

## **Policy Review Memo of the Assistant Secretary of State for European and Eurasian Affairs**

**Thomas Hopkins<sup>1</sup>**

**The University of Warwick, Politics and International Studies**

This is a response to the request of the President for policy recommendations following the National Security Council (NSC) meeting concerning the options for a U.S. response to reports of Russian interference in the domestic affairs of the sovereign state of Latvia. This paper presents the position of the Bureau of European and Eurasian Affairs as laid out at the meeting.

### **1. Principal Objectives of the Bureau**

1.1 To preserve the territorial sovereignty of Latvia: The Bureau of European and Eurasian Affairs recognises the commitments of the government of the United States to act to preserve international peace and security by safeguarding the right of sovereign states to their territorial integrity under Article 1 of the Charter of the United Nations (*UN*, 1945) and the Helsinki Final Act (1975). As such, the vital need to halt acts threatening this right, for instance, those recently reported in Latvia conducted by Russia, is underlined. It is essential to send a strong signal of support to all members of the North Atlantic Treaty Organization (NATO) and to our European allies in keeping with a long-established tradition of cooperation and to remind Russia of the resolve of the U.S. government to uphold and strengthen international law. Failure to do so as a priority may result in enhanced future Russian aggression towards the U.S. and its partners.

1.2 To eliminate the risk of conflict between the U.S. and Russia: Closely related to this is the commitment of the government of the U.S. to collective defence in the North Atlantic area under Article 5 of the North Atlantic Treaty (*NATO*, 2012 [1945]). The existence of international peace and security satisfies the direct political and economic interests of the U.S. government, its peoples and those of its allies. As such, it is paramount to act to de-escalate rising tensions between the involved parties in the region to avoid the possible spill-over of conflict into the broader North Atlantic area. This situation presents a significant opportunity to capitalize and build upon the legitimacy of the U.S. and its interests as a bastion of the principles of international law to seek a peaceful resolution to this crisis.

### **2. Policy Recommendations of the Bureau**

2.1 Strengthen diplomatic engagement with Russia: The Bureau of European and Eurasian Affairs recommends that the primary action to be taken in this situation should be a series of multilateral political dialogues. Measures encouraging political engagement between Latvia and Russia should also involve the European Union and other relevant international bodies, such as NATO and the Organization for Security and Cooperation in Europe (OSCE), and be brokered by the U.S. in an observatory role. The Partnership for Peace (PfP) program and the Russia-NATO Council (RNC) both present opportunities to strengthen collaboration between the U.S., its allies and Russia in the context of this crisis. However, there is an urgent need to give such initiatives

---

<sup>1</sup> Thomas Hopkins, is a current MA International Politics and Europe student at the University of Warwick. BA French and German with proficiency in Spanish, University of Exeter (2012-2016). Pioneer Scholarship holder European Forum Alpbach 2018.  
<https://www.linkedin.com/in/thomas-hopkins-11a271a7/>

fresh impetus following the severance of practical and military cooperation between NATO and Russia in 2014.

2.2. This Bureau advocates the involvement of regional actors (in particular, the EU) as a means of putting the concerned parties on an equal footing and of facilitating an outcome satisfying the interests of both sides, thus helping to avoid future deteriorations in relations. The active participation of the U.S. and the EU would demonstrate a commitment to the tradition of transatlantic political and security cooperation to Russia with the aim of deterring further aggression. Such non-coercive measures target the de-escalation of tensions in the region, offer Russia the opportunity to explain its actions and envisage enhanced political ties with the U.S. in light of the breakdown of diplomatic dialogue following recent damaging events.

