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Introduction:

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Remarks:

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P R O C E E D I N G S

MR. TALBOTT: Good afternoon, everybody. I'm Strobe Talbott and it's my great pleasure and honor to welcome all of you here. And with respect to our guest of honor, Ambassador Rice, I want to welcome her back to these premises. She is a former colleague of Martin Indyk's and mine, both here at The Brookings Institution and in government during the 1990s.

And a special welcome to her mom. How about that? Her mom has come out -- (Applause) -- to hear her daughter speak on a very important subject. But I have to say just a quick word on Lois Rice.

I'm quite sure that in the 99-year history of Brookings there has only been one mother-daughter team here at The Brookings Institution, both senior fellows, one in Foreign Policy, Susan, and Lois in Economic Studies, at the same time. And Lois continues to be a very important part of this institution.

Now, as you all know, Susan is here to talk about the National Security Strategy for 2015 and into the future. The origins of this document and this exercise within the Executive Branch goes back to the aftermath of World War II and the dawn of the Cold War. Today, the big challenge facing the United States and its partners and allies in the international community is not containment, although Russia is back and moving backwards in troublesome ways. But rather the number one challenge today is building an inclusive, cooperative, and efficacious international system that will, among other things, bring rule-based order out of violent chaos of the sort raging in Eastern Ukraine and in the self-proclaimed Islamic State. That's a goal of a new initiative that Martin Indyk and his colleagues in the Foreign Policy Program, which is Susan's alma mater here at Brookings, will launch next week.

We hope, Susan, that our efforts here at Brookings and those of other

think tanks will reinforce the government's efforts that you're going to be talking to us about today. So the podium is yours, but let me tell all of the, what do I say, Tweeters -- I almost said Twitterers -- the Tweeters here can follow and report on what Susan has to say under the hashtag of #2015NSS.

Susan, thank you. (Applause)

MS. RICE: Good afternoon, everyone. Thank you very much, Strobe, for that very kind introduction. And thank you to everyone here at Brookings.

As Strobe said, this was my home for six very peaceful years. And truthfully, I miss it. And thank you especially for saying such kind words about my mom, Lois Rice, whose ties to Brookings go back many, many years.

Looking around the room, I'm grateful to see many friends who challenged and encouraged me throughout my tenure here at Brookings and who continue to generate some of the best ideas for America's foreign policy. So broadly speaking in every respect, I'm very glad to be here.

This morning, President Obama released his 2015 National Security Strategy. Fundamentally, it's a strategy to strengthen the foundations of America's power, political, economic, and military, and to sustain American leadership in this new century so that we can surmount the challenges of today and capture the opportunities of tomorrow. Our strategy is guided by the same four enduring national interests that we laid out in the 2010 National Security Strategy: security, prosperity, values, and a rules-based international order.

Our interests are enduring, but, in many respects, 2015 is a whole new ballgame. Much has changed in the last five years. As a nation, we're stronger than we have been in a very long time. Since President Obama took office, we've arrested the worst financial crisis and repaired the biggest collapse in world trade since the Great

Depression. In 2010, unemployment in the United States was almost 10 percent. Today, businesses have added more than 11 million jobs and unemployment is down to 5.7 percent.

In 2010, our deficit topped \$1 trillion. Today, we've cut that in half to less than \$500 billion. Our kids are graduating at higher rates and millions more Americans have health care. We've unlocked a domestic energy boom that's made us the world's number one producer of oil and gas, strengthening our energy security with huge ripple effects for global oil markets and geopolitics.

We brought home almost 170,000 American troops, responsibly ending two long and costly ground wars, and repurposing our military strength so we can better respond to emerging threats and crises. The diversity and creativity of the American people continue to be a wellspring of American power, driving innovations that are revolutionizing everything from the way we hail a cab to the way we treat disease.

By fortifying our foundational strengths America is in a better position to confront current crises and seize the opportunities of this new century. Yet few know better than we the complexity of the challenges that America faces.

Every day, I start my morning with a briefing that covers the most sobering threats and the difficult problems that confront us around the world. These include the fallout from the Arab uprisings, Russian aggression, Ebola, cyber attacks, and a more diffuse terrorist threat. But too often what's missing here in Washington is a sense of perspective. Yes, there is a lot going on. Still, while the dangers we face may be more numerous and varied, they are not of the existential nature we confronted during World War II or during the Cold War.

We cannot afford to be buffeted by alarmism and a nearly instantaneous news cycle. We must continue to do the hard work of leading in a complex and rapidly

evolving world, of seizing opportunities, and of winning the future for our children.

