

GEORGIA: ONE YEAR AFTER THE AUGUST WAR

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BEFORE THE
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OF THE
COMMITTEE ON FOREIGN RELATIONS
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GEORGIA: ONE YEAR AFTER THE AUGUST WAR

TUESDAY, AUGUST 4, 2009

U.S. SENATE,
SUBCOMMITTEE ON EUROPEAN AFFAIRS,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:34 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Jeanne Shaheen (chairman of the subcommittee) presiding.

Present: Senators Shaheen, Casey, Kaufman, DeMint, Wicker, and Corker.

OPENING STATEMENT OF HON. JEANNE SHAHEEN, U.S. SENATOR FROM NEW HAMPSHIRE

Senator SHAHEEN. Good afternoon, everybody. I apologize for being a little late this afternoon for this hearing of the European Affairs Subcommittee, and I'm delighted to be joined this afternoon by Senator Wicker and Senator Corker.

We think that we're going to have some votes at 3 o'clock, so what I'm going to do is dispense with my opening statement and submit it for the record so that we can go ahead and hear from our witnesses.

This is a hearing to discuss the situation in the Caucasus and the U.S. policies in the region 1 year after the Russian-Georgia war in August 2008. So I want to welcome everyone here and introduce our panelists: The Honorable Philip Gordon, who is Assistant Secretary of State for Europe and Eurasian Affairs; the Honorable Alexander Vershbow, who is the Assistant Secretary of Defense for International Security Affairs; and Ken Yamashita, who is the Senior Deputy Assistant Administrator in the Bureau for Europe and Eurasia at the U.S. Agency for International Development.

Thank you all very much for being with us this afternoon.

[The prepared statement of Senator Shaheen follows:]

PREPARED STATEMENT OF HON. JEANNE SHAHEEN, U.S. SENATOR FROM NEW
HAMPSHIRE

The Senate Foreign Relations Subcommittee on European Affairs meets today to discuss the situation in the Caucasus and U.S. policies in the region 1 year after the Russia-Georgia war in August 2008. I want to welcome you all here today and I'm pleased to be joined by the ranking member of this subcommittee, Senator Jim DeMint.

Twelve months ago this week, Russia and Georgia engaged in a series of provocations which culminated in Russia's invasion of undisputed Georgian territory and 5 days of heavy fighting, significant numbers of casualties, including civilian deaths, and massive destruction. One year later, as Georgia continues to rebuild, Russian

troops remain stationed in the separatist regions of South Ossetia and Abkhazia, and Russia is one of only two U.N. members (along with Nicaragua) to recognize the two regions as independent states.

Today, Russia-Georgia tensions remain extremely high. Over the weekend, Russia accused Georgia of firing mortars into South Ossetia, and Georgia has charged Russian military teams with expanding boundaries in the breakaway regions. The possibility for escalating rhetoric leading to miscalculations, unwarranted actions or renewed conflict is alarming. At this particularly sensitive time, it is important to urge both sides to work to deescalate tensions and refrain from engaging in any provocative actions.

Today's hearing will also consider and assess President Obama's recent summit in Russia and Vice President Biden's trip to Georgia and Ukraine. It is important to recognize, as witnessed by the bilateral agreements reached during the Moscow summit, that the United States, Russia, and the greater international community do share a number of important mutual interests, which should be pursued cautiously. However, relations in this region need not be seen as a zero-sum calculation.

As the United States seeks to "reset" relations with Russia and engage on these critical issues, it is important that this effort does not come at the expense of U.S. relations with its allies and partners in the region. The United States should continue to strongly support Georgia's sovereignty, to support nonmilitary efforts to restore Georgia's territorial integrity, to reject any claims of spheres of influence in the region, and emphasize that all nations should be free to enter into alliances and relationships as they see fit.

Support for Georgia in the United States remains robust and strong. The U.S. Congress recently fulfilled the administration's previous commitment of \$1 billion in assistance to help Georgia recover from last year's devastating war. This summer, the United States and Georgia held its first meetings under the newly launched Charter on Strategic Partnership. America is committed to helping Georgia meet the standards of NATO membership, and we should continue to seek ways to enhance and deepen our economic and cultural ties to the people of Georgia. Georgia should also be recognized for its previous troop commitment in Iraq and its pledge to send a large contingent of troops and personnel to serve beside NATO forces in Afghanistan.

As the United States finds ways to strengthen ties with Georgia, we must also work with Georgia to meet its own commitments and continue down the path of democratic and economic reform, including the promotion of robust democratic institutions, a vibrant and responsible opposition, a free media, an independent judiciary, and transparent and accountable governance. Our assistance program with Georgia should be sufficiently resourced and aimed at a long-term strategy which embraces these critical efforts, and we should encourage President Saakashvili and opposition leaders to engage in serious dialogue on the implementation of these important reforms.

A prosperous, stable, and secure Caucasus region is in all of our interests—including those of Georgia, Russia, and the United States.

We are pleased to have before us today a high-level panel of government witnesses all closely engaged on this topic. First, we have Dr. Philip Gordon, the Assistant Secretary of State in the Bureau of European and Eurasian Affairs. Prior to the Vice President's trip, Assistant Secretary Gordon made an official visit to Georgia in early June, where he met with the Georgian President and members of Georgia's opposition parties. We are happy to have him here today.

Next, we have Ambassador Alexander Vershbow, the Assistant Secretary of Defense for International Security Affairs. In this capacity, Ambassador Vershbow has responsibility for coordinating U.S. defense policies with respect to Europe, Eurasia, and NATO. As a former Ambassador to NATO and to Russia, he will have a unique perspective on this critical issue.

Finally, we also have Dr. S. Ken Yamashita, the Acting Assistant Administrator in the Bureau for Europe and Eurasia in the U.S. Agency for International Development (USAID). He is responsible for overseeing the Bureau's annual assistance to Georgia and the rest of Europe.

We are pleased to have you all here today to discuss this timely and important issue and look forward to hearing your testimony.

Senator SHAHEEN. I should recognize Senator Kaufman, who just joined us, and hopefully Ranking Member DeMint will be here shortly.

So Mr. Gordon, if I could ask you to begin.

STATEMENT OF HON. PHILIP GORDON, ASSISTANT SECRETARY OF STATE FOR EUROPE AND EURASIAN AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Mr. GORDON. Yes, thank you very much, Madam Chair, and to all the members of the committee for these hearings on the important topic of Georgia and Russia. I've also submitted longer testimony for the record, but here I would like to just summarize if I might.

I would like to start by thanking the committee and the rest of the Congress for the generous support that they have offered and supplied to Georgia over the past year. The \$1 billion in assistance that Congress provided is as we speak making a huge difference in Georgia's efforts to recover and rebuild from the August conflict.

During his visit to Tbilisi 2 weeks ago, Vice President Biden reaffirmed America's strong support for Georgia to the Georgian people and to the rest of the world. Some have had questions about whether our efforts to improve our relations with Russia would negatively affect our policy toward Georgia. The Vice President's answer on this was clear. He asserted the United States commitment to stand by Georgia on its journey to a secure, free, and democratic, and once again united, Georgia. Today I would like to reiterate our commitment to do so.

At the same time, I also want to make clear, just as the Vice President did, that Georgia has more work to do in strengthening its democracy. There is no military option for reintegration of Abkhazia and South Ossetia. Georgia should focus instead on political and economic reforms that will make it over time more attractive to the people in those regions.

We will continue to strongly support Georgia's independence and sovereignty and its territorial integrity within its internationally recognized borders. We reject the concept of spheres of influence. We support the right of Georgia and other countries to choose their own alliances. At the same time, we urge Georgia to exhibit strategic patience, to avoid further conflict, and to pursue political and economic reforms.

The American people can be proud of what their generous assistance to Georgia has accomplished so far. In the immediate aftermath of Russia's invasion, United States assistance played a crucial role in alleviating humanitarian hardship among internally displaced persons and in stabilizing Georgia's banking system and wider economy.

Just last week our Ambassador to Georgia visited a wheat field that following the August conflict was filled with Russian tanks. The local farmer's equipment was stolen or destroyed by Russian and South Ossetian troops and the farmers were unable to work the land to make a living. Today those same Georgian farmers are harvesting a bumper crop of winter wheat using seeds provided by USAID.

The United States has not been alone in assisting Georgia in the wake of the conflict. International donors have pledged an additional \$3.5 billion, including \$800 million from the European Commission and the EU Member States. This outpouring of assistance despite the international financial crisis sent a clear message that Georgia's friends would not allow its economy to collapse.

The security situation in Georgia remains a concern. Thousands of Russian forces remain in South Ossetia and Abkhazia, a significant increase from prewar levels. Since the end of the conflict, a dozen Georgian police operating outside administrative boundaries have been killed by sniper fire or explosive devices. Meanwhile, the international presence in Georgia is shrinking due to Russia's veto of extensions of the U.N. and OSCE monitoring missions.

Just this past weekend, as I know you are all aware, the Russian defense ministry made provocative allegations that Georgia was firing on South Ossetia, allegations that were dispelled by EU monitors in Georgia.

We have worked closely with our international partners to oppose recognition of the independence of South Ossetia and Abkhazia. As of today, Nicaragua is the only country to have joined Russia in recognizing those entities as independent. We and our international partners call on Russia to implement the cease-fire agreements of August 12 and September 8, 2008, withdraw its forces to their prewar positions and numbers, and ensure unhindered humanitarian access to South Ossetia and Abkhazia.

The European Union has extended its monitoring mission in Georgia for another year and we applaud its indispensable work. Georgia has cooperated fully with the EU monitors, reporting all movements of Georgian security forces near the administrative boundaries and allowing unannounced inspections of military facilities. We call on Russia and the leaders in Abkhazia and South Ossetia to provide the same level of transparency and to allow the EU monitors to patrol the areas they control.

The EU, along with the U.N. and the OSCE, has also chaired the Geneva talks that address the security and humanitarian situation in Georgia. The United States has participated along with Russia, Georgia, and the separatists. These meetings have been difficult, frankly, due to our disagreement over the status of South Ossetia and Abkhazia, but these meetings facilitate direct contact between Georgian and separatist leaders and keep international attention focused on the dispute.

The one concrete result of these meetings so far was the establishment of a joint incident prevention and response mechanism for South Ossetia and Abkhazia, which we hope will serve as a bridge across the administrative boundaries to defuse tensions. Unfortunately, in the events over this past weekend Russia failed to join Russian—sorry. Russia failed to join Georgian and South Ossetia representatives in participating in a meeting of this mechanism.

Russia's invasion helped unify Georgians last summer, but deep political divisions from before the war resurfaced this spring. Daily opposition rallies of several hundred to several thousand people were held in Tbilisi. The protesters' key demands were the resignation of President Saakashvili and early elections. The government's response was to offer an increase in opposition participation in the oversight of elections, the judicial branch, and the media. The opposition called these offers insufficient, but suspended its street protests in late July.

The vigorous political debate in Georgia has been encouraging and both the government and the protesters have behaved in a largely peaceful fashion. But the protests reflected the need for

Georgia to strengthen its democracy in a number of areas, including expanding independent media, strengthening the rule of law by improving judicial independence, enhancing political pluralism, and creating a stronger and more active civil society.

We believe these reforms will also strengthen Georgia's candidacy for membership in European and trans-Atlantic institutions. As Vice President Biden reaffirmed in Tbilisi, we fully support Georgia's NATO aspirations.

Our bilateral relationship is focused on defense reform and modernization. Assistant Secretary Vershbow will address those issues. I just want to say that defense cooperation is one of the issues that we discuss within the United States-Georgia Strategic Partnership Commission, a body that reflects the breadth of our bilateral relationship. That commission met for the first time on June 22 and we look forward to meeting again in Georgia in the fall. The work of that commission, to conclude, is a microcosm of our relationship with Georgia. It recognizes the challenges that we must deal with in South Ossetia and Abkhazia, but also working to fulfill the promise of the Rose Revolution.

As we come to the anniversary of the August war, we can take pride in the work that the United States and our international partners have done over the past year to support Georgian independence and territorial integrity. We should maintain that commitment, but also redouble our efforts to keep Georgia a strong and prosperous democracy.

Madam Chair, thank you and the rest of the Senators very much for the opportunity to address this important issue.

[The prepared statement of Mr. Gordon follows:]

PREPARED STATEMENT OF PHILIP H. GORDON, ASSISTANT SECRETARY FOR EUROPEAN AND EURASIAN AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Chairwoman Shaheen, Senator DeMint, members of the committee, thank you for the opportunity to speak to you today about the situation in Georgia on the 1-year anniversary of the August war.

I would like to start by thanking the committee and others in Congress for their generous support for Georgia over the past year. The \$1 billion in assistance that Congress provided is making a huge difference in Georgia's efforts to recover and rebuild from the August conflict. Despite the global economic crisis that followed the war, Georgia has been able to weather the storm. The assistance provided by the United States and other international donors, and Georgia's effective management of that assistance, is playing a critical role in meeting the urgent needs of Georgia's citizens, supporting the economy and contributing to the long-term security and stability of the country.

