



ATLANTIC PARTNERSHIP

LONDON | WASHINGTON | NEW YORK

FALL NEWSLETTER 2007



LEADING OFF

BY LORD POWELL OF BAYSWATER

It's always satisfying when events live up to one's predictions, though smugness has its risks! My last editorial, earlier in 2007, highlighted a more positive mood emerging in transatlantic relations and the hope that the result of French elections would eliminate some of the barriers, psychological and practical, to a better Franco-American relationship.



Writing now after President Sarkozy's first official visit to Washington as France's 23rd President, that hope is to a large degree fulfilled. While some of the expectations of the improved relationship are unrealistic, and President Sarkozy will be a doughty champion of French interests, a new sense of ease in Franco-American relations is already apparent. It is sustained by an important rapprochement on how to handle Iran and by the tantalizing hints of France's readiness to rejoin the integrated military structure of NATO. With German Chancellor Merkel following Sarkozy to Washington and re-asserting Germany's credentials as a close and reliable partner, it's safer than before to say the Transatlantic Great Freeze is over. If there is a degree of British mortification or even envy over the intensity of America's welcome to the new French President, so be it. We should remember the parable of the Prodigal Son!

New directions in America's diplomacy have helped. Perhaps most important has been Washington's willingness to refocus on Israel-Palestine and call a peace conference. Sadly, the conference is now being dubbed a "meeting", and one can cavil that it's too late in the day and may be too short notice for real progress to be made. But the effort itself is commendable, will hopefully begin to restore confidence in the US in the region and deserves unstinting encouragement from Europe.

Another factor bringing Europe and the US back together has been President Putin's more aggressive rhetoric, which if nothing else reminds Europeans of their dependence on the United States during the Cold War. The US Administration has sensibly parried Putin soothingly rather than get involved in a shouting match.

Of course transatlantic problems remain. NATO lacks coherence in Afghanistan. Kosovo may be about to boil over. Unified pressure from both sides of the Atlantic on Iran to forego its nuclear programme may falter, increasing the temptation to conduct a military strike. But the instinct to consult and cooperate across the Atlantic has been largely restored and will hopefully ease management of future crises.

With only a year to go until the Presidential election in the US, interest is building up in the foreign policy direction of a future American Administration. The perception in Europe is that, whoever wins, enthusiasm among Americans for changing the world and extending democracy is ebbing and that more cautious policies directed towards containing threats rather than tackling them head on will find favor. It would be nice to be able to add that, with constitutional treaty amendments behind it, Europe will be a more active burden-sharing partner for the US. We can always hope.

We've had an encouraging year for Atlantic Partnership. With a new website, outstanding speakers in London, New York and Washington, a new series of roundtables and the launch of our military leaders program, we continue to offer unrivalled opportunities for top-level debate on key issues of transatlantic importance. We have plenty more in the pipe-line including: Tony Blair, David Miliband and Jack Straw in the UK, George Osborne in Paris, Ambassador Dan Gillerman in New York. We are as committed as ever to our goal of keeping the sides of the Atlantic together, and look forward to another successful year of activities.

Lord Powell of Bayswater is Chairman of Atlantic Partnership and former Private Secretary and Adviser on Foreign Affairs and Defence to Prime Ministers Margaret Thatcher and John Major.

ABOUT ATLANTIC PARTNERSHIP

Atlantic Partnership has the mission to raise awareness of the continuing political, economic and strategic importance of the transatlantic relationship among decision makers and citizens on both sides of the Atlantic and from across the political spectrum. Through our events, our extensive network of decision takers and opinion formers, and their contributions in the form of discussions, speeches and articles, we seek to build on existing links and commitments with the goal of enhancing the transatlantic alliance for future generations.

ABOUT THIS EDITION

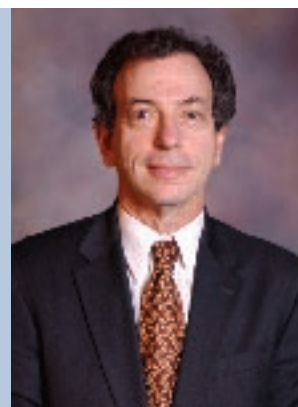
Our bi-annual newsletter informs our supporters about Atlantic Partnership's recent activities and highlights the work of our distinguished panelists, chairmen and patrons over the last few months. We are delighted to include four original pieces in our latest edition, three from our long-term supporters and panelists, all written exclusively for this edition. Two of our main topics are Russia and France's role on the global stage. Leo Michel helps us explore what France needs to do from a security standpoint, while Patrick Chamorel looks at how Sarkozy might take full advantage of his new position as president. We are honored to include an original op ed from US Foreign Relations committee member Senator Robert J. Casey, as well as a thought-provoking submission by Angela Stent examining the role Russia plays in the US-European relationship. We hope you enjoy this edition, and welcome your feedback and comments.

NEW AT AP

Simon K. Adamiyatt has joined the Atlantic Partnership Young Leaders Committee. Simon is a Senior Managing Director and Head of the Financial Institutions Group at Bear Stearns. A twenty year veteran of FIG investment banking, Mr. Adamiyatt has been privileged in serving a broad range of clients completing in excess \$150 billion M&A, \$60 billion equity and \$3 billion merchant banking transactions. A student of diplomacy and as a son of an ambassador, Mr. Adamiyatt has a keen interest in world politics. Mr. Adamiyatt was educated in Europe and the United States at the University of Pennsylvania, The Wharton School, Columbia University and the University of Oxford.



