Assessing the “Reset” and the Next Steps for U.S. Russia Policy

Samuel Charap   April 2010
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Introduction and summary

When President Barack Obama took office in January 2009, the U.S.-Russia relationship was at its lowest point since the end of the Cold War. Just five months earlier, his predecessor was presented with the option of conducting military strikes against the Russian military units that had invaded Georgia—a move that would have had catastrophic consequences. But even before the Russia-Georgia war, the bilateral relationship was in a state of near-complete disrepair.

The Obama administration came in with the conviction that permitting this situation to continue would be highly detrimental to the national security of the United States. An improved U.S.-Russia relationship would be crucial for the new team’s attempts to make progress on their top priorities, such as stabilizing Afghanistan and locking down loose nuclear materials.

They decided to adopt a new approach and engage Moscow on critical issues facing both countries—a tactic Vice President Joe Biden described as pressing “the reset button” in the bilateral relationship. But the administration was also determined not to let engagement come at the expense of other U.S. priorities and our fundamental values.

On April 8, 2010, President Obama met Russian President Dmitri Medvedev in Prague to sign New START, the successor to the original landmark Strategic Arms Reduction Treaty, making good on the administration’s top priority for the reset. New START calls for significant, verifiable cuts in both sides’ arsenals.

The signing of the new arms control agreement also serves as an opportunity to assess the “reset” and to focus on the future of the U.S.-Russia relationship now that the treaty has been signed.

A thorough stock-taking of the administration’s Russia policy shows engagement has yielded clear dividends. Indeed, New START itself demonstrates the remarkable improvement in U.S.-Russia relations that has taken place since President Obama’s inauguration.

There have been other significant achievements as well, including cooperation on stabilizing Afghanistan, joint attempts to address the Iranian nuclear program, and the creation of an infrastructure for the relationship in the Bilateral Presidential Commission. Less appreciated,
but equally important, is the administration’s initial success in repairing the deep mistrust between the two countries. The new atmosphere of diminished antagonism played an important role in preventing several potentially damaging outcomes from occurring, including a repeat of the conflict in Georgia on the anniversary of the August 2008 war.

To be sure, there have been missteps and miscalculations. And on certain issues, such as ensuring Russian compliance with its international commitments and improving economic ties, progress has been minimal.

But the constructive, substantive bilateral relationship that exists today represents a sea change from its state when President Obama took office. And, despite frequent assertions to the contrary in the media, this improvement did not come at the expense of any other policy goal. The administration did not engage in any “grand bargains” with Moscow as part of the reset.

This report will review the accomplishments and remaining challenges of the reset’s first year and offer policy recommendations to address these challenges and broaden the relationship. Specifically, the administration should take the following steps:

Arms control

- **Broaden the arms control agenda.** Now that the New START has been signed, the administration should begin talks with the Russians on even farther-reaching cuts in nuclear weapons.

Georgia

- **Develop an action plan for Russian compliance with the August 2008 cease-fire agreement with Georgia.** The administration should continue holding Russia to its international commitments vis-à-vis the situation in Georgia, several of which it is now violating. But a more creative approach to the impasse in Georgia is necessary to achieve progress—and to avoid a second conflict in the future. The United States should outline concrete steps that could create positive momentum and build confidence.

Democracy and human rights

- **Fully implement the new approach to democracy and human rights.** The Obama administration has put an end to the destructive finger-wagging of the past and adopted new tactics to further democratic development in Russia. But its approach remains more a concept than a policy agenda.
Reinvigorate economic ties

• **Move beyond WTO membership.** Despite Russia’s frequent protestations that it still wants to be a member of the World Trade Organization and needs U.S. help to accomplish that goal, the Customs Union it established with Belarus and Kazakhstan has put off accession indefinitely. Unless Moscow reverses course, there is little the United States can do beyond the efforts it is already making to assist Russia’s accession.

• **Facilitate Russia’s OECD membership.** The membership process for the Organisation for Economic Co-operation and Development involves a wholesale audit of a country’s economic policy. Russian engagement with the OECD could serve as a strong stimulus for economic reform and the development of the rule of law.

• **Focus on energy efficiency cooperation.** Energy efficiency cooperation presents multiple benefits: It is a top priority for both presidents, offers the potential for economic gains, and reduces carbon emissions.

Strategic communications

• **Make priorities clear.** The reset has been widely misinterpreted both by the media and by our allies and friends. The administration should make clear that the reset is not a Russia-first policy or a Kremlin-first policy.

• **Manage expectations.** There have been unrealistic expectations about the reset from the start. To a certain extent, the administration facilitated this by setting a highly ambitious agenda and suggesting that successes would come early and easily. U.S. Russia policy must be guided by a sober assessment of what can and cannot be achieved in the bilateral relationship and a clear understanding that working with today’s Kremlin is not going to be easy.

• **Avoid sending Moscow mixed messages.** The Russian leadership’s suspicion of U.S. motives will not disappear anytime soon. As a result, the reset of the bilateral relationship over the past year and the benefits it has conferred are tenuous and can easily be reversed. While the administration should not change policy course to overcome the Kremlin’s mistrust, it can go a long way by maintaining a coordinated, coherent message.

These recommendations will help cement the gains made in the first year of the reset. But a strategic partnership with today’s Russian government, which often acts in ways both at home and abroad that demonstrate a “values gap” between our countries and a lack of interest in being a responsible stakeholder in the international system, is highly
unlikely. U.S.-Russia relations will remain a mix of competition and cooperation, and Russia could at times be a source of frustration for the United States in realizing its foreign policy objectives.

The record of the reset’s first year, however, shows that a policy of constructive engagement can yield important benefits.
The starting point

To accurately assess the reset one must understand what the administration inherited. The state of ties between Washington and Moscow when Obama took office is the baseline for judging the effectiveness of his policy. And the president was not starting from a blank slate.

