

Center for Strategic and International Studies

CSIS Press Briefing: President Obama's Trip to Europe and Saudi Arabia

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H. ANDREW SCHWARTZ: Good morning, everybody. Welcome to CSIS. Bagels are to the right of the fireplace. I never thought I would say that at CSIS, but at our new building we've got such a, you know, nice setup here. Welcome to our briefing. We're going to cover the president's trip and we're going to start out with Anthony Cordesman, who's going to tell us about the Saudi part of the trip.

ANTHONY CORDESMAN: Thank you very much, Andrew. I think it's sometimes hard for Americans to really understand what is at stake in the dialogue with Saudi Arabia. We tend to be focused on the nuclear threat, but that is one of six threats that really affect our relations with Saudi Arabia and the region.

One that's very real is internal stability, and it's how the kingdom views the Islamists, the Muslim Brotherhood, the whole problem of the states within the Gulf Cooperation Council and in the region, and their internal stability. And it sees these as serious threats. And in the last few weeks, it's made it very clear, with its list of terrorists and new terrorist legislation. It sees Iran as directly involved in covert action and in trying to encourage unrest in the region using its al-Quds force and its intelligence. And it's an important list of countries – Bahrain, Yemen, Saudi Shiites, Kuwait, the UAE, the Red Sea countries.

You have the fear of what some call the Shiite crescent – Iran's expanding influence in Iraq, Iran, Lebanon, as we've seen recently, support of Hamas in Gaza, extremists there. And you are looking at countries fading as efforts to contain Iran, from a Saudi perspective, and particularly Egypt and now Turkey are problem cases. You have a major asymmetric buildup of Iranian forces in the Gulf. These are missile, air, sea forces. They don't simply affect the Strait of Hormuz; they affect the entire Gulf and the waters outside it. We think of missiles as long-range systems, but Iran has built up a massive threat in terms of much shorter range missiles and short range artillery rockets.

And then there is the nuclear issue. And in virtually every case, there are tensions we need to resolve – problems in terms of the Saudi perspective and our perspective. And quite frankly, a Saudi concern that the United States has not really backed stability, that it has failed in Egypt and in Syria, that it has failed in Iraq, that it may be leaving the region or giving it less priority. And while this doesn't occur at the official level, if any of you travel out to the region you realize that at a much broader level many people in the region feel the United States is actively turning to Iran – essentially involved in a conspiracy. I think it's very hard for us to understand, but the conspiracy is that it will abandon the Arab Gulf and shift to Iran and the Shiites.

Strategically, I would just note to all you, because I read so much about it, that while people talk of U.S. energy independence, the U.S. Department of Energy sees that independence as dropping to 32 percent for liquid imports in the future and then rising again and that, quite frankly, that whole calculation ignores the whole reality of America's economic dependence. We only import about 8.2 percent of our imports in energy, but we import well over 40 percent of our imports from countries that depend on Gulf energy.

And these are the realities. This is why, for all the talk of some kind of pivot to Asia, U.S. strategy – and this is something that the secretary of defense and the secretary of state have tried to explain in the region and the president now has to reinforce – our strategy does not favor Asia over the Middle East. Since 2012, it's given them the same priority. But let me also close with the practical realities, because on the one hand my colleagues are going to talk about NATO and the European alliance. We have another alliance out here in this region.

There are over \$70 billion worth of U.S. imports flowing into the Arab Gulf states over the next four to five years. We've already sent some \$46 billion worth of imports to Saudi Arabia in the last four to five years. Our ability to create an effective deterrent to Iran, an effective ability to deal with Yemen, an effective ability to stabilize Jordan – these are all critical aspects of a different alliance and point in time when Britain and France, which are the only NATO allies we have with meaningful power projection capabilities, face challenges in spending, just as we do.

And for all the talk of a Gulf Cooperation Council, remember the president's going here at a time that three countries have withdrawn their embassies – or their ambassadors from Qatar, where there has been a crisis in relations between Saudi Arabia and Oman over the future of the Gulf Cooperation Council, where the Gulf Cooperation Council itself has none of the institutional strengths of NATO and the United States, through its facilities in Qatar and Kuwait, is the absolute key to any coordination of these forces, and is the only country that can provide the mix of satellite capabilities, sensors, command and control assets, that allow the Gulf forces to function. So a lot is at stake here.

And fortunately, I only have to cover one of the crises in the region. The president has to cover all of them. So I'm going to leave the next two crises to my colleagues. (Laughter.)

MR. SCHWARTZ: What a segue.

HEATHER CONLEY: Thanks, Tony. Good morning, everyone. I think this trip, like American policy towards Russia over the last 25 years, has completely changed.

So originally the president was going to the Hague for the Nuclear Security Summit – very much a piece of his legacy – then on to Brussels where, I would argue, in some ways is to try to stem growing criticism that after five years as U.S. president and eight trips to Europe, he has yet to visit Brussels – the capital of the European Union. And then on to Rome where he was – I think the focus was to visit with Pope Francis and to share thematically the issues of fighting social inequality, but also then to visit with the new Italian government.

But that has now completely changed. So when he goes to the Hague, although the importance of, you know, fighting against nuclear terrorism, controlling nuclear materials will still be important and there will be some at deliverables, it's going to be what's happening outside the summit that's actually, I think, the more important. So we will see an emergency group of seven summit, where I would argue that most of the conversation and trans-Atlantic messaging, of course with Japan, about Ukraine will occur.

