

THE BROOKINGS INSTITUTION

VIEWS FROM THE LANDS IN-BETWEEN: A DISCUSSION  
WITH THE AMBASSADORS OF GEORGIA, MOLDOVA, AND UKRAINE

Washington, D.C.

Tuesday, April 29, 2014

**Introduction and Moderator:**

FIONA HILL  
Director, Center of the United States and Europe  
The Brookings Institution

**Panelists:**

H.E. ARCHIL GEGESHIDZE  
Ambassador of Georgia to the United States

H.E. OLEXANDER MOTSYK  
Ambassador of Ukraine to the United States

H.E. IGOR MUTEANU  
Ambassador of Moldova to the United States

ERIC RUBIN  
Deputy Assistant Secretary of State  
Bureau of European and Eurasian Affairs  
U.S. Department of State

\* \* \* \* \*

## P R O C E E D I N G S

MS. HILL: Okay, ladies and gentlemen -- I'm pouring water here. There's lots of pouring water outside as well. But anyway, thank you very much for joining us on such a rather dull, rainy, and rather foreboding day. Hopefully that's not just simply a reflection of the subject that we're talking about today.

Obviously there's been a lot of very serious developments in the areas that we're going to discuss.

I'm Fiona Hill, the director of the Center for The United States and Europe. Today's event is actually part of a series that we've been doing on and off over the last several years. Some of you might have been here in November 2009 when we did the launch of the Eastern Partnership Program here at Brookings.

We had the Foreign Minister of Sweden, Carl Bildt and the Foreign Minister of Poland, Radek Sikorski, among other people, but two of the architects of the Eastern Partnership Program. And today, in many respects, is the consequence of the roll out of the Eastern Partnership Program because we have here with us representatives of three of the states who signed on to the European Union's Association Agreements, which came directly out of the evolution of the Eastern Partnership program back in November of 2009.

Some of you may also have been here this past November when we had an event about the Vilnius summit. We had, again, Foreign Minister of Sweden, Carl Bildt, along with the Polish Foreign -- not the Foreign Minister, the Ambassador; the Foreign Minister couldn't join us -- we had Thomas Bagger from Policy Planning in Germany and Charles Grant from the Center for European Reform in London to talk about the run up to the Vilnius summit, by which time it was already clear that the Association Agreements with our colleagues' countries here, were going to be pretty

controversial.

We had Carl Bildt, who had just come back from Kiev and from the announcement by then-President Viktor Yanukovich that they were not going to sign on to the agreement, at least not at the Vilnius summit and we were already into the evolution of events that we're facing today.

So, this is a chance to revisit some of these discussions that we've already had and to hear from some of our colleagues who are at the forefront of developments that are unfolding as we're sitting in here, in Kiev, but also with concerns about things that might happen elsewhere, in Moldova and Georgia, and we're also extremely fortunate to have Eric Rubin, who -- it's actually quite miraculous that Eric Rubin is actually here because we've managed to catch him -- maybe rain has stopped his plane -- because Eric is usually tearing around all the different countries in the region, trying to deal with U.S. policy and with the developments as they're unfolding. So, this is a very timely meeting.

And also one of which we're very grateful for the participants, the ambassadors of Georgia, Ukraine, and Moldova, for being here with us because obviously this is real time action and events for them, and they're here to give basically an overview and a few minutes of introduction as to where they see things playing out, obviously, very dramatically, currently in Ukraine, but also to have a discussion with us and to answer the many questions, I'm sure, that people do have about how things are unfolding.

So, I'm going to start in the order in which everyone is seated here, to ask our colleagues to give us some of a sense of how they're seeing the events currently and where they see things moving in the future, and then to ask Eric to give some commentary from the perspective of U.S. relations with the three individual countries, and

U.S. dealing with the currency reserve crisis in Ukraine and elsewhere. So, Ambassador Gegeshidze, thank you.

AMBASSADOR GEGESHIDZE: Thank you, Fiona. I would like to say hello to everyone. It is really a very important opportunity for us to share our observations on the developments in our part of the world, which is, unfortunately, very worrisome these days despite all different anniversaries which the free world celebrates these days -- 25 years of taking down of the Berlin Wall, NATO expansion, EU expansion, and many other things, but unfortunately these days coincided with worrying developments in and around Ukraine.

Of course, what I'm trying to say here may not be very unique and something unheard so far, but nonetheless, let me offer you how the developments in our part of the world focused on Ukraine is seen from our angle -- Georgia's angle, which I am sure coincides with the outlook and aspect of many of you here.

Of course, what is -- if asked what is Russia up to these days -- specifically Russia is trying to ensure that the Ukraine is federalized country with two upper chambers in order to then influence decision making and national agenda in Ukraine, and also to have a very weak president. So, as long as no pro-Russian candidate has a chance of victory, Moscow will not support Ukraine's May presidential elections and this is already obvious, but this is not only thing that Russia wants to achieve these days regarding Ukraine.

Russia also wants to set up a new international order and to institute new rules in the international relations. And for that, Russia does have its own explanation, its own arguments. Since Russia claims to have gone through very humiliating decades since the end of the Cold War and collapse of the Soviet Union and Russia seems to be able to coming back, to retaliate and what we are seeing is just an important, but still an

element of this big grand strategy, which Russia offers us these days.

And so, if interpreted, Russia's moves, both in Georgia back in 2008 and now in Ukraine, this is an attempt to -- on one hand, this is an attempt to divide the map of Europe between a peaceful and democratic side and on -- and on the other hand, the area, which Russia claims, Russia would claim authoritarian leadership, and is ready to wage war for stake of its hegemonic ambitions.

Secondly, it is an attempt by Moscow to influence discussions within NATO and the European Union on integrating parts of the post-Soviet space by demonstrating that the full integration of these countries, mostly -- I mean, Ukraine, Moldova and Georgia -- into the alliance, could undermine stability.

And thirdly, this is a response, as I already said, to the unilateral moves taken by the U.S. and its allies after the end of the Cold War, which have led to sharp differences with Russia over issues such as Kosovo, NATO enlargement, now also EU enlargement, and missile defense system to be deployed in Eastern Europe.

Now, as we are discussing the number one question these days is how to -- what should be a response to the Russia's moves and whether or not the already response put in place is adequate or not adequate. One, it's to first agree on the object of these response. What is Russia these days? Why I'm asking this because there is an obvious evolution of the perception of Russia over the last two decades.

In Soviet times, in times of Cold War, the Soviet Union was viewed as an adversary, clear adversary, and also a source for a threat to the national security for the West, including United States and Europe.

After the collapse of the Soviet Union, the modern Russia already -- post-Soviet Russia, was no longer seen as an adversary, it was seen in Yeltsin's time mostly as a weak partner and no longer a threat to the -- existential threat for the West.

