	Deputy Head, Presidential Administration
6. Dmitriy Peskov	Deputy Head, Presidential Administration; Presidential Press Secretary
7. Vladislav Kitayev	Chief of Presidential Protocol
8. Andrey Belousov	Aide to the President
9. Larisa Brycheva	Aide to the President
10. Vladislav Surkov*	Aide to the President
11. Igor Levitin	Aide to the President
12. Vladimir Kozhin*	Aide to the President
13. Yuriy Ushakov	Aide to the President
14. Andrey Fursenko*	Aide to the President
15. Nikolay Tsukanov	Aide to the President
16. Konstantin Chuychenko	Aide to the President
17. Yevgeniy Shkolov	Aide to the President
18. Igor Shchegolev*	Aide to the President
19. Aleksandr Bedritskiy	Adviser to the President , Special Presidential Representative on Climate Issues
20. Sergey Glazyev*	Adviser to the President
21. Sergey Grigorov	Adviser to the President
22. German Klimenko	Adviser to the President
23. Anton Kobyakov	Adviser to the President
24. Aleksandra Levitskaya	Adviser to the President
25. Vladimir Tolstoy	Adviser to the President
26. Mikhail Fedotov	Adviser to the President, Chairman of the Presidential Council for Civil Society and Human Rights
27. Venyamin Yakovlev	Adviser to the President
28. Artur Muravyev	Presidential Envoy to the Federation Council
29. Garry Minkh	Presidential Envoy to the State Duma
30. Mikhail Krotov	Presidential Envoy to the Constitutional Court
31. Anna Kuznetsova	Presidential Commissioner for Children's Rights
32. Boris Titov	Presidential Commissioner for Entrepreneurs' Rights
33. Mikhail Babich	Plenipotentiary Representative to the Volga Federal District

34. Aleksandr Beglov	Plenipotentiary Representative to the Northwestern Federal District
35. Oleg Belaventsev*	Plenipotentiary Representative to the North Caucasus Federal District
36. Aleksey Gordeyev	Plenipotentiary Representative to the Central Federal District
37. Sergey Menyaylo*	Plenipotentiary Representative to the Siberian Federal District
38. Yuriy Trutnev	Deputy Prime Minister – Plenipotentiary Representative to the Far Eastern Federal District
39. Vladimir Ustinov	Plenipotentiary Representative to the Southern Federal District
40. Igor Kholmanskikh	Plenipotentiary Representative to the Urals Federal District
41. Aleksandr Manzhosin	Head, Foreign Policy Directorate
42. Vladimir Chernov	Head, Directorate for Interregional and Cultural Ties to Foreign Countries
43. Oleg Govorun	Head, Directorate for Social and Economic Relations with the Commonwealth of Independent States, Abkhazia, and South Ossetia

Cabinet of Ministers

44. Dmitriy Medvedev	Prime Minister
45. Igor Shuvalov	First Deputy Prime Minister
46. Sergey Prikhodko	Deputy Prime Minister and Head of the Government Apparatus
47. Aleksandr Khloponin	Deputy Prime Minister
48. Vitaliy Mutko	Deputy Prime Minister
49. Arkadiy Dvorkovich	Deputy Prime Minister
50. Olga Golodets	Deputy Prime Minister
51. Dmitriy Kozak*	Deputy Prime Minister
52. Dmitriy Rogozin*	Deputy Prime Minister
53. Mikhail Abyzov	Minister for Liaison with Open Government
54. Aleksandr Tkachev	Minister of Agriculture
55. Vladimir Puchkov	Minister of Civil Defense, Emergencies, and Natural Disasters
56. Nikolay Nikiforov	Minister of Communications and Mass Media
57. Mikhail Men	Minister of Construction, Housing, and Public Utilities
58. Vladimir Medinskiy	Minister of Culture
59. Sergey Shoygu	Minister of Defense
60. Maksim Oreshkin	Minister of Economic Development

61. Olga Vasilyeva	Minister of Education and Science
62. Aleksandr Novak	Minister of Energy
63. Aleksandr Galushka	Minister of Far East Development
64. Anton Siluanov	Minister of Finance
65. Sergey Lavrov	Minister of Foreign Affairs
66. Veronika Skvortsova	Minister of Health
67. Denis Manturov	Minister of Industry and Trade
68. Vladimir Kolokoltsev	Minister of Internal Affairs
69. Aleksandr Konovalov	Minister of Justice
70. Maksim Topilin	Minister of Labor and Social Protection
71. Sergey Donskoy	Minister of Natural Resources and Ecology
72. Lev Kuznetsov	Minister of North Caucasus Affairs
73. Pavel Kolobkov	Minister of Sports
74. Maksim Sokolov	Minister of Transportation

Other Senior Political Leaders

75. Valentina Matviyenko*	Chairwoman, Federation Council
76. Sergey Naryshkin*	Director, Foreign Intelligence Service (SVR)
77. Vyacheslav Volodin*	Chairman, State Duma
78. Sergey Ivanov*	Presidential Special Representative for the Environment, Ecology, and Transport
79. Nikolay Patrushev	Secretary, Security Council
80. Vladimir Bulavin	Head, Federal Customs Service
81. Valeriy Gerasimov	First Deputy Minister of Defense and Chief of the General Staff
82. Igor Korobov*	Chief, Main Intelligence Directorate General Staff (GRU), Ministry of Defense
83. Rashid Nurgaliyev	Deputy Secretary, Security Council
84. Georgiy Poltavchenko	Governor of Saint Petersburg
85. Sergey Sobyanin	Mayor of Moscow
86. Yuriy Chayka	Prosecutor General
87. Aleksandr Bastrykin*	Head, Investigative Committee
88. Viktor Zolotov	Director, Federal National Guard Service
89. Dmitriy Kochnev	Director, Federal Protection Service
90. Aleksandr Bortnikov	Director, Federal Security Service (FSB)
91. Andrey Artizov	Head, Federal Archive Agency
92. Yuriy Chikhanchin	Head, Financial Monitoring Federal Service
93. Aleksandr Linets	Head, Presidential Main Directorate for Special Programs
94. Aleksandr Kolpakov	Head, Presidential Property Management Directorate

95. Valeriy Tikhonov	Head, State Courier Service
96. Aleksey Miller	Chief Executive Officer, Gazprom
97. Igor Sechin*	Chief Executive Officer, Rosneft
98. German Gref	Chief Executive Officer, Sberbank
99. Oleg Belozerov	General Director, Russian Railways
100. Andrey Kostin	Chairman-Management Board, VTB
101. Sergey Chemezov*	Chief Executive Officer, Rostec
102. Oleg Budargin	Chief Executive Officer, Rosseti
103. Boris Kovalchuk	Chief Executive Officer, Inter RAO
104. Aleksey Likhachev	General Director, Rosatom
105. Nikolay Tokarev	Chief Executive Officer, Transneft
106. Andrey Akimov	Chief Executive Officer, Gazprombank
107. Nail Maganov	General Director, Tatneft
108. Vitaliy Savelyev	Chief Executive Officer, Aeroflot
109. Andrey Shishkin	Chief Executive Officer, ANK Bashneft
110. Yuriy Slyusar	Chief Executive Officer, United Aircraft Corporation
111. Nikolay Shulginov	Chief Executive Officer, RusHydro
112. Sergey Gorkov	Chief Executive Officer, Vneshekonombank
113. Sergey Ivanov (Jr)	Chief Executive Officer, ALROSA
114. Roman Dashkov	Chief Executive Officer, Sakhalin Energy

Appendix B: List of Oligarchs

1. Aleksandr Abramov
2. Roman Abramovich
3. Araz Agalarov
4. Farkhad Akhmedov
5. Vagit Alekperov
6. Igor Altushkin
7. Aleksey Ananyev
8. Dmitriy Ananyev
9. Vasiliy Anisimov
10. Roman Avdeyev
11. Petr Aven
12. Yelena Baturina
13. Aleksey Bogachev
14. Vladimir Bogdanov
15. Leonid Boguslavskiy
16. Andrey Bokarev
17. Oleg Boyko
18. Nikolay Buynov
19. Oleg Deripaska
20. Aleksandr Dzhaparidze
21. Leonid Fedun
22. Gleb Fetisov
23. Mikhail Fridman
24. Aleksandr Frolov
25. Filaret Galchev
26. Sergey Galitskiy
27. Valentin Gapontsev
28. Sergey Gordeyev
29. Andrey Guryev
30. Yuriy Gushchin
31. Mikhail Gutseriyev
32. Sait-Salam Gutseriyev
33. Zarakh Iliyev
34. Dmitriy Kamenshchik
35. Vyacheslav Kantor
36. Samvel Karapetyan
37. Yevgeniy Kasperskiy
38. Sergey Katsiyev
39. Suleyman Kerimov
40. Igor Kesayev
41. Danil Khachaturov
42. German Khan
43. Viktor Kharitonin
44. Aleksandr Klyachin
45. Petr Kondrashev

46. Andrey Kosogov
47. Yuriy Kovalchuk*
48. Andrey Kozitsyn
49. Aleksey Kuzmichev
50. Lev Kvetnoy
51. Vladimir Lisin
52. Anatoliy Lomakin
53. Ziyavudin Magomedov
54. Igor Makarov
55. Iskander Makhmudov
56. Aleksandr Mamut
57. Andrey Melnichenko
58. Leonid Mikhelson
59. Yuriy Milner
60. Boris Mints
61. Andrey Molchanov
62. Aleksey Mordashov
63. Vadim Moshkovich
64. Aleksandr Nesis
65. God Nisanov
66. Aleksandr Ponomarenko
67. Sergey Popov
68. Vladimir Potanin
69. Mikhail Prokhorov
70. Dmitriy Pumpyanskiy
71. Megdet Rakhimkulov
72. Andrey Rappoport
73. Viktor Rashnikov
74. Arkadiy Rotenberg*
75. Boris Rotenberg*
76. Dmitriy Rybolovlev
77. Ayrat Shaymiyev
78. Radik Shaymiyev
79. Kirill Shamalov
80. Yuriy Shefler
81. Albert Shigabutdinov
82. Mikhail Shishkhanov
83. Leonid Simanovskiy
84. Andrey Skoch
85. Aleksandr Skorobogatko
86. Rustem Sulteyev
87. Aleksandr Svetakov
88. Gennadiy Timchenko*
89. Oleg Tinkov
90. Roman Trotsenko
91. Alisher Usmanov

92. Viktor Vekselberg
93. Arkadiy Volozh
94. Vadim Yakunin
95. Vladimir Yevtushenkov
96. Gavril Yushvayev

Mr. BERA. I think the Russian people would be pretty interested in the large number of oligarchs that are worth over a billion dollars. I think the Russian people would be interested in who their top government officials are, what they are worth, et cetera, where the wealth of Russia is actually going. I think some of my concern—we do have strategic tools to get this information out there. I think it ought to make them a little bit worried, and we ought to be using those tools.