2.3. Implement targeted economic sanctions: Should the immediate response outlined above prove unsuccessful following multiple and renewed efforts, this Bureau endorses applying a raft of economic and political sanctions targeting senior Russian officials and close connections to President Putin. Sanctions may be diversified to include core Russian banks, businesses and business figures, their personal travel rights and assets to enhance the pressure applied encouraging policy change and a return to political dialogue. Sanctions implemented by the EU in 2014 limiting access to the Union's primary and secondary capital markets for *Sberbank*, *VTB Bank*, *Gazprombank*; *Vnesheconombank* (VEB) and *Rosselkhozbank* (*European Council*, 2014) in response to the illegal annexation of Crimea<sup>2</sup> have been demonstrated to have had hindered the recovery of the Russian economy following its decline in connection to a fall in oil prices (*European Parliament*, 2018). Thereby, such measures have the potential to be an effective means of encouraging policy change and should be enhanced in a stepped manner in the instance of future incursions.

2.4. The heavy reliance of the Russian economy on petroleum and gas exports (*Observatory for Economic Complexity*, undated) and the increasingly high share of state ownership in the banking sector (*World Bank*, 2018) provide a significant opportunity to leverage the actions of President Putin. Accordingly, this Bureau has identified *Gazprom*, *Sberbank*, *Rosneft* and *Lukoil* as potential targets for punitive measures should Russian acts of aggression continue. It is worth remembering that together Europe and the U.S. represent the source and destination of over half of Russia's imports and exports respectively (*Observatory for Economic Complexity*, undated). This demonstrates the coalition's capability to apply pressure encouraging policy change through the collective and coherent application of sanctions.

2.5. As was remarked by the Secretary of the Department of Energy, it is likely that Europe could suffer steeply increased energy prices or even a reduced supply, in particular of gas and oil, in retaliation for sanctionary measures taken against Russia. Western Europe's increasing dependency on Russian energy<sup>3</sup> has enabled Russia to use what has been referred to as its 'energy weapon' in the 2008 Georgia and 2014 Ukraine conflicts; severing energy supplies to Western states and their allies (de Haas, 2009: 6). It is, therefore, vital that in preparation for the possibility of the failure of diplomatic measures that our European allies are encouraged to diversify their supply and to strengthen their relationships to other exporting nations; in particular, those not

---

<sup>2</sup> In accordance with Article 2 of the United Nations Charter (*UN*, 1945), the Helsinki Final Act (1975); the Russia-Ukraine Treaty of Friendship (1997) and the Budapest Memorandum (*OSCE*, 1994) (see: *Foreign and Commonwealth Office*, 2018).

<sup>3</sup> In 2016, Russia provided the EU with 30.2% of its solid fuel, 31.9% of its crude oil and 39.9% of its natural gas supplies (*Eurostat*, 2018).

closely aligned with Russia. Reduced dependence on Russian oil and gas supplies, which has been suggested to exacerbate a lack of cohesion between EU member states, is also likely to benefit the European integration project (*Carnegie Europe*, 2017); in which the U.S. continues to have vested interest.

2.6 The U.S. should also provide reassurances to Europe of its commitment to play a supporting role in the provision of its energy security by declaring its willingness to make a proportion of its substantial oil and gas reserves available to its allies<sup>4</sup>. Europe's energy security should not be allowed to become an enabling device for the continued violation of international law by Russia hindering a resolute response to this crisis. Support in securing Europe's energy supply may be provided in return for commitment among the U.S.' allies to enhance military spending in line with the NATO target of two per cent of their respective Gross Domestic Product (GDP).

### 3. Secondary Recommendations of the Bureau

3.1 Enhance transatlantic intelligence cooperation: The reported presence of Russian special forces operating in Latvia to exasperate existing tensions between the ethnic Russian and native Latvian population and the amassing of Russian military personnel and equipment near the Terehova-Zasitino border crossing highlighted by the Director of National Intelligence at this session emphasises the need for continued transatlantic cooperation regarding intelligence gathering and sharing. Of particular concern is the establishment of a command center to these ends in a striking Latvian factory near the Eastern town of Kārsava May 28 2018. In light of this, it should be ensured that established institutions, such as Five Eyes and the Counter-Terrorism Group receive adequate funding and resources to step up their activities and to deepen cooperation between the U.S., the states of the Baltics and member states of the EU.