In Putin's time, Russia became a stronger partner, maybe friendly rival, but still not a threat. And the events in Georgia, 2008, didn't change this perception. So, Russia remained to be a partner, maybe sometimes rival, but not a threat to the national security of the West.

Now, against the backdrop of the developments in Ukraine, Russia has clearly become an adversary from a partner and what we are hearing these days in Washington and in the Western capitals, there is a kind of rethinking, re-conceptualizing of Russia, and, from being partner or friendly rival, now it clearly becomes an adversary, but still not a threat to national security. This is something which probably undermines the effectiveness of the response, which Russia deserves these days, and so in order that this response is strategic, this response is effective, this response is sustainable, so that Russia changes its policy, not just to be punished or made to pay a high price for it, but to really change the policy, real strategic response is needed, which is something which events back in Georgia provides us for as a lesson.

In our case, when Russia first ever, after the collapse of the Soviet Union, end of the Cold War, went out of this border and used massive --and so far this is the unique case of massive military force, because in Ukraine's case, Russia acted differently. It applied different warfare, different tactics, some commentators call it hybrid warfare involving these well known, notorious little green men together with information, cyber warfare, information war, political manipulation; but in Georgia's case, Russia used brutal force. More than 300 sorties were flown to bomb Georgia. Later on two missiles and also thousands of troops and tanks on the ground were used in order to subdue Georgia.

But nonetheless, the response was inadequate. Just for two months last European Union sanctions, which was confined to the -- was stalling strategic dialogue

between EU and Russia and a summit -- EU-Russia summit was canceled, but before Christmas, everything went back to the business as usual.

NATO also stopped the cooperation with Russia within NATO-Russia Council, but again, before Christmas, everything went to the business as usual. After the New Year, Russia was offered this button of reset to push, and this was a very wrong signal given to Russia. Russia took a pause and now comes back with a more dangerous and devastating wave of its retaliatory wave of aggressive politics.

So, unless the response is really effective, the maximum of what can be achieved is that Russia can be deterred and I do hope that whatever is already in place, if it is slightly further reinforced, these sanctions, then Russia probably will give up its intention to go into Eastern Ukraine. This is my personal observation, but this would be, still, again, temporary.

Russia acts by pause by pause. It first grabs, then takes pause, then again seizes momentum, and comes back again. So, unless Russia is safely and effectively contained, then these temporary deterrents will not work down the road. So, I think that the only potential to make Russia and force Russia to change its policy is that the West provides concerted efforts, sustained efforts, but based on the right perception of who we are dealing with, because without the right perception there will be no right strategy and then the policies also will be inadequate. Thank you.

MS. HILL: Thank you. Ambassador Motsyk?

AMBASSADOR MOTSYK: Thank you very much, Fiona. Thank you to Brookings Institution for organizing this event during the times which are very difficult for Ukraine.

Ukraine, Georgia, and Moldova have been facing the same challenge for a long time. Putin cannot give up the idea of restoring the Soviet Union in a new form,

the dissolution of which he called the greatest calamity of the 20<sup>th</sup> century.

For a long-time, Russian political elite has failed to recognize the fact that Ukraine, Moldova, Georgia, and other former Soviet Republics, sovereign states, which have the right to choose their own destiny. Illegal Crimea annexation and the efforts to split up Ukraine clearly show that the Kremlin is ready to use all tools, including brutal force, to stop democratic developments in our region.

Despite all international efforts to find a way to force the aggressor to withdraw from Ukraine, the situation in my country remains very dangerous. The current status quo has not changed. Crimea, an integral part of Ukraine's territory, has been occupied and illegally annexed by Russia, a country, which, according to Budapest Memorandum of 1994 reported to be a guarantor of Ukraine's territorial integrity.

The pretext for Crimea's annexation was fully fabricated. The so-called referendum that the Kremlin used to legitimize the annexation on Crimea was completely boycotted by Crimean Tatars, the indigenous people, as well as by two-thirds of the entire population of the peninsula as only 32.4 percent of voters took part in that farce.

This means that the overwhelming majority has rebuffed that referendum and rejected the secession of Crimea and its annexation by Russia. Now the situation continues to escalate. Russia is using the same tactics as in Eastern -- Russia has been using the same tactics in Eastern Ukraine as it was in Crimea and as it was in 2008 in Georgia, cowardly sending to Ukraine special operatives to ferment provocations as well as the same green men armed with the latest Russian weapons.

Moscow provides lasting financial support for the separatists and orchestrates their activities. Even more, it directly runs them.

It's a new type of warfare. At the same time, the main problem for aggressive policy of Russia in Ukraine is the absence of popular support of separatism.



Recent polls show that the overwhelming majority of people all over Ukraine, including about 80 percent in the east and south, are strongly against separatists and in favor of a unified Ukraine. These polls also show that peoples' rights to speak whatever language they choose are not in any way constrained.

It clearly proves that there are no grounds for internal conflict in Ukraine. Despite Russia continuing to stress that Russian-speaking populations need protection, there is no threat to their rights in Ukraine. This has been repeatedly confirmed by the OSCE, the Council of Europe, and other international bodies.

Tens of thousands of Russian troops are accumulated now near the Ukrainian border. The threat is looming over mainland Ukraine and this threat is very serious. Over the weekend, Russia has several times violated Ukraine's air space to provoke it into starting a war. It is one from many examples how Moscow builds a pretext to likely intervention. And if Russia invades mainland Ukraine, we will defend our country.

Russia's inflammatory rhetoric is also in strong terms undermining stability, security, and unity in Ukraine. People in my country are terrorized, are horrified, and live in a constant psychological threat.

As you know, the April 17 meeting in Geneva, Ukraine and Russia both committed to take steps to de-escalate the situation in the Eastern Ukraine. We appreciate the active mediation role of the U.S. and the EU. The purpose of the Geneva talks was to improve security conditions and to find a political solution to the conflict threatening the sovereignty and unity of Ukraine.

The government of Ukraine, pursuant to Geneva accords, immediately agreed to help vacate buildings, announced the new amnesty legislation, suspended counterterrorism activities, demonstrated its commitments to undertake comprehensive

constitutional reform that would strengthen the powers of the regions, is ready to provide the special status at the local level to the Russian language.

But Russia has refused to take any concrete actions in order to meet its Geneva commitments. As Secretary Kerry pointed out an hour ago, speaking at Atlantic Council, and I quote, "Not one single step has been taken by Russia." [end of quote]

The Kremlin has even rejected that Russia took any obligations stressing that it was about Ukraine's internal efforts only. Russian leadership has not condemned the extremist groups, has not publicly encouraged them to disarm and to vacate seized buildings, has not condemned the hostage taking of foreign journalists, has not provided any suggestion on how the de-escalation measures should be implemented.

In Geneva we agreed that monitors from the OSCE would have unfettered access to any part of Ukraine. We also agreed that all parties would work to create that access and to provide help to the OSCE in order to do this.

A couple of days ago the group of eight OSCE monitors and five Ukrainian Army personnel has been taken hostage by pro-Moscow militants in Eastern Ukrainian city of Sloviansk. It is an outrageous and unacceptable act. This is another proof that these so-called "peaceful protestors," as they are called by Russia, are terrorists. We ask Moscow to support, without preconditions, the efforts of the OSCE and the government of Ukraine to liberate the OSCE monitors and their Ukrainian guides.

Russian aggression against Ukraine is a great challenge for the whole of Europe and the whole world. It undermines international law and the world order. It ruins the nonproliferation regime. It fully rejects the freedoms and democratic values.

The world has to stop Russia's political, economic, and military intimidation, coercion, and direct aggression in Ukraine. First of all, we need continuing growing support of the U.S. and the EU and Ukraine highly appreciates America's

leadership in this process.

Ukraine welcomes yesterday's new sanctions of the United States and the EU against Russia and we continue to say that sanctions must be efficient. That means that they have to force Russia to withdraw its armed forces from Ukraine, stop supporting the separatists in Eastern and Southern Ukraine. Ukraine's territorial integrity must be restored and we will welcome new sectoral sanctions against banking system and the energy sector to reach these goals.

The price for any legal action against international order and global peace and security should be high. This price should be high enough to force Russian government to be responsible and accountable before the world and its people.

Now, Ukraine has been preparing for presidential elections that will take place on May 25. Moscow is using all means to derail them. We need strong international support and we welcome international observers from all countries to ensure that these elections are held in accordance with the highest standards in a free, fair, and democratic way, because these elections are about Ukraine's future.

And last but not least, how the Kremlin impose the Ukrainian drama ends will significantly affect the future of our region, the future of Moldova, of Georgia, and of other countries as well as the European stability and the overall international system. That's why our success will be everyone's success; our failure will be everyone's failure, and we all simply cannot afford to fail. Thank you.

MS. HILL: Thank you, Ambassador Motsyk. Ambassador Munteanu?

AMBASSADOR MUNTEANU: Thank you very much, Fiona, for inviting me. I'm very happy to be part of such a distinguished team of speakers.

Let me start by a statement. We live in a dangerous time defined by uncertainties and crises and as we know from the history, the history may repeat itself in

tragedies and sometimes under the guise of a farce. Often, we may have both, farce and tragedy, only to underscore the critical edge we have approached.

It is certainly a farce to conduct a referendum in Crimea on independence, only to incorporate it a couple of days later into the body of another state. It is a farce to claim responsibility to protect Russian ethnics with no evidence they need to be protected or reclaim a right to restore an imagined tsarist Novorossiya, carving out pieces from a state that is friendly neighbor.

Borders inviolability, sovereignty and territorial integrity of all states, democratic restraint and the rule of law are the guiding principles that must guide our steps on. Moldova did not recognize the results of the so-called referendum in Crimea and condemned, later, its occupation. We voted for the UN General Assembly Resolution in Ukraine on March 27. We welcomed the agreement in Geneva, April 17, as a way to stop military escalation on Ukraine, disarm insurgence and move away troops from the border, allowing the national government of Ukraine to do what it is supposed to do in order to ensure political stability, prepare for elections, and accommodate regional demands via dialogue and fair representation.

Implemented in good faith, this could have served to restore political stability, bring an atmosphere of legality, public order, safety to the citizens of Ukraine, but the agreement is still a hard sell for the dogs of war unchained, and those little gray and green men that have been mentioned which made their show in Crimea, now play even a larger scene in almost 13 towns of Eastern Ukraine.

Violence is unmatched and political will to resolve it may fade away when a full-fledged combat army is just across the border and ready. If not diffused, this situation may soon turn into major pains to the entire region. We in Moldova firmly believe that war is not a solution to any of the troubles we face today, but let me

elaborate on the risks that may emerge out of here.

First of all, the invasion of Crimea is an open wide invitation to the marginal groups across Europe and the world to mobilize and conquer territories they think they own by historical rights. The precedent of Crimea may spill over in other states hosting national minorities, from Basque ETA to [inaudible] to Vlaams Belang to Lega Nord. And one can find plenty of clients to these violent tactics. Every little claim of being discriminated could be seen as a major security threat following the law and the views of Russian military abroad, a role model to those who wish to respond to their ethnic brethren, small and large, outside of the instruments of the international legal system.

This opens really a Pandora's box of global size with so many commanders-in-chief eager to send their armies to rescue and populist leaders to win nationalistic masses. It is highly contagious.

Second, Russia claims to have the right to protect its compatriots, but such claims need to be dealt only within the existing international instruments and laws, not out of the muscle flexing moves, trade retaliations, covert operations or maskirovka.

Occupation of Crimea is already an easy pick to various extremist groups that may try to copy-paste in the areas of relative control.

The leaders of Transnistria, for instance, were the first in queue to request official recognition and the model shaped out in Crimea in March. Now they feel less motivated to advance towards a political settlement and the major distraction for their standing is the same Russian policy of selective separatist love. This means general [inaudible] sponsoring [inaudible], outfitting their security forces, army, and paying off to the separatist administration. This makes a blitzkrieg more appealing than to keep Tiraspol focused and how to fix tough issues via political talks.

You should know, we in Moldova do considerably effort to share with the regions business and citizens all benefits from our excellent partnership with the European Union. For now, almost 70 percent of Transnistrian goods are exported to the European Union and Moldova. Over 250,000 of local inhabitants in Transnistria are citizens of Moldova. By this week, visa-free regime for Schengen is open to Moldova citizens, including from Transnistria, 30 percent of the holders of the inhabitants of the region, hold already biomedical passports. Notwithstanding the 5+2 format of talks stagnate and both Russian separatists refuse to approach the pillar of any serious progress to political statehood.

As some of you know, we have rejected the federalization plan in 2003 and believe that Transnistria should be part of a unified, indivisible and reintegrated state and no trade-offs on federalization will be acceptable.

Third, the current crisis in Ukraine imposes a big toll on the regional economy. Territorial divisions restrict foreign direct investments, confuse consumers, increase the cost of doing business, and impose huge restrictions in the abilities of the national governments to pursue far-sighted strategies.

It also carries a burden in trade with the neighbors. For instance, we forecast a sharp drop in all trade with Ukraine in 2014, one of Moldova's largest partners. Major infrastructure projects, such as the Silk Road corridor across the Black Sea, alternative energy projects, shale gas investments could be entirely derailed because of the crisis.

So, is this a real wakeup call? We think so. The crisis in Ukraine draws a lot of international attention to Eastern Europe. This is a real wakeup call as many of the U.S. and others tried to assure us while visiting in April Moldova. And this is not just another sort of alert by concerned academia. It is, in effect, a direct threat to the very

concept of Europe, whole and free, as well as of the right of independent nations to choose how they want to live.

