

NWX-WOODROW WILSON CENTER

**Moderator: Drew Sample
March 20, 2014
10:30 am CT**

Coordinator: Welcome and thank you for standing by. Today's conference is being recorded. If you have any objections, you may disconnect at this time. Now I would like to turn your meeting over to Mr. Cary - I'm sorry, Mr. Drew Sample. Mr. Sample, you may begin.

Drew Sample: Okay. Thank you very much. This is a media briefing conference call anticipating of President Obama's travel to Europe both to The Hague and Brussels. So we're going to talk about issues related to US, European relations, nuclear security, and of course, Ukraine and Russia.

We have several experts here with us specialized in each issue. Michael Geary on US, European relations. Rob Litwak on nuclear issues. And William Pomeranz on US, Russia relations and the Ukraine situation.

So I'm going to go ahead and kick things off - or kick things over to them. And we'll start with Michael, I think who has a couple of general comments on the trip itself.

Michael Geary: Yes. Michael Geary. The Obama trip I suppose is going to be dominated by of course Ukraine. It's another trip to Europe where the agenda again has been changed.

We look last year at his trips to North Ireland and now of course we're serious dominators. David Cameron's agenda for global financial cooperation regulation. And here again we have events, you know, dominating the Nether trip to Europe.

So Ukraine's going to feature prominently Obama's trip to the Netherlands when he goes to the Hague to the security or the Nuclear Energy Conference, and also the trip when he travels to Brussels to meet the European Commission President and the European Council President.

And it would be interesting because, you know, after today's press conference when Obama has announced new sanctions and another executive order. I mean the Americans are really well ahead of the Europeans in terms of how to deal with Russia.

And I think it will expose the limitations within the European Union within the member states and also expose the conflict between the member states and how it's best to deal with Russia. So I think it will make for an interesting contrast when Obama goes to Europe and has a meeting with the G7 on the fringes of the Dutch Summit.

So I think, yes, the Europeans really are on back foot with this. And, you know, actually it is good to see Obama taking such a proactive and indeed forceful line with the Russian's true, you know, more tools in his toolbox in terms of additional sanctions.

And you can see an interesting contrast between mentioning red lines with Syria and the piecemeal approach he's adopting now with Russia, a step-by-step approach slowly squeezing, you know, some very, very influential Russians.

I mean if you look at the Rotenberg brothers, two billionaire brothers who've got significant interest in the energy field in Russia. And, you know, their (question of) sanctions are targeted with the sanctions, you know, you can see that he's really going - Obama's really, you know, targeting some very, very senior people.

And one of the Rotenberg brothers is a judo partner, sparring partner with Putin so there are some very senior, very well respected people. And these sanctions, they may well hurt them. And I think the European Union might well look towards what Obama is doing and apply something similar. So I will leave it there for now.

Drew Sample: Okay. Rob, do you have any comments on the nuclear issues?

Robert Litwak: Well, a brief comment on the Nuclear Summit in The Hague and the context for this meeting is now shaped by the events that Michael referenced. This is Robert Litwak, by the way, Director of International Security Studies at the Wilson Center.

The meeting in The Hague is the third Nuclear Summit. Previous Summits were held in 2010 in Washington and 2012 in Seoul, South Korea. There's an irony of sorts in play in that the impetus for these Nuclear Summit meetings, the global ones, was the success of the Cooperative Threat Reduction Program that the United States and Russia collaborated on during the 1990s.

The focus of which was to lock down inadequately secured fissile material in the Soviet Union as well as weapons and oversaw the destruction of some of the Soviet nuclear strategic forces to bring Russia into compliance with obligations under the START Agreements.

Impetus for the Nuclear Summit in 2010 was a sudden - an effort to kind of build out from that and make the US, Russian program a model for global efforts to lock down fissile material. And the emphasis has been on reducing national stocks of highly enriched uranium, which is weapons grade material by blending it down to become low enriched uranium.

And other measures implementing best practices with respect to the custodianship of the - of fissile material within each country. So it's an irony that a US, Russia success, which was the impetus for the Nuclear Summit is now - the meeting which is a further step along the path to kind of globalizing that effort is now overshadowed by the - this major rupture in Russian relations with not only the United States but the West more broadly.

