Well, I join the chairman in welcoming our distinguished

witness. Under Secretary Burns is uniquely qualified to

discuss the challenges posed by Russia’s invasion of Georgia. He’s

an outstanding public servant, and we are fortunate to have him

at the forefront of our diplomatic efforts.

On August 7, Russian military forces invaded the sovereign territory

of Georgia. Russia’s aggression should not have been a surprise.

For years, Moscow has been implementing a policy designed

to apply the maximum possible pressure on Georgia:

First, Russia shut off energy exports to Georgia, claiming that

terrorist attacks had damaged the gas pipeline running between

the two countries.

Second, Moscow instituted a trade embargo against Georgia, cutting

off all commerce between them, and closing road connections.

Third, mail deliveries and direct flights between the two countries

were suspended.

Fourth, Russian authorities arrested thousands of Georgians living

in Russia, and deported them. At least two Georgians died during

that process.

Fifth, Russian diplomats disrupted and frustrated the diplomatic

efforts underway to find a resolution to disputes between Georgia

and the enclaves of South Ossetia and Abkhazia. In some cases,

they even refused to appear at scheduled talks.

Sixth, the Russian military conducted a large military exercise

just north of the Georgian border that coincided with increased artillery

and small-arms fire between Georgian troops and Russian

and South Ossetian troops.

Seventh, Russia asserted increasing control over the administration

of Abkhazia and South Ossetia, and expanded the number of

Russian officials with extensive military and intelligence backgrounds

in these regions.

Eighth, Russia reinforced its military presence in both Abkhazia

and South Ossetia in recent months without consulting Georgia, as

is required under existing agreements.

Ninth, Russian military aircraft violated Georgian airspace on

numerous occasions.

Tenth, Moscow established administrative relationships with

both South Ossetia and Abkhazia, breaking previous commitments

made through the Commonwealth of Independent States, and distributed

thousands of Russian passports to Abkhazians and South

Ossetians.

These events should not have left much doubt in anyone’s mind

that Russia was looking for a way to justify military action in Georgia.

American leaders counseled the Georgian Government not to

respond to this intimidation. I spoke on the telephone to President

Saakashvili in April and urged him not to take actions that would

invite a Russian military response.

When I visited Tblisi, 2 weeks ago, President Saakashvili asserted

that his government had no choice, and that Georgia had to

defend itself. We may never know definitively who fired first, but

it’s clear that Russian—Russia implemented an extraordinarily

provocative plan to lure Georgia into combat.

Moscow has agreed to several cease-fire agreements, but has not

yet met its obligations under any of them. Russian troops must

withdraw from Georgia, and the international community must ensure

that conditions on the ground do not permit Russia to determine

political events in Georgia.

The European Union’s announcement that it is sending 200 observers

to Georgia is a welcome initiative, but much more needs to

be done. The United States has moved to provide Georgia with significant

humanitarian and reconstruction assistance. I saw, firsthand,

the important role the United States is playing in alleviating

the suffering in Georgia. I joined USAID workers in distributing

cots and blankets to displaced persons in Tblisi, and observed military

servicemen unloading supplies from a C–17. I expressed my

strong support for the administration’s $1 billion aid package when

Secretary Rice called to brief me on the details. This is a good first

step. But, by itself it will not ensure the survival of the democratic

free-market Georgian government.

Georgia’s Prime Minister estimated a need for at least $3 billion

to $4 billion for budget support and infrastructure repair. He forecasts

that, unless action is taken quickly, Georgia’s GDP could fall

more than 10 percent, in contrast to the 10-percent annual growth

the young economy had been experiencing.

Moving the Georgian economy back to a sound footing is imperative.

Russia has not emerged from this conflict unscathed. Recent

press reports suggest that Moscow’s stock market, as the chairman

mentioned, has lost nearly 50 percent of its value and more than

$20 billion of capital has fled the country. In recent days, the Russian

Central Bank has spent $4.5 billion to prop up the ruble. This

level of financial shock would have crippled the economies of many

countries around the world, but the tens of billions of dollars Russia

receives from its oil and gas exports are allowing it to absorb

these economic losses.

The conflict in Georgia cannot be separated from Europe’s dangerous

dependence on natural gas from Russia. In fact, the conflict

in Georgia makes it all the more important for European leaders

to act on energy security. Commitment to energy diversification, including

new pipelines circumventing Russia, is essential to the security

of our European allies.

