

**THE U.S. AND NORTHERN EUROPE:
THE E-PINE INITIATIVE**

HEARING
BEFORE THE
SUBCOMMITTEE ON EUROPE
OF THE
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INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES
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WEDNESDAY, APRIL 21, 2004

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EUROPE,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to call, at 1:41 p.m. in Room 2200, Rayburn House Office Building, Hon. Doug Bereuter presiding.

Mr. BEREUTER. The Europe Subcommittee of the House International Relations Committee will come to order.

Today the subject of our hearing is enhanced partnership in Northern Europe. And we are pleased to have three distinguished witnesses.

Sorry to start a bit late, but the good news is the House has completed its voting for today. And so we should be able to move directly through our testimony without interruptions.

The way we are going to work this, with prior agreement from our panelists and two panels, is to invite the Secretary to make her comments first, Secretary Conley, and then to invite the two Ambassadors to the table, as well. They will make their statements, and we will have a single question period for all three of our distinguished witnesses.

I have an opening statement, then I will turn to our ranking Members. The distinguished gentleman from Florida, Mr. Wexler.

In just 10 days, as you all know, the European Union will welcome the largest number of new members in its history. With the addition of Poland, Estonia, Latvia, and Lithuania to the current EU members, Germany, Denmark, Sweden, and Finland, the Baltic Sea region will become a region united, without internal frontiers in many respects, providing Europe a sea of peace, freedom, stability, and security. At least, that is their hope, and ours.

The Baltic Sea region, already noted for its highly-educated and skilled citizenry, strong infrastructure, resources, growth potential, and its success in promoting regional cooperation, could be positioned to become a truly dynamic and prosperous region. Or in the words of one Estonian official, "the development engine of Europe."

Membership of the European Union increased by eight nations this could also offer the United States a rich environment for expanding trans-Atlantic cooperation partnership, and enhance business opportunities with an entire region, and not just with individual nations.

Recognizing the potential for a peaceful, united, and dynamic Baltic Sea region, the Department of State, in 1997, launched what became known as the Northern Europe Initiative, NEI.

Although designed to promote cooperation and integration on a broad range of issues throughout the region, the NEI dedicated a good deal of its synergy to assisting Estonia, Latvia, and Lithuania to fully integrate into the community of European democracies.

The success of the NEI was realized 1 month ago, when the three Baltic states formally joined the NATO Alliance, and will be complete when the same three, plus Poland, enter the EU on May 1. And of course, by no means is that all the responsibility or impact of the NEI, but it is an effort that I think was very complementary.

With its basic goals realized, the Department has now embarked on an enhanced approach to the region by recasting the NEI into the Enhanced Partnership in Northern Europe, or e-PINE program. E-PINE was introduced on October 15 by Secretary Conley herself.

Today we are pleased to hear from Secretary Conley for a more detailed explanation of what the e-PINE initiative is, and what its goals are.

We are also pleased to be joined by two distinguished Ambassadors from the region whose countries will be significant partners in the e-PINE effort.

Relative to your written comments, Ambassador Usackas, I will be interested to know more about Lithuania's decision to assist Georgia, and to reach out to other nations, as well as Belarussian democratic forces and who in your country helped shape those decisions. To what extent was the Parliament involved, for example.

Ambassador Eliasson, in your prepared remarks you referred to "three-party cooperative projects," possibly involving Belarus, Ukraine and Moldova. I hope you will elaborate on that idea, and explain what types of projects you might envision.

Again, this is a region of Europe with great potential, but one we spend, I am sorry to say, far too little time on. Perhaps that is because we don't have as many difficulties there, and we forget about things that are going well and positive reactions and relationships with friends.

But in any case, we look forward to the comments of all three witnesses. And I turn first, however, to the ranking minority Member, the gentleman from Florida, Mr. Wexler, for comments he might have.

[The prepared statement of Mr. Bereuter follows:]

PREPARED STATEMENT OF THE HONORABLE DOUG BEREUTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEBRASKA, AND CHAIRMAN, SUBCOMMITTEE ON EUROPE

In just 10 days, the European Union will welcome the largest number of new members in its history. With the addition of Poland, Estonia, Latvia and Lithuania to current EU members Germany, Denmark, Sweden and Finland, the Baltic Sea region will become a region united, without internal frontiers, providing Europe a sea of peace, freedom, stability and security.

The Baltic Sea region, already noted for its highly educated and skilled citizenry, strong infrastructure, resources, growth potential, and its success in promoting regional cooperation, could be positioned to become a truly dynamic and prosperous region. Or, in the words of one Estonian official, "the development engine of Europe".

Membership in the European Union by 8 nations of the Nordic/Baltic region, plus Iceland, could also offer the United States a rich environment for expanding transatlantic cooperation, partnership and enhanced business opportunities with an entire region and not just with individual nations.

Recognizing the potential for a peaceful, united and dynamic Baltic Sea region, the Department of State in 1997 launched what became known as the Northern European Initiative (NEI).

Although designed to promote cooperation and integration on a broad range of issues throughout the region, the NEI dedicated a good deal of its energy to assisting Estonia, Latvia and Lithuania to fully integrate into the community of European democracies.

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With its basic goals realized, the Department has now embarked on an enhanced approach to the region by recasting the NEI into the Enhanced Partnership in Northern Europe or e-PINE program. E-PINE was introduced on October 15, 2003 by Secretary Conley.

Today, we are pleased to hear from Secretary Conley for a more detailed explanation of what the e-PINE initiative is and what its goals are.

We are also pleased to be joined by two distinguished Ambassadors from the region whose countries will be significant partners in the e-PINE effort.

Relative to your written comments, Ambassador Usackas, I will be interested to know more about Lithuania's decision to assist Georgia and to reach out to other nations as well as Belarussian democratic forces and who in your country helped shape those decisions.

Ambassador Eliasson in your prepared remarks you referred to "three-party cooperative projects" possibly involving Belarus, Ukraine and Moldova. I hope you will elaborate on that idea and explain what types of projects you envision.

Again, this is a region of Europe with great potential but one we spend far too little time on. We look forward to your statements.

Mr. WEXLER. Thank you very much, Mr. Chairman. I want to thank you for holding today's hearing on Northern Europe and its focus on the Enhanced Partnership in Northern Europe.

It is incredibly fortunate for us to have this group of distinguished witnesses as you have talked about, Mr. Chairman, who share our desire for an even closer U.S.-Baltic and U.S.-Nordic relationship. I am deeply appreciative of the efforts of the Deputy Assistant Secretary, Heather Conley, who has been steadfast in her commitment, through e-PINE, to bringing our relationships with Northern Europe to a higher level.

I am also deeply grateful that the Swedish Ambassador and the Lithuanian Ambassador are here to provide us with an update on the critical issues in their regions, as well as to discuss Nordic and Baltic efforts to strengthen cooperation and coordination with the United States.

In this vein, Mr. Chairman, I believe it is incredibly important to American foreign policy interests that we take an in-depth look at United States strategic relations with our partners and allies in Nordic and Baltic nations. In particular, it is critical to look at the Baltic nations—Lithuania, Latvia, and Estonia—who have successfully traveled down the path of democracy, freedom, and prosperity following the end of the Cold War.

I think all of us here today should feel a collective sense of accomplishment that a majority of the missions and objectives laid out under the State Department's Northern Europe Initiative have come to fruition, and that the overriding goal, Baltic integration into Europe and trans-Atlantic institutions, has been fully achieved.

In today's world, which is replete with many serious foreign policy challenges, it is refreshing to report that American efforts in Northern Europe have been such a success.

Following the collapse of the Soviet Union, the United States, along with our allies in Europe, worked closely to fully integrate the newly independent Baltic states into the family of democracies. While there was some question as to whether Lithuania, Estonia, and Latvia could quickly make this political, military, and economic transition, we were all astounded by the tenacity and determination of the people in the Baltic region to reach their twin goals of membership in NATO and the European Union.

As a NATO ally and soon-to-be EU member, the Baltic nations have become a beacon of hope and inspiration to nations, as well as individuals, in the Balkans, Eastern Europe, the Caucasus in Central Asia. Those nations that aspire to fully integrate into the trans-Atlantic community need not look any further than the remarkable achievements in the Baltic Sea region to realize that their future is dependent on greater democracy, freedom, and tolerance.

While the success of the Northern Europe Initiative is self-evident, there are still numerous challenges facing U.S.-Baltic/Nordic relations in a number of areas, including security, non-proliferation efforts, counter-terrorism, trade, health, environment, and human trafficking. Given these challenges, I believe it is in America's interest to maintain the highest level of cooperation and interaction with the nations in the Baltic Sea region.

I fully support the goals of e-PINE, as well as those articulated in the eight-plus-one meetings, which will build on already high levels of multilateral cooperation and integration, to address issues of mutual concern.

Mr. Chairman, I thank you again for calling this hearing. And I look very much forward to hearing what suggestions the witnesses have as to take these relationships even further.

Thank you.

Mr. BEREUTER. Thank you, Mr. Wexler, for your excellent statement.

I would like now to introduce Heather A. Conley, Deputy Assistant Secretary for European and Eurasian Affairs. She is a member of the Senior Executive Service, assuming her responsibilities as Deputy Assistant Secretary in September 2001.

From 1994 up until that date she served as an associate, and then a senior associate, with Armitage Associates. From 1992 through June 1994 Ms. Conley served as a special assistant to the Coordinator of U.S. assistance to the newly-independent states of the former Soviet Union.

Prior to that she served as a program officer at the Office of International Security Operations Bureau of Political Military Affairs.

Among other honors she has received two State Department Meritorious Honors Awards.

Secretary Conley, your entire written statement will be made a part of the record. You may proceed as you wish.

STATEMENT OF HEATHER CONLEY, DEPUTY ASSISTANT SECRETARY FOR EUROPEAN AND EURASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Ms. CONLEY. Thank you, Mr. Chairman, for your kind invitation to testify today on the Enhanced Partnership in Northern Europe, or e-PINE.

E-PINE is an exciting initiative that reflects Secretary Powell's emphasis on developing productive relationships with our international friends in order to achieve common objectives.

As you know, my written statement goes into some detail. With your permission, I would just like to summarize here very shortly, and look forward to your questions.

The Nordic/Baltic region as we define it is comprised of the countries of Iceland, Norway, Denmark, Sweden, Finland, Estonia, Latvia, and Lithuania. These countries are good friends of the United States, with whom we share common values and foreign policy priorities. Six of the eight are members of NATO; six will be members of the European Union, following EU expansion on May 1.

We consult frequently at the highest levels. President Bush and Secretary Powell, Assistant Secretary Jones and I regularly meet with our counterparts from the region. In a very exciting initiative, the speakers of the Parliaments from the eight countries are visiting Washington together in June to express their support for the trans-Atlantic relationship.

To illustrate this region's strong support, I would like to give you a few quotes from some of the region leaders.

This is from the Prime Minister of Estonia:

"Estonia will do everything in its power as a member of NATO to strengthen NATO as a political and military organization, to improve the alliance's security and peace-keeping ability, to keep a strong trans-Atlantic bond within the Alliance."

And this from the Prime Minister of Iceland:

"It is crucial at this time that the democracies of the world should not break ranks, and that the struggle against international terrorism should be intensified substantially by all legal means. All states, small and large, must contribute to that struggle. The declared and steadfast resolve to defeat the terrorists, even if it takes years or decades, is an absolute condition for success."

The Lithuanian Minister of Defense recently said, on Iraq:

"We cannot change our decision as soon as we face first difficulties. It is not good to give up when someone threatens, as tomorrow we might be threatened even more."

And finally, from the Foreign Minister of Sweden, I quote:

"I do believe that the benefits of good trans-Atlantic relations and intensified cooperation between Europe and the United States are so obvious and desirable. The world needs the United States, and the United States needs the world. It is just as simple as that."

When we first conceptualized e-PINE, we took into account this support. We were fortunate to be able to draw up a policy for a re-

gion where we have good relationships, and few problems. Much credit should be given to past United States policy, the Northern Europe Initiative, or NEI, a policy which was forward-looking, focused, and successful.

The aim of NEI, launched in 1997, was to help Latvia, Lithuania, and Estonia achieve their stated goal of integration with Euro-Atlantic institutions. And less than 3 weeks ago, on April 2, the flags of these nations were raised at NATO headquarters in Brussels. Less than 2 weeks from today they join the other great collective headquartered in Brussels, the European Union.

In creating e-PINE, we wanted to continue our effective multilateral approach. The Nordic/Baltic region is truly a region, a group of countries who share geography and interest in ideas, and that build up structures that enhance their cooperation.

In most of these regional structures, such as the Council of Baltic Sea States and the Barents Euro-Arctic Council, the United States is an observer. The U.S., however, is an active member of the Arctic Council, which allows us to engage on environmental issues in the far north. However, e-PINE allows the United States to participate fully and equally in a unique regional format.

At NEI we also took the lesson that countries that are more advanced on the democratic, capitalistic continuum can assist countries that are just starting out on their journey. While our help was important in Baltic, NATO, and EU membership, the Nordic countries did just as much, sometimes even more.