Strong and sustained American leadership remains as essential as ever. Think for a minute where the world would be today without decisive American leadership. Ebola would be spreading throughout West Africa and likely to far corners of the world. Instead, America galvanized the world to roll back this horrible disease.

Without us, Russia would be suffering no cost for its actions in Ukraine. Instead, the ruble is in a freefall and Russia is paying dearly for flouting the rules.

Without us there would be no military campaign or 60 countries countering ISIL's advance. There would be no prospect for a global deal on climate change, no pressure for Iran to be at the negotiating table, and no potential for trade that meets a higher standard for our workers and our businesses.

Nonetheless, there is a loud debate in Washington about American leadership in the 21st century. But the issue is not simply when we should have started arming the Syrian rebels or whether we should provide lethal assistance and weapons to Ukraine. It's about the nature of U.S. leadership for the future.

With this National Security Strategy we stake out a much larger role for America in shaping the world while anticipating the challenges to come. Before I go through the elements of this strategy, I want to note how our approach may differ from what others may recommend.

We believe in the importance of economic growth, but we insist upon investing in the foundations of America's power: education and health care, clean energy and basic research. We will always act to defend our country and its people, but we aim to avoid sending many thousands of ground forces into combat in hostile lands. We have renewed our core alliances while also building partnerships with emerging powers and neglected regions.

We're committed to fighting terrorism and stopping the spread of nuclear weapons even as we rally the world to meet the threats of tomorrow: malicious cyber actors and deadly pandemics, climate change and competition in space. We focus every day on the crises in the Middle East and Ukraine, but we are simultaneously rebalancing to the regions that will do more to determine the course of the 21st century: East Asia and India, Sub-Saharan Africa and the Americas.

So with that in mind, let me outline the four ways that we're advancing our core interests.

The first element of our strategy is to secure the United States, our citizens, our allies, and partners through a dynamic global security posture in which we employ our unique capabilities, forge diverse coalitions, and support local partners. This approach builds on a more secure homeland and a national defense that is second to none. President Obama is committed to maintaining the best trained, best equipped, and best led military force the world has ever known while honoring our promises to our service members, veterans, and their families. To ensure success we call on Congress to work with us to support responsible investments in our national security, including by ending sequestration.

To counter today's threats we're implementing a comprehensive counterterrorism approach that takes account of how the enemy has evolved. As al Qaeda core has been decimated, we've seen the diffusion of the threat to al Qaeda affiliates, ISIL, local militia, and homegrown violent extremists. This diffusion may, for now, reduce the risk of a spectacular attack like 9-11, but it raises the probability of the types of attacks that we have seen in Boston and Ottawa, Sydney and Paris.

To meet this morphing challenge we're combining our decisive military capabilities with local partnerships, with the financial tools to choke funding, and the

international reach of our law enforcement and intelligence agencies. We're strengthening the capacity of weak states to govern their territory and provide for their people while countering the corrosive ideology of violent extremism.

Fighting terrorism is a long-term struggle. There will be setbacks and there are no one-size-fits-all solutions. We have to work across multiple lines of effort in diverse contexts to be effective. To degrade and ultimately defeat ISIL we have assembled a broad coalition that is confronting this scourge from all angles: from training Iraqi security forces and supporting the moderate Syrian opposition to encouraging political reforms in Iraq that foster greater inclusion.

Together, we've taken out thousands of ISIL's fighters, destroyed nearly 200 oil and gas facilities that fund their terror, and pushed them out of territory, including areas around Baghdad, Sinjar, and the Mosul Dam. Just last week, ISIL conceded defeat in their months-long siege of Kobani. And with the world united in condemnation of its horrific executions, ISIL should know that their barbarism only fortifies the world's collective resolve.

Our counterterrorism strategy is still at work in Afghanistan, where we've ended our combat mission as planned. Now we're focused on supporting a sovereign and stable Afghanistan that will not be a safe haven for al Qaeda terrorists. Even as we develop the Afghan security forces, we'll continue to keep pressure on al Qaeda through a capable counterterrorism mission.

American leadership remains essential not only to tackling today's threats, but also to addressing the global challenges that will define the nature of security for our children and grandchildren. And here, too, we have to lead with our heads, enlisting partners to work alongside us.

American leadership is addressing the danger of nuclear proliferation.

No threat poses as great a risk to our security as the potential use of nuclear weapons. That's why we continue to secure nuclear material and strengthen international norms against the use of all weapons of mass destruction, moving us closer to achieving the peace and security of a world without nuclear weapons.

American leadership rallied the world to toughen sanctions against Iran. Through diplomacy and sustained economic pressure we've halted the progress of Iran's nuclear program and rolled it back in key respects. Now we must give diplomacy a chance to finish the job. If diplomacy fails, it will not be for lack of good faith by America or the P5+1. And then, if necessary, we would be stronger in leading our partners to dial up the pressure and in making sure Iran does not obtain a nuclear weapon.

American leadership is addressing the danger of pandemic disease. Our agenda to improve health security and global health security doesn't end with Ebola. It strengthens the capacity of states and international institutions to prevent, detect, and respond to future outbreaks before they become deadly epidemics.

American leadership is addressing the very real threat of climate change. The science is clear. The impacts of climate change will only worsen over time: even longer droughts, more severe storms, more forced migration. So we're making smart decisions today that will pay off for generations, like our groundbreaking climate commitment with China that will limit both our nations' greenhouse gases and bend down the global emissions curve.

American leadership is also addressing the pressing need for enhanced cybersecurity. As more of the world comes online we're leading an international effort to define the rules for how states engage with one another in cyberspace while ensuring that the Internet remains a powerful tool to drive future advances. At the same time, we're committing new resources to bolster the security of the U.S. critical infrastructure,

government networks, and other systems against cyber threats.

Second, we will expand prosperity by using our renewed economic strength, our resurgent economy, and improved energy security to bolster the global financial system, advanced an open international economic order, and reduce inequality and poverty. With the world's top universities, premier research facilities, and a culture of entrepreneurship, America already has the keys that will drive our knowledge economy through the coming century. And with critical investments in technology and innovation we'll keep sharpening our technological edge to keep the American economy at the forefront of innovation.

We're opening more markets to American businesses, workers, and farmers while forging trade agreements that set high standards for fair wages, safe workplaces, and environmental protections. And to make sure new trade and growth benefit people around the world we'll continue to pursue a sustainable development agenda grounded in our commitment to end extreme poverty.

We'll work with Congress to pass trade promotion authority, so we can finalize the Trans-Pacific Partnership, thus securing a Free Trade Agreement with many of the world's fastest-growing economies. We're working to make rapid progress with the European Union on the Transatlantic Trade and Investment Partnership, expanding what is already the largest trading relationship in the world. And we're committed to renewing and enhancing the African Growth and Opportunity Act to further deepen our investment in that promising region.

Africa is primed to become a major center of global growth. We've ramped up our commitment across the continent, including through the President's Power Africa Initiative to connect millions more people through reliable electricity. Through our Feed the Future program, we're helping farmers' plant better crops and raise

their incomes while also improving the food security of the region. And last August, for the first time ever, President Obama hosted some 50 African leaders to chart ways our nations will do more together and to seize opportunities for U.S. businesses to invest in Africa's future.

Third, at a time when citizens in every region are demanding greater freedom and more accountability from their governments, our strategy is to defend democracy and human rights, combat corruption, promote open government, and stand with civil society. We do so by living our values at home, by growing the ranks of capable democratic states, and defending universal rights. We'll help countries in transition, like Burma, Tunisia, and Sri Lanka, become more open, more democratic, and more inclusive societies. We'll support established democracies that are in danger of backsliding. We'll empower citizens and NGOs in places where they are under attack.

At the same time, President Obama has deepened our commitment to promoting that basic American value, equality. We believe everyone should be able to speak their minds and practice their faith freely. We believe that all girls deserve the very same opportunities as boys. We believe that all human beings are created equal and are worthy of the same love and respect, including our lesbian, gay, bisexual, and transgender brothers and sisters. These beliefs are fundamental to which we are.

Advancing equality is both morally right and smart strategy. If we reduce disparities, which can lead to instability and violence, we increase our shared security. Reams of empirical evidence demonstrate how countries do better across every metric when they tap the talents of all their people. So we champion the rights of vulnerable communities, those targeted by abuse or excluded from society, and counter escalating cycles of hatred that can spark violence. Mass killings threaten our common security and diminish our shared humanity, so we affirm that governments have a responsibility to

protect civilians. We'll continue to lead global efforts to prevent atrocities and hold accountable those who commit the worst abuses.

We're also reaching out to populations that America can ill-afford to neglect. With more than half the world under the age of 30, our strategy invests in and empowers young people through educational exchanges and entrepreneurship. Our Young Leaders initiatives in Africa and Southeast Asia identify and mentor the next generation of talent to grasp opportunity.

And because we seek to lead by example, we'll keep working to make our own laws more inclusive, to sustain our prohibitions against torture, to protect civil liberties and privacy, and to improve transparency on issues like electronic surveillance. We've reduced the population at Guantanamo by nearly half, and while there are tough challenges ahead, we mean to keep going until we finish the job.

