

Foreign Policy of the United States

Volume 8



Ernest Simone
Editor

NOVA

FOREIGN POLICY OF THE UNITED STATES

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VOLUME 8

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FOREIGN POLICY OF THE UNITED STATES

**FOREIGN POLICY OF
THE UNITED STATES**

VOLUME 8

FOREIGN POLICY OF THE UNITED STATES

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PREFACE

Due to extensive cooperation on a wide range of issues, the relationship between the United States and Europe is often called the transatlantic partnership. The two sides have many common values and concerns, and have grown increasingly interdependent in terms of security and prosperity. The transatlantic relationship and the main areas of U.S.-European cooperation and shared interest are likely to have continuing implications for U.S. policy during the 114th Congress. Members of Congress may have an interest in considering the dimensions and dynamics of current issues in U.S.-European relations in the course of oversight or legislative activities, or in the context of direct interactions with European legislators and officials. This book summarizes key issues that both illustrate the nature of U.S.-European cooperation based on shared interests and present challenges in terms of the efficacy of such cooperation. Moreover, economic sanctions on Russian individuals, entities, and sectors have been a key part of the U.S. response to Russia's annexation of the Crimean region of Ukraine and Russia's efforts to destabilize eastern Ukraine. This book discusses the economic implications of U.S. sanctions on Russia. Background information and issues of the Russian compliance with the Intermediate Range Nuclear Forces is also provided. Cuban sanctions; foreign policy of unaccompanied children from Central America; U.S. assistance in China; and combating terrorism is also discussed in this book.

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Chapter 1

THE UNITED STATES AND EUROPE: CURRENT ISSUES*

Derek E. Mix

SUMMARY

Due to extensive cooperation on a wide range of issues, the relationship between the United States and Europe is often called the transatlantic partnership. The two sides have many common values and concerns, and have grown increasingly interdependent in terms of security and prosperity. The transatlantic relationship and the main areas of U.S.-European cooperation and shared interest are likely to have continuing implications for U.S. policy during the 114th Congress. Members of Congress may have an interest in considering the dimensions and dynamics of current issues in U.S.-European relations in the course of oversight or legislative activities, or in the context of direct interactions with European legislators and officials.

According to most observers, the overall tone of transatlantic relations during the Obama Administration has been largely positive. At the same time, a constructive tone does not necessarily translate into tangible results with regard to foreign policy objectives or other goals. With respect to certain issues, U.S. and European policies have been at odds and have generated friction in the relationship from time to time.

This report summarizes key issues that both illustrate the nature of U.S.-European cooperation based on shared interests and present challenges in terms of the efficacy of such cooperation:

- U.S. and European relations with Russia have become more adversarial in the context of Russia's annexation of Crimea and its actions destabilizing Ukraine. The United States and the European Union (EU) have imposed sanctions that, combined with low oil prices, have harmed the Russian economy. Rising tensions with Russia have altered previous assumptions about European security and affected debates about the future of the North Atlantic Treaty Organization and European energy security.

* This is an edited, reformatted and augmented version of a Congressional Research Service publication RS22163, prepared for Members and Committees of Congress, dated February 3, 2015.

- The United States and European countries have been cooperating in efforts to counter the Islamic State and seek a political solution to the conflict in Syria. Recent estimates suggest that upward of 3,000 European citizens have traveled to Syria and Iraq to join groups involved in the conflict, and the potential threat posed by returning “foreign fighters” has become a central concern. U.S.-EU counterterrorism cooperation has been strong since 9/11, although differences regarding data privacy have posed some key information-sharing challenges.
- The United States and Europe remain central actors in negotiations seeking to reach an agreement that ensures that Iran’s nuclear program can be used solely for peaceful purposes. While an extensive array of U.S. and EU sanctions have worked to isolate and pressure Iran, the final outcome of talks remains uncertain.
- The United States and EU share broad objectives with regard to resolving the Israeli-Palestinian conflict. Increased European support for recognizing Palestinian statehood, however, has diverged from the approach taken by the United States and strained Europe’s relationship with Israel.
- The United States and the EU have the largest trade and investment relationship in the world. The two sides have been negotiating a free trade agreement, the Transatlantic Trade and Investment Partnership (TTIP) aimed at boosting jobs and growth on both sides, but obstacles could make it difficult to conclude a deal by the end of 2015. While the conditions that fueled the Eurozone crisis from 2010-2012 appear to have stabilized, there is considerable doubt that underlying economic problems in Europe have been fully resolved.
- Allegations of U.S. spying and surveillance programs in Europe have caused a sharp backlash and damaged transatlantic trust. Although tensions appear to have proven manageable and U.S. intelligence cooperation with European governments continues, data privacy concerns could complicate future talks on U.S.-EU information-sharing agreements.
- The United States takes over the chairmanship of the Arctic Council in May 2015. The Arctic is increasingly viewed as a region of potential economic and geopolitical importance.