Finally, NEI showed us that judicious use of assistance money can achieve great results. Under NEI, we invested roughly \$30 million in Support for Eastern European Democracy funds, or SEED funds, helping the Baltic States integrate their Russian-speaking minorities, address the legacy of the Holocaust, create modern banking and taxation systems, combat corruption, come to grips with global challenges, such as HIV/AIDS and trafficking of persons, and much more.

With friendly states, a successful legacy, and good lessons learned, we created e-PINE. The goal of e-PINE, simply put, is to work together to advance shared objectives. We see these objectives as falling into three broad areas: security; healthy societies and healthy neighbors; and vibrant economies.

The first area includes cooperation to combat terrorism. Healthy societies and healthy neighbors is our term for not just cross-boarder health challenges, like HIV/AIDS and tuberculosis, but other trans-national threats, such as corruption and crime.

In the vibrant economies area we hope to further U.S. business links to the entire region.

The eight states have welcomed our initiative. They agreed to join us in an eight-plus-one forum of senior policy makers. The eight-plus-one met for the very first time last September in New York, at the level of political directors, Under Secretary of State Marc Grossman chaired that meeting. And we will meet again next month in Lithuania. Assistant Secretary Beth Jones and I will attend that meeting.

The eight-plus-one meetings are a chance to determine priorities for a United States/Nordic/Baltic policy and project coordination. In New York we agreed that a particular concern is the advancement

of democracy to the east of the region, in Belarus and Ukraine, and even as far as the Caucasus. The Baltic States recognize that, for reasons of geography and history, they can play a special role in this effort.

We also agreed to work together to combat trafficking in persons, health risks, and terrorism.

While most U.S. Government assistance funding for this region will end this September, we intend to direct remaining FY 2003 SEED funds into cooperative projects to address these problems.

We hope that the Nordic and Baltic States will be able to match our funds and money invested by other parts of the State Department and the United States Government.

In between these semi-annual meetings, we share policy ideas, and, when possible, develop programs to address the agenda items.

I am also very pleased that a group of Nordic, Baltic, and United States foreign policy think tanks and NGOs are coalescing into a parallel structure that will add additional momentum to our e-PINE dialogue.

Finally, Mr. Chairman, you asked that I consider the relationship between e-PINE and the European Union's Northern Dimension. Our view is that these two activities are completely complementary. Since, of course, we are not members of the European Union, we cannot join the Northern Dimension. We do, however, share ideas.

Following the Vilnius eight-plus-one meeting I will travel to Brussels to brief EU officials on our activities.

This is an exciting time for the United States and Northern Europe. NATO and EU membership for Estonia, Latvia, and Lithuania marks the conclusion of one incredible chapter in our relations, and we are now beginning a new and exciting chapter in Northern Europe, a time for the United States to consider what we want to achieve with the good friends we have.

E-PINE takes advantage of this opportunity, and together we hope to spread democracy, prosperity, and stability even farther into Europe and Eurasia.

Thank you very much.

[The prepared statement of Ms. Conley follows:]

PREPARED STATEMENT OF HEATHER CONLEY, DEPUTY ASSISTANT SECRETARY FOR
EUROPEAN AND EURASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Thank you, Mr. Chairman, for the invitation to testify today on the Enhanced Partnership in Northern Europe, or e-PINE. E-PINE is an exciting initiative that reflects Secretary Powell's emphasis on developing productive relationships with our international friends in order to achieve common objectives.

The Nordic Baltic region, as we define it in the State Department, is made up of eight countries. Reading from northwest to southeast, they are Iceland, Norway, Denmark, Sweden, Finland, Estonia, Latvia, and Lithuania. Six of the eight are members of NATO, six will be members of the European Union following EU expansion on May 1. All eight are good friends of the U.S. with whom we share common values and foreign policy priorities. We consult at the highest levels. President Bush and Secretary Powell regularly meet with the region's leaders to discuss the issues that matter most, from combating terrorism to combating trafficking in persons. In May we will welcome to Washington the speakers of the Parliaments of all eight states, undertaking a joint visit to the U.S. to strengthen the transatlantic relationship. To illustrate the common approach we bring to most issues, let me quote for you some of the leaders from northern Europe:

The Prime Minister of Estonia: "Estonia will do everything in its power as a member of NATO to strengthen NATO as a political and military organization, to improve the alliance's security and peace keeping ability, to keep a strong trans-Atlantic bond within the Alliance."

The Danish Foreign Minister, on his country's commitment to Iraq: "Now's the time to stand firm. . . The Americans have asked us to stay, and the Iraqi governing council has asked us to stay."

The Foreign Minister of Iceland: "It is crucial at this time that the democracies of the world should not break ranks and that the struggle against international terrorism should be intensified substantially by all legal means. All states, small and large, must contribute to that struggle. The declared and steadfast resolve to defeat the terrorists, even if it takes years or decades, is an absolute condition for success."

The Lithuanian Minister of Defense on Iraq: "We cannot change our decision as soon as we face first difficulties. It is not good to give up when somebody threatens, as tomorrow we might be threatened even more."

The Prime Minister of Finland: "An act of terrorism is an act of crime, aiming at killing large numbers of innocent people, in a totally random fashion. . . . In this fight against terrorism we are certainly not outsiders, but a terrorist attack against Madrid or New York is at the same time an attack against us."

The President of Latvia, on NATO membership: "We will enjoy security guarantees, but we, Latvia as a state, with our own resources, our own armed forces, will take part in this joint undertaking, bringing our own value, and our own contribution. We will all work together, shoulder to shoulder, so that peace prevails, not only in our country, but that peace and security prevail in all countries of the Alliance, that peace and security prevail in as much of the world as possible."

The Foreign Minister of Sweden: "I do believe that the benefits of good transatlantic relations, and intensified cooperation between Europe and the United States, are so obvious and desirable that it is everybody's responsibility to make every effort not to repeat the mistakes of the past, or let them linger on and become obstacles to progress in the future. The world needs the United States—and the United States needs the world. It's just as simple as that."

Norway's Foreign Minister: "From 2004 Afghanistan is one of our designated partner countries in development co-operation. This means an increase in long-term development assistance to the country. Our political commitment to Afghanistan clearly is for the long haul. There is an important lesson here: There is no development and reconstruction without security, and there is no security without development and reconstruction."

When we conceptualized e-PINE, we took into account this support, this friendship. We were fortunate to be able to draw up a policy for a region where we have good relationships and few problems. Part of the reason for this happy state of affairs is that past U.S. policy was forward-looking, focused, and successful.

Before e-PINE, there was the Northern Europe Initiative (NEI). Launched in 1997, the principle goal of NEI was to help Latvia, Lithuania and Estonia achieve their stated goal of integration with Euro-Atlantic institutions. NEI also supported regional cooperation among the Baltic States, the Nordics, and other Baltic Sea states such as Russia, Germany and Poland. That NEI succeeded is obvious. Less than three weeks ago, on April 2, the flags of Estonia, Latvia and Lithuania were raised at NATO headquarters in Brussels. Less than two weeks from today, these three countries will join the other great collective headquartered in Brussels, the European Union. Integration is complete.

Well before these events, we began thinking about what we were going to do after them. We decided to preserve NEI's multilateral approach. The Nordic Baltic region is truly a region, a group of countries who share geography and interests and ideas and have built up structures that enhance their cooperation with one another. The U.S. is an observer state at the most important regional body, the Council of Baltic Sea States, and at the Barents Euro-Arctic Council.

Our membership in the Arctic Council allows us to engage with Iceland, Norway, Sweden, Finland, Denmark, and Canada and Russia as well, on issues of concern in the far north. In this forum we've been able to move beyond the rhetoric that sometimes swirls around environmental issues in order to undertake useful and collaborative scientific research. Indeed, we enjoy good cooperation on environmental issues throughout northern Europe. The Environmental Protection Agency has a long history in the region and has used funds provided by the State Department to address a variety of issues. We're also pleased with the results of the Arctic Military Environmental Cooperation (AMEC) program, a collaboration involving the

U.S., Norway, Russia, and the U.K. that helps contain nuclear waste in northwest Russia. Assistant Secretary of State Turner, of the Bureau of Oceans and International Environmental and Scientific Affairs, recently visited the area to talk about what we can do together.

From NEI we also took the lesson that countries that are more advanced on the democratic/capitalist continuum can assist countries that are just starting out on the journey. While our help was important in Baltic NATO and EU membership, the Nordic countries did just as much, or more.

Finally, NEI showed us that judicious use of assistance money can achieve great results. Under NEI we invested roughly \$30 million in Support for Eastern European Democracy (SEED) funds into helping the Baltic States integrate their Russian-speaking minorities, address the legacy of the Holocaust, create modern banking and taxation systems, combat corruption, and come to grips with global challenges such as HIV/AIDS and trafficking in persons. Let me list just a few of our assistance success stories:

In Latvia, we have supported the work of the Tuberculosis Control Center of Excellence that has led to a quantifiable drop in the TB infection rate. The Center of Excellence is now exporting its expertise, providing training to health professionals from other central and eastern European states.

In Estonia, we contributed to efforts to overcome the mistrust left by Soviet occupation by supporting Estonian initiatives to establish relationships between Estonian and Russian businesses, city governments, and non-governmental organizations.

In Lithuania, we arranged for members of the national financial crime investigative unit to visit the U.S. to see how we combat money laundering. The result was the passage by the Parliament of two amendments to the legal code that defined illegal financial transactions and added new measures to target terrorist financing.

With friendly states, a successful legacy, and good lessons learned, we created e-PINE. The goal of e-PINE, simply put, is to work together to advance shared objectives. We see these objectives as falling into three broad areas: political security; healthy societies and healthy neighbors; and vibrant economies. The first area includes cooperation to combat terrorism. "Healthy societies, healthy neighbors" is our term for not just cross-border health challenges like HIV/AIDS and tuberculosis, but other transnational threats such as corruption and crime. In the vibrant economies area we hope to continue to further U.S. business links to the region.

The eight states have welcomed our initiative, both in our private conversations and in their public statements. They agreed to join us in an "8+1" forum of senior policy-makers. The "8+1" met for the first time last September at the level of Political Directors. Undersecretary of State Marc Grossman chaired the meeting. We will meet next in Lithuania, in May. Assistant Secretary Beth Jones and I will attend.

The 8+1 meetings are a chance to determine priorities for U.S.-Nordic-Baltic policy and project coordination. In New York, we agreed that a particular concern is the advancement of democracy to the east of this region, in Belarus and Ukraine, and even as far as the Caucasus. The Baltic States recognize that for reasons of geography and history, they can play a special role in this effort. We have found them eager to share their experience with their neighbors.

At our first meeting we also agreed to work together to combat trafficking in persons, health risks, and terrorism. The Nordic Baltic region has a long history of cooperative efforts to attack trans-national concerns. While U.S. government assistance funding for this region will end this September, we intend to direct our remaining Fiscal Year 2003 SEED resources toward these problems through cooperative projects.

In between these semi-annual meetings we share policy ideas and, when possible, develop programs to address the agenda items. I meet regularly with Nordic and Baltic Ambassadors and visitors from the region. In this I can draw on the expertise resident in the State Department on the range of issues that we are discussing. I am also pleased that a group of Nordic, Baltic and U.S. foreign policy think-tanks are coalescing into a parallel non-governmental forum that will add to the momentum of e-PINE.

Finally, Mr. Chairman, you asked that I consider in my remarks the relationship between e-PINE and the European Union's Northern Dimension. Our view is that these two activities are complementary, just as NEI and Northern Dimension were previously mutually reinforcing. I attended a Northern Dimension planning conference in Greenland in the fall of 2002. Much of what I heard there influenced our shaping of e-PINE, in particular, the idea that NATO and EU expansion cannot create a new dividing line in Europe. Because we are not members of the EU, we cannot "join" the Northern Dimension. We do however share our ideas with our colleagues in the European Commission and meet with them in the Council of Baltic

Sea States and other venues. Following the Vilnius "8+1" meeting I will travel to Brussels to brief EU officials on our activities.

This is an exciting time for the U.S. and northern Europe. NATO and EU membership for Estonia, Latvia and Lithuania marks the end of one kind of relationship and the start of another. This is a new chapter in northern Europe, a time for the U.S. to consider what we want to achieve with the good friends we have. E-PINE takes advantage of this opportunity. Together we hope to spread democracy, prosperity and stability even farther into Europe and Eurasia.

Mr. BEREUTER. Thank you very much, Secretary Conley.

And now, by prearrangement, I would like to invite the two distinguished Ambassadors to come to the table. We would like to hear from them.

It is quite unusual that Ambassadors are invited to testify, or that they agree to. And I very much appreciate the fact that you two gentlemen have done that.

And I would like to introduce you in order, in a formal sense.

Jan Eliasson has been Sweden's Ambassador to the United States since September 1 of 2000. Before this assignment, he was Deputy Minister for Foreign Affairs of Sweden from 1994 to 2000, and before that visiting professor at Uppsala University in Sweden. He was Sweden's Ambassador to the United Nations in New York from 1988 to 1992, served as the Secretary General's personal representative on Iran/Iraq from 1988 to 1992, and Chairman of the U.N. General Assembly Working Group on Emergency Relief in 1991.