During his visit to Tbilisi 2 weeks ago, Vice President Biden reaffirmed to Georgia and to the rest of the world that U.S. support for Georgia is unwavering. Some have had questions about whether our efforts to improve our relations with Russia would negatively affect our policy toward Georgia. The Vice President's answer was unequivocal—"We, the United States, stand by you on your journey to a secure, free and democratic, and once again united, Georgia."

At the same time, the Vice President made clear that Georgia has more work to do in strengthening its democracy. He called for fulfilling the promise of the Rose Revolution by making government more transparent and accountable, by expanding political debate from the streets to Parliament, by making the media more independent and professional, by addressing concerns about judicial independence and the balance of power between the Parliament and the executive branch, by firmly establishing the rule of law, and by shifting transfers of power from the streets into peaceful, constitutional processes. The Vice President also stressed that there is no military option for reintegration of Abkhazia and South Ossetia, and that Georgia should focus instead on our diplomatic efforts—in the Geneva talks and other inter-

national fora—to promote reintegration, and on political and economic reforms that will make it, over time, more attractive to people in those regions.

We have worked over the past year and will continue to work to achieve all of these objectives in our bilateral relationship. We strongly support Georgia's independence and sovereignty, and its territorial integrity within its internationally recognized borders. We reject the concept of spheres of influence. We support the right of Georgia and other countries to choose their own alliances. At the same time, we urge Georgia to exhibit strategic patience, to do everything possible to avoid further conflict, and to vigorously pursue political and economic reforms.

Of the \$1 billion in assistance pledged by the United States to Georgia, approximately 44 percent has already been expended. Last fall, in the days and weeks following the conflict, U.S. assistance provided emergency humanitarian relief to internally displaced persons. Through a rapid response mechanism, the United States provided emergency relief items, medicine, and food to many of the people displaced by the August conflict. Subsequent U.S. technical and budgetary assistance has helped Georgia to address extraordinary expenditures stemming from the conflict and to sustain confidence in Georgia's banking system and wider economy, in spite of the global economic downturn. The success of our assistance was also made possible by the remarkable economic reforms Georgia has implemented since the Rose Revolution of 2003.

With the immediate crisis having passed, our assistance is designed to support recovery and reconstruction, as well as longer term core infrastructure investments, border security, law enforcement, and democratic reform. As we look ahead, we are tailoring our regular annual assistance programs to Georgia to maximize their follow-on impact to the \$1 billion package, particularly in the enhancement of democracy and economic growth and meeting humanitarian needs. In coordination with other U.S. agencies, we are working to program the remaining portion of the \$1 billion pledge to address areas of critical need including stabilizing the Georgian economy, addressing the needs of internally displaced persons, and providing capital investments to speed Georgia's recovery.

The American people can be proud of what their generous assistance to Georgia has accomplished so far. For example, last week our Ambassador in Tbilisi visited a wheat field that, following the August conflict, was filled with Russian tanks and equipment. The farm equipment was stolen or destroyed by Russian and South Ossetian troops at the time of the conflict, and local farmers were unable to work the land to make a living. Today, those same Georgian farmers are harvesting a bumper crop of winter wheat using seeds provided by USAID. U.S. assistance to Georgia is not only helping individuals and communities to regain their livelihoods, but it is burnishing our image abroad.

I would also emphasize that the United States has not been alone in assisting Georgia in the wake of the conflict. International donors have pledged an additional \$3.5 billion, including \$800 million from the European Commission and EU Member States. The European Union in May also launched the Eastern Partnership Initiative that will strengthen its economic and political ties with Georgia and several other East European countries. This outpouring of assistance, despite the international financial crisis, sent a clear message that Georgia's friends would not allow its economy to collapse.

One year after the Russian invasion, Moscow continues to strengthen its grip on South Ossetia and Abkhazia. Thousands of Russian forces remain in both regions, a significant increase from prewar levels, and in April Russia signed an agreement with the separatists whereby Russia will guard the administrative boundaries for the next 5 years. South Ossetian and Abkhaz economic dependency on Russia also continues to grow.

We have worked closely with our international partners to oppose recognition of the separatist regimes. Nicaragua is the only country to have joined Russia in recognizing South Ossetia and Abkhazia as independent. Even Russia's closest partners have not followed suit. We have maintained international unity in calling on Russia to implement the cease-fire agreements of August 12 and September 8, 2008, withdraw its forces to their prewar positions, and ensure unhindered humanitarian access to South Ossetia and Abkhazia. We and our partners have also called on the Russian forces who occupy these Georgian regions to uphold the rule of law and ensure respect for human rights.

The security situation in Georgia remains a cause for concern. Since the end of the conflict, a dozen Georgian police operating outside the administrative boundaries have been killed by sniper fire or explosive devices. Meanwhile, the number of international monitors in Georgia is shrinking. Despite creative efforts by ourselves and our international partners to maintain international observers while avoiding contentious issues of status, in May Russia would not join consensus at the

OSCE on a status-neutral proposal to extend the mandate of the OSCE monitors. In June, Russia likewise vetoed a U.N. Security Council resolution designed to extend the mandate of UNOMIG, a resolution which had compromise language identical to that contained in two UNSC resolutions Russia approved after the war, in February 2009 and October 2008. In both cases, Russia insisted on new unacceptable language that would recognize the legitimacy of the separatist regimes. Once again, we and our international partners stood united in support of Georgia's territorial integrity. We continue to urge Russia to support an international presence in Georgia, which would reduce the risk of conflict and provide outside contact with the separatist areas, including at least 40,000 ethnic Georgians who reside in the Gali District of Abkhazia.

The only international monitors that will remain in place in the months ahead are from the European Union. The EU Foreign Ministers decided on July 27 to extend the mandate of the EU Monitoring Mission for another year until September 2010. We applaud the excellent work that the EU has done in monitoring Russia's partial pullback from undisputed Georgian territory last year, and in preventing another outbreak of fighting since that time. The 250 EU monitors have been blocked by Russia and the separatists from patrolling in the separatist areas, but even so they have been invaluable in providing unbiased reporting on the security situation just outside the administrative boundaries, and in dispelling false reports. I would note that Georgia has cooperated fully with the EU Monitoring Mission, including signing two agreements, one each with the Ministries of Defense and Internal Affairs, under which Georgia reports all movements of its security forces near the administrative boundaries and allows unannounced inspections of its military facilities. We call on Russia and the separatists to provide for a similar level of international transparency on the other side of the administrative boundaries, and to allow the EU monitors to patrol in South Ossetia and Abkhazia.

The EU, along with the U.N. and the OSCE, has also been chairing a series of meetings in Geneva to address the security and humanitarian situation in Georgia. Six rounds of Geneva talks have been held thus far, with the seventh scheduled for September 17. The United States has participated in the sessions along with Russia, Georgia, and representatives of the separatist regimes. The meetings have been difficult due to our fundamental disagreement over the status of South Ossetia and Abkhazia, but they facilitate direct contact between Georgian and separatist leaders and keep international attention focused on the dispute. The one concrete result thus far has been establishment of Joint Incident Prevention and Response Mechanisms for South Ossetia and Abkhazia. While these are very much a work in progress, particularly over questions of leadership, access, and participation we hope that they will serve as a bridge across the administrative boundaries and help defuse tensions. The U.N. should continue to play a prominent role in facilitating these meetings, and we support the extension of the mandate for the U.N. Secretary General's Special Representative for Georgia. We will continue to work through the Geneva talks, the U.N., and the OSCE to prevent further conflict, to promote the return of displaced persons, and to promote international access to all of Georgia.

While we have been focused on the separatist regions over the past year, we have also been following domestic political developments in Georgia. Instead of precipitating an uprising against President Saakashvili, Russia's invasion helped unify the country last fall. But there continue to be deep divisions in Georgian politics that resurfaced in opposition protests this spring. Starting in April, daily rallies were held in Tbilisi, usually consisting of several hundred to several thousand people. The protests were led by nonparliamentary opposition leaders, some of whom refused to take their seats in Parliament after the 2008 elections. Their key demands were the resignation of President Saakashvili and early elections.

The government's response to the protests was an offer to increase opposition participation in oversight of elections, the judicial branch and the media. Most recently, in a speech he gave on July 20, President Saakashvili announced that electoral reforms would be completed by the end of 2009 and that local elections would be moved up from fall 2010 to May 2010. President Saakashvili also asked the constitutional reform commission to limit the President's ability to dissolve Parliament, proposed increasing the penalties for interference with the judiciary, and offered opposition and civil society seats on the public broadcasting board. The opposition criticized these offers as insufficient, but suspended its street protests in late July.

The vigorous, open political debate in Georgia has been encouraging, and both the government and protesters have behaved in a largely peaceful and orderly fashion, despite some violence on both sides. The protests reflect the need for strengthening Georgia's democracy in a number of areas, including expanding independent media, strengthening the rule of law by improving judicial independence, enhancing political pluralism, and creating a stronger, more active civil society, which has greater

opportunities for engaging with the government. We encourage the government, the opposition, and civil society to cooperate on democratic reform and building strong and lasting democratic institutions, including enhancing institutional checks and balances, strengthening electoral processes, political pluralism, civic participation, and the media, and preparing Georgia for the first end-of-term electoral transfer of power in its history, in the 2013 Presidential election.

Through both our annual assistance and a relatively modest but important part of our \$1 billion post-conflict commitment, we are devoting considerable resources toward supporting Georgia's democratic development. For example, through assistance and diplomatic engagement, the United States has supported development of a new Council of Europe-compliant Criminal Procedure Code. In the next year, this code will introduce new roles and responsibilities for judges, prosecutors, and lawyers and will help Georgia complete a shift to a criminal justice system that is characterized by greater judicial independence, a greater role for the prosecution and defense, and respect for human rights. Other programs are targeted to address systemic weaknesses in Georgia's democracy and the underlying tensions they create. These programs include working to promote government, opposition, and civic consensus on a revised electoral code, and enhancing the Parliament's capacity to hold the executive to greater levels of accountability.

In addition to strengthening Georgia's democracy, we believe that these reforms ultimately will make integration with Georgia more appealing to people in South Ossetia and Abkhazia, and will strengthen Georgia's candidacy for membership in European and transatlantic institutions. As Vice President Biden reaffirmed in Tbilisi, we continue to fully support Georgia's NATO membership aspirations, and the right of all countries to choose their own alliances. Following the August conflict, allies and Georgia agreed to launch the NATO-Georgia Commission and to have Georgia develop an Annual National Program to guide its reform efforts aimed at meeting NATO's membership standards. Georgia has been actively engaged in these processes, submitting its first Annual National Program this past spring and participating in a series of Commission meetings with allies. Georgia also hosted two NATO Partnership for Peace exercises in May, which drew broad international participation despite Russia's last-minute efforts to have the exercises cancelled.

Our longstanding bilateral military relationship over the past year has been focused on defense reform and modernization, and we will continue down this road in the months ahead. This approach emphasizes doctrine, interoperability with NATO, English-language training, and preparing and equipping Georgian forces for participation in NATO operations, including future deployments to Afghanistan. Georgia will deploy an infantry company with French forces in Afghanistan later this year, and has pledged to deploy a battalion to support NATO efforts in Afghanistan in 2010. We are grateful for Georgia's contributions to this critical mission, as well as its earlier contribution of 2,000 troops in Iraq, and we believe these deployments help contribute to our common security goals and enhance Georgia's readiness for NATO membership.

Defense cooperation is one of several issues we are discussing with Georgia through the new United States-Georgia Strategic Partnership Commission, a body that reflects the breadth and depth of our bilateral relationship. The Commission's first meeting, led by Deputy Secretary of State Steinberg and Georgian Foreign Minister Vashadze, took place on June 22 in Washington, and included discussions on democracy, economic relations, and people-to-people exchanges, in addition to defense cooperation.

The Commission will reinforce our efforts to help Georgia strengthen media freedom, rule of law, good governance, political pluralism, electoral reform and the role of civil society. In our economic relations, the Commission will seek to increase bilateral trade and investment, increase Georgian energy production and transit routes, and maximize the effectiveness of our \$1 billion assistance package. In people-to-people exchanges, the Commission will promote bilateral cultural, educational, and professional exchange programs, as well as contact between the residents of the South Ossetia and Abkhazia regions and the rest of Georgia. We see the Strategic Partnership Commission as a valuable forum for pursuing our shared interests, and we look forward to the next meeting this fall in Tbilisi.

The work of the Commission is a microcosm of our relationship with Georgia—recognizing the challenges that we must deal with in South Ossetia and Abkhazia, but also focusing on how we can work with Georgia to fulfill the promise of the Rose Revolution. As we come to the anniversary of the August war, we can take pride in the work that the United States and our international partners have done over the past year to support Georgian independence and territorial integrity. We should maintain that commitment, but also redouble our efforts to help Georgia become a model of democracy and prosperity for the entire region.

Madame Chairwoman, Senator DeMint, members of the committee, I am grateful for the opportunity to speak before you today, and I welcome the opportunity to respond to your questions.

Senator SHAHEEN. Thank you very much.

We've been joined by Ranking Member DeMint, who has said that he will also postpone his statement until we've heard from our panelists. So Mr. Vershbow, if you would go next.

Thank you.