I would also argue, although this is out my expert lane, that the trilateral conversation between the United States, Japan and Korea is also of vital importance as well as the bilateral conversation between President Obama and his counterpart in China. So what's happening outside of that summit will actually be, I think, of greater importance to the – to the actual global issues that we are facing.

When the president does leave the Hague and travel to Brussels, our understanding is he'll have very early morning bilateral meetings with the King of Belgium, the Belgian Prime Minister. He will then move on to NATO headquarters – of course, NATO Secretary-General Anders Fogh Rasmussen was just here in Washington a day or two ago – and then, of course, a U.S.-EU summit and we understand then a major speech by the president outside of Brussels.

I would just focus a bit on the U.S.-EU summit. There has not been a summit for the past two years. And there are some major issues on the agenda – obviously, trade and the status of the Trans-Atlantic Trade and Investment Partnership. Last week negotiators – U.S.-EU negotiators just completed the fourth round of negotiations. And to say this has been a scratchy negotiation, I think, is probably a correct characterization.

Although the rhetoric when these trade talks were launched were fantastic – and economic NATO, we're going to do this in one tank of gas – the enthusiasm on both sides of the Atlantic were very strong, it has now met reality – the reality of two very large trading powers that are very symmetrical.

And so there is a lot at stake, and we're running into that right now. It's going to be very difficult. And what we hope comes out of the U.S.-EU summit on trade will be some clarity on tariffs. There is some anticipation that there will be some clarity announcement on tariffs and hopefully a framework for a more ambitious targeting of – on the regulatory side.

We're – it's also our understanding that climate change will be part of the deliverables, if you will, out of the U.S.-EU summit. I find this interesting because while we're having a climate change discussion, the Ukraine crisis has demonstrated once again of Europe's growing energy dependence on Russian oil and gas, particularly gas, and in fact, Europe has a challenge before it to try to de-conflict its ambitious climate change policies with very high energy prices, and that falls into the competitiveness question within the trade negotiations, but it also deals with the very short-term, how do you diversify very quickly. And I – Tony, I liked your comment about a lot of conversation about energy here and unleashing the power of U.S. unconventional oil and gas and helping Europe, that may be a possibility in the mid- and long-term. It does not – do nothing, it does absolutely nothing right now for Europe in the short term. And there is unfortunately quite a bit of misinformation, I think, and misunderstanding of what that could mean. And then, of course, there will be consultations between the U.S. and EU on Ukraine. But as I said, I think a majority of that will happen with the heads of state in The Hague, with Chancellor Merkel, with Prime Minister Cameron and President Hollande in particular.

And then finally, the president moves on to Rome. Of course, as I mentioned, a meeting will Pope Francis will be important. But I think the real interesting part will be the president's discussions with the new Italian prime minister, Matteo Renzi. Here the president will find a 39-

year-old, a very ambitious European leader who wants to be transformative, very much like President Obama. But he is colliding against an extraordinary inertia within the Italian bureaucracy to provide that structural reform, that immediate change to help bring the Italian economy, which over the last decade has had stagnant and now negative growth, and dealing with 133 percent debt-to-GDP ratio.

And in fact, this Italian stop is really representative of what the president is going to be experiencing when he – when he visits Europe because in two months’ time the European Parliament – there will be elections to the European Parliament where we may see up to 25 percent of euroskeptic, far right, far left parties may be voted into the European Parliament. The president is going to be traveling to Europe at a time where there is increasing anger and frustration towards the United States. This will be the first time the president really receives the full brunt of the criticism over the NSA revelations. You’ve had five years of an economic crisis in Europe and frustrations about that. And of course, the Ukraine crisis comes on top of that, so it will mute all those underlying challenges and frustrations that have grown within the U.S.-European relationship. They will mute them, but they will not solve them.

And it will be very interesting – and I’ll finish on this president’s speech that he will give in Brussels – there have been comments by Dr. Brzezinski a few days ago that the president needs to put the Ukraine crisis and Russia policy in a larger context for the American people to understand, not just announcing sanctions and sort of the day-by-day approach, but to put – to lay out a larger – to put this into context. What are we seeing? What are we facing over the next several years? He actually needs to do that in Europe as well and put the trans-Atlantic relationship into this new broader context of the first annexation in Europe since the Anschluss. This is the gravest challenge to European security that we have seen since the beginning of the Cold War, and it requires strong American leadership, and I’m very anxious to see how the president uses his – both his speeches and his interactions with European leaders to address this new and highly combustible context.

And with that, let’s turn it over to the Russia expert, Andy.

MR. SCHWARTZ: (Off mic.)

ANDREW KUCHINS: (Laughs.) You know – well, what I’m actually going to say is going to make Tony Cordesman look like an optimist –

MS. CONLEY: That’s not (possible ?). (Laughter.)

MR. KUCHINS: – and have a sunny – kind of a sunny view on the future. So I’m going to start with something a little bit lighter.

You know, six years ago The Onion had a wonderful thing they did after the Georgia war, and it was a fake State Department advisory. And the point of it was basically to – for all of the small countries bordering the Russian Federation, we recommend that you move.