And whatever this meeting was starting out to be about, it's going to become focused on Ukraine, Crimea as a reflection of the broader kind of Russian relationship with the West and that will have an impact on sort of our - the ability to build out this program to make it a global effort all with an eye toward insuring that fissile material, let alone weapons, do not fall into the wrong hands.

And the initial impetus building on this US, Russian, you know, model of success under Cooperative Threat Reduction was very much - they had terrorist groups in 2000, the first decade of this century, in mind.

But now the relations between - among the major powers is on the - at the top of the agenda in a way it was not when these initiatives were first started. It doesn't mean that these efforts will be derailed but I think that they will - the context within which they're proceeding is now shaped by this larger international context. That's pretty much my comment on the Nuclear Summit.

Drew Sample: Okay. Will.

William Pomeranz: Most of the comments that have been made about the question of sanctions. And obviously they're in the process of being announced. So we're still trying to follow that story as well.

But clearly he - President Obama has taken the lead to expand the number of people who will be subject to these sanctions. And he's clearly upped the ante because he's gone after people who are much closer to President Putin and are much more likely to have major holdings in Western banks and so forth.

So clearly that is an important step and especially because during the first round of sanctions, they were really given to less prominent officials who most likely really didn't have significant assets abroad.

So this is actually - will hurt at least the surrounding circle of Putin. And we'll see how (unintelligible) to that is. According to press reports though, the new executive order that he signed today will also allow President Obama to impose sanctions on particular industrial sectors, possibly the energy sector.

And if, indeed, there are limitations on exports of US technology to Russia in order to explore for oil and gas, or other sorts of sanctions that come out of this second round of sanctions, then we are also again raising the ante and

there could be, as well, political blowback in the United States and in Britain, if indeed there are limitations on exports of energy - of energy exports and energy technology.

I see there are several prominent companies in the United States and in Europe who are working with Russian companies to explore and if, indeed, President Obama has ratcheted the sanctions up to that level to begin to impose limitations on exports of technology, then that would be a new stage but we'd still need to see exactly what that means.

And, finally, obviously, during this summit, President Obama will have to be talking to the Europeans who have much greater trade with Russia and greater financial links with Russia, to try to get them to go along with more enhanced sanctions as well.

There have been reports today that Chancellor Merkel has agreed that Russia should no longer participate in the G8. There have been some ambiguous statements, but it seems that has been - she has addressed that issue and there was also reports about Germany limiting some of its defense exports to Russia.

So, yes, it will be very interesting to see how the US and EU talk amongst themselves to see how we have a united front in response to what Russia has occurred and making sure that whatever sanctions are imposed they are done so in coordination with each other as opposed to in isolation of each other.

Drew Sample: Okay, and with that I think we will open up the floor to questions. (Carrie), did you have any questions you want to start us off with?

(Carrie): Yes, I just - I was hoping you could help me understand what the President or the White House, they want to come out of the Summit next week with, in terms of the Ukraine and his discussions with the European leaders. What do you think is possible or what do you think the goal is or what would be a disappointment? Help me understand like expectations.

William Pomeranz: Well, I think the expectation is, one, to make sure that the crisis doesn't escalate.

(Carrie): And who is this?

William Pomeranz: Will Pomeranz.

(Carrie): Okay, thanks.

William Pomeranz: One, that the crisis doesn't escalate.

(Carrie): Yes.

William Pomeranz: We've reached potentially a leveling off of the crisis in the sense that Russia has now taken Crimea. Ukraine is trying to exit from Crimea. There is little that the US and Ukraine are going to do in order to immediately challenge the occupation and annexation of Ukraine.

(Carrie): Yes.

William Pomeranz: So, I think the goal is to provide a united front to make sure that Russia understands that if it were to try to escalate the crisis, if it were to try to move into eastern parts of Ukraine, that there would be a major response from the US and the EU as well.

(Carrie): Yes.

William Pomeranz: I think they want to at least agree to show a united front, especially after President Putin's address where he basically asserted the right to defend Russians anywhere in the world.

(Carrie): Yes.