Mr. Leo Michel has joined AP as one of our esteemed panelists. Leo is a Senior Research Fellow at the Institute for National Strategic Studies—the strategic “think tank” of National Defense University (Fort McNair, Washington, DC)—where he concentrates on transatlantic security issues. Before joining INSS in July 2002, Mr. Michel was Director for NATO Policy within the Office of the Secretary of Defense (OSD), which provided support in areas such as NATO defense planning and capabilities, Partnership for Peace, and NATO-European Union relations. Mr. Michel, a career civil servant, was promoted to the Senior Executive Service in 2000. He holds a Master's degree from Johns Hopkins School for Advanced International Studies (1975) and a Bachelor's degree with high honors from Princeton University (1969).



We are delighted to have both Simon and Leo on board. For more information on our people, panelists and activities visit www.atlanticpartnership.org

EVENTS 2007

NEW YORK

- ❖ **Senator Chuck Hagel**, United States Senator for Nebraska
- ❖ **H.E. Ambassador Dr. Zalmay Khalilzad**, United States Permanent Representative to the United Nations
- ❖ **Mr. Robert Rubin**, The 70th US Secretary of the Treasury
- ❖ **Ambassador Alex Wolff**, Deputy Permanent Representative to the United Nations

LONDON

- ❖ **The Rt Hon Sir Menzies Campbell**, Leader of the UK Liberal Democrats
- ❖ **The Hon. Alexander Downer, MP**, Australia Foreign Minister
- ❖ **Rt. Hon Lord Hurd** of Westwell
- ❖ **Sir Martin Sorrell**, Chief Executive of WPP

MILITARY LEADERS EVENTS

- ❖ **Ambassador Eric S. Edelman**, Under Secretary of Defence for Policy
- ❖ **UK Air Chief Marshal Sir Jock Stirrup**, Chief of the UK Defence Staff
- ❖ Elite Defence Group Discussions

WASHINGTON

- ❖ High-level French Election Roundtable
- ❖ Roundtable with **US Senator Robert Casey** on “Implications of the Proposed Missile Defense System”
- ❖ **Ambassador Pierre Vimont**, Ambassador of France to the US

MILITARY LEADERS EVENT

- ❖ **General James L. Jones**, former Supreme Allied Commander, NATO

FORTHCOMING EVENTS

- | | |
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| ❖ H.E. Ambassador Dan Gillerman , Permanent Representative of Israel to the United Nations | Dec 2007 |
| ❖ The Rt Hon David Miliband MP , Secretary of State for Foreign & Commonwealth Affairs | Jan 2008 |
| ❖ The Rt Hon Jack Straw , Lord Chancellor & Secretary of State for Justice | Jan 2008 |
| ❖ Dr. Luis Cuesta Civis , Spanish Deputy Defence Minister | Feb 2008 |

Further events will be announced as they are confirmed.

For more information, contact events@atlanticpartnership.org



ATLANTIC PARTNERSHIP OPINION

We include in this section a variety of extracts of speeches and articles given by our Atlantic Partnership panel, chairmen and patrons over the last few months. If you wish to consult more articles, Atlantic Partnership's website www.atlanticpartnership.org contains links to articles written by our panelists, chairmen, patrons and supporters. It also contains copies of past newsletters, as well as relevant articles and speeches on the subject of transatlantic relations.



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DISCLAIMER: Atlantic Partnership (AP) is a non-partisan project that exists to alert people to the changes facing the partnership between Europe and North America, and the need to work to sustain it. For the benefit of our supporters, we circulate relevant articles on topics related to the transatlantic relationship. The author's views do not necessarily represent the official policy of the Atlantic Partnership, nor that of any of the publications from which reprints were originally drawn. They are included for the benefit of maintaining an informed debate.

AP EXCLUSIVE

FRANCE AND NATO: GETTING TO “OUI”

BY LEO MICHEL

In February 1996—soon after France ended its 30-year absence from Allied defense ministers meetings and NATO’s Military Committee—President Chirac told Congress that France was ready to “take its full share” in “NATO’s adaptation, including its military side, as long as the European identity can assert itself fully.” By year’s end, however, intra-Alliance negotiations foundered after Chirac insisted that NATO’s southern command pass from American to European leadership. Talks on an expanded French role collapsed in 1997, and the imbroglio helped to ignite a decade of transatlantic and intra-European wrangling over NATO and EU responsibilities in defense issues spanning capabilities development to the planning and conduct of operations.



Now fast forward to September 2007. France can “discuss the advisability of reintegration” into NATO’s military structures, President Sarkozy told the *New York Times*, subject to two preconditions: an “advance on European defense”; and space for French representatives “at the highest levels” of NATO decision-making. Brushing aside questions on details and timing, Sarkozy nevertheless sent mixed signals. He acknowledged the significant French contributions to NATO. But he also set an ambitious goal for European defense: “However important NATO might be, Europe must defend itself in an effective and independent manner.” For some Allies, his formulation seemed to suggest an eventual (and contentious) collective defense role for the Union.

As Sarkozy prepares to address Congress on November 7, one wonders if France and its Allies will avoid

repeating the disappointments and recriminations that followed the 1996-97 experience.