He was appointed first in 1992 as Undersecretary General for Humanitarian Affairs at the UN. He was involved in operations in places like Somalia, Sudan, Mozambique, and the Balkans. And during his diplomatic career he has been posted in Paris, Bonn, Washington, Salisbury, Zimbabwe.

From 1982 to 1983 he served as Diplomatic Advisor to the Swedish Prime Minister.

Ambassador Usackas has been the Ambassador from Lithuania to the United States since 2001. In 2000/2001 he was the chief negotiator for Lithuania's accession negotiations with the EU, Ambassador for Special Missions in the Ministry of Foreign Affairs between 1999 and 2000, Vice-Minister of Foreign Affairs from 1996 through 1999. And Director, Political Department Ministry of Foreign Affairs of the Republic of Lithuania from 1995 through 1996.

Both of you are, of course, distinguished Ambassadors. Your record speaks for itself. But those of us that know you and have watched your activities in Washington know that you are greatly respected by the entire diplomatic community, as well.

Thank you, gentlemen, very much for appearing. Your entire written statements will be made a part of the record. I have levied on you a couple of additional requests for elaboration, if you care to take them up.

And Ambassador Eliasson, we will hear from you first. And then Secretary Conley, after we hear the statements, if you will come back to the table.

Ambassador.

**STATEMENT OF H. E. AMBASSADOR JAN ELIASSON OF
SWEDEN**

Ambassador ELIASSON. Thank you, Mr. Chairman, Congressman Wexler.

It is an honor and, as you said, an unusual privilege for us, as Ambassadors to the United States, to appear before you today.

Thank you for organizing this session on a subject that is close to the heart of the Swedish people and to the Swedish Government. That is, cooperation in the Baltic Sea area and the United States Government initiative, e-PINE.

Let me begin on a personal note, Mr. Chairman. We know that you will soon leave the House after many years of distinguished service. I would like to commend you for your leadership of this Committee. You have always been a champion of transatlantic relations.

I also want to thank you especially for cosponsoring, with Congressman Lantos, a resolution of condolences at the tragic loss of Foreign Minister Anna Lindh on September 11, that fateful date. I wish you all the best in your future endeavors, Chairman Bereuter.

At the outset I want to state that Sweden very much values the continued involvement of the United States in our region. This has been true for decades, and it remains as true today. The trans-Atlantic cooperation in the region during the nineties can be characterized as a success story. And a strong trans-Atlantic link is of vital interest to my country.

Our cooperation has taken different forms over time. Its foundation has always been strong bilateral relationships with the countries of the region. Today, they are complemented by several arrangements in which the United States participates.

First and foremost, there is NATO, which has given Estonia, Latvia, and Lithuania their fundamental security guarantees. The NATO-Russia Council is another new forum. There is also the Council of Baltic Sea States, where the United States is an observer.

Like our own programs, e-PINE builds on previous efforts and experiences. Our region did not turn into an area of good news in a world of bad news by accident. The Nordic countries have had the extensive cooperation with the Baltic countries even before they regained their independence. This covers everything from grassroots-level cooperation to assistance in legal reforms, cooperation in the social sector, environmental protection and security enhancing cooperation.

From 1990 to 2003, Sweden provided more than \$500 million in bilateral assistance to the Baltics, also assistance in kind to be transferred to the three Baltic States, of equipment, for 10 infantry battalions, 3 Air Defense battalions, as well as headquarters and engineer units.

Interaction between the Nordic and Baltic countries in all areas of society has become intensive. For example, the Nordic and Baltic Prime Ministers, as well as the Foreign Ministers, meet regularly, a pattern that is being followed by other ministers of government.

European Union pre-accession support for Estonia, Latvia, and Lithuania has amounted to more than \$100 million to each country

yearly since 1992. Numerous initiatives of cooperation are currently in progress in our regions based on the unique channels that have been developed.

I am addressing a problem that is given high priority, and which concerns both e-PINE countries and our eastern neighbors, which is the trafficking in human beings. I appreciate Congressman Wexler's remarks in this regard. This horrible activity is addressed in many fora, and rightly so and we think that this issue could benefit from cooperation, also, within the e-PINE framework. Last year the Nordic/Baltic Action Group Against Trafficking held its first meeting. The initiative for this forum in fact came from Foreign Minister Anna Lindh. This group provides a forum for sharing experiences, identifying areas of need, and coordinating action.

Another Swedish initiative is a project to combat prostitution and trafficking in the Barents region, covering an area extending from Murmansk to the northern parts of Norway, Sweden and Finland. The aim is to combat demand and exploitation of women and children, and to educate public agencies and the legal authorities about the problem. Several activities are also conducted under the auspices of the Barents, Euro-Arctic Council, and the Council of the Baltic Sea States.

I would like to stress the need for a broad regional perspective. The stability we see in our region is built on wide cooperation with all countries in the Baltic Sea Region and beyond, for instance Ukraine. Engaging Russia has also been of particular importance. A number of regional fora where Russia participates on equal terms have been created, such as the Council of Baltic Sea States, the Barents Euro-Arctic Council.

This deepening cooperation between all countries in the region is the basis for the region's stability. We share regional challenges that have to be met jointly, through cooperation and mutual trust. Cooperation in itself also fosters trust and confidence and long-term stability.

As you can see, there is a stable foundation of cooperation in the region. The U.S. has a very good, a proud track record of cooperation with the region. Apart from bilateral projects and the Northern Europe Initiative, you have, for instance, engaged in several projects with Sweden on subjects like defense-related environment issues, control of contagious diseases, and combatting trafficking, to name just a few.

I turn now specifically to e-PINE. To begin with, we feel that Sweden made some modest contributions to the development of the program. In early 2003 we handed over a food-for-thought on opportunities for future cooperation with the United States in the Baltic Sea region. This paper landed at the right time with the process underway and the State Department in Heather Conley's bureau. We are happy to note that some of our ideas were well received, and are reflected in the e-PINE structure.

This, I think, is a key point on how we think e-PINE should work: That is, through dialogue with the countries concerned. This, I hasten to add, has also been the attitude with which the U.S. Government has approached the issue.

Since the launch of e-PINE we have had several meetings with the American Embassy in Stockholm, and the State Department's e-PINE Coordinator has also visited Stockholm and other countries.

The participating countries have stressed that the processes of e-PINE should be as informal as possible. It should not be institutionalized, but rather be formed on an ad hoc basis. It has also been important for Sweden that the concept should not exclude other countries from taking part in e-PINE meetings and activities.

Here I would like to refer to the point I made earlier, about a broad, all-inclusive regional perspective.

We now look forward to the second meeting of political directors in the group of eight Nordic-Baltic countries and the United States in Vilnius in the end of May. Ambassador Usackas will certainly come back to this issue. In preparation for that meeting we are considering new ideas for cooperation, which we hope to present to our partners in due course.

Let me finally say a few words on the geographical scope for e-PINE activities. Sweden believes that the most important area to focus on is the countries neighboring the e-PINE area to the east. This means in particular Belarus, Ukraine, Moldova, and also Russia and the former Soviet Republic of the Caucasus and Central Asia.

Consequently, we do not think that e-PINE should concern itself primarily with projects exclusively within the e-PINE area, but rather promoting cooperation and tackling issues of concern to all of us, including our eastern neighbors.

Estonia, Latvia, and Lithuania are now full-fledged members of the European Union, and our cooperation is transforming into a close, neighborly relationship. It is essential that we all, as e-PINE members, see each other as equal partners in a joint venture, and not as donors or recipients.

There are different ways in which e-PINE could make positive contributions.

The first one is through three-party cooperative projects. These would involve the United States, one or maybe a few Nordic-Baltic countries, and an eastern neighboring country. We believe that there is valuable experience to be tapped from the Nordic and Baltic cooperation, and in the 1990s in particular, from the transition of the Baltic nations to democratic market economies.

You asked for concrete examples, Mr. Chairman. I can give you two. One is on the dialogue of reform and democratic practices in Belarus. There were already discussions in Lithuania, in Vilnius, which are partly initiated and supported by Swedish Parliamentarians, the Chairman of the Foreign Relations Committee, and the Swedish Parliament. So we have Belarus politicians from the opposition mostly, I must admit. NGOs have the possibility to go to Belarus or to Sweden, and to these seminars, of course, also American representatives could be invited.

We can also see similar activities in the Ukraine on economic reform. You could have Nordic, Baltic, and American expertise meeting, together with the right combination of people from Ukraine. This type of activity I think could be very beneficial.

A second area where e-PINE could serve a useful purpose would be as a forum for discussing strategies and priorities for the bilat-

eral aid projects of the e-PINE countries with the eastern neighbors.

Informal and unbureaucratic project coordination could also be done in an e-PINE context, to the extent that it is not covered in other fora. We do not see the need to formalize the cooperation at this stage. Rather, we favor building upon structures for already-ongoing activities and projects.

The third and last area is the use of e-PINE to support activities in other fora. For example, the European Union's Northern Dimension largely overlaps e-PINE, and its current action plan emphasizes much the same priority areas as e-PINE.

Discussion in e-PINE could ensure coherence with actions in other fora. For instance, the United States participated as a welcome observer in the inaugural meeting last October in Oslo of the Northern Dimension Partnership on Public Health and Social Well-Being.

With this, Mr. Chairman, I would like to conclude my remarks. Again, I thank you for this initiative, and for your active interest in a part of the world characterized by stability, growth, and social cohesion; the development engine of Europe, as you phrased it in your opening statement.

The changes that have taken place in our neighborhood around the Baltic Sea are indeed historic. We are now united not only by history and geography, but we are united by interests, and most importantly by values.

Thank you, Mr. Chairman.

[The prepared statement of Ambassador Eliasson follows:]

PREPARED STATEMENT OF H. E. AMBASSADOR JAN ELIASSON OF SWEDEN

Mr. Chairman, Members of this Committee,

It is an honour and a pleasure for me to appear before you today. I thank you for organising this session on a subject that is very important to the Swedish people and to the Swedish Government, *i.e.* cooperation in the Baltic Sea area and the U.S. Government initiative e-PINE.

Let me begin on a personal note, Mr. Chairman. I know that you will soon leave the House after many years of distinguished service. I would like to commend you for your service in the House and for your leadership of this committee. You have always been a champion of transatlantic relations. I also want to thank you, specifically, for cosponsoring a resolution of condolences at the tragic loss of Foreign Minister Anna Lindh on 11 September—that fateful date—of last year. I wish you all the best in your future endeavours, Chairman Bereuter.

At the outset I want to state that Sweden very much values the continued involvement of the United States in our region. This has been true for decades, and it remains as true today. The transatlantic co-operation in the region during the 90's can without any doubt be characterized as a success story.

It has taken different forms over time depending on the circumstances but its foundation has always been strong bilateral relationships with Sweden and the countries in the region. Today, they are complemented by a large number of arrangements covering the region and in which the U.S. participates. First and foremost there is NATO that has given Estonia, Latvia and Lithuania the fundamental security guarantees they sought. The NATO-Russia Council is another new arrangement. There is also the Council of Baltic Sea States, where the U.S. is an observer, and a number of other fora. The most recent of these is the enhanced Partnership in Northern Europe, e-PINE.

Like our own programmes, e-PINE builds on previous efforts and experiences. Our region did not turn into an area of "good news" in a world of so much "bad news" by accident. The Nordic countries have been engaged in extensive cooperation programs with the three Baltic countries even before they regained their independence. This covers everything from grassroots- and community-level cooperation to assist-

ance in legal system reforms, cooperation in the social sector, environmental protection and security-enhancing cooperation.

In the period from 1990 to 2003 Sweden has provided more than 500 million dollars in bilateral assistance to the Baltics. On top of that there was also assistance in kind, notably was the transfer to the three Baltic states of equipment for ten infantry battalions, three air defence battalions, headquarters and engineer units.

Interaction between the Nordic and Baltic countries and in all areas of society, including business, has become intensive. For example the Nordic and Baltic Prime Ministers as well as Foreign Ministers meet regularly, a tradition that is being followed by other Ministers.

European Union pre-accession support to Estonia, Latvia and Lithuania has amounted to more than 100 million dollars to each country yearly since 1992.

Numerous initiatives of co-operation are currently in progress in our region, based on the unique channels that have been built up. One problem that is given high priority and which concerns both e-PINE countries and our eastern neighbours is the trafficking in human beings. This horrible activity is addressed in many fora—rightly so—and we think that this issue, among others, could benefit from cooperation also within the e-PINE framework.

In November last year, the Nordic-Baltic action group against trafficking in human beings held its first meeting. The initiative for this forum came from the late Swedish Foreign Minister Anna Lindh. The action group provides a forum for sharing national experiences, identifying areas of need and, above all, coordinating action.

Another Swedish initiative is a project to combat prostitution and trafficking in human beings in the Barents region, covering an area extending from Murmansk to the northern parts of Norway, Sweden and Finland. The aim is to combat demand and exploitation of women and children and to educate public agencies, NGOs and the legal authorities about the problem. Several activities are also under way under the auspices of the Barents Euro-Arctic Council and the Council of the Baltic Sea States.