STATEMENT OF HON. ALEXANDER VERSHBOW, ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS, DEPARTMENT OF DEFENSE, WASHINGTON, DC

Mr. VERSHBOW. Thank you, Madam Chair, Senator DeMint, and members of the subcommittee. Thank you very much for calling this important hearing, which offers us a chance to reflect on Georgia, Russia, and United States policy in the Eurasia region 1 year after the August war. I too have a longer statement that I'd like to submit for the record, so I'll keep my opening remarks brief.

This anniversary recalls a difficult time, but there are also grounds for cautious optimism about the future. One year after Russia's invasion, Georgia has emerged, thanks in large part to support from the United States and the international community. The assistance we have provided has been put to good use. As part of the \$1 billion aid package to Georgia, \$100 million in our Department's section 1207 funding went to the State Department to mitigate the humanitarian consequences of the conflict.

Our support has been particularly critical in helping Georgian defense structures move closer to Euro-Atlantic standards. The Department of Defense has not provided lethal military assistance to Georgia since last August. We have, however, identified some key areas where Georgia's Armed Forces would benefit from United States support. A comprehensive assessment by the United States European Command, EUCOM, found defense institutions, strategies, doctrine, and professional military education in Georgia to be somewhat deficient.

Georgia's fiscal year 2009 FMF apportionment, projected to be \$11 million, seeks to address some of these gaps. We hope to focus fiscal year 2010 funds on similar assistance, but Georgia will require additional defense assistance to modernize and rebuild effectively after the conflict.

Georgia has heeded the EUCOM assessment's findings. It is in the midst of implementing personnel reforms and modernizing its professional military education and training. It has also drafted its annual national program for NATO, initiated work on a new general defense plan, and drafted a new national military strategy. As Vice President Biden observed on his recent visit to Tbilisi, Georgia still has much work ahead and the Department will continue to support Georgia's reform efforts.

I had the privilege of cochairing the security working group of the United States-Georgia Strategic Partnership Commission on June 22 with my colleague Assistant Secretary Gordon. We believe that the United States-Georgia Charter which established this commission will deepen our strong legacy of bilateral cooperation in a wide range of areas, including defense cooperation, and we look for-

ward to continuing discussions with Georgia at our upcoming bilateral defense consultations in the fall.

In Tbilisi, Vice President Biden reaffirmed our full support for Georgia's NATO aspirations and the right of all countries to choose their own alliances. Georgia hosted two NATO Partnership for Peace exercises in May, drawing broad international participation. Following last August's conflict, NATO allies and Georgia agreed to launch the NATO-Georgia Commission and Georgia has submitted its annual national plan for reform efforts aimed at meeting NATO membership standards.

The Department of Defense especially appreciates the recent Georgian offer to contribute forces to NATO's ISAF mission in Afghanistan. A Georgian battalion will likely deploy as part of ISAF with United States forces in the first half of 2010. Georgia also has plans to deploy an infantry company even sooner with French forces in Afghanistan later this year. We're working together to ensure that Georgian forces can operate alongside United States and ISAF partners as we confront the challenges in Afghanistan.

Closer to home, Georgian forces have cooperated closely with the EU Monitoring Mission to promote transparency and stability in Georgia. The Ministries of Defense and Interior unilaterally agreed to report any security force movements near the administrative boundaries between Georgia and the separatist regions and to allow unannounced inspections of Georgian military facilities. This was a significant step and the EUMM has played an important role in investigating and refuting claims of military buildups near the administrative boundaries.

In light of the need for transparency and unbiased reporting on incidents, we find Russia's resistance to international monitoring inside the separatist regions to be especially regrettable. Just this past weekend, tension again escalated, further highlighting the need for international monitoring on both sides of the administrative boundary and the need to use existing mechanisms and open, transparent communication to defuse tensions.

As Mr. Gordon said, we have made it explicitly clear that we will not recognize Abkhazia and South Ossetia as independent states. We'll continue to call on the Russians to implement the Sarkozy-Medvedev cease-fire arrangements. At the same time, we've stressed that there is no military option for the reintegration of Abkhazia and South Ossetia and we've urged Tbilisi to pursue political and economic reforms that will make reintegration an attractive option for the people of those regions.

As Georgia moves forward, it recognizes the need for a careful and rational defense transformation plan reflecting a long-term approach and strategic patience. This has been the major theme in our defense consultations and working group since last August and our defense assistance has reflected this reality.

As I mentioned, our current focus is on institution-building, doctrine, education and training, and preparing for Georgia's future deployment to Afghanistan. At the same time, the United States does believe that any sovereign state has a right to legitimate territorial defense capabilities and Georgia is no exception. So we will continue defense cooperation and assistance to Georgia to help

their military to reform and to modernize along Euro-Atlantic lines. As others in this administration have observed, good relations with Russia and cooperation with its neighbors are not and should not be mutually exclusive.

So to conclude, Madam Chair, the August war anniversary is a time for reflection, but most importantly a time for action. Bilateral cooperation with Georgia in all sectors can help cement the ongoing reforms to which Georgia has committed and fulfill the promise of the Rose Revolution. For our part, we shall remain committed to Georgia's independence, sovereignty, and territorial integrity, and we look forward to working with our Georgian partners to build greater security and prosperity in the years to come.

Madam Chair, members of the committee, I'm grateful for the opportunity to speak before you today and I welcome the opportunity to respond to your questions.

[The prepared statement of Mr. Vershbow follows:]

PREPARED STATEMENT OF AMBASSADOR ALEXANDER VERSHBOW, ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS, DEPARTMENT OF DEFENSE, WASHINGTON, DC

INTRODUCTION

Chairwoman Shaheen, Senator DeMint, members of the subcommittee, thank you for calling this important hearing, which offers us a chance to reflect on Georgia, Russia, and United States policy in the Eurasia region 1 year after the August war. Russia's invasion of Georgia was a critical event that has profound implications for U.S. policy in the region. I would like to start by thanking the committee and others in Congress for their generous support for Georgia over the past year.

This anniversary is both tragic and hopeful, as it presents an opportunity to look back on a difficult time, yet shows that, 1 year on, Georgia has emerged thanks to help from the United States and the international community. Our assistance has been conducted in partnership with the European Union, NATO, and the international community, and it is paired with a "reset" of United States-Russia relations and deepened support to Georgia and our regional partners. As we approach the 1-year anniversary of the conflict and have passed the first 6 months of the new administration, the Obama administration has shown, both in word and action, that U.S. support for Georgia remains steadfast and that we are on the right course with our policy in the region.

SITUATION ON THE GROUND

One year after the conflict, the security situation in Georgia remains a cause for concern as violence persists and the international community is limited in its ability to prevent conflict and monitor the situation on the ground since the expiration of the mandates of the OSCE and UNOMIG. Moscow continues to strengthen its control over the separatist regions of South Ossetia and Abkhazia. As my colleague noted, thousands of Russian combat troops and security forces with modern equipment are entrenched in Georgian sovereign territory, and Russia continues to build infrastructure, logistics, and military bases in both regions. Despite their recognition by Russia and Nicaragua, the separatist regions have become even more isolated, as the international community has refused Russia's call to recognize their independence.

We will continue to work with our international partners to oppose wider recognition of the separatist regimes. We appreciate the European Union's diplomatic role in Georgia and the Geneva process, and we fully support the EU Monitoring Mission—the only international monitors that will remain in place in the months ahead. The Department of Defense will continue to support our State Department colleagues as we maintain international unity in calling on Russia to implement the cease-fire agreements of August 12 and September 8, which obligate Russia to withdraw its military forces to their prewar positions. With our partners, we have also called on Russian forces that occupy these Georgian regions to uphold the rule of law and ensure respect for human rights, and to allow unhindered humanitarian access to South Ossetia and Abkhazia.

Georgian forces have cooperated with the EU Monitoring Mission (EUMM), as the Ministry of Defense and Ministry of Internal Affairs signed a unilateral agreement under which Georgia reports to the EU monitors all movements of its security forces near the administrative boundaries and allows unannounced inspections of Georgian military facilities. This was an important step, and an indicator of Georgia's intent to remain transparent and committed to promoting stability in the separatist regions. The EUMM has been able to investigate and dispel claims of Georgian military build-ups and deployments to the administrative boundaries, although their full capabilities to investigate all parties' claims are limited due to their lack of access to Russian-controlled areas of South Ossetia and Abkhazia.

As my colleague mentioned, we regret deeply the end of the OSCE and U.N. missions in Georgia and the lack of access to the separatist regions. Russia's blocking of consensus at the OSCE on a status-neutral proposal to extend the mandate of the OSCE mission in Georgia and its vetoing of a U.N. Security Council resolution extending the mandate of UNOMIG were unfortunate. Russia's refusal to allow these valuable missions to continue, unless they were given new mandates that recognized as legitimate the separatist regimes, is inconsistent with the spirit of Russia's commitments signed after the conflict. We again call on Russia to implement the Sarkozy-Medvedev cease-fire arrangements and introduce an international presence that provides a modicum of transparency and monitoring that can help secure the region. Just this past weekend, tension again escalated, further highlighting the need for international monitoring on both sides of the administrative boundary, as well as the need to use existing mechanisms and open, transparent communication to defuse tension.

U.S. POLICY

United States policy rests on the continued support of Georgia's territorial integrity, independence, and sovereignty; rejecting any notion of spheres of influence in the region; and promoting peace and stability. We stand by the principle that sovereign states have the right to make their own decisions, and choose their own partnerships and alliances. We will not recognize Abkhazia and South Ossetia as independent states. Most importantly, we will continue to stand by and deepen our support to Georgia and its people. This support does not come blindly however, and we will calibrate our assistance to respect the needs of the Georgian people, to strengthen regional security, and to support democratic and economic reforms in Georgia.

Despite concerns from some quarters, U.S. efforts to reset relations with Russia will not come at the expense of Georgia. President Obama stressed this point on his recent trip to Moscow, when he said: "The pursuit of power is no longer a zero-sum game." We can strive to improve our bilateral relations with Russia while remaining steadfast in our support for Georgian sovereignty and territorial integrity. The Vice President also noted during his recent visit to Georgia that there is no military option for reintegration of the separatist regions of Abkhazia and South Ossetia. We have urged Georgia to exhibit strategic restraint, to do everything possible to avoid another conflict, and to vigorously pursue political and economic reforms that can make reintegration into Georgia attractive to the people of the separatist regions of Abkhazia and South Ossetia.

We believe that stable democracies on Russia's borders contribute not only to Europe's security, but to Russia's as well. In that vein, we stand by our commitment to continue our strong support for Building Partner Capacity and establishing strong security cooperation programs with our partners in the region. These will not suffer due to the "reset" in relations with Russia. Good relations with Russia and cooperation with its neighbors are not mutually exclusive.

DEFENSE COOPERATION WITH GEORGIA

I would like to utilize this opportunity to describe our assistance strategy to Georgia and explain how we are approaching bilateral defense cooperation. This is also an opportunity to clarify both what we are doing and what we have not done. The United States has not "rearmed" Georgia as some have claimed. There has been no lethal military assistance to Georgia since the August conflict. No part of the \$1 billion U.S. assistance package went to the Ministry of Defense.

After the conflict, DOD delivered tens of millions of dollars in humanitarian aid to the Georgian people. We are proud that the promise of \$1 billion in assistance to Georgia is being fulfilled; \$100 million in DOD section 1207 funding for reconstruction assistance to Georgia went to the State Department as part of this \$1 billion package, which focused on resettling Georgian internally displaced persons, rebuilding destroyed homes and infrastructure, and rebuilding Georgia's police forces.

Since the conflict, DOD has employed a methodical, yet patient, strategic approach to our defense cooperation. After the conflict, U.S. European Command (EUCOM) implemented a comprehensive multimonth assessment of Georgia's Armed Forces (GAF), which provided us a basis for understanding Georgia's needs and deficiencies. We found that the Russian invasion had degraded Georgia's capabilities, infrastructure, and equipment. The conflict exposed or highlighted many previously unrecognized or neglected deficiencies in the various required capacities of the Georgian Armed Forces and Ministry of Defense. In practically all areas, GAF defense institutions, strategies, doctrine, and professional military education were found to be seriously lacking. As a result, we are focusing on building defense institutions, assisting defense sector reform, and building the strategic and educational foundations that will facilitate necessary training, education, and rational force structure design and procurement. We are assisting Georgia to move along the path to having modern, western-oriented, NATO-interoperable armed forces capable of territorial defense and coalition contributions.

DOD hosted Bilateral Defense Consultations with Georgia in October 2008 and we look forward to joining our Georgian partners in Tbilisi in the fall of 2009 for the next round of these consultations. Georgia also hosted a Colonels' Working Group in early 2009, which set the parameters for our defense cooperation in the year ahead. These discussions focused on ways to deepen our military cooperation, and included frank exchanges on defense reform, priorities, assistance areas and regional security. The objective of our assistance is to support Georgia's defense reform and modernization along Euro-Atlantic lines. Our focus is currently on doctrine, education and training, and preparation for Georgia's future deployment to Afghanistan. We are taking a phased approach to our military assistance and carefully examining each step to ensure that it would not be counterproductive to our goals of promoting peace and stability in the region.