My concern with the administration is Vladimir Putin is playing, if we were playing cards, he does not have a great hand that he is playing, but we keep folding our hand, so he keeps winning round after round.

We had our disagreements with the Obama Administration, but we had the ability, as Members of Congress and as the Foreign Affairs Committee, to sit down in classified and unclassified settings, to voice those differences, but at the end of the day to speak with one voice. And we understood what that strategy was, whether we agreed with it or did not agree with it.

The challenge we are having with the current administration is, you know, Ambassador Nuland, you were asking me what our strategy in Venezuela is. I do not have an answer for you right now. And that concerns me. We can do our job, having hearings and trying to shine the light on it, and express our voice as Congress, but we have got to come up with a coherent, sustained strategy with agreed-upon goals that both the administration and Congress is doing.

I guess my question to the three of you, as the chair of the Subcommittee on Oversight, what would be some recommendations that you would have me do or this full committee do from the congressional perspective. We do not want to dictate foreign policy, but we have a role in this foreign policy. Similar to what we did with CAATSA, what are some things that you would like us to do to send a strong message to Russia that this is not OK? Ambassador Nuland, why do not you start?

Ms. NULAND. I think the increased pace of hearings of this committee is very, very important. You should have a government panel on Russia where you ask what the overall strategy is and how it is being implemented. Similarly on China, I do not know whether you have been having hearings on China. I assume you have. But I think it has been difficult for folks who are working at the level that Ambassador Fried and I and General Keane work to know, in fact, what is a legitimate place to push and what is not.

I just want to come back to something you said at the beginning. I was honored when I was Assistant Secretary to come before this committee probably eight times, I think, between 2013 and 2016, to talk primarily about Ukraine, but also Ukraine, Russia, Cypress. And I felt at all times, even when we disagreed or even when we were not doing as much as you might have wanted, the bipartisan conversation and the rigor of that that we could have helped us to be better. So, I would encourage you to bring the administration up, because that might also strengthen folks in the engine room, because they will have to articulate the policy.

Mr. BERA. And we do think there are good folks within the various agencies, et cetera, that share the same concern.

So, Ambassador Fried?

Mr. FRIED. There are certainly capable people throughout the U.S. Government, NSC, State Department, Treasury, intelligence community, who understand the Russia problem, who are capable of dealing with it at that level. They need, the U.S. Government needs clear Presidential leadership and a strategic framework in which the elements that we have been discussing here all morning can be fit.

Mr. BERA. Great. And let me make sure. So, the employees of the State Department, USAID, the DoD, et cetera, I think we have patriotic Americans out there serving us every day that want that clear direction and want that ability to go out there and execute a strategy,

General Keane.

General KEANE. Well, I think what we lack is what we have tried to talk about, all three panel members in our own individual way. Dealing with Putin today is very different than what Reagan was dealing with Gorbachev, who was trying to salvage a regime that was in decline. And we are dealing with a very aggressive and assertive Russia here who is operating right on the edge in terms of achieving his national and self-interest.

But, yet, given the seriousness of this, the administration has done a very good job in their national security strategy, in national defense strategy, in laying out the problem. But what they have not done a very good job in is putting together implementation and a strategy to deal comprehensively with Russia and comprehensively with China. And then, also, have the President personally and publicly be an advocate for that strategy. That needs to be done.

Mr. BERA. And, General Keane, maybe that is what we can do in our appropriate oversight role, is help lay out that strategy in a way that we can hand over to the administration and, obviously, let them execute a strategy that does not stop with one administration or another. In the cold war, it was a sustained strategy and Congress did have a big role. So, I do look forward to our doing that. There is nothing that stops us from creating a select committee to look at the Russian interference in the 2016 election and come up with strong recommendations of how we can counteract that.

So, thank you for your service.

With that, I will yield back.

Chairman ENGEL. Thank you.

Mrs. Wagner.

Mrs. WAGNER. I thank the chairman and the ranking member for organizing this hearing.

And I thank our witnesses for their time and their tremendous public service.

I represent the St. Louis metro area, which is home to the largest Bosnian community outside of Bosnia and Herzegovina. About 20 years ago, our Bosnian neighbors fled to St. Louis after war criminal Ratko Mladic initiated a horrific genocide against majority Muslim Bosniaks. The Dayton Agreement ended the Bosnian War in 1995, as we know, but today Russia is undermining the peace agreement. Frankly, they are undermining peace and freedom, as

we have seen in Syria, as we have seen in Georgia, the Ukraine, our own elections, now in Venezuela, and across the globe. But they are undermining the peace agreement by encouraging separatists in the Serb-majority Republika Srpska. I am deeply concerned that Russia is fueling ethnic divides in the interest of weakening the Bosnian state.

Ambassador Fried, how can the United States counteract Russian activities in Bosnia?

Mr. FRIED. The Russians are acting throughout the Balkans to try to prevent those countries from drawing closer to or joining the EU and NATO. An attempted coup in Montenegro; the Russians tried to block the agreement between Greece and North Macedonia——

Mrs. WAGNER. Yes.

Mr. FRIED [continuing]. Which is one of the best pieces of news——

Mrs. WAGNER. Yes.

Mr. FRIED [continuing]. To come out of the Balkans in years. And I am reasonably confident that the Russians would rather instigate conflict rather than let Bosnia-Herzegovina succeed in reforming itself. So, I think they are playing the card of potential secession of Republika Srpska, to prevent that from happening, and, also, to prevent Serbia, which is the big game, from turning westward in a decisive way.

What we can do is principally show up, work with Europe in support of plans to integrate all of these countries into the West; have them draw closer to the European Union and get on track for EU ascension. That is powerful. The EU has money; Russia does not. The EU, throughout Europe and throughout the Balkans, means prosperity and——

Mrs. WAGNER. Well, the EU needs to engage——

Mr. FRIED. Right.

Mrs. WAGNER [continuing]. Because I am very concerned about this. And further, let me just say, because I have got such limited time——

Mr. FRIED. Yes.

Mrs. WAGNER [continuing]. Further, in Georgia, Russia uses a strategy of, I will call it creeping annexation, to quietly seize more and more Georgian sovereign territory. Sometimes it is yards at a time. Today, Russia has managed to convert about 20 percent of Georgia's internationally recognized territory to disputed territory.

General Keane, how should the U.S. response to Russian aggression in Georgia differ from its response to the Ukraine conflict, where Russia moved much more quickly and decisively?

General KEANE. Appreciate the question. We have begun to take some steps to assist them. Certainly, last year we provided them anti-tank weapons to the Georgia military, and we conducted some critical military exercises with the Georgians right on the 10th anniversary of Russia's invasion. So, we are not ignoring them certainly.

And I also think what we need to do is encourage our European allies to be as involved as we have begun to be in Georgia. Also, obviously, they already are dealing with Ukraine.

I do not believe for a minute that the issues of success that Russia has enjoyed using the hybrid warfare, that we have to cede to that success. We have significant geopolitical influence. We have economically things that we can do. And certainly, militarily, there are some things that we could do.

Mrs. WAGNER. Well, we all must collectively step up, NATO, the EU, and the U.S.

Russia's behavior has been increasingly aggressive in the Sea of Azov and the Kerch Strait. After Russia seized the three Ukrainian vessels near the Strait last November, the United States conducted, I think, a freedom of navigation operation in Peter the Great Bay, the first since the cold war.

Ambassador Nuland, what other methods can the U.S. use to encourage Russia to comply with international laws that govern the use of maritime commons?

Ms. NULAND. Well, we eventually did exact some sanctions, but it took about 6 months. If we had been ready ahead of time and been able to move quickly, and move in a way that had hurt the Kremlin a little bit more, we might have been able to have more immediate impact.

But what is most important, I think, is how do you keep Russia from accreting into more Ukrainian territory.

Mrs. WAGNER. Right.

Ms. NULAND. So, when they build bridge across the Strait, and then, they landlock, essentially, with that bridge major grain ports of Mariupol and Berdyansk in Ukraine, they essentially gain by sea what they could not gain by land.

So, my favorite idea—and I do not know whether the administration considered it—was put forward by Carl Bildt, former Swedish Prime Minister and Foreign Minister, which would have been to have the OSCE or some coalition of interested neutral naval powers like Finland and Sweden offer patrolling to keep the Sea of Azov open for both Ukraine and Russia. And that is the kind of passive eyes on the street, if you will, that we might have been able to organize and help pay for.

Mrs. WAGNER. Very important. I am glad we had the testimony today for the record to submit to the administration.

I have run out of time. I appreciate the chair's indulgence.

I thank you all for your service.

And I yield back.

Chairman ENGEL. Thank you. The gentlelady yields back.

Ms. Wild.