The protagonists might benefit by reading *Getting to Yes*, a classic study on negotiation methods.¹ The authors describe the pitfalls of “positional bargaining,” where each side essentially tells the other what it wants and then haggles to reach an acceptable compromise. The risks: egos—of individuals and governments—become tied to defending positions rather than meeting the parties’ underlying concerns; arguments eventually damage ongoing relationships; and the situation worsens when multiple parties become involved. Better, advise the authors, to: emphasize serious communication, not “playing to the gallery”; focus on interests, not just positions; and create “options for mutual gain.”

How to apply such an approach?

The French government must address a deficit of public understanding of France’s involvement in NATO. In the past, French officials were reluctant to do so, fearing domestic political pressure to limit such arrangements. Hence, a paradox: measured in forces engaged in operations, military representation and financial contributions, French investments in NATO far exceed its analogous efforts within the EU, although the latter enjoys pride of place in French political discourse.

There are signs of change since Sarkozy’s election. For example, last July a report by three French Senators described, in unaccustomed detail, France’s role in NATO and advanced, albeit tentatively, arguments for enhanced participation. Recently, a top French general, echoing comments by the defense minister,

Leo Michel is an Atlantic Partnership panelist and a Senior Research Fellow at the Institute for National Strategic Studies, National Defense University, Washington, DC. The author’s views do not necessarily represent the official policy of the Department of Defense or any other U.S. Government agency.

¹*Getting to Yes*. Fisher, Roger and Ury, William. Houghton Mifflin Company (New York), 1981.

told *Le Figaro* that “normalization” of relations with NATO, where “France is always suspected of having a hidden agenda,” will facilitate progress with European defense. And the government’s “white paper” on defense, due next March, affords another opportunity to correct NATO’s “bogymen” image in parts of the French political establishment.

A better informed French public is more likely to accept the logic of increasing participation and influence in NATO and rejecting the “zero sum game” approach of some EU-philes. This will not be easy, however. One commentator already has warned that “reintegration” would equate to France’s “trip to Canossa,” the Italian castle where, in 1077, an excommunicated German ruler did penance and was reconciled with the Pope!

To avoid the traps of “positional bargaining,” Paris should avoid at least two

temptations. First, simply tabling a list of desired posts—command positions here, staff responsibilities there—developed as a result of internal French calculations is more likely to offend Allies than convince them. Over-reaching, particularly for key “flag” posts coveted by other Allies, is not the only problem. Many of France’s European partners as well as the United States will want to understand the “big picture,” that is, how increased French participation will contribute to NATO’s overall strategy, reforms, capabilities, and operational effectiveness, not to mention facilitating its still difficult relations with the EU. (In a recent positive move, Paris reportedly advanced practical suggestions to improve NATO-EU cooperation.)

Second, Paris would be wise not to base its “reintegration” on explicit concessions by or trade-offs with Washington. True, the United States often plays a pre-eminent role in NATO, but the arguments for increased French participation have as much to do with

improving France’s interoperability and credibility with fellow Europeans as it does with parrying what some French officials claim—a bit self-servingly—is “American domination” of the Alliance.

The United States, Canada and the other European Allies can help this process in many ways. They, too, must steer clear of public posturing or misplaced triumphalism. Tone is important, and Washington could help by emphasizing its “partnership” with Allies rather than its “leadership” of NATO. Moreover, “positional bargaining” is not a uniquely French temptation and needs to be avoided on all sides. Fortunately, there is more than one option for updating NATO structures in ways that improve efficiency and

equitably redistribute the responsibilities and burdens within the Alliance. Some American ideas for streamlining NATO commands are not so different from the French. And while

France needs to be realistic in its vision for European defense, its Allies, who increasingly appreciate the potential as well as limitations of the EU’s instruments, are anxious to help shape a “win-win” outcome for both NATO and the EU. The United States, of course, cannot build European capabilities; that is their responsibility. But it can help, for example, by removing outdated impediments to transatlantic defense industrial cooperation that concern many Allies, not just the French.

At stake in this hoped-for “rapprochement” is making the Alliance work better in the face of huge and constantly evolving challenges—from Afghanistan and Kosovo to terrorism and proliferation—not settling historic grudges.

Mission impossible? To (slightly) paraphrase Descartes: “It is not enough to have the correct thoughts; the main thing is to apply them well.”

**“‘POSITIONAL BARGAINING’ IS NOT A
UNIQUELY FRENCH TEMPTATION AND
NEEDS TO BE AVOIDED ON ALL SIDES.”**

AP EXCLUSIVE

SARKOZY SEEKS CLOSER TIES WITH US

BY DR. PATRICK CHAMOREL

President Sarkozy's State Visit to Washington this month does more than seal the reconciliation between France and the United States four and a half years after their fallout over Iraq. It heralds a new—and hopefully lasting—era in Franco-American relations, the result of a far-reaching re-appraisal of France's foreign policy and its relations with the United States. Only a Gaullist president could successfully challenge key tenets of de Gaulle's legacy. Sarkozy is calling for closer and more relaxed bilateral consultations; a European Union conceived more as a partner than a counterweight to the US; a reaffirmed friendship with Israel, a tough line on Iran's nuclear proliferation and renewed efforts towards democratization in Africa.