Like any sovereign state, Georgia has a right to legitimate territorial defense capabilities. Focusing U.S. assistance initially on fundamental intellectual issues like training, doctrine and personnel management, however, is our prioritized approach, and this will serve as a foundation on which Georgia can build for years to come. This effort provides a measured and meaningful way to help a country that has helped us in Iraq and will again be standing together with U.S., NATO, and ISAF partner forces in Afghanistan.

Georgia's FY09 FMF allocation is projected to be \$11 million, and we plan to focus assistance on a Simulations Center, Training and Education, Training Center Modernization, and Development and Defense Advisors. We hope to focus additional FY10 resources on Defense Advisors, Support to Professional Military Education (PME), Communications, Training and Education, Tactical Vehicle (HMMWV) Maintenance, and Training Center Modernization.

This assistance is geared toward helping Georgia modernize its military. Although critical, we hope to contribute additional U.S. resources focused on modernizing and helping Georgia to reform its Armed Forces. We welcome Congress's support and guidance in this regard. We believe that supporting Georgia's development and its defense institutions is a key part of our support to Georgia.

We have also stressed to the Georgian Government that any strategy to take on Russia is counterproductive and is doomed to failure. This will require a long-term approach and strategic restraint on Georgia's part.

GEORGIAN DEFENSE REFORM

Notwithstanding our pledge of assistance, Georgia bears responsibility for implementing the necessary reforms. We have stressed clearly and unequivocally that there are no military solutions to the challenge of the separatist regions. Georgia needs to pursue a careful and rational defense modernization plan.

Georgia has accomplished much in the last few years, showing a record of impressive reforms unparalleled in the region. Since the conflict, Georgia has taken on board U.S. advice from the EUCOM Armed Forces Assessment and is working to institutionalize reforms along Euro-Atlantic lines. The Georgian Armed Forces have implemented personnel reforms, modernized their system of professional military education, begun to rewrite their doctrine, and increased their focus on education and training. Georgia has also drafted its Annual National Program for cooperation with NATO, initiated work on its General Defense Plan, and drafted its National Military Strategy. We are assisting Georgia in these efforts and will continue to do so.

AFGHANISTAN

Georgia has been a key partner in providing transit and overflights to Afghanistan, and has offered to provide more of this support. Georgia has also recently offered additional support to coalition efforts in Afghanistan, and we appreciate Georgia's recent offer to contribute a battalion of forces to ISAF, which will likely deploy with U.S. forces in 2010. The United States supports this offer and is working with Georgia to ensure that its forces can operate alongside U.S., NATO allies, and ISAF partners as we confront the challenges in Afghanistan. This deployment will showcase Georgia's ability to recover from the August conflict and remain a steadfast net contributor to international security. Georgia will also be deploying an infantry company to ISAF with French forces in Afghanistan later this year.

NATO

As Vice President Biden reaffirmed in Tbilisi, we continue to support Georgia's NATO aspirations and the right of all countries to choose their own alliances. Following the August conflict, allies and Georgia agreed to launch the NATO-Georgia Commission (NGC) and to have Georgia develop an Annual National Program (ANP) to guide its reform efforts aimed at meeting NATO's membership standards. Georgia has been actively engaged in these processes ever since, including submission of its first ANP to NATO this spring and participation in a series of NGC meetings with allies. Georgia hosted two NATO Partnership for Peace exercises in May, which drew broad international participation despite Russia's last-minute efforts to have the exercises cancelled.

NATO has clearly stated that Georgia and Ukraine will become NATO members, though the timing and path have not been determined. NATO has an open door policy and welcomes all aspirants who meet the qualifications for membership and NATO's performance-based standards. Although consensus among allies is a requirement to admit new members, no nation outside the alliance has a veto. As an active NATO Partnership for Peace nation that has participated in international operations in Afghanistan, Kosovo and Iraq, Georgia has demonstrated its commitment to regional and global security, but it has substantial work ahead to complete the political, economic, and security reforms necessary for Euro-Atlantic integration. The Department of Defense will continue to work with our NATO allies to support Georgia's reform efforts.

UNITED STATES-RUSSIA POLICY

Despite differences over Georgia, our relationship with Russia will continue to be an important focus for this administration and we have consistently sought to work with Russia on a wide range of areas of mutual interest. Let me take this opportunity to stress that this is not a zero-sum game, and recent advances in United States-Russian relations should not be viewed as Georgia's loss. Our reengagement presents new opportunities for cooperation with Moscow to enhance U.S. and European security.

The April meeting of the Presidents in London and the July summit mark what I believe can be a significant turning point in United States-Russian relations. The administration is under no illusion that this will be easy. Nor do we believe that a strategic partnership will simply develop overnight. We do believe that improved relations between the United States and Russia, which had started on a downward trend long before August 2008, can help us meet the range of challenges we face today.

We set an ambitious agenda for the Moscow summit and made significant progress on a number of important issues. We are optimistic that the agreements that arose from the summit will assist our efforts broadly, from reducing strategic weapons stockpiles to supporting the war in Afghanistan. There are also some remaining areas of concern. As we move forward, the United States and Russia will need to manage our disagreements in areas such as the sovereignty of countries in the post-Soviet space, obligations under the Conventional Armed Forces in Europe Treaty, and Russia's backsliding on democracy and human rights issues. We will continue to clearly and unequivocally raise areas of concern and stick to our interests and principles in discussions with Moscow.

CONCLUSION

The United States-Georgia Charter on Strategic Partnership, signed in January of this year, represents a historic opportunity to deepen United States-Georgia relations, and puts us on a solid footing for the future. I had the privilege of cochairing the Security Working Group of the United States-Georgia Strategic Part-

nership Commission on June 22 with my colleague, Assistant Secretary Gordon. DOD is committed to implementing the tenets of the United States-Georgia Charter, which states that “a strong, independent, sovereign and democratic Georgia, capable of responsible self-defense, contributes to the security and prosperity not only of all Georgians, but of a Europe whole free and at peace.” We also stand by our commitment in the Charter to undertaking a program of enhanced security cooperation aimed at increasing Georgian capabilities and strengthening its candidacy for NATO membership. We will support the efforts of Georgia to provide for its legitimate security and defense needs, including the development of appropriate and NATO-interoperable forces. The Charter will deepen our strong legacy of bilateral cooperation in a wide range of areas, including defense cooperation. The fall meeting of the Security Working Group will serve as a complement to our Annual Bilateral Defense Consultations, which I hope to attend in Tbilisi later this year.

In addition to strengthening Georgia’s democracy, we believe that defense reform will continue to help advance Georgia’s candidacy for membership in European and transatlantic institutions, promote regional stability, and ensure that Georgia remains independent and sovereign over its territory. We will conduct our defense cooperation in a measured, responsible manner in keeping with our support for Georgian sovereignty and territorial integrity, our longstanding assistance to Georgian deployments to allied and international operations, and our desire to advance Georgia’s NATO integration goals.

Bilateral cooperation with Georgia, in all sectors, can help the United States cement the ongoing reforms to which Georgia has committed and fulfill the promise of the Rose Revolution. The first anniversary of the August war is a time for reflection, but most importantly a time for action to support prudent reform and rebuilding of Georgia. We shall remain committed to Georgia’s independence, sovereignty and territorial integrity and look forward to working with our Georgian partners to anchor security and prosperity in the years to come.

Madame Chairwoman, Senator DeMint, members of the committee, I am grateful for the opportunity to speak before you today, and I welcome the opportunity to respond to your questions.

Senator SHAHEEN. Thank you very much.
Mr. Yamashita.

STATEMENT OF S. KEN YAMASHITA, SENIOR DEPUTY ASSISTANT ADMINISTRATOR, BUREAU FOR EUROPE AND EURASIA, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC

Mr. YAMASHITA. Thank you, Madam Chair, Senator DeMint, members of the committee. Thank you for inviting me to speak to you today about United States assistance to Georgia on this, the 1-year anniversary of the August war. As with my colleagues, I have a statement for the record, which I would like to submit, and on this occasion in the interest of time I will just summarize some of the highlights of what our assistance has achieved to date.

After the war, the United States led the Georgia International Donors Conference with a \$1 billion pledge to help meet immediate humanitarian needs, to repair damaged infrastructure, to sustain investor confidence, and to restore economic growth. With this assistance package, we also included a targeted component to strengthen the democratic institutions and to ensure good governance and to foster good governance processes.

To date, roughly 56 percent of the \$1 billion has been obligated. The balance of our pledge will continue to help Georgia recover and try to grow, even as we use sustained levels of bilateral assistance to cement this recovery, to continue to help displaced communities and to expand democratic reform.

After the war, approximately 130,000 individuals were initially displaced into undisputed Georgian territory by the conflict. In response, nearly \$62 million of the \$1 billion package went toward

emergency humanitarian assistance. We provided emergency relief to internally displaced persons, or IDPs, providing food, shelter, and medicine. In a coordinated effort, the Department of State, USAID, and the Department of Defense European Command rapidly mounted this humanitarian response.

Today, approximately 30,000 people are still displaced following the August conflict and are still in need of assistance. With other components of this \$1 billion package, the United States will continue to address the needs of those IDPs. In addition, more than 200,000 IDPs still remain displaced due to conflicts in the 1990s. Along with other donors, we expect to support the Government of Georgia's plan to improve the living conditions and craft durable solutions for these IDPs through livable shelter, vocational training, and small business development.

The first \$50 million in Defense Department section 1207 funds, which Ambassador Vershbow referred to, included a police support package and was also used to meet the priority food, shelter, and livelihood needs of those returning to the regions of Georgia that were most affected by the conflict. We recently received a second \$50 million tranche of section 1207 funds, which will continue to support the recovery needs in the region. Indeed, the example of the wheat field mentioned by Mr. Gordon is an example of how we utilized those 1207 funds in a remarkable show of support for the people of Georgia.

Through funding appropriated in the fiscal year 2008 supplemental, we provided \$250 million in direct budget support to the Government of Georgia. This allowed the timely payment of state pensions and other critical public obligations. The funding has been fully expended by the Government of Georgia, which has provided us with a final expenditure report in April. This program is being audited by an independent auditor and we expect to receive the final draft findings by mid-October.

Another \$65 million in funding from the fiscal year 2008 supplemental will be used to help reestablish agricultural production in the region most affected by the conflict and to support the strengthening of civil society, municipal infrastructure, regional trade, and hydropower plants. We have also utilized some of these funds for a management program to strengthen a new national payments system for the National Bank of Georgia, making the system much more transparent, accessible to citizens and to civil society throughout Georgia.

In addition, the Millennium Challenge Corporation increased its existing compact to include an additional \$100 million for roads, energy, and regional infrastructure development. This is also part of our \$1 billion pledge.

The Overseas Private Investment Corporation, OPIC, is providing more than \$180 million in assistance to facilitate the provision of credit lines and project financing for myriad investment projects. Lines of credit have been made extremely difficult to obtain as a result of the conflict and the OPIC resources will be very important to start opening access to lines of credit again.

Last, the final portion of the \$1 billion pledge, the recently appropriated \$242 million in fiscal 2009 supplemental funding, provides an opportunity to finish addressing the crisis, the humani-

tarian response, and really to start to shift the program toward one designed to meet the longer term needs of the vulnerable populations, as well as to provide necessary capital investments. These investments will encourage private sector growth while enabling Georgia to meet its energy needs and to expand its markets in order to take advantage of trade opportunities.

The \$1 billion addressed immediate needs and laid the foundation for Georgia's recovery. We will secure this investment in Georgia's future through our future annual assistance programs. We look forward to working closely with all of our counterparts in Georgia and with all of our partners and other donors who have been providing support to Georgia.

Madam Chair, Senator DeMint, and members of the committee, I appreciate this opportunity to appear before you today and I welcome the opportunity to respond to your questions.

Thank you.

[The prepared statement of Mr. Yamashita follows:]

PREPARED STATEMENT OF S. KEN YAMASHITA, ACTING ASSISTANT ADMINISTRATOR FOR THE BUREAU FOR EUROPE AND EURASIA, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC

Chairwoman Shaheen, Senator DeMint, distinguished members of the committee, thank you for inviting me to speak to you today about U.S. assistance to Georgia on the 1-year anniversary of the August war.

Before discussing our assistance programs, I would like to thank the committee and others in Congress for their generous support for Georgia over the past year. The \$1 billion assistance package has been essential in addressing both the immediate recovery needs and longer term stability of Georgia.

After the war, the United States led the Georgia international donors' conference with a \$1 billion pledge to help meet immediate humanitarian needs, repair damaged infrastructure, sustain investor confidence, and restore economic growth. Within this assistance package, we also included a targeted component to strengthen democratic institutions and foster good governance.

To date, roughly 56 percent of the \$1 billion has been obligated and 44 percent has been expended. The balance of our pledge will continue to help Georgia recover and try to grow, even as we use sustained levels of bilateral assistance to cement this recovery, continue to help displaced communities and expand democratic reform.

Approximately 130,000 individuals were initially displaced into undisputed Georgia by the conflict, and in response, \$61.7 million of the \$1 billion package went toward emergency humanitarian assistance. We provided emergency relief to internally displaced persons, or IDPs, providing food, shelter, and medicine. In a coordinated effort, the Department of State, USAID, and the Defense Department's European Command rapidly mounted this humanitarian response.