Now today there’s a great piece in The Onion that actually captures, I think, very effectively where things are. It’s a commentary by Vladimir Putin that’s titled, “Thanks for Being so Cool About Everything. “

“As you know” – and I’m going to read it, because it’s good. “As you know, the last few weeks have been kind of crazy around here. Last month, protests in Ukraine ousted the country’s Kremlin-allied president. It ignited a wave of Ukrainian nationalism that threatened to destabilize Russia’s economic and military interests in the region. Of course, I couldn’t simply stand by and let that happen, so I intervened and ordered a forceful takeover of the strategically important peninsula of Crimea, a territory with historical ties to Russia that our nation has long desired.

“It’s certainly no easy task to forcefully annex an entire province against another country’s will, so I just wanted to thank you, the government of the United States, the nations of Western Europe and really the entire world population as a whole for just being so super-cool about this. Seriously, you guys have been amazing, all of you. I really appreciate it. You know, to be honest, I was really dreading a whole big fight over this thing. When you first condemned the seizure of Crimea as patently illegal and a breach of the Ukrainian constitution – which it absolutely was, by the way – I feared for the worst. But then everybody stopped short of doing anything to actually prevent what was essentially a state-sponsored land grab.

“And I just thought, wow, these guys are a pretty laid-back and easygoing bunch. It really was a huge load off my mind when you let everything slide like that. Believe me, I know it must have been hard to stand idly by and do nothing as a foreign military invaded one of your allies, or just sit back and watch while we set up a complete farce of a referendum, a referendum supervised by heavily armed members of the Russian military, mind you, and used it as grounds for a back-door annexation. It also couldn’t have been easy to keep your cool when we sent commandos to raid the Ukrainian naval headquarters in Crimea. But you didn’t really make much of a fuss over it, and I couldn’t be more grateful for that. So it made my job way easier. I totally owe you, no question about that.

“Now of course, I get that you and the international community had to issue some sort of response. After all, you had to at least look like you were trying to fight for the people of Ukraine as we rolled our vehicles into their country” – (chuckles) – sorry – “made it clear that any dissent would be punished, and essentially rendered the entire people totally and utterly powerless in the face of a bigger, stronger country’s national interest. I totally get that. But I’m just relieved that you decided on a response as harmless as humanly possible, with no real and tangible repercussions on myself or my government. You really have no idea how much stress that lifted off my shoulders. It was a real life saver.

“I also understand that, moving forward, you’ll feel pressure to call a lot of high-profile NATO meetings, make statements to the U.N., suspend the summer’s G-8 meeting, you know, that sort of thing. I also get that all that kind of stuff is just a formal procedure you have to follow because really at this point you’ve laid your cards on the table. So I just want to thank you ahead of time, honestly, from the bottom of my heart, by ensuring that I can just concentrate on doing whatever I want in the formerly Soviet region that is of geopolitical, military or economic value to Russia, without having to worry one iota about suffering any consequences. Thanks for making that 100 percent clear to me.

“There is one thing I want to say, though, and I feel a little silly admitting this, but there was actually a moment earlier when I did feel a little dread. For one unnerving second there, I thought you imposed sanctions on Russia’s broad national economy, but then I saw that the

sanctions were just directed at a few of my advisers and some bank I don't care about. Boy, talk about a major relief. Really, the whole thing has gone so smoothly that my only regret is that I just wish I'd known earlier that you guys were this mellow about hostile military takeovers. It makes me wonder what took me so long to get around to this.

"But you know, I really shouldn't have been surprised, given how cool you were with my longstanding record of handling opposition political groups or independent minor journalists and all those gay right protests that copped – cropped up last year, or even that whole ordeal in 2008, when we tried to take over separatist regions in Georgia by force. Just knowing I'm free to do things my own way, that I can fully ignore any domestic or international laws and any basic principles of human rights, just takes away a ton of the stress involved in making these big decisions.

"And by the way, if you need me to play along and act like little Crimea sanctions or rhetorical warnings are the least bit threatening, you know, or feigned anger by instituting entry bans on U.S. lawmakers and officials or issue a few sternly worded responses to the international community's condemnations, I'm completely down with that. I get the back-and-forth charade we're playing here, the one that says you're actually considering some real action against me. Seriously, going along with that kind of ruse is the least I can do, given all you've done for me. I just hope you'll continue being so nice and accommodating moving forward, especially with what I've got planned for the rest of Ukraine over the next few months."

Yeah. So I recall being a 20-year-old undergraduate doing Russian studies at Amherst College when the Soviet Union invaded Afghanistan in 1979, and I was flabbergasted when President Carter at one point initially expressed surprise that Leonid Brezhnev had decided to undertake that adventure. Just the little I knew of Soviet history told me that that was one of the stupidest things I could ever imagine anyone saying, that they were surprised that he did that. But you know, while Carter might have been initially surprised, his administration did very rapidly implement a wide-ranging and powerful set of sanctions against the USSR. And I look by comparison now what – Barack Obama is making Jimmy Carter look like Attila the Hun over the past three weeks, with his series of empty threats; too little, too late punitive measures against Putin's Russia. And just let me walk you a little bit through this to clarify it.

On the afternoon of February 28th, when Mr. Obama first called a press conference to warn Mr. Putin about the costs Russia would incur if military action were taken against Crimea, already during the previous 24 hours military forces, obviously Russian or at the bequest of Russia, had seized the airport in Crimea, barricaded the parliament building. The Crimean parliamentary leader had been sacked and was replaced by a guy, Sergei Aksyonov, whose party had received about 4 percent of the vote in the previous parliamentary elections. You know, the casual viewer, though, watching the press conference that the president gave would have had no idea that effectively Russian military forces had already taken action that President Obama was warning them not to do, and then, having heard Mr. Obama's warning, Russian military forces then proceeded to take over military installations throughout Crimea, and the military occupation was virtually a *fait accompli*.