As the United States and Europe face a changing geopolitical environment, some observers assert that the global influence of the Euro-Atlantic partnership is in decline. In addition, the Obama Administration’s announced intention of “re-balancing” U.S. foreign policy toward Asia has caused some anxiety among Europeans. Overall, however, most analysts maintain that the United States and Europe are likely to remain one another’s closest partner, and that U.S.-European cooperation is likely to remain the foundation of international action on a wide range of critical issues.

THE UNITED STATES AND EUROPE

Common values, overlapping interests, and shared goals are the foundation of what is often described as the transatlantic partnership between the United States and Europe. Many observers stress that in terms of security and prosperity the United States and Europe have grown increasingly interdependent. Both sides of the Atlantic face a common set of challenges, including a broad range of economic concerns as well as terrorism, nuclear proliferation, and armed conflict or other forms of instability in many parts of the world. Both sides are proponents of democracy, open societies, human rights, and free markets. Supporters of close U.S.-European cooperation argue that neither the United States nor

Europe can adequately address the wide array of global concerns alone, and that the track record shows the two sides can accomplish much more when they work together. The United States and Europe also share a huge and mutually beneficial trade and investment relationship. This report summarizes key areas of shared interest and cooperation and highlights some of the main challenges in the transatlantic relationship.

Issues for Congress

The activities of the U.S. Congress frequently involve issues that have a European dimension, including economic, security, and diplomatic issues. Members of Congress often interact directly with European legislators and officials to discuss a wide variety of topics. In the course of legislative activities or in exercising oversight of U.S. foreign policy, Members of Congress may choose to consider the dynamics of U.S.-European cooperation in terms of benefits versus shortcomings, alignment versus divergence, or partnership versus competition.

Many Members of Congress have long supported a close transatlantic relationship and have seen the European Union (EU), the North Atlantic Treaty Organization (NATO), and the idea of a Europe “whole and free” as supporting and advancing U.S. interests. During the Cold War, many viewed a more integrated and united Europe as a way to counter the Soviet Union. More recently, congressional interest in Europe tends to be rooted in a U.S. need for like-minded partners in facing global challenges. At various times over the years, however, Members have also been concerned when U.S. and European policy positions have conflicted, have doubted the degree of cooperation offered by Europe, or have questioned whether Europe might somehow constrain U.S. policy choices.

The EU and NATO

By almost any measure, the institutional pillars of the Euro-Atlantic community, NATO and the EU, have proven successful in promoting prosperity and security in Europe. The U.S. Congress and successive U.S. Administrations have strongly supported both institutions as means to foster democratic states, reliable military allies, and strong trading partners.