Today, approximately 30,000 people are still displaced due to the August conflict and are still in need of assistance. With other components of the \$1 billion package, the United States will continue to address the needs of these IDPs. In addition, more than 220,000 IDPs still remain displaced due to conflicts in the 1990s. Along with other donors, we expect to support the Government of Georgia's plan to improve the living conditions and craft durable solutions of these IDPs through livable shelter, vocational training, and small business development.

The first \$50 million in Defense Department section 1207 funds included a police support package, and was also used to meet the priority food, shelter, and livelihood needs of those returning to the Shida Kartli region—the region of the country most affected by the conflict. We recently received the second \$50 million tranche in section 1207 funds, which will continue to support the recovery needs in the region.

USAID's winter wheat program, financed by section 1207 funds, has been hailed by the Government of Georgia as the timeliest and most effective post-conflict donor-funded project in Georgia. Project coverage was expanded in the spring for other crops and orchards, and support for farmers with livestock, benefiting many thousands of families. The winter wheat was harvested beginning in late July, and it produced a bumper crop worth approximately \$15 million, which will help Georgia meet its food needs.

Through funding appropriated in the FY 2008 supplemental, we provided \$250 million in direct budget support to the Government of Georgia. This allowed the timely payment of state pensions and other critical public obligations. This funding has been fully expended by the Government of Georgia, which provided us with a final expenditure report in April. This program is being audited, and we expect to receive the draft findings by mid-October.

Another \$65 million in funding from the FY 2008 supplemental will be used to help reestablish agriculture production in Shida Kartli and to support civil society, municipal infrastructure, regional trade, hydropower, independent media, and the removal of landmines. We have also obligated funds for a Money Management Program to procure a new national payments system for the National Bank of Georgia, and many other projects are in the design approval phase.

The Millennium Challenge Corporation (MCC) increased its existing compact to include an additional \$100 million for roads, energy, and regional infrastructure development as part of our \$1 billion pledge.

The Overseas Private Investment Corporation (OPIC) is providing more than \$180 million in assistance to facilitate the provision of credit lines and project financing for myriad investment projects. OPIC and Georgia also signed a Memorandum of Understanding to encourage U.S. investment in Georgia. The MCC and OPIC investments should go a long way toward Georgia's economic recovery and growth.

The final portion of the \$1 billion pledge, the recently appropriated \$242 million in fiscal year 2009 supplemental funding, provides an opportunity to finish addressing crisis and humanitarian response and shift to programs designed to meet the longer term needs of vulnerable populations, as well as to provide necessary capital investments. These investments will encourage private sector growth while enabling Georgia to meet its energy needs and to expand its markets in order to take advantage of trade opportunities.

I would like to emphasize that U.S. assistance to Georgia following the August war has been the product of a cooperative "whole-of-government" approach. Policy is coordinated at the senior interagency level and, in large part, assistance is planned and implemented by an outstanding team at the U.S. Embassy and USAID Mission in Tbilisi. We use an "all spigots" concept, drawing funds from a range of U.S. programs and agencies that can best help Georgia meet identified needs. This coordinated, interagency approach has allowed us to do the greatest good in the shortest period of time in close cooperation with the Government of Georgia.

The \$1 billion addressed immediate needs and laid the foundation for Georgia's recovery. We will secure this investment in Georgia's future through our future, annual assistance programs.

Madame Chairwoman, Senator DeMint, members of the committee, I appreciate the opportunity to appear before you today, and I welcome the opportunity to respond to your questions.

\$1 BILLION PLEDGE BY PRIORITY AREA

Area	Level
Restoring Peace and Security	\$28,337,000
Strengthening Democracy, Governance, and Rule of Law	23,200,000
Economic Recovery and Growth	334,640,000
Aid to IDPs and Social Recovery	123,323,000
Other:	
Management Support (USAID)	2,000,000
Direct Budget Support	250,000,000
Not Yet Allocated	242,000,000
Total	\$1,003,500,000

Senator SHAHEEN. Thank you all very much. Hopefully, we can get some questions in before we get called to vote.

I'm going to direct this question I guess first to you, Mr. Gordon. Over the weekend Russia accused Georgia of firing mortars into South Ossetia. You mentioned that. Mr. Vershbow mentioned the hostilities as well. What's your reaction to these allegations and are you concerned that this apparent escalation in the runup to the first anniversary of last summer's war will continue, and what are

we doing to ensure that the accusations don't escalate and that miscalculations are not made on either side?

Mr. GORDON. Thank you, Madam Chair, for raising that issue, which is indeed a matter of great concern to us. It did look all too much like the events of last summer, which is obviously something we want to avoid. It began, as you mentioned, early Saturday morning when the Russian Ministry of Defense issued a statement accusing Georgia of having fired artillery into South Ossetia and also, more alarmingly, warning that Russia has the right to deal with such a situation, which was escalatory rhetoric and led to some Russian media reports that was also inflammatory.

Compounding that cause for concern, the incident prevention and response mechanism, which is what we have set up to try to deal with this sort of situation, didn't function properly. The Russians didn't show—a meeting was called to try to calm the situation and understand what was going on and the Russians didn't show up at that meeting and the hot line that was established to deal with this sort of situation, the call wasn't answered.

So that's clearly something we need to fix, and we got engaged very early on and vigorously to try to get answers to those questions and engage with the Russians. By the next day, there were no further reports of firing and the European Union Monitoring Mission reported that there was not an incident that was mentioned in the initial Russian statement.

So there are some lessons to be learned from all of this. One is we need to get this prevention and response mechanism functioning properly and, as I say, we've been closely engaged with the Russians to make clear to them how important we think that is. I believe the events of the weekend also underscored the importance of the EU Monitoring Mission. These are our only eyes and ears on the ground right now. Without that, we'd be left to speculate as to what happened, and now we have some reliable sources telling us what happened or in this case more importantly what didn't happen.

It would be useful if we could get that monitoring mission not only in uncontested Georgia, where it is now, but also in South Ossetia and Abkhazia, so we would know even more about what was happening on the ground.

Finally, let me just say that we have also been closely engaged with the Georgian side making sure that they don't respond to any provocations, if that was indeed the intent, and so that they show restraint as well. Particularly during this week, when everything is ultra-sensitive, we need to calm it down.

Senator SHAHEEN. Thank you. I certainly appreciate the concern that is being expressed. One of the things that I say in my statement for the record is that it's very important right now to urge both sides to deescalate tensions and to refrain from engaging in any provocative actions. So I'm very pleased to hear that we're working very hard to try and make sure that the situation doesn't escalate out of control.

I'm not sure which of you would like to respond to this, but on July 16 there was a letter that was signed by 22 prominent Eastern European political figures expressing concern about United States efforts to reset our relationship with Russia. I think,

whether this fear is warranted or not, it's very clear that there is a perception that there is a potential in some of those countries to be concerned about what United States policy is relative to Russia.

So what do you say to those critics who suggest that the United States commitment to our allies in Russia's neighborhood is waning and how does our policy with respect to Georgia and our other allies fit into our effort to reset our relations with Russia? Again, you may want to start with that.

Mr. GORDON. I'm happy to begin and perhaps my colleagues will want to address it as well.

We have made quite clear at the Moscow summit and subsequently what our thinking is on Russia and what we're trying to do in the reset and that the desire to have more constructive and practical relations with Russia in no way comes at the expense of our principles or our friends. We've made that clear to the Russians and we've made it clear to our friends, who are included, by the way, in the authorship of that letter. We know these leaders very well. We've been in close touch with them. We always want to hear from them, whether they have concerns or questions.

As I noted, the idea of the reset with Russia was, with no illusions, to see if there weren't areas of cooperation where we might have common interests where we can get things done. We think we did that at the summit. I would be happy to talk more in detail about some of those agreements. But we also made clear that there were principles that we would defend and friends and allies that we would stand by, and the President was quite clear with his counterparts in Moscow that this included Georgia and it included Ukraine and others. But where Georgia is concerned, the President underscored very strongly our support for Georgia's independence and territorial integrity and the right of Georgia and other democracies in Europe to choose their own security alliances without a veto for another country.

So I think we have indeed made that quite clear to the Russians and to our friends and that they understand it very well.

Senator SHAHEEN. Thank you.

Does anyone else want to add to that?

Mr. VERSHBOW. Madam Chair, I think I would concur entirely with what Mr. Gordon has said. I would also perhaps add that the open letter, I think, was a call for attention from a region that many people had judged to have been sort of taken care of during the 1990s, and I think that it's clear that the security environment has evolved. We've had the global financial crisis, and I think it's important that we remember that there are still issues relating to the security of our partners and new allies in Central and Eastern Europe that need to be foremost on our agenda.

I think as we look at the future of NATO, President Obama has been very clear that we want to ensure that the core, the bedrock commitment within the Washington Treaty, Article 5, remains credible and effective. I think some have become more anxious in the wake of the events in Georgia about whether the Article 5 commitments still mean something. So I think as we begin to review NATO's strategic concept and look at NATO's future defense strategy and force posture, the United States approach will be to ensure that Article 5 is upheld and that we have the capabilities to carry

it out even as NATO continues to adapt to deal with conflicts, as in Afghanistan, or with emerging threats like cyber warfare, with old threats that have come back like piracy.

I think that we hear that call for attention and I think we understand what we need to do.

Senator SHAHEEN. Thank you.

Mr. YAMASHITA. Thank you, yes. Thank you, Madam Chair. Just to add that, on the assistance side, the resources that we are providing not just to Georgia, but certainly to the other countries, Ukraine and others, remain robust and are certainly an indication of our commitment to those countries to work with them on their way to becoming more—become stronger partners.

Senator SHAHEEN. Thank you.

Senator DeMint.

**OPENING STATEMENT OF HON. JIM DeMINT, U.S. SENATOR
FROM SOUTH CAROLINA**

Senator DEMINT. Thank you, Madam Chairman.

I appreciate all of our witnesses today. As we all know, Georgia is very strategic in many ways. Without a free and secure Georgia, the flow of Caspian oil and gas to Europe and global markets will never help Europe get the energy independence and security that it needs. Geographically, politically, Georgia is in a key position.

As we've already discussed, Russia has appeared to destabilize the region with its actions, attempting to blame its actions on Georgia and, as, Mr. Gordon, you said, some of this very questionable information.

But maybe the most important thing, Mr. Vershbow, that has been said, is the legitimate question by our European allies in NATO, is if Article 5—if our will as peaceful nations to actually contain Russia is really there. I think that's why our response to what Georgia is doing is so important on the political side and the defense side as well.

I'll just start with you, Mr. Vershbow, a question related to the defense equipment, defense weapons in Georgia. As you know, when Russia attacked they destroyed a lot of Georgia's self-defense capabilities. They've repeatedly asked the United States to help them purchase replacement equipment, like radar, anti-aircraft systems. Yet we've refused repeatedly these requests.

What are the policy or national security interests that are preventing the administration from supporting these requests?

Mr. VERSHBOW. Senator, first of all I would say that we haven't refused any requests. But we have tried to work with the Georgians, starting in the immediate weeks after the conflict, to come up with a sensible, phased strategy for helping them to improve their defense capacities and to begin to modernize along Euro-Atlantic lines, recognizing, as we've said—both of us in our statements—that there's no military solution to the problem of the separatist regions and that Georgia needs to take a long-term approach reflecting strategic restraint, strategic patience.

So we feel that the way to go—and the Georgians have accepted this, based on the EUCOM assessment that I referred to in my remarks—is that we should begin with things like personnel reforms, improving their military education, improving the profes-

sional standards of their military, helping them to rewrite their doctrine, to come up with a general defense plan and draft a more coherent national military strategy; that this can provide the foundation for modernization of their capabilities over time.

So I think our priority in the short term, therefore, is on these professionalization and training programs, but as their capacity to absorb equipment improves based on this preparation other forms of assistance can take place. Nothing is off the table, but we believe a phased approach is the way to go, and I think we have a general understanding on the part of the Georgian Government in this regard.

Senator DEMINT. Mr. Gordon, just to follow up on that same question, Russia has warned that any company that supplies these defensive systems will, I guess, be subject to retaliation or sanctions. So I guess begs the question, Are we yielding to Russian pressure? It certainly appears to some of our allies that Russia has the upper hand here. What is the situation?

Mr. GORDON. I think, as Mr. Vershbow explained our thinking on the issue of Georgia's armament, there is no arms embargo on Georgia. There must not be an arms embargo on Georgia. Georgia has an inherent right to self-defense and we strongly support that. We have an approach to proceeding in helping them be better placed to defend themselves, and as we consider the various factors on this issue, Russian threats of sanctions on companies for doing so is not something that we take into account and won't interfere with our process of working with Georgia on its self-defense.

Senator DEMINT. Thank you.

Madam Chairman, I know we're going to have a vote and I'd like to let some others ask questions.

Senator SHAHEEN. Thank you very much, Senator DeMint.

Senator Casey.

Senator CASEY. Thank you, Madam Chairwoman.

Thank you for your testimony and for your service as well. I wanted to ask, first of all, with regard to where you see the relationship now or the efforts to work out some kind of understanding between our government and Russia. We know now that Russian forces still occupy parts of Georgian territory and those territories extend beyond the disputed territories.

I guess I wanted to get a sense of a basic update on the international mediation efforts that seek to arrive at some kind of permanent understanding between Russia and Georgia that would allow for withdrawal of Russian troops from sovereign Georgian territory.

Mr. Gordon.

Mr. GORDON. Thank you, Senator Casey. This is an issue on which we have real differences with the Russians. As I said, President Obama made that clear to President Medvedev in Russia. Even after reaching agreements, he told President Medvedev that we have big differences on the future of Georgia and that the status quo is not acceptable to the United States. We think that, first of all, Russia needs to implement the cease-fires of August 12 and September 8, which would be to pull its forces back to the levels they were prior to the start of the war.

We have a major difference with Russia over recognition. But on that, let me underscore that it's not just the United States difference with Russia over recognition; it's the difference between Russia and practically every country in the world. Only Nicaragua has joined Russia. Even some of Russia's closest friends have not joined it in recognizing the independence of South Ossetia and Abkhazia, and Russia is deeply isolated on that issue.

They are also isolated, frankly, on the issue of international observers. We stood by our friends in Georgia in trying to ensure a status-neutral mission of the OSCE and of the U.N., and in both cases Russia blocked that.

So we have major differences with Russia on all aspects of this. As I believe we all noted in our testimony, we support the EU Monitoring Mission, which is the only international eyes and ears on the ground right now, and we want to see it get into the disputed territories. As we have also said here, there's not a short-term or a military solution to this problem. We understand that, we recognize that, and the Georgians understand that as well.

But that doesn't mean we're going to walk away from the issue and accept that it's somehow concluded. We're going to keep pushing to try to restore the territorial integrity of Georgia.

Senator CASEY. Can you tell us, with regard to the monitoring mission, what's the extent of our involvement and do we have any plans to contribute personnel to that? What's the current status of that?

Mr. GORDON. It's an EU mission. We're not involved on the ground, but we're highly supportive of it. I think I've made clear why we're so supportive of it. There needs to be independent international observers on the ground in Georgia. We haven't been asked to participate on the ground, so we're supporting it. We remain prepared to support it as we can.

Senator CASEY. Do you know the extent of it in terms of personnel?

Mr. GORDON. It's about 250 people, which is enough to play a very important role. Just having that number of people on the ground gives us an ability to assess what is happening and, as I said before, what isn't happening but people are alleging is happening. So it's critically important.

Senator CASEY. Thank you.

I'll give up my 3 minutes left, too.

Senator SHAHEEN. Senator Wicker.

Senator WICKER. Well, I thank the members of the subcommittee for being so generous.

I just returned from an OSCE parliamentary assembly in Lithuania. I can tell you there's a reason why only one country has joined Russia in recognizing the independence of these two break-away republics. They're genuinely afraid of Russia.

I went with a House and Senate delegation to Belarus. One would have thought if any country on Earth would go along with Russia in recognition it would be Belarus. I think I know why the country hasn't. I think they're afraid of this giant neighbor.

I know you gentlemen are aware that there is a genuine fear among European neighbors that Russia may come up with a pretext for further conflict this year. Is there any reassurance that you

can give our friends surrounding Russia that that is unlikely to happen? Are you willing to put a percentage on that for this summer or for the next 12 months?

Mr. GORDON. Well, no, I wouldn't want to get into putting percentages on it, nor would I in any way, in any way ever, want to be complacent about the risk of conflict. I think last summer it might have been easy to say that war was unlikely, but war happened. There are people who are interested in provocations and it's all too easy for a minor provocation to escalate into whipped-up fervor and accusations and military force.

So we are in no way complacent about that. I don't think conflict is likely. I think that one of the lessons of last summer is that Russia overreached and any hope it might have had to win support for what it did clearly didn't play out, and Russia has found itself severely isolated because of that.

Senator WICKER. Mr. Gordon, do you think Russian leadership realized they would take a black eye in the region and they made a calculated decision to move forward nonetheless?

Mr. GORDON. It's difficult to know. I think we still don't know. I think there are different views, there were different views in Moscow, about what they were—what they could get away with. But I think that now that it has happened, they will have to have seen that they isolated themselves by thinking they could get away with it. Whoever thought they could get away with it, clearly they haven't.

That should help, and I'm being very cautious here because we are not and one mustn't be complacent about this. It could escalate again. But that's why I wouldn't say that further conflict is likely. But what is important is that we do everything we can to avoid these situations that can escalate, either deliberately because somebody wants to see a conflict or inadvertently, because minor provocation leads to a response by the other side, which leads to escalation. That's why we've been engaged as much as I said we were.

Senator WICKER. Well, let me just say that, of course, Russia is a member of OSCE. There are many parts of the OSCE where, frankly, Russia gets the cold shoulder at the meetings and feels isolated. It's really regrettable that they have chosen to put themselves in a position where that is a fact.

Who can tell me about life in Abkhazia and South Ossetia today? And what do you do to gauge public opinion about what is happening, what the status quo is on the ground in these two republics?

Mr. GORDON. We have limited means of doing the latter. We are not there. Life in both places is worse than it was prior to the conflict by far. Ken talked about the displaced persons and I think he said more than 100,000 people remain displaced from the conflicts that have been taking place within Georgia. Some of the United States assistance has gone to helping settle those poor people, both those who were displaced by last summer's conflict and those who were displaced 15 years ago when there was also conflict in Abkhazia.

They're very different as well. You asked about what life is like in both places.

Senator WICKER. I also asked about public opinion.

Mr. GORDON. Well, public opinion would be difficult for me to say anything about, because again we're not on the ground, we don't have the means to talk to the people living there, and there are differences between ethnic Georgians and Abkhazes and South Ossetians.

Senator WICKER. Mr. Vershbow, as I understand it our policy is that reunification is our ultimate goal, that military action is not an option for getting us there, and that we are pushing the leadership in Georgia, the administration, the Government in Georgia, to implement political reforms that might make reunification more likely.

Can you tell us what specific reforms we're asking for, how we're doing on that, and what is it about those reforms that would do anything to bring South Ossetia and Abkhazia back into reunification with Georgia?

Mr. VERSHBOW. Well, Senator, that's a very good question. I think that clearly this is, first of all, a long-term challenge. This is not a problem that's going to be solved in just a few years. The deeply entrenched differences even before the war were difficult to overcome, and now it's even more difficult, I think, to define the path forward.

But I think what we're talking about is that Georgia needs to continue on its path of democratic reform. It needs to continue to pursue successful economic reforms that have already begun and have already achieved considerable economic growth in Georgia, so that on those terms Georgia becomes kind of a pole of attraction, a magnet that would be a country which the separatist regions would wish to reunite with some years down the road.

In the meantime, we want to encourage people-to-people contact so that they can get to know each other again. They've been living separately since the early 1990s, after some bloody conflicts that led to the status quo on the ground. So enabling them to overcome some of the suspicion and mistrust is going to have to go hand in hand with Georgia's own efforts to turn itself into a more attractive model that the Abkhazians and the South Ossetians would want to rejoin.

In the meantime, from the DOD perspective, we want to help the Georgians to pursue their right to legitimate self-defense capabilities, to fulfill their goals of becoming a responsible international citizen by participating in multinational efforts such as the NATO operation in Afghanistan, so that again Georgia becomes a stable, democratic state that the people of the separatist regions would want to become a part of at some point down the road.

I think in the short term, obviously, we need to prevent any new conflict from breaking out and that's why our diplomatic efforts are going to remain very active, and we'll continue to push for international presence inside the separatist regions to correspond with the very important EU Monitoring Mission that's along the border, along the administrative boundaries, but is not present on the other side.

I think some of the events of the weekend demonstrate the potential for misinterpretation of events. It argues for persuading the Russians to reinstate the international monitors on the other side

of the administrative boundary, and that will be a continuing theme in our diplomacy.

Senator SHAHEEN. Thank you.

Senator Corker.

Senator CORKER. Thank you, Madam Chairman, and thank each of you for your testimony and for being here.

Mr. Yamashita, I was in Gori right after the bombings and saw much of the aid that our country and other countries was giving at that time, and certainly thank you for your efforts and others.

But I want to just focus very narrowly on NATO itself. I'm a fan of President Saakashvili. I like him personally. Certainly there's been a lot of progress in Georgia over the last several years, and certainly it's more democratic and there's been a lot of economic growth.

There is this sort of personal issue that exists between himself and the leadership in Russia, which generated a little testosterone a year or so ago. I think people realize, and I felt I did on the ground then, that he sort of took the bait, if you will, and a conflict emerged.

So we just came from a business meeting talking a little bit about NATO expansion. Again, I want to see Georgia and Ukraine and others be very successful, and I very much appreciate much that's being undertaken there. But what lessons can we learn from a year ago as it relates to us looking at countries who want to be admitted to NATO, especially when it appears that NATO more and more is becoming a situation where under Article 5 we protect the world, those members of NATO; very little, it seems, over time will be coming the other way.

We're sort of becoming the umbrella defense mechanism for all the members of NATO, or at least most of the members of NATO, certainly the new members of NATO. I'm just wondering if there are some lessons that should be learned. Should there be some closer involvement, especially when the nature of this conflict in some ways was personality-driven? Just wondering if you might edify us a little bit here.

Mr. GORDON. Thank you. You raise a number of important issues. One, I would first say, as I mentioned, that one of the principles that President Obama defended in Moscow is the principle that European democracies can choose their own alliance relationships, and that clearly applies to Georgia. Georgia is interested in NATO membership. Last year a commission was set up between NATO and Georgia, and our view is that, while Georgia has a lot of work to do, it obviously has to meet NATO criteria, NATO members have to agree on membership, that it has every right to pursue that path and we intend to support it down that path. It's just a bedrock principle that it should be up to the citizens of a country and not a third party whether they can pursue the path to NATO membership.

As to the issue you raise of what NATO is doing for the globe rather than for its members, it's another important principle I would want to underscore. NATO is indeed playing a much more global role. As we speak, it has tens of thousands of troops in Afghanistan. But we want to make clear, and Mr. Vershbow has talked about this, that NATO's global role doesn't come at the ex-

pense of NATO's original role, which is Article 5 and the defense of its members.

So we are absolutely committed to that principle. NATO is undertaking under the new Secretary General a review of its strategic concept, designed to develop a new strategic concept by the end of next year. One of our core principles is that that strategic concept, the new strategic concept, while supporting and emphasizing NATO's important global role to protect our security, give equal support to its original mission, which is the defense of the territorial integrity of its members, all of them.

Senator CORKER. We're providing most of that defense. I mean, certainly there are a few other countries involved. But as this continues, in essence we are becoming the de facto umbrella defense mechanism for all of these countries. Then we have this, we have a conflict like this that arises very quickly. I don't know if Georgia had been a NATO member what would have occurred. I'm just wondering.

Let's digress from the global piece and let's just talk about the membership piece. Are there issues here that create discomfort within the administration?

Mr. GORDON. There are a lot of challenging issues that need to be thought through whenever we have a new candidate for NATO membership. On the predominant U.S. role, the United States has always provided the great bulk of resources behind NATO's self-defense capabilities and force projection capabilities. But we have also maintained that one of the criteria for joining NATO is an ability to contribute to our common security, and that criterion remains in place.

More strategically, we have always believed, and I think it's clearly true, that the gradual process of bringing new countries into NATO helps create a wider zone of stability and countries that are in less need of protection or American resources.

But you ask questions that will have to be asked about any future NATO membership. The Senate will have a role and it needs to address the series of criteria that I spelled out: If a country's ready, if it's democratic enough, if it meets the criteria, if it can contribute to our common security. If so, then it will become a member of NATO; and if not, then it needs to do more work.

Senator CORKER. Mr. Vershbow.

Mr. VERSHBOW. I think, as Mr. Gordon said, it is a fact that the United States has provided the lion's share of the capabilities for NATO, but that's not something we're necessarily satisfied with. I think that as we look to the next couple of years when we are defining NATO's strategy for the next couple of decades under the new strategic concept, part of that will be to try to find a way to get our allies to develop not only more static capabilities, but more deployable capabilities, which are just as important for the defense of the new members as they are for expeditionary operations in far-away places like Afghanistan.

But I think that we do have security interests in consolidating democracy and stability in Central and Eastern Europe. I think that the whole process of NATO enlargement since it was conceived in the mid-1990s has strengthened security and stability and I would argue has actually strengthened Russia's security. Russia is

much safer having stable, prosperous democracies on its western and southwestern frontiers than the alternative, if this region was still a grey zone whose status was up for grabs in international diplomacy.

So I think that the rationale for NATO enlargement remains a valid one, but clearly there will be serious questions to ask before the decision is taken on the admission of additional new members. This is something—because of the fact that this is a treaty obligation—that we'll want to consult closely with the members of the Senate on before we take a formal position on the next enlargement round.

Senator CORKER. While I would agree with you that obviously having a functioning democracy on one's border would make a country more safe, do you think Russia feels more safe with NATO coming up around all its borders?