Sarkozy spelled out his boldly pro-American vision of foreign policy in a speech in Washington in September 2006, seven months before his election. That speech triggered a controversy in France, largely because of Sarkozy's criticism, on US soil, of President Chirac and Foreign Minister de Villepin's "arrogance" and "grandstanding" in their anti-war diplomacy. As a result, Sarkozy kept virtually silent on future relations with the US during the campaign to avoid dividing his party and compromising his chance of securing Chirac's endorsement. Many observers interpreted that silence as evidence that Sarkozy had backtracked from his Washington speech and would choose continuity over change in his conduct of foreign policy. However, since his election, Sarkozy has wasted no time proving that he believed what he said in Washington: he used his victory speech on election night to reach out to the US, spent his summer vacation in New Hampshire and visited the Bushes in Kennebunkport. He also sent Bernard Kouchner, his pro-democracy and pro-Iraq war foreign minister, to Iraq and Darfur and embraced a line on Iran that is every bit as tough as Bush's.

Much has been said about Sarkozy's admiration for America's dynamic economy and social mobility. The

son of immigrants, Sarkozy has experienced the American dream in France. The French president has also been keen to draw a stark contrast between himself and his predecessor Jacques Chirac: his pro-Americanism seems to deliberately counterbalance Chirac's reputation as an anti-American. His clear election victory is further evidence that anti-Americanism was not the French public's main motivation for opposing the Iraq war. Meanwhile, Sarkozy's pro-American discourse was enough to win the hearts and minds of Washington and the Bush administration, notwithstanding his public criticism of the war in Iraq and US policy on climate change.

The explanation for Sarkozy's shift in US-France relations is to be found in a gradual re-appraisal of French foreign policy over time. In 1995, a freshly elected Chirac tried to re-integrate France into NATO's military structures, in vain. After his reelection in 2002, Chirac and his new foreign minister, Dominique de Villepin, again sought a rapprochement with the US. It took the fallout over Iraq to bring Chirac back to a more traditional Gaullist line.

Sarkozy's eagerness toward foreign and domestic policy innovation stems from the failures of past approaches. France has been unable to counter its loss of influence in Europe following the German reunification, the opening up of Eastern Europe and the revival of the British economy and diplomacy. Mitterrand and Chirac managed to alienate the newly freed countries of Eastern Europe. In the post Cold War world, France lost its role of broker between East and West while the terrorist attacks of 9-11 made its message about the dark side of economic globalization less pertinent. Sarkozy is concerned that the multi-polar world advocated by Chirac might ultimately lead to a Sino-American clash, with Europe looking on from the sidelines. The last decade has seen France's image tarnished by its strident challenge of US influence, its irrational fear of globalization, its reluctance to encourage democratization in Africa, and the resistance of French society to change. Anti-French sentiment has spread beyond its traditional strongholds.

Dr. Patrick Chamorel is an Atlantic Partnership panelist and a Visiting Fellow at Stanford University's Hoover Institution.

The Iraq crisis provided additional urgency for France's re-evaluation of its foreign policy doctrine. France and Germany proved unable to rally Europe behind their challenge to the US; instead, Britain and its Eastern European allies, with the one-off support of Italy and Spain, challenged the Franco-German leadership in Europe. With intra-European divisions over relations with the US having finally surfaced, the French became aware that their quest of building Europe as a counterweight to the US would remain unrealized.

Sarkozy understands that further progress in European integration requires improved Franco-American relations. Otherwise, close US allies in Europe will keep suspecting France of anti-American designs and will block the initiatives that Sarkozy intends to take during the French presidency of the European Union in 2008 to strengthen Europe's political and military dimensions. Any European defense policy will have to revolve around an Anglo-French axis. Instead of neutralizing each other, can NATO and the European Security and Defense Policy complement each other by respectively focusing their efforts inside and outside of Europe?

Sarkozy's new Atlanticism reflects France's frustration with its lack of influence in Washington. The long-held suspicion in US political circles is that France's diplomacy was largely driven by anti-Americanism, undermined French credibility. Like Britain's Gordon Brown and Germany's Angela Merkel, Sarkozy's approach to the US is "allies, yes; aligned, no", Sarkozy's rapprochement with the US is well timed because the Bush administration badly needs Europe as a partner around the world and that can only happen if relations with France are normalized.

Sarkozy has made improved relations with the US the cornerstone of his foreign policy. He is keen to exploit the momentum of his election victory. He is moving forward rapidly with his pro-American initiatives to avoid being undermined by looming difficulties at home. Instead of waiting for Bush's successor, he has seized the opportunity to boldly reach out to Bush and the American public. Sarkozy has brushed aside the predicted domestic political cost of a more pro-American discourse and closer relations with the US. If the political fringes still thrive on anti-Americanism, the mainstream center-right and center-left parties have gradually moved away from anti-American outlooks. Sarkozy has been known during his political career to move the lines of public opinion and mobilize new constituencies. He is betting that an improved image of the US in France will not only help him carry out his new foreign policy, but his domestic agenda as well.

EU TRADE CHIEF CALLS FOR AGGRESSIVE ACTION AGAINST CHINA

BY STEPHEN CASTLE

The United States and European Union (EU) appear to be uniting in a more aggressive stance toward China on trade. Stephen Castle reports on a letter European Trade Commissioner Peter Mandelson sent to European Commission President Barroso in the *International Herald Tribune* on October 17, 2007.

Against the backdrop of a series of trade disputes and a discussion by EU heads of state on the topic, Castle writes that, coming from a committed supporter of free trade, Mandelson's internal document illustrates the pressure he is under to toughen his stance as Europeans become increasingly concerned about the scale of Chinese imports and its effect on jobs. Suggesting that China has "failed to respond to a policy of cooperation and dialogue," Mandelson says it is less desirable or necessary than in the past "to distinguish European policy from American policy."

