Madam Chairman, it is a pleasure to be here. I am

a senior research fellow at the Heritage Foundation and my views

are my own and should not be construed as presenting the official

position of the Heritage Foundation.

I would like to thank you and Chairman Burton, before whom I

testified recently on energy, and particularly my old friend Doug

Seay for facilitating these hearings.

For the last 2 years the Obama administration had touted Russia’s

reset policy as one the great diplomatic achievements. In

March 2009, Secretary of State Hillary Clinton presented her Russian

counterpart Sergei Lavrov with a red button symbolizing a

new reset policy. Symbolic and prophetic as a result of the incompetent

translation, the inscription on the button read ‘‘overload’’ instead

of ‘‘reset.’’

Ever since, President Obama has spent an inordinate amount of

time cultivating Russian President Dmitry Medvedev in making

him his principal diplomatic interlocutor, despite the fact that

Medvedev is Prime Minister Vladimir Putin’s appointed protege

with no political base of his own. The grave error of judgment made

in assessing who was really in charge led to a chain of strategic

miscalculations in relations with Moscow.

While grooming Medvedev, the administration agreed to cut our

strategic nuclear forces under the New START treaty; abandoned

its original program of missile defense deployment in Poland and

the Czech Republic; engaged Russia in futile missile defense talks;

pursued a policy of geopolitical neglect in the former Soviet Union;

and toned down the criticism of violations of the political freedom

of which Dr. Lantos spoke so eloquently.

However, the reality remains that Medvedev has only limited capability

to deliver and looks increasingly like he is unlikely to continue

in office. Putin still is Russia’s ‘‘national leader’’ and the real

power behind and on the throne.

Even with Medvedev as President, Russia still is willing to use

force to achieve his geoeconomic goals as well. Control of energy

corridors from the Caspian Sea to the Black Sea and beyond was

the objective of the Russian military operation against Georgia in

August 2008. This year Gazprom opened the Nord Stream pipeline

from Russia to Germany with spurs to other European countries,

increasing their dependence on Russian energy. This has been

clearly confirmed by incidents of the last 2 decades involving delays

in energy supplies to Azerbaijan and a number of other countries

from the Black Sea to the Baltics.

The concerns that U.S. policymakers should have vis-a`-vis Russia

to date are not limited to arms control, to Russia’s vehement resistance

to our missile defense plans in Europe, to energy policy and

security in Europe. The concerns also should include the deterioration

in this situation with human rights and rule of law.

Just recently, in July, Russians banned Boris Nemtsov, the

prominent opposition leader, from traveling abroad for 6 months.

In June the Russian Minister of Justice denied registration to

Party of People’s Freedom. In May, prosecutors opened the criminal

investigation of a prominent anti-corruption whistleblower, Aleksey

Navalny, for what he said was revenge for exposing alleged fraud

in Russian state companies. And in December 2010, former oligarch

Mikhail Khodorkovsky and Platon Lebedev were sentenced

in the second trial for additional lengthy terms in Siberian prisons

on charges of embezzlement and money laundering the majority of

legal experts agree are spurious.

On May 31, the European Court of Justice ruled the Russian

State had seriously violated Khodorkovsky’s rights during his arrest

and trial detention, and despite President Medvedev’s clear

statement about Khodorkovsky not being a threat to the public, the

courts continued to reject his appeals for early release.

Can I have 1 more minute?

Thank you so much.

To conclude, the Obama administration and Congress need to

recognize the reset with Russia, which would require huge payoffs

with small results, is in a dire need of reassessment. The U.S.

should pursue its national interests in relations with Moscow instead

of chasing a mirage.

The U.S. and Russia have multiple mutual interests in opposing

Islamic radicalism and terrorism. We have joint concerns about

non-proliferation, counternarcotics, boosting trade, investment expansion,

tourism, business, and exchanges. Twenty years after the

end of the Cold War and collapse of Communist Russia, Russia’s

anti-American policies should be over.

The administration needs to stop its policy of pleasing Moscow,

and instead add pressure on Russia to start its own reset for the

benefit of its own people. In particular, Congress should ensure

that missile defenses are developed for the benefit of American

troops and allies, and prevent the administration from granting

far-reaching concessions to Russia in negotiating short-range nuclear

arms deals.

Congress has an important role to play in changing relations

with Russia in the energy field for the better, for the benefit of

American business and the Russian people.

Congress should send a strong signal that it cares about America’s

friends in the former Soviet Union and Eastern Europe and

expand U.S. ties with those who reach out for freedom. And you

have a great role to play to pass the bipartisan Senate 1039, the

expanded Sergei Magnitsky Rule of Law Accountability Act, that

will deny visas to corrupt Russian businessmen and officials examining

their banking practices and acquisitions and target Russian

police and prosecutors——

Who fabricate evidence, torture, and

murder opponents. Thank you very much.