While strong bilateral relationships between the United States and individual European countries remain a vital foundation for transatlantic relations, the relationship between the United States and the EU has been taking on a growing significance. The EU has become an increasingly important interlocutor for the United States because its 28 member countries now take common decisions and formulate common policies in a wide range of areas, including many economic and social issues and a growing number of law enforcement and judicial matters, at the level of the EU institutions.¹ The EU is also continuing efforts to develop a stronger Common Foreign and Security Policy (CFSP) and Common Security and Defense Policy (CSDP).²

Meanwhile, NATO remains the preeminent security institution of the Euro-Atlantic community. Given the United States' leading role in the Atlantic alliance, Members of Congress maintain a consistent and significant interest in NATO. Like the EU, NATO has experienced dramatic change over the past two decades. Since the end of the Cold War, the alliance has added 12 new member states from Central and Eastern Europe. While the last

decade has been defined largely by operations in Afghanistan, the member states of the alliance have also continued long-term discussions about the future role and capabilities of NATO. Over the past year, the conflict in Ukraine and tense relations with Russia have become central factors in these discussions.

The year 2014 was one of leadership transitions for the Euro-Atlantic institutions. In May, EUwide elections selected 751 Members of the European Parliament (MEP) to a new five-year term. German MEP Martin Schulz of the Socialists and Democrats group was reelected for a second term as President of the Parliament. Former Norwegian Prime Minister Jens Stoltenberg replaced Anders Fogh Rasmussen as the new Secretary General of NATO in October. In November, the 28 commissioners of a new European Commission took office for a term of five years. After 10 years under the leadership of Jose Manuel Barroso, former Luxembourg Prime Minister Jean-Claude Juncker took over as President of the Commission. Former Italian Foreign Minister Federica Mogherini replaced Catherine Ashton as the EU's High Representative for Foreign Affairs and Security Policy. In December, former Polish Prime Minister Donald Tusk became the new President of the European Council, replacing Herman Van Rompuy.

An Evolving Relationship and Changing Political Dynamics

Polls show that European perceptions of U.S. foreign policy under the Obama Administration remain relatively favorable, and considerably more positive compared to the years of the George W. Bush Administration.³ The overall tone of transatlantic relations has been mostly constructive over the past six years, and many of the broad global challenges faced by the United States and Europe have pushed the two sides toward common or cooperative approaches. In attempting to deal jointly with the daunting list of challenges they face, however, both sides have also encountered frustrations and reality checks that have reminded each side to be realistic about what it can expect from the other.

After the Obama Administration announced in 2012 a “re-balancing” of U.S. foreign policy toward a greater focus on Asia, many Europeans expressed anxiety about the United States pulling back from Europe. The crisis and conflict in Ukraine has since caused U.S. policy makers to rethink many assumptions about European security, and the United States continues to play a leading role in NATO and managing relations with Russia. Given that much of U.S. attention is also likely to remain centered on Asia and the Middle East, general U.S. hopes and expectations are that Europe should share a significant part of the burden when it comes to its own security, take a leading role on most regional and some other international issues, and continue to act as an effective partner in addressing a wide range of common threats and concerns. Most examples of transatlantic cooperation are largely positive, but in assessing the long-term dimensions of the partnership many U.S. officials remain concerned by Europe's ongoing economic difficulties, continuing declines in defense spending and military capabilities, and questions about Europe's ability to deliver a robust and coherent common foreign policy.

U.S. officials and Members of Congress assessing the partnership with Europe also face complex and changing political dynamics within the EU and its member states. The European financial and debt crisis that followed the 2008-2009 global downturn has forced European leaders to confront the fundamentally unfinished nature of the EU. Although leaders took a

number of unprecedented measures in response to the crisis, the process of arriving at these reforms highlighted diverging preferences and outlooks that caused tensions between EU member states. Although the crisis appears to have receded, there is a sense that its underlying causes remain unresolved and that basic questions about the future of further EU integration remain unanswered.

At the same time, the perceived inability of Europe's traditional mainstream parties to solve economic and social problems has led to an anti-establishment backlash among European voters. In many countries, relatively new political parties are gaining strength, many of them populist parties advocating far-right and far-left policies. While such parties tend to variously embrace forms of nationalist, anti-immigration, or anti-Islam policies, nearly all are anti-EU to some degree, whether in terms of opposing the euro currency, further European integration, or even their country's membership in the union. "Euro-skeptic" parties of the far-right and far-left won approximately one quarter of the votes in the May 2014 European Parliament election. Following the victory of the radical-left Syriza party in the January 2015 Greek elections, the strength of this trend will be further tested over the course of the year with national elections in Estonia, Finland, Denmark, Portugal, Poland, Spain, and the United Kingdom. The UK elections, in particular, are expected to have major implications related to a possible national referendum on the EU membership of the country frequently regarded as the United States' closest European ally.⁴ In various ways, European domestic challenges, including political instability, economic struggles, social unrest, and growing skepticism about the EU could affect Europe's ability to act in partnership with the United States.