Finally, our strategy leverages American leadership to uphold the liberal international order, which has served us and the world very well for 70 years by reinforcing the rules of the road and strengthening and diversifying our alliances and partnerships in every region of the world.

Russia's aggression against Ukraine is a heinous and deadly affront to longstanding international law and norms. In lockstep with our European allies, we have built a coalition of partners around the world to impose steep political and economic costs on Russia, in contrast to the cost-free invasion of Georgia. And we will continue to turn up the pressure unless Russia decisively reverses course. At the same time, we're providing vital economic support to help the Ukrainian people write a better future for their country, and we're strengthening our enduring alliance with Europe by reassuring our allies in Eastern Europe and investing in modernizing NATO to meet emerging threats.

As we update our existing international system, our strategy is to enhance our focus on regions that will shape the century ahead, starting with the Asia-Pacific. Our rebalance is deepening longstanding alliances and forging new partnerships to expand cooperation. We're investing in ASEAN, the East Asian Summit, and the Pacific Islands Forum to strengthen their capacity to enforce regional norms, respond to crises like natural disasters, and resolve disputes peacefully, so that the Asia-Pacific remains a region of dynamic growth and opportunity.

With China, we're building a constructive relationship that expands practical cooperation across a wide spectrum of issues, from global health to nonproliferation, even as we confront real differences over human rights, cyber-enabled economic espionage, and the use of coercion to advance territorial claims. President Obama's recent trip to India strengthened another critical partnership that will deliver economic and security benefits for both our nations and the broader region, and will help lift up the lives of more than a billion people. In furtherance of our relationships throughout this vital region, I'm pleased to announce today that we have invited Prime Minister Abe of Japan and President Xi Jinping of China for state visits, and we look forward to welcoming other Asian leaders to the White House this year, including President Park of South Korea and President Widodo of Indonesia.

At the same time, we seek a Middle East that is more secure, prosperous, and where democracy can take root. That's the ultimate vision that we're working towards with partners throughout the region. We'll continuously strengthen the unique bonds that unite the people of Israel and the United States. Our commitment to Israel's security remains enduring and unshakeable. We refuse to give up on a peaceful resolution to the conflict between Israelis and Palestinians.

We'll keep investing in the ability of our Gulf partners, like Saudi Arabia

and the United Arab Emirates, to deter aggression, even as we deepen our cooperation on regional challenges. Since Libya, Syria, and Yemen confront persistent violence and instability, we will, as we must, protect our people, work with partners to shrink terrorist safe havens, and support those working to achieve political and social reform.

To be sure, this region's challenges are many, including a generational transformation; citizens' legitimate demands for political and economic reform; sectarian, ethnic, and tribal tensions; and Iran's destabilizing influence. But we will keep leading international efforts to reduce insecurity, drawing on all sources of our influence, not just our military, and we will work to foster progress that endures.

Closer to home, Latin America and the Caribbean is a region that's experienced rapid growth, with a large and growing middle class, vibrant democracies, and still untapped potential. It's grappling with challenges, like transnational crime and trafficking, that have serious implications for our own security. Thanks in part to our opening with Cuba, which turns the page on 50 years of fruitless policy, we have now got new opportunities to strengthen our partnerships with our neighbors. We're investing particularly in Central America to improve governance and citizen security to address some of the root causes of mass migrations like we saw last summer.

So across a range of issues, with an array of partners, the United States is proudly shouldering the responsibilities of global leadership. As President Obama made clear during his State of the Union address, "The question is not whether America leads in the world, but how." And the answer is we are pursuing an ambitious yet achievable agenda, worthy of a great power.

The President's Budget directly supports his strategy. Our national security leadership is united around this shared vision and agenda. And we are eager to work with Congress to restore the vital bipartisan center to U.S. foreign policy.

Our unparalleled leadership is grounded in America's enduring strengths and guided by a clear sense of purpose. We approach challenges using all levers of our power: vigorous diplomacy, broad-based development, economic leverage, our technological advantages, the talent and diversity of our people, and, when needed, our military might. We rally partners to enact sustainable solutions when challenges arise. We strive to set the highest standards by our own example. And we lead with our eyes fixed firmly on the future, alert to opportunities to make the world safer and increasingly just.

President Obama has two years left in his term, and two years is plenty of time. This National Security Strategy is a blueprint for what we intend to get done over the next two years, from degrading ISIL and opposing Russian aggression to leaving behind a world that can more effectively meet the dangers of climate change and disease, cyber threats, and extreme poverty.