The following week the administration, the president himself made a series of warnings and threats to Moscow about holding an illegal referendum in Crimea. We know what happened

with the referendum last Sunday, and on Monday the Obama administration held a press conference to announce the implementation of sanctions against seven so-called cronies of Putin, a response so underwhelming that Moscow openly laughed at Washington. Anybody who knows the slightest bit about Mr. Putin knew at the time that those seven guys not only are not cronies – I even mean this Mr. Surkov – Mr. Surkov is not a crony. Mr. Surkov is a tool that Mr. Putin uses very effectively when he needs to. So in this case, I thought, you know, the administration not only looked weak but clueless. I mean, come on. Who – these aren't the cronies.

Well, Mr. Putin responded by signing the document for Russia's annexation of Crimea, gave a triumphalist speech that made his Munich diatribe in 2007 look conciliatory and joined in a staged celebration on Red Square that really looked straight out of Bollywood.

Today Mr. – or yesterday Mr. Obama announced the addition of a list of names of real cronies to be sanctioned and a new executive order that sets the stage for implementing much deeper economic sanctions, should Mr. Putin continue to wreak havoc in Ukraine.

Now almost certainly all of these real cronies that – had removed whatever assets they might have had in the United States, understanding the risk – and just in case anybody did not get the Kremlin memo about this possibility, Monday's announcement of the noncrony sanctions gave them four additional days to get their books in order, which apparently Mr. Timchenko did.

President Obama and his team expressed concern in recent days that Mr. Putin may take military actions outside Crimea that would be very dangerous. Well, guess what? I mean, he already did that Saturday, when Russian special forces were helicoptered in to seize a gas facility outside of Crimea that went virtually, I think, unmentioned about by the administration, and there wasn't much commentary in the press either about that.

I think for Mr. Putin, the only thing that has surprised him these past three weeks from Washington was just how weak our response has been. I mean, Putin's not exactly a jovial, joking guy, but he's got to be chuckling at the administration's mantra about off-ramps and offering off-ramps to him. Our obsession with off-ramps. It reminds me of the mantra Assad must go, Assad must go, Assad must go, as if through some telekinetic power, that would force Assad to go.

I don't think there's been a shred of evidence that Mr. Putin has any interest in an off-ramp. Yeah, he sends Mr. Lavrov around to chat up his European colleagues and Secretary Kerry to aimlessly discuss diplomatic solutions, but anybody who knows – everybody knows the Russian foreign ministry actually has no authority over the post-Soviet space. Those matters are handled in the Kremlin, reflecting Moscow's deep-seated reluctance to view these countries as fully – as not fully independent.

And we know from WikiLeaks that as the uninvited dinner guest to the Bucharest NATO Summit in April of 2008, Mr. Putin told George W. Bush in no uncertain terms that Ukraine was not a real country, an artificial country. I wish actually WikiLeaks had revealed more of that conversation.

And now Mr. Putin has found the appropriate moment to demonstrate to the “transatlantic community” – and I will put that in quotations – that Ukraine is not a real country by starting to dismember it, so far, with impunity. And in case there was any doubt about Mr. Putin’s views of the illegitimacy of the post-Cold War European security order in Europe, his speech on Tuesday clarified that for any skeptics. Not only are the post-Cold War borders illegitimate in his view, he basically made the case that Soviet borders were as well.

It – I came away thinking that, you know, in his mind, borders are written in chalk and can be adopted as he sees fit. I have no doubt in my mind that there’s nothing Vladimir Putin would rather do than to de-legitimize the post-Cold War order, expose the transatlantic partnership as a sham, and deeply degrade U.S. leadership in the world. He’s already gone pretty far down that path in the past three weeks.

It is amazing that people continue to underestimate this guy. Love him or hate him, he is kind of a global rock star. And you look at – when I look at the Obama-Putin matchup, it’s like Darth Vader meeting Winnie the Pooh or something. I mean, Putin has got Mr. Obama in a – in a very, very tough place. I really don’t think that Mr. Obama gets Putin, and I’m virtually certain that Mr. Putin gets Obama.

Well, I’ll use this line; I kind of like it. But – and I – and I’m not sure that Mr. Obama really realizes it. It’s like Putin has got Obama, you know, by the huevos – and he’s squeezing hard – and Mr. Obama thinks, oh, I’ve got a little jock itch or something. It doesn’t – I don’t think he gets the magnitude, really, of what we’re – what we’re – where we are right now.

Our president needs to focus on this problem like a laser beam. His incrementalist approach to Putin is failing. And I’d be happy to talk about that more because I think that’s a really big problem. This incrementalist approach is failing, and it will continue to fail. He’s got to step outside of his comfort zone and seize the initiative, take measures that put Putin on the defensive. Do something that’s not expected. Do something that is surprising.

I mean, that would include much more far-reaching economic measures now – preferably yesterday. Probably they should have been done in the beginning on February 28th – I’m almost done, Andrew. And there – it’s got to include measures immediately to strengthen Ukraine’s capacity to withstand and contest Russia’s military probes.

Mr. Putin is not going to be coming across the border with thousands of troops and tanks like a 1968 Czechoslovakian invasion, but he’s got a deep bag of sort of post-modern military tools that he has demonstrated so far in Crimea and elsewhere in recent years – special forces, cyber, sleeper agents, old-fashioned bribery, polonium, dioxin, poison – I mean, you name it. And I think he smells blood in the water, and there’s nothing that I see that we have said or done that will deter him.