SELECTED KEY ISSUES IN U.S.-EUROPEAN RELATIONS

Russia and the Ukraine Conflict⁵

The deterioration of U.S. and European relations with Russia became a predominant issue in 2014. For U.S. and European policy makers, developments stemming from the crisis and conflict in Ukraine have transformed Russia from a difficult but important "strategic partner" into a "strategic problem" of uncertain dimensions. While some officials and observers continue to advocate the importance of pragmatic cooperation with Russia where possible, others suggest that given recent Russian actions, a return to previous levels of cooperation remains a long way off.

For more than a decade, relations between Russia and the West have been marked by points of tension. Russian policy makers viewed NATO enlargement and U.S.-European support for Kosovo's independence with resentment, and the 2008 conflict between Russia and Georgia brought relations to a new low. The Obama Administration came to office seeking to improve relations, however, and after a "reset" initiative, U.S.-Russia cooperation on Afghanistan and Iran improved, the two sides signed the New START treaty, and the revision of U.S. missile defense plans temporarily diminished tensions on that issue. At the same time, U.S. and European objections remained regarding Russia's policy on numerous issues, including its recognition of Georgia's Abkhazia and South Ossetia regions as

independent countries and the unilateral suspension of its obligations under the Conventional Armed Forces in Europe (CFE) Treaty.

Strains subsequently increased as U.S. and European criticism of Russia's 2011-2012 parliamentary and presidential elections and their aftermath triggered a strong backlash from Moscow. With Vladimir Putin returned to the presidency, Russia reacted in a sharply negative fashion to the U.S. Congress adopting the Sergei Magnitsky Rule of Law Accountability Act of 2012 (P.L. 112-208) in response to alleged human rights violations against journalists and opposition activists.⁶ Russia also became increasingly at odds with U.S. and European foreign policy, strongly criticizing the 2011 NATO operation in Libya, supporting Bashar al-Assad in the conflict in Syria, and thwarting U.S. and European efforts to address the violence in Syria through the United Nations Security Council.

The political crisis in Ukraine starting in late 2013 began a chain of developments that have brought U.S. and European relations with Russia to their lowest point in decades. In November 2013, Russia pressured then-Ukrainian President Viktor Yanukovich to reverse course on the planned signing of an Association Agreement with the EU in return for financial incentives from Moscow. Yanukovich was forced from office in February 2014 after sustained protests against the country's turn away from the EU culminated in violent clashes between protestors and security forces in Kiev. U.S. and European leaders subsequently backed the formation of a new, more pro-Western government and 2014 presidential and parliamentary elections that resulted in overwhelming victories for pro-Western parties.

In February-March 2014, Russian forces seized the Crimean peninsula, and Russia subsequently annexed the territory. Crimea has considerable historical and military significance for Russia, and the Russian government justified the annexation as rectifying the transfer of Crimea from Russia to Ukraine under the Soviet Union, protecting its inhabitants from the new Ukrainian government, and responding to the will of the population in Crimea, many of whom consider themselves Russian and allegedly voted to join Russia in a hastily conducted referendum at which international observers were not present. Neither the referendum nor the annexation are recognized by the vast majority of the international community, and in imposing an initial round of sanctions against Crimean and Russian individuals and entities, it was not lost on U.S. and European leaders that the annexation was the first forcible border change in Europe since 1945.

The Ukrainian military has since engaged in a conflict with the forces of two self-proclaimed republics that emerged in eastern Ukraine in April 2014, a conflict in which more than 4,300 people have reportedly died. Combat has continued despite a ceasefire that was agreed to in September. The United States and other Western governments assert there is clear evidence that Russian military units have participated in the conflict directly, and that there has been a direct link between Moscow and the separatists in terms of personnel, including the groups' leadership, and material support, including heavy weapons and small arms. Russia denies providing the separatists with more than political support and humanitarian aid.