If we run through the tape, America will be better and more sustainably positioned to continue leading on the issues and in the regions that will shape our future. One thing I can guarantee you: President Obama is going to leave everything on the field and so will the rest of his team. The challenges ahead will surely continue to be many and great. Progress won't be quick or linear, but we are committed to seizing the future that lies beyond the crisis of the day and to pursuing a vision of the world as it can and should be.

That's our strategy for sustaining the leadership that future generations deserve. Anything less would not be worthy of the American people or of our great nation.

Thank you very much. (Applause)

MR. INDYK: Thank you very much, Susan. Susan has agreed to have a

short conversation with me and then we'll go to questions from the audience.

Before we start, Susan, I want to say something that doesn't get said enough, in fact, it rarely gets said. But I've seen the pressure that you are under up close and you've been slaving in the vineyard for six years now, and so I just want to say thank you. Thank you for your service.

MS. RICE: Very kind. (Applause)

MR. INDYK: What I heard in your presentation now and in the document, which I had a chance to read this morning, is essentially the headline seems to me to be America's back. We're going to lead, but we're going to lead in a different way, with the emphasis on the troops coming home and the focus essentially on issues that don't get the usual attention of headlines except when Ebola strikes, which is nonproliferation, climate change, pandemic disease, cybersecurity, the challenge of extreme poverty, focus on Africa. These are the things which seem to be things which the report and you emphasize.

Relations with major powers, certainly mentioned there, it was mentioned in your speech, but they don't get the attention that some would think they deserve given what's happening in the world, particularly with Russia. And so I wonder if you can just explain to us how relations with major powers fits into this broad National Security Strategy.

MS. RICE: Well, first of all, Martin, thank you for your kind words. And apologies to everybody, I'm grateful that my voice has held up thus far. I'm a little uncertain about how long it's going to continue to do so, but I'll do my best.

In the first instance, Martin, this is a multidimensional strategy. It recognizes, in short, that we have to walk and chew gum at the same time. We've got to deal with immediate crises and threats and, at the same time, have a long view and be

prepared to seize opportunities. We've got to focus on the regions that have traditionally consumed American attention and energy, like the Middle East and Europe, particularly now with an aggressive Russia. But, at the same time, we can't neglect or leave untapped opportunities in parts of the world that have gotten less attention, particularly in recent years. So we have got to do multiple things simultaneously and, believe it or not, we can and we are. And that includes dealing with great powers and dealing with the very proximate threats that we're all very well aware of that we face.

I did spend a good deal of time in my speech and also the strategy itself elaborates on the nature of our relationship with China, which we see as one of the defining relationships for the 21st century, complex, one of both cooperation and competition, but it's very much a part of how we view the world.

We also look at emerging powers that have great potential and there, too, we're investing in those important relationships. And the President's recent trip to India coming just three months after Prime Minister Modi's visit here is an example of another important large power relationship that we intend to invest in.

Russia is a particular challenge and there is no question that a great deal of our effort and attention and our resources will be devoted to dealing with a Russia that is now acting in a very aggressive and threatening fashion. If you read the 2010 National Security Strategy it had a different perspective and a different orientation towards Russia. At that stage there seemed to be still the prospect of a more cooperative and collaborative relationship. Now we have to deal with the realities we face, and that means that we will continue to reinforce our partners and allies in NATO. We will invest the resources and posture ourselves to ensure their full and adequate defense, and we're calling on them to do their part, as they are increasingly.

And we will push back and impose costs for Russia's aggression. And

we have made very clear that unless Russia reverses course, we'll continue to look for ways to increase that pressure, and we will do so in partnership with our European allies and with others around the world who share that concern. So that is the reality of our approach to Russia.

But the second piece of it is there are still issues from upholding our arms control obligations to collaborating in the P5+1 with respect to Iran, where the United States and Russia have managed still to work together. And to the extent that remains possible, even in the context of all these other challenges and even as we necessarily increase the costs and deter the effects of Russia's actions, we will continue to cooperate where we can.

MR. INDYK: You've said now both in your speech and now that you will increase the pressure on Russia. I think you said in the speech that until it reverses course in Ukraine. In the document itself, the National Security Strategy, it says that you'll help Ukraine to provide for its own defense. The big debate here at Brookings this last week has been about whether arms should be provided to the Ukraine. Can you respond to that question?

MS. RICE: Yes. I'm well aware of the debate. (Laughter) Strobe has, as he always does, done a very good job, with friends and colleagues putting forth some very thoughtful recommendations on the way ahead. We're very much assessing in partnership with our European allies what comes next, what comes next with respect to economic pressure and other forms of pressure.