There must be a sense of old-fashioned deterrence here. Economic measures in and of themselves are insufficient, and I’m afraid that if Mr. Obama does not rise to the challenge very soon, I fear that Mr. Putin will happily take the measures that would ruin his presidency and his

legacy, with massive collateral damage for Russians, Ukrainians, and who knows else, but certainly for U.S. power and credibility in the world and for a long time to come. Yeah, I know, Putin is probably going to meet his own end, and probably going to meet his own end sooner rather than later, by a miscalculation. But my ultimate fear is that, you know, Mr. Gorbachev and U.S.S.R. went out with a whimper; Putin's Russia is not going to go out with a whimper.

MR. SCHWARTZ: Did I mention this is all off the record and we'll be seizing all recording devices on the way out? (Laughter.) You've also witnessed a historical moment – this may be the last time Tony Cordesman appears in a panel at CSIS, so – (laughter) – I'm just teasing.

Let's open it up to questions. If you can speak into the microphone – (inaudible) – (laughs) – if you can speak into the microphone and identify yourself and your news organization, that would be very helpful for the transcript. Julie?

Q: Thank you. I just wanted to follow up on two things that Heather and Andrew said about Europe. Heather, you said that this is going to be the summit where Obama feels kind of the full brunt of European frustration. Could you just expand on that a little bit? And Andrew, you said transatlantic alliance, which is something you said you put in quotes. I'm wondering how – (laughs) – how you view the trans-Atlantic alliance and whether you think that the U.S. and Europe will be able to kind of stay united, particularly on sanctions as it relates to Russia.

MS. CONLEY: Julie, I may have bite twice at that apple, because I'll say a little bit on the transatlantic part of it as well. I think, again, if the crisis in Crimea would not have happened the President would have had a very different trip. I think this would have – he would have experienced a lot of unhappiness, particularly expressed from German officials, but also officials from Brussels. You can't appreciate how frustrated they were that it's been two years – no summit. They know the President cannot stand sitting in these meetings. They got that message very clearly.

But they also appreciate that, you know, this relationship – the U.S.–European Union relationship – is important. The trade agenda is important. They needed to see the president. And the fact this is the first time he visited Brussels – again, it's just an expression of great frustration. The Ukraine crisis will mute that because this is of strategic importance to Europe. Europe is quite divided, obviously, about how to approach this. And this is exactly the moment, as historically has been the case, that the United States needs to exert strong leadership within the trans-Atlantic alliance.

So – and I just – I want to stress that although this can mute it now, it doesn't solve it. This will express itself. There will be protests. I'm sure there will be some very colorful language signs based on the recordings of Victoria Nuland in Brussels and things like that. You can see them on the streets of Berlin and Brussels. There's an anger there. There's a frustration there. But Ukraine has got to be the priority. There will be focus on it, but it does not resolve it.

The state of the trans-Atlantic relationship – just a few comments on NATO. 0In some ways, President Putin has given NATO its new purpose, which it was searching for after the end

of operations in Afghanistan. It was very unclear what the future of NATO looked like. Well, we know now that it will be a future embedded in collective defense.

I agree with Andrew that right now we are in the highly symbolic stage for Europe and the United States on sanctions, on moving – whether it's F-16s, AWACS. This is highly symbolic, but – and reactive, and it will continue to be highly reactive, and that's why you feel like sequentially – and certainly, what came out of the European Council meeting today – Mr. Putin must escalate, and then Europe responds. And you would think, but why can't we send a very strong message to prevent escalation?

So you feel that Europe and the United States are – have to wait for Mr. Putin to take a wrong step before they act more significantly. And again, I'll just – I'll just underscore Europe's fragility economically, four years plus into an economic crisis. These sanctions will be very difficult and very painful.

And this is why the United States has to work very hard to convince the most reluctant, which will be our three strongest allies in Europe – Germany, France and the U.K. – that they have to put their economic interests aside, whether that's the mistral, whether that's freezing assets in London, whether that's harming German energy companies. They're going to have to do this in a very long-term campaign. Whether they will do it and they can do it, I cannot tell you, but that's going to – it's going to require an enormous amount of American leadership in Europe, of which we have not seen for the last five years. So we have a lot of making up to do.

MR. KUCHINS: Mr. Putin doesn't like sitting through these meetings either so he just doesn't even bother going.

MS. CONLEY: Well, they canceled it. So –

MR. KUCHINS: Well, remember the – remember the G-8 meeting here in Washington in 2012.

But it is interesting. I mean, the one thing about this trip is the Russian Federation representation at the Nuclear Summit at the Hague. It's not a prime minister, it's not a president, it is a Minister of Foreign Affairs Mr. Lavrov, the only country so far that I think is sending such a low-level figure to the – to the meeting.

The – Mr. Putin's bet is that there's no way that NATO is going to find consensus on taking serious measures and there's no way that the EU is going to find consensus on taking measures. It's going to go to the lowest common denominator. And that will – he bet – he's made that bet that that is a permissive environment then for him – for him to act.

And I'm just kind of mystified that, for example, yesterday Secretary-General Rasmussen of NATO, you know, said, well, this is a wake-up call to NATO. I'm like, dude, the wake-up call was three weeks ago, February 28th. Where were you? This is the information age.