Responding to developments in Ukraine and related actions by Russia has been a generally strong area of U.S.-European coordination, though not completely without tension.⁷ The U.S. and European analyses of developments have been largely aligned, and the two sides have openly sought to maximize their influence with parallel messages and mutually reinforcing actions, including extensive sanctions. After some U.S. concerns about the EU's

reluctance to expand sanctions, the shooting down in July 2014 of commercial passenger jet MH17 over eastern Ukraine, killing 298 people including over 200 Europeans, galvanized the EU to expand its sanctions beyond individuals and specific entities to target wider sectors of the Russian economy. Unlike the United States, which has relatively limited economic ties with Russia, many European countries have large and interdependent relationships with Russia in terms of trade, investment, finance, and energy.⁸ EU debates over sanctions contend with the economic value and political influence attached to these relationships; varying attitudes and outlooks on Russia based on history, geography, and culture; and doubts about the likely effectiveness of sanctions. U.S. policy makers often express frustration at this process.

Nevertheless, while some Europeans remain skeptical about the wisdom and utility of sanctions as an attempt deter Russia's actions in Ukraine, the measures have been adopted by the unanimous agreement of all 28 EU member states. Observers assert that this consensus was based on a common assessment by the member state governments that sending a strong message to Russia's leadership through meaningful sanctions was a political imperative outweighing economic disruption and discomfort. The EU reviews its sanctions package monthly, and unanimous consensus is required to overturn it. The package of sectoral sanctions comes up for renewal in July 2015, at which time unanimity will be required to retain it.

In recent months, Russia's economy has entered recession and suffered from a considerably weakened ruble and high inflation.⁹ Most analysts say a sharp drop in oil prices is the main culprit, although most believe Western sanctions are also a contributing factor. Nevertheless, it remains unclear how sanctions and the country's economic downturn may be impacting the foreign policy thinking and behavior of Russia's leadership. Speculation about Russia's next steps in eastern Ukraine ranges from maintaining a permanent "frozen conflict," to planning additional military gains that consolidate separatist territory, to seeking a de-escalation of tensions and a way out of the conflict. Many analysts say a massive Russian invasion to greatly expand the separatists' territory or establish a land connection to Crimea is unlikely but cannot be ruled out entirely.

In January 2015, EU High Representative Mogherini, backed by a group of member countries, tabled a proposal to ease sanctions if Russia complies with the September ceasefire agreement and makes progress toward resolving the Ukraine crisis. A resurgence of combat in eastern Ukraine in January 2015 drained support for this idea, leading the High Representative to backtrack and emphasize that any such proposal depends on Russia's full implementation of the ceasefire agreement.

With Vladimir Putin likely to remain Russia's paramount leader for the foreseeable future, U.S. and European relations with Russia are expected to remain a central topic as policy makers seek to discern Russia's foreign policy intentions and shape responses. As they monitor developments related to Russia and Ukraine, Members of the 114th Congress may wish to engage in or address a range of issues, including the adoption of additional sanctions or other deterrents. Members of Congress may choose to cooperate or consult with their European counterparts in these efforts and to examine to the degree to which European policies remain aligned with those of the United States.

Members of Congress may also be interested in ways to engage with or support Ukraine, potentially in coordination with their European counterparts. The U.S. provided \$291 million in non-lethal aid and a \$1 billion loan guarantee for Ukraine in 2014.¹⁰ According to the report

accompanying the FY2015 Omnibus Appropriations Act, additional support to Ukraine is to include \$139 million in bilateral assistance, plus funds from the Europe and Eurasia regional Economic Support Fund and a number of other accounts.¹¹ In December, the 113th Congress passed the Ukraine Freedom Support Act (P.L. 113-272), authorizing the Administration to provide Ukraine with \$350 million in military assistance, including lethal weapons, during FY2015-FY2017. The Administration has refused to provide lethal aid to Ukraine so far and has not committed itself to providing such aid in the future. The EU signed an Association Agreement with Ukraine in June 2014 and has made plans to provide over €11 billion (approximately \$12.3 billion) in development assistance and loans from European financial institutions between 2014 and 2020.¹² Both the United States and the EU have supported International Monetary Fund and World Bank assistance programs for Ukraine. International financial assistance is linked to Ukraine's ability to make economic reforms and fight corruption.