Ms. WILD. Thank you, Mr. Chairman.

Good afternoon. Thank you all for being here.

I represent a district in Pennsylvania. Pennsylvania, as you undoubtedly know, has the second largest population of Ukrainian-Americans in the United States. My district, which is the Lehigh Valley of Pennsylvania, has a very significant Ukrainian-American population, and they have shared with me some of their concerns about Russia and its activities in Ukraine.

Mr. Fried, if I may, you wrote in your testimony that "Putin, like Soviet leaders before him, seeks to weaken the European Union and NATO and to discredit the idea of democracy as a potentially appealing alternative for Russia." Clearly, the Kremlin does not

want Ukraine to succeed in its attempt to transform itself from a Putin-dependent government into a free market democracy that grows closer with Europe, because, obviously, that would show Russians that, if Ukrainians can succeed in such a transformation, perhaps so could they.

So, what I wanted to ask you is whether you could discuss Russia's strategy to counteract the efforts of nearby countries that are trying to build or expand democratic governments, and what we, the United States, need to do, in turn, to counteract Russia's efforts to stop democracy in those countries such as Ukraine?

Mr. FRIED. You are right that Russia fears a successful democratic Ukraine because that would be a body blow, and possibly a fatal body blow, to Putinism, not to Russia, but to Putinism. Russia's tactics, well, Russia seeks to prevent all of its immediate neighbors, Georgia, Ukraine, from becoming successful, modern democracies drawing closer to Europe.

They manufacture conflicts. They create border problems. They seize territory. In the case of Ukraine, it was their association agreement that triggered the protests that led to bloodshed and, then, the Russian intervention.

What we can do is help the reformers in those countries. We know how to do this. We did it after 1989 when the Berlin Wall came down. We helped the Poles. We helped the Baltic States. We helped the Romanians. And we succeeded. We ought to be getting behind the reformist forces there.

Ukrainians have had trouble maintaining a steady pace of reform. Now they have demonstrated a free and fair election. They are going to have a new President. They are going to have parliamentary elections.

General Keane has said this, and I agree with him, we need to help the Ukrainians deliver at home for their people and fight corruption. That was the big deal in the last elections. In doing so, the Ukrainians will generate political capital for themselves, draw closer to Europe. And all the world's big problems, Ukraine is the one with the greatest chances of a really good outcome for the United States, for the Ukrainian people, and for freedom generally.

Ms. WILD. And do you believe that U.S. support is critical in order for Ukraine to accomplish that?

Mr. FRIED. U.S. support and European support together.

Ms. WILD. OK. Thank you.

And to Ambassador Fried or Ambassador Nuland, since 2014, the United States has used sanctions as a central tenet of foreign policy to counter Russian aggression. And yet, sanctions have not led to Russia's withdrawal from Ukraine, nor did they prevent an escalation of Russian involvement in Syria, or prevent Russia from increasing support to the Maduro regime in Venezuela. How important is it that we coordinate United States sanctions with our European and other allies? And how can we do a better job of coordinating those sanctions? And the last part of this, because time is running out, is, what advice would you give to this administration to improve the effectiveness of sanctions?

Mr. FRIED. The last administration coordinated sanctions with the European Union. I was the chief negotiator. So, I did this.

We may have to escalate our sanctions in support of a Ukraine settlement. If we do so, we should do so with Europe. I hate to say it, but my old office, the Sanctions Coordinator's Office at State, was abolished. You need a negotiator. You need somebody with rank doing it.

Ms. WILD. Thank you.

My time is up. Thank you, Mr. Chairman. Thank you.

Chairman ENGEL. Thank you very much.

Mr. Zeldin.

Mr. ZELDIN. Thank you, Mr. Chairman, for having today's hearing.

I wanted to ask a couple of important questions to give everyone an opportunity to respond with the limited amount of time.

Nord Stream 2, I think it is, in my opinion, not in the best interest of the United States and our allies to be pursuing further development of Nord Stream 2; that it would be great for an ally like Germany to be pursuing more energy cooperation and expansion between the United States and Germany, rather than seeing expansion between Germany and Russia. Thoughts on Nord Stream 2? Thoughts on the way Germany should be handling it?

Ms. NULAND. Thanks, Congressman Zeldin.

We worked very hard on this in the previous administration to try to slow down the process of Nord Stream 2 and to work specifically with the European Union. So, the European Union has very tough rules, called the Third Energy Package, on when and where you can build pipelines. And so, when we worked with the European Union, we were able to question things like the security sustainability, the environmental reliability, whether Germany actually needed this energy, whether there were other alternatives. We also worked with all the literal States, the States whose territory and undersea passages the pipeline would pass through. And we were able to slow it significantly. I think that is a better strategy than simply rhetorically beating the drum, at the same time that we try to bring more U.S. LNG and other global LNG as an alternative to Europe, and particularly to Germany.

Mr. ZELDIN. Any other witnesses want to weigh-in with regards to Nord Stream 2?

General KEANE. Well, I agree with the sentiments already expressed. I would just add that I think the United States, in concert with our European friends, can do more in the energy sector, particularly natural gas, in terms of impacting Russia's major sources of income, which largely surrounds energy, obviously, as almost a one-commodity country. And the geopolitical implications of that are obvious, and we can clearly be more aggressive about it.

Mr. FRIED. I never liked Nord Stream 2, did not much like Nord Stream 1. I do not favor the use of sanctions to try to kill it, but I think Germany needs to do more to mitigate the strategic downsides of this bad idea, by which I mean they ought to show leadership in Europe to create alternative sources of natural gas and LNG, and weaken the Russians' ability to put Europe in a hammerlock through the use of energy blackmail.

Mr. ZELDIN. Any of the witnesses familiar with letters sent last week by the German ambassador to the United States to Members of the U.S. Senate with regards to Nord Stream 2 and possible re-

taliatory actions by Germany? There was a story that came out yesterday in The Wall Street Journal. It was previously reported just before the weekend. The German ambassador sent letters to United States Senators threatening retaliatory action as it relates to the LNG that was just referenced in your answers to the last question.

What we have been experiencing with the—by the way, the United States Ambassador to Germany, Ric Grenell, is doing a fantastic job. Every time he sneezes in a way that a German politician does not like, someone is calling for him to be kicked out of the country or some other horrible response. And it is unfortunate that Germany is not embracing an opportunity to improve dialog with someone who is honestly reflecting the policy of the United States under the current administration.

I, in response to the letters being sent by the German ambassador to the United States, am not going to do what the Germany politicians will do to Ambassador Grenell. The German ambassador is stating a policy, a position, a statement, a threat, however you want to take it, on behalf of the German government, and I do not believe that it is a good idea for us to stop talking to the German ambassador. I do not think it is a productive idea to threaten the German ambassador or call on Germany to replace the German ambassador.

So, I think that this is an important moment, specifically as it relates to Nord Stream 2, and a reflection of the behavior of German politicians as it relates to our U.S. Ambassador to German, who is doing a fantastic job; that between allies we should be able to have honest conversations between our countries and move forward in a healthier, more productive manner. We might be in a different place with Nord Stream 2. We should get to a better place with Nord Stream 2 as well as increased LNG imports. And the threats are not helpful, but I am not going to respond the way the German politicians would respond to Ambassador Grenell.

But I appreciate all the witnesses for being here, and for the chairman for holding today's hearing.

I yield back.

Ms. SPANBERGER [presiding]. Thank you.

The chair recognizes Mr. Espaillat.

Mr. ESPAILLAT. Thank you, Madam Chair.

I would like to focus my questioning in a different light, really more about the 2016 elections and Russian meddling. And we may differ on collusion; we may differ on obstruction of justice, but, clearly, given the Mueller report, there is no doubt, absolutely no doubt, that the Russian government blatantly interfered in U.S. elections in 2016.

We saw that in Volume 1 of the Mueller report, as early as 2014, the Russian Internet Research Agency, IRA, was actively working to influence the 2016 elections through aggressive social media campaigns and actually on the ground in the U.S. In fact, they sent agents to gather intelligence in the U.S. as early as 2014. The IRA used political ads, bought social media space, forums falsely engaging American voters, and to stoke hate and fear. And the IRA also hacked into state election boards and voter systems and companies which sold election software to state boards of elections across the

country. They targeted congressional races as well. Maybe some of the members in this committee, their districts were targeted.

My question is the following: did the Russians tamper with State voter systems? Did they tamper with voter lists or systems across different States? Ambassador Nuland, or anybody on the panel?

Ms. NULAND. I believe that it is publicly disclosed now that they successfully acquired voter rolls in some States, but I do not believe was proven that they were able to actually manipulate or change voting, which is not to say that they did not try and not to say that they will not try going forward. It is certainly a strategy that they use at home.

Mr. ESPAILLAT. Do you know which districts or which States were targeted by this activity?

Ms. NULAND. I do not have that. I am sorry. But I have testified a number of times before Senate Intel and House Intel. I think they can help you with that.

Mr. ESPAILLAT. OK. The Mueller report further States that the Russian government interfered in the 2016 Presidential election "in sweeping and systematic fashion" in regards to hacking attempts of state boards of elections. So, I want to also ask, if proven that they have, in fact, tampered with state elections and voter rolls or lists in those respective States where you may have front-line or competitive races that will determine the majority of this institution, do you feel that state law enforcement or Federal prosecutors have the right to go after these folks, including some potential collaborators in the United States? Anybody?

Ms. NULAND. I mean, I think as we have all said, we need a much stronger, Presidentially led set of policies and tools to deal with this. I would include in that strengthening our legal and regulatory regime, so that any Americans who are participatory willingly and knowingly in any of this, including influence campaigns or voter suppression, or any of it, face far harsher legal penalties, including LPRs and others in the United States. So, there is a lot more we can do within this basket. What you mentioned is one aspect, but it is much bigger than that.