William Pomeranz: So, I think that's an important consideration going forward. Obviously, I think there has to be discussions in terms of sanctions and what are the other options going forward and how do the US and the EU cooperate in terms of dealing with a unified response to Russia.

(Carrie): Yes.

William Pomeranz: Obviously, if the US were to get ahead of the EU, I think that would also cause problems, especially in light of the significant trade relationship that the EU still has with Russia.

(Carrie): Yes.

Michael Geary: Michael Geary. I think it's a complicating factor because, you know, the Europeans - many European countries have spent a lot of time nurturing trade relations with Russia.

I mean, we all remember seeing very cozy pictures between Berlusconi and Putin not only between Italy and Russia, but there's many other countries. And they, in the European council meetings over the last week or so, and they're also meeting today in Brussels, there is a hesitancy to impose the type of

sanctions that President Obama has imposed today with another executive order.

Not only on individuals but also on areas of the Russian economy, and that's pretty significant - a pretty significant development on the American side in terms of the type of tools they're willing to apply.

The Europeans, of course, you know, they are not so ready to do this, although Merkel has said that the European Union now is more prepared, presumably, to kind of, as Will said, to link a little bit closer with the American side, but the Americans are far ahead of the Europeans on this.

Energy politics, of course, dominates some of the thinking in the European Council. So I think it's true that the sanctions are really aimed, or increasing sanctions are, you know, the role of sanctions is to insure that there is no further escalation.

But also, you know, to pacify some of the Baltic states and, you know, Biden was just there yesterday, the day before, Poland and the Baltics, to reassure them, you know, because they seem to be quite concerned at this Russian aggression that, you know, that they would maintain the pressure on Russia as far as possible, particularly in the field of sanctions.

And you have to do this. I mean, it's really, you know, the issue of crime and punishment and so far for the Europeans, the punishment hasn't fitted the crime in terms of Russia's aggression in the Crimean Peninsula.

So, the Europeans need to maintain the pressure on sanctions and certainly closer cooperation with the Americans. I think Obama probably will be pushing for this when he meets the G7 and also the EU leaders in Brussels.

(Carrie): Would you expect just like a statement of like a united front, just statement-wise, or would you expect announcements of some sort of further action being taken against Russia, against Putin, next week or so?

Michael Geary: Well, I mean, I know for a fact that the Europeans and the Americans have been liaising on the sanctions.

(Carrie): Yes.

Michael Geary: I know the Justice Department has been working on the text which has been ran by the Americans and the Europeans in terms of, you know, the type of language, type of sanctions. The Americans, of course, are conscious that the Europeans couldn't, you know, can't go that far. I think they didn't go as far last week with their token gesture of simply adding a few names to a list of Russians that can't go shopping at Harrods' or Harvey Nich's anymore.

(Carrie): Yes.

Michael Geary: And that that really, you know, was a bit silly but, yes, I think they will maintain the pressure. I think Obama is very concerned that, you know, you cannot allow these precedents to take place or to, you know, you cannot create more of these precedents with Russia and more violations of international law, and Obama has been very solid on this issue of, you know, reading the rule book on international law to Putin.

Now, of course, whether Putin actually, you know, cares is another question, but nevertheless Obama thinks he's very very keen to press this ahead. And I think Angela Merkel as one of the key European leaders is also becoming more forceful. And she gave a really solid speech in the Bundestag in the

German Parliaments during the week, you know, on this very issue of pressing Russia.

I think there is a key concern. You have a lot of pressure from the Poles for NATO and for the United States and the European Union to do more. They're very unsatisfied. So, I think the pressure will be maintained. I think after the G7 meeting in the Netherlands, meetings with the EU, and you'll find, perhaps, hopefully more of a coordinated response.

And I think Obama is pushing for this and this is why he has called for a G7 meeting on the fringes. So, you would get more coordination - more sanctions, I suspect, will also follow on this.

Will Pomeranz: This is Will Pomeranz. Just to add one more thing. I think there will also be statements about assistance to Ukraine itself:

Michael Geary: Yes.

