

Assessing the “Reset”

Past Progress, Future Steps

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Remembering the Point of Departure for the Reset

- **Dangerous Drift in U.S.-Russia Relations**
- **Zero-Sum Conflicts in the “Neighborhood”**
 - Gas Wars in 2006
 - Cyber War in 2007
 - Military War in 2008
- **Erosion of Democracy**
 - Freedom House Score in 2000: 4.58
 - Freedom House Score in 2009: 6.14
- **Economic Recession**
 - 2009: Russia’s GDP drops 7.9 percent

The Obama Response: “Reset”

“I think that it’s going to be important for us to reset U.S.-Russian relations.”

President-elect Obama

(Meet the Press, December 7, 2008)

Theory of the Reset

- **U.S. and Russia Share a Variety of Common Interests**
 - Goal not a “good” relationship, but a “substantive” relationship that advances American core national interests.
- **Engagement with Russian Government Can Produce Win-Win Outcomes**
 - Reject idea of “privileged spheres of interest”
 - Reject idea of “Great Game” in Central Asia
- **Need to Develop a Multi-Dimensional Relationship**
 - Security
 - Economic Cooperation
 - Society-to-Society Contacts

Principles for Pursuing Reset Goals

- Can effectively engage Russian government and Russian society at the same time.
- Can cooperate with Russian Government without checking our values at the door.
- Can pursue reset with Russia without compromising our relations with countries that have difficult relations with Russia, while at the same time revitalizing NATO and strengthening our relationships with allies and partners in Europe.
- Can avoid linkage of unrelated issues.

Government-to-Government Engagement

- Obama-Medvedev
 - Many meetings, frequent phone calls
- Clinton-Lavrov, Gates - Serdyukov, NSS-NSC, Mullen-Makarov, Burns-Ryabkov, etc.
- Increase the number of government-to-government interactions at all levels.

Moscow, July 2009



Washington, June 2010



Bilateral Presidential Commission:

18 Working Groups

Annual report: www.state.gov/russiabpc

- Policy Steering Group
- Nuclear Energy and Nuclear Security
- Arms Control and International Security
- Counterterrorism
- Counternarcotics
- Energy
- Environment
- Military-to-Military
- Intelligence
- Agriculture
- Science and Technology
- Space Cooperation
- Health
- Emergency Response
- Civil Society
- Education, Sports, and Cultural Exchanges
- Business Development and Economic Relations
- Defense Relations

Promoting Universal Values through Dual Track Engagement



Democracy as a Common Value

“I also believe that Americans and Russians have a common interest in the development of rule of law, the strengthening of democracy, and the protection of human rights. These are not just American ideas; they are human rights.” These are ideas embraced by your president and your people. I agree with President Medvedev when he said that “Freedom is better than the absence of freedom.” So, I see no reason why we cannot aspire together to strengthen democracy, human rights, and the rule of law as part of our “reset.” (President Obama, *Novaya Gazeta*, July 2009).

Government-to-Government Engagement for the Promotion of Universal Values

- **Government-to-Government Engagement on Democracy and Human Rights**
 - **Bilateral Meetings:** Obama-Medvedev, Clinton- Lavrov, and others
 - **Civil Society Working Group's 4 Sub-groups:** Prisons; Corruption; Child Protection; Migration
- **Open Government Initiative**
 - February 2010 – WH CTO Chopra with Russian officials met at MIT
 - Joint statement on Open Government June 2010
 - Pilot public-private partnership connecting American and Russian cities with their citizens
- **Statements in Support of Democratic Development and Critical of Human Rights Abuses** : <http://www.state.gov/p/eur/ci/rs/c41670.htm>

Criticizing Democratic Setbacks

“The United States reiterates the importance of embracing and protecting universal values, including freedoms of expression and assembly, enshrined in the Russian Constitution as well as in international agreements which Russia has signed. Freedom of assembly and freedom of expression are also characteristics of a modern political system that supports economic modernization. The infringement of Russian citizens' rights to exercise these freedoms runs counter to our shared commitments to international norms and common interests in fostering modernization. The United States remains committed to supporting those in Russia and around the world who are working to protect and advance the human rights and democratic values of their fellow citizens.”