Indeed, the slate was far from blank: The U.S.-Russia relationship had hit rock bottom in final months of George W. Bush’s presidency. The immediate cause of this deterioration was the war between Russia and Georgia in August 2008 and Russia’s subsequent recognition of the breakaway regions of Abkhazia and South Ossetia. The U.S. reaction included cutting off all contacts between Pentagon officials and their Russian counterparts, pushing for the suspension of the NATO-Russia Council, and pulling a bilateral civil nuclear agreement from Congress.

We now know that a far greater response was considered at the highest levels of the Bush administration during the war itself. According to recently published accounts, at the prompting of officials in Vice President Dick Cheney’s office and the National Security Council the principals committee—which included the president, vice president, and other senior decision makers—considered the possibility of using military force to prevent Russia from continuing its assault on Georgia. Bombardment of the tunnel that Russian troops used to move into South Ossetia and other “surgical strikes” were among the options discussed and then rejected. A Cheney aide, however, remains unsure “whether or not [use of force] should have been more seriously considered.”

The very discussion within the White House of military action against the only other nuclear superpower is profoundly disturbing. The consequences of U.S. planes bombing Russian soldiers would have been catastrophic.

While the Russia-Georgia war was the immediate catalyst of this complete unraveling, the U.S.-Russia relationship had already hollowed out long before the first shots were fired. The personal bond between President George W. Bush and then-Russian President Vladimir Putin, which began in 2001 when Bush famously looked into Putin’s eyes and “got a sense of his soul,” endured through the end of their terms in office. But the ties
between the two governments went rapidly downhill following a brief period of intense cooperation after 9/11. The Bush administration largely neglected Russia policy and spent little effort on the bilateral relationship, leaving it to hinge on the personal rapport between the two presidents.

In short, well before the first shots were fired in August 2008, the quantity and quality of interaction between the two governments was minimal. Both sides viewed each other’s motives with deep suspicion and mistrust—even discussions of shared threats had become nearly impossible.
An improved atmosphere

The Obama administration took office determined to improve the U.S.-Russia relationship. It actively engaged Moscow on matters of mutual concern while avoiding needlessly provocative rhetoric and demonstrating greater transparency with the expectation that the other side would do the same.

The administration did not cease criticism of Russian government actions it found objectionable, backtrack on American values, or otherwise appease the Kremlin. Instead, the Obama team argued that disagreements—except in extreme circumstances—should not prevent cooperation on issues where interests converge. George Shultz, secretary of state under President Ronald Reagan, though speaking 20 years earlier in reference to the Soviet Union, made a similar point when he said that “it is impossible to see how we might expect to get anywhere with a policy which dictates that nothing can be solved until everything is solved.”

In other words, Obama saw the United States as being capable of both working with Russia on key national security priorities and pushing back on disagreements with the Kremlin at the same time. Furthermore, engagement, by opening up channels of communication and diminishing antagonism, might over time create conditions that allow us to address our concerns about Russia’s actions more effectively.

This risky tactic paid off. U.S. officials acknowledge that interactions with their Russian counterparts are rarely easy, but they—including professional civil servants who served under previous presidents—say the dialogue between Washington and Moscow has improved both qualitatively and quantitatively. The number of interactions between U.S. and Russian officials has increased significantly along with the breadth of issues discussed. When the administration took office there was practically no communication, but now, as one official put it, “the traffic is heavy.”

The tensions that characterized the Bush administration’s final months have substantially dissipated. The two sides can now discuss issues of shared interest and determine where they can cooperate. And the modicum of trust that now exists has thus far prevented disagreements from spiraling out of control.
Achievements

New START

The signing of New START is definitive proof that the reset has paid off. Engagement created an atmosphere that allowed the two countries to produce what is a landmark document that reduces the threat of nuclear war and marks a significant step in advancing President Obama’s goal of moving beyond the outdated strategic approaches of the Cold War.

The treaty limits the number of deployed strategic nuclear warheads on each side by 30 percent, from 2,200 to 1,550. The allowable number of nuclear launchers—land-based missiles, submarine-based missiles, bombers—will see their total limit reduced from 1,600 to 800. No more than 700 launching systems can be deployed at a given time. While the actual text of the treaty, an additional protocol, and technical annexes have yet to be released, it is clear that the limitations represent a moderate but important step in reducing the number of weapons that can end life on earth.

New START also modernizes and reinforces the extensive system of monitoring and verification measures contained in the original START agreement initiated by President Reagan. While the details of the updated framework are still unknown, we do know that the agreement will count the number of deployed warheads—a far more arduous task than was involved in the old treaty.

This new verification regime will therefore give both sides a clear view of the other’s nuclear arsenal and will as a result build trust between the two nuclear powers and ensure compliance with the agreement. Without this new treaty, the verification mechanisms that have brought stability to U.S.-Russia nuclear relations since the end of the Cold War would have come to an abrupt end.

The agreement provides a new impetus to the global effort to control the spread of nuclear materials and prevent nuclear terrorism. There is now fresh momentum for both President Obama’s nuclear security summit and the Non-Proliferation Treaty Review Conference. The underlying bargain of the NPT holds that in exchange for non-nuclear armed states agreeing to forgo the pursuit of nuclear weapons, nuclear-armed states agree to reduce their arsenals and provide non-nuclear armed countries with access to civilian nuclear technology. By showing progress on reductions, the United States and Russia have considerably more credibility to argue for strengthening the global nonproliferation regime.
New START also restores U.S.-Russia nuclear relations and lays the groundwork for more far-reaching talks on tactical and nondeployed nuclear weapons. U.S.-Russia relations on nuclear policy issues had fallen apart by the time President Bush left office. The successful conclusion of negotiations reestablishes a productive arms control relationship and opens the door for future talks.

The administration should now begin working with Russia on an agreement to further reduce deployed strategic nuclear warheads and address tactical nuclear weapons. New START should mark the beginning of a far-reaching arms control agenda.