The Future of NATO and European Defense¹³

Developments in Ukraine have reinvigorated debates about the future of NATO and altered the trajectory of the U.S. outlook on European defense issues. Russia's actions in Ukraine and its increased naval and air activities in close vicinity to the territory of numerous European countries have driven calls for NATO to return to its traditional vocation as an alliance focused on collective territorial defense. These developments have also pushed many European countries to pledge increases in defense spending and seek ways to develop needed military capabilities.

In response to Russian aggression, the Obama Administration has taken steps to reassure European allies of the U.S. commitment to European security. The cornerstone of its efforts is the European Reassurance Initiative (ERI), initially proposed by President Obama in June 2014. In December 2014, Congress appropriated \$810 million to fund the initiative but lamented a lack of detail provided in relation to its proposed activities. ERI essentially extends reassurance measures undertaken by the United States in 2014, including troop rotations to Poland and the Baltic states and pre-positioning tanks and other military equipment in Eastern Europe.¹⁴ The augmented U.S. military presence in Europe related to the ERI is rotational in nature, and there are currently no plans to permanently increase the number of U.S. military personnel in Europe. The United States announced plans in January 2015 to close 15 bases in Europe as part of cost-cutting and restructuring measures, but the overall U.S. force level in Europe is expected to remain at approximately 67,000 personnel.

Prior to the crisis in Ukraine, debates about the future of NATO were expected to revolve around long-term questions highlighted by the end of the alliance's decade-long mission in Afghanistan.¹⁵ Especially given the budgetary constraints facing many European governments, U.S. officials and others have long been concerned that declining European defense budgets and a growing transatlantic military "capabilities gap" could undermine alliance unity by increasing NATO's already significant reliance on U.S. military capacity. European militaries remain severely limited in terms of important capabilities such as strategic air- and sealift, aerial refueling, helicopters, and intelligence, surveillance, and reconnaissance. Some observers have advocated European defense integration initiatives that pool resources to develop shared capabilities, such as NATO's "Smart Defense" initiative, but results have been modest.

Additionally, since the end of the Cold War, members of NATO including the United States have argued that the relevance of the alliance increasingly depends on its ability to conduct “out-of-area” operations and address unconventional security threats. Other members, including many of the countries of central and eastern Europe, had made clear a preference for focusing more on collective territorial defense. The latest Strategic Concept, adopted at the 2010 NATO summit, reflects both positions, setting out three core tasks for NATO: collective defense, crisis management, and cooperative security.

The Strategic Concept reaffirms NATO’s primary role as a military alliance devoted to ensuring the collective defense and security of its members, but also calls on member states to continue to develop capabilities for expeditionary operations—including counterinsurgency, stabilization, and reconstruction operations—and for confronting new and unconventional security challenges—such as international terrorism, proliferation of weapons of mass destruction, cybersecurity, and energy security. In the aftermath of Afghanistan, however, some analysts also believe that public opposition to combat operations, a lack of political will, and shortage of needed resources could make Europe less willing and less likely to engage in another large-scale mission overseas.

More immediately, in many European countries the security outlook has distinctly shifted in line with increased perceptions of the potential threat posed by Russia. Some officials in those countries that feel most threatened, particularly Poland and the Baltic states, have called for permanent basing of U.S. and NATO forces on their territory. As reflected in the European Reassurance Initiative, rotating forces, increased exercises, and pre-positioning of assets appear to be a more likely U.S. and NATO response to bolster security in the region. NATO countries have, for example, tripled the number of fighter aircraft taking part in the Baltic Air Policing mission that patrols the airspace of Latvia, Lithuania, and Estonia.