This alert is understood far beyond Ukraine, Moldova, Georgia, where we feel we are in the loop of aggressive intentions. Perhaps this is not true to Professor Steven Cohen or John Mearsheimer, with due respect to their convictions.

Second, a striking cognitive dissidence in Russia can be remarked today. We speak about current policies, they respond by spheres of influence. We speak about unified Europe; they speak about historical rights to grab Crimea. This is a sure ticket to self-isolation. As a result, we can see a major reassessment in both United States and the European Union in almost every single area involving Russia, potentially leading towards a new strategy to craft a unified Western response to the most serious confrontation in Europe after the World War II.

But who thought that we would be speaking in 2014 about a real land war in one of the largest European states? Who thought that 19<sup>th</sup> century thinking will revamp former obligations of a modern state, member of a G-8? While diplomatic efforts must continue, we should not forget the famous dictum to speak softly and carry a big stick, meaning the realignment to the intensity of the threats we face today in Europe. This should be the revitalization of the existing security organizations, NATO, OCSE, which must act at full speed to protect the principles they charted as essential -- peace, security, inviolability of borders, and human rights.

Finally, the crisis reclaimed a stronger European Union role and for a new vision of the West, not another excuse to tacitly accept the contours of a new buffer or gray zone as wished in Moscow.

We, in Moldova, believe this shall breathe new life into the European Union to strengthen and drive its economy, its security and fabulous soft power that is so

much in demand today. Moldova is celebrating progress in implementing a visa-free travel to the Schengen area to all its citizens, holders of biometrical passports. It is not a gift, but a serious and laborious work done by the government in a solid partnership with the European Union.

By June, 2014, Moldova will sign an Association Agreement with the European Union, which is enforced by the DCFTA and the vast program of critical reforms in the economic and social fields. 2014 is also the year when Moldova and Romania will finalize their joint gas pipeline interconnection promising alternative gas supply from other than Gazprom sources.

We have not lost our trust in still ending the regional crisis and use the spirit and letter of the major UN Charter, Helsinki final act, instead of guns and paratroopers. But since all the principles and norms are seriously harmed today, we shall be ready to respond as strongly as we can with no further delay. Thank you very much.

MS. HILL: Thank you, Ambassador Munteanu. Eric?

MR. RUBIN: Thank you very much, Fiona. Thank you to Brookings for this invitation to be here today with this very distinguished panel, a panel of very good friends who are also distinguished representatives of their countries, all three countries having democratically elected governments reflecting the will of their peoples and all three countries having chosen to proceed with the road of integration with Europe under the Eastern Partnership.

You mentioned the Eastern Partnership at the beginning as the original concept behind this series of speakers and I thought I would start with that because I think that, in many ways, is where we started. The United States strongly believes in the vision of European integration that we have supported for more than 60 years going back to the days of Monnet and Shuman. We believe in bringing down barriers and borders



and obstacles to travel and trade and people to people contact. We believe in bringing about all of the benefits that come from having one Europe, whole, free, and undivided. That vision is as valid as it has ever been and we continue to have that in the forefront of our vision when we look at our policy and look at our response to the events that are happening now in the region.

We have supported the Eastern Partnership both as a logical continuation of that vision, but also as a very clear response to the desire of many of the countries in the region to proceed with bringing their countries -- their societies closer to Europe, and the result in the Eastern Partnership is three countries now moving forward with Association Agreements, Deep and Comprehensive Free Trade Agreements, a level of association integration that has not been seen before in the region or really anywhere that the European Union has done Association Agreements.

We believe that the possibilities are exciting. We believe that this will change the face of the region and it's something that we've supported consistently since the beginning. No question the road leading up to the Vilnius summit was bumpy and the summit itself may not have been exactly as envisioned when it was planned, but in the months since we have seen rapid and clear progress by the three countries represented here toward achieving those agreements, implementing them quickly, and beginning to show the benefits to their own population and to Europe as a whole.

So, in terms of positives, this is something that has the support of the United States. It's something that we have worked very closely with our colleagues in Brussels and throughout the member states of the European Union to help do our part to support, as a country that's not a member of the European Union but has been a consistent supporter from the beginning.

The second thing, I think, in terms of positives is to emphasize the vision

of one Europe, whole, free, and undivided -- as I mentioned, the vision of a Europe at peace without new walls, without new barriers, without new divisions, is something that is central to the future. This is not just hackneyed phrases from the past, this is the key to the future of everyone in Europe, everyone in the Transatlantic community, and really, as my colleagues here have said better than I can, the foundation of a stable, prosperous, and peaceful world order going forward. Without those principles, I think there's a lot to fear and I think that is why the current moment is so important.

Let me talk a little bit about some less positive aspects, and my colleagues have addressed them at length, and my boss, the Secretary of State, addressed it just a few hours ago. So, I won't go into too much detail except to say what we're seeing very clearly, which is that there's a clear way forward in Ukraine toward achieving the goals that were agreed to in Geneva a week and a half ago. Those goals are clear and as the Secretary said earlier today and has repeated many times in the past week, we believe the Ukrainian government has done absolutely everything it committed to, has done so rapidly, and with a seriousness of purpose that has led to achieving substantially all of the goals in that agreement within less than two weeks, and we applaud that commitment. It has not always been easy, but the Ukrainians have done what they promised.

As the Secretary said, Russia has not done so at all and we call on the Russian Federation to use all of its influence to de-escalate the situation, to reach out publicly and privately to the people behind the escalation of tension, of violence in Eastern Ukraine, to get them to de-occupy the buildings they're occupying, free the hostages they're holding and the prisoners. We have not once heard the Russian government speak on Russian television in Russian to say to the hostage takers and the building occupiers, "Go home, you do not need to do this. We ask that you free your

hostages and your prisoners and de-occupy these buildings.” We need to hear that from the Russian government on Russian television in Russian to these people who are watching Russian television. It does not help to do it in English in international fora.

Second of all, we need to be very clear that, as Ambassador Motsyk said, there’s no question that throughout Ukraine, the vast majority of the public does not support secessionist activity, does not support violence, does not support activities that cause damage to people and property, and threatens stability of the country. They will be having an election on May 25<sup>th</sup>. The election is scheduled by their democratically elected parliament. The elections on May 25<sup>th</sup> will elect a new president and new local authorities. This is an absolutely critical step toward not just achieving stability, but achieving a path forward for Ukraine to regain stability, move forward on increasing prosperity, and implement the association agreement with the European Union and achieve all the benefits that that will bring.

This is something that has been established by the Rada that reflects the people of Ukraine. It’s something that must be supported. The United States is going to do everything we can to help make those elections a success. Together with our partners in the international community, we’re devoting significant efforts both to helping the elections succeed technically, but also to providing observers and others to help ensure that the elections are free and fair and unobstructed. And this is something that we believe all members of the international community, importantly including the Russian Federation, should support as well. This is the way forward. This is what the people of Ukraine have asked for.

Second of all, we think it’s very, very important for steps to be taken to de-escalate the crisis that is getting worse by the day in particularly cities in Eastern oblasts, in Donetsk, in Luhansk, in Kharkiv, we were deeply saddened and deeply sorry

to hear of the attack on the Mayor of Kharkiv, who is now in intensive care in a hospital in Israel. We believe that there has been an entire series of gross human rights violations, murders, torture, abductions, hostage taking, in the areas where this activity is taking place. It's unacceptable. It's an outrage in 21<sup>st</sup> century Europe. We believe that those responsible should be held accountable.

Most importantly, we believe that the people that are being held need to be freed rapidly. That includes everyone who is being held -- Ukrainians and members of other governments -- and one of the things that has troubled us most in the past week was the abduction and imprisonment of the international military observers from the Vienna document team of the Organization for Security and Cooperation in Europe. To abduct and hold hostage foreign military observers there at the invitation of Ukrainian government is an outrage. Again, we call on Russia to immediately call for their unconditional release and return to their governments. We call on Russia to do that in Russian, on Russian television, so that the people holding them know that that is the position of the Russian government.

Furthermore, we call on everyone involved to do everything possible to avoid escalation of this crisis, which is undermining exactly the chance to address all the problems that have been identified by everyone involved. In the case of the Russian Federation, Russia has called for decentralization, has called for respect for minority and language rights. The Ukrainian government has spoken very, very clearly, including Prime Minister Yatsenyuk in the past 24 hours, specifically addressing those points, showing the readiness of the Ukrainian government to do that, it proceed with constitutional reform, which was addressed at the first Constitutional Reform Commission -- today -- meeting in the Rada.

There is a very positive vision going forward, it's of Ukraine representing

all of its people in association with the European Union, addressing all the concerns that its citizens have addressed in a democratic way, through elections, through a free legislature, through decentralization. We believe very clearly that a majority of Ukrainians want this path and this is something that is their right as a sovereign independent country, as a democracy where the peoples' voice should be heard, and that is something that will have our very, very strong support.

They're going to need more support than that, obviously, and the international community, the United States, the European Union, others, have responded with a very significant package of economic support, through the IMF, but also directly bilaterally. Ukraine will get the support it needs to get its economy back on its feet. That is a critical element, obviously, not just for survival, but for moving forward in association with the European Union.

This is not just going to be financial support, but also significant increase in technical support, technical assistance, including a large package announced today by the European Union, earlier additions announced by us in the past two weeks, and we are committed to seeing that Ukraine has the support. That has to go together with serious efforts to address the corruption and governance problems that put Ukraine in the situation that it's in now, in many ways. We believe that for the first time in a long time you have a national consensus in Ukraine, you have a national consensus in the Rada, in the government to doing that.

I was with Vice President Biden in Kiev last week and we didn't just hear seriousness about this, we actually saw concrete legislation, we saw moves to seriously address these problems, and this is an opportunity for the Ukrainian government and the Ukrainian people to seize to get themselves on the right track.

As the Secretary also said earlier today, we believe that if this situation

continues to be intentionally escalated, if this situation continues to go in a direction that does not reflect the will of the people of Ukraine and the will of their democratically elected government, if we continue to see outrages against the human conscience, including violence, hostage-taking, abduction, then obviously there's going to have to be action, and as the Secretary said, in addition to the very serious steps that we have announced, that the Europeans have announced, that the Japanese have announced, that other governments have announced, there is a very serious intention to be prepared to go further with additional steps until it is very clear to the Russian Federation that this kind of action is not acceptable and must be stopped.

So, I think there is a seriousness about supporting Ukraine, but if I could loop back and also just add, this isn't just about Ukraine. This crisis at the moment is about what we're seeing in the headlines, what we're seeing on television, but the larger question really is not just about Moldova, about Georgia, but really about the principles involved, the principles that countries have the right to decide their own future, to decide their own partnerships, to decide their own economic relations, and that free elections are the foundation of legitimacy and that democratically elected governments have the right to make these decisions for their own nations. And I think that is something that's fundamental, together with the principle that borders cannot be violated by force, that you cannot create pretexts and use provocations to try to then undermine international legal agreements and obligations. This is fundamental as well.

So, suffice it to say, we take this moment very seriously. We take our obligation to support our friends and partners in the region very seriously, but also we take those principles very seriously and this is something that I think is critical work and something that we're committed to going forward. Thank you very much.

MS. HILL: Thank you, Eric. I'm going to take the prerogative of the chair

to give you a question that may come from the floor, but probably would come in another setting, and I won't to put Ambassador Motsyk on the spot for this. Because of course you've done a lot of stressing of democratic elections and one, of course, of the arguments that the Russian government has made is that there's been an overturning of the legitimately democratically elected executive leadership in Ukraine.

It may well be the case that the Rada remains legitimate because of it being elected in a free and fair election, but that the events from February onwards led to the overturning of the presidency. And this is, of course, one of the reasons why Russia is acting and is asserting a right to act in protection of Russian speakers, Russian citizens, Russian passport holders, and other compatriots in the region.

This, obviously, is something of a difficult situation. We've heard Foreign Minister Lavrov also push back on us about what would we think if, for example, Russia recognized the results of overturning of governments -- and he's used Greece and other places in Europe, for example -- as examples of where street protests could get out of hand given economic or political situations. I mean, how do we respond to this kind of pushback from the Russian government and frankly even maybe people here in the audience who are thinking similar things? From a U.S. perspective?

MR. RUBIN: Sure. Well, I mean, I think it's very important to say from our perspective, and we believe this is a fact-based perspective, that everything that happened in Ukraine from February onward was in accordance with the Ukrainian Constitution. The simple fact is that President Yanukovich piled suitcases full of cash into cars and fled the country.

Now, you can argue that there was violence preceding that, but the violence preceding that was mostly mass snipers cutting down peaceful demonstrators in the Maidan. That was the violence that preceded President Yanukovich's departure.

The fact that he fled without signing the legislation implementing the February agreement was his choice and it is fair to say, from our perspective, that the Rada found itself without a president and the Ukrainian Constitution very clearly lays out what happens when there is no president and that is that the Rada elects an acting president, and the Rada did that and elected the speaker of the Rada as acting president. This Rada did so with support of more than 80 percent of its members. I would argue that 80 percent of any elected legislature is a super majority exceeding that in any of our countries, probably in every country in the world 80 percent is decisive no matter what, and these fundamental decisions on creating the new government -- transitional government -- preparing the way for elections, were taken with the support of President Yanukovich's own party.

So, this essentially was a series of national unity decisions by a legitimate legislature, according to its own constitution. We don't believe there's any legitimacy issue at all nor do most Ukrainians.

Now, is this a permanent solution? No. That's where there need to be elections and these elections in May have also been scheduled by a vote of a significant majority of the Ukrainian people's elected representatives in accordance with the Ukrainian constitution.