I just, while I have the mic, will mention that I think when CIA Director Haspel came up to the Hill not too long ago, she called for more resources for the CIA. FBI also has seen its ability to counter this stuff attrit at the end of the cold war. So, when you think about what Congress can do, that is another area to really strengthen our intelligence resources and coordination through a fusion center.

Mr. ESPAILLAT. Finally, as we work to counter Russia's malign activity in the U.S. and around the globe, I want to ensure that we are targeting the Russian government and ensuring that Russian citizens and civil society do not suffer because of the Putin regime. Can you suggest principles Congress should follow to strengthen dialog with the Russian people and for supporting the civil society in general in Russia? I think that is an important component that has not been addressed.

Mr. FRIED. During the cold war, we successfully reached out to Russians, Ukrainians, Poles, Balts, all manner of people. We let some of that capacity atrophy. It is now a digital age. I think that we ought to develop tools to reach out to them, both directly, but

also by supporting civil society groups. Democracy promotion can work if we are not too impatient. It takes time, but it can yield spectacularly good results. Again, we learned this during the cold war.

And I think reaching out to the Russian people is possible, but it is probably not possible if the lead is a bunch of government bureaucrats. I think outsourcing, as the Reagan Administration did in its day, is the way to go. But I think that a long-term struggle and long-term outreach to the Russian people is in our interests.

Mr. ESPAILLAT. Thank you.

Thank you, Madam Chair.

Ms. SPANBERGER. The chair recognizes Mr. Guest.

Mr. GUEST. Thank you, Madam Chairman.

We have had several hearings during this 116th Congress. Many of those have dealt with both China and Russia. And my question to each of you is, do you feel that the greatest threat to our national security comes from China or Russia? And I guess it is two-part. As it exists today, and then, looking forward 5 to 10 years from now, do you see that change? Ms. Ambassador?

Ms. NULAND. Congressman Guest, I believe that we face significant challenge from both. As we have talked about today, I do not think Putin's Russia is a thousand feet tall. I think we have got the tools and the organization, if we choose to use it, to blunt his ability to hurt us.

I think the China challenge is much different, much less well understood, and will require a very long-term effort because they are richer, because they are more ambitious, because they have been more successful at accreting economically and industrially into our and our allies' strategic areas of concern. So, again, if this were a China hearing, I would be calling for a whole-of-government approach, Presidentially led, rather than simply trade talks or these talks, but China is a generationally issue, I believe.

General KEANE. The way I would express it is, I do not think we should play one off against the other, but I do believe that China is a long-term strategic threat to our national security interests. The engine of their economy certainly is that. President Xi has made some rather fundamental strategic decisions that his predecessors had not made, and that is to dominate the Western Pacific and Asia, and they are well on their way to achieving that. They are using gray zone operations, again, operating below the level of conflict, to achieve those ends. And he has also publicly stated, again, very different from his predecessors, that they fully intend to replace the United States as the global leader of the world.

And they are the fastest-growing military in the world. They now have 355 combat ships. That is a little north of the amount of ships the United States Navy has in its entirety. They have offensive missiles that can hold our carrier battle group at bay in the Western Pacific and can reach every, every single air base that we have in the Pacific today. They are rapidly developing hypersonic missiles which can destroy surface fleets in a manner of minutes.

So, clearly, their geopolitical No. 1 strategy is economic around infrastructure and energy, but they are also at the same time projecting power globally militarily with bases in the Mediterranean, in Pakistan, and major investment tools, at the same time building

a military capability that would take advantage of some of the vulnerabilities that the United States military has.

Long-term strategic threat, to be sure; the most important bilateral relationship I think the United States is involved in. We have got to work this thing to try to get it right. We certainly do not want to go to war. I do not think they want to go to war with us, but their strategy is very aggressive and it is being done at the United States' national interests and those of our allies.

Mr. GUEST. Ambassador Fried, let me ask you another question because my time is limited here. In your report, you state that, "For the last 20 years after the end of the cold war the United States drew down its forces in Europe, and many European countries allowed their militaries to decline." Have we begun seeing in Europe the rebuilding of those militaries which were allowed to decline after the end of the cold war? And to what extent?

Mr. FRIED. Yes, but not enough, is the short answer. Partly under pressure from President Trump and President Obama, European defense spending has increased, deployable forces is increasing, and NATO has decided to take seriously the Russian security threat. So, this is good news. Not enough has been done, but, clearly, the direction is going the right way.

The countries closest to Russia, the Balts, the Poles, the Romanians, are spending a lot more and their capability is growing. The Germans need to do more, but their defense spending is increasing. We get too involved in a lot of rhetorical battles, but we need to build on this good momentum while we keep pushing for more.

Mr. GUEST. Thank you, and I yield back.

Ms. SPANBERGER. Thank you.

Thank you to our guests.

I am going to recognize myself right now.

My first question is in response to the question that Mr. Guest posed. Ambassador Nuland, you made the comment—and I hope I quote you correctly—that we have "the tools and the organization" to address the threat posed by Russia. And I was curious if you could quickly expound on that. What are the tools, what are the organizations, and how could we make them stronger, so that we are successfully addressing the threats posed by Russia?

Ms. NULAND. Thank you, Congressman Spanberger.

As I say in my testimony, we need, first, unity of effort inside the U.S. Government, then with the Congress, and then, with allies, and then, with our populations. We need to use all the tools of power, military, economic, digital, et cetera.

Each of these challenges is different and requires a separate line of effort. I tried in the testimony to go through the kinds of steps that I would recommend to deal with the digital aggression, to deal with military buildup, et cetera.

But, specifically, sanctions are useful, but only when they are with allies, when they are targeted, when they can be ratcheted up, and ratcheted down when we can come to agreement. So, in the Donbass negotiations that I was working on, we were getting to the point where we were going to need to show Russia that good behavior would lead to some sanctions coming off. But when Russia stalled in those negotiations, I could have used an escalatory ladder. But, by the same token, what is most important is that we are

strong and that we are not willing to give on things that Russia wants or to give them the prestige or the face, if you will, of good relations unless they are working with us, rather than against us. And that has to be Presidentially led.

Ms. SPANBERGER. You mentioned the Presidentially led element of this, and I think that does present some unique challenges. Certainly, as we have seen in the past couple of days, the past week, a focus on the Mueller report. And I know that a number of my colleagues have mentioned this. I am curious, from your perspective—we have seen the Mueller report highlighted the systematic disinformation campaign and offensive cyber efforts against our election system. One of my concerns, as a former intelligence officer, is that this is an example of a first-step overture; this is an example of aggressive behavior and tactics that they were willing to take in 2016 against our elections, perhaps before that, perhaps in 2018. Speaking specifically about what is in the Mueller report, it is 2016.

Do you have concerns that these same sorts of aggressive tactics could be used against our electrical infrastructure, our electrical grid, our financial institutions, the hacking, spearfishing, those sorts of efforts, separate from some of the information and disinformation campaigns? Do you have concerns that those might be in Russia's toolbox in things that they might be willing under some circumstances to deploy against us?

And, Ambassador Fried, you were visually responsive. So, I am going to start with you.

Mr. FRIED. Sure. We would be derelict in our duty as a nation if we were not concerned about this. And this is not hypothetical. We saw the Russians go after the Georgians, go after the Estonians. And this was 11 years ago, 12, and the Ukrainians all the time.

Of course, this is going to be in our toolkit. Now I want to give the U.S. Government some credit. We have stood up Cyber Command. They are active. They are working on hard security. But, as Ambassador Nuland has said, this has to be a whole-of-government effort, it has to be Presidentially led, and we cannot send mixed signals.

General KEANE. To understand that issue, first of all, yes, the Russians have clearly the capability, as the second best offensive capability in the world, to impact our financial banking system as part of our critical infrastructure, our utility grids, our transportation system, et cetera. They would not do that, in my judgment, pre-conflict operations because we would know they did it, and they know that we would respond very aggressively to something like that, because the impact on us would be catastrophic. It is like using a nuclear weapon.

However, during conflict operations—and we know this for a fact—all of those tools would be used against the American people in the homeland. Not only that, as we are trying to deploy our forces—and you saw our forces deploy to Iraq and to Kuwait and to Afghanistan, and we called that a permissive deployment, where we moved at a time and place of our choosing and no interference. That is over. That will never ever happen again with a major power like Russia or China. They will interfere with all of that and

disrupt it with cyber and, also, with kinetic weapons. So, yes, conflict operations have changed dramatically because of the very sophisticated offensive cyber operations that our adversaries could conduct if we were in that kind of a conflict.

Ms. SPANBERGER. Thank you to the witnesses.

And the chair recognizes my colleague from Tennessee, Mr. Burchett.

Mr. BURCHETT. Thank you, Chairlady.

And I will be brief because I realize I am standing in the way of possibly you all getting to the restroom and lunch. So, I will be brief in my questions.

I actually had this for the general, but I am curious if any of you all else would like to comment on it, that China and Russia, they have shown an incredible ability to work together almost hand-in-glove with each other when it comes to thwarting U.S. interests. However, opposite the cold war era, it is now Moscow that plays the junior partner, it seems to me, junior partner to Beijing. Do you all think that Putin is OK with this as long as U.S. interests are checked or Russian pride eventually will win out? I guess this is getting more into the psyche of Mr. Putin, who I have seen pictures of him riding a bear, but I think those are Photoshopped, for the record, but I would just be curious.

Mr. FRIED. I think that is an important point.

Mr. BURCHETT. And for the record, I do not care at all for him.