Will Pomeranz: I think there will be statements on Russia, but there will also be statements on Ukraine, both in terms of the forthcoming economic assistance that's going to be coming to Ukraine because Ukraine is broke and is in desperate need of this support.

But I also think there will be statements in support of the upcoming elections in Ukraine and the belief that they should take place as soon as possible. That to delay elections is to raise questions about legitimacy and to delay the political reforms that have to take place in Ukraine as well. So, I do anticipate that while there will be lots of talk on Russia, there will be also discussions on strategy about Ukraine going forward.

(Carrie): Thank you.

George Condon: I'm going to follow on that. This is George Condon, National Journal. But before I get ahead, there's one thing that I should know and I can't find the, exactly - the Dutch originally announced that Putin would be attending the summit. Do we know when he decided not to go? Was it tied to this or was it something that predated this quite a bit?

Michael Geary: The last I heard about this is that he was scheduled to attend the summit at the end of last year. It was announced Obama - the end of 2013 Obama and Putin would go - you know, it's been very subtly done in terms of the withdrawal because I mean I haven't heard anything, any official statements from The Hague saying that he is not. So I think it has been done relatively quietly if he has withdrawn from the Summit. So, yes.

George Condon: But as far as you know he won't be there though.

Michael Geary: As far as - I know Russia - he wasn't represented at the Summit, but I haven't seen, and I was looking for this actually during the week on whether, actually, Vladimir Putin was going to attend the Summit, but I suspect at this stage he won't be attending the Summit.

But he - the Russian Federation will be represented at the Summit. They're part of this project, but - so that's of my knowledge and to the best my search - research skills, I couldn't find any recent confirmation over the last week or so that he would be going. So my understanding is that he won't be at the Summit.

George Condon: Great. Okay. And to follow on the earlier question on the expectations, I mean, President Obama is being criticized quite a bit for appearing weak on

this. Is there a danger for him that if he cannot get the Europeans to coalesce behind him on even the sanctions that he has already announced, that he could come out of this looking even weaker and damaged, that the Summit could be something that is very unhelpful to him?

Michael Geary: Yes. Michael Geary. I don't - I think that the European Union - I think Angela Merkel is certainly moving in to a position of action or, you know, if you look at her comments over the last week or so, I think she's moving into a position that is somewhat more aligning with where Obama is, where his thinking is, not necessarily where his current sanction (aim), his current Executive Orders are, but certainly I think there's a meeting of minds on the issue.

Merkel was quite slow to come out and push for heavy EU sanctions because, you know, you've got 6000 German companies with interests, with vested interests, in Russia, and Britain, of course, as we know the memo that was famously pictured on the way into Downing Street saying, well, the city of London has huge financial interests with Russia. We can't, you know, impose heavy sanctions.

But, you know, the environment is constantly changing, and there is a fear, of course, you know. I'm pretty sure Putin will not move into the east of Ukraine. I'll think he'll be very stupid if he moves into the east of Ukraine, but, again, you know, we can't rule these things out. He wanted Crimea. He got it back. Crimea is gone, and we may as well accept that in the West.

So, I think, but I think Obama and Merkel and other EU leaders will probably, I would imagine, collect around this idea within the G7 at least, which of course includes Italy. But I know you've a different government, different leader than when Berlusconi was there. So I think you will have somewhat more concerted action and certainly more forceful language.

I think the idea as Will mentioned is to ensure that we have the right framework to prevent Putin from, you know, going any further into the eastern part of the Ukraine or any other part of that region and also to reassure those smaller NATO members at that the European Union or that the United States is serious about protecting them.

So I do think that the G7 will come to a forceful - will develop some kind of forceful language. And there is still a lot in the toolbox that the Americans can use, less so perhaps for the Europeans, but I think they are moving slowly but surely towards more of a forceful position on Russia given the referendum last weekend and Putin's statement of, you know, about how he had - Russia had been hurt over the last 20 years and so on.

So I think, yes, we are moving towards something more forceful, but I think there won't be force. But I think Obama - I think, the criticism has been a little bit too severe. I mean, this is not Syria where he did make a mistake with the red line, but I think that was a bit of a stupid thing to do.