We find it very hard to understand, as Secretary Kerry has said, how Russia can question the legitimacy of the current leadership in Kiev and then say that it doesn't want to have elections to choose a new president. That is completely illogical. There's no question that a free and fair election will provide legitimacy to a new president who can help lead Ukraine forward.

MS. HILL: Thank you. I thought we'd just get that one out of the way before we move to the floor because this is obviously a question that we're constantly



getting in these contexts, on the Internet, and everywhere else.

So, let me take two or three questions at a time. I'll try to move down the hall. I'll take these two gentlemen over here and then we'll move over here.

So, at the very back by the camera. And then there's a gentleman with a blue shirt here. So, you first, sir, and then if people could introduce themselves and then ask a question.

QUESTIONER: Thank you very much. I'm Gabriel (inaudible) a Fulbright visiting scholar at the Law Library of Congress. I would like to know U.S. views whether you support some initiative to bring Yanukovych in front of international tribunal on human rights.

MS. HILL: Okay. Sir?

MR. SANCHEZ: Hi. My name is Alejandro Sanchez. I'm an analyst at a think tank in Washington. My question is actually for the Moldavan ambassador. You talked about Transnistria. I was wondering if you could talk even more about the referendum that happened in February of the Gagauz people. We know they were regarded as illegal, but what does it say about the future of Moldova as a united entity if one of its minorities, 150,000 people more or less, would like to switch from having relations with the EU to having relations with Russia and the Customs Union. Thank you.

MS. HILL: Thank you. And there were two questions over here, both the aisle and across the --

QUESTIONER: Brian Beardy, Washington correspondent for Euro Politics. Just a question on sanctions. Right now, both the EU and U.S. are considering whether to scale up their sanctions from individual sanctions to sector-based sanctions. And what's your message to them as they're considering this issue, particularly to the EU where it's a much more painful decision to take because the economic consequences for

the EU are much greater.

MS. HILL: Thank you. And then the gentleman here. And I will come back to the panel and then come back again.

MR. SHORE: The U.S. could officially declare Russia a state sponsor of terrorism. Is the State Department actively considering this?

MS. HILL: Could you identify yourself, sir?

MR. SHORE: Steven Shore.

MS. HILL: Thank you. Okay. Let's go back along the panel. Ambassador Gegeshidze? You don't have to answer all of the questions, but we'll go back along the panel and get some response to some of these.

AMBASSADOR GEGESHIDZE: Let me respond in answer to the question regarding sanctions. As I already mentioned in my short speech, sanctions can be of two -- have two main objectives, one, to punish the other side and one to change his behavior or change his policy, in this particular case to deter from federal intervening into the Eastern Ukraine and elsewhere in Ukraine.

I think that the sanctions, which have been already applied now, they are -- they probably -- they may work in that they can make Russia kind of give up with its further plans to invade in the Ukraine, but my point is that this would be only a temporary thing because just deterring Russia is not enough because Russia has never accepted, since the collapse of the Soviet Union, freedom and freedom of choice of its former satellites within Soviet Union.

So, unless Russia accommodates with the fact that the former Soviet Republics, all of them within exclusion, they do have -- without exception -- they do have a right of free choice of their orientation, then similar things may happen two years from now, five years from now, or ten years from now, because Russia will always try to seize

the right moment and come back again.

So, my point is that these sanctions should be an instrument of the policy, which on its part should be based on a vision of Russia as an adversary and also threat source of the threat to the values and principles and interests of the West, not just of our part of the world.

Yes, elephant is in the room, but this room is not only ours. This room is all of us. I mean, it belongs to us. So, that means that this action should be sustained even if Russia declares that "I'm giving up my plans to go into Ukraine," the existing sanctions should not be reversed because there is already the fact of the annexed Crimea. And also, there is the fact that Russia still does not accept the free choice of the nations in its neighborhood.

So, unless, again, Russia accommodates to that, then there should be a very firm and very consolidated and consistent and sustained response to Russia. That is my response on the sanctions.

MS. HILL: Thank you. Ambassador Motsyk?

AMBASSADOR MOTSYK: Thank you. On bringing to international court former President Yanukovich. He is a criminal. He committed crimes against his own people. He is guilty of killing of more than 100 people. So, he is subject to Ukrainian legislation and to bringing to justice in Ukraine and Ukraine already appealed to Russia to extradite him. But as well within that -- or rather we have been looking and we have been studying the case, if also he can be brought to justice to international courts for the crimes that he committed.

MS. HILL: Thank you. Ambassador Munteanu?

AMBASSADOR MUNTEANU: Thank you very much, Mr. Sanchez, for your question. Since I represent also Gagauzians, I have to tell you about some

elements of the history of this region. First of all, the Moldovan Constitution provided special territorial autonomy for the Gagauzians. Today, they are fairly well represented in the parliament of Moldova. There are five parliamentarians of Gagauzian origin.

The reason for holding a referendum on the second of February this year was to respond to some of the pushes from Moscow simply because, as a result of the embargo on wines, Moscow stated, okay, the Moldovan wines are not good to be traded in Russia, but some of the Gagauzian wines can be allowed and can be somehow encouraged in the market of Russia.

This does not make any sense from a technical point of view because the same wines are everywhere and of course the same standards for wine are imposed on all wine makers in Moldova. But it was a way to take the Gagauzians, which are more dependent on this kind of industry, wine making, to be -- to rely on this kind of targeted to our individual support.

Therefore, when the leaders of Gagauzia, of this region, started to explain to the ordinary citizens why they should hold a referendum, they simply stated to the population, if you want cheap gas, if you want higher pensions, if you want wines to be traded in Russia, vote for the referendum.

So, in my view, it's a kind of political corruption. It is a political corruption allocating some additional incentives to minorities and then play off their regard in a larger political game in the country.

MS. HILL: Eric?

MR. RUBIN: Thanks. On the question of justice and accountability I would defer to Ambassador Motsyk and we defer to the Ukrainian government on how this question should be pursued, but I should say that we do very much believe in the principle of accountability, we believe that terrible things happened in Ukraine, shocking

things in the past six months, and we will support efforts to ensure that there is accountability, that there is justice. We will defer to the leaders of Ukraine to decide how that happens.

But I should add that we are actively working to assist the Ukrainian authorities in tracking down where the tens of billions of dollars in national wealth that were stolen have gone to see how much of it can be returned to the people of Ukraine and to do everything possible to assist with the forensics to help recreate the pattern of -- not recreate, but to trace the patterns of corruption and thievery that brought Ukraine to its knees to ensure that that never happens again but also to get back as much of that wealth as possible.

On the question of terrorism/not terrorism, I think at this point, without getting into terminology, we're simply going to say that there is a positive way forward that needs to be seized and that is to de-escalate this crisis, follow what was agreed at Geneva, stop creating facts on the ground that are very hard to turn around, and move towards supporting Ukraine as it goes forward with elections, economic stabilization and reform, and the association agreement.