3.2. This Bureau draws attention to the necessity to continue to develop measures encouraging military cooperation in the form of joint training in the areas of counter-terrorism, the protection of critical infrastructure and special forces operations. As a matter of priority, the U.S. should act in collaboration with the Latvian government and its intelligence services and those of its partners in the region to infiltrate the Russian nationalist faction known as *Rodina* responsible for sparking ethnic unrest. Failure to do so may result in Russia using ethnic and civil unrest as a justification for civil or military intervention in the name of protecting its citizens and vital national interests, as was attempted by the Chairman and Chief Justice of the Russian Constitutional Court, Valery Zorkin 13 August 2008 with regard to Russia's invasion of Georgia (see: *The Law Library of Congress*, 2015).

3.3. Act to counter Russian *dezinformatsiya*: The U.S. government should seek to disarm and counter the highly active Russian propaganda machine, which has contributed to precipitating the ongoing crisis. *Russia Today* (RT) and *Sputnik* radio are particular causes for concern. Together with its partners, the U.S. should strengthen cooperation in countering the spread of Russian 'disinformation' in the region contributing to heightening ethnic unrest through its own counter-propaganda initiatives; for instance, *Radio Free Europe* and its Latvian equivalents. At the meeting, the Director of National Intelligence underlined the potential of NATO's Strategic Communications Centre of Excellence (StratCom) and the NATO Cooperative Cyber Defence

---

<sup>4</sup> In 2016, the recoverable oil reserves of the United States surpassed that of Russia to become the largest of any single state worldwide (*Rystad Energy*, 2016). Furthermore, it has been predicted that by the mid-2020s the United States will become the largest exporter of liquified natural gas (LNG) globally (*International Energy Agency*, 2017).

Centre of Excellence (CCDCOE) in Tallinn, Estonia to contribute to such activities. As such, it must be assured that these institutions receive the vital resources and funding required to enhance their roles in countering Russian propaganda in the region and beyond.

3.4. Ensure preparedness for a military response: Although this Bureau strongly favours a non-military response to this crisis, it recognises the need to ensure that the U.S. and its partners in the region are prepared should they need to engage the Russian military in open conflict or its special forces by means of tactical operations. As such, the U.S. should underline its commitment to provide tactical and military support to Latvia and its allies in the region through the deployment of troops and heavy armour units. However, in order to avoid the accusation of aggression on behalf of the U.S. and the escalation in tensions which may ensue, such forces should be deployed to the near-neighbourhood rather than the Baltic states themselves. This Bureau recommends the U.S. government consult its allies, namely Poland who has shown a willingness to host a U.S. military installation (*Politico*, 2018), to make such preparations.

#### 4. Conclusions

4.1 The Bureau of European and Eurasian Affairs believes first and foremost that a non-military response to this crisis is the most suitable course of action. The U.S. must not fall victim to the accusation of hypocrisy in light of its denunciation of Russia's own violations of the sovereign and territorial integrity of Latvia through its response. The accompanying legitimacy of the tenets of international law and justice must underscore the actions of the U.S. government in its response to the recent acts of aggression of the Russian government.

4.2 Diplomatic measures and failing this, the application of economic sanctions, represent the most appropriate response to Russian hostilities and should be implemented in the long-established spirit of transatlantic cooperation between the U.S., Latvia and the member states of the EU; reinforced by the authority of the OSCE and NATO. Only upon the decisive failure of such measures should military responses risking escalation be considered. Alongside the primary and secondary recommendations listed above, cooperation in the areas of intelligence gathering and sharing and counter-propaganda activities should be strengthened through all available means and channels.

#### References

- Carnegie Europe*. 2017. *Judy Asks: Is Europe Too Dependent on Russian Energy?* 12.07.2017. <http://carnegieeurope.eu/strategieurope/71507> (accessed 26/08/2018).
- Conference on Security and Co-operation in Europe: Final Act*. 1975. Helsinki, 01.08.1975. <https://www.osce.org/helsinki-final-act?download=true> (accessed 26/08/2018).
- European Council*. 2014. *Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine*. *Official Journal of the European Union*, L 229. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0833&from=EN> (accessed 26/08/2018).
- European parliament*. 2018. *Sanctions over Ukraine: Impact on Russia*. European Parliamentary Research Service. PE 614.665. [http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/614665/EPRS\\_BRI\(2018\)614665\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2018/614665/EPRS_BRI(2018)614665_EN.pdf) (accessed 24/07/2018).