Iran

Cooperation on Iran is the second most important issue in the U.S.-Russia relationship after START, and getting Russia on board U.S. efforts to rein in Tehran’s nuclear ambitions has been a key plank of Obama’s Russia policy. Russia’s cozy relationship with Iran and its reticence to participate in international efforts to prevent it from acquiring nuclear weapons have long been a major source of friction between Moscow and Washington.

It is clear that Russia does not want to see a nuclear-armed Iran. But it is unclear whether it sees this outcome as inevitable and efforts to prevent it futile. Moreover, were it to fully stand behind international efforts to punish Iran, Russia could lose the equities it has there, including lucrative arms, oil, and nuclear power deals. Indeed, Russia has in the past seriously watered down sanctions resolutions on Iran at the U.N. Security Council.

Moscow has played a highly constructive role in the past year—a sharp contrast to the checkered past of U.S.-Russia interaction on this issue. In October it came forward with the proposal to have Iran send most of its low-enriched uranium to Russia for further enrichment and then to France to produce fuel for the Tehran Research Reactor. The TRR proposal, which the Iranian regime initially accepted, offered both a way to end the impasse over its nuclear program and, after Tehran subsequently rejected it, a means of legitimizing the decision to pursue a coercive approach. Russia has also indefinitely put off the planned sale of advanced S-300 anti-aircraft missiles to Iran, which would have destabilized an already volatile regional security environment. And just last month, a Russian Ministry of Foreign Affairs representative announced that Moscow and Beijing had sent envoys to Iran to directly pressure the regime to accept the TRR proposal, adding that there is “less and less room for diplomatic maneuvering.”

It remains to be seen how Russia will act in the U.N. Security Council now that the United States and its European allies have decided to pursue sanctions. Over the past year senior Russian officials, including President Medvedev himself, have indicated a new willingness to support tough sanctions. But we will only know for sure how far Russia is willing to go when the language of a sanctions resolution is hammered out in New York. The administration has expressed some confidence that Moscow will act more constructively.
on this issue than it has in the past. And Moscow’s rhetoric supporting the decision to pursue a sanctions track has already changed the negotiating dynamic. On the whole, Russia’s behavior over the past year amounts to a significant policy shift.

The change is in large part a reaction to Iran’s actions. The September 2009 revelation of a second uranium enrichment site in Qom came as a shock to Moscow, and Tehran’s rejection of the TRR proposal eliminated much of Russia’s goodwill toward the Iranian regime. But the Obama administration’s diplomacy also played a crucial role in garnering Moscow’s cooperation.

The reset opened up high-level channels that allowed the United States to make the case for increasing the pressure on Iran, while the ratcheting down of tensions seemed to diminish the degree to which Russia’s position on Iran reflected a desire to deal the United States a diplomatic setback. The final test of the Russians’ willingness to cooperate will come when discussions on sanctions get underway, but their behavior so far shows that the reset has helped effect a paradigm shift in Moscow’s behavior.

**Afghanistan**

President Obama has made winning the war in Afghanistan a central goal of his foreign policy. Russia has, with certain important exceptions, played a constructive role in facilitating this effort since the new administration took office.

**Logistics**

The administration’s early move to send an additional 17,000 troops and subsequent decision to increase the U.S. presence by another 30,000 pose unprecedented logistical challenges. Moving so much personnel and materiel into a war zone is a daunting task under any circumstances. But land-locked Afghanistan’s inhospitable terrain, near-total lack of roads, and decentralized power structure make it one of the most difficult logistical challenges the U.S. military has ever faced. As Undersecretary of Defense Ashton Carter put it, "Next to Antarctica, Afghanistan is probably the most incommodious place, from a logistics point of view, to be trying to fight a war."

This already difficult situation is complicated by the fragility of existing supply lines. The majority of the equipment and fuel heading into Afghanistan is transported from the port of Karachi in Pakistan through the Khyber Pass and into eastern Afghanistan. The Khyber Pass is located less than an hour from Peshawar, the capital of the Northwest Frontier Province and a hotbed of insurgent activity. The area is mountainous, theft is common, and there have been several attacks on supply convoys. Moreover, subcontractors often have to bribe local Taliban to get across the border. The U.S. military is
essentially able to transport crucial supplies through enemy territory only by indirectly enriching the enemy.

Russia policy factors into this equation in three ways.

**Rail transit route**
A rail route from the port of Riga, Latvia, on the Baltic Sea through Russia and Kazakhstan to the Uzbekistan-Afghanistan border at Termez became operational in April 2009. The route, which carries nonlethal materials to Afghanistan in only nine days, is one of two operational components of the so-called Northern Distribution Network. Compared to the Pakistan supply line, the Riga-Termez corridor offers a number of advantages, including the relative stability of the transit countries, the greater transparency of the transactions necessary to transit the goods, and the ultimate destination in northern Afghanistan where insurgent activity is comparably low.

According to U.S. officials, Russia has been highly cooperative in expediting the trains heading through its territory. As of mid-March 2010, approximately one-quarter of the nonlethal supplies heading toward Afghanistan go through Russia.

**Air transit**
In the spring of 2009, Russian officials approached their U.S. counterparts with an offer to negotiate an agreement to allow for the transport of lethal materials and troops over Russian airspace. Presidents Obama and Medvedev signed the deal at a July 2009 summit meeting between the two countries in Moscow. It allows for up to 4,500 flights a year and could save up to $133 million annually in transit costs.7

Although the Pentagon does not see the air corridor as a top priority in its logistical efforts in Afghanistan, it nonetheless serves as an important redundancy system for existing supply lines. According to Defense Department officials, as of late March an average of two flights per day were being conducted under the agreement.

Critics note that implementation of the agreement was painfully slow, with less than 20 flights completed by the end of 2009. They allege that these delays resulted from politically motivated foot-dragging from the Russian bureaucracy. Working-level officials, so the argument goes, were responding to the leadership’s ambivalence about supporting U.S. efforts in Afghanistan.8 But the delays were in fact a function of wait periods that were built into the agreement as well as procedural and technical difficulties that can be particularly drawn out when working with a Russian military bureaucracy that remains fundamentally Soviet in structure, mindset, and operation.