Castle relays the EU's top trade official's opinion that Europe should align policy more closely with Washington and be ready to take cases against the "Chinese juggernaut" to the World Trade Organization. As the EU trade deficit with China rises, European economic leaders are calling for rigorous anti-dumping policy and other trade protection. Yet Castle warns that this will not be easy. According to the European Commission, for example, while around 250,000 European jobs depend on steel making, seven million jobs are linked to manufacturing that uses imported steel. Because European economies already depend so heavily on Asian imports, writes Castle, the EU will face serious difficulties in erecting barriers against China.

FULL ARTICLE

AP EXCLUSIVE

RUSSIA AS AN ISSUE IN US-EUROPEAN RELATIONS

BY DR. ANGELA STENT

This December, a number of key international decisions will converge to challenge the West's relations with Russia—the final status of Kosovo, the future of the Treaty on Conventional Forces in Europe (CFE), missile defense deployments and further sanctions against Iran. Looming behind these immediate issues is the future of the Treaty on Intermediate-Range Nuclear Forces (INF) and questions about the disposition of Russia's sovereign wealth funds (Russia now has \$430 billion in reserves) in the face of EU and US legislation to restrict foreign investments in their strategic sectors. Recent US-Russia, NATO-Russia and EU-Russia summits highlighted the reality that Russia's relations with its Western partners are brittle and testy. And with the approaching dual presidential successions in Washington and Moscow, domestic politics in both countries could further complicate the relationship.



Dealing with Russia has sometimes been an issue of contention in US-European relations since the collapse of the Soviet Union. Yet today, the US and most European governments agree in their assessment of Russia's domestic trajectory—growing prosperity accompanied by the state recapture of the commanding heights of the economy and a diminution of political competition. The transatlantic community remains committed to engaging Russia where possible, but faces a Russia that seeks to revise the agreements made between Moscow and the West in the 1990s, when Russia was weak and, as the Kremlin sees it, had to accept a US-EU-imposed agenda into which it had little input. Both the US and EU face the challenge of responding to Russia's rejection of Western concerns about its domestic and foreign policies and both realize the limits of their leverage when, on certain issues, we need Russia more than it needs us. While the

EU still talks of a “strategic partnership” with Russia, America no longer uses this term. That is partly because the economic stakes in the EU's relationship with Russia are considerably higher than those of the United States.

Russia is the EU's neighbor, and ties between Russia and Europe on a variety of levels are robust. Europe imports 44% of its gas and 30% of its oil from Russia and its dependence on Russian gas will increase over the next decade. Two-way trade and investment are growing, as are the number of Russians who live in major European capitals. The EU pursues a two-track policy toward Russia. On the one hand it is defensive: seeking to prevent post-Soviet “soft” security problems—infectious diseases, organized crime, trafficking in nuclear materials, humans and drugs—from spilling over into the EU. There has also been a broader agenda to deepen and broaden the relationship via the Road Map for four com-

“THE ECONOMIC STAKES IN THE EU'S RELATIONSHIP WITH RUSSIA ARE CONSIDERABLY HIGHER THAN THOSE OF THE UNITED STATES.”

mon spaces and other institutional ties, but so far these mechanisms of engagement have failed to create a productive and comfortable relationship with Russia. Moreover, since the 2004 EU enlargement, Russia has become a divisive issue, pitting the new EU members—who lived under Soviet occupation or domination—against the old members, whose view of Russia is less stark.

The governments of United States and Europe largely agree on how to deal with Kosovo and on the desirability

Dr. Stent is an Atlantic Partnership panelist, as well as Professor of Government and Director of the Center for Eurasian, Russian and East European Studies in the Georgetown School of Foreign Service.

of maintaining the CFE Treaty from which Russia may withdraw in December. But there are differences of opinion over missile defense and over how far Russia's neighbors should be integrated in Euro-Atlantic structures. European publics are certainly disquieted by the prospect of missile defense deployments, and the discourse over these issues—plus the Russian attempts to heighten European fears about how missile defense might endanger European security—are reminiscent of the debates in the early 1980s over INF deployments. Moreover, many EU members believe that the West should calibrate its policies toward Georgia and Ukraine with greater sensitivity toward Russian concerns about its neighbors' Westward moves than the United States has so far done. Hence their unwillingness to move ahead with either NATO or eventual EU membership for these countries.

In view of these upcoming challenges, the United States and the EU should engage in a wide-ranging debate about what their respective interests in Russia are—and about how they would define legitimate Russian interests in a number of areas, including Eurasia. Washington should realize that Brussels—and the individual European governments—will have a more robust relationship with Russia because of geography, history, economics and energy. It also has to understand that Europe views the prospect of deteriorating ties with Russia with greater alarm than does the United States. For the next year, however, given the uncertainty and opacity surrounding the politics of the Kremlin succession, Russia's relations with the EU and the US are unlikely to improve. A more realistic agenda for the West will be to prevent a further deterioration of relations and, for the United States, to try to ensure that our presidential campaign rhetoric does not needlessly inflame the relationship.