MS. HILL: Thank you. And this gentleman here.

MR. HARRISON: I'm Ross Harrison from Georgetown University. I started seeing two pillars of the discussion today, one was that this is not just about the Ukraine, it's not just about Georgia, it's not just about Moldova, it's about an affront to maybe an international order that has emerged in the 20<sup>th</sup> and 21<sup>st</sup> century, and we have heard another pillar about sort of the beliefs about what Russia's response has been an affront to.

My question is, within the acceptable bounds of risk, what are the capabilities and the willingness of the United States to actually contain Russia's actions

preemptively rather than waiting for Russia to do the next thing? What are some of the limits of our capability and our willingness to actually act? Thank you.

MS. HILL: Okay, there was somebody else. Yes, so the gentleman over here in the green tie. Yes, down here. Over here first.

QUESTIONER: Thank you. Oliver Bagus, CSIS. My question is a follow up on sanctions. I've seen the sanctions policy from the West described as coordinated and complementary, but not necessarily identical, and if you look at the list, that's very clear -- the U.S. list and the EU list do not match. I'm wondering, is that the policy moving forward with sectoral sanctions? Will individual countries or the EU be able to decide how to and on what sectors to impose sanctions? And if so, how does that potentially undermine the impact of the sanctions or affect the way that they're perceived and felt in Moscow?

MS. HILL: And another question down here.

MR. YALOWITZ: Hi. Ken Yalowitz, Wilson Center. I have two economic questions. I'd like to ask Ambassador Motsyk, the Crimea obviously was intimately connected to the rest of Ukraine and now it's not. Where are they getting their oil, their water? I mean, is there any leverage that you have in terms of things that are coming from the rest of Ukraine to Crimea, or is it completely cut off now?

The second question, for Eric, what are we telling our energy companies about, you know, investments? They're doing business in Russia right now. Are we saying anything or is it just business as usual?

MS. HILL: I just want to make sure -- I think I missed some -- somebody else had a hand up. Maybe they've given up. Did I miss anyone? Okay, we'll go back to the panel and start with Eric this time.

MR. RUBIN: Thanks. Let me say on the question of sanctions and tools

at our disposal, what I can tell you is that our government, and I would say not just the Executive Branch, but certainly the Congress, from what we've heard from members of Congress including a large number who were recently in the region over Easter break, and the European Union and the member states have acted with seriousness of purpose and have communicated a very strong message and have made clear that we are prepared to act in a coordinated way going forward to take further steps if necessary to direct the situation in a more positive direction.

We have a positive vision, and I think it's important not to assume failure and I think it's important not to assume that we can't get the situation to a better place because I think we're determined to use all of the influence we have to do that, and I think the vision that we started with, the vision, not just of the Eastern Partnership, but if you go back to what we have been saying since the beginning of the Eastern Partnership, to what the governments represented here have been saying, it's a cliché but it's really true, this does not need to be zero sum, the vision of integration, it's an inclusive vision, it's a vision that presupposes no new boundaries, no new divisions, free trade, free movement of people. This can apply in all directions and there's no reason this can't be a recipe for stability and prosperity across the entire region.

We're not giving up on that vision. The governments represented here are not giving up on that vision. I think it's important to say that in the near term obviously we've got a crisis to deal with, but we are not walking away from the importance of keeping that horizon in view.

I also think, very importantly, it should not be assumed that there's not a willingness to do the hard stuff and I think you've seen already in the sanctions response quite a bit of readiness to do that, but I don't acknowledge some of the arguments that there's no way that the United States and Europe are going to do anything further. I hope

that everyone will take seriously what we say, what the European Union and the member states say because I think there is a recognition of the importance of this moment.

MS. HILL: There was the question also of the international order that Ross Harrison posed here as well about what are our capacities and willingness, I guess, to contain, I would guess the question is also want to contain given all the other equities. I mean, one thing, just to add to Ross' question here, this is not just in Europe that everybody interacts with Russia. Next year, the United States will have the chair of the Arctic Council where Russia, along with Canada, are two of the nations that have most of the territorial mass, a very large percent of it, either in Arctic or Sub-Arctic territories. Russia has other equities in the Asia Pacific where it's a presence if not necessarily a power. There are many other things that we have on the agenda leaving aside all of the discussion about Iran, Afghanistan, Syria, but more globally where Russia has to play some kind of role, we had a positive engagement with Russia in anti-piracy, in Somalia at the high seas.

I mean, where do we take all of this beyond the crisis that we're facing now?

MR. RUBIN: Well, I think that's also very important big picture question and I think if you look at what President Obama has said, what Vice President Biden has said, what Secretary Kerry has said all in the past week, we take very seriously the role that Russia plays in the international community and we want to work with Russia. This is not about breaking the U.S.-Russian relationship, the relationship that multilaterally we all have in solving these global problems, we think that's essential. And we don't believe that we brought about this crisis. And so, our answer would be, indeed it is important that we be able to work together to address the real pressing challenges in the world and that's why it's important to de-escalate this crisis, ensure that the countries in the Eastern



Partnership, particularly the three countries moving forward with association agreements, are able to act in accordance with the will of their people, but then also have the ability to have that relationship that we seek.

But at the same time, we can't be in a position of ignoring some of the outrages we've seen and the real challenges to international law and to the foundation of post-war Europe.

MS. HILL: As we move along the panel, there's a very specific question to Ambassador Motsyk about economic linkages, but I think as Ambassador Gegeshidze and Ambassador Munteanu have also brought out, I mean, Georgia and Moldova also have very important economic linkages with Ukraine, but also with Russia. I mean, in all the cases of our three countries that we have represented here, there are significant populations inside of Russia, not just Russian speakers outside of Russia itself, but Moldovans, Georgians, and Ukrainians who are Russian citizens inside of Russia, but also migrant workers and people who are there who have a presence, who work there, but, you know, move backwards and forwards.

I mean, when we look forward to the further unraveling of this crisis and imposition of sanctions, there's also going to be an impact on all of the three countries by the sanctions being imposed on Russia, not just on Moldova, Ukraine, and Georgia, but also especially on countries like Tajikistan where a huge percentage of the revenues of the state and the state budgets come from remittances, and in fact the Tajiks have a dual citizenship, an official dual citizenship with Russia, which kind of adds some complications, the fact that there are Tajiks with Russian passports who might not actually speak Russian, but fall into that compatriot emblem that the Russians have put on all of this.

How is this going to impact, do you think, not just your countries, but the

broader region, when we think about sanctions, economics, and all of these issues that we have on the table? Perhaps you could think about that as you also respond to the questions specifically asked.