(“Detention of Article 31 Rally Participants Raises Human Right Concerns,” White House Statement, August 3, 2010)

Engaging with the Political Opposition



VP Biden on Need for Democracy

- “History shows that in industrialized societies, economic modernization and political modernization go hand-in-hand. You don’t get one without the other... I think that’s why so many Russians now call on their country to strengthen their democratic institutions. Courts must be empowered to uphold the rule of law and protect those playing by the rules. Non-governmental watchdogs should be applauded as patriots, not traitors.”

(Moscow State University, March 10, 2011)

Societal Engagement



Societal Engagement

- **Engagement and Strengthening Russian Democratic and Civil Society Actors**
 - U.S. officials engage directly and regularly with Russian NGOs and society
 - Expanded support for democracy and human rights for programs on rule of law, human rights, civil society, media and political processes
- **Modernization of Russian Civil Society**
 - Promoting the use of new technologies to amplify the work of civil society organizations
 - February 2010 “Tech Del”
- **Fostering Peer-to-Peer Dialogue Between American and Russian Civil Society**
 - 2 Parallel Civil Society Summits – Moscow and Washington, D.C.
 - Peer-to-Peer dialogue in all BPC working groups
 - Exchange programs

RESULTS SO FAR?



New START Treaty



Russia and the NDN



Northern Distribution Network

- Signed an Agreement with Russia in which President Medvedev agreed to:
 - Waive fees for 4,300 U.S. flights annually to Afghanistan
 - Expand ground and air transit through Russia
- Since the Agreement was signed:
 - 1,000 over-flights as of April 15, 2011
 - 150,000 U.S. personnel and troops transited via Russia
 - Lethal and non-lethal equipment
- Volume Increases
 - 45% of sustainment cargo goes through the NDN
 - 60% of supplies transiting NDN go through Russia
 - 25,000 containers have been shipped across Russia

Kyrgyzstan



Cooperation on Kyrgyzstan

- Ended Russian Campaign to Close the Manas Transit Center
 - New contract with Kyrgyzstan and Russia for fuel
- Cooperation to Restore Stability/Chance for Democracy
 - June 2010 Clashes: Worked Together to Defuse Violence
 - Coordinated Post-Conflict Recovery Assistance

Iran: Diplomatic Track

- Close cooperation in the P5+1
- Jointly developed IAEA Tehran Research Reactor (TRR) Proposal
 - Supply of nuclear fuel for the TRR
 - Iran's low-enriched uranium to be shipped out
 - Held under IAEA safeguards

Iran: Pressure Track

- UNSC 1929
 - Prohibits Iran's uranium enrichment and ballistic missile activities
 - Prohibits transfers of conventional arms and related materiel to Iran
 - Includes strong provisions on banking, insurance, dual-use goods, trade credits, and shipping
 - Established comprehensive framework for international inspections of suspect cargo
 - Significant Russian trade losses

Cancellation of S-300s.

(Contract cancelled, money refunded)



Libya

- Russia abstained from UNSCR 1973, which demands an immediate ceasefire and institutes a no-fly zone over Libya.
- Medvedev: “I do not consider this resolution to be wrong. Moreover, I believe that this resolution generally reflects our understanding of what is going on in Libya.”

Missile Defense

- From an Issue of Confrontation to an Issue of *Possible* Cooperation.
- Joint Threat Assessment
- Avenues of Future Cooperation
 - Shared Early Warning
 - Research and Development
 - Testing
 - Architecture Studies
- Channels of Communication
 - Gates-Serdyukov
 - Mullen-Makarov
 - Tauscher-Ryabkov



Reset in NATO-Russia Relations

- **Generated momentum and an ambitious agenda for reset in NATO-Russia relations without compromising core principles.**
- **Concrete progress at 2010 Lisbon Summit:**
 - **Missile Defense Cooperation**
 - Completion of Joint Review of 21st Century Threats
 - Restart of theater missile defense exercises
 - Analysis under way for a framework for future territorial missile defense cooperation
 - **Afghanistan**
 - Two-way transit agreement
 - Expanded counternarcotics training to include Pakistan and broaden scope of cooperation with Central Asian countries
 - Development of an NRC Helicopter Maintenance Trust Fund
 - **Expanded Counterterrorism Cooperation**
 - Joint technology development to detect explosives
 - Countering threats to civil aviation
 - Enhanced information exchange
 - **Expanded Counter-Piracy Cooperation**