We are already providing military assistance to Ukraine. We have not taken the decision yet to up that, the nature of that assistance, to include lethal defensive equipment. That's something that's under consideration, but obviously it's a significant step and we will want to do so in close consultation and in coordination with our partners

whose unity on this issue with us thus far has been a core element of our strength in responding to Russia's aggression.

MR. INDYK: China and India, it's very interesting what you said about it and what's in this document about the way you will cooperate with China, welcome its rise, but compete with it where necessary and build up relations with our traditional allies in Asia. But the language in terms of India is different. The document talks about strategic convergence with India, with India's Act East Policy and America's rebalance. And that seems to be kind of a pretty clear indication that you're going to be working with India in this region and not necessarily against China, but, where necessary, to balance China. Is that a fair reading of the strategy?

MS. RICE: I wouldn't put it that way. I would say that these are two very important relationships that we're committed to building on, but they're very different.

Obviously, our relationship with India, as the world's oldest democracy and the world's largest democracy, has the potential to be different in important respects, including with respect to shared values and perhaps a broader convergence of some sets of interests. But it is not about pitting one against the other. It is about building the potential of both these important relationships to the extent possible.

And let's be pragmatic, even with India, obviously, we have had differences in the past and we'll continue to not see everything in exactly the same way. India has enormous and very real development challenges and it has a history in the international system that makes it different than our own. And where we can expand scope for cooperation, and I think we've demonstrated that potential is now greater than ever, we will do so. But I certainly wouldn't suggest that it will be without some elements of disagreement and divergence.

MR. INDYK: On to my last question, then we'll go to the audience. On

Iraq and Syria, the National Security Strategy lays out what I would say is a plausible strategy in terms of dealing with the challenge of ISIS in Iraq. But in Syria, it talks about the notion of some kind of political rearrangement there that will be necessary to deal with the situation. It doesn't really sound like a plausible strategy and, indeed, it might not be possible to have a plausible strategy in Syria given the situation there.

But how do you deal with that as national security advisor, the fact that this is a phenomenon that goes across the -- there is no border anymore, so it crosses Iraq and Syria. And you have a way of dealing with it in Iraq, but it doesn't sound like we have a way of dealing with it in Syria.

MS. RICE: Well, Martin, we have -- there's no question that the challenges in Iraq and Syria are different and, by necessity, we're having to approach them differently. Yes, it is a region where the violence is spilling across borders not only between Iraq and Syria, frankly, but other nations in that same region.

In Iraq, we have the prospect of working with the government in a fashion that, provided it governs in a nonsectarian way and in inclusive way, gives us a partner on the ground that, however weakened, is established and can be built up. And that's exactly what we're doing with our coalition partners in the Iraq context. We are training, advising, equipping, assisting the Iraqi security forces, providing active support from the air. And as a consequence, we're already seeing progress in pushing ISIL out of numerous parts of contested areas.

In Syria, the challenge is different. We have a government that has violated all norms and lost its legitimacy to govern and that has implemented horrific violence against its own people. That's not a partner for the United States or any other member of our coalition. And yet the same imperative remains: there needs to be not only the opportunity to degrade and defeat ISIL from the air, joined with our efforts to cut

off the foreign fighter flow and the financial flows and provide humanitarian support and counter the ideology, we also need ultimately partners on the ground. And there we are building from a lower base, no question.

We have committed and we are working, and have been, to bolster the moderate Syrian opposition, but, obviously, that opposition is weakened and under strain. And so the process of working with our coalition partners to build that capacity will be longer and more challenging even than it is in Iraq.

MR. INDYK: Great, thank you. Let's go to the audience. I'd ask you three things, please: number one, identify yourself; number two, ask a question; and number three, please let's focus on the National Security Strategy. That's the purpose of this meeting today.

Yes, please.

SPEAKER: Hi. My name's (inaudible). I am wondering about the hostage policy of the U.S. in terms of national security. There was some news today from Islamic State about a hostage.

MS. RICE: Well, in the first instance, we're obviously very concerned about the reports that have come in in recent hours. We do not at the present have any evidence to corroborate ISIL's claims, but obviously we'll keep reviewing the information at hand.

We have a broader policy with respect to hostages around the world. We don't make concessions to terrorists and to hostage-takers. We don't pay ransom. And we adhere to that policy rigorously because it is our strong view and our experience that when you make concessions and pay ransom, you're only generating greater incentive for additional acts of hostage-taking and you're providing resources to fuel those continued operations and horrific attacks. So in the broadest sense, that's who we

have approached things. We are nonetheless in the process of doing a review of our hostage policy, not with respect to the no concessions that I've outlined, but with respect to how we can support and be more responsive to the needs of, for example, the families that are suffering so enormously when a loved one is in that circumstance.