**Manas**
The U.S. airbase at Manas, Kyrgyzstan, opened in December 2001 and is an important component of the military’s logistical system supporting the Afghanistan war. Currently up to 30,000 troops travel through Manas either to or from Afghanistan per month, and
the base pumps 300,000 gallons of jet fuel daily for aircraft conducting operations there.9 Without Manas, the surge in troop numbers ordered by President Obama would have been significantly more difficult and time-consuming.

Russia initially played a constructive role in the Manas story. Following 9/11, Moscow did not make attempts to block the United States from setting up the base at Manas and another in Uzbekistan (which Tashkent closed in 2005 in retaliation against U.S. criticism of its massacre of protestors in Andijan). This was at the time considered a sign of the post-9/11 improvement in U.S.-Russia relations. That the Kremlin would acquiesce to a U.S. military presence on the territory of one of the former Soviet republics was indeed remarkable given the pervasive view in Moscow that the region represents, as President Medvedev put it, its “sphere of privileged interests.”

Moscow’s fear from the start was that a U.S. military presence in the region would become permanent. With trust levels at rock bottom in its final months in office, the Bush administration’s protestations that the base remained open only to facilitate efforts in Afghanistan fell on deaf ears in Moscow.

Then, less than a month after President Obama took office, Kyrgyz President Kurmanbek Bakiyev announced that his government would terminate the agreement and U.S. personnel would have to vacate within six months. The announcement came immediately after Bakiyev had secured an economic package worth more than $2 billion from President Medvedev. It seemed clear that the aid was an incentive for ejecting the Americans.10

In late June, the Kyrgyz government walked back its previous decision. It allowed the Americans to stay, but in return the U.S. government tripled the amount it paid in rent (from $17.4 million to $60 million) and provided more than $100 million in aid for purposes such as counternarcotics and counterterrorism cooperation, as well as upgrading the base’s facilities. The base was also renamed a “transit center.”11

There are conflicting reports as to whether the Russian leadership knew of and, if so, condoned the Kyrgyz government’s change of heart or whether it was caught off guard.12 The United States did sweeten the deal for Bakiyev, but anything it might have offered pales in comparison to both the sticks and the carrots available to Moscow. In other words, if Moscow was determined to prevent or reverse Bishkek’s decision, it likely could have. That the automatic renewal of the Manas agreement in December passed without incident could indicate Moscow’s coming to terms with Manas and perhaps even regaining a degree of trust in U.S. motives.13

**Beyond logistics**

At the Moscow summit in July 2009, Presidents Medvedev and Obama issued a joint statement declaring their mutual interest in stabilizing Afghanistan to prevent the
flow of narcotics and the spread of extremism.\textsuperscript{14} The statement also delineates several areas where Russia would offer concrete assistance, including continuing its training of counternarcotics personnel and restoring Afghanistan’s decimated infrastructure.

Thus far, Russia has resisted offering assistance on infrastructure projects. Instead, it has expressed interest in doing so only on a commercial basis. The Pentagon has also approached the Russians to explore the possibility of military assistance to the Afghan National Army, but Moscow also has viewed this idea through a commercial lens. The U.S. military has, however, purchased a number of Mi-17 helicopters from Russia on the ANA’s behalf.

Russia agreed in January to a U.S.-backed proposal at the U.N. Security Council to lift sanctions against five former Taliban officials who now back the government of Hamid Karzai. The move was a dramatic shift after years of opposing efforts to delist the men. The Security Council’s decision bolstered efforts to pursue peace talks with moderate elements within the Taliban.\textsuperscript{15}

Dialogue on counternarcotics efforts in Afghanistan has expanded significantly under the aegis of the Bilateral Presidential Commission (see below for more on the commission). A drug trafficking subgroup headed by U.S. drug czar Gil Kerlikowske and his Russian counterpart Viktor Ivanov was formed in the Counterterrorism Working Group and has met several times. Ivanov has been critical of the Obama administration’s rejection of crop eradication in its approach to tackling the Afghan drug trade, but he has nonetheless been highly constructive in his work with Kerlikowske. For example, Russia has provided the United States critical information on the Hawala system of informal exchange that the Taliban use to launder drug money and fund their operations. According to officials involved in the discussions, there have also been productive consultations on counteracting international narcotics financing between U.S. authorities and their Russian counterparts.

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**Dogs that didn’t bark**

Unlike START, Iran, and Afghanistan, changed atmospherics do not make for headlines. But a climate of increased transparency and constructiveness as opposed to outright suspicion and mistrust can facilitate cooperation and even prevent conflicts. In the final years of the Bush administration, the Kremlin generally viewed every interaction involving the United States through the prism of perceived zero-sum U.S.-Russia competition. At times it even seemed Moscow was going out of its way to thwart U.S. goals.

This habit has not disappeared under the Obama administration, but it no longer characterizes every interaction between the countries. Three “dogs that didn’t bark” in the former Soviet region—traditionally the locus of greatest sensitivity in the U.S.-Russia relationship—demonstrate the trend.
Most significantly, the improved climate in the relationship has helped avoid a second outbreak of hostilities in Georgia. According to administration officials, the newly opened lines of communication with Moscow allowed the United States to play a mediating role when it seemed that the skirmishes among Russian, Georgian, and South Ossetian forces that began around the one-year anniversary of the August 2008 war were rapidly spiraling out of control. In the weeks leading up to August 8, 2009, both sides accused each other of carrying out attacks, and a war of words between Moscow and Tbilisi was escalating, with the Russian defense ministry issuing a statement that “The August 2008 event developed along similar lines [and Russia] reserves the right to use all forces and means at its disposal” if civilians or troops were threatened. 16

Senior U.S. officials used their newfound influence to help prevent a repeat of the previous year’s bloodshed. Without the modicum of trust that now exists in the bilateral relationship, it would have been highly unlikely that such a conversation between U.S. and Russian officials could have taken place. Given the refusal of Moscow and Tbilisi to communicate directly with one another and the United States’ influence in Georgia, open lines of communication between the White House and the Kremlin will remain essential if regional stability is to be maintained.