First of all, Congress could, I think, invite Boris

Nemtsov at the earliest opportunity to testify about the conditions

of democracy and human rights in Russia. Mr. Nemtsov is a former

first Deputy Prime Minister. He was a very high-ranking official.

He is no extremist, he is no terrorist, and this is inexcusable that

he was treated like that. He also was jailed for 10 days for attending

a nonviolent demonstration.

Secondly, what I already mentioned, the Sergei Magnitsky Rule

of Law Accountability Act against people who are abusing the old

laws, against people who are abusing their old legal system. And

just as we failed to send strong messages of when Khodorkovsky

was first jailed in 2003, when Magnitsky got killed in 2009—these

are signature events that the Russian Government is watching like

a hawk, how does the West react?

Not only do we need to react but our Western European

allies also need to react.

Mr. Rohrabacher, you know as well as I do——

I thought I was asked a question.

All right. Russian national television is under 100

percent state control. Russian protesters are beaten by the heavily

armed special police called the OMON. And yes, there are political

prisoners in Russia, Mr. Rohrabacher. Amnesty International.

Thank you. I think this is the time for reassessment.

The reset policy was applied for about 21⁄2 years. We are at a good

midpoint. We need to reassess. For example, on Syria, Russia still

insists on selling arms to Syria. On Iran, Russia is pushing back.

Even on the U.S. unilateral sanctions that we are sovereign to do,

there is Russian pushback.

We should pause and reassess. Not just pause. We

have to rethink it, sir.

Sir, I am a native Russian speaker. I read what the

opposition says in the original, and I talk to them personally, and

I know a lot of these people. I pretty much know all of the leaders

of the opposition. It is my impression that the opposition is very

critical of the human rights, rule of law and property rights protection

aspects of the reset.

For example, we have a commission that is co-chaired by Dr.

McFall, the Ambassador-designate, and Vladislav Surkov, the architect

of the current Russian political system. The opposition is

very critical that this commission is not making its voice heard on

those abuses of human rights. They are doing everything, from assisting

pregnant mothers to other things that have very little to do

with the opposition. I would argue this administration subverted

their original agenda of our concern about human rights in Russia.

Not yet, but eventually, when they meet the usual

criteria.

The Russian claims for 4 million square miles in the

Arctic are spurious. They did not succeed to prove these claims, in

the U.N. Tribunal under the Law of the Sea Treaty, but I think

that the military competition is avoidable. I think we have the Arctic

Council that the Russians are a party of.

We do not have enough resources currently. We don’t have the

icebreakers, we don’t have the military capabilities to seriously protect

our rights and our territorial waters and resources in Russia.

But yes, Russia does have Arctic policy and Arctic claims, and it

is a huge priority for them, because they own huge amounts of oil

and gas, in particular, in their exclusive economic zone and possibly

beyond.

Medvedev and Putin publicly disagree on a number

of very important issues, both symbolic, and on issues directly relevant

to American national interests. For example, as I am saying

in my testimony, Putin is consistently criticizing the U.S., he accuses

us of fomenting the descent and revolution in the Middle

East. He accuses us of using social media such as Facebook, et

cetera. He recognizes the legacy of Joseph Stalin, calling him an effective

manager. He called the collapse of the Soviet Union the

greatest geopolitical catastrophe of the 20th century. And

Medvedev responded and said, ‘‘No, the greatest geopolitical catastrophe

of the 20th century for Russia was the October Bolshevik

putsch.’’ This is highly symbolic.

Medvedev is much more outspoken on human rights and the

rule-of-law issues. He recognizes the corruption, including corruption

in courts. This is a real ideological competition. But as a politician,

you recognize that if one side has the political power and the

other side is very weak politically, as is the case, unfortunately, for

Mr. Medvedev, it is no contest. And even if—which I think these

chances are declining—even if Medvedev is going to be renominated

and then formally elected as the next President of Russia,

the deal with Putin is going to be, Putin is the boss and Medvedev

is—excuse my French—the Queen of England.

Now, I think at the end of the day it is not going to happen. I

think Putin is going to be the President of Russia with full powers,

but I don’t have my crystal ball with me here today, and I will not

bet money on that. Thank you.

An excellent nuanced question, sir. I would say that

Russia definitely recognizes that South Ossetia is not economically

viable, is depopulated, it is heavily subsidized, it is run by former

KGB and Communist Party ethnic Russians. As far as Abkhazia,

it may or may not be economically viable. The coastline is so gorgeous,

the Russians will never give it up as long as they can. And

I think you are putting your finger on something absolutely vital.

And that is that both the United States and our European allies

should be doing more to support territorial integrity of Georgia;

and also our Government that, as a part of the reset, is not providing

sales of defensive arms to Georgia. Maybe as a part of a

reset rethink that I am advocating, we should look at that again,

because why is it that we are denying Georgia defensive arms?