If there was any chance of actually preventing Crimea from going the way – going the way it did, there had to be mobilized immediately a robust reaction on that – on that day, which, obviously, all of us were completely unprepared for, totally unprepared for, so Viktor to Vladimir.

And the danger, again, is that he has – you look at the political climate right now in Moscow, in Russia and how he's feeling about things. This guy is on a roll, in his mind, of epic proportions. What is to stop him? And that's where the danger of the miscalculation comes in. That's why I've been warning, we've got to do more to create something that looks like a more credible deterrent to prevent him from moving forward.

MR. SCHWARTZ: (Off mic.)

Q: Hi there. I just wanted to follow up on Julie's (sp) question. You said that part of the president's burden is to convince European allies that they need to put their own economic interests aside. Do you feel like what he's done so far is enough to show that he's willing to go out really far to bring them along or does he need to do something else in terms of sanctions or whatever before arriving in Europe?

MS. CONLEY: Well, I think he – the president does need to do more. As I said, we sort of have the – we put forward the sanctions and the Europeans put forward their sanctions. We sort of have that – it feels like that pace that's going on. You know, and look – I think increasing the pain here in sanctions and talking about major U.S. companies that have significant business in Russia, they're not – they're like European companies, they're not going to be very enthusiastic and excited about slowing this down. So there's going to be some work at home as well.

But the president is going to have to, I think – and this is where the – in the corridors whether that's in the Hague or working more closely on this visit to Brussels, we are going to have to develop a very, very painful package. And what I see is sort of the slow, slow ramp-up. In some ways it's – and maybe, Tony, you have a comment on this – sort of like Iran sanctions, slowly, slowly, slowly, 10 years, 10 years, 10 years. Well, that's a time horizon that I'm not sure we are – we're going to be facing here if in fact Mr. Putin, as Andrew suggests, feels very emboldened and very robust. We have to do something very big early. That – I don't see that politically right now. And as I said, it's going to take an enormous amount of personal time for the president working with leaders.

And I guess my other comment – and I do appreciate how difficult this is – we have to walk and chew gum now in a very big way. We have to work robustly in Europe. The president goes to Asia in April – has to focus on that, and we have the Middle East. And this is – you know, never before has we seen where the foreign policy crises that are emerging here demand the president's full attention. You know, foreign policy can no longer be a distraction. It now has to be a focus for this president.

MR. KUCHINS: Just one comment to follow up on that – you know, so where's the Asia pivot today? I mean, Xi Jinping has got to be – you know, want to give Vlad a big high-five.

Way to go, dude. One, first of all, I think he's got to be pretty impressed with the stealth takeover of a piece of territory – and not an insignificant piece of territory, despite Chinese deep reservations about violations of territorial sovereignty.

But for the United States, I mean, this is obviously a major wake-up call, that European security is not resolved, and, you know, what is the takeaway from our allies – Japan, Korea, others in Asia about our – the credibility of our commitment? I mean – look – I mean, the Budapest Memorandum – this is – Ukraine gave up its nuclear weapons 20 years on the basis that the signatories to that agreement would respect and protect its territorial sovereignty.

And we have just completely run away with that. Ukraine should have kept its nuclear weapons. That's the obvious takeaway there. Not exactly a good message for nonproliferation. And many have said – well, look – you know, look, the Bush administration got flatfooted by Obama (sic) six years ago, and, you know, so what's the real difference?

Well, I think there actually is a real difference, because, one, Abkhazia and South Ossetia had been de fact independent for nearly 20 years. Two, they were not annexed to become actually part of the Russian Federation, which looks absolutely inevitable at this point. Three – you know, with all due respect, you know, Georgia is not Ukraine. This is a large country. It may not be in the center of Europe, as so many say, but it's much more a part of Europe, I would say.

Q: Thank you. Jeff Mason with Reuters. My question is for Tony. Speaking about Saudi Arabia and the tensions and the issues that they'll have to face, what do you think the Saudis need or want to hear from President Obama specifically when he's there? Can you expand a little bit on what you expect him to say?

MR. CORDESMAN: I think that what you are going to do at this point is reassure the Saudis about the continuing U.S. presence in the Gulf, the continuing U.S. support for the Gulf Cooperation Council. There will be, I suspect, a great deal more detail about the nuclear agreement with Iran, which is something of considerable concern in spite of the fact that there have been two high-level Saudi visits here from the Ministry of Interior and now from the deputy secretary of defense.

But I think, at this point, the problem for both powers, and something that only really can be discussed at a senior level is, Assad seems to be winning in Syria. He is coming very close to taking control of virtually all of the major urban areas in Central Syria and shutting off access from Lebanon. That means that, basically, the United States and Saudi Arabia are going to have to live with this for a long time.

The Saudis may have been much more optimistic at the start of the military takeover in Egypt than I suspect they are today. The problem for both countries, however, is, if we can somehow roll back the more repressive actions and move the military towards some kind of more practical approach to the Egyptian economy and society, that requires a great deal more coordination, because a lot of the problem now is that you have put aid money into Egypt without constraints or plans. And to some extent, that's been repeated in Lebanon. And there is a real need to figure out what it is you are going and trying to do.

We face a problem in Iraq, which, strategically, is far important than Syria or Lebanon. You have the prime minister of Iraq calling Syria a terrorist state. You have Saudi Arabia building an electronic fence along the entire border and seeing Maliki, essentially, as a client of Iran. That is a major problem in terms of the stability of the region and, in fact, of course, the entire development and export of petroleum.