AMBASSADOR MUNTEANU: I have mentioned already that everything that is happening today in Ukraine will impact economically, Moldova. Ukraine is one of the largest partners. We have more than 1.4 billion of USD in bilateral trade. Then there are myriads of consequences emerging from the unease felt by rural populations. There are Ukrainians that are willing to get Moldovan citizenship, there are Moldovans flying from these different regions because of this escalation in Crimea. And, of course, the Moldovans which work and live today in the Russian Federation, according to the estimates we have 600,000 of Moldovans working today in the Russian Federation, a lot of remittances, and we may expect that Russia may retaliate by sending the Moldovans back home, which, again, will increase the social pressures, will increase the leverage against the government, and will complicate the situation in an electoral year.

So, everyone loses from this situation in Ukraine. There is no any kind of expectation that Russia will win and as a result of this kind of zero sum game, in the heads of some of the politicians, the whole picture in Europe is becoming painful to (inaudible) from.

The solutions, of course, will not emerge from Moldova only or from Ukraine, it is a collective effort that has to be taken into consideration and this collective effort has to be more creative. The conventional ways to respond to such crises have not shown force so far. We have to be more creative and more decisive. Thank you.

MS. HILL: Thank you. Ambassador Motsyk?

AMBASSADOR MOTSYK: Thank you. First of all, we will never recognize annexation of Crimea. Crimea is and continues to be an integral part of

Ukraine, and territorial authority to Ukraine, including Crimea, was recognized a couple of weeks ago by the United Nations General Assembly resolution when majority of the world community, including the European Union, United States, all Western countries and a majority of other countries all over the world, recognized and supported territorial authority of Ukraine.

Saying that, I would like to point out that we will continue to supply water and electricity and other supplies to Crimea. Yes, Crimea is heavily dependent economy of Crimea on the mainland Ukraine, but at the same time, there is a commercial side of the situation and assure that Ukrainian's experts will calculate what it costs to supply water and to supply electricity and to make other supplies to Crimea, but we are going to continue supplies. Thank you.

MS. HILL: Thank you. Ambassador Gegeshidze, you've actually had this direct experience in the case of Georgia, particularly with Abkhazia where there was shared electricity, shared water resources, and obviously a very difficult situation after Russia recognized the independence of Abkhazia and South Ossetia, of course not being recognized, then, by the rest of the world community.

I mean, it might be worth at least offering observation on that in this context too, in addition to the observations on this question of sanctions.

AMBASSADOR GEGESHIDZE: Thank you. Just to complete my observation on the sanctions, I would like to make a point that we should not solely focus on sanctions. We should be speaking about response. We should be speaking about the price tag, which Russia should be paying if -- for whatever it has done, and for whatever it has future plans to pursue.

So, the price tag or strategic response should include not only sanctions, which would be really crippling and well targeted, but also this response should include

also, for example, NATO rebalancing its military posture and our presence in the Europe's East, it should include greater diplomatic, political, economic support to Ukraine, Georgia, and Moldova on the part of the whole -- the Western governments. It should include the EU opening up European perspective for these three countries who are willing to pursue and who are willing to continue on paying high prices for the choice, and also the NATO and allied members of the NATO should not shy away from recognizing that Georgia is ready for greater integration with NATO, and many, many others.

So, this should be a systemic -- a robust kind of collection of different decisions and instruments, which should make up a response to Russia. As it comes completely to the sanctions, to what extent it may hurt our communities within Russia, yes, in Russia there lives a large diaspora of Georgians, some one million people still work and live in Russia, but these sanctions, well targeted, including even if they are sectoral sanctions such as targeted on finance -- the sector of finance -- energy and defense, this, of course, will hurt Russians -- residents of Russia including Georgians and Moldovans, Ukrainians, and others, but most of these people, they are employed in the small- and medium-sized businesses and they are mostly -- their businesses are mostly related with trade rather than governmental jobs and so on and so forth, so I don't see that there will be immediate damage to their economic interests.

But in the meantime, these sanctions should be enough biting together with other complementary measures, as I already outlined, that Russia does change its policy not externally, but also domestically as well, so that to allow -- accept the necessity of democratic transformation and more freedoms and more choices for its citizens, which eventually will contribute to the welfare of all the residents of Russia, including Georgians, Moldovans, Ukrainians and others.

As regards of our relationship of central government to its breakway regions, you mentioned this relationship between Georgia and Abkhazia on the sharing electricity. This has been the case since early '90s, which even the war in 1992, '93, didn't disrupt this cooperation because both sides they understand that this is very vital. That's why the crisis, which happened over the last two decades in '92, '93 war, 1998 events in Gali, then 2006, then 2008, none of these crises disrupted this relationship.

But unfortunately, out of this relationship on sharing electricity, there is not much to come into (inaudible) in terms of (inaudible) cooperation and trade. Unfortunately, they are very much isolated, at some point, self-isolated, and very much stuck to Russia, and they don't see -- they don't want to have to be opened up for trans-border cooperation with the rest of Georgia.

But we hope that as Georgia signs the Association Agreement with Europe, as Georgia further develops, then the center of gravitation will move from Russia, Sochi area, to the rest of Georgia, and then probably the Abkhaz and the Osset elites will understand it, it is a natural environment, the rest of Georgia, for them to trade with and to cooperate with. But this is something for the future.

Between now and then we need to get there -- first of all survive having this very strange neighbor to the north. As Ambassador Motsyk mentioned, as many mentioned these days, is famous -- put in this famous phrase, that the greatest calamity of the 20<sup>th</sup> century has been the collapse of the Soviet Union. I would -- of course, none of that would agree with that, but what I would like to suggest is that I think that if not the greatest calamity, but the greatest unfortunate mistake of the 20<sup>th</sup> century has been that the Titanic sank in the high waters of the Atlantic and not Aurora in Neva River, which was the source of all our troubles starting from early 20s. Thank you.

MS. HILL: And it's still there, isn't it? Before we conclude, I'd just

actually like to see if any of our other distinguished guests would like to make a final comment, if there's something that you feel that you would very much like to say that didn't get covered in the course of the questions.

I mean, obviously, this is a real time set of events. Eric's phone was ringing, which led us to feel a little bit nervous when he was looking at it that hopefully something else has not happened, and poor Ambassador Motsyk is obviously having to deal with everything in a real time.

But, I mean, we're very grateful to have you here. We hope that we will obviously have you again here under improved circumstances, but nonetheless, I mean, this is a pretty critical set of issues. As we've all said, it's not just about Georgia, Ukraine and Moldova. I mean, it's obviously the role of the United States is specific. We haven't had EU representation on this particular panel, but as all of you know, we have very frequently our colleagues from the EU Delegation, representatives of European governments, and we also hope to have meetings with our Russian counterparts when people come through, and more of a chance to talk about these very important issues and we obviously hope that this crisis will be swiftly resolved, so we better let Eric, Ambassador Motsyk and his colleagues go to make sure that that has a chance, and thank you to all of those -- everyone here for joining us here today in spite of the rain and we very much appreciate all of your participation. Thank you.

\* \* \* \* \*

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2016