EUROPE AND RUSSIA NEED POSITIVE ENERGY

BY DR. DANIEL YERGIN
& SIMON BLAKELY

In their October 25, 2007 article in the *Financial Times*, "Europe and Russia need positive energy," AP Panelist Daniel Yergin and Simon Blakey argue that the biggest issue dividing Europe and Russia today is natural gas, the same commodity that tied the two areas together during the Cold War. Mr. Yergin and Mr. Blakely, CERA's chairman and senior director, emphasize that trade in gas has served the interests of both sides through history, allowing Europe to diversify its energy supplies while bringing in revenue as Russia's second largest export earner. Yet, they argue that today, the gas trade has been surrounded by contention and suspicion, and that Russia's current posture goes beyond single events to fundamental changes between European and Russian relations, not to mention the changes in the trading model for gas.



Yergin and Blakely point out that while these structural challenges are large, there are reasonable ways to address them. The authors suggest that both parties start by depoliticizing what is essentially a commercial gas relationship—the less political, the better for the future. In addition, the authors suggest that both sides reexamine the needs of their own gas industries and work together to address the issue of transit routes through third party countries. A gas relationship of this scale requires confidence, both for current operations and future investment. In a larger context, Yergin and Blakely make clear that, while concerns about competition and market dominance loom in the EU, sustainability, efficiency and security of the European energy supply will lie in a carefully managed interdependence between Europe and Russia.

FULL ARTICLE

Dr. Daniel Yergin is the Chairman of Cambridge Energy Research Associates (CERA) and a member of Atlantic Partnership's US Board.

AP EXCLUSIVE

RUSSIA: THE SECURITY CHALLENGE

BY SENATOR ROBERT CASEY

Growing tensions between Russia and the West have taken center stage in 2007. Disputes ranging from fair pricing of energy supplies to the basing of missile defense facilities in Eastern Europe have produced an atmosphere reminiscent of Cold War tensions. Unfortunately, this distrust and growing hostility have now clouded the future of a landmark arms control treaty, the Conventional Forces in Europe (CFE) Treaty. The CFE Treaty was signed in 1990 and imposed comprehensive limits on key categories of conventional armaments, including tanks, artillery, and combat aircraft. The Treaty served as a cornerstone for ensuring stability and transparency as Europe emerged from the shadows of the Cold War. Today, the agreement continues to serve as an important force for stability through a series of regular data exchanges and inspections, ensuring against any surprise military maneuvers or threatening force buildups that may spark tensions.



**“WHILE I ENCOURAGE THE US
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However, these gains now are in severe jeopardy. In July, President Vladimir Putin signed a decree to suspend Russia’s implementation of the CFE Treaty, effective within 150 days (mid-December). The Russian President justified this decision on account of “extraordinary circumstances”, including the refusal of NATO Members to ratify a successor agreement, the proposed deployment of US missile defense facilities in Poland

and the Czech Republic, and new basing arrangements for the United States in Bulgarian and Romania. However, no clause in the CFE Treaty allows for “suspension” of commitments, permitting instead only withdrawal from the Treaty. While the legality of Russia’s maneuver is doubtful, it appears that President Putin is determined to carry through on his pledge as a key meeting in late October failed to make any progress.

The actions of the Russian government are deeply disappointing, especially since the principal means to resolving this impasse remains under Russia’s control. Moscow today is primarily aggrieved because the CFE Treaty provisions no longer correspond to the geopolitical reality of a post Cold War age. A successor agreement, the CFE Adaptation Agreement, was signed in 1999 to revise the original agreement to reorganize troop and equipment limits by individual countries, not outmoded NATO and Warsaw Pact holdings, and meet the fundamental Russian concern of adjusting the Treaty to correspond with modern realities. The Russian Federation and three other signatories have ratified this agreement, but NATO

Allies have refused to proceed with ratification until Russia carries through on commitments made at the time the Adaptation Agreement was signed. These pledges, known as the Istanbul Commitments, require Russia to remove troops and equipment from Georgia and Moldova or otherwise acquire the express sovereign consent of the host governments. Although the Russian Federation has made significant progress in

Senator Robert Casey serves on the United States Senate Foreign Relations Committee. He was a special guest at the Atlantic Partnership roundtable discussion on the ‘Implications of the Proposed Missile Defense System’ in July, 2007.

the removal of troops and equipment, it has not completed its withdrawals.

While I encourage the United States and its NATO Allies to explore flexible means of encouraging and facilitating Russian withdrawals from Georgia and Moldova, we cannot surrender the basic principle that Russia must not deploy armed forces and equipment on the sovereign territory of other nations unless they are explicitly authorized. To compromise on this principle sends a message that Russia will be granted *carte blanche* to do as it pleases in regards to its neighbors.

For these reasons, I introduced a Sense of the Senate resolution expressing deep regret at the decision of the Russian Federation to suspend its implementation of CFE Treaty commitments and calling on Moscow to reverse its decision. I was joined by Senator Gordon Smith, (R-OR), and five other Members who co-sponsored my resolution. The resolution was unanimously adopted by the full Senate on July 31st.

The future course of U.S.-Russian relations will be a central challenge facing the next President of the United States. The promising days of the 1990s, when it appeared that Russia was poised to emerge as a liberal democracy with a transparent free market economy, no longer exist. Instead, we confront a Russia that is aggressively pursuing its national interests, often in a provocative manner, and is not afraid to directly challenge the United States. In such an environment, the transparency and stability afforded by agreements such as the CFE Treaty only grow in value.