Second, Russia has played a moderately constructive role in U.S. efforts to reconcile Armenia and Turkey. This process has been extremely difficult and slow-going, but we are now closer to achieving a breakthrough than has been the case in decades. According to administration officials, Russia has been moderately helpful to U.S. diplomatic efforts on this issue, but more importantly, it has not stood in the way of the reconciliation process. The Kremlin certainly had both the means and the motive to stop it, given Armenia’s dependence on Russia and the possibility that a thaw with Turkey could lessen this dependence.

Finally, the Ukrainian presidential elections in early 2010 came and went without either massive Russian interference or conflict between Russia and the West. The contrast to the previous elections in 2005 is striking, when the Orange Revolution swept President Viktor Yushchenko to power. Then, Moscow threw all its weight behind Yushchenko’s opponent, Viktor Yanukovych, who prevailed in this year’s elections. Vladimir Putin, Russia’s president at the time, made several trips essentially to campaign for Yanukovych and called to congratulate him on his supposed victory in the fraudulent second round before the results had even been announced. This time around, Moscow established relationships with all the main candidates and avoided gross favoritism.

There are multiple reasons for this change in behavior. Most importantly, the Russian leadership felt it could do business with either Yanukovych or his main rival, Yulia Tymoshenko. But it is hard to imagine that things would have gone so smoothly if the climate of antagonism between Russia and the United States had persisted. Russia has multiple levers at its disposal to destabilize the situation in Ukraine, and it refrained from using them.
The U.S.-Russia Bilateral Presidential Commission

The U.S.-Russia Bilateral Presidential Commission that Obama and Medvedev established at their July 2009 summit in Moscow represents the administration’s attempt to institutionalize the improvements in the climate of the relationship.

The commission consists of 16 working groups (see appendix for list), covering issues from counternarcotics to health. The secretary of state and Russian minister of foreign affairs serve as its coordinators, but the co-chairs of the Policy Steering Group, Undersecretary of State for Political Affairs William Burns and Deputy Foreign Minister Sergei Ryabkov, oversee the commission’s day-to-day operations.

The idea behind the commission was to broaden a relationship that even at its high points was dominated by security issues and to regularize contacts between a whole range of agencies in both governments that have little (if any) history of interaction. The establishment of communication channels itself is key if there is to be any trust between the two governments. The commission also ensures that U.S.-Russia relations will not in the future be reduced to personal bonhomie between presidents.

The commission is in its early days, and the differences between the bureaucratic cultures and the top-down policymaking structure in Russia that forces working-level officials to run every decision by their superiors will make it difficult to produce deliverables. Nonetheless, there have been concrete results from the commission’s work, ranging from the critical joint work on counternarcotics and counterterrorism finance mentioned above to the establishment of a pilot exchange program for nonprofessional high school-age sports teams—which, as strange as it may seem 20 years after the Cold War’s end, has never happened between the United States and Russia.17

The commission, like any government structure, does run the risk of becoming a bureaucratic juggernaut, a label many apply to the Gore-Chernomyrdin Commission, its 1990s antecedent. But if it can institutionalize ties between the two governments and precipitate regular interactions on issues other than the traditional security concerns such as arms control that have dominated relations in the past, it will create a foundation that could help prevent ties from imploding again.
Challenges

The preceding section demonstrates that the reset has brought significant benefits for the United States. Progress has been slow, however, on certain important issues.

Georgia

Russia refuses to comply with the cease-fire agreement that ended the August 2008 war despite repeated entreaties from senior administration officials, including President Obama and Secretary of State Hillary Clinton. That document calls for both sides to move their forces back to their pre-war positions and numbers. Instead, Russia has reached agreements with the breakaway regions of South Ossetia and Abkhazia to assume responsibility for their de facto borders with Georgia. (Along with Venezuela, Nicaragua, and Nauru, Russia recognizes these regions as independent states.) Russia has also begun the process of “hardening” those borders with checkpoints and fences and reached an agreement with Abkhazia to build a permanent military base there. The E.U. monitoring mission has only once been granted access to the South Ossetia side of the administrative border.

Russian and U.S. understandings of the situation in Georgia are so far apart that it is difficult to “anticipate a meeting of the minds anytime soon,” to use President Obama’s formulation. It is nonetheless disappointing that Russia has not only failed to live up to its international commitments, but its actions have also put it in even deeper violation of these commitments.

Democracy promotion and human rights

Allegations that the reset has entailed abandoning the U.S. commitment to promoting democratic development and human rights in Russia are commonly encountered in the press. An examination of the first year of the reset belies these accusations, however: What some saw as capitulation was in fact the administration’s decision to pursue a different tactical approach to achieving the same end.

The Obama team deemed previous U.S. attempts to address these issues—which focused on top-down assistance models and finger-wagging—to have had minimal, if
any, impact. It therefore has put forth the idea of engaging Russian society directly by creating opportunities for peer-to-peer interaction in addition to offering direct assistance. (And the administration’s first budget request for assistance programs related to the goal of “governing justly and democratically” in Russia actually represented an approximate 17 percent annual increase.) Administration officials, including the president, have also not hesitated to highlight U.S. concerns about Russia’s human rights record.

The most prominent example of the new approach was the Civil Society Summit that took place simultaneously with the July 2009 government-to-government summit in Moscow. The meeting brought together groups engaged in a wide variety of activities. President Obama delivered the keynote address at the gathering. (Medvedev was invited but chose not to attend.) The idea was to promote bottom-up civil society development by sharing best practices and lessons learned and coordinating solutions. Over time the administration hopes that such interactions will facilitate a more vibrant and robust civil society in Russia.