Here I would like to stress the need for a broad regional perspective. The stability we see in this region is built on broad cooperation with all countries in the Baltic Sea region and sometimes beyond, e.g. Ukraine. Engaging Russia has been of particular importance. A number of regional fora where Russia participates on equal terms have been created, such as the Council of Baltic Sea States and the Barents Euro-Arctic Council. This strong and deepening cooperation between all countries in the region is the basis for its stability. We share regional challenges that have to be met jointly, through cooperation and mutual trust. Cooperation in itself also fosters trust and confidence and long-term stability.

So, as you can see, there is a stable foundation of cooperation in the region. The U.S. has a proud track record of cooperation in the region. Apart from bilateral projects and the Northern Europe Initiative, you have, for instance, engaged in several joint projects with Sweden on subjects as diverse as defence-related environment issues, control of contagious diseases and combating trafficking to name just a few.

I turn now specifically to e-PINE. To begin with I would like to say that we feel that Sweden made some contributions to the development of the programme. In early 2003, we handed over a food-for-thought paper on opportunities for future cooperation with the United States in the Baltic Sea region. As it happened, this paper landed at the right time in the process that was going on in the State Department—in DAS Heather Conley's bureau. We are happy to note that some of our ideas were well received and are reflected in the e-PINE context.

This, I think, is a key point on how we think e-PINE should work: i.e. through dialogue with the countries concerned. This, I hasten to add, has also been the attitude with which the U.S. Government has approached the issue, which we appreciate. Since the launch of e-PINE, we have had several meetings with the U.S. Embassy in Stockholm and the State Department's e-PINE coordinator has visited Stockholm.

The participating countries have stressed that the processes of e-Pine should be as informal as possible. It should not be institutionalised, but rather formed on an ad hoc basis. It has also been important for Sweden that the concept should not exclude other countries from taking part in e-PINE-meetings and activities. Here I would like to come back to the point I made earlier about a broad, all-inclusive, regional perspective.

We now look forward to the second meeting at Political Director's level in the group of eight Nordic-Baltic countries and the U.S. in Vilnius in the end of May. In preparation for that meeting we are considering new ideas for projects and cooperation, which we hope to be able to present to our partners in due course.

Let me finally say a few words on the geographical scope for e-PINE activities. Sweden believes that the most important area to focus on is the countries neighbouring the e-PINE area to the east. This means in particular Belarus, Ukraine, Moldova, but also to a certain extent Russia and the former Soviet republics of the Caucasus and Central Asia.

Consequently, we do not think that e-PINE should concern itself only with projects exclusively within the e-PINE area but also with promoting cooperation and tackling issues of concern to all of us as well as our eastern neighbours. Estonia, Latvia and Lithuania are now full-fledged members of the European Union, and our cooperation is transforming into a close neighbourly relationship. Therefore, it is essential that we all as e-PINE members see each other as equal partners in a joint venture and not as “donors” or “recipients”.

There are different ways in which e-PINE could thus make positive contributions: *The first one* is through what might be called three-party cooperative projects. These would involve the U.S., one or maybe a few Nordic-Baltic countries, and an eastern neighbouring country. We believe that there is valuable experience to be tapped from the Nordic and Baltic cooperation in the 1990s and in particular, from the transition of the Baltic nations to modern democratic market economies. Another type of three-party-projects could aim at facilitating cross-border contacts and interaction, promoting reform on the grass-roots level.

A *second area* where e-PINE could serve a useful purpose would be as a forum for discussing strategies and priorities which could influence the bilateral aid projects of the e-PINE countries with the eastern neighbours. Informal and unbureaucratic project coordination could also be done in an e-PINE context, to the extent that it is not covered in other fora. We do not see the need to formalize the cooperation at this stage. Rather we favour building upon already on-going activities and projects

Finally, a *third, related area* is the use of e-PINE to support activities in other fora. For example, the European Union's Northern Dimension largely overlaps e-PINE, and its current action plan emphasizes much the same priority areas as e-PINE. Discussions in e-PINE could ensure better coherence with actions in other fora, to the extent this is not done through other mechanisms. For instance, the U.S. participated as a welcome observer in the inaugural meeting in Oslo of the Northern Dimension Partnership on public Health and Social Well-being last October.

With this I would like to conclude my remarks. Again, I thank you for this timely initiative and for your active interest in a part of the world characterized by stability, growth and social cohesion. The changes that have taken place in our neighbourhood are indeed historic. We are now united not only by history and geography but by interests and, most importantly, by values.

Thank you, Mr. Chairman.

Mr. BEREUTER. Thank you, Mr. Eliasson. I stole that phrase, however, from the Estonians, so I'll give them credit.

Next we are very pleased to hear from Ambassador Usackas.

**STATEMENT OF AMBASSADOR VYGAUDAS USACKAS,
AMBASSADOR OF THE REPUBLIC OF LITHUANIA**

Ambassador USACKAS. Thank you, Mr. Chairman.

Mr. Chairman and Congressman Wexler, and dear guests. Let me first of all, using this opportunity, thank Members of the U.S. Congress for your unwavering support to Lithuania and other six Central European countries in our journey to membership of NATO, which we celebrated just a few weeks ago.

Mr. Bereuter, your personal role as Chairman of this Committee and President of NATO Parliamentary Assembly was instrumental in advancing the awareness, debate, and support for the enlargement. It was the most successful military alliance in the history of NATO.

Today it is my distinct pleasure to address the Committee of International Relations Subcommittee on Europe on the future relationship between the United States and Northern Europe.

What makes this relationship so special, and what can we do to sustain and enlarge it, as we observe enlargement of two major in-

stitutions, NATO and EU, as well as meet the challenges of the 21st century.

We believe that the finest example, which demonstrates the most visible political fruits of a special United States/Nordic partnership is indeed the very fact that the Baltic countries of Estonia, Latvia, and Lithuania today are independent countries, the fastest-growing economies in Europe, active contributors and members of the United States-led coalition to promote international security in Iraq, as well as members of NATO, and to be members of the European Union in 10 days.

After Lithuania regained its independence in 1990 and 1991, you, the United States, and the Nordics were the first ones to extend the hand of help, and provide the support so necessary to my country in those difficult times of transition. Political support, military assistance, trade, investments and know-how were major factors helping Lithuania to overcome the Soviet legacy, and build the foundation for democracy and the rule of law.

Mr. Chairman, the United States-led international community is shifting its efforts and resources toward promotion of stability and democracy in the greater Middle East. This is a noble mission, which we have joined at a very early stage.

We do recognize the dangers and challenges facing the Coalition Forces and the international community in Iraq and the greater Middle East. We see the tragic pictures on television every day.

But we know what must be done. From our history, we know that freedom cannot be taken for granted. We are proud to be your ally and friend, and you can rest assured that we will be there during the hard times, when you need your friends to stand up and to be counted.

At the same time, it is imperative not to neglect the fact that Europe, whole and free, which we were able to accomplish due to the EU and NATO enlargements, still retains few important gaps and striving neighbors.

Therefore, we strongly believe that it is of critical importance to maintain and even enlarge the United States presence in the Nordic-Baltic area, so as by working together we would be stronger to support and advance the cause of freedom, democracy, and the rule of law in the immediate neighborhood of the enlarged European Union and NATO.

The Enhanced Partnership in Northern Europe provides this platform, which, if supported with necessary sources from all countries involved, will become important operational undertaking to facilitate expansion of the geography of democratic, stable, and prosperous neighborhood, in the region and beyond.

To better understand the relevance and benefits of e-PINE, and also to respond to Chairman Bereuter's questions, let me briefly address the regional issues that we have east to Lithuania, and some collective efforts we have already undertaken to promote the change toward greater democracy and free market.

As you know, Mr. Congressman, Lithuania's neighbor Belarus remains the last totalitarian regime in Europe. In pursuit of a political dialogue with Belarus, we are interested in maturing the seeds of civil society, and contributing to the establishment of rule of law in that country.

In cooperation with several United States NGOs, especially IRI, International Republican Institute, and our Swedish partners, Lithuania provides a venue for training seminars and conferences to the Belarussian democratic opposition and journalists.

As a result, a more united and stronger coalition of so-called five-plus-one has emerged eager to take part in the forthcoming Parliamentary elections in the fall, and challenge the current regime, to continue to share the experience of democratic reforms, free enterprise, and development projects with Russia's Kaliningrad region.

Not only does our diverse and active engagement with Kaliningrad promote military confidence and stability, but it also encourages Kaliningrad to position itself as a potential model of economic growth and prosperity for the rest of Russia.

The membership of Lithuania in the EU and NATO provides even greater opportunities to expand sub-regional cooperation, create an investment with Kaliningrad and other regions of the North-west Russia.

We hope that programs designed by the European Union's New Neighborhood initiative and the American sponsored, e-PINE, will attract enthusiastic support of Federal and local governments of Russia.

Working in cooperation with other Nordic and Baltic countries, as well as Poland, we assist and facilitate Ukraine's pro-Western choice and European vocation in time of turbulent developments of this country in transition. We are eager to share with Ukraine our lessons learned and experience gained, thanks to our successful integration processes into the EU and NATO.

Immediately after the "Revolution of Roses" in Georgia, Lithuania, with other Baltic countries, offered experience of transformation and democracy-building to Georgia.

Lithuania, for instance, hosts Georgian officers in the Baltic Defense College, and in the Military Academy of Lithuania. All three Baltic countries shared expertise of regional cooperation with Georgia and other South Caucasus republics.

I hope that the United States Government and international community will consider, to a great extent, to employ its experience of the Baltic countries in such regions as the Caucasus.

Due to the shared bitter experience of Soviet occupation and similarity of economic and political challenges we have overcome, there is an obvious mutual understanding and appreciation in existence between the Baltic and three Caucasus countries. Lithuania, Latvia, and Estonia can be useful transmitters of good governance and economic reform practices.

We may have limited resources to support Georgia, Armenia and Azerbaijan. However, our sincere will to support freedom and democracy knows no limits. Matching that with international financial support would be worth considering.

All these projects pursued by my and other countries in the region reflect the very spirit and the goals of the newly-launched U.S. initiative, the e-PINE. We think that continued United States engagement in the Nordic-Baltic region and beyond has a very important stabilizing effect.

We look forward to hosting what my colleague, Ambassador Eliasson, mentioned, the kick-off meeting of the Political Directors of Foreign Ministries of e-PINE countries on May 24 of this year in Vilnius. In conjunction to this meeting of senior officials of foreign ministries, we will also host for the first time the representatives of the think tank communities, from United States, Nordic countries, and Baltic states, who will be joined by their representatives, by the representatives of the different NGOs from Russia, Belarus, Ukraine, and Georgia.

We also believe that the visit of speakers from Parliament from the Nordic and Baltic countries to the United States Congress on the 1st and 2nd of June will be an important occasion to coordinate joint efforts to advance democracy and prosperity in the new neighborhood of European Union and NATO.

Thank you.

[The prepared statement of Ambassador Usackas follows:]

PREPARED STATEMENT OF AMBASSADOR VYGAUDAS USACKAS, AMBASSADOR OF THE
REPUBLIC OF LITHUANIA

Mr. Chairman, Members of the Committee, Fellow Ambassadors and Guests,

Let me first of all thank Members of the US Congress for your unwavering support for Lithuania's and other 6 Central European countries membership in NATO. The historic enlargement of NATO that occurred just 3 weeks ago on the 29th of March, 2004 means an expansion of the area of security and stability and a decisive step towards creating a Europe whole and free. The US leadership and active involvement was indispensable in achieving both NATO enlargement and creating a secure and stable environment in the Nordic-Baltic region. Chairman Bereuter, your personal role as both the chairman of this committee and President of the NATO-PA was instrumental to advance awareness, debate and support for the enlargement of the most successful military alliance in history—NATO.

Today, it is my distinct pleasure to address the Committee of International Relations Subcommittee on Europe on the future relationship between the US and Northern Europe.

What makes this relationship so special and what can we do to sustain and enlarge it as we observe enlargement of two major institutions: NATO and EU, as well as meet the international security challenges of the XXI century?

Let me begin with the Baltic-US relationship.

The three tiny Baltic countries of Estonia, Latvia and Lithuania, on the one hand, and the United States of America, on the other, are bound by the uniqueness of their historical relationship, strong political and economic ties and, most importantly, by their commitment to shared values of freedom loving nations.

Throughout the 50 years of Soviet occupation of the Baltic States, America lived up to its principles, and never recognized Lithuania, Latvia and Estonia as part of the USSR. The tricolor-flag of Lithuania at the U.S. Department of State during the dark years of occupation conveyed the hope to hundreds of thousands of Lithuanians in America and worldwide, that the most brutal breach of international law was just temporary and that independence of Lithuania as well as Latvia and Estonia one day would be restored. Separated from the West in 1945 by the "Iron Curtain", the Lithuanian people have nevertheless retained their commitment and belief in the shared values of democracy, liberty and the rule of law.

The so called "singing revolutions" in Lithuania, Latvia and Estonia led to the restoration of independence in 1990. Since then we embarked upon the creation of independent and democratic nation states.

Our experience shows that the course of a nation's history does depends not so much on the might of armies, as on the character of its men and women. As U.S. President George W. Bush put it during his visit to Vilnius in November 2002, "You have known cruel oppression and withstood it. You were held captive by an empire and you outlived it. And because you have paid its cost you know the value of human freedom."