But I think with the Ukraine he has been very clever in this kind of piecemeal and incremental approach with sanctions, you know, making it quite clear that the Americans can do an awful lot. We're not going to tell you what we can do, but certainly we have a lot in our toolkit that we can exploit. And I think, you know, you can see this now with the Executive Orders.

And today - one of the most interesting parts of his press conference today was talking about - he's saying elements of the Russian economy, not just individuals, and that's very forceful language as part of the Executive Order. And, of course, energy like gas and oil are hugely important to the Russian government.

You know, if you're going to target some of those, and the Americans are best placed to target that, I think that that is pretty forceful language. And you're moving into a new realm of sanctions when you're looking at parts of the economy. So I wouldn't underestimate what Obama will do or might do, and certainly the conversations with the G7 and also in Brussels next week will be very, very interesting.

George Condon: Do you expect any announcement by the Europeans that they will, like the President, not attend Sochi, that we are now a G7 not a G8?

Michael Geary: I imagine it will follow, yes. It's highly unlikely that the Europeans would do a solo on this one. I'm pretty sure that they will follow the American line and that will be it.

William Pomeranz: I don't expect another opening ceremony in Sochi in June.

Drew Sample: Well, it sounded like somebody else joined the call as well. Is there someone else out there besides George and (Carrie)? Questions?

(Jim Coonan): Yes, it's me (Jim Coonan) at AT. Hi, how are you? Thanks for doing the call, and I'm sorry I jumped in late. I was listening to a briefing here.

Drew Sample: Sure, sure, totally understandable. A lot (unintelligible). Yes.

((Crosstalk))

(Jim Coonan): But I'm curious, you know, Congress has yet to act on an assistance package for Ukraine. Obama made a call for that today. But does he arrive in Europe with a weakened hand then if he doesn't have this as a deliverable?

And the second question is, you know, we all remember at the height of the financial crisis in Europe, Obama trying to rally the Europeans and trying to get - so that they would get their financial house in order so that there wouldn't be spillover over here. In terms of importance of the President's leadership with the Europeans, where does this one rank compared to that?

Drew Sample: Is that the last question?

Michael Geary: Yes, you want to rephrase the last part of your question?

(Jim Coonan): Well, it's just that during the financial crisis we were trying to press the Europeans, the EU, to take certain steps to prevent contagion over here. Now the President is there trying to press a strong unified response to Russia, and I'm just curious.

How do the two compare in terms of the demands on his leadership? And if he would be able to place kind of a level of importance between the two, one being financial crisis, the other one being kind of a geopolitical crisis?

William Pomeranz: I'll address the first question, and that is whether he arrives with a weakened hand. I don't think he yet arrives with a - I don't think -

(Jim Coonan): And, I'm sorry. This is...

William Pomeranz: Will Pomeranz.

(Jim Coonan): Okay, Will. Thank you.

William Pomeranz: I don't think he yet has a kind of - I don't think he yet has weakened his hand, but obviously if we continue to drag and we don't show up with money at the table here, we will begin to lose credibility, especially in light of the major commitment that the Europeans are going to make in Ukraine.

So I think, you know, I think the Europeans have some understanding of US politics and understand that things don't always go so smoothly when you...

(Jim Coonan): Right.

William Pomeranz: ...when you've got to get things through Congress. But if it turns out that we're kind of - where the EU not only is investing billions and billions of dollars, you know, upwards of \$15 billion, to help Ukraine and somehow we can't even get a lousy billion dollars into this, into the calculus, then I do think the Europeans will look at the United States and start to ask why are we doing all the financial heavy lifting here, and you're not providing any assistance.

So I think in the short term he can survive the Summit, but over the medium term and longer term we have to show that we have skill in the game here as well and that we are interested in helping Ukraine. This is a big political issue domestically, and we just can't (unintelligible) say, "We want to help Ukraine. EU go help Ukraine." That's not a real response.

Michael Geary: Yes, well - Michael Geary. I think the last thing Obama wants is a kind of Syria 2.0 where, you know, he's beholden to Congress. Congress is striking their heels largely for whatever various reasons. There's elections this year here. But Obama also mentioned and also highlighted the role of the IMF today. I think Christine Lagarde has a huge role to play in this.