The engagement approach is an innovative attempt to address a particularly vexing set of problems—the weakness of Russian civil society and the government’s poor track record on human rights—and the Civil Society Summit was a successful event. But the administration has yet to put its democracy agenda into full force. It should move from the conceptual to the programmatic phase soon to maintain credibility on these issues.
Missteps

Strategic communications

The administration’s most significant missteps on Russia are related not to the substance of the reset but to the way it has been presented. False narratives have taken hold both at home and abroad as a result of slips in how the administration has managed the communication of its policies.

False narratives

The administration’s critics have consistently alleged that the reset amounts to a Russia-first policy—that the administration has prioritized ties with Moscow over relationships with NATO allies in Eastern Europe and partners in the former Soviet region, especially Georgia and Ukraine. The degree to which this had become conventional wisdom in these states became clear when several former politicians and other prominent figures from Eastern and Central Europe, including former Polish President and Nobel Peace Prize winner Lech Walesa and former Czech President and Playwright Vaclav Havel, issued an open letter following the July Moscow summit calling for the administration to pay more attention to their countries.

The long history of Russian and then Soviet domination of the region as well as the departure of an administration that had been an outspoken advocate of “New Europe,” Georgia, and Ukraine made a degree of anxiety about President Obama’s decision to engage with Moscow inevitable. But the administration made certain mistakes that indulged the false impression that Russia is at the top of the pecking order in Washington.

The first of these came when the administration announced the results of its missile defense review. The Pentagon study had concluded that the Bush administration’s plans for sites in Poland and the Czech Republic did not address the emerging threat from Iran and instead proposed a multiphase system involving both sea- and land-based components. The new system better protects U.S. national security, as well as our NATO allies. In fact, the old system did not actually protect the European continent from missile strikes. But the sites had huge symbolic significance for both the host countries and Russia’s other neighbors.
Unfortunately, the host countries of the old system and other European allies were notified of the impending U.S. policy change only days before it was made public, and the announcement happened to come on the 70th anniversary of the Soviet invasion of Poland.

The administration also quickly lost control of the “narrative.” Its critics succeeded in portraying the move as an abandonment of missile defense and as a concession to Russia to garner its support on other issues, particularly Iran. Skittish elites in countries that were already suspicious of the reset’s motives bought into these misrepresentations.

In reality, the policy shift was the result of the Pentagon’s conclusion that the old system did not address what it saw as the emerging threat from Iran. But by the time the administration forcefully put this message out it was already too late.

A second false but persistent allegation is that the reset is a poorly disguised trade-off: The U.S. government, so the argument goes, has abandoned Russia’s democratic activists and defenders of human rights for the sake of garnering the Kremlin’s cooperation on its foreign policy priorities. One opposition journalist who was selected to meet Secretary Clinton on her October 2009 visit to Moscow characterized the administration’s approach with a one-word Russian expression: Sdali (“They’ve capitulated”). In other words, the United States has given the Kremlin free reign to do as it pleases in its domestic affairs and will refrain from criticism. Clearly this is another false impression. But the administration has not done enough to dispel it.

Unrealistic expectations

The fanfare associated with the reset created unrealistic expectations about what a new Russia policy could achieve. The media came to expect “breakthroughs” on the major sticking points in the relationship, such as NATO enlargement and Russian behavior vis-à-vis Georgia and the breakaway regions.

Improved U.S.-Russia relations were never going to make these problems go away—the hope is that over the long term, improvements in the atmosphere might facilitate progress. But the administration was unsuccessful in reining in expectations about the reset, and its highly ambitious declared agenda, such as the lengthy joint statement released at the April 2009 Medvedev-Obama meeting and the repeated announcements that the START follow-on would be signed by the December 5, 2009, deadline, helped perpetuate them.

Mixed messages to Moscow

President Obama’s speech during his July visit to Moscow was pitch-perfect. While expressing “deep respect for Russia’s timeless heritage,” he took on the persistent myth
that the United States seeks to weaken Russia: “Let me be clear: America wants a strong, peaceful, and prosperous Russia.” Though he also said that democracy and human rights would remain central to U.S. policy and that the door to NATO membership is open for Georgia and Ukraine, his firm rebuttal of this myth was extremely important for the process of building trust in the bilateral relationship.

While U.S. officials should not have to walk on eggshells when talking about Russia, the precariousness of the new constructive atmosphere and the history of mutual suspicion and mistrust point to the need for a consistent message and transparency about sensitive policies.

On the whole, administration actions and statements have demonstrated sensitivity to this need. But there have been unfortunate lapses, such as an interview given by Vice President Biden in which he suggested that Russia’s domestic troubles are the central factor driving its less confrontational foreign policy, and the administration’s seemingly abrupt announcements regarding the sites for the new missile defense system in Romania and Bulgaria.

While in the latter case the disclosures were made by the host countries, not the administration, and the Russians had been briefed on the plans for the new system (which clearly indicate that components will be situated in southern Europe), the announcements nonetheless stoked fears in Moscow that the changes were a camouflage for encircling Russia with U.S. military installations.

**Economic ties**

When Obama took office, U.S.-Russia economic relations on the governmental level consisted of little more than mutual recriminations and an exclusive focus on divisive issues such as disputes over Russian imports of U.S. meat products, Russia’s failure to implement its obligations under the bilateral WTO accession protocol and Moscow’s contention that the United States is blocking its membership in the organization, and the Jackson-Vanik amendment (which restricts permanent normal trade relations).

Given the mess it inherited, it is no great surprise that progress has been slow on economic and trade issues on the government-to-government level under the Obama administration.

Russia’s WTO accession, which the administration pledged to facilitate in the joint statement signed in April 2009, is an apt example. At that point Russia had finished negotiations on all bilateral agreements and talks over the final, multilateral document needed for membership were ongoing—though sticking points with both the United States and other trading partners remained unresolved.