The terrorist attacks of September 11th of 2001 have made us all reassess the criticality of shared values and the necessity of the common actions to defend them. From our history of independence, we know that freedom cannot be taken for granted. And this was the driving force for our decision to join and support the United

States, at the very early stage, in fight against the international terrorism and elimination of the evil regime of Saddam Hussein. Today more than 120 Lithuanian troops stand shoulder to shoulder with American, British, Polish, Latvian, Estonian and Danish soldiers in the operations in Iraq and, in addition, a unit of our special forces in Afghanistan continues operations within the US contingent. We recognize the dangers and challenges facing the Coalition forces and the international community in Iraq and the Greater Middle East. We see the tragic pictures on American television everyday. But we know what must be done. We know that freedom and democracy have costs. We know our responsibility and we will not stop until our work is done. We are proud to be your ally and friend and you can rest assured that we will be there, during the hard times, when you need your friends to stand up and be counted.

Mr. Chairman,

I believe that the finest example, which demonstrates the most visible political fruits of special US-Nordic partnership, is indeed, the very fact that Baltic states today are independent countries, fastest growing economies in Europe (with almost a two-digit of GDP growth), active contributors toward the efforts to promote international security, members of NATO and to be members of the EU in ten days.

First of all, it is thanks to the hard work of Lithuanians, Latvians and Estonians that we can celebrate those historical achievements. However, we would hardly be so successful, if not for the leadership and support of the US and Nordic countries. After Lithuania regained its independence in 1990–1991, you were the first ones to extend the hand of help and provide the support so necessary to my country in those difficult times of transition. Political support, military assistance, trade, investments and know-how were major factors helping Lithuania to overcome the Soviet legacy and build the foundation for democracy and a free market.

As our dreams come true and we become full fledged members of Western institutions, the obvious question arises—what's next? How can we sustain and expand this unique US-Baltic—Nordic relationship?

From the Lithuanian perspective, we believe, that future US-Nordic/Baltic agenda will include three parallel and mutually reinforcing tracks: first, to continue and enhance Nordic/Baltic contribution to the global war on terrorism; second, to project stability and security in the immediate neighborhood and beyond; and third to use the new opportunities the EU enlargement offers to promote ever greater mutual investment and trade.

With regard to the first task, Lithuania will continue its own active involvement in the antiterrorist coalition, including its military and civilian contribution to security forces in Afghanistan and Iraq. We also support considerations about the possible role NATO may assume to insure stability and security in Iraq.

There might not be sufficient capacity and resources for a small country to sustain its involvement militarily in every future mission. Given its size and limited resources, Lithuania must further explore regional and bilateral relationships to contribute more effectively in military operations conducted by NATO or the “coalition of the willing”. In fact, the current history of military involvement of Lithuania in international missions demonstrate unique patterns of military cooperation with the US, Danish, Baltic, Polish and Ukrainian units in such areas of operation as Kosovo, Bosnia-Herzegovina, Afghanistan and Iraq. Our experiences of participation in multilateral missions prove the rightfulness of the decision to further improve the “niche” capabilities of Lithuania. Within the enlarged NATO we will make even stronger emphasis on developing special operations units.

Mr. Chairman,

The U.S. led international community is shifting its efforts and resources towards promotion of stability and democracy in the Greater Middle East. It is a noble mission which we have joined at the very early stage.

We recognize the dangers and challenges facing the Coalition forces and the international community in Iraq and the Greater Middle East. We see the tragic pictures on television everyday. But we know what must be done. From our history, we know that freedom can not be taken for granted. We are proud to be your ally and friend and you can rest assured that we will be there, during the hard times, when you need your friends to stand up and be counted.

At the same time it is imperative not to neglect the fact that Europe whole and free, which we were able to accomplish due to the EU and NATO enlargements, still retains few important holes and striving neighbors.

Therefore we strongly believe that it is of critical importance to maintain and even enlarge the US presence in the Nordic-Baltic area so as by working together we would be stronger to support and advance the cause of freedom, democracy and the rule of law in the immediate neighborhood of the enlarged EU and NATO.

The “Enhanced partnership in Northern Europe” (e-PINE) provides this platform, which—if supported with necessary resources from all countries involved—will become important operational undertaking to facilitate expansion of the geography of democratic, stable and prosperous neighborhood in the region and beyond.

To better understand the relevance and benefits of e-PINE let me briefly address the regional issues that we have east of Lithuania, where the deficits of freedom, democracy, human rights, rule of law and free market oppress and impoverish people in some of the countries.

Lithuania’s neighbor Belarus remains the last authoritarian regime in Europe. For a Member of U.S. Congress, Nordic or Baltic parliament it would be difficult to imagine elections where candidates cannot meet and talk to their constituencies freely, where journalists and ordinary citizens are afraid to openly criticize the government and those who do so are not secure from likely intimidation. But this is the reality in Belarus, where the rule of law and freedom of speech is an exception, rather than the rule.

In pursuit of a critical dialogue with Belarus, Lithuania is interested in maturing the seeds of civil society there and contributing to the democratization and rule of law in that country. Lithuania provides a venue for training seminars and conferences to the Belarusian democratic opposition and journalists. Several U.S. and Nordic NGO’s have joined our efforts to facilitate better appreciation of democratic practices and change in Belarus. In Riga at the end of January, 2004, leaders of all of the Belarusian opposition parties met with representatives of the Nordic-Baltic countries to discuss the upcoming parliamentary elections. It made clear that the issues related to Belarus are issues that both the EU and the US need to work on together and share a mutual interest. It was clearly an example of the trans-Atlantic link working and its necessity. Senator John McCain led a 5-member Senate delegation which included former Democratic Administration official and he spoke in strong and direct language of removing the last dictator in Europe and working together to help bring true democracy to Belarus. His words were echoed by former Assistant Secretary Richard Holbrooke.

The recent adoption by the United States Congress of the Belarus Democracy Act and the greater involvement of the US Administration is a critical signal to the people of Belarus and the international community at large that the US is engaged in the region and will shoulder its responsibility as the beacon of freedom. I would like, on behalf of my Government, to thank the distinguished Members of Congress for the adoption of that legislation and for continued attention to the matters involving internal developments in Belarus, as exemplified by the March 31 House Committee hearings on that issue. As the result of above mentioned efforts of e-PINE countries, more united and stronger coalition of “5+1” has emerged eager to take part in the forthcoming parliamentary elections in the fall and challenge the current regime.

As new members of the European Union and NATO we bear a special responsibility, based on a natural interest of a neighbor, to help countries beyond current “waves of enlargements” of EU and NATO, such as Ukraine, Moldova and the countries of the South Caucasus. None of the above mentioned countries has immediate prospects of membership either in the EU, or NATO. However, those countries are in desperate need of democratization and economic growth.

Lessons learned by Lithuania, Latvia and Estonia can be useful references for other countries in Eastern Europe to conduct economic reforms, deal with the corruption and promote greater regional co-operation.

Lithuania already shares its experience in political and economic transition to democracy and functioning free-market economy with interested partners in Russia, Ukraine, Belarus, Moldova and in such regions as the Trans-Caucasus, Central Asia and the Adriatic Sea.

We continue to share our experience of democratic reforms, free enterprise and development projects in the Kaliningrad region of Russia. We believe that our diverse and active engagement with Kaliningrad not only promotes military confidence and stability, but also encourages this unique region, where “the East” meets “the West”, to position itself as the potential beacon of economic growth and prosperity. The membership of Lithuania in the EU and NATO provides even greater opportunities to expand sub-regional cooperation, trade and investment with Kaliningrad and other regions of the North-Western Russia. We hope that programs designed by the EU New Neighborhood Initiative and American sponsored e-PINE will attract enthusiastic support of federal and local governments of Russia.

Working in cooperation with other Nordic and Baltic countries as well as Poland, Lithuania is well positioned to assist and facilitate Ukraine’s pro-Western choice and European vocation in time of turbulent developments of this country in transition. We are eager to share with Ukraine our lessons learned and experience gained thanks to the integration process into the EU and NATO.

Immediately after the “*Revolution of Roses*” in Georgia, a Lithuanian delegation was the second to visit Georgia (the US was the first) and to offer our experience of transformation and democracy building. Lithuania finances the training of Georgian officers in the Baltic Defense College, and in the Military Academy of Lithuania. We also share our expertise of regional cooperation with Georgia and other South Caucasus republics. I hope that the US Government and international community will consider employing the experience of the Baltic countries to a greater extent in such regions as Caucasus. Due to the shared bitter experience of Soviet occupation in the past and similarity of economic and political challenges we have overcome, there is an obvious mutual understanding and appreciation in existence between the three Baltic and three South Caucasus countries. Lithuania, Latvia and Estonia can be useful transmitters of good governance and economic reform practices as well as of the importance of regional co-operation to South Caucasus republics. We may have limited resources to support Georgia, Armenia and Azerbaijan. However, the will in our hearts to support freedom and democracy knows no limits. Matching that with international financial support would be worth considering. The Baltic representatives could, as a minimum, provide advice and technical support. They can also do it in the most advantageous way as they speak Russian.

All these projects pursued by my country reflect the spirit and the goals of the newly launched U.S. initiative in Northern Europe, e-PINE (enhanced Partnership in Northern Europe). We think that continued U.S. engagement in the Nordic-Baltic region and beyond has an important stabilizing effect. Therefore we applaud this new U.S. initiative which will enhance partnerships in the region and breathe a new vitality into the earlier U.S. Northern European Initiative and the US-Baltic Charter. Lithuania believes that the e-PINE initiative will create a unique opportunity to boost regional cooperation beyond traditional stereotypes, thereby expanding the geography of the democratic neighborhood of the region, and serving as an anchor for U.S. involvement in the Baltic Region and beyond.

With one foot in the Baltic region and the other in Central Europe, Lithuania often finds a commonality of views with Poland, Germany and other countries when dealing with challenging issues in the region, such as Belarus, Ukraine and Kaliningrad. Therefore, flexibility and openness of other e-PINE countries will be required to make the best use of the expertise and assets of other nations beyond the traditional framework of the Nordic-Baltic countries.

To secure credible and practical e-PINE our countries will also require greater financial commitments to make the U.S.-Baltic Charter and e-PINE related projects a reality. In this context, my government has already allocated 150.000 Lithuanian Litas for e-PINE related projects this year.

As a first step toward implementing the e-PINE, we look forward to hosting in Vilnius the kick-off meeting of the Political Directors of the foreign ministries of e-PINE countries on May 24–25, 2004. On June 1–2, the Speakers of Parliament from the Nordic and Baltic countries plan to pay a visit to the US.

Mr. Chairman,

Lithuania’s membership in the EU and NATO alongside the country’s strong economic performance provides new opportunities for American business and investment in Lithuania. As of the 1st of May, 2004, Lithuania will become a part of the 450 million-consumer market. With strong pro-American sentiments, well-educated and an inexpensive labor force Lithuania is becoming a springboard for American business in the EU. Moreover, Lithuania’s proximity to the recovering markets of Russia and Ukraine, the knowledge of language and culture assets, Lithuania is a natural partner for American business in the East. Not surprisingly, we have already witnessed an increased number of Americans doing business in Lithuania. Finally, as stated by *Forbes magazine* in March 2004 Lithuania has the fastest growing economy in Europe, which makes the country very attractive to Americans who are eager to trade or invest with Lithuanian partners. In its fall 2003 report the European Commission named Lithuania to show the fastest economic growth in the EU over the next three years.

On the other hand, an increasing number of Lithuanian researchers and trade representatives are re-discovering the 290 million-American market. I am glad to note that the Lithuanian business community enters the most competitive American market with a strong sense of self-confidence that was missing during the first years of Lithuanian independence. On the other hand, this trend obliges both Lithuanian business and Lithuanian government to be innovative and more aggressive while exploring the vast opportunities of the U.S. market.

After continued impressive growth since 2000 and with the process of transformation ending, a new ambitious economic vision for a small but prosperous country is now dawning in the minds and hearts of many in Lithuania. The exemplary vision of Vilnius to become the most modern city in Central and Eastern Europe

by 2020 starts to realize and invites more and more followers in other regions of the country. Lithuania's political and business leaders unite around this vision. I hope more global thinkers and doers among the American business community will notice this new beacon on the Baltic Sea shores and will understand the significance of its location and ever more powerful signals of opportunity.

CONCLUSIONS

"Special" Baltic-U.S. relations were formed historically and naturally—the U.S. always was an advocate of our freedom and independence. The U.S. played a crucial role that Lithuania be invited to join NATO. Nordic countries of Denmark, Sweden, Norway, Iceland and Finland where the key allies of the U.S. to help Baltic states to regain their independence and to restore free market economy and democracy.

With the accomplishment of two major goals—Lithuania's, Latvia's and Estonia's membership in the EU and NATO—we are opening a new chapter of a unique US/Nordic/Baltic cooperation.

It's mutually supportive elements will include: regional projects to facilitate the advancement of freedom and democracy beyond our borders; greater efforts to boost trade, investment and tourism; and actions to deal with dangers and risks to international security.

I am sure that all countries of e-PINE are ready to advance this new agenda of the passionate champions of democracy, freedom and prosperity.