Russia should reconsider its proposed suspension of CFE Treaty implementation and refrain from taking a huge step backwards for European security. The United States and its NATO allies should encourage Russia here by seeking innovative and constructive mechanisms to achieve the full implementation of the Istanbul Commitments, which serves as the primary grievance of Moscow. High-level diplomatic attention on all sides is desperately needed. We cannot allow the mutually reinforcing network of information exchanges and arms inspections embodied in the CFE Treaty to just fade away.

NATO CHIEF PLEADS AGAIN FOR TROOP INCREASES

BY JUDY DEMPSEY

As NATO enters what its Secretary General Jaap de Hoop Scheffer calls “the most difficult phases of the Afghan campaign,” Judy Dempsey discusses the on-going struggle to get greater commitments among member states in her October 21st article in the *International Herald Tribune*.

NATO took over the International Security Assistance Force in 2003 and has conducted its first mission outside Europe in Afghanistan. This voyage mission has been transformed from one intended to be for peacekeeping and security purposes, to one resembling a high-level combat operation. In addition to heavy pressure from Taliban insurgents based in Afghanistan and Pakistan and too little troops and equipment, Dempsey reports on the increasing frustration and resentment among member-states over what is perceived as a lack of solidarity.

Dempsey reports de Hoop Scheffer is worried that the pressure on NATO forces is growing, noting the many other missions in which NATO is currently engaged. But rather than call the forces overstretched, de Hoop Scheffer is making a bid for member states to take on more role in providing troops and military equipment, framing the fight in Afghanistan in terms of what’s best for global security.

In order to secure victory and an exit strategy, Dempsey conveys de Hoop Scheffer’s recommendations on what more can be done to establish a viable Afghan national army and police force, one that could eventually take control of the situation. She also writes that in order to increase political dialogue with Pakistan, de Hoop Scheffer believes that not only resources but “political will” must be applied.

[FULL ARTICLE](#)

ON THE MIDDLE EAST

TEND TO TURKEY

BY DR. ELIZABETH SHERWOOD-RANDALL

In light of the recent tensions between the United States and Turkey, revolving around Turkey's feeling of alienation and military involvement in Iraq, it is worth looking back at the recommendations made by Elizabeth Sherwood-Randall in "Tend to Turkey." The article appeared in the Fall 2007 edition of *Democracy: A Journal of Ideas* not long before a US congressional committee proposed a resolution that recognizes the 1915 massacres of Armenians by Ottoman Turks as genocide. The article is printed here in full with the permission of its original publisher.



In the wake of the Iraq debacle, the United States will occupy a position of greatly diminished stature and leverage among the many allies that stepped forward to offer unqualified support immediately after September 11, 2001. No relationship has been more badly damaged in this relatively short period of time, or is in greater need of repair, than the alliance between the United States and Turkey. Although America's standing has declined precipitously across Europe, Turkey is the one NATO country at risk of becoming strategically unmoored.

The war has had a profound and disorienting effect on Turkey—the only Muslim nation anchored in the West through bilateral ties with the United States and membership in NATO. In some polls, Turks are reported to have the least favorable public opinion of the United States among countries surveyed. The Bush Administration's actions have ominously alienated a generation of young people unfamiliar with the

positive legacy of American global leadership. Across the population, a slow process of disenchantment and disengagement has taken place. If this negative trajectory is not reversed, Turkey could seek alternative affiliations—most likely with its Islamic neighbors or with Russia—at the expense of its connections to the United States and Europe.

How could such a dramatic rupture with Turkey have occurred? In short, American policymakers ignored or misread Turkish politics, disregarded legitimate Turkish concerns, and launched an invasion of nearby Iraq with substantial negative consequences for Turkish interests. In preparing to go to war, the United States aggressively sought Turkish permission for the Fourth Infantry Division to cross Turkey in order to enter Iraq from the north. The pressure Washington put on Ankara—and the perception in some Turkish circles that the United States sought to bribe the country to secure its agreement—rebounded negatively in the domestic debate, resulting in the Turkish Grand National Assembly's failure on March 1, 2003 to approve a resolution permitting US troop transit into Iraq. In reaction, the Pentagon severely curtailed contacts with the Turkish military, essentially freezing it out of the action precisely at the moment that its leaders felt Turkey's vital interests were being imperiled. On the policy side, high-level visits were postponed or canceled, and regular consultations between the Department of Defense and the Turkish military's General Staff were suspended. Further, Turkish offers to send troops to Iraq were repeatedly rebuffed, reinforcing the impression that Turkey was being excluded from shaping events that would have serious implications for its security. At the time of the invasion of Iraq and overthrow of Saddam Hussein, the Americans rejected a proposed Turkish deployment of 20,000 troops in the north on the grounds that it could lead to conflict between Turks and Kurds; later

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in 2003, when the U.S. sought support for peacekeeping and reconstruction, Turkey's proposal to send 10,000 soldiers was rejected by Iraq's Governing Council.

In Turkish eyes, the American war effort has substantially destabilized their neighborhood and severely exacerbated their most important security challenge: the continuing terrorist violence perpetrated by the Kurdistan Workers' Party (PKK). An unintended consequence of U.S. policy since the first Gulf War has been the emergence of a safe haven for the PKK in northern Iraq. This territory, largely controlled by Iraqi Kurds, has been the only relatively stable region of the country. As a result, American policymakers have resisted appeals to expand the U.S. presence there, concentrating forces on more volatile areas. Concomitantly, the Kurdish leadership of northern Iraq has failed to use its influence to effectively rein in PKK violence.