But Russia’s accession has been in doubt since Prime Minister Vladimir Putin, in a move that surprised even his own negotiators, announced in June 2009 that he and his
counterparts in Belarus and Kazakhstan had finalized documents creating a Customs Union between the three states that would come into force on January 1, 2010. And despite the long history of meaningless agreements among the former Soviet states, the Customs Union did in fact come into existence this year, replete with a supernational body that sets tariff rates for all three members.

Moscow still maintains that it seeks WTO membership, and the United States and the European Union continue to actively work with Russian officials on the accession process. But the new legal arrangements associated with the Customs Union make this goal significantly more difficult to achieve, setting back accession by perhaps several years.

Russia’s decision to pursue the Customs Union also ended any hope for repeal of the Jackson-Vanik amendment in the short term—another pledge made in the April joint statement. Jackson-Vanik is an amendment to the 1974 Trade Act that tied normal trade relations with the Soviet Union to freedom of emigration for Soviet citizens. After the collapse of the Soviet Union it was applied to all of the constituent republics, including Russia. The amendment is a Cold War relic that has no practical effect but remains an irritant in the relationship and a distraction from substantive issues.

Congress’s decision to exclude a former Soviet country from the amendment’s provisions has generally been tied to its WTO accession. The administration had prepared to make a push for Russia’s repeal in spring 2009, but the Customs Union made such a move politically impossible on Capitol Hill.

The administration is working on new ways to engage with Moscow on economic issues, such as its recent focus on cooperation on innovation and high-tech. But there are other mutually beneficial policies that it should pursue on the commercial side of the relationship. And we should be realistic about the feasibility of Russia’s WTO membership in the near term. Creating a false impression about the ease of accession could lead to tensions in the future, since Moscow seems convinced that the United States is the main impediment to this process.

First, the Obama administration can facilitate Russia’s membership in the Organisation for Economic Co-operation and Development. The OECD was founded in 1961 to offer a forum in which developed countries can compare economic and development policy, identify best practices, seek solutions to common problems, and coordinate international action.

Membership in the OECD could serve as a strong stimulus for economic reform and the development of the rule of law in Russia. The accession process would embed internationally accepted norms and standards across a wide array of policy areas, such as corruption, competition, and fiscal policy. The legal requirements undertaken by members would make such changes difficult to reverse. Russia’s becoming a rule-abiding member of the OECD is in the U.S. interest.
A second aspect of a bilateral cooperation agenda should be collaboration on energy efficiency.²³ One of the most striking features of Russia’s energy profile is its energy intensity—a measure of a country’s energy efficiency calculated by units of energy per unit of gross domestic product—which is higher than any of the world’s 10 largest energy-consuming countries, 3.1 times greater than the European Union, and more than twice that of the United States.

This massive potential for improvement makes working with Moscow on energy efficiency an attractive policy option, especially because in the past six months the Russian government adopted several efficiency initiatives and Medvedev appears to have made this a signature issue of his presidency.

The Obama administration should develop a program of bilateral cooperation on efficiency. Not only does joint work on this issue offer the potential for economic gains for both countries, but it is also the most effective short-term way to help Russia reduce its carbon emissions. (It is currently the third-largest emitter.)
Recommendations

To address the shortcomings of the reset and to solidify the relationship going forward, the administration should consider the following policy recommendations:

Arms control

- **Broaden the arms control agenda.** Now that the New START has been signed, the administration should begin talks with the Russians on even farther-reaching cuts in nuclear weapons.

Georgia

- **Develop an action plan for Russian compliance with the August 2008 cease-fire agreement with Georgia.** The administration should continue holding Russia to its international commitments vis-à-vis the situation in Georgia, several of which it is now violating. But a more creative approach to the impasse in Georgia is necessary for progress to be achieved—and to avoid a second conflict in the future. The United States should outline concrete steps that could create positive momentum and build confidence.

Democracy and human rights

- **Fully implement the new approach to democracy and human rights.** The Obama administration has put an end to the destructive finger-wagging of the past and adopted a new engagement approach to furthering democracy in Russia. But engagement remains more a concept than a policy agenda.

Reinvigorate economic ties

- **Move beyond WTO membership.** Despite Russia’s frequent protestations that it still wants to be a member of the World Trade Organization and needs U.S. help to accomplish that goal, the Customs Union it established with Belarus and Kazakhstan has put
off accession indefinitely. Unless Moscow reverses course, there is little the United States can do beyond the efforts it is already making to assist Russia’s accession.

- **Facilitate Russia’s OECD membership.** The membership process for the Organisation for Economic Co-operation and Development involves a wholesale audit of a country’s economic policy. Engagement with the OECD could serve as a strong stimulus for economic reform and the development of the rule of law.

- **Focus on energy efficiency cooperation.** Energy efficiency cooperation presents multiple benefits: It is a top priority for both presidents, offers the potential for economic gains, and can reduce carbon emissions.

**Strategic communications**

- **Make priorities clear.** The reset has been widely misinterpreted, both by the media and by our allies and friends. The administration should make clear that the reset is not a Russia-first policy or a Kremlin-first policy.

- **Manage expectations.** There have been unrealistic expectations about the reset from the start. To a certain extent, the administration facilitated this by setting a highly ambitious agenda and suggesting that successes would come early and easily. U.S. Russia policy must be guided by a sober assessment of what can and cannot be achieved in the bilateral relationship and a clear understanding that working with today’s Kremlin is not going to be easy.

- **Avoid sending Moscow mixed messages.** The Russian leadership’s suspicion of U.S. motives will not disappear anytime soon. As a result, the reset of the bilateral relationship over the past year and the benefits it has conferred are tenuous and can easily be reversed. While the administration should not change policy course to overcome the Kremlin’s mistrust, it can go a long way by maintaining a coordinated, coherent message.
Conclusion

The Obama administration’s reset of U.S.-Russia relations has tangibly improved the national security of the United States. But the administration’s critics counter that it amounts to little more than Kissingerian realism—a decision to downplay thorny issues like the Kremlin’s human rights record and engage in quid pro quos that would trade away other priorities in order to gain Moscow’s cooperation on major security concerns such as Iran, Afghanistan, and arms control. They argue that the revision of missile defense policy was made to “placate” Russia, that the administration diminished its commitment to Georgia and Ukraine and that it did so as a sop to Moscow, and that the new approach to democracy and human rights is in fact a cover-up for a decision to downplay values in the relationship.