Mr. BEREUTER. Thank you very much, Ambassador. Secretary Conley, thank you for joining the table.

Sounds to me like, Ambassador Usackas, you are going to be busy hosting a variety of meetings there. Thank you for playing that role. We all know about the Vilnius 10, and this is a follow-up.

I think we should be able to proceed with questions to the extent we want today.

Secretary Conley, you mentioned our participation in the Arctic Council, and I think it was Ambassador Eliasson who talked about the overlap of the European Union's Northern Dimension, where we have had observer status, and apparently we were involved as observers there. Is State playing that role, or is it a multi-agency participation as observers? Do you know that answer?

Ms. CONLEY. I have participated as an observer. In fact, as we were thinking through the change from the Northern Europe Initiative to e-PINE, I visited Greenland, where actually the Danish Presidency hosted a meeting of the Northern Dimension actors. I was there, and they were very gracious enough to allow us to present a statement and to meet with our colleagues. Because they were rethinking the shift of where the Northern Dimension plan needs to go, and we were doing that at the same time, and it was a wonderful way for us to coordinate, and we continue to do so.

On the Arctic Council, because we are members, that is primarily led by, of course, our Assistant Secretary of State for the Oceans, Environment, and Science, John Turner, and others who help us lead that effort in the Arctic Council, and through a variety of our environmental programs. The National Science Foundation and others are very engaged and involved in various activities. But it's certainly a more environmental focus to that entity.

Mr. BEREUTER. I have been interested for some time in the environmental condition of the Baltic Sea. And when I visited with Latvian military last year, as they take on de-mining capabilities and rendering harmless munitions of which there is so much yet in the region, I learned that they were still finding World War I mines in the Baltic. And then I looked at it a little further, and found that there was a lot of, of course, World War II munitions expended into

the Baltic. And there were major dumping activities on the part of the Soviets, and perhaps by the Germans, as well.

That is, of course, a relatively shallow, but extremely important, water body. And I thought it seemed to present an ideal opportunity for Americans and Baltic and Scandinavians, plus Russia, to participate in trying to reduce the hazards that are escaping, or will escape before long, from World War II, for example.

And you mentioned Kaliningrad. And of course, the Soviets had major fleet there. And as I understand, we have environmental problems that are festering there as a result of abandoned ships, not to mention what is on the Kola Peninsula.

So I wonder if any of you have some observations about that problem and its international dimension.

Ambassador ELIASSON. For Sweden on this issue, we are pushing hard to protect the Baltic Sea. We are worried about the condition for the fishery, and in fact biological life in this shallow water.

So we are pushing very hard for clean-up of military installations. Similar problems, by the way, exist in Murmansk area, with the enormous Soviet fleet rusting there.

Around the Baltic Sea we have a number of problems. There are spills from the ships, which cause tremendous problems. The agriculture production, which leads to fertilizer coming out to the Baltic Sea. And of course, the great growth. This is one of the problems of growth, is that you get more pollution. And for us, pretty advanced in our society, to say to the new growing nations that they have to slow down is not easy. In Russia it's also not easy to reach those agreements that we want to reach.

But I certainly agree with you, Mr. Chairman, that it could be an area where Nordic, Baltic, and American efforts could play a role, and making it the intention or the desire to deal with this problem sounds very welcome.

Mr. BEREUTER. Ambassador Usackas.

Ambassador USACKAS. If I may add to Ambassador Eliasson. Several years ago we had our first trilateral project, as a matter of fact, involving Lithuania, the United States, and Russia in an environmental project of clean-up of Nemunas River, which is on the border, which is the dividing border between the Kaliningrad region and Lithuania.

I think it was a very successful project we undertook. And I think, especially now with our membership in both NATO and the EU, and with e-PINE project, and probably the NATO Russia Council, the e-PINE framework would be a useful tool through which we could engage Russians, and address those very important issues of the environmental condition in and around the Baltic area, especially around Kaliningrad.

Ms. CONLEY. Mr. Chairman, I would just finally add the one other environmental challenge that we are starting to see is shipment of oil and gas. Because of the ports on the Baltic Sea, that is starting to become a challenge. We are working very closely, the most recent example, with Finland and with Russia to ensure that the shipment of oil and gas through the Baltic region is done in the most environmentally-sound way.

And the projects that we are supporting through OPIC and others are ensuring very sound environmental practices.

Under the Northern Europe Initiative, as Ambassador Usackas had mentioned, we have done a variety of environmental projects cooperatively. And I think again, e-PINE will give us that opportunity to coordinate those programs, maximizing, leveraging where we can through NGOs, private sector, and governmental involvement.

So we are not duplicating efforts; we are focusing, and we are ensuring our resources are used to the very best.

Mr. BEREUTER. I noticed in the North Atlantic Assembly, now called NATO Parliamentary Assembly, that the Canadians and Norwegians always feel we are neglecting the polar region. And they are probably right.

I had a rare opportunity, at the invitation of Foreign Minister Jan Petersen of Norway, to visit Svalbaard last August—and that is definitely the time of year to visit. But I was impressed with the international scope of the scientific environmental research that is being conducted up there by people from many countries.

And it occurred to me that more people should know about this. So we are actually holding one of our Parliamentary Assembly seminars there this August. And you will have legislators from your two countries there, in addition to Americans, to see if, in fact, we can enhance the concern and the capacity dealing with pollution issues in the Arctic North.

I am going to come back and talk a little bit about funding in some detail with you, Secretary Conley, and also a little bit about what we can do further to work in places like Ukraine and Belarus. But I would like to turn to the ranking Member now for any questions that he might have.

Mr. WEXLER. Thank you again, Mr. Chairman. I would like to start, if I could, by addressing two different questions to the two different Ambassadors, if I may.

First to Ambassador Eliasson. You started your comments by I think very accurately and appropriately saying that the success in the region, particularly in the context of the relationship between the Nordic and Baltic regions, was not an accident. There were reasons for it.

And I think those reasons are both self-evidence, and also, to the credit of both sides, extraordinary commitment to success. And you followed that by saying no longer—I may not be exactly quoting you, but no longer is it just shared geography, but a shared set of values. And that those values will be used to now grow the relationships, and so forth.

Is the converse true that the addition east of the three entering countries, the failures in those countries, particularly in Belarus, is that no accident, as well? And for discussion purposes, I would be curious.

I very much appreciated both Ambassadors' comments in terms of suggestions as to what positive things could be done. I would be curious if maybe you could comment, in terms of discussion purposes, what you think, if any, the failures of American and/or your own countries' and your own regions' policies in Belarus and east of the three entering countries.

As to Ambassador Usackas, I think it is important, as the minority Member here, to acknowledge that, while you began your com-

ments by pointing out the very special alliance and relationship that Lithuania and the other countries that have had comparable experiences have now with the United States, and you, very rightfully so, pointed out the level of alliance that your country and the region has provided to the United States.

I think it is always very important, particularly for Democrats, quite frankly, to say that even if we may differ with President Bush's policies, that our appreciation for the support that countries like Lithuania have provided to the United States is extraordinary. And it is acknowledged and deeply appreciated. I think it is important that that be reciprocated.

I was in Hungary this past week, along with Congressman Lantos and some others. And I had never been to Hungary. It was an extraordinary 2 or 3 days to be there, because Hungary memorialized the anniversary of the deportation of Hungarian Jews 60-some-odd years ago.

What was incredibly powerful was a speech that the Prime Minister of Hungary made, which, I understand from Congressman Lantos and from others that know far more than I, that that was essentially the first time that there was a public acknowledgement by an important, prominent Hungarian politician, that Hungarians killed Hungarians. That it wasn't just a simple matter of being victim, or victimization by the Nazis.

In your region there has been an uptick of anti-Semitic incidents. I would be curious if you could comment. Contrast it to places like France where, for the most part, the anti-Semitism, as I understand it, has been initiated by parts of immigrant communities from North Africa. In your part of the world, that, I don't believe, is the case. And I would be curious if you could comment as to what problem there is, if any, as you perceive it, and what objectives or goals your country and the region has put in place to combat it, particularly in light, I think next week in Berlin, the OSCE is having its anti-Semitism conference, which is potentially a very powerful meeting, where Secretary Powell, to my understanding, will be there.

I am done.

Ambassador ELIASSON. That is a very important point. And that is with respect to almost visually the impression of what has happened. One of the most wonderful changes in our neighborhood is the fact that this invisible wall in the Baltic Sea is gone.

I spend my summers on an island called Gotland. And in fact, my country place is closer to the Estonian coast than it is to Swedish coast. But I never visited that part. It was Soviet-occupied territory. These were areas that once were Swedish. There were still in the hamlets old women and men speaking Swedish accent, from our 130-year period which my friends in Estonia call the benign colonial period of Sweden.

And if I look back at my 38 years of diplomacy, I said this is one of the most wonderful and beautiful changes that has happened. That we are now united around that sea, not only by history and geography, but by interest, and in fact, for the first time, truly by values.

And this is an enormously important part of the success story, that you have this strength in the combination of forces that keep

us together. And I am absolutely sure that it is not possible to create a wall again, after we have done this.

And if you add to that the EU enlargement and the NATO enlargement, and the fact that this is the most broad-based cooperation that you can imagine. This is not an activity for government only, or for governments only. It is the Parliaments. It is the NGO community. It is the media. It is the labor unions, all over. It is a tremendous flow of people across the water, like the forces had been kept back for so long, and now finally we have a chance to meet across the water, as we did in the time of the 13th century. And there is history coming back. And there is a joy and an energy in this cooperation which is incredible.

I didn't believe, for instance, that we could, in such a short time, move the Nordic cooperation, the five Nordic countries' cooperation, into a Nordic-Baltic community.

In the beginning we talked about, remember, five plus three. Now we speak about eight. We are eight. Eight plus one, with the United States and the meeting at Vilnius, and so forth.

Now, to Belarus, it is much more difficult. What the three Baltic countries had, and of course Poland had, in our Baltic Sea, is a tradition and a history of sovereignty, and of democratic periods. They had something to build on. While in the case of Belarus, there are no such historic roots of democracy.

So the democratic infrastructures start from scratch. The good news in their region is, of course, not only what we are doing, but hopefully also what Russia is doing. So Russia's development will play an enormously important role.

But what we can do now is, of course, to bridge the gap and increase that dialogue with Belarus in as many areas as possible. And again, not only with governments, but with media, NGOs, think tanks, all these other actors that could change history.

So we have to keep working on it. Because imbalances, whether it is within a society or between societies, between countries, are always dangerous. They create tensions. And that is the only, I would say, bad news in the area of good news, apart from possibly the Kaliningrad problems, but it is not in the same magnitude.

Ambassador USACKAS. Mr. Congressman, in response to your question, allow me to assure you that Lithuania's stance on the appearances of anti-semitism, unfortunately, and anti-semitic statements within Europe or in Lithuania is very clear and unequivocal.

I have sent to you a letter last week where I have cited examples of one particular accident, where political leaders have condemned anti-semitic publications in one newspaper, *Respublika*.

I've also briefed you about broad efforts my country has been doing since the establishment of independence 14 years ago. In facing the historical truths involving the memory of the Holocaust, and restoring the historical justice with regard to the innocent victims.

You mentioned about the Hungarian public acknowledgement with respect to the anti-Semitism, and with respect of participation of some citizens in the terrible pogroms. I would recall that the Lithuanian President, if I am not mistaken, in 1993, paid a visit, one of the first state visits, to Israel, and made a public acknowledgement. And we were among the first nations in Europe imme-

diately after independence to introduce observance of a national day of commemoration of Holocaust victims on September 23 in Lithuania.

We also undertook a great effort with respect to return of religious and communal properties of the Jewish communities of Lithuania, and we are working very closely with different NGOs and Jewish organizations, both here in the United States and Israel.

We look forward to the OSCE conference in Berlin later this week. And my Foreign Minister will be participating, and will have also separate meetings with the United States, NGOs, B'nai B'rith. As a matter of fact, tomorrow EU Ambassadors are being hosted by the B'nai B'rith organization for the working breakfast. And we will also share our experience and efforts, joint efforts, we do to fight against anti-Semitic actions sometimes in Europe.

Mr. BEREUTER. Thank you. I would like to take on the subject of trafficking in humans. You mentioned that, Ambassador Eliasson, I think. And generally, at least I think the most severe problems are existing in Southeast Asia and parts of Southeastern Europe, where there indeed are major problems.

To what extent is this a problem in the Baltic or the Scandinavian States? And if it is so, from whence are the people being trafficked from? From former parts of the Soviet Union? From Belarus, or Ukraine, or Russia itself? What is being done?

Ambassador ELIASSON. It is a problem in our area, too. And it is a problem that is fed by organized crime. Prostitution rings. And we have a trafficking problem, maybe not to the same magnitude as the Balkans area and Southeast Asia, but certainly a big problem. I have heard figures of hundreds of thousands of women and children being sold in Europe, and it is a shame to have that spot on this period of enlargement of European Union talking about common values.

The countries that are mostly mentioned, but I will come back and give you more exact figures, which we have in Stockholm, I am sure, are Moldova and certain parts of Russia. But I think it connects with several other countries in the region.