At NATO’s 2014 Summit in Wales, the 28 member countries agreed to a “Readiness Action Plan” that NATO Secretary General Jens Stoltenberg described as “... the biggest reinforcement of our collective defence since the end of the Cold War.”¹⁶ The plan outlines measures in Central and Eastern Europe, such as enhanced infrastructure, pre-positioning of equipment and supplies, and designation of bases for troop deployments. The allies further agreed to establish a new Very High Readiness Joint Task Force (VJTF), intended as a smaller, more specialized arm of the NATO Response Force that would be capable of deploying within “a few days” to respond to any threat against an ally. As envisioned, the VJTF will be a land force of about 4,000 soldiers that includes appropriate air, maritime, and special operations support. Additionally, allied leaders at the Wales Summit pledged to halt declining defense expenditures and work toward spending 2% of national GDP on defense, a long-standing alliance goal, within a decade.

Energy Security¹⁷

Tensions between the EU and Russia have also refocused attention on the issue of European energy security. Europe is a major importer of natural gas, and over the past decade energy security has become a major European concern in the context of rising global energy demand. The EU as a whole is dependent on Russia for about one-third of its gas imports and one-quarter of its total gas and oil supplies. These percentages are expected to grow

substantially over the next 20 years. For some individual countries, dependence on Russian gas is already much greater.

In recent years, Moscow has increasingly sought to use energy supplies as an instrument of foreign policy leverage. Russia has actively sought bilateral energy deals with a number of European countries and acquired large-scale ownership of European energy infrastructure. At the same time, analysts assert that Russia has not applied Western standards of transparency and market reciprocity regarding business practices and investment policy. In addition, the possibility of upstream gas cutoffs, as occurred in disputes between Russia and Ukraine in 2006 and 2009, has posed a concern for many of the countries dependent on Russian natural gas supplies, especially given tensions between Russia and Ukraine over the past year.

Many U.S. officials and Members of Congress have regarded European energy security as a U.S. interest. In particular, there has been concern in the United States over the influence that Russian energy dominance could have on the ability to present a united transatlantic position when it comes to other issues related to Russia. Successive U.S. Administrations have encouraged EU member states to reduce energy dependence on Russia through diversification of supply and supported European steps to develop alternative sources and increase energy efficiency.

However, Europe faces numerous challenges in its attempts to diversify its energy supply. North Africa is often viewed as the most likely alternate supplier of natural gas, but political and economic instability in the region have thus far hindered the expansion of its role. Increased supply from Central Asia has been largely dependent on the construction of new pipelines, but, among other complications, Russia has worked to prevent the development of alternative pipelines outside its control that would link Europe directly to Central Asian suppliers. Many European countries have also emphasized the development of renewable energy, but there are questions about how much of a contribution these sources will ultimately provide.

European leaders have sought, with mixed success, to develop a stronger common European energy strategy that coordinates member states' energy policies. The EU has pursued initiatives to liberalize and integrate the internal European energy market, including by expanding the interconnection of grids and pipelines. Recent events in Ukraine and Crimea have created a renewed sense of urgency in relation to such efforts. Several European countries have built liquefied natural gas (LNG) terminals, expanded pipeline interconnectivity with neighbors, and developed the ability to reverse the flow of gas in pipelines in order to mitigate the consequences of a crisis, such as a cut-off of Russian gas. In April 2014, then-Prime Minister Tusk of Poland suggested the formation of an EU "energy union" in which a single European agency would purchase natural gas for all 28 members, rather than the current system of bilateral negotiations and contracts. Such an energy union would also include "solidarity mechanisms" for member states to aid one another in cases of supply disruption.

Before recent events in Ukraine, the EU had already adopted legislation seeking to introduce more competition and transparency in the energy sector by "unbundling" the ownership of gas production from distribution, and requiring an independent operator of transit and transmission systems. This legislation, combined with a European Commission investigation against the business practices of Gazprom, has been sharply criticized by Russia.