The Secretary of State while visiting there says, it is democracy

that will make you safe. Senior State Department officials say,

‘‘Georgia is oversecuritizing’’ the South Caucasus issues. And in the

meantime, we have four military bases of Russia in Abkhazia, in

South Ossetia. We have the extension of a huge base in Armenia

called Gyumri until 2044. The one who is securitizing South

Caucasus is Russia.

I couldn’t agree more on Saakashvili, but also countries

have interest. And I would submit to you that it is not in the

Russian interest to have this chronic long-term irritant, which is

occupation of Georgia. They need to think how to resolve it,

Saakashvili or no Saakashvili. A lot of people don’t like each other

and don’t get along.

Ahmadinejad, the President of Iran, is a revolting individual and

nevertheless the Obama administration reached out to him. Well,

it didn’t work. But what I am saying is, you have to get over it and

deal with the issues. On Iran, I think many Russians don’t recognize

that Iran having the medium-range ballistic missiles, especially

if they are tipped with nuclear weapons, not just with technology

from Russia—North Korea, China, Pakistan, all play a role

in building the Iranian nuclear power—this is going to be a threat

to Russia. It will take 5 minutes for such a missile to reach Moscow

or any other Russian city.

And finally on corruption, yes, it is systemic. Yes, it is getting

worse. Yes, President Medvedev spent a tremendous amount of

time talking about it, with no visible results for now. And as Dr.

Swett mentioned, Khodorkovsky and his company Yukos, Yukos

was expropriated by the state. Its assets were put in the possession

of a state-owned oil company called Rosneft, and it was done in a

corrupt way, in a corrupt fashion, and people benefited from that.

Mr. Engel, first let me thank you for everything you

are doing on foreign policy. I am a great admirer.

Russia has a special relationship with Hugo Chavez.

Mr. Sechin, a Putin confidante, a Spanish speaker and Portuguese

speaker and deputy prime minister in charge of, among other

things, oil and gas, is in charge of the Venezuela dossier. Russia

promised, in a very dangerous way, I think, to build a nuclear reactor

in Venezuela. If they do that—this is the trajectory that started

with Iran, with Bushehr—and under the guise of building a civilian

nuclear reactor—you can train nuclear engineers, you can train

physicists, and you can launch, God forbid, a Venezuelan Chavista

nuclear weapons program. And of course this is not something you

would like to have.

Moreover, Russia is selling sophisticated weapons, but also less

sophisticated weapons that should be a cause for concern of this

administration. And maybe I missed something, but I haven’t

heard that concern really expressed by this administration. I am

specifically talking about the Kalashnikov assault rifle factory in

Venezuela. Now, Venezuela can arm 500,000 people with Kalashnikov,

and people in this town pooh-poohed it. But there is nothing

to pooh-pooh if it comes to support of FARC and the threat to Colombia.

Finally, let’s note the Russian efforts at soft power. Russia Today

is an anti-American television channel. It has not only a massive

presence in Washington, DC, it has American broadcasting, Arabic

broadcasting and, importantly, Spanish broadcasting. Russia Today

is broadcasting in this country in Spanish and is broadcasting in

Latin America. So it is the combination of hard power and energy.

The Russians managed to push out Western oil companies from

Venezuela and get, in their stead, to develop very lucrative Venezuelan

oil resources, and soft power, such as Russia Today, in

combination, should be taken seriously. Thank you.

Real brief. Despite the fact that Hamas is recognized

as a terrorist organization by both the United States and the European

Union, the Russians are treating them as a legitimate organization.

And this is despite the fact that Hamas’ charter states that

its goal is not just to destroy the State of Israel, but to engage in

violent acts against Jews anywhere they can be found.

There is a residual relationship that comes from the

Soviet era. My understanding is that there is direction, or directive

from above, to improve, encourage, and intensify the relationship

between Russia and Cuba, but nothing on the level of the old Soviet

support and subsidy, the multibillion-dollar subsidy, and the

spying facility. Although I heard—I didn’t look into that that

much—a spying facility was transferred from the Russian tutelage

to the Chinese tutelage. But I would need to look more into that.

I think that the concessions were made, and we recognize

the nexus between defensive and offensive weapons. That

was opening the gate for the Russian claims. We in this way facilitate

the Russian claims. We are engaging in negotiations on missile

defense. And unlike what Congressman Rohrabacher said before—

unfortunately, he is not here—that this missile defense in some

way is threatening the massive Russian strategic ballistic missile

arsenal, that is just not the case. These missiles in Europe are

aimed at the Iranian threat. It is a very small deployment. They

can intercept a small number of warheads. Russians have thousands

of warheads.

So what they are doing is posturing in an attempt to gain a say

in an area that we thought that they are out of, which is Central

Europe. What the Poles do, what the Czechs do, as members of

NATO, is no Russian business, especially when this deployment

does not threaten Russia.