*Eurostat*. 2018. *Energy production and imports*. [https://ec.europa.eu/eurostat/statistics-explained/index.php/Energy\\_production\\_and\\_imports](https://ec.europa.eu/eurostat/statistics-explained/index.php/Energy_production_and_imports) (accessed 26/08/2018). Last updated: 10.08.2018.

*Foreign and Commonwealth Office*. 2018. *Four years since the illegal annexation of Crimea: article by Boris Johnson*. 22.02.2018. <https://www.gov.uk/government/speeches/four-years-since-the-illegal-annexation-of-crimea-article-by-boris-johnson> (accessed 26/08/2018).

de Haas, M. 2009. *NATO-Russia Relations after the Georgian Conflict*. *Clingendael*, nr 7. 22.10.2009. [https://www.clingendael.org/sites/default/files/pdfs/20090000\\_cscp\\_artikel\\_mhaas.pdf](https://www.clingendael.org/sites/default/files/pdfs/20090000_cscp_artikel_mhaas.pdf) (accessed 26/08/2018).

*International Energy Agency*. 2017. *World Energy Outlook 2017*. 14.11.2018. <http://www.iea.org/weo2017/#section-2> (accessed 26/08/2018).

*The Law Library of Congress*. 2015. *Russian Federation: Legal Aspects of War in Georgia*. <https://www.loc.gov/law/help/russian-georgia-war.php> (accessed 26/08/2018). Last updated: 09.06.2015.

*North Atlantic Treaty Alliance*. 2012. *The North Atlantic Treaty (1949)*. Washington D.C., 04.04.1949. [https://www.nato.int/nato\\_static\\_fl2014/assets/pdf/stock\\_publications/20120822\\_nato\\_treaty\\_en\\_light\\_2009.pdf](https://www.nato.int/nato_static_fl2014/assets/pdf/stock_publications/20120822_nato_treaty_en_light_2009.pdf) (accessed 24/07/2018).

*Observatory for Economic Complexity*. Undated. *Russia*. <https://atlas.media.mit.edu/en/profile/country/rus/> (accessed 26/08/2018).

*Organization for Security and Co-operation in Europe*. 1994. *Memorandum on Security Assurances in connection with Ukraine's accession to the Treaty on the Non-Proliferation of Nuclear Weapons*. Available at: <http://www.pircenter.org/media/content/files/12/13943175580.pdf> (accessed 26/08/2018).

*Politico*. 2018. *Poland offers US up to \$2B for permanent military base*. 27/05/2018. <https://www.politico.eu/article/nato-poland-offers-us-up-to-2-billion-for-permanent-american-military-base/> (accessed 25/07/2018) Last updated: 30/05/2018.

*Rystad Energy*. 2016. *United States Now Holds More Recoverable Oil than Saudi Arabia*. 04.07.2016. <https://www.rystadenergy.com/newsevents/news/press-releases/united-states-now-holds-more-oil-reserves-than-saudi-arabia> (accessed 26/08/2018).

*Treaty on Friendship, Cooperation and Partnership between Ukraine and the Russian Federation*. 1997. No. 52240, Kiev 01.04.1997. Available at: <https://treaties.un.org/doc/Publication/UNTS/No%20Volume/52240/Part/I-52240-08000002803e6fae.pdf> (accessed 26/08/2018).

*United Nations*. 1945. *Charter of the United Nations and the Statute of the International Court of Justice*. San Francisco, 26.06.1945. <http://www.un.org/en/charter-united-nations/index.html> (accessed 24/07/2018).

*World Bank*. 2018. *The Russian Economy: Modest Growth Ahead. Russia Economic Report 39*. <http://pubdocs.worldbank.org/en/162681527086868170/RER-39-Eng.pdf> (accessed 26/08/2018).