But in the case of Moldova it has reached tragic, large-scale proportions. It is one of the most serious social problems of that little country.

Mr. BEREUTER. Ambassador Usackas, do you have anything to say on that point?

Ambassador USACKAS. It is one of the problems we have to deal with. And I don't have numbers in my head, but I know that there is a great deal of cooperation within the region, among the Baltic and Nordic countries, and also the United States. I think there was a conference held a year ago or so?

Ms. CONLEY. Yes, in Helsinki.

Ambassador USACKAS. Where the experts and appropriate representatives from the countries involved have met, and appropriate action plans have been introduced and implemented. This is one of the areas where it seems e-PINE has added to this.

Mr. BEREUTER. Secretary Conley.

Ms. CONLEY. If I may add, in our annual trafficking in persons report, Estonia and Finland were tier-two countries primarily. And

we are working very closely on a bilateral basis to improve legislation, and improve policies.

And as Ambassador Usackas mentioned, last year we hosted a very successful conference in Helsinki for the region. It was a focus on trafficking in minors.

You have in the Baltic Sea a range of both a transit problem, as well as a destination problem.

Mr. BEREUTER. And those countries would be destinations or transit?

Ms. CONLEY. Well, primarily we are seeing where the Baltics are more of a transit region, and where the Nordic countries would be, unfortunately, some destinations.

However, I can tell you, because we are now preparing ourselves for the next report, the annual report, and we have been working so closely bilaterally with all eight countries to improve the current policies and practices, there is certainly more work to be done. We see this as a regional challenge because of the combination of both transit and destination issues.

We feel that we are getting very strong cooperation from the region. But the challenge is daunting. As Ambassador Eliasson said, it is very hard to imagine, in the 21st century, that we could be facing these challenges. But there is enormous work to be done, particularly, again, the source countries: Belarus, Ukraine, Russia, Moldova. We are working very closely there. But also at the other end, the destination countries, as well.

Mr. BEREUTER. Are we funding American NGOs' activities in this area? We are now in Southeast and South Asia, and actually East Asia, too. Are we funding any NGOs' activities in this area?

Ms. CONLEY. I would have to check back with our trafficking in persons office to see if they are actually directly funding from their office.

What we have primarily done is used seminars and conferences to issue best practices and make legislative recommendations. And this Helsinki conference last summer, we brought in experts from South Asia to discuss some of their challenges, how they have put into place their best practices. And as an outcome of that conference, the Latvian Government passed stronger legislation to prevent and to ensure some strong legal strictures to prevent this.

So we are trying certainly to keep that NGO involvement key. I would have to provide that information if we are providing NGOs in this region funding to stop it. We very well may.

[The information referred to follows:]

POST-HEARING RESPONSE OF HEATHER CONLEY, DEPUTY ASSISTANT SECRETARY FOR EUROPEAN AND EURASIAN AFFAIRS, U.S. DEPARTMENT OF STATE, TO MR. BEREUTER'S QUESTION

Yes, we do fund U.S.-based NGOs in the Baltics region, frequently destination countries for trafficked women and children. For example, we gave grants to a U.S. NGO, Meridian House, to do anti-trafficking programs, including international visitor exchange visits, in Estonia, Latvia and Lithuania. Embassy Tallinn and Embassy Riga received grants to sponsor Estonians and Latvians to attend an anti-TIP conference held in Helsinki in June of 2003.

In the TIP origin countries, such as Belarus, Moldova and Russia, we support NGOs to promote education about and prevention of trafficking. In Belarus we have supported WINROCK and Internews. In Russia, Ukraine and Moldova we coordinate with and support programs by the American Bar Association's Central and East European Law Initiative (ABA/CEELI).

Mr. BEREUTER. About a month ago a coalition of eight political parties from Belarus visited our government, including Speaker Hastert had a chance to meet with them, and myself. And they are putting forward, at least at that time—I assume it is still on track—a master slate of candidates to try to maximize the opportunity for a successful challenge to the regime now in autocratic control of the country.

I know that there are various NGOs located in Vilnius and other parts of the Baltics that are trying to work in the area of democratic reform within Belarus. Is there anything you can suggest that we can do further to make sure that there is international pressure to protect these people, and to make those elections at least significantly more democratic, open, transparent?

And I could ask the same question about the upcoming presidential election in Ukraine in October. I assume the OSCE will send observer teams, at least if they are allowed to. And I know they have been promised that access in Ukraine.

Ambassador USACKAS. Mr. Chairman, if I may start. First of all, let me thank through you, Congressman, Congressman Smith of New Jersey for offering amendment on the Belarus Democracy Act, and for the consideration of this Belarus Democracy Act, which I know, from our contacts, the Belarusian position is a very important, positive symbol of encouragement. The hope that one day the Belarusians can embrace the same changes, the same values as we do.

Belarus is indeed a very challenging puzzle. And I think it is very important to pursue on a twofold track.

On the one hand, it is very important work we have been doing, very intensively and successfully, is indeed to support democratic grassroots in Belarus. And the projects we undertook at the end of last year, by hosting the five-plus-one democratic parties of Belarus. I mean, as a result, produced a joint platform for the elections of this fall, as well as a joint common list of candidates. It is indeed promising, a promising path towards.

As we mentioned, both IRI, NDI, other think tanks and NGOs of United States were very supportive. So were the Swedes and the Latvians and others.

At the same time, I think it is very important to recognize that in the environment of the totalitarian regime, it is very hard to outreach to the population at large. During the 14 years of independence of Belarus, there have been very little changes toward the creation of an open society.

And that is why we believe it is of value to consider to keep the track of dialogue with Belarus, not necessarily engaging the President or with his immediate circle, but I mean, to keep the dialogue with the government through the government, to outreach to the population at large, so that they would know that the western community is interested in seeing the change, and the western community is supportive, and even more so ready to support the future steps if they will turn toward democracy and rule of law in Belarus.

That is why we have been also advocating that in addition to the support of democratic opposition in Belarus, it is also important to keep the door open for dialogue and engagement with selective

members of government of Belarus. Which would be a way toward greater transparency and outreach to the population, because the forthcoming elections is a window of opportunity. It is a very short period from now to the fall. And I think, I mean, isolation, the full isolation of Belarus is indeed not the way to proceed and to encourage much more profound changes.

At the same time, we need to make greater efforts to support the consolidation of the elements of Belarusian opposition, which would be much more stronger if they feel the wind of support and accessibility of the west, be it the United States Government, Lithuanian Government, or the European Union.

Last, but not least, I think it is very important to recognize, from the experience of close cooperation we have with the United States Government and with the European Union, is I think the west will be only successful if both the European Union and United States Government will act together, and will advance the cause of democratization in Belarus.

Mr. BEREUTER. Ambassador Eliasson.

Ambassador ELIASSON. I agree very much with my Lithuanian colleague, Mr. Chairman.

Isolation is not the recipe for change in Belarus. We have no illusions about the authoritarian nature of the leadership of that country. But there has to be processes that develop pressure from below, pressure from below.

That means we have to encourage those forces that are eager to keep the contact with the outside world. And the borders must be open, the seminars must take place. The media people should be traveling both directions. There should be a sense of, in the end, being part of that community of values that we talked about earlier.

And that is why the union perspective historically in Europe is so important. It was important for the three Baltic states during the nineties, and up until now. It is important for, for instance now, Croatia, which probably has membership prospective soon. It is important for Turkey.

Because that prize dangling out there in the front, at the end, means a tremendous engine of change. And we have to try to build up such an engine of change from the inside. That means it is a pretty tricky exercise, but we are committed to it. Particularly our Chairman of Foreign Relations of the Swedish Foreign Affairs Committee is extremely involved in this, and works very closely with his Baltic colleagues on this matter.

Mr. BEREUTER. Will either of your two countries be proposing to send election observers to Belarus?

Ambassador USACKAS. Mr. Chairman, actually, at the moment, as we speak, under our initiative the OSCE organization—which is in charge of free and fair elections—is considering, what do you call, the benchmarks upon which the OSCE would be involved and starting negotiations with Belarus.

I think it would be very important to have observers, both from Europe, but also from the United States Congress.

Mr. BEREUTER. That would be an OSCE mission.

Ambassador USACKAS. That is correct.

Ambassador ELIASSON. We certainly would welcome OSCE observers. And if OSCE decides on sending a mission, certainly Sweden would want to be part of that.

Mr. BEREUTER. Mr. Wexler, would you like a second round?

Mr. WEXLER. Very briefly, if I could. Thank you.

I think our discussion today with respect to Belarus has been really a very helpful one, an excellent one. To a certain degree it is a reflection of the luxury of success we have, that we can spend so much time talking about Belarus.

I would be curious, with the understanding that all three of your understandings of Russia, I have no doubt, are more sophisticated than mine. But it seems a bit unsettling to me, when we point, in part, to Russia's participation as potentially a necessarily positive thing in Belarus. Or maybe a more appropriate way of expressing it is, are you confident that Russia's participation is a positive thing, rather than a potentially negative aspect of what is occurring in Belarus.

Ambassador ELIASSON. Well, I think basically it is a positive influence. I think both market economy and democracy have such deep roots, not only in general and in principle in the world, but also inside Russia.

There are some setbacks. It is not easy to create a democratic infrastructure in a country which has had no democratic periods in history. And with a tremendously totalitarian rule, both during the Czars' hundreds of years, and not to speak about Soviet Union period. Millions of people killed in Stalinist camps.

From that to develop a full-fledged democracy in our sense is a tremendously difficult process.

But I think—there is an element of wishful thinking to this—but I think it is an irreversible process. We may have setbacks. We see it. We are disappointed in certain aspects which related to the Chechnia war, and how one deals with that Chechnian situation, to corruption and difficulties of creating democratic structures on a local, regional, national level.

But we think it is heading in the right direction. And therefore, my impression is that Russia is not happy about the developments in Belarus. And I think it is important that we create links with Russia on this issue, and from different perspectives, with different strategies, work on the issue of democratization of Belarus from all directions.

I think it is good to at least work in the direction of trying to mobilize Russian support for this project. But it is sensitive domestically, of course, in the Russian, not to speak about the Belarussian, perspective.

Ambassador USACKAS. Mr. Congressman, if I may, in response to your question, let me share the sense of my shock on the way to the hearings of reading in *The New York Times* of today, the news I had a chance to read. And the results of the opinion poll conducted by the Center for International Studies in Russia, which found that 26 percent of Russians would definitely all probably vote for Stalin if he were to run today. While another 19 percent seemed a little unsure. It seems they would probably not vote for him. I think it does represent a little worrisome trend of the mindset in the society in Russia.

But at the same time, I fully share with Ambassador Eliasson's statement that, I mean, we should not give up, and we should, in the ways possible, to come to a better appreciation and change of the mindset in Russia. I don't think it will happen overnight. It is going to be a very long time. And one should not expect that Russia one day in the future will become the same kind of democracy the United States, France, and the Baltic countries have already embraced. And I think that is also the view of many Russian politicians at the moment.

Coming back to Belarus, there is an obvious overwhelming presence of Russia in Belarus. I think it is only inevitable that we, as western countries and neighbors, have to recognize the effect of Russia, and have to try to engage Russia in a constructive way. To talk and to encourage change in Belarus.

It is going to be a very tricky and demanding job. But I think again, with solidified efforts of both the United States and neighbors like Poland, Lithuania, Latvia, the French and Nordic countries, and the European Union, I think we can encourage change. And I think Russia is going to be an important factor in this endeavor.

Ms. CONLEY. Congressman Wexler, just very briefly. As we were developing e-PINE, of course we do work to integrate Northwest Russia into this wider neighborhood.

We shared with the Russians our plans. I must tell you, they are not very bothered or, you know, don't really want to know very much about what we are doing in this area, although we have made them fully aware of it.

And with regards to Belarus, my colleague, Steve Pifer, who has responsibility for Belarus, spends a great deal of his time coordinating with the European Union on the step-by-step approach. We have done enormous work of outreach to the NGO communities, working very closely with Lithuania and others very interested in that region.

I think we know where we want to go, and how we are working. It is just that the environment is so challenging and daunting. But that will not stop us from continuing to find whatever avenues and venues that can open up Belarus.

I think for all of us, as we have seen how the remarkable transformation of the Baltic States in just 14 years, I think we look at Belarus, and to some extent Ukraine, and think unbelievable lost time in getting to where they really need to go. We cannot build new barriers with NATO and the European Union. New walls can't be built.

President Bush's vision of a Europe whole, free, and at peace includes Belarus and Ukraine. And we just have a greater challenge, all of us, to ensure that vision occurs. So we are going to shoulder on. It is not going to be easy. These elections are going to be, I think, an enormous challenge for both Ukraine and Belarus. But the international community is completely, I think, in solidarity to find if we can really move these countries further along that continuum of democratic and economic progress.

Mr. BEREUTER. Secretary Conley, I wanted to ask you about funding. In the past the SEED Act funds have provided the primary source of NEI funding, I believe. And now that the Baltic

States have become members of NATO and will shortly become members of the EU, I would think that this is not the place where you can, perhaps even statutorily, are able to draw the funds.