Frankly, this is an area in which the President believes we can do better and we are trying to learn from the experience of other partner countries that have similar approaches to the United States and we're in close consultation, for example, with the United Kingdom on this. And we're trying to learn from the experience of the families themselves. And so part of this effort is to be in broad communication with them and ask them, you know, what is it that you have experienced, what has not worked for you, and how within the confines of that broad no concessions policy we might do better.

MR. INDYK: Yes, please.

AMBASSADOR DAHINDEN: Thank you. My name is Martin Dahinden. I didn't have a chance to read the strategy, but from what you have explained multilateral institutions, multilateralism doesn't play an important role. Is this impression right or could you elaborate on this? Thank you.

MS. RICE: It's wrong.

AMBASSADOR DAHINDEN: It's wrong? Okay. (Laughter)

MS. RICE: Said the former U.S. ambassador to the United Nations.
(Laughter)

No, I mean, obviously it's just come out, so it's not -- I commend the strategy to all of you and ask you to read it. But, no, multilateralism remains an important element of our approach. It's treated in some depth in this strategy as it was in the 2010 strategy.

And I think throughout the document you will see a great emphasis on

partnerships, alliances, coalitions, and collective action. Some of that will be best conducted through existing international institutions. There's real emphasis on international order, international norms, the rules of the road, institution-building, but also updating these institutions or the challenges of the 21st century. So I think you'll find that theme is well treated.

MR. INDYK: Yes, please.

AMBASSADOR GEGESHIDZE: Thank you very much. Ambassador of Georgia Archil Gegeshidze. Thank you very much for encouraging messages that you offered regarding your strategy of national security for the United States, which really brings back the United States as a world and efficient leader.

But my question is about our part of the world where we have a very large-scale crisis in and around Ukraine. As of this speaking, to my knowledge, in Moscow there are talks on a possible new deal, which according to the leaked information, and know to what extent this information is true and correct, leaked information, the subject of the talks can be Ukraine's neutrality or a cease fire along the new contact line, which is inside Ukraine state (inaudible). That means that if this deal is done, then we are talking about the freezing of a conflict zone, like in Abkhazia, Ossetia, and Transnistria. And also, we are prompting our Ukrainian friends to drop their European orientation and agree on Russia's terms, which is neutrality, which is federalization.

MR. INDYK: Ask the question.

AMBASSADOR GEGESHIDZE: Yes. So how do you think this strategy, which is really very nicely developed and designed, can act quickly, efficiently, and really protect freedom of choice, those in the neighborhood of Russia? Thank you.

MS. RICE: Well, first of all, I think it's way too soon to make judgments

about what may be on the table in Moscow today. Our German and French allies, their leaders are in Moscow. I actually have been in close contact with their national security advisors today and yesterday and earlier in the week. What they are bringing with them to Moscow reflects their agreement with President Poroshenko yesterday in Kiev, so they're not out there unilaterally cutting a deal with Putin at Ukraine's expense. That is a misperception and I think we need to see how this evolves and certainly not either anticipate prematurely a success or pan an uncertain outcome.

But in the broadest sense, our approach to your region is to stand strongly by our allies and make very clear that Article V of NATO is inviolable, that we uphold our obligations in the most serious way, and we are building the capacity of NATO not only to defend its own territory, but to support and grow its relationships with other countries in the neighborhood, including your own. So this strategy is about strengthening and deepening our oldest and most fundamental alliance in Europe and to make very clear that aggression in the 21st century will come at great cost and not in any way or respect be tolerated or upheld.

And as I said in response to Martin's question, we're continuously revisiting with our European allies how best to approach this challenge and how best to support not only the government and people of Ukraine, but our partners throughout Eastern Europe.

MR. INDYK: We're running out of time, so if you'll indulge us I'll take two questions from two of your former colleagues and then we'll call it a day.

MS. RICE: Uh-oh.

MR. INDYK: Tamara Wittes first, please.

MS. WITTES: Susan, it's great to see you back on our stage.

MS. RICE: Thank you for having me.

MS. WITTES: I did get a chance to glance through the document after it was posted and you talk in here about five historic transitions going on in the world that the United States would like to influence the trajectory of, one of which is a struggle for power underway in the Middle East, including a struggle between citizens and governments to redefine their relationships. And it strikes me that throughout this document there's a connection between domestic governance, strong institutions, transparency, accountability, and security. But in the Middle East we face a tremendous challenge balancing the short-term security imperatives with that longer term recognition of the relationship between good governance and inclusion and rights-respecting governments and security.