Mr. VERSHBOW. Clearly, Senator, if one judges by Russia's statements, that is to say Russian leaders', they have become increasingly skeptical of NATO enlargement, although I still believe it's very difficult to make the case that there are objective threats emanating from the territory of the new NATO members. This is something, when we launched this process of enlargement, we exercised considerable restraint. We exercised considerable restraint in terms of the deployment of substantial combat forces on the territory of new members. We decided that we had no need to put nuclear weapons on the territory of new members.

So we have not, I think, brought NATO's military infrastructure up to Russia's doorstep, as Russia's propaganda sometimes suggests. But clearly this is as much a psychological as a real problem and we have a lot of work to do in overcoming Russia's increasingly skeptical attitude, no question about it.

Senator CORKER. Except that under Article 5 in essence we have brought our entire military capability up to their border in the event there's a conflict; is that correct?

Mr. VERSHBOW. That's correct. Under Article 5, an attack on one is an attack on all, and we are collectively with our allies obliged to come to the defense of NATO members. But I think that commitment itself is a deterrent, and I think that the lack of real security conflicts between the new NATO members and Russia suggests that the policy has worked, despite some of the criticisms one hears from the propaganda machine.

Senator CORKER. May I ask another question?

Senator SHAHEEN. Yes.

Senator CORKER. The Nabucco Pipeline all of a sudden has been a major breakthrough this year, and that's a great thing from my standpoint. This conflict, this plus the issues with the Ukraine, how have they played into all of a sudden something that looked like it was almost impossible to get multiple countries involved in making happen, all of a sudden it looks like it very much will happen? Can you give us some insights into the dynamic of Georgia and Ukraine, or Georgia in particular, and how that actually has occurred?

Mr. GORDON. Yes, Senator. First let me share your view that the development of a southern energy corridor is a good thing for the United States and for its allies. I think in terms of why there has

been some momentum this year, I want to pause to caution us that momentum is one thing, but we still have a lot of work to do. But you're right, there has been some momentum, including in recent weeks, in the intergovernmental agreement to move forward with the Nabucco Pipeline.

I do think there is a link between the developments in Ukraine last winter and the gas cutoff, which was a harsh reminder to Europeans how dependent they are on gas from Russia. I think about 80 percent of that gas crosses Ukraine and if Russia can shut it off to Ukraine then it gets shut off for the rest of Europe as well. We have been saying for some time that Europe would be better off if it had more diversified energy supplies, and more diversified energy supplies would lessen their energy dependence on Russia, and if you lessen energy and economic dependence you also lessen political dependence and that would be a good thing.

As I say, we've been saying that for some time. I think there was some skepticism in parts of Europe because it can cost money to diversify your energy supplies. But, as I noted, I think the crisis last winter was a wakeup call and they have made some progress, not just on the Nabucco Pipeline, which would bring Caspian gas, but also on other efforts to diversify their supplies, whether it be by connecting better among themselves or using liquid natural gas. But the more progress they make, the more secure they are and the better that is for us.

Senator CORKER. Madam Chairman, thank you. Thank each of you for what you do. Thank you.

Senator SHAHEEN. Thank you, Senator.

Since we still are awaiting votes, I would like ought ask a few more questions before we close.

I want to follow up on Senator Corker's question about energy a little bit. What else are we doing, if anything, to help further integrate Georgia into Europe's energy plans? For whoever would like to answer that.

Mr. GORDON. Well, I can start by saying Georgia is a major part already in Europe's energy plans. Some of us here in the previous administration worked on the Baku-Tbilisi-Ceyhan Pipeline route, which has some parallels to the Nabucco effort now, including the one about skepticism about whether it would ever be built. But we believed then that a southern energy corridor would be in Europe's interest. We provided support, mostly in terms of political support. This is not something that costs the United States money, that we're making major investments in. We play the role of coordinating, cajoling, working with governments to try to make this possible.

As you know, the Secretary appointed Ambassador Richard Morningstar as the special coordinator for Europe and Eurasian energy, and he's working tirelessly with these European governments and the supplier countries in Azerbaijan, Turkmenistan, potentially Iraq, and others to make this corridor more viable.

So what was then a pipe dream—

Senator SHAHEEN. No pun intended.

Mr. GORDON [continuing]. No pun intended, yes—is now carrying—

Senator SHAHEEN. You have to wake up, audience. Come on.

Mr. GORDON. I was trying.

Senator SHAHEEN. You missed that joke.

Mr. GORDON. I'll come up with better material for the next hearing—is now delivering energy to Europe across Georgian territory, and that's also obviously good for the Georgians.

Senator SHAHEEN. Is there a role that NATO should be playing when we're talking about energy security for Europe?

Mr. GORDON. There's been talk and debate and Senator Lugar has been a leader in the effort to get NATO to focus on this sort of issue. I think that the receptiveness to a direct NATO role in the sense of sort of an Article 5 energy commitment is probably more than the traffic will bear. But, given that NATO is an organization designed to protect the security, broadly defined, of its members, of course NATO should be focused on this issue. It can provide security in the sense of material security to pipeline and NATO members that are involved in energy, and it should certainly be a discussion at NATO, where Assistant Secretary Vershbow was previously Ambassador.

Every time we testify, he's a former Ambassador to whatever country or institution gets brought up. I know that he and his colleagues then and the current permanent representatives at NATO do talk about energy because it is so central to our common security.

Senator SHAHEEN. Would you like to add to that, Mr. Vershbow?

Mr. VERSHBOW. Well, I would agree that it certainly is an important issue affecting the security of NATO members and therefore at a minimum it should be, I think, an increasingly prominent subject of consultation as NATO members think about this question in the years ahead. There are some specific dimensions to energy security that NATO does I think deal with, of course, the security of its own energy infrastructure and the fuel pipelines that are essential to support Article 5 operations.

I think in the long term as we think about problems like global climate change, NATO militaries are going to have to think about ways to use energy more efficiently. This is something that the Department of Defense and our services are focusing on very seriously. So at least in those discrete areas NATO needs to step up more, even though I think our friends at the European Union feel that between the two major European and Euro-Atlantic institutions the EU has a more direct role in defining broader energy strategy, and we certainly consult closely with the EU on that subject.

Senator SHAHEEN. Thank you.

Mr. Yamashita, I don't want you to go to sleep, so I would like to address my final question to you. We committed, the Bush administration committed, an additional billion dollars last year—we've talked about that—to help Georgia recover. Now, as Vice President Biden said, a billion dollars for 5 million people is a lot of money. So what are we doing to monitor this assistance and to ensure that it's being used properly and that there's an accountability for the money that's being spent?

Mr. YAMASHITA. Thank you. Yes, certainly accountability is a very, very important part of what AID does globally and most certainly in the case of Georgia. We take very seriously our role of

ensuring accountability and being able to account for the resources that Congress has appropriated on behalf of our work in Georgia.

There are two major ways in which we have provided assistance, although there are all these different specific activities. One is \$250 million for direct budget support. This is support that we provided to the Government of Georgia immediately following the conflict. Because the government had to utilize its own resources to pay for the conflict, they were in essentially a cash crunch, if you will. We provided those resources, but we made sure that the checks and balances were put into the agreement itself.

As a result, we have been able to receive and make public not only their expenditures, but their plans, and fairly detailed, item by item. That was available on a public Web site.

To add to that, we have established an audit trail that we are actually going through right now specifically on the \$250 million. We expect the results of that audit to be available in the early fall, perhaps toward the end of September or early October. We are reasonably confident that with that audit we will be able to have a more transparent view of the way in which the Government of Georgia utilizes those resources.

As for the remainder of the resources, these are in support of remedying the consequences of the conflict and it's obligated in support of the IDPs and others. The resources actually do not flow through the public sector to the Government of Georgia, but rather they are managed directly by USAID and it flows through our grantees and is provided directly to our beneficiaries. So that allows us to have our own internal controls, controls that we believe are fairly robust.

Senator SHAHEEN. Thank you. Is the public Web site still operating?

Mr. YAMASHITA. I believe it is, yes.

Senator SHAHEEN. Would you like to share with us what the address is?

Mr. YAMASHITA. If I may get back to you on that. Thank you.

Senator SHAHEEN. We would appreciate that. Thank you.

Well, thank you all very much. We very much appreciate your testimony this afternoon. We made it through without any Senate votes. I'm not sure what that says about the Senate voting schedule, but we very much appreciate your being here.

We will keep the record open for this hearing until Thursday at noon for those Senators who were not able to get here.

Again, thank you and we very much appreciate your good work in Georgia.

[Whereupon, at 3:47 p.m., the hearing was adjourned.]

ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF ACTING ASSISTANT ADMINISTRATOR KEN YAMASHITA TO QUESTIONS SUBMITTED BY SENATOR JEANNE SHAHEEN

Question. How much of the \$1 billion assistance package is going to democracy and governance assistance programs in Georgia? What is our current total level of support for democracy and governance assistance programs in Georgia?

Answer. More than \$23 million of the \$1 billion has been allocated for democracy and governance programs. In addition to nearly \$14 million in democracy and governance programs funded through the fiscal year 2009 bilateral assistance to

Europe, Eurasia, and Central Asia (AEECA) budget, this assistance is supporting Georgia's democratic development in a number of areas, including: strengthening independent media; improving judicial independence and rule of law; developing political pluralism; creating a vibrant civil society; and increasing government checks and balances, transparency and accountability. Interagency working groups are now meeting to discuss programming the remaining \$242 million in fiscal year 2009 supplemental funding, a portion of which we intend to devote to democracy and governance programs.

Question. Vice President Biden spoke eloquently of helping Georgia complete the Rose Revolution with a Georgian Government that is "transparent, accountable, and fully participatory." Is our current level of financial support for democracy and governance programs in Georgia enough to help Georgia meet this challenge as articulated by the Vice President?

Answer. With the help of the post-conflict resources provided by the Congress, our programming is robust and will enhance Georgia's ability to institutionalize democratic reforms. However, ultimately the Georgians will determine whether the promise of the Rose Revolution is fulfilled. As Vice President Biden emphasized, it will take commitment from the Government of Georgia as well as civil society actors to ensure that reforms are consolidated and democratic institutions and processes are strengthened. For democratic reforms to take hold, institutions must change, which requires improvements in structure, processes, and staff capacity, as well as a commitment to transparency, accountability, inclusiveness and compromise. These advances will take time and sustained engagement, and we are committed to supporting them through our assistance. Last, it should also be noted that many international donors, including the EU, are working to help Georgia in the democracy and governance sector. We are coordinating closely with these other donors to ensure that our assistance programs are complementary and not duplicative.

Question. Since the post-cold-war era, Georgia has yet to see a peaceful transition of leadership and power. What is USAID doing now to help Georgia prepare for 2013 and the possible transition of power?

Answer. While we are looking ahead to 2013 Presidential elections—the first end-of-term transfer of power in Georgia's history—we are concentrating our efforts on local elections in 2010 and parliamentary elections in 2012. USAID is working on a number of elections-related programs, including supporting political party development and independent media. These efforts will promote free and fair electoral processes in Georgia.

RESPONSES OF ASSISTANT SECRETARY PHILIP H. GORDON TO QUESTIONS SUBMITTED BY SENATOR JIM DEMINT

Question. Mr. Gordon, because of Russian vetoes, the EUMM remains the only multilateral oversight group in Georgia. Severely constrained, their unarmed patrols are only allowed to monitor within Georgian-controlled territory and only during daylight. The attacks in recent days and Russian accusations highlight the need for independent verification on both sides of the conflict.

- How can the administration influence Russia and South Ossetia to admit the EUMM access to border areas or some other independent monitoring mission?

Answer. We are actively working with the U.N., OSCE, and EU to support international monitoring in the conflict zones and to promote human rights and the unhindered provision of humanitarian aid in all of Georgia. The EU Monitoring Mission is currently the only international monitoring presence in Georgia, although Russia and the separatist authorities continue to deny it access to Abkhazia or South Ossetia. Together with our international partners, we will continue to advocate for EUMM access to the separatist regions. We encourage the Russian Government and the separatists to allow the EUMM unhindered access, so that it can investigate alleged security incidents and lessen tensions. We will continue to work with the EUMM and the international community to secure humanitarian access to the vulnerable civilian population in the occupied areas through the Geneva Process, which will meet again on September 17.

Another significant institution contributing to stability on the ground is the Joint Incident Prevention and Response Mechanism (JIPRM), which emerged as a result of an agreement reached through the Geneva talks on Georgia.

We are also exploring a residual role for the U.N. in Georgia that would include continued U.N. cochairmanship of the Geneva Process, facilitation of the Joint Inci-

dent Prevention and Response Mechanism, and continued roles for U.N. specialized agencies to address human rights and humanitarian issues.

Question. What are the administration's plans to hold Moscow to its commitments under the EU-negotiated cease-fire of August 2008, which calls for the restoration of the status quo along Georgia's borders?

Answer. The President has made clear that we will continue to support Georgia's sovereignty and territorial integrity within its internationally recognized borders, will not recognize the independence of Abkhazia or South Ossetia, and will not allow any country to have a "sphere of influence," or "privileged relations" status. During the recent United States-Russia summit, President Obama addressed these issues very directly and clearly in his discussions with President Medvedev, and noted that we would not paper over our differences on Georgia even as we seek to cooperate in areas of mutual interests.