Finally, a separate but profoundly exacerbating factor in Turkish domestic opinion has been the reaction to the protracted process of negotiating accession to the European Union. As prominent European leaders—including the recently elected French President Nicolas Sarkozy—make xenophobic statements about how Turkey does not belong in Europe, Turkish popular feelings of alienation from the West are being stoked and nationalist and/or Islamist alternatives are becoming more attractive. Unfortunately, because the Bush Administration has squandered American credibility with its allies, Washington's ability to influence European thinking and decision-making on this matter is at an all-time low. Looking to the future, the EU members' failure to effectively respond to Turkey's desire for inclusion may result in an irreparable breach with the Muslim world at a time when many European states face significant internal problems with integrating their own Muslim populations. The schism that could result

WHY THE UN BELONGS IN IRAQ

BY H.E. AMBASSADOR ZALMAY KHALILZAD

Ambassador Zalmay Khalilzad's op-ed titled "Why the United Nations Belongs in Iraq" appeared in the *New York Times* on July 20, 2007. Ambassador Khalilzad's, US Ambassador to the United Nations (UN) and former ambassador to Afghanistan and Iraq, puts forth arguments for the UN's involvement in Iraq. His arguments will continue to remain valid until a more livable solution can be found in the country.



Recognizing both the United States' responsibility and the global importance of stabilizing Iraq, Khalilzad argues that the United Nations, with the right envoy and mandate, is the best vehicle to address certain fundamental issues driving the crisis in Iraq. Khalilzad endorses the UN as a mediator for a range of political and economic issues, and reminds our readers of the UN's inherent legitimacy, its flexibility to talk to all parties and its significant leverage as co-leader with the Iraqi government of the International Compact for Iraq. Khalilzad also argues that the UN is in a unique position to lead multilateral diplomatic efforts within the region to try to prevent destabilizing policies from taking hold in the area.

To do this work, Khalilzad believes that the United Nations will need additional political, financial, logistical and security support from states with interests in the region. While recognizing criticism of the coalition's intervention in Iraq in the first place, Khalilzad argues that, at this point, it is clear that the future of Iraq will have a profound effect on the region and, in turn, on peace and stability in the world.

FULL ARTICLE

Ambassador Zalmay Khalilzad is the US Ambassador to the UN. He spoke at the AP Dinner in New York in September.

from excluding the leading example of a Western-oriented, secular democracy from the European club will only reinforce those who believe that co-existence between Western and Muslim civilization is impossible.

All plausible scenarios for Iraq's future are viewed with suspicion by Ankara, particularly the growing prospect of an independent Kurdistan. The Turkish military views Kurdish statehood as an existential threat to Turkey's security. Sudden Kurdish autonomy could trigger a war pitting the Kurdish *peshmerga*—which have strong ties to the United States—against the Turkish army, to whom the United States and its NATO partners have Article V mutual-defense obligations. Although there is legitimate concern about instability on Iraq's other porous borders, particularly the one it shares with Iran, American policymakers should not allow these preoccupations to distract them from the explosive potential of the Iraqi-Turkish frontier.

As the United States seeks to disentangle itself from Iraq, it needs to do all that it can to avoid a worst-case scenario between Turkey and the Kurds. It should work intensively with the Turks and legitimate representatives of the Kurds of northern Iraq to develop solutions to complex problems in which each has a stake. Some efforts have been made: Over the past two years, the United States has tried to establish a “trilateral” mechanism bringing Americans, Turks, and Kurds together, but this has been difficult to achieve for a variety of reasons, including Turkish reluctance to give greater legitimacy to Kurds representing the governing structures of the north. The United States needs to impress upon its Turkish allies and its Kurdish friends how important this process is to avoiding escalation and to building a more secure future for the region. In the near term, these discussions should focus on reducing tensions and severely constraining PKK activities; in the longer term, they should address trade, transit, and other means of promoting prosperity on both sides of the border.

BERLIN AND VIENNA STAND AGAINST THE WEST: EUROPEAN DIVISIONS ON THE IRANIAN BOMB

BY DR. MATTIAS KÜNTZEL

If there is any world power that is in a position to force a change in Iranian policy without the use of military force, it is the European Union, argues Matthias Küntzel in the *World Politics Review* on October 11, 2007. In an article titled “Berlin and Vienna Stand Against the West: European Divisions on the Iranian Bomb,” Küntzel argues that only Europe—not the United States, Japan or Russia—is indispensable for the investments and imports that keep the Iranian economy itself working, and thus in a position to employ effective economic sanctions. A study undertaken in late 2006 by the Iranian parliament confirmed Iran's dependence on the Europe, and states, “without European replacement parts and products the Iranian economy would be paralyzed in a matter of months.”

The question, Küntzel writes, is Europe's lack of policy unity. Küntzel applauds French President Nicolas Sarkozy's call for tougher sanction that has won partners in the United States and Great Britain. He points out, however, that Germany, Austria, and Russia are prepared to accept Iran's nuclear facilities as long as they are placed under the supervision of the International Atomic Energy Agency (IAEA). Küntzel criticizes Germany for breaking from the transatlantic consensus, inferring that by being Iran's number one trading partner and the major supplier for its manufactured goods, Germany compromises a critical global issue and denies its National Socialism history and works against core Western powers.

FULL ARTICLE

Dr. Matthias Küntzel is a Hamburg-based political scientist and the author of “Bonn and the Bomb: German Politics and the Nuclear Option.”



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