So I think my question is how does the United States intend to address this consistent dilemma between short-term and long-term imperatives in the Middle East at a moment when our partners in the anti-ISIS struggle are saying this is not the time to push for change and reform, this is the time to try and keep control? Thank you.

MR. INDYK: And we'll just take the last one from Tom and answer them together, Tom Wright.

MR. WRIGHT: Thank you. Thank you, Ambassador Rice. Tom Wright at Brookings.

You spoke in the speech, but also in the document, about how Russia's not an existential threat, that it has committed heinous crimes in Ukraine and it is engaged in aggression there. But for Vladimir Putin the United States and NATO is an existential threat to his regime and he very much sees himself in a cold war with Europe and the United States.

So I was just wondering what sort of particular challenges are posed by a major power, like Russia, that sees the U.S. and NATO as a rival now over the next sort

of 5 to 10 years? What sorts of things worry you about what they might do and how they might escalate either in the covert front or just on the economic or military front, and how should the U.S. respond?

MR. INDYK: Two easy questions, yes. (Laughter)

MS. RICE: Let me start here and then come back. I think, first of all, I caution you not to paraphrase quite the way you did. That's not exactly what I said, but the broad question about how we deal with Russia, look, there's no question that an aggressive Russia that is taking territory from its neighbors is of grave concern. And it's at the forefront of our focus and agenda, no question.

Having said that, the tools that we will employ to counter and try to roll back that aggression are not necessarily in every respect military tools. In this case we have relied on alliances and partnerships to impose costs; to support Ukraine itself, which is a vital element of our strategy; and to recognize that in the 21st century, where the vast majority of nations stand for upholding basic international laws and norms and find it outside of those laws and norms; to roll in and take portions of your neighbor. Russia is paying an enormous cost and over the long term, if these choices are sustained, the cost will mount.

I think it's hard to dispute that in reality, even if in the short term Russia's behavior has not demonstrably changed, that the economic impact of the choices it's made are having a major effect on its economy and will continue to have a major and growing effect on its economy. And the variety of tools that we have at our disposal, economic and otherwise, are ones that we will continue to use, along with our traditional tools, to reinforce our collective opposition to this type of behavior. But I don't think it's correct to suggest that we are minimizing the concern of the threat, but it is one that we will address through a variety of means.

Turning, Tamara, to your question, which is I think one of the most challenging ones we face, I mean, there's no question that in the Middle East we are challenged by short-term and long-term imperatives that we have to wrestle with in tandem. When the President spoke at the United Nations in 2013, he talked in very direct terms about our core interests in the Middle East, and he outlined four. And colleagues like you didn't really like that because it didn't give, in your estimation, I don't mean to put words in your mouth, but sufficient emphasis on the promotion of democracy and human rights. It focused on countering terrorism and weapons of mass destruction and upholding the security and integrity of our partners and allies and ensuring energy security and the free flow of energy.

MR. INDYK: Didn't talk about Middle East peace either.

MS. RICE: I think many of his speeches have, including I think in that one, as well. But the point being that we do have some overriding core interests, but that is not to say, and I think I said this in my remarks, that we don't need and seek and wish to help support and build a Middle East that is far more democratic, far more respectful of human rights, and one in which women and all of the citizens of the region are able to enjoy the same rights that we hold dear. That is the objective.

We think such societies that are democratic and respectful of human rights are more stable. They are more just. They are better partners. They're better able to confront the kind of security challenges that we face today.

But it is a very difficult thing, as we've seen over the last several years, to succeed in those types of transitions while, at the same time, dealing with some very real, both internal and external, security threats. And I think any of us would be oversimplifying to suggest that there's an easy one-size-fits-all answer. We are having to approach this challenge differently from Egypt to Bahrain to Saudi Arabia, but that does

not suggest that we have less commitment to or have jettisoned our very real interest in the promotion and establishment of democracy and human rights in these countries, like everywhere else in the world.

But, as I said in my remarks, many of these transitions and many of the changes we seek to implement will not come quickly and nor will they necessarily be linear. And we're going to have to manage these tensions as a practical matter as policymakers for many years to come.

MR. INDYK: Susan, it's been five years since we've had a document like this.

MS. RICE: Lucky you. You guys now get to dissect it.

MR. INDYK: Exactly.

MS. RICE: I remember how much fun I had with other people's National Security Strategies.

MR. INDYK: One of the great things about putting forward a whitepaper like this is precisely because it will provoke debate and discussion and analysis and dissection. And we're grateful to you for that and we're grateful to you for coming in and launching it here and discussing it with us today. Thank you very much.

MS. RICE: Thank you very much. (Applause)

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