As we call on Russia to fulfill its commitments under the August 12, 2008, cease-fire agreement, we are also considering ways to maintain stability, protect human rights, address humanitarian issues, and strengthen the rule of law in Abkhazia and South Ossetia in the absence of the U.N. (UNOMIG) and OSCE missions. We will continue to work with the European Union Monitoring Mission and hope to secure humanitarian access to vulnerable civilian populations in occupied areas through the Geneva Process. We are also exploring a residual role for the U.N. in Georgia that would include continued U.N. cochairmanship of the Geneva Process, facilitation of the Joint Incident Prevention and Response Mechanism, and continued roles for U.N.-specialized agencies to address human rights and humanitarian issues.

Question. Mr. Gordon, the entire Caucasus region in and outside of Russia has had a lot of ethnic challenges and instability. In co-opting the breakaway Georgian provinces, Russia seems to be adding to the challenges they face. If the region is destabilized more and causes unrest inside Russia, do you believe the Russians will attempt to blame someone else and, if so, do you think Georgia is their likely scapegoat?

Answer. The United States is actively involved in measures to stabilize the region, including through our participation in the Geneva talks on Georgia, where the parties to the conflict communicate directly with each other. We fully support the regular meetings of the Joint Incident Prevention and Response Mechanisms established during the course of the Geneva talks to allow local commanders to communicate directly with each other to resolve incidents and provide greater military transparency. We also support the EU Monitoring Mission (EUMM) in Georgia, which has done a superb job investigating allegations by all parties and carefully monitoring developments on the ground. Unfortunately, the EUMM is denied access to the Abkhazia and South Ossetia regions of Georgia; we will continue to support the EU's calls for access to both regions.

Through its assistance programs, the United States has also worked to strengthen the rule of law, respect for human rights and democratic principles, and good governance in both Russia and Georgia, efforts which in the long run will serve to bolster regional stability. We have further called on all parties to the conflict to pursue a peaceful resolution, to ensure respect for the human rights of all individuals in areas under their control regardless of ethnicity or affiliation, and to avoid actions and policies which would contribute to instability.

Threats to stability in Russia's North Caucasus region stem from a variety of factors, including tensions between ethnic groups; human rights abuses by security and other forces, often committed with impunity; poverty and a relative lack of opportunity; and the specter of terrorism, a very real threat striking most notably in the 2004 Beslan school tragedy. We all have an interest in the development of a stable, prosperous North Caucasus, and U.S. assistance programs have been directed at advancing progress in this regard.

Question. Mr. Gordon, in your testimony you commented that the "American people can be proud of what their generous assistance to Georgia has accomplished so far." And that "it is burnishing our image abroad." The Georgians have always been pro-U.S. Do you believe it is more important for America to be seen as a reliable provider of aid and reconstruction or a stalwart defender of freedom and democracy?

Answer. It is important for the United States to be seen both as a reliable provider of aid and reconstruction and as a stalwart defender of freedom and democracy.

The \$1 billion pledge that the United States made last October at the Georgia Donors' Conference in Brussels underscored our enduring commitment to support Georgia's reconstruction, economic recovery, and democratic development. Last fall,

in the days and weeks following the conflict U.S. assistance provided humanitarian relief to internally displaced persons and sustained confidence in Georgia's banking system and wider economy. With the immediate crisis having passed, our assistance now supports recovery and reconstruction, as well as longer term core infrastructure (energy and transportation) investments, border security, law enforcement, and democratic reform. Along with our diplomatic efforts, these programs address systemic weaknesses in Georgia's democracy and the underlying tensions they create, demonstrating our commitment to freedom and democracy.

U.S. assistance seeks to support the continued development of an independent, peaceful, democratic, and secure Georgia, which is crucial to U.S. national security and foreign policy interests. A sovereign, democratic Georgia will continue to be a strong partner for the United States across a broad range of security and policy issues, and a model for positive change for its neighbors.

Question. During his recent trip, Vice President Biden states before the Georgian Parliament that the United States seeks a "free, secure, democratic, and united Georgia." What are the details of how you and the administration intent to operationalize this plan?

Answer. The United States is promoting a free, secure, democratic, and united Georgia through diplomatic efforts as well as program activities.

Through both our annual assistance and as part of our \$1 billion post-conflict commitment, the United States is devoting significant resources toward programs which support Georgia's democratic development. This assistance is targeted to strengthen institutional checks and balances, increase civic participation, improve governance, bolster independent media, promote democratic political processes, and strengthen the rule of law. For example, through assistance and diplomatic engagement, the United States has supported key reforms such as the development of a new Council of Europe-compliant Criminal Procedure Code. When implemented next year, the Code will introduce new roles and responsibilities for judges, prosecutors and lawyers and will help Georgia complete a shift to a criminal justice system that is characterized by greater judicial independence, equality of arms between prosecution and defense and respect for human rights. Other USG assistance programs promote government, opposition and civic consensus on a revised electoral code, and enhance the Parliament's capacity to hold the executive to greater levels of accountability.

In the context of our support for Georgian sovereignty and territorial integrity, its NATO aspirations, and our longstanding assistance to Georgian deployments to allied and coalition operations, the United States will continue defense cooperation with Georgia. Our focus is currently on doctrine, education and training, and preparation for Georgia's future deployment to Afghanistan.

Our bilateral relationship with Georgia is deepened through the U.S. Georgia Commission, which met for the first time in June 2009. The Commission focuses on security and defense cooperation, economic reform, democratic development, and people-to-people exchanges. The next working group meetings will occur in Tbilisi in the fall of this year.

Question. Mr. Gordon, in the past, MAP has worked very well for NATO enlargement. Currently it appears that NATO-Georgia Commission is working well at the technical level, but is also taking the place of MAP. However, the framework that created the Commission specifically states "that MAP is the next step for Georgia on its direct way to membership." What is the administration's path forward for Georgia's membership in NATO? And how does this ensure that Russia does not believe it has a veto over further expansion?

Answer. President Obama and other NATO leaders have consistently reaffirmed the importance of NATO's "open door" to new members. The United States continues its strong support for Georgia's NATO membership aspirations. Like other aspirants, Georgia must make further progress on the security and democratic reforms needed to meet NATO's performance-based standards. At the Strasbourg-Kehl NATO summit, allies agreed to assist and support Georgia's reform efforts in the framework of the NATO-Georgia Commission, which plays a central role in supervising the process set in hand at the Bucharest summit. The NATO-Georgia Commission (NGC) and Georgia's recent development of an Annual National Program (ANP) will continue to guide Georgia's reform efforts related to its aspirations for NATO membership. The United States will support these efforts and the broader reform effort through the United States-Georgia Commission on Strategic Partnership, which we inaugurated on June 22.

As a sovereign country, Georgia is free to decide its own security arrangements, including alliances. We remain steadfastly committed to supporting Georgia's sov-

ereignty and territorial integrity. We reject the notion that NATO's open door policy diminishes the security of Russia or any other country; in fact, the last 10 years of enlargement, which includes 12 new NATO members, has been a historic success in advancing stability and prosperity in Europe.

Question. Mr. Gordon in your testimony you mentioned all the protests in Georgia. What are the demographics of the protestors? Are they mostly older individuals, students, something else?

Answer. The protestors were predominantly middle-aged males, with few women participating, and only a small number of youth groups. The protesters came from other regions as well as from Tbilisi. Toward the end of the protests in June and July, an increasing number of protestors were bused in from outside of Tbilisi.

Question. What do you see are the key problems in the working relationship between the opposition parties and the ruling party in Georgia? What can we do to foster a better working relationship?

Answer. Georgia has made great progress in democratic development following the Rose Revolution in 2003, although in some respects there has been backsliding. Clearly, more needs to be done and we support a deepening of Georgia's democracy, which is essential for Georgia's sustainable internal development and for fulfilling Georgia's aspirations to join Euro-Atlantic institutions.

Georgia has had a vigorous political debate in the past four months, and that is encouraging. The debate has largely been peaceful and orderly, but both protestors and the government have committed acts of violence. Accountability for acts of violence by both sides is critical to reducing the polarization between the government and opposition.

There are a number of areas where Georgia's democratic development should be strengthened, including expanding independent media, improving judicial independence, creating a more level playing field for political parties, and creating a stronger, more active civil society, which allows for greater engagement with the government. To move forward, the government, the opposition, and civil society need to cooperate on democratic reform, including establishing a system of checks and balances, strengthening democratic electoral processes, political pluralism, civic participation, and the media, and to prepare Georgia for the first end-of-term electoral transfer of power in its history, in the 2013 Presidential election. We are committed to supporting these efforts, including through our assistance.

The United States continues to encourage the Government of Georgia to have dialogue with all political parties and actors. We continue to stress that a successful democratic state supports political pluralism and dialogue at all levels. We have urged both the government and the opposition to resolve the current stalemate through discourse. Our assistance programs are targeted to reconcile the opposition and government, such as by promoting consensus on a revised electoral code.

RESPONSE OF ASSISTANT SECRETARY ALEXANDER VERSHBOW TO QUESTION
SUBMITTED BY SENATOR JIM DEMINT

Question. Mr. Vershbow, Georgian military forces are undoubtedly rewriting their national defense strategy and looking at their operational plans to counter invasion from other forces. How can the Georgians effectively formulate a comprehensive national defense strategy and design and exercise their forces to counter an invading enemy's order of battle before knowing what equipment and technologies they will have available for their national defense?

Answer. Georgia needs to pursue a careful and rational defense modernization plan. A country does not need specific weapons systems level detail to formulate a military strategy. The United States will continue to provide Georgia institutional and methodology assistance, including education, doctrine and training support, to help Georgia's defense reform and modernization plans.

RESPONSE OF ASSISTANT SECRETARY PHILIP GORDON TO QUESTION SUBMITTED BY
SENATOR ROGER WICKER

Question. In your written testimony, you state "we have maintained international unity in calling on Russia to implement the cease-fire agreements of August 12 and September 8, 2008, withdraw its forces to their prewar positions, and ensure unhindered humanitarian access to South Ossetia and Abkhazia." What specific steps remain for Russia to take in order to fully live up to these agreements?

Answer. While we continue to urge Russia to meet its cease-fire commitments at every opportunity, it has not complied with two of the six points in the August 12, 2008, Ceasefire Agreement, brokered by the French President: provision of free access for humanitarian assistance and withdrawal of Russian forces to their positions prior to the outbreak of hostilities. Russia continues to prevent access to South Ossetia and Abkhazia for humanitarian organizations from the south, which is the most efficient and safe way to enter the separatist areas. Russian forces also continue to be present in several locations that they did not occupy prior to August War, and in far greater numbers.

Russian soldiers currently occupy the separatist region of South Ossetia. Most recently on August 2, Russian Border Guards set up poles in the village of Kveshi, 200 meters outside of South Ossetian administrative boundary on Georgian territory. Although the poles were gone the following day, this is indicative of the types of events that have occurred and continue to occur following the August 2008 war. We continue to urge Russia to withdraw to its positions prior to the outbreak of hostilities.

RESPONSE OF ASSISTANT SECRETARY ALEXANDER VERSHBOW TO QUESTION
SUBMITTED BY SENATOR ROGER WICKER

Question. In your written testimony, you discuss continued U.S. support for Georgia and its people. You state, "This support does not come blindly, however, and we will calibrate our assistance to respect the needs of the Georgian people, to strengthen regional security, and to support democratic and economic reforms in Georgia." Can you please specify with examples what you mean?

Answer. Both prior to and after the August conflict, the United States has developed a strong defense relationship with Georgia. Our assistance to Georgia, however, is not limited to defense assistance provided by the Department of Defense. Our strategy and assistance efforts with Georgia are a U.S. Government-wide effort, one which my State Department and USAID colleagues addressed in their testimony. Specific to the Department of Defense, after the conflict, DOD delivered tens of millions of dollars in humanitarian aid to the Georgian people.

We are proud that the promise of \$1 billion in assistance to Georgia is being fulfilled. One hundred million dollars in DOD section 1207 funding for reconstruction assistance to Georgia went to the State Department as part of this \$1 billion package, the majority of which focused on resettling Georgian internally displaced persons, rebuilding destroyed homes and infrastructure, and rebuilding Georgia's police forces. Since the conflict, DOD has employed a methodical, strategic approach to our defense cooperation. U.S. European Command (EUCOM) implemented a comprehensive multimonth assessment of Georgia's Armed Forces, which provided us a basis for understanding Georgia's needs and deficiencies. We are assisting Georgia to move along the path to having modern, western-oriented, NATO-interoperable armed forces capable of territorial defense and coalition contributions. EUCOM is developing and implementing a number of specific defense cooperation activities that focus on defense reform and modernization. These include, but are not limited to, completing assessments and assistance on doctrine development; assistance on developing Georgia's Annual National Program for NATO; assistance preparing a Georgian battalion for deployment to Afghanistan; assisting NATO's efforts to support military education reform; assisting transformation and integration of Georgia's command and control abilities; providing doctrine and defense planning; assisting Georgia with its defense academy and professional civilian personnel reform process; providing assistance on military education and curriculum development reform; and supporting Georgia's participation in exercises both within and outside Georgia. All of these examples reflect our phased and measured approach, which respects regional security. We believe that supporting Georgia's development and its defense institutions is a key part of enhancing that security.