Mr. FRIED. I think you have made an important point. I believe that China and Russia are perfectly willing to work together to thwart the United States on an opportunistic basis. However, in any kind of Russian-Chinese alliance, Russia is the junior partner. And I do not believe the Chinese have forgotten how the Russians treated them when they were the senior partner in the 19th century. And what I have said to Russian audiences is that light at the end of the tunnel that you think you see may simply be the Chinese waiting for you to emerge and they will eat you alive, because Russia should think twice before it signs on to be the junior partner of China. I think that that would be a mistake, and I think that someday the Russians will start to realize it. And even now, some of them will whisper, if they think no one else is listening, that they are concerned about where Putinism leads them.

Ms. NULAND. I have served in both countries, lived in both countries. They are not natural allies politically, culturally, economically. In fact, they are quite vicious about each other in closed chambers.

I do think the worry now is that there is a lot of learning going on both ways, particularly in the digital space. You know, the Russians are learning about facial recognition and deepfakes from the Chinese, and the Chinese are learning about influence operations and voter suppression from the Russians, and that is just the beginning, not to mention their military interest beginning to align, and particularly what we have talked about throughout the morning about this club of autocrats trying to reverse and change the rules of the liberal international system. So, I think we have to watch it.

The Russians did not enjoy after we put on crippling sanctions in 2015 in their energy sector and their banking sector. They went

to the Chinese for investment, and they did not enjoy that exchange because the Chinese really jacked them up. So, we can also play in that space, if we are playing to contain and deter both of them.

General KEANE. When you look at it politically, economically, and militarily, I do not see them coming together in an alliance to support each other across all of those sectors. I think they find each other useful at times, and certainly dealing with what was the American hegemon. And certainly, China does have some economic interest in Russia, surprisingly, even though they have only 150 million people in that country and their economy is in the tank. Russia is currently building a pipeline to China for oil, which is pretty significant because 62 percent of China's oil still comes from the Middle East. And it is why China is opening a navy base in Djibouti, because they know that, if we had a conflict with China, we would shut down that oil coming out of the Middle East. So, I think that they see utility in the relationship, but I do not see an alliance.

Mr. BURCHETT. A young man from—it is not in my notes—but visited me yesterday, and he was from an area, the district of Powell. And he wrote a poster and I guess a brief on China and their ability to go into these countries and do things, you know, dams, hydroelectric, and things like that. And they would get into it, and they would get about three-quarters of the way, and then, they would pull the plug on some of it. And he surmised that the reason they did that was they would be more dependent upon them, and then, they would be more indebted to them. Does that ring any truth to you all, that sort of philosophy with China?

You know, I was in Israel and I was saddened to see that their deep port was, in fact, done by the Chinese, or, as my father would say, "the Red Chinese," but the Chinese.

General KEANE. The strategy you are talking about there deals with mostly emerging nations where China has come in and they are going to build infrastructure projects for them, and they negotiate high-interest loans where the country has difficulty paying off the interest. And as a result of it, China owns the infrastructure. When it is an energy infrastructure, it impacts geopolitically on influencing control in that country.

But, with a more industrialized state where they have significant investment projects in Africa, South America, South Asia, et cetera, they do not deliver a quality product. They insist on Chinese labor force. And second, the product is not up to standard. I believe this strategy is eventually going to catch up to them, unless they make some significant changes.

One, they are bullies and intimidators. And I have been around Southeast Asia and other places talking about China to those leaders there. Clearly, China has huge influence, but going along with that, there is a price to be paid in that relationship. And some of that price is not welcome in Beijing; that is for sure. They are quick learners. So, they may solve this problem certainly. But that is kind of the thrust that I see happening.

Mr. BURCHETT. Thank you, Chairlady.

Of my 103 days in Congress, this has probably been one of the more informative meetings, and I appreciate it. I wish my father

was alive to hear what you had to say about the Chinese. He fought them after the Second World War in some limited engagements in the United States Marine Corps. You have educated me. I want to thank you all very much, all three of you.

Chairlady, I am sorry I went over.

Ms. SPANBERGER. Thank you.

The chair now recognizes Mr. Malinowski.

Mr. MALINOWSKI. Thank you, Madam Chair.

Ms. SPANBERGER. I apologize. The chair now recognizes—no, Mr. Malinowski. Sorry.

Mr. MALINOWSKI. We are good?

Ms. SPANBERGER. Yes, we are good.

Mr. MALINOWSKI. OK.

Ms. SPANBERGER. I apologize.

Mr. MALINOWSKI. Thanks.

Ms. SPANBERGER. Thank you.

Mr. MALINOWSKI. When I used to ask Russian dissidents, how can we help you, they would sometimes shoot back, well, at least stop hurting us by allowing Putin's cronies and oligarchs to hide their money in American real estate, shell companies, and banks. So, I am very glad that you raised that issue, Ambassador Fried.

The good news is we have a bipartisan bill. It was introduced in the last Congress. It is about to be reintroduced. I think it may be supported by the administration; I am hopeful. It will basically say that the true owners of shell companies, of companies registered in the United States, their identities have to be disclosed to the Treasury Department. I just want to ask all three of you, would you support that kind of legislation? I see a thumbs-up. Three thumbs-up. Good. Well, you will have an opportunity to tell us more formally soon, I hope.

Let me go bigger picture. I think in all of your testimoneys there is a common theme that this is not just a battle of armies; it is a battle of ideas. Putin has an idea that dictatorships and kleptocracies should be left alone. He seems threatened and offended by institutions like NATO and the EU that try to uphold standards in the world. He seems to be offended and threatened by the notion of the United States leading by example, being a shining city on a hill. So, he tries to undermine the institutions. He tries to undermine our reputation. Makes us seem like just about any other country.

So, let me do a little bit of a lightning round with you guys, and maybe I will start with you, Ambassador Fried, but anybody can jump in. Do we validate or counter Putin's idea when we say that NATO needs to pay us to protect them and question whether we should even defending small NATO allies like Montenegro? Just quickly.

Mr. FRIED. We are right to push for NATO countries to step up in defense spending. We are wrong to speak in terms of NATO as a protection racket.

Mr. MALINOWSKI. How when we denigrate the EU and suggest that we are cheering on Brexit? Are we validating or countering Putin's idea?

Mr. FRIED. We should support the unity of the democracies because we need our friends to deal with our adversaries. The EU at

worst can be a bit of a pain to work with, but that is a friend. They are a friend, and an important one.

Mr. MALINOWSKI. What about when we throw our support behind a Russian-backed Libyan warlord who is trying to overthrow a government that the U.N. and the U.S. has recognized? Are we validating or countering Putin's world view and strategy? Victoria, do you want to——

Ms. NULAND. Congressman Malinowski, the Russians have been supporting Haftar's civil war inside Libya for at least 2 years. Why we would want to exacerbate and accelerate that does not make any sense to me.

Mr. MALINOWSKI. Let's take this closer to home. Are we validating or countering his idea when we call the free press in our country the enemy of the people?

Mr. FRIED. American values and American interests are ultimately indivisible, and this has been the core of America's grand strategy for 100 years. So, we ought to get behind our own best traditions. It makes us stronger, not weaker.

Mr. MALINOWSKI. Does it help us in this battle of ideas or hurt us when an American President maintains his own personal business empire and takes payments from foreign governments?

Mr. FRIED. Transparency, probity, decency, and financial disclosure are all good things, the mark, as used to be said, of a healthy republic.

Mr. MALINOWSKI. And what about when we accuse our intelligence community of being a deep state that is trying to engage in a coup against our elected leadership? Is that——

Mr. FRIED. Talk of coups, treason, enemies is the language that I had not heard in common discourse in the West since I was reading about it in history books, and I do not like to see it now.

Ms. NULAND. Just to repeat a line from my opening statement, we enable Putin's quest when our own leaders "call into question the basic rights enshrined in our liberal Constitution: an independent judiciary, a free press, protection of minority rights, and the oversight powers of this Congress." You named several others, in addition.

Mr. MALINOWSKI. And just a final question——

General KEANE. Mr. Congressman, can I say something here? And I really appreciate your being here from the very outset.

I understand what you are saying, and I deal with leaders around the world on the very issue you are talking about. And that is the President's comments, and he makes them on a regular basis, almost daily. And what I tell those leaders, one, you should try to understand the comments. I am not telling you do not pay attention to it. But what you have to pay attention to is U.S. policy. And U.S. policy is supporting NATO 100 percent.

Now are there denigrating comments about countries in NATO? Yes. And the President's speech when he went to Poland in the first year of his office, and stood up there and talked about the values in NATO and how it has preserved peace and stability in the world, how it is the bastion of all the advanced democracies in the world, and we share all those values together. Yes, we have to look at policy, where we do have a President that talks and expresses his own views at times, what on the surface appears to undermine

some of those policies. I am not disputing that. I will acknowledge that. But I come back to policies, and that is what our adversaries are primarily looking at, our policies.

Mr. MALINOWSKI. But Article 5 does depend on our adversaries having absolute confidence that the President of the United States believes in NATO and in our commitment to defend every single ally, large or small, does it not? They have to believe that he believes it. Isn't that important?

General KEANE. Yes, and in my view, I do not think there is an issue there. The United States will respond to an Article 5 incursion.

Mr. MALINOWSKI. OK. Thank you. I yield back. Well, unless you want to——

Mr. FRIED. I agree with General Keane that the policies of this administration are like what Mark Twain said of Wagner's music, "Better than it sounds." But there is no substitute for Presidential leadership. And I have said the same thing to Europeans that General Keane has been saying all over the world. Look what they do. They have not done anything—the administration has not acted on the more problematic Presidential statements. And I say it and I believe it. But I wish I did not have to make that defense.

Mr. MALINOWSKI. Thank you. I yield back.

Ms. SPANBERGER. Thank you.

The chair now recognizes Chrissy Houlahan from Pennsylvania, and apologies to my colleague for skipping you in the last section.

Ms. HOULAHAN. Not a problem at all.

And thank you very much, Ambassadors and General, for coming today.

My first question, sir, is for you, General. It has to do with the Russian military development and the recent revelation/realization that, in 2018, Russian defense spending actually went down and for the first time Russia became one of the less than five highest people spending on DoD expenditures.