Lock Down of Nuclear Materials

- Plutonium Disposition Agreement (April 2010)
 - Disposition of enough surplus weapons plutonium for approximately 17,000 nuclear weapons.
- HEU Removal
 - Bilateral agreements to remove HEU from third countries, including 44 kilograms of HEU from Belarus to Russia last month.

Economic Cooperation



123 Agreement

- Enables both countries to develop proliferation-resistant technology.
- Permits sale of nuclear materials and equipment by U.S. firms to Russia.
- Allows joint bids on civil nuclear projects.
- Will benefit U.S. firms such as GE and Westinghouse in bids for third-country contracts.

Cooperation on Innovation

- Parallel Business Summits (July 2009, June 2010)
- February 2010: Technology Delegation
 - Joint USG, NGO, Corporate Leadership Team to Russia
 - Promote entrepreneurship, transparency, internet freedom and freedom of expression
- May 2010: Venture Capital Delegation
 - Cosponsored by AmBar and Rusnano
- June, 2010: President Medvedev Visit to Silicon Valley
- October, 2010: Governor Schwarzenegger led technology delegation with Google, Microsoft, Oracle, Amgen to Russia
- March 2011: Vice President Visit to Skolkovo

New U.S. Trade and Investment in the Russian Economy

Boeing:

- 50 737s to Russian Technologies:
 - Value: \$4 billion; Number of U.S. Jobs: 40,000+
- 8 777s to Aeroflot:
 - Value \$2 billion

Cisco: \$1 billion investment in high-tech sector

PepsiCo: \$3.8 billion investment in Russian juice producer Wimm-Bill-Dann

Russian Investment in U.S.