Not only are these allegations false, but Obama has also explicitly rejected this kind of “linkage” in his Russia policy. In other words, the United States will not reward Russia in one area in order to gain concessions in another. But the administration has also decided that “punishing” Russia or cutting off ties in response to objectionable behavior is not an effective means of achieving its goals. Instead, it has addressed each issue on its own merits. For example, while the two countries cooperate on Afghanistan and arms control, the administration regularly condemns human rights abuses in Russia and has not abandoned the open-door policy for its neighbors’ eventual NATO membership.

Some say that this is a naïve approach to dealing with an increasingly authoritarian regime in Moscow that harbors revanchist plans for its neighborhood and rejoices in the end of the unipolar moment. There’s no doubt the Kremlin remains a frustrating, often problematic counterpart, and the bilateral relationship continues to be a mix of cooperation and competition. The United States should also never downplay fundamental values or sit idly by when Moscow acts in objectionable ways, either at home or abroad. A robust approach to Russia will take into account the fact that under this regime such actions are inevitable and there will be times when this will have an impact on the relationship.

But maintaining an atmosphere that allows the two countries to identify areas for cooperation is in the interest of the United States and offers a better chance that policies that further our values can succeed. Thus far, the reset has done just that.
## Appendix

### The U.S.-Russia Bilateral Presidential Commission Working Groups

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<td>Culture, Education, Sports and Mass Media/Cultural Exchanges</td>
<td>Judith McHale, Mikhail Shvydkoy</td>
<td>Undersecretary of state for public diplomacy and public affairs, Special envoy of the Russian president on international cultural cooperation</td>
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<td>Arms Control and International Security</td>
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<td>Undersecretary of state for arms control and international security, Deputy foreign minister</td>
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<td>Business Development and Economic Relations</td>
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<td>Nuclear Energy and Nuclear Security</td>
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<td>Deputy secretary of energy, Rosatom director general</td>
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<td>Energy</td>
<td>Steven Chu, Sergey Shmatko</td>
<td>Secretary of energy, Energy minister</td>
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<td>Counternarcotics</td>
<td>Gil Kerlikowske, Viktor Ivanov</td>
<td>Director of the White House Office of National Drug Control Policy, Federal Drug Control Service director</td>
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<td>Agriculture</td>
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<td>Secretary of agriculture, Minister of agriculture</td>
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<td>Counterterrorism Working Group</td>
<td>Daniel Benjamin, Anatoliy Safonov</td>
<td>Coordinator for counterterrorism for the U.S. Department of State, Special presidential representative of the Russian Federation for Counterterrorism</td>
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<tr>
<td>Space Cooperation</td>
<td>Charles Bolden, Anatoliy Perminov</td>
<td>NASA administrator, Roscosmos head</td>
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<td>Environment</td>
<td>Maria Otero, Igor Maidonov</td>
<td>Undersecretary of state for democracy and global affairs, Deputy minister of natural resources and environment</td>
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<td>Science and Technology</td>
<td>John Holdren, Andrey Fursenko</td>
<td>White House science adviser, Minister of Education and Science</td>
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<td>Civil Society</td>
<td>Michael McFaul, Vladislav Surkov</td>
<td>Special assistant to the president for Russia, First deputy head of the Russian Presidential Administration</td>
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<tr>
<td>Policy Steering Group</td>
<td>William Burns, Sergey Ryabkov</td>
<td>Undersecretary of state for political affairs, Deputy foreign minister</td>
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Endnotes


3 Quoted in Smith, “U.S. pondered military use in Georgia.”


8 One article that received a lot of attention alleges that the Russian side tried to re-negotiate the agreement not to charge fees for the flights. See Peter Baker, “Russian Deal on Afghan Supply Route Not Done Yet,” New York Times, November 13, 2009, available at http://www.nytimes.com/2009/11/14/world/europe/14flights.html. According to Pentagon officials interviewed by the author, this claim was factually inaccurate; the Russians have never tried to renege on the agreement.


10 As Secretary of Defense Robert Gates put it, “The Russians are trying to have it both ways with respect to Afghanistan in terms of Manas. On one hand you’re making positive noises about working with us in Afghanistan, and on the other hand you’re working against us in terms of that airfield which is clearly important to us.” Mark Thompson, “Obama Loses a Key Base for Afghanistan,” Time, February 19, 2009, http://www.time.com/time/world/article/0,8599,1880686,00.html.

11 Tynan, “US Air Hub at Manas Busier Now Than Before.”


17 For an overview of the Commission’s activities as of December 31, 2009, see www.state.gov/p/euirs/m/2009/134616.htm.


22 Charap, Conley, Juul, Light, and Wong, “After the Reset.”

About the author

Samuel Charap is Associate Director for Russia and Eurasia and a member of the National Security and International Policy team at the Center for American Progress. He focuses on the domestic politics, political economy, and foreign policies of the former Soviet states and U.S. policy in the region.

Charap’s work has been published in the Washington Quarterly, International Herald Tribune, Current History, The Moscow Times, and several other journals and newspapers. His commentary has appeared in numerous news outlets, including The Washington Post, BBC Television, Reuters TV, and NPR.

Charap holds a doctorate in political science and a master’s in Russian and East European studies from the University of Oxford, where he was a Marshall Scholar. He received his B.A. from Amherst College. He was a visiting scholar at the Carnegie Moscow Center and the International Center for Policy Studies (Kyiv), and a Fulbright Scholar at the Moscow State Institute of International Relations. Samuel is fluent in Russian and proficient in Ukrainian.

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