And my question has to do with whether or not, in doing this, you think that Russia's—is Russia actually still a great power? Or, with the assessment now that there are great powers that are China and Russia, as they are declining in their military expenditures, do you feel as though that is a reflection in their power and might, or is the fact that they are moving their expenditures into other areas, non-military areas, a reflection that they still continue to be a threat?

General KEANE. Well, it is a reflection of the economic challenges that Russia is facing in their country. As you know, they have significant inflation problems, unemployment problems, and the list goes on.

But I spent over a year in a bipartisan congressional committee looking at principally where are we with Russia and China in terms of a national defense strategy. We are challenged by the fact that, if we got involved in a confrontation in Europe, the United States in an ocean away and we have to move to that conflict. So, that is a challenge in and of itself.

But I can flat tell you that Russia and China have both developed asymmetric capabilities. They have not tried to build a force like ours, although China is building a navy like ours. But they

have built asymmetric capabilities that have the capacity to take away something that we have always had dominance in, and that is the use of air power, not just from airplanes, but cruise missiles from ships.

The Russians have that capability at Kaliningrad right now, if we got involved in a conflict over the Baltics or in Poland, et cetera. So, yes, and Russia is a significant nuclear power. They have improved all of their strategic weapons, and we are just now getting around to putting some money in the budget to do that. And they have developing tactical nuclear weapons, as we know, in violation of the INF 1987 Treaty. So, yes, Russia has significant military capability to this day that can impose cost on the United States and our allies in a conventional conflict. Likely, that is not what they want to do, because hybrid warfare, operating below the level of that conflict, has proven to be geopolitically successful for them.

Ms. HOULAHAN. And, sir, where are they failing. If they are succeeding in those areas that you just outlined, where is Russia failing?

General KEANE. Well, Russia has a conscript military, and they only really professionalized about 30 to 40 percent of it. And the conscripts stay for 1 year. And therefore, their morale is not what it should be. Their leadership is not what it should be in two-thirds of that military. So, I am not about hyping the threat. I am about trying to be realistic about what it is and what is likely. But there is no doubt, when you put a microscope on it, that Russia does have a capability to impose cost on us in a conventional war. Over time, we win that war, but, initially, it is significant.

Ms. HOULAHAN. And that is my final question, which is, given the expenditures that we are making in terms of dollars, and given their capabilities and their weaknesses, do you feel as though we are collectively gaining ground on Russia or losing ground?

General KEANE. Our problem is we have had—Russia and China have caught us technology-wise, where we had a significant technological advantage for years. So, they have got precision-guided munitions, stealth technology, electronic warfare. The list goes on and on and on where we had dominance over them. We do not have that kind of dominance now.

And what we are trying to do with the Trump defense buildup is get the kind of dominance and parity that we are used to having, for one reason only. That capability, just like the capability we had during the cold war, prevents war, and that is what we want to do. We want to make certain that the erosion that we have experienced—why? Seventeen years of 9/11 wars, budget reduction and sequestration, particularly the latter, kneecapped us rather significantly. And this is close to two decades now of impact on military capability.

The Trump defense buildup I think is more critical than actually the Reagan defense buildup, given the adversaries that we are facing and what their capabilities are. We cannot do it just for one or 2 years, Madam. We have got to do it for about five or 6 years to get back to where we have a credible deterrence.

Ms. HOULAHAN. I appreciate it. I know that my time is up. I guess the bigger part of my question is, why, with $700-plus billion every year, or increasingly every year, we are still behind or not

spending our money appropriately, so that we can counter those asymmetrical threats?

General KEANE. Well, you answered the question. Some of that money has not been spent appropriately, and I hope, as we are going forward, that we are really focused on what capabilities—I will just give you one example. If a military service is taking a legacy system and they are going to want to improve that legacy system that is going to be with us for the next 20 or 30 years, wrong decision. Why is that? Because we have artificial intelligence coming. We have quantum sensors coming. We have directed-energy coming that our opponents are all going to have. We have got to get up on that next technological edge, is where we have to be, and not spend money on systems that fought a war in the past and is not going to fight a war in the future.

Ms. HOULAHAN. Thank you. I appreciate it.

I am sorry for going over my time. I yield back.

Ms. SPANBERGER. Thank you.

The chair now recognizes Mr. Trone from Maryland.

Mr. TRONE. Good afternoon. We are almost finished.

First, I want to thank you guys for your excellent responses to Mr. Malinowski's questions. I thought that was very helpful, and I really appreciate your candor. Thank you.

Russia appears to be fomenting conflict along its border region to the west in order to block any chance of accesion to NATO. I am thinking specifically about Georgia, Moldova. Regardless of whether NATO should seek to expand in those countries, do you believe the NATO alliance should tolerate such behavior from Russia? And if not, what can NATO do to counteract it? Who wants to take a stab?

Ms. NULAND. I think we have, across multiple administrations and with the help of the Congress, worked hard to strengthen those leaders in Georgia, Moldova, and Ukraine—and it has not been monolithic in any of those countries—who seek more democratic, open, tolerant societies. We have also worked hard to push back against Russian militarization of parts of those countries.

I think the question now is whether, even absent the parts of those countries that are occupied, if you will, or under foreign influence, is the rest of the country, whether it is Georgia, whether it is Moldova, whether it is Ukraine. Are they meeting the highest standards that we demand of NATO members? And I think our goal now should be to work with each of them to make clear that it is not about the pieces of territory that they have lost. It is about whether they are clean enough, strong enough, democratic enough, to be in our family. And frankly, we have also got NATO members where we have got a problem there.

Mr. TRONE. Agreed. We have Russia invest significant resources, expanding its influence in Central Europe, in the Balkans. President Putin has a like-minded ally now in NATO, in the EU, in Viktor Orban in Hungary. He is testing NATO unity in Turkey, and continues to make inroads in Serbia, to your point. Are you concerned that President Putin is establishing an alliance of illiberal autocrats in Europe? And to what extent does this rollback of democracy in some places undermine the Transatlantic Alliance?

Mr. FRIED. I think President Putin will seek out autocrats on principle, but his interference in European elections goes far beyond. I mean, Russians were involved in Spain's Catalonia referendum. They were involved, as it turns out, in Brexit. They will work everywhere they can, looking for opportunities to divide. I do think that they have an inclination toward hard-right nationalism, but they will go with an extremist, right or left.

I think that Putin is able to do this—that is, he is able to try to assemble an international alliance of autocrats and nationalists—partly because the United States has stepped back from its leadership of the free world. And I do not mean just this administration, though I mean that, too. But, even in the last administration, we did not seem to be stepping up to our traditional role. It is tough. The United States gets hit when we lead, but when we do not lead, things are worse.

And I think that the fallout from the wars in Iraq and Afghanistan, and American war weariness and economic problems at home, have tended to weaken the national consensus for American leadership abroad. I think it will take a lot of effort to maintain that. I think it is important. I think both American political parties have strong traditions of supporting international leaders, but isolationism, or kind of inward-looking unilateralism and nationalism, also have a tradition in American politics. I wish it did not, but it does. And I think that ultimately is the answer to Putinism. We need to step up and remember our best traditions and who we are.

Mr. TRONE. Well said. What about the yellow vests? Is he part of that mess in France?

Mr. FRIED. I think that the Russians go for anybody willing to play their game. I think what they do in our country, which is take socially divisive issues and play both sides to exacerbate it, they will play in every European country where they can. I think the players change, that is, their tools change, but their tactics are the same.

Mr. TRONE. That sounds like a yes.

I yield back. Thank you.

Ms. NULAND. I would just say it bears investigating where their funding is coming from.

Mr. TRONE. Yes.

Ms. HOULAHAN [presiding]. Thank you.

The chair recognizes Congressman Andy Levin from Michigan.

Mr. LEVIN. Thank you, Madam Chairwoman.

Thank you all for coming in today.

I know there has been some focus on Russia's activities in Ukraine, and I want to go back there a little bit and explore in more detail. A Brookings fellow, Alina Polyakova, wrote that, "While Russian interference in Western elections came as a surprise to many, Russia has a long track record of intervening in Ukraine's elections since 2004. Ukraine's experience is, thus, a bellwether for assessing the Russian tactics that may be deployed against the West."

Ms. Nuland, can you share a bit more about the kinds of tactics that we have seen from Russia with respect to Ukrainian elections and what, if any, Russian interference did we see during or in the leadup to the recent Presidential elections?

Ms. NULAND. The traditional Russian playbook in Ukraine had been less about influence campaigns on Ukrainian voters and more about support along with the oligarchs who are in their orbit of individual candidates who they thought would be more favorable to Russia's interests, its economic interest and its military interest. So, to try to squeeze out democrats and, when they come into office, to damage them, to hurt them with the electorate, and in the case of Yushchenko actually throw acid on his face, and there were some vicious things that went on.

The interesting thing about these elections is that the mandate, the margin by which President-Elect Zelensky won was so massive that any manipulation that may or may not have been by anybody got swamped by the people's will. I think the question now, Zelensky said a lot of the right things about anti-corruption and about breaking the oligarchic system in Ukraine, but he, himself, has been in business with senior oligarchic figures. So, he has got to now prove it, and we should support him if he does, but we should tie our assistance to a cleaner, more democratic, more economically open Ukraine.

Mr. LEVIN. What do you and others think about the role of independent media in Ukraine and whether the U.S. could play a helpful role there in supporting the growth of an independent media, as part of that broadening you are talking about?

Ms. NULAND. We have done a considerable amount to offer training. I think it is very important that foreign media not be controlled by us, but be indigenous. The problem has been that there is so much oligarchic money, not just in Ukraine, but throughout Central Europe as well, in the media space, you know, the owning of television stations, et cetera; that it is very hard for independent journalists to survive and thrive. So, support for independent journalism, training, solidarity with them, protection of them, is very important.