So are they going to be pared down? Is the e-PINE program going to be a pared-down program, vis-a-vis the NEI? Or are you going to find other resources to use? What is the plan for the Administration?

Ms. CONLEY. The plan, Mr. Chairman, is exactly as you stated. We will be completing the utilization of SEED funds in the Baltic States with the '03 funding.

What we are going to be doing with e-PINE is a combination of things. Where we have areas, particularly trafficking of persons and elsewhere, there are other funds, global funds, that are set aside for that purpose that we will be tapping into. And there are good projects in cooperation.

Because our work is now shifting eastward, we are working with our colleagues who work with the Freedom Support Act, that there can be ways of using particularly democratization funds in Belarus and Ukraine. We were looking at that trilateral work, where we would be working with the Baltic States, other donors, to further our democracy programs in Belarus, Ukraine, Moldova, the Caucasus, sort of enhancing and leveraging that assistance.

We are going to be looking at NGOs and the private sector to see if they would be willing to contribute to these efforts that affect their business and their activities. So we are going to be creatively looking at other funding to do that.

Primarily, e-PINE is a policy dialogue. It is not an assistance activity. There aren't dues, and we don't have a secretariat. So we are moving really beyond just an assistance activity, and we are moving more into a policy dialogue and coordination.

Mr. BEREUTER. In that respect, since the concerns of the activities of various Federal agencies are certainly, in many cases, affected by what happens there, if we are going to really have regional assistance programs, regional cooperation programs, is there a multi-agency coordinating effort? Is it conducted by State? Is it conducted by NSC? Or does it exist?

Justice has a role, Commerce has a role, EPA has a role.

Ms. CONLEY. We are very fortunate that we retain, in the Bureau, our coordinating function under Ambassador Pascual. And we will continue to look to their guidance, because they are already mandated to look at that inter-agency coordination.

Mr. BEREUTER. Madame Secretary, do you have a statutory base for that?

Ms. CONLEY. Ambassador Pascual, yes, does have a statutory base for his coordination, as I understand. And I will confirm that, of course, to manage this inter-agency process. And that is where we will probably continue to look.

Within my own offices and the Office of Nordic and Baltic Affairs, we do have a coordinator who again focuses on this area, that is able to look very closely at all the activity inter-agency that we are seeing. When there is a funding issue, we would then turn to the coordinator's office in the Bureau to ensure that we are not stepping on any toes, or seeing any duplication of assistance efforts.

[The information referred to follows:]

POST-HEARING RESPONSE OF HEATHER CONLEY, DEPUTY ASSISTANT SECRETARY FOR EUROPEAN AND EURASIAN AFFAIRS, U.S. DEPARTMENT OF STATE, TO MR. BEREUTER'S QUESTION

Yes, Ambassador Pascual has statutory authority over all assistance to the 27 countries covered by the SEED Act and the Freedom for Russian and Emerging Eurasian Democracies and Open Markets (FREEDOM) Support Act. The relevant provisions of law are section 601 of the SEED Act and section 102 of the FREEDOM Support Act.

Mr. BEREUTER. Thank you. Ambassador Usackas, your country has faced daunting challenges for some years now, and you have responded very well to those.

But I am wondering, in all of that effort you needed to direct to your own problems, how is it that you decided, as a country, or at least as a government, to take on some assistance role for Georgia? Things just don't happen accidentally. I would like to know what precipitated that.

Ambassador USACKAS. Well, thank you very much, Mr. Chairman, for your question.

I never thought about this question, but I mean, I will give you my answer from the bottom of my heart. And my personal experience, I remember, was that indeed there was a feeling, and there was, I think it was kind of an invisible link, even during the Soviet years, between the Caucasus Republics and the Baltics.

It was also visible, as a matter of fact, that at that time, many have used to recognize that, there is something different between the Baltic countries and Caucasus, on the one hand, and the rest of the Soviet Union at that time. And I think that feeling, those sentiments have been unfolding throughout the years of transformation.

I also remember myself very well in 1989, when the first demonstration took place in T'bilisi, the Soviet troops were launched before the students. At that time I was also a leader of Lithuanian Student Union. We went with the demonstration to the Vilnius streets, and supported Georgian students.

So it was, to me, a kind of inevitable and natural choice for Lithuania to extend the hand of our experience to the Georgians as soon as they started their own more profound transformations. And we keep a very close contact with Georgia, between the Ministers of Defense. We also share with them our own negotiation lessons with Russians, with respect to the troop withdrawal, as we do with the Moldovans, as well.

So I think there are some lessons where we can provide a value added. And I very much hope that other countries will join us in this effort.

Mr. BEREUTER. I just have one more question for Secretary Conley and I would like to hear if there is a response to my question from our two Ambassadors who have been good enough to testify today. Congressman Wexler has to go, and I know Secretary Conley does. But this is your opportunity to offer some advice to the United States Government, or to the Congress specifically.

If we want to have, and I think that is the stated policy, and I see no contradiction to it, to have a forward-leading policy and programs from our government toward the Baltic region, Scandinavia,

the Baltic States, Russia, what could we do better? What would you suggest we take on that we haven't done? This is a direct solicitation.

Ambassador ELIASSON. Well, I think it is probably more of the same. By that, I mean, that is slightly presumptuous to give advice, but you asked—

Mr. BEREUTER. But, you know, the request is coming from me, so you are excused for anything you say.

Ambassador ELIASSON. Very good. Anyway, I think to remain engaged and follow developments in an area of the world which is basically good news. We have a tendency to follow the CNN factor and just deal with the bad news. We need to tend to the good news, and work with the good news, and enhance those societies, that type of regional cooperation, even if it doesn't land in the headlines.

When did you ever see a headline in the press a disaster did not occur? In other words, we are building up pragmatically, based on history and values, societies that will function internally. And for the United States to show this relationship as being important. You have done it already, of course, by your active work to bring three Baltic States and Poland, of course, also into NATO. And we have done our part in both bilateral and regional cooperation, and of course being a strong proponent of the membership of the European Union for the three Baltic States.

But I think there is also need for a bilateral component, the U.S. in itself, that is there. Not only with political commitment and money, but people. Come there, go there, be there.

As we move to a phase, in my view, where we will be more and more seeing change not only through governments, but also through parliaments, through civil society, think tanks, churches, labor unions, finally this wall is gone. Let's take advantage of it. And I think a bilateral component of showing the trans-Atlantic link is important.

My last point is that it is very important, in my view, to never work in the direction of seeing a strong European integration in any way, in contrast to or in contravention with this strong trans-Atlantic relationship. I think we have to work to develop finally a strong Europe. We decided only 60 years ago to solve our problems peacefully in Europe.

And that we should develop a strong Europe. We are seeing a wonderful change for us, with the enlargement of 10 new countries. To be a strong Europe, and develop a strong Europe, including a component of dealing with conflict resolution and even with a military component of dealing with crisis resolution. That process is not a process that goes against the basic belief that we need to have a strong trans-Atlantic link. It must be both/and, not either/or. And we are in an almost positive adventure building that strong Europe.

But our belief, Sweden, and I know this goes also for our neighbors across the water, is that the healthiest development between Europe and the United States is to have a solid trans-Atlantic link. And it is also better for the outside world.

When Europe and the United States worked together hand-in-hand on Macedonia in the spring of 2001, a war was avoided. Eu-

rope and the United States were not working hand-in-hand on Iraq. We had problems, and they still remain with us.

Mr. BEREUTER. Congressman Lantos and I went to President Clinton and said:

“If you send troops under tough rules of engagement to Macedonia, we will support you on a bipartisan basis in the Congress.”

And we had a meeting with the National Security Council as a result of that, and we worked with the two Scandinavian battalions, with our own United States battalion. And I think it was a preventive peacekeeping force.

We did get ridiculed by some of our European allies for sending our troops to loll around in the sun with the Scandinavians. But I think it was an important contribution. Too bad they were pulled out when the U.N. mandate was not—

Ambassador ELIASSON. Indeed. This was very sad that, when we had a preventive deployment of forces, that was taken away. It is really a sad part of post-war history that that was the case.

But I was Chairman, President of the European Union here in Washington when this occurred. And it was clockwork cooperation. United States put pressure on the Albanians, the Albanians and the Macedonians. And we did, too. And for Sweden to be representing such a great force at one time was to me a rather unique experience, because I had the 14 other countries behind.

But there was even the use of the prospective of membership for Macedonia used as a pressure for them not to go to war. So there is a strong European integration, in combination with strong trans-Atlantic link, I think is the recipe for a pretty good future.

Mr. BEREUTER. And the U.N. mandate was not reviewed because, of all things, a dispute on Taiwan/China.

Ambassador ELIASSON. Right.

Mr. BEREUTER. To show you about the global impact of what we do.

This is your chance, Ambassador.

Ambassador USACKAS. Thank you, Mr. Chairman. First of all, I think it is a great news. The Union enlargement is great news for countries in the region, and for the U.S., for at least one very important factor. Is that both the EU and NATO is enlarging to three small, tiny, but wholehearted trans-Atlanticists.

I think it will provide new avenues for cooperation between United States, Baltics, and Nordic countries. I think it is very important not to neglect the fact of the importance of bilateral relationships.

I think it is very important to help to facilitate greater knowledge in United States about opportunities the enlargement of the EU presents to American businesses. We three Baltic countries position ourselves as bridge builders, not only in terms of confidence and security, but also in terms of presenting ourselves as a springboard for the United States investment to the European Union, and to the neighboring market of Russia.

In this context, I very much hope that the initiative of Congressman Shimkus, Chairman of the Baltic and the House, will be implemented, and he will be able to lead the group of potential inves-

tors from the United States later this year. I know there are some restrictions for the trips of the Members of Congress. But if there is any way you could, Mr. Chairman, facilitate that, we would very much appreciate it.

Last, but not least, I think we may have a lot of good ideas and good projects to advance freedom and democracy. But it is very important to back that with necessary resources from all countries involved.

We have located our own resources, though limited: 150,000 litai for the e-PINE and related projects this year. And we are going to also discuss it in the forthcoming meeting of the e-PINE, as political directors meet in Vilnius.

And last, if I may also, I think this format of Nordic, Baltic, and United States cooperation was very important for the success we can enjoy now, our membership in EU and NATO, and also the fast-growing economies. We are also embarking upon the projects toward our immediate neighbors, Belarus, Kaliningrad region, and Ukraine, and Georgia.

But I would also offer for the consideration, as a longer-term perspective, when we all go along the path of the reforms in the greater Middle East, that probably this same kind of format could be applied, as we contemplate and probably implement in the future the lessons of democracy building in the Baltics, from the Baltics, in some regions of the greater Middle East.

Thank you.

Mr. BEREUTER. Thank you very much, Ambassador. If we make our trip, I assume you will come back and play basketball with us in Vilnius?

Ambassador USACKAS. Absolutely, Mr. Chairman.

Mr. BEREUTER. Mr. Shimkus can always be counted on to do good things with respect to Baltic-American relations. And if he gets any more visibility, you know he will come to Vilnius and run for President. [Laughter.]

Thanks very much to all three of you for your contributions today, for responding to questions, for giving us your ideas. We very much appreciate it. Thank you.

The Subcommittee is adjourned.

[Whereupon, at 3:19 p.m., the Subcommittee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

LETTER FROM VALDIS PAVLOVSKIS, PRESIDENT, BALTIC AMERICAN FREEDOM LEAGUE,
TO THE HONORABLE DOUG BEREUTER, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF NEBRASKA, AND CHAIRMAN, SUBCOMMITTEE ON EUROPE

BALTIC AMERICAN FREEDOM LEAGUE,
Los Angeles, CA, April 21, 2004.

Hon. DOUG BEREUTER, *Chairman,*
Subcommittee on Europe,
Committee on International Relations,
House of Representatives, Washington, DC.

DEAR CHAIRMAN BEREUTER: Thank you for holding today's hearing on the Enhanced Partnership in Northern Europe (e-PINE), an important new policy initiative that the Baltic American Freedom League fully supports. We appreciate your personal leadership on U.S. policy toward the Baltic states, including the Congressional delegation you led there last May.

We would also like to commend the panelists testifying before your committee today—Ambassador Jan Eliasson, Ambassador Vygaudas Usackas, and Deputy Assistant Secretary of State Heather Conley—for their vision and dedication to a policy of constructive engagement between the U.S. and the Baltic-Nordic region.

Today, we are writing today to also express concern and urge you support for continued Congressional funding for U.S. programs, such as e-PINE, in the Baltic region. We believe there is a real need and U.S. national interest in providing financial support to the e-PINE initiative. We would like to call to the Subcommittee's attention the request of Representative John Shimkus, the Co-chair of the House Baltic Caucus, for continued assistance of at least \$5 million under the SEED Act for the e-PINE programs. Furthermore, we would like to express concern over cuts to funding trade and commercial representation at U.S. Embassies in the Baltics.

On behalf of the entire Baltic-American Community, which is grateful for the extraordinary support in Congress for the Baltics, we respectfully request that you fully consider continuing to support assistance programs. We believe the future success and progress of our new NATO allies, Estonia, Latvia and Lithuania, depends greatly on the support provided by the Congress.

Sincerely,

VALDIS PAVLOVSKIS,
President, Baltic American Freedom League.