So, you know, there's various actors who can provide a lot of financial assistance and fiscal support to the interim government in advance of the elections in the Ukraine. I mean, one of the concerns I would have with the Europeans is they have promised about 11, 12 billion Euro, but as Will said about \$15 billion.

You know, that money has to come soon. That money can't come in the next couple of years. They need the money now because the country's under the verge of bankruptcy. So the Europeans need to make sure that money does filter in relatively quickly.

Okay. There will be strings attached. There will be strings attached with an IMF loan as well, but, you know, we need to kind of create the right framework within the Ukraine where the conditions are there to try and help them improve their administration, their bureaucracy and, I mean, you know, corruption of course is endemic. Just because we got rid of one president doesn't mean to say that the whole culture in the Ukraine has changed.

So I think Obama is going to Europe with a relatively strong hand, certainly in comparison to Syria, and you see, you know, the foreign policy positions that he has adopted are certainly much more different than they were back last August, September when he was, you know, procrastinating and asking Congress for permission to do X, Y, and Z. That was a bit silly.

Here we have something different. The sanctions, I think, will - you know, when you ratchet up the sanctions on areas of the economy, that will really impact Russia. Unfortunately, it probably will impact those who have less water in the (unintelligible), nevertheless. I think, yes, I think the hope that comes from this meeting, particularly with the G7, is for a far more

coordinated position between the Europeans who have been kind of sitting on the fence.

Certain member states have been sitting on the fence, and for Obama to kind of put pressure on them to do more, and notwithstanding the money they have promised but certainly the issue of sanctions, that is really, really crucial.

I think on the issue of sanctions, Obama is doing all the heavy lifting so far largely because he hasn't got as many strategic interests in Russia, but nevertheless the Europeans need to look beyond the economic and look at the real political issue of, you know, the infringement and the collapse of territorial integrity in the Ukraine. But, you know, they need some more movement on that by the Europeans.

Drew Sample: All right. Does anybody have any last questions, any follow-up questions?

George Condon: Actually, I do have one. This is George again.

Drew Sample: George.

George Condon: There's one other part of the trip where the President's going to meet with the Pope. Is that affected at all by Ukraine? Is it something where he could get the Pope to weigh in on this?

Michael Geary: Well, it's interesting. I mean, I've reflected a lot over the last couple of weeks on the role of Ban Ki-moon and, my goodness, you know, the guy has really been a disaster. I mean, here you have the UN Secretary General, and I see and I hear nothing of him. You know, if I were a UN Secretary General, I would be flying to Moscow, you know. I would be trying to deal with this in a more of a practical way.

But Bene - Francis, Pope Francis is, I think, you know, he has, you know, kind of gained some superstar influence around the world. And he has spoke on this and a whole load of other issues. So, yes, I think you will find some interesting statements coming from the Vatican and from the bilateral with those - with Obama and the Pope.

You know, what influence the Pope will have over Vladimir Putin, of course, is negligible, but I think, you know, it will all help, I think, you know. International support needs to be maintained, again, as Will said, to prevent any further escalation.

So the war of words, particularly the pressure from the West, including from the Vatican, needs to be increased, and I think that would be an interesting moment where presumably Francis will talk about the crisis in the Ukraine and look for some reconciliation or some kind of, you know, increased dialogue between Ukraine and Russia, but what impact the Pope will have remains to be seen.

George Condon: Thanks.

Drew Sample: Anything else? Any last questions? All right. Well, thank you very much to everyone for participating today. So Will and Rob and Michael for providing their insight, and to (Carrie), George, and (Jim) for coming to the call. I know there was a lot of competition today.

So if you guys have any follow-up questions, we're around. Feel free to shoot me an email, and I can link you with any of these folks. We also have a, I should say, a Saudi Arabia expert, David Ottaway, here for the President's trip to Saudi Arabia later as well.

So if you need anything, I'm available. Shoot me an email. In the meantime, thanks much for participating, and we'll be in touch soon.

(Carrie): Thanks.

(Jim Coonan): Thanks much.

George Condon: Thank you.

(Jim Coonan): Appreciate it.

Drew Sample: Sure. Bye.

END