General KEANE. My reaction in watching Russia, certainly meddling in elections is clearly part of their foreplay, so to speak. But, when it comes to Ukraine, it was not too long ago when their stooge was running the country. And the reason why he is no longer running the country, obviously, is the impasse of Ukraine looking for the West, looking for economic ties with Europe, in particular, and eventually in a political-military alliance with NATO.

So, what I see Putin influencing more in a country is pushing back on the domestic reforms that are necessary to gain economic viability and political stability as a result of that, because that is clearly not in his interest. So, oligarchs are a part of that. Flushing money in there is a part of all of that and the obvious corruption.

Even the Kerch Strait issue, while the focus was certainly on naval-to-naval issue, what he was really interfering with is economically the ports that are to the north of the Kerch Strait——

Mr. LEVIN. Right.

General KEANE [continuing]. And the transit of commodities out of those ports is what——

Mr. LEVIN. All right. Let me try to shoehorn one more question in, really about the application of the tactics to the U.S. Last week, The New York Times reported that the White House Chief of Staff, Mick Mulvaney, instructed former Homeland Security Secretary

Kirstjen Nielsen not to talk about Russian election interference around the President because, quote, "Mr. Trump still equated any public discussion of malign Russian election activity with questions about the legitimacy of his victory." Consequently, according the Times, the issue did not gain the urgency or widespread attention that a President can command, and it meant that many Americans remain unaware of the latest Russian versions of interference.

Do any of you want to comment about whether it is fair to say that, until the President acknowledges the facts about Russia's interference in our elections, and mobilizes the defenses we will need to counter that interference, we will remain vulnerable to those attacks?

Mr. FRIED. I think one of the themes from this panel has been that Presidential leadership is critical. And as someone who, like Ambassador Nuland, did a lot of crafting talking points for Secretaries, and even Presidents, Vice Presidents, it should not be that hard to speak about the policy challenge of Russian election interference and disinformation without getting into the more difficult and partisan issues of the Mueller report. It is not that hard, or it should not be that hard.

Presidential leadership is crucial. Acknowledging the facts of Russian attempted election interference can be separated from the partisan question, and even the political question, of the actual 2016 campaign. You could put it aside, draw a thick line, and say, OK, this is what we have to do to prevent it.

And there is a viable set of toolkits. I mean, there is a consensus emerging among policy experts about how to deal with disinformation. Cyber experts know what they are doing. The level of knowledge is well ahead of the political ability to sustain it into Presidential-level policy, I think.

Mr. LEVIN. All right. Well, I really appreciate the chairwoman and now the chairman's tolerance because I have gone over my time.

But I really appreciate your answer. I mean, it really is a question of the integrity of our democracy. So, I agree it goes above all politics and above all partisanship.

Thanks, and I yield back.

Chairman ENGEL [presiding]. Thank you.

Mr. Allred.

Mr. ALLRED. Thank you, Mr. Chairman.

And thank you to the Ambassadors and general for being here today. I think I am likely your last questioner. So, congratulations.

Before seeking this office, I was a voting rights attorney. And one of the things that we were always concerned with was, of course, methods of state voter suppression, but also of conditions that might cause people not to vote, lack of confidence in our system, belief that their vote does not matter, and, of course, misinformation.

And I know we have had a lot of discussion about Russian interference in the 2016 election today. Ambassador Fried, I wanted to ask you about what we can do in our civil society, our media, our social media, our people, to prepare ourselves and to perhaps innoculate ourselves for 2020. Because I visited the NSA. I think there has been some pretty accurate public reporting about what

Russia's efforts were in the 2018 election and how they were interrupted. And I think we can, obviously, anticipate more in 2020. What do you think we can do in our civil society to prepare ourselves for this?

Mr. FRIED. Let me focus on one aspect of it. I expect that Russians, but maybe others, will use social media to disinform and misinform potential voters, stuff like polling places are not open or changing the address of polling places, or you have to bring this or that document with you, and if you do not, you will be arrested. There will be all kinds of garbage out there.

The way to fight that, or one way to fight that, is to get in place in advance civil society groups, activists who can expose this misinformation, and then, link them up with reliable and trusted local community leaders, and have kind of a war room setup to respond, to expose misinformation and disinformation in real time, and then, get the word out to people what to ignore.

Now it is hard. The bad guys are always going to be faster, but we should not allow that kind of disinformation to go unchallenged. And the time to set that stuff up is now, and raise people's awareness. It can be the Russians. It can be various extremists. They are going to be in that space. And the Russians love voter suppression because they want to exacerbate our existing social divisions.

So, this is, whatever the source, there are tools available to fight it, and you do not have to go through—it does not require a Federal Government program. Local activists can do it, but you need tech-savvy people who can expose it, and then, you need to link them with community leaders that have credibility.

Mr. ALLRED. Thank you so much.

And I want to point to something you wrote in your written testimony. You said, "The United States was different from previous great powers, exceptional, if you will, because we understood that our Nation would do well when, and only when, other nations also did well. We were not interested in merely guarding a sphere of influence, like the great powers of the past. Instead, in a breathtaking display of confidence and vision, we understood that we could make the world a better place and do well for ourselves in the process."

I want to finish just by commending that and saying that I could not agree more. I think that our values, and as I think you have talked about with other questioners, leading with our values is important in terms of our response to Russia. And if you could, just finish by maybe summarizing some of your thoughts there.

Mr. FRIED. Well, thank you for recalling that. I believe that strongly. The key professional experience in my career was the overthrow of communism and the successful replacement of it by democratic governments. And that taught me something about what we used to call "the American way". So, I do have what sounds like a naive faith in the power of the best American ideals to overcome the darker sides of our tradition. And I still have that faith.

Mr. ALLRED. Thank you, Mr. Ambassador.

And thank you, Mr. Chairman, for holding this hearing. I have learned a lot, and I really appreciate all of your testimony today.

Chairman ENGEL. Thank you, Mr. Allred.

Well, in fact, it is the time of the now late afternoon when I can thank the three of you for truly excellent testimony. And you can see by the level of participation that my colleagues on both sides of the aisle think so, too. We had so many people come here and participate and ask questions.

So, I just want to thank you. I know I have learned a lot. And I want to just thank you, the three of you, for all you do, and it was a pleasure listening to you. I think you made so many excellent points, that I think it gives a lot of us on this committee pause for thought. And thank you so much.

The hearing is now adjourned.

[Whereupon, at 1:33 p.m., the committee was adjourned.]

APPENDIX

FULL COMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Eliot L. Engel (D-NY), Chairman

May 1, 2019

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs to be held in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at https://foreignaffairs.house.gov/):

DATE: Wednesday, May 1, 2019

TIME: 10:00 a.m.

SUBJECT: Countering a Resurgent Russia

WITNESSES: The Honorable Victoria Nuland
Nonresident Senior Fellow – Foreign Policy
Center on the United States and Europe
Brookings Institution
(Former Assistant Secretary of State for European and Eurasian Affairs and Former United States Permanent Representative to NATO)

The Honorable Daniel Fried
Distinguished Fellow
Future Europe Initiative and Eurasia Center
Atlantic Council
(Former State Department Coordinator for Sanctions Policy, Former Assistant Secretary of State for European and Eurasian Affairs, and Former United States Ambassador to Poland)

General Jack Keane, U.S. Army (Ret.)
Chairman
Institute for the Study of War
(Former Acting Chief of Staff and Vice Chief of Staff of the US Army)

By Direction of the Chairman

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COMMITTEE ON FOREIGN AFFAIRS
MINUTES OF FULL COMMITTEE HEARING

Day *Wednesday* Date *05/01/19* Room *2172 RHOB*

Starting Time *10:11 a.m.* Ending Time *1:33 p.m.*

Recesses *0* (____to ____) (____to ____) (____to ____) (____to ____) (____to ____) (____to ____)

Presiding Member(s)
Chairman Eliot L. Engel, Rep. Abigail Spanberger, Rep. Chrissy Houlahan

Check all of the following that apply:

Open Session ☑
Executive (closed) Session ☐
Televised ☑
Electronically Recorded (taped) ☑
Stenographic Record ☑

TITLE OF HEARING:
Countering a Resurgent Russia

COMMITTEE MEMBERS PRESENT:
See attached.

NON-COMMITTEE MEMBERS PRESENT:
N/A

HEARING WITNESSES: Same as meeting notice attached? Yes ☑ **No** ☐
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*
SFR - Connolly

IFR - Bera

QFR - Deutch, Pence

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *1:33 p.m.*

Evan Bursey
Full Committee Hearing Coordinator

HOUSE COMMITTEE ON FOREIGN AFFAIRS

FULL COMMITTEE HEARING

PRESENT	*MEMBER*
X	Eliot L. Engel, NY
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X	Albio Sires, NJ
X	Gerald E. Connolly, VA
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	John Curtis, UT
X	Ken Buck, CO
X	Ron Wright, TX
X	Guy Reschenthaler, PA
X	Tim Burchett, TN
X	Greg Pence, IN
X	Steve Watkins, KS
X	Michael Guest, MS

STATEMENT FOR THE RECORD FROM REPRESENTATIVE CONNOLLY

Statement for the Record from Representative Gerry Connolly

Countering a Resurgent Russia

May 1, 2019

Russia is our adversary. Under President Vladimir Putin, the Russian government has pursued an aggressive agenda to undermine democratic institutions in the United States and around the world, violate the sovereign territory of its neighbors, and bolster authoritarian regimes. Each of these actions presents a clear threat to U.S. national security interests. Yet, President Trump seems determined to deny, deflect, and disrupt well-documented evidence of Russia's damaging behavior at every opportunity. The recently released Mueller report details not only an unprecedented campaign by Russia to interfere in the 2016 U.S. election, but also a concerted effort by Trump to capitalize on that interference and obstruct the investigation. At this point, it is clear that President Trump has prioritized his inexplicable bromance with Putin over his duty to protect the American people. The question before Congress is how can we counter Russia's adversarial agenda with an unwilling occupant in the White House?