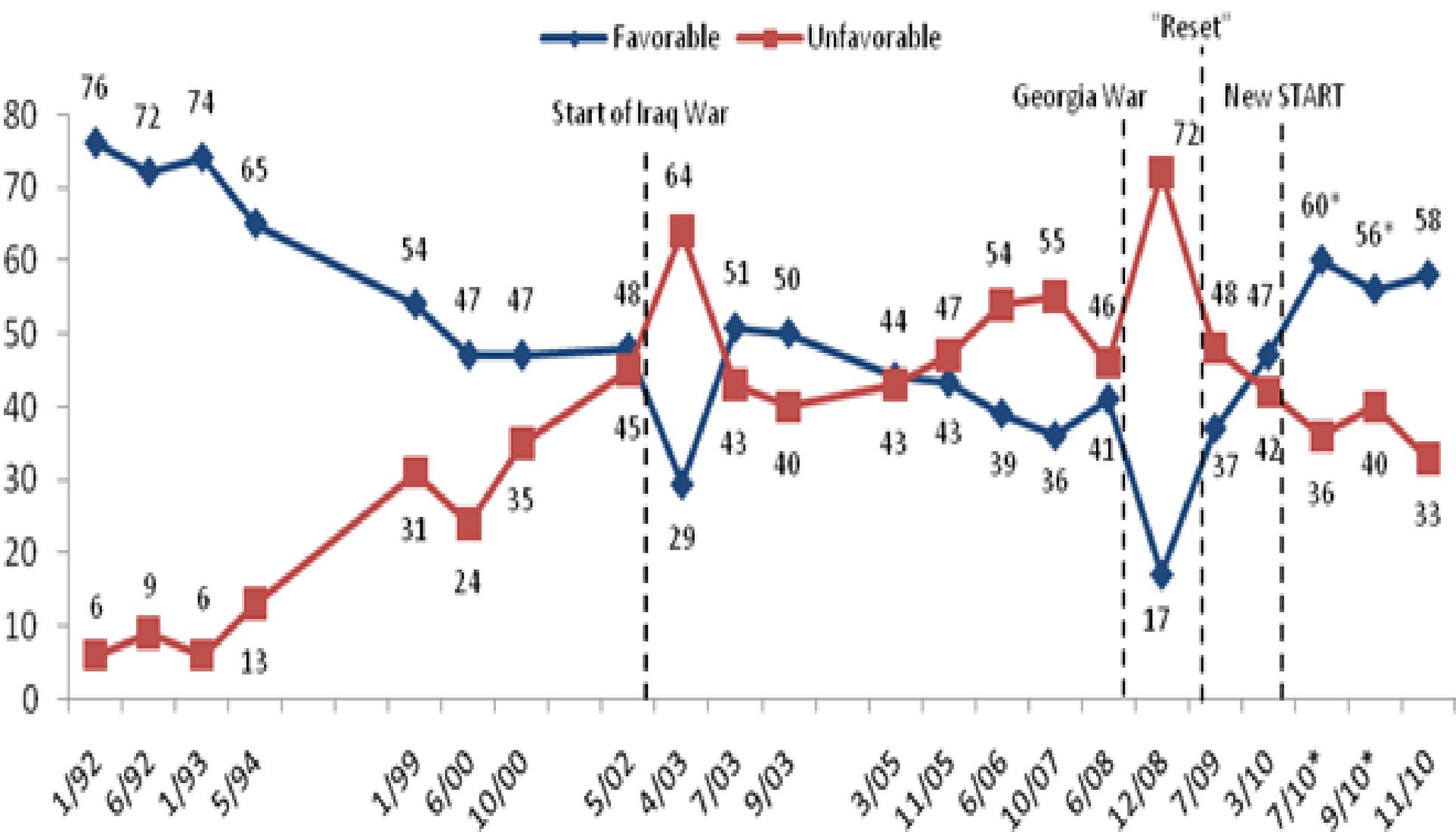
- Steel (Evraz and Severstal).
 - Total investments valued at \$ 4 billion.
- Specialty Piping (TMK Group's)
 - Total investments in the United States \$1.7 billion;
 - 10 factories in 7 states.
- High-tech
 - Rusnano
 - Facebook
- Basketball ! (Can Russians save the Nets?)

Societal Trends

- **Russians with a favorable attitude towards the U.S. increased from 41 percent in June 2008 to 62 percent in November 2010.**
- **Highest Favorability Rating in 10 years.**
- **Sharpest jump in positive direction for any country in the world**

Figure 1: Russian Favorable Views of the United States Hit Highest Point in 10 Years

Q: Please tell me whether, in general, you have a very favorable, somewhat favorable, somewhat unfavorable, or very unfavorable opinion of the U.S.? (%)



* Levada Center data

Source: Office of Opinion Research and Levada Center surveys, 1992 - 2010

Presidential Commission

Key Highlights :

- Assisted Afghan Government in seizing 932kg of heroin
- Returned 825 kg of HEU to Russia
- First joint military counterterrorism exercise “Vigilant Eagle”
- Trade and Investment Delegations—Connecting Silicon Valley to Skolkovo
- Established Young Executive Management Training Initiative
- New cooperation on global polio eradication, Text4baby
- Launched municipal and utility Smart-Grid projects
- Supported \$500K Amur Tiger Protection Initiative
- Doubled university partnerships; conducted over 50 American cultural events and exchanges in Russia in 2010

Learn more at www.state.gov/russiabpc

“Under the Radar” Outcomes

- Adoptions Agreement
- Fort Ross Restoration
- Sudan: 4 Russian Helicopters for Peacekeepers
- Support for Middle East Peace Process
- Energy Efficiency and Smart Grids
- Counterterrorism Cooperation
- Cultural Exchanges

The Future Agenda

- **WTO Membership**
- **Missile Defense Cooperation**
- Progress on unresolved conflicts in the Caucasus
- Supporting Economic Modernization
- Strengthening BPC
- Supporting Political Modernization

Russian Membership into the
WTO

It's Time !