The Kremlin has shut off energy supplies to six different countries

during the last several years. These energy cutoffs were intended

to demonstrate Russian willingness to use its commanding

energy export position to back its demands for foreign and economic

policy concessions. A natural-gas shutdown experienced by a

European country in the middle of winter would cause death and

economic loss on the scale of a military attack. Such circumstances

are made more dangerous by the prospects that nations might become

desperate, increasing the chances of armed conflict and terrorism.

In addition to the administration’s assistance package, there

were several steps the United States must take in the near term.

We must redouble our efforts to extend a Membership Action Plan

to Georgia. The failure to extend MAP to Georgia and Ukraine at

the summit in Bucharest was a mistake that sent the wrong signal

to Moscow and the international community. A MAP would be powerful

symbol of the West’s support for an independent Georgia.

Finally, the U.S. must lead the international community to establish

a diplomatic structure to consider and solve the so-called

‘‘frozen conflicts.’’ These trouble spots, like Abkhazia and South

Ossetia, must not be permitted to become incentives or excuses for

conflict. In addition to the zones in Georgia, the Transdnistria region

of Moldova, the Nagorno-Karabakh standoff between Armenia

and Azerbaijan, and the Crimean region of Ukraine could trigger

armed conflict. Peaceful solutions are possible, but they will require

the attention of the United States and our allies.

I thank you, Mr. Chairman, for holding this hearing, and we look

forward to hearing from our distinguished witness.

Senator BILL NELSON. Very brief, Mr. Chairman.

Mr. Secretary, you are in a unique situation,

having just served as our Ambassador to Russia for 3 years before

you assumed your new post. And so, I ask these question, really,

with the thought in mind that you have as good a grasp of current

Russian politics and leadership as anyone that I know. As you suggest,

we must be thoughtful about a common cause about working,

obviously, with our European allies. And my impression, at least,

having just visited NATO and EU, is that there was remarkable

concurrence; not that every country has the same view of Russia,

but the ability to stay unified through each of the stages, support

President Sarkozy, or others, was remarkable. Likewise, I noted a

feeling, on the part of most of the countries, toward the United

States that was much more comfortable. Some, because of the Iraq

war, have felt very uncomfortable. This has changed some perceptions

substantially. But, it also has led to a call by the Baltic states

for some definition of what does article 5 mean? Would somebody

come to rescue us, in the event that there was a disruption of some

sort? Or, as we noted, the Poles’ rapid signature on the missile defense

agreement. One motivating factor was surely that even if article

5 did not bring military assistance, there would be American

troops manning the missile sites, and that this was a selling point

to the Polish people. That’s an argument that perhaps has not

quite permeated our thinking here, but, nevertheless, was deeply

felt by many in Poland.

Now, my question is—the Russians, obviously, have noted all of

this. We had the ‘‘2 plus 2’’ talks, with the Secretary of State and

Defense and their counterparts in Russia, that appeared to be constructive.

There appeared to be some headway in thinking about

the START treaty’s renewal, which will need to occur sometime in

2009. On the Russian side, in fact—a request, really—their position

was for more intrusive inspection than, apparently, we were prepared

to do under the Moscow Treaty. When the Senate ratified the

Moscow Treaty we were always told it would be buttressed by the

START Treaty, but now there is a chance that START will not be

there. So, this is very serious, in terms of cooperative threat reduction.

But, the Russians took that very seriously, as I understand, in

the ‘‘2 plus 2.’’ They also took somewhat seriously the problem of

the missiles from Iran, but, even if not from Iran, from somewhere,

with the thought, at least, of a discussion of Russians being, perhaps,

at our missile sites in Poland and the Czech Republic.

That was just a short time ago. Now we are in this condition.

And I just wanted you to reflect on how do we move diplomatically

to a situation where we proceed with the START negotiations with

more missile defense in a pan- European, pan-world situation in

other areas where we can make some headway? Is it conceivable

that, without criticizing the Russians, we say, ‘‘We have some agenda

items here that we need to discuss’’? Can you do that? At the

same time, all the repercussions of Georgia are redounding around.

Finally, I just would throw this in, because I want the rest of the

time for you to answer the question. Clearly, the Russian leadership

was surprised by the economic repercussions, although Foreign

Minister Lavrov has said, ‘‘You, in the United States, have

created the problem. It’s your subprime mortgages and the whole

demise of your economy that’s caused European stock markets to

fall, including our own.’’ On the other hand, clearly, the rush of

capital out of Russia, the risk premiums, the ruble problems are

substantial, yet President Putin has remained, apparently, very

popular. The nationalistic idea of ‘‘Russia, we’re back, we’re rich,’’

and so forth, having still permeated the atmosphere, how do we

deal with the first agenda, the cooperative security, and at the

same time work our way through the rocks and shoals of the economic

crisis and the problems of President Putin and his popularity?