Russia's unprecedented interference in the 2016 U.S. presidential election should have been a wake-up call. Special Counsel Robert Mueller's report "On the Investigation into Russian Interference in the 2016 Presidential Election" concluded that "the Russian government perceived it would benefit from a Trump presidency and worked to secure that outcome through hacking and distributing stolen information." That should trouble every American. One of our most cherished institutions, democratic elections free of foreign interference, was attacked.

Yet, President Trump repeatedly denied Russia's interference in our election, including as he stood alongside Putin at the Helsinki summit – trusting the words of a foreign adversary over the unanimous conclusion of the U.S. intelligence community. This denial, and Mueller's subsequent revelation that Trump tried to limit the scope of the investigation to only future elections, underscore the imperative for Congress to demonstrate that there is a cost to such attacks on our democracy. Our actions must be both retrospective and prospective. We cannot provide a tacit endorsement to the denial emanating from the White House. That is why Chairman Engel and I will soon reintroduce the SECURE Our Democracy Act, which would publicly identify and authorize sanctions against foreign persons and governments that unlawfully interfere in U.S. federal elections, including the 2016 race.

At President Trump's joint press conference with Putin on the world's stage, he also should have decried Russia's forcible and illegal annexation of Crimea and its illegal occupation of South Ossetia and Abkhazia in Georgia. Instead, Trump failed to name a single, specific issue for which he holds Putin or Russia accountable. Here, again, it is up to Congress to fill the void left by Trump's silence on these matters of territorial sovereignty. I am glad that the House recently passed (by a near unanimous vote) the Crimea Annexation Non-Recognition Act (H.R. 596), which I introduced with my colleague Rep. Steve Chabot, to prohibit the U.S. government from taking any action that implies recognition of Russian sovereignty over Crimea. In addition, I urge this Committee to mark up the Georgia Support Act (H.R. 598), which I introduced with my fellow Georgia Caucus co-chair Rep. Adam Kinzinger, to reassert U.S. support for Georgia's sovereignty and opposition to the forceful and illegal Russian occupation of Abkhazia and South Ossetia.

The Mueller report disentangles a complex web of the Trump campaign's murky ties to Russia to detail a timeline of 140 contacts between 17 Trump campaign staff and Russian operatives and government

officials. The Russian contacts consisted of business connections, offers of assistance to the Trump campaign, invitations for candidate Trump and Putin to meet in person, invitations for Trump campaign officials and representatives of the Russian government to meet, and policy positions seeking improved U.S.-Russian relations. The report illustrates a candidate and a campaign that was eager and willing to accept documents that had been hacked by the Russians and leverage the release of such information to their own benefit.

Regarding obstruction of justice, Mueller describes at least ten instances or efforts by the President to impede the Special Counsel's investigation. The Mueller report paints a very disturbing picture of the occupant of the Oval Office and confronts members of Congress with a moral and constitutional challenge, as well as a political one. In accordance with Department of Justice legal opinions from 1973 and 2000, the Special Counsel determined that he was unable to make a prosecutorial judgement of the criminal evidence detailed in his report. Yet, the report clearly states, "If we had confidence after a thorough investigation of the facts that the President clearly did not commit obstruction of justice, we would so state…We are unable to reach such a judgment." To that end, Congress must remain focused on ensuring a public, transparent, and independent investigation into these matters is carried out, that the facts take us where they may, and that justice is served.

President Trump's refusal to hold Russia accountable for actions that clearly threaten U.S. national security and his campaign's numerous ties to a hostile foreign power would be concerning enough on their own. However, they are particularly disturbing in light of Russia's deliberate interference in the 2016 U.S. presidential election to aid Trump's victory. The need for Congress to pass legislation countering Russia's aggressive agenda, exercise rigorous oversight of President Trump's dealings with Russia, and conduct investigations into these matters is clear. This is about country not party.

RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD

Questions for the Record from Representative Ted Deutch
Countering a Resurgent Russia
May 1, 2019

Question:

White Nationalism: Ambassador Nuland, we have seen a disturbing spike in white nationalist attacks in recent months, which have taken innocent lives from New Zealand to Pittsburgh to Poway, California.

What is Russia's role in promoting white nationalist narratives and ideology?

Answer:

Ambassador Nuland did not submit a response in time for printing.

Question:

The Soviet Union supported various leftist extremist groups and movements—either directly or indirectly—during the Cold War. Is there a risk Russia is doing, or will do, the same today with white nationalist extremist movements? What forms could such support take?

Answer:

Ambassador Nuland did not submit a response in time for printing.

Question:

How is the war in Ukraine affecting white nationalist groups and ideology?

Answer:

Ambassador Nuland did not submit a response in time for printing.

Questions for the Record from Representative Greg Pence
Countering a Resurgent Russia
May 1, 2019

Questions:

What can Congress do to encourage and support the Three Seas Initiative? Particularly the energy infrastructure component.

The energy component of the Three Seas Initiative rightly receives a lot of attention, but could you elaborate on the traditional and digital infrastructure components of the Three Seas Initiative?

What types of projects do you envision under the digital and traditional infrastructure components and how do they support U.S. and European interests? How could the United States support these projects?

Answer:

Ambassador Daniel Fried: The Three Seas Initiative (3SI) is intended to advance the long-held American goal of a Europe whole, free, and at peace through support for commercially-viable, cross-border infrastructure projects in the energy, transportation, and digital sectors in Central Europe.

This Central European initiative, initially led by Poland and Croatia, brings together 12 nations between the Baltic, Black and Adriatic Seas, including some of America's closest allies. It has earned the endorsement of the United States, the European Union and key European countries (such as Germany) and businesses around a set of common objectives.

Central Europe, long under Soviet control, suffered not just from the effects of the imposed communist system, but from mis-development, which starved infrastructure links among the countries of the region while emphasizing infrastructure linking them with the Soviet Union. Even a generation after the end of the Soviet Union, this bad legacy remains, inhibiting economic development and leaving the region more vulnerable to Russian economic pressure.

In general, 3SI's energy infrastructure component can reduce Central Europe's dependence on Russian gas and reduce Russian strategic leverage over Europe generally by stimulating development of LNG terminals, thickening the network of gas pipelines in Central Europe, and supporting commercially viable electric energy grids connecting Central Europe and the Baltic states with Europe more generally. Among other things, strengthening gas infrastructure in Central Europe would reduce the potential strategic risks posed by the Nord Stream II gas project, and do so without the use of sanctions against NSII, which would be divisive in US-European relations. Germany's interest in joining 3SI could provide an opportunity to leverage German resources in support of gas and energy infrastructure.

3SI could also work with Ukraine to reduce its reliance on Russian gas and other forms of energy, and to develop Ukraine's connections with Europe as a whole. Congress could consider

two vehicles to support 3SI projects. One would be through the BUILD Act, which is intended to increase US support for commercially-viable infrastructure projects in developing countries. Congress could make clear that the countries of Central Europe are eligible for BUILD Act-related projects. The operationalization of the BUILD Act is supposed to be set by October. However, the current language of the Act restricts support for upper-middle-income economy countries. This should be clarified to provide a path to funding projects essential to Central Europe's economic security and development. Such clarification would make the Three Seas Initiatives in the region's middle and upper-middle economies eligible for BUILD Act support.

A second idea would be establishment of a USG 3SI investment fund, modeled on the successful Enterprise Funds first established by the George H.W. Bush Administration after the fall of the Iron Curtain in 1989. Using appropriated funds and directed by boards composed of Americans and Central Europeans, including people with business experience, they proved adept at attracting commercial capital to fund profitable projects that served the US interest in the development of Central and Eastern Europe. Some of the original Enterprise Funds earned profits, some of which went back to the US Treasury.

The Central Europeans have taken the lead by launching this Spring a Three Seas Initiative Investment Fund that is expected to operate on the on the same commercial principals as the previously existing US enterprise funds. One can envision using BUILD Act funds to be directed to US 3SI Enterprise Fund or the Central European 3SI Investment Fund.

Another way Congress can support the energy dimension of the Three Seas Initiative is through passing the European Energy Security and Diversification Act of 2019. There are currently two versions of the Act with the Senate Committee on Foreign Relations:

- The European Energy Security and Diversification Act of 2019 (S. 704), introduced on March 7, 2019 by Senator Chris Murphy (D-CT). This bill aims to "prioritize the efforts of and enhance coordination among United States agencies to encourage countries in Central and Eastern Europe to diversify their energy sources and supply routes, increase Europe's energy security, and help the United States reach its global energy security goals." It also stipulates the provision of $1 billion in financing to support private sector investment in projects that diversify the energy sources and energy transport capabilities of Central and Eastern European countries. The bill was read twice—but not passed—and then referred to the Senate Committee on Foreign Relations.
- The House version of S. 704 is H.R. 1616, the European Energy Security and Diversification Act of 2019. It was introduced by US Representative Adam Kinzinger (R-IL16)—also on March 7, 2019. After passing in the House, the bill was referred to the Senate Committee on Foreign Relations later that month. This legislation would be an effective way of supporting transatlantic energy security objectives and energy diversification in Europe, and specifically the Three Seas Initiative projects.

Attached is a list of Priority Interconnection Projects for the Three Seas Initiative, as adopted at the Three Seas Summit in Ljubljana in September 2018.

PRIORITY INTERCONNECTION PROJECTS FOR THE SEAS INITIATIVE

To see a complete list please use the following link:

https://docs.house.gov/meetings/FA/FA00/20190501/109399/HHRG-116-FA00-20190501-SD001.pdf

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