So these are issues where there aren't any good, easy answers. And I think the problem on both sides is not that the Saudis have expectations that the U.S. can do something decisive; it is whether you can move towards some form of cooperation and particularly patient cooperation over time because neither the United States or Saudi Arabia has any quick meaningful answers to any of the major problems in this region. I wish, frankly, that things could be more positive.

The other problem, I think, is what the Saudis do want is considerably more realistic U.S. statements about what is happening in Iran. And it is interesting that when I look at reporting on this, most of the reporting on what's happened with the negotiations in Iran ignores the fact the interim agreement had six points, none of which had a meaningful impact on Iran's nuclear program. There also has been a great deal of reporting on what the Iranian foreign minister and Catherine Ashton said. It's interesting to see very briefly what two other senior officials said.

The deputy foreign minister at the same time that this took place and these positive reports were coming out said, what we have achieved is the imposition of the Iranian nation's will on the P-5 plus one after 10 years of resistance. And this is the achievement of the leader, nation and regime that endured 10 years of pressure without submitting. Now, let me say that that is not terribly accurate, but he also went on to say that, the Geneva agreement has not ended enmities, particularly between us and the United States, and all of these matters are still in place. Remember that for all the talk of Rouhani, it is not Rouhani who has any major control over this. What the Saudis, what we realize, it's the supreme leader that controls the press, the justice system, the internal security, the intelligence and all of the military forces. And Rouhani's senior adviser on this, again at the same time, his name is – he's a former speaker of the Majlis, Natek Nori (ph) – we have many – (inaudible) – criticism. But the United States is a superpower and a powerful criminal. When the president goes to Israel or the Zionist faction holds a meeting, you see how low and humiliated he becomes and is forced to fly to the Zionists. The Americans are colonialists when it comes to other countries, but their president accepts humiliation so he doesn't lose four votes.

That's the context of this meeting. It is not that we are somehow moving towards some kind of rapprochement or stability in the region. If any of you bothered to read the translation of what Iranian officials say day to day, that's the context of what's happening in the Geneva accords to the extent we're actually moving toward them. And that's one of the problems the president has to deal with.

But this much more than anything else isn't a matter of some clear set of Saudi interests and U.S. interests that differ. There is a real need to take a realistic look at what is happening here and move forward in a way which takes account of the realities, not the rhetoric around the region.

MR. SCHWARTZ: Michael.

Q: Thanks. Hi. Michael Crowley with Time. Tony, just to follow up on the – there's been some reporting that Saudis wanted to – want to provide shoulder-fired anti-aircraft missiles to the rebels in Syria, but the U.S. opposes this. And it's not clear to me how this has been resolved or what we should expect. I wondered if you had any more clarity. And just very quickly, do you take seriously the idea that the Saudis in the near term might try to buy a nuclear bomb off the shelf from the Pakistanis? What would be the trigger for them to want to make that move?

MR. CORDESMAN: We have not fully disclosed in any open statement what happened when the Saudi minister of the interior came here and met with U.S. officials on the Syrian issue. But the de facto solution seems to have been that the United States will conduct limited training and limited efforts to support the rebel factions through Jordan. The problem in Turkey has gotten to be steadily greater, even for the flow of aid. To the extent that there is anyone who at this point seems to be able to operate with what may be the more moderate rebel factions – and remember, while we usually report on maybe three groups, if you look at the State Department maps, it talks about 70-plus rebel groups, which is a much more realistic approach as to how divided they are. The fact is that the Saudis probably understand these groups far better than we do.

It's also clear that they have very sharp differences with countries like Qatar over which rebel factions can be supported, and they certainly, in all of their policies, have taken a very strong stand against the more extreme neo-Salafi, more basically anti-Arab regime movements. But frankly, we haven't reached a clear position on any aspect of Syria. We have just waited and waited and waited. And I don't think we have given the Saudis the permission to transfer any of the U.S. weapons involved. At this point in time, the end result is very clear. Until you have some major transfer of money and weapons to the rebel factions we think have some ability to both win and win in a way that would achieve some kind of moderation, you are watching, at this point in time, about a significant rebel loss every two days.

And ultimately, you have to remember that once they actually get the urban belt in the middle of Syria, you have a narrow area of populated groups along the river area, some of which, to the north, are Kurds. And the rest of western Syria, for those of who have not been there as tourists, is a desert and basically has no particular strategic ability to influence the situation.

Now, as to the nuclear dimension, first, I don't think the Saudis have the slightest interest in the near term of rushing out to buy nuclear weapons. But the fact is Pakistan will have a surplus of reactor capability to produce fissile material. That surplus, to some extent, has been consumed by deploying large numbers of theater nuclear weapons in the forward area, which creates another cheerful problem in terms of the relations with India. But they will have probably reached saturation point in a year or two.

So the question you raise in the broader sense, is Pakistan potentially a vendor of nuclear weapons if this crisis continues and the Saudis are not satisfied with U.S. security guarantees and presence – it just won't happen that quickly, but it easily could happen in the future.

MR. SCHWARTZ: We've got time – we've got about – (audio break) –

Q: Let me follow on two things that you said. One, you noted the low level of the delegation of Russians going to – (inaudible) – the Dutch originally announced that Putin was coming. Did the downgrading of the delegation come because of Ukraine, or does it just predate that? And secondly, Europeans always resist American efforts to put on sanctions. I mean, what does the president need to get out of the Europeans to keep this from becoming a failure for him and making him look even weaker?

MR. KUCHINS: I don't know exactly when the decision was made. I just decided to look yesterday at who was going with the delegations. I'd asked myself the question about a week or so ago, well, this – was Mr. Putin really going to be going to The Hague? And no, it was only – I mean, apparently what's listed there on the website for the meeting is that Mr. Lavrov will be representing Russia. When that happens, I couldn't – I couldn't tell you, and I'd have to presume that it was – the decision was because of what's happened in Ukraine, although, you know, this is not the kind of meeting probably that Mr. Putin would have been very eager to go with in the first – in the first place.

And just – I would note on that – I just wanted to follow up on something that Heather said before. I think it is a real problem, you know, that the United States, with what they – what we announced yesterday on our sanctions really does not have any impact, or a significant impact, on the U.S. economy whatsoever. So we've not taken a step to in effect to lead there by saying, we're really – we're willing to take a hit on this, so you guys should too. And obviously the asymmetric, you know, economic dependence that the Europeans have with Russia versus the United States – that makes that look all the weaker.

MS. CONLEY: Yeah, the challenge will be this very credible sanctions package. Now Europe will come very slow and very late to this, which is it's going to be a huge task for the administration. I don't envy them that.

But as we've seen again – I don't like the comparison – but with the Iran sanctions, when the Europeans do it, it has impact. And for us, the economic relationship with Russia is with Europe. They have the key, if they put tough, tough sanctions.

Now Mr. Putin also has an ability to cut off energy, which – that's not inconsequential in the – you know, in the fall, if things continue to be – to be very troubled. So I don't want to suggest this is the easy solution, but I think, Andrew, you're right. We're going to have to show that we're willing to bear the pain, and within Europe, there's going to have to be, I think, some equality of pain-sharing. You saw a few days ago French Foreign Minister Fabius suggesting that, well, may be France will consider terminating the sale of the two Mistral ships, but only if London takes strong action about asset freezes. Again, it's the economy. It's their economy. We just – we've always had an underappreciation of what the European economic crisis has done.

So this is going to be terribly painful. Europe is looking as much for the off-ramp as anyone. They don't – they – you know, again, the cruel historical irony here, the hundredth – the

centenary of the first world war – this is Europe’s nightmare happening again, and so they don’t want to be escalatory in any way.

So we’re going to have to work together. This is going to have to be a trans-Atlantic – can’t be just U.S. It’s got to – we’ve got to do this together. We have to bear the pain together. And the U.S. is going to have to show leadership and resolve. And the Europeans are going to hate it, but we’re going to have to encourage them to get there.

Q: But there is a danger of this summit making Obama look even weaker, isn’t there?

MS. CONLEY: Well, what I – what – I think what’s going to come out of Brussels – you’re going to again see a very strong statement that – the language is good. The rhetorical language is good. The action is weak. Now we have to bring the action up to the level of this – I mean, this very stern rhetoric. Whether they’ll get there by next week, I don’t know, but they need to set – they need to set out a framework.

And I think there’s also a requirement – and this may come later – there has to be a clarification of sanctions for what purpose. So is this – you know, in the Iran example, it’s, you know, been about not – ensuring that Iran does not have nuclear weapon capability. Is our goal here the territorial restoration of Ukraine? What is the goal here? Sanctions are for a purpose. We have not clarified our purpose. We may not be able to clarify our purpose for a little while, but that’s eventually going to have to be the case.

MR. CORDESMAN: I want to be very, very careful –

MS. CONLEY: I – (inaudible) – on your Iran sanctions.

MR. CORDESMAN: No, I want to be very careful about sanctions. The P-5 plus one came into existence in 2006. The first real sanctions that reflected any kind of European action came through the EU in 2011. The U.S., somewhat over the objections of the administration, passed serious sanctions in 2012. They had an immediate impact, not because the sanctions had great impact on their own but because Ahmadinejad had pursued for five previous years economic policies which brought the country to the point of average inflation rates of 75 percent, which had created a massive problem in paying for food imports, for fuel, for virtually every aspect of the Iranian economy.

Now I’ve sat through sanctions against South Africa. I’ve watched sanctions over a very long period of time. And let me say I don’t see in these proposals credible, meaningful impacts in the near term on the Russian economy if they were implemented tomorrow.

Advocates of sanctions always have a good economic argument. You can’t get through high school without being able to find a good economic argument for any position you can think of. But I would be very, very careful about this. Does Russia care about those mini-carriers? If so, God knows why. They have no real military value, except as symbols.

But if you go broader, can you sacrifice some oligarchs, even if they're your friends? I don't think Putin has emerged immune to oligarch sacrifice, although I'll defer to Andy on this. But when you cover this, when we analyze this, it is really critical not to assume that passing sanctions, even if you enforce them, has a major impact.

And as Heather points out, sanctions to do what is one key issue. Sanctions to do it when is even more critical. And if the sanctions take two years to bite, two years with Russia in the Crimea is not likely to produce a lot of productive outcome.

MR. SCHWARTZ: Thank you for coming today. I think we're going to have to wrap it up. Really appreciate this. We'll have a transcript out later today. In addition, if you follow @CSIS on Twitter, we'll be releasing other materials associated with this trip, and we'll be tweeting things during the trip. So if – and if you need anything during the trip, please do call us here at CSIS. Thanks very much for coming.

(END)