

**Statement of Michael McFaul**  
**Ambassador-Designate to the Russian Federation**  
**Senate Committee on Foreign Relations**  
**October 12, 2011**

Madam Chairman, Ranking Member Lugar, and distinguished Members of the Committee:

It is a great honor and a privilege to appear before you again today, this time as President Obama's nominee to be Ambassador to the Russian Federation. I am grateful for the President's confidence and for the support as well from Secretary Clinton. If confirmed, I look forward to working closely with the members of this committee to advance and defend U.S. interests in Russia.

I am also delighted that my wife, Donna Norton, and my two sons, Cole and Luke, could be here today with me. For many years, Cole and Luke have heard me talk about the virtues of the democratic process, since I have taught courses on democracy at Stanford for many years and have hosted many democratic activists at our home in California. I thought they should be here to witness a democratic process that might have a direct effect on their personal lives.

Unlike my sons, when I was their age, I had never met an MP from Zimbabwe or a blogger from Iran or discussed the merits of different systems of government. In fact, as someone who grew up in Montana, I had never even met a foreigner until I went to college. But strangely, even while still living in Montana, I did develop an interest in international affairs, and in particular an interest in ending the Cold War. In my debate class at Bozeman Senior High School in 1979, I developed the argument that if we could just figure out a way to talk more honestly and directly to the Soviets, we could defuse a lot of tension and make both countries more secure. I took that conviction with me to Stanford University, and in the fall quarter of my freshman year, began to study Russian. Two years later, I went abroad for the first time, not to London or Paris, but to Leningrad. My mother thought I was crazy. She considered California a foreign country.

Several stints of studying in the Soviet Union and then communist Poland compelled me to adjust my hypotheses about diplomacy developed as a kid in Montana. Sometimes, ideological differences between countries make it impossible to find common ground. Sometimes national interests collide. Regimes, like the USSR, which repress their citizens are less reliable partners for the United States than democratic allies. And therefore, *Advancing Democracy Abroad* – the title of the last book I wrote before joining the Obama administration – is not only the right thing to do but the smart thing to do.

And yet, while developing these new ideas about the centrality of universal values over time as a student, activist, and scholar, I never completely abandoned my original thesis about the importance of understanding other countries and communicating with their people. Even when some differences cannot be overcome, greater communication between countries allows for cooperation on mutual interests in other areas. And clarifying those disagreements can be useful. Misunderstanding never benefits anyone.

On January 21, 2009, President Obama gave me the opportunity to apply these convictions in the real world. Even before his inauguration, President-elect Obama called for a reset in our relations with Russia. His premise was that through engagement with the Russian government, we could develop cooperation on some issues that would benefit American security and prosperity. Rather than framing all interactions between the United States and Russia as zero sum contests for power and influence, President Obama proposed that we look for ways to produce win-win outcomes. As we have looked for such opportunities, the reset has been guided by two additional principles. First, we will not seek cooperation with Russia at the expense of relations with other allies and partners. Second, as we seek broader engagement with the Russian government, we also have pursued in parallel deeper engagement with Russian society. Borrowing a page from one of my mentors, George Shultz, we call this strategy dual-track engagement.

This new strategy has yielded results.

First, through greater engagement with the Russian government, we have expanded our northern supply routes into Afghanistan. This complex network of railways, flight routes, and roads known as the Northern Distribution Network, now accounts for more than half of all the supplies that we send to our soldiers in Afghanistan. Since signing a military transit accord with Russia in 2009, we have flown more than 1,500 flights transporting more than 235,000 personnel through Russia. These transit arrangements are a matter of vital importance to our troops as the transit route through Pakistan becomes more problematic.

Second, the President signed and the Senate then ratified the New START treaty. This treaty reduces our nuclear arsenals, but importantly also provides robust verification and transparency measures that will build confidence and predictability on both sides. We thank this Committee for all of your efforts in getting this treaty ratified in a timely manner that made sure that our verification efforts experienced no serious disruptions.

Third, on Iran, we worked closely with Russia to craft United Nations Security Council resolution 1929, which significantly expanded the multilateral sanctions regime. Shortly thereafter, Russia took a very important step by unilaterally canceling a sale of S-300 surface-to-air missiles to Iran. We continue to work closely with Russia to develop additional measures to stop Iran's development of a nuclear weapons program. Most recently, we held constructive meetings with Russia in New York in the "P5+1" format during the United Nations General Assembly on getting Iran to satisfy our common concerns about its nuclear program.

Fourth, on North Korea, we worked together to adopt Security Council resolutions 1718 and 1874, and we remain committed to denuclearization as our ultimate goal.

Fifth, on Libya, Russia abstained on UN Security Council resolution 1973, which gave international support for NATO successful campaign to protect Libyan civilians.

Sixth, we have continued to work with Russia to follow through on the vision of Senator Lugar and former Senator Nunn to enhance the physical security at Russia's chemical, biological and nuclear research, production and storage facilities. Last year, Secretary Clinton and Foreign

Minister Lavrov signed the Plutonium Management and Disposition Agreement, which will transparently dispose of the equivalent of 17,000 nuclear weapons worth of plutonium. Russia and the US have worked closely through a well documented series of bilateral and trilateral programs to improve Russian, US, and worldwide nuclear security and have also joined forces to thwart nuclear smuggling as cases arise.

Seventh, with your support, the 123 Agreement with Russia entered into force in January. This agreement provides a solid foundation for long-term U.S.-Russia civil nuclear cooperation; commercial opportunities for U.S. industry in Russia; and enhanced cooperation on important global nonproliferation goals.

Eighth, we have worked closely with the Russian government to create the permissive conditions for more trade and investment between our two countries. Most importantly, the administration has been actively supporting Russia's accession to the World Trade Organization, since Russia's membership in the WTO will create new markets for U.S. exports and increase opportunities for U.S. companies, farmers, ranchers, investors, and workers. As a WTO member, Russia will have to lower tariffs, liberalize the conditions under which American services can be sold in the Russian market, and comply with more transparency rules. There are two key outstanding issues related to Russia's accession: Georgia and Jackson-Vanik. As you know, the WTO operates by consensus. That means Georgia must agree to Russian accession, something it has yet to do. The Government of Switzerland has helpfully volunteered to serve as a mediator helping Russia and Georgia resolve their trade-related issues. We have made it clear to Russia that there is no way to go around Georgia: the two countries must resolve their differences through the mediation process. We believe the Swiss have formulated a fair, creative, and balanced proposal that can work, but the parties themselves must find that it is in their interest to come to agreement.

In order for U.S. businesses, farmers and workers to receive the maximum benefit from Russia's WTO accession, however, we will need to give the same *unconditional* permanent normal trading relations treatment to Russia's goods that we provide to those of all other WTO Members. That commitment requires us to terminate the application of the Jackson-Vanik Amendment and extend permanent normal trading relations to Russia. We look forward to working with you closely to terminate the application of Jackson-Vanik to Russia before Russia joins the WTO. Jackson-Vanik long ago achieved its historic purpose by helping thousands of Jews emigrate from the Soviet Union. Four decades after Jackson-Vanik was passed, a vote to grant Russia PNTR is a vote to help our economy and create jobs. At a time when we need to increase exports to preserve and create American jobs, we cannot afford to put our farmers, manufacturers, and workers at a disadvantage when competing against other WTO members for market share in Russia.

In addition to supporting Russia's WTO membership, the Obama administration has actively supported several major trade and investment deals completed in the last three years. For instance, Boeing has secured several major sales to Russian airlines in the last two years, worth roughly \$11 billion, and securing tens of thousands of American jobs. ExxonMobil, GE, Caterpillar, John Deere, GM, Ford, Nike, International Paper, FedEx, Pepsi, Procter and Gamble, Cisco and Visa are just a few of the many American companies successfully doing

business in Russia and supporting job creation here in the United States. They all report to us that the reset has created a better environment for their businesses. If confirmed, I will continue to do all that I can to support the growth of this economic activity.

As a means for enhancing our engagement of both the Russian government and society, the administration created the U.S.-Russia Bilateral Presidential Commission, which now has nearly two dozen working groups working on everything from trade and investment to energy efficiency to basketball. In fact, President Obama even took a few shots at the White House with a visiting Russian high school basketball teams last year. He also attended a summit between American and Russian civil society leaders in Moscow in 2009, underscoring that government actors – including even the president of the United States – must not only facilitate contacts between Russian and American civil society organizations, but also interact directly with these non-governmental leaders, even when they have critical messages to convey.

This comprehensive list represents a positive record of achievement for the Obama administration regarding security and economic issues of the highest importance to our country. Supplying our troops in Afghanistan, reducing the number of nuclear weapons in the world, preventing Iran from acquiring nuclear weapons, creating jobs in America – these are all core national interests for the United States. Moving forward, however, we still seek to reset our relations with Russia on other issues.

For instance, European security. We have made progress, but more needs to be done. Russia's relations with its neighbors had been deteriorating at an alarming pace. There were gas wars, cyber wars, and most tragically, a military war in August 2008. From the very beginning of the Administration, we sought to reverse this dangerous trend, first by reassuring and strengthening our security ties with our NATO allies, and second by deepening our relations with Russia as a way to give Russia more to lose from coercive behavior.

Our strategy has yielded dividends. While there is much more to be done, wars of any kind in Europe today, including renewed conflict between Russian and Georgia, are much less likely today than three years ago.

And yet, while the probability of conflict between Russia and Georgia has decreased, the potential still remains. There are clearly issues on which the United States and Russia are not going to agree – and Georgia is one of them. Whether in bilateral meetings with the Russians, at international organizations or in multilateral settings, we have consistently and adamantly defended Georgia's territorial integrity, while also providing critical political, economic, and defense-related support to the Georgian government. President Obama, Vice President Biden and Secretary Clinton have been clear with the Russian government on the need to meet its obligations under the 2008 ceasefire agreement and our serious and ongoing concern over the Russian military presence in the breakaway regions of South Ossetia and Abkhazia. There are no military solutions to this impasse, only diplomacy, and we have participated in multiple rounds of talks moderated by the EU, the UN and the OSCE in Geneva to encourage dialogue between the parties. If confirmed, I will continue to make progress on this issue one of my highest priorities.

We also have far more work to do to get Russia to join the growing international consensus on Syria. The Russian veto of the UN Security Council resolution on Syria on October 4<sup>th</sup> was a big disappointment. We cannot allow the Security Council to lose its moral voice when the human rights of innocent people are so grossly violated.

Resetting our relations on issues of democracy and human rights also requires more work. Since 2009, the Obama administration has developed and executed a new approach for advancing democracy and defending human rights in Russia.

First, we have elevated these issues in our interactions with Russian government officials. President Obama has regularly engaged with President Medvedev on democracy, human rights and the rule of law. The same is true for Secretary Clinton when she meets with Foreign Minister Lavrov and other senior Russian government officials. Moreover, U.S. government officials have spoken out publicly and consistently about democratic erosion and human rights abuses in Russia. We created a website to catalogue our public pronouncements, which now contains over 80 statements related to democracy and human rights issues in Russia (<http://www.state.gov/p/eur/ci/rs/c41670.htm>). Under the Bilateral Presidential Commission, we created a special working group in civil society, which I personally co-chaired, to establish a formal venue for discussing these issues. Sometimes those sessions have been testy, but we continue to believe that dialogue – even tough dialogue – is better than no contact at all.

Second, for those in Russia who abuse human rights, we have taken measures to ensure that they cannot travel to the United States. We have done so both for government officials implicated in the wrongful death of Russian lawyer Sergey Magnitsky, but also in other cases in which gross violations of human rights occurred.

Third, U.S. Government officials actively engage with Russian non-governmental leaders and encourage peer-to-peer engagement between American and Russian civil society leaders. During his trip to Russia in July 2009, President Obama met with hundreds of civil society leaders as well as opposition political figures. Vice President Biden, Secretary Clinton and other senior U.S. government officials have made it a practice of meeting with civil society leaders and opposition political figures during their visits to Russia. Russian and American NGOs organized two civil society summits in 2009 and 2010 in which our administration participated. Under a new initiative, these annual U.S.-Russian civil society summits will continue annually.

Fourth, the Obama administration – working with the U.S. Congress – has continued to secure funds to support civil society, rule of law, human rights, independent media, and good governance in Russia. We have prioritized support for small, direct grants to Russian civil society organizations. Working with Congress, we continue to seek new ways to generate greater support for civil society organizations in Russia. For the upcoming parliamentary and presidential votes in Russia, we have allocated \$9 million – one million more than spent for the previous round of national elections in 2007-2008 – to support activities designed to strengthen free and fair elections.

The sum of these efforts constitutes a robust strategy for supporting democratic change and civil society development in Russia. And yet, the limited results regarding democratic development in

Russia over the last several years suggest that we must do more. As someone who has worked on these issues for over a quarter century – be it as the first representative of the National Democratic Institute in Russia in 1992, as a professor teaching and writing on democracy at Stanford University and the Hoover Institution, or as a member of President Obama’s National Security Staff – I have the experience necessary to add vigor to our efforts in Russia, if confirmed by you.

President Obama believes that we can pursue our security and economic interests and promote universal values at the same time. If confirmed, I look forward to accepting a new challenge presented to me by President Obama and Secretary Clinton of trying to pursue this vision as the next U.S. Ambassador to Russia.

I am humbled by the President’s decision to nominate me to this position, and I am grateful to the Committee for inviting me to appear before you today and for considering my nomination.

I look forward to answering your questions.