Economic Benefits to United States of Russian WTO Accession

- Permanent reduction or elimination of wide range of tariffs on U.S. goods
- Improved market access for U.S. services in audio-visual, telecommunications, financial services and other sectors.
- U.S. ability to seek redress through WTO dispute resolution mechanism.
- Some experts believe accession could lead to a possible doubling of U.S. exports to Russia.

Why Repeal Jackson-Vanik?

- Withholding vote on J-V Does not advance democracy or human rights in Russia.
- Russian civil society groups and Jewish groups support Russia's WTO Accession.
- Need to replace this Soviet-era mechanism with a new mechanism to deal with 21st century problems:

Might include:

- Sanctions against human rights violators
- Greater support for human rights defenders

Next Steps in Accession Process

- Finalization of Russia's Working Party Report to reflect customs union with Kazakhstan/Belarus.
- Verify the market access commitments that Russia has made to the U.S. and other WTO members.
- Final approval of the terms of Russia's accession in the Working Party, confirmed by the WTO General Council.
- After 18 years, time to get this done!

Missile Defense Cooperation

(Bilateral and in the NATO-Russia Council)

Why important?

- Game-changer for the scope of European and potentially global defense planning.
- Advances shared U.S., Russian, and NATO national security interests and enhances our capability to defend against emerging missile threats.
- Working cooperatively with the U.S. and NATO best way for Russia to understand that our missile defenses do not threaten its strategic deterrent.

Current Efforts on Missile Defense Cooperation

- Finalizing the Joint Assessment on Ballistic Missile Challenges (Joint Threat Assessment)
- Working to restart joint MD exercises
- Signing a Defense Technology Cooperation Agreement necessary for cooperative projects, including missile defense.
- Proposing to launch cooperative data centers for NATO-Russia and a technical/analytical study of architecture options.

Presidential Commission

Future Agenda:

- Missile Defense Cooperation
- Civil nuclear energy collaboration
- Continued counternarcotics cooperation; military exercises
- Transportation security initiatives
- International disaster response and humanitarian relief
- Nanotechnology, clean energy, and biomedical research
- Innovation Challenged and X-Prizes
- Combating child exploitation, xenophobia, and corruption
- Open government
- New education exchanges in science, math, and technology; professional exchanges in journalism

Learn more at www.state.gov/russiabpc

Progress on Unresolved Conflicts in the Caucasus

- Resetting relations with Russia reduces regional tensions.
- U.S. rejects spheres of influence and consistently affirms states' rights to choose their alliances.
- Russian leadership of and close cooperation with United States and France in the Minsk Group negotiations to peacefully resolve the Nagorno-Karabakh conflict.
- Consistent U.S. support for Georgia's sovereignty and territorial integrity; we reject occupation of its territories.
- Some progress in Geneva Talks : Georgian non-use of force pledge, Russian withdrawal from Perevi.
- Incomplete implementation of 2008 ceasefire agreement and humanitarian issues require continued work.

The Reset for Russia's Neighbors

“What I see the right way is that, you know, it's not just changing relations with Russia at the expense of the others. On the contrary, it's exactly things based on values. It's value-based policy. ... Ultimately, if it leads to more modern, more open Russia, that's only good for all of us around it. ... I think the result is bringing at least minimum sense of security and (inaudible) for my country. And that is very essential for us to get time to develop, to do all these construction projects, to grow the economy, to make people better educated, get better chances in life.”

– Georgian President Saakashvili, July 5, 2010

<http://www.state.gov/secretary/rm/2010/07/143973.htm>

Political Modernization: A Long Term Project

- Negative Trends
 - Murder and beatings of journalists, and no prosecutions
 - Election manipulation and fraud
 - Political parties still unregistered
 - Television controlled by state
- Positive Trends
 - Medvedev: “political modernization must accompany economic modernization.”
 - Pre-trial detention reform
 - Permission for Strategy 31 demonstrations
 - Increased readership on internet media
 - Increases in civic activism
 - Firing of corrupt government officials
 - Separating Economy from the State

Sustaining Momentum

- Realistic Expectations
 - Cooperation on some issues will not translate into cooperation on all issues.
 - Some issues are zero-sum.
 - Values gap.
- Demands Constant Work ; No Cruise Control
- Developing the Broad Agenda