Thank you very much.

In response to Senator Voinovich’s question, my

understanding is that the staffs, majority and minority, have considered

the waiver, and that would be on the agenda for our business

meeting, next Tuesday I believe, so that constructive action

could be taken by the committee to meet that problem, I believe.

I just want to raise two or three points, one of which is, in the

Moscow Times today on this—September 17 issue—there’s a letter

to the editor by three partners of RST International, a business of

strategic communication consultancy based in Moscow. The piece

very candidly describes United States-Russian relations in political

campaigns, our Presidential campaigns throughout the years, what

positions candidates have taken, and then how things evolved after

the elections, pragmatically, with the Russians. Whether one

agrees with their political analysis, essentially they are indicating

that, after our campaign is over, whoever is elected President will

probably attempt to forge some type of a relationship with, not only

Prime Minister Putin, but President Medvedev, and that we will

proceed again from there. Which may or may not be the case. I just

found it interesting that this is being published in Moscow—without

knowing the circulation of the Moscow Times and how important

that is, but it is a paper in Russia, presently now, and speculating,

about our elections, for Russian readers.

Another footnote is that the Pentagon, each month, provides an

update of the Nunn-Lugar Program’s progress in eliminating weapons

of mass destruction. And during August, the month of contention

in Georgia, 10 intercontinental ballistic missiles were destroyed

in Russia and four shipments of nuclear warheads were

sent to safe and secure storage. This is a fairly modest outcome,

but, nevertheless, the program continues. The 10 missiles destroyed

join 720 others that have been destroyed previously during

the last 16 years, and there are still a good number to go. But, I

make the point that it is important that this process of cooperative

threat reduction move ahead, even at fairly low profile, because the

safety, not only of Russia and the United States, but the world

really, is involved in the containment of all of this.

Finally, I just am curious, I talked to General Craddock, our

NATO commander, when I was in Brussels in early September,

and he indicated that the Russian forces have a training exercise

in the area around North Ossetia—that is on the border with

South Ossetia—every August. So, they were down there again for

a training exercise in August. I asked, ‘‘Are they there only during

August?’’ Well, essentially that’s when the exercise occurs. Which

led me, to—just being the devil’s advocate—what if the shooting between

Ossetians and Georgians and so forth had occurred, say, October

the 15th? Would the same troops have been there? Well, apparently not.

Now, I raise this question, because it really gets to the heart of

good intelligence on our part, on the part of the Georgians, on the

part of our Embassy in Moscow. These are salient facts, when the

Russians have not just conscripts, although some were conscripts

in the South Caucasus, but professional soldiers in the area for a

training exercise. General Craddock reports that aircraft that were

flown by the Russians were often flown in very erratic ways at altitude

levels that made it fairly easy for the Georgians, with very

limited armament, to shoot them down. He also pointed out that

Russian troops just advanced in single file, the tanks the troops

and so forth, as opposed to a sort of spread formation that would

have been normal in these things. So, you know, you ask, ‘‘Well,

why did the Russians win?’’ He said, ‘‘Well, there were a whole lot

more of them.’’ You know, by the time you have all of the tanks

and all the troops, whatever may be the level of training or coordination,

it was rather overwhelming force that then spread out over

the country in one form or another.

It also raised questions about the training of the Georgian troops.

Certainly, the United States and others have been involved in this,

but communication breakdowns between various segments. This

was complicated by the fact that when the Georgian troops were

flown back from Iraq, the Russians had taken over some of the garrisons

where their weapons were stored. So when they returned

they were, weaponless, or without the provisions that were required at that point.

I mention this because this requires, I think, some careful analysis

by Georgians, by ourselves, by others, as to specifically what

happened. Not who triggered it and on what day or so forth, but,

physically, why were Russians there on the border at that time and

in those numbers? Why didn’t somebody shut the tunnel so that

5,000 people could not come through? And this is, I think, very,

very important. I appreciate that, at this point, people tire of the

tediousness of going into this, play by play, but I simply raise this

as a part of the hearing, because I suspect you would agree that

this kind of postmortem analysis is important.

Yes. Thank you, sir.