



National Defense Intelligence College



International Intelligence Forum 2006

Black Sea and Caspian Sea Symposium

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE MAR 2006		2. REPORT TYPE		3. DATES COVERED 00-00-2006 to 00-00-2006	
4. TITLE AND SUBTITLE Black Sea and Caspian Sea Sumposium, 9-10 March 2006				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) National Defense Intelligence College, Center for Strategic Intelligence Research, Washington, DC, 20340				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 206	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

International Intelligence Forum 2006

Black Sea and Caspian Sea Symposium *9-10 March 2006*



**National Defense Intelligence College
Washington, DC**

The views expressed in these remarks are those of the participants
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BLACK SEA AND CASPIAN SEA SYMPOSIUM

Thursday, 9 March 2006

INTRODUCTION

**Lorenzo Hiponia, Director, Center for External
and International Programs**

WELCOMING ADDRESSES

A. Denis Clift, President, National Defense Intelligence College

What a great pleasure it is to welcome you to this Symposium on Black Sea and Caspian Security Issues.

As you will see from the speakers' agenda and the list of participants in your Conference papers, this is a most distinguished and highly knowledgeable gathering. We have participants from Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Moldova, Romania, Russia, Tajikistan, Turkey, Turkmenistan, Ukraine, Uzbekistan, and the United States. Good communications, the fullest possible exchange of information, critical thinking, and informed debate are central to the education and research programs at the Joint Military Intelligence College. And they are central to the goals that we are setting for this symposium. Through the College's Center for External and International Programs, we are fostering an expanding dialogue with friends, colleagues, and experts around the world. We do so with the clear understanding that together we can learn and impart knowledge far more effectively than we can working alone.

This Symposium contributes greatly to such a dialogue. I would add that, in shaping the program for today and tomorrow, we have drawn on lessons learned from the College's Senior International Intelligence Fellow's Program, which brings general- and flag-level officers together at the College for a three-week seminar each year. This past year, we had generals, admirals, and their civilian equivalents from sub-Saharan Africa. This year they will be coming from Central and South America. In past years, our seminars have included participants from Europe and from Asia. In these seminars, few of the International Fellows have known each other prior to coming together at the College. However, many have formed professional and personal bonds and, through the benefits of e-mail and networking, they now stay in close touch. In their work, the International Fellows have agreed that by combining strengths they are burden-sharing; they are playing their best cards. They are contributing what each knows best and what each does best. They have agreed that what they do is part of a larger international effort, that intelligence relationships can open doors to ties that pay far larger dividends. Such relationships, in the words of one of the Fellows, are the work of "silent diplomacy." Thus, I welcome you. We look forward to learning with you,

to gaining and sharing knowledge on issues of importance in the Black and Caspian Sea Region. It is now my distinct pleasure to introduce this morning's first speaker, the Director of the Defense Intelligence Agency and U.S. Co-chairman of the symposium, LTG Michael D. Maples. General Maples.

LTG Michael D. Maples, USA, Director of the Defense Intelligence Agency

Thanks, Denis.

A. Denis Clift, President of the National Defense Intelligence College

You are welcome, sir.

LTG Michael D. Maples, USA, Director of the Defense Intelligence Agency

Good morning! I had the opportunity to walk around just before the meeting began and had the opportunity to speak with several of you. I understand that a number here in the room flew in late yesterday and got in late last night. We still may be adjusting to the time schedule here, and I understand that. But what I just heard the President of the College talk about was the opportunity that we have to have discussions and to share knowledge, one with another. And for that I need for you to be a part of this program, because the benefit of having this seminar is the opportunity for us, collectively, to listen, to understand, to discuss, and to share knowledge and ideas. And for that purpose, when we have the opportunity for discussion, it's important that we get the ideas out, that we discuss concerns, and that we have opportunity for discussion, exchange of information, critical thinking, and really debate among all of those who are present here. So, Denis, thank you. Thank you for your introduction and thank you for arranging, in conjunction with Brad Knopp, to bring this group together



LTG Maples welcomes attendees during the opening session of the conference.

to discuss a very, very important region of the world and to discuss the issues that are associated with the region.

And it's really an honor for the Defense Intelligence Agency to have the opportunity to host this event. Many of you may have come in through the old part of the Defense Intelligence Agency's building. Some of you may have seen on the other side here that there's a whole new building and that we're growing. In fact, we're in the first part of that construction, but we've got a new building that's going up right behind us right now that very shortly is going to be occupied. It will be ready for us soon and we'll be able to move more of our agency into the building. So, if you'd look through the doors on the far side when you go out for coffee, we're not tearing down, we're building up.

This conference came together as a result of a discussion that occurred about a year ago, I think, between my predecessor, ADM Jacoby, Mr. Brad Knopp and Gen Medar. They discussed that there were a number of emerging issues related to the Black Sea and the Caspian Sea area, that those issues were of significance to everyone on a regional basis, and important to all of us who are gathered here. After that discussion, a follow-on discussion occurred with Gen Wald at the European Command. Gen Wald reiterated the idea that mutual interest and mutual discussion in these areas of concern, would benefit all of us. So, the underlying bases and the genesis for having this conference actually came about as a suggestion from one of those currently present with us, Gen Medar, and Gen Wald, who will join us shortly. These two men really generated the idea and the concept and gave us the opportunity to build this conference and to bring everyone together so that we could have the opportunity to discuss these issues.

You know as the Cold War came to an end, there were numerous security challenges that were created for the United States. And there were numerous transnational and geopolitical challenges that also developed for all of us who are here today—unresolved territorial disputes, terrorism, religious extremism, weapons proliferation, narcotics trafficking, organized crime, illegal immigration and human trafficking, and the competition for resources. These are transnational issues. They are transnational concerns. They are important to all of us, and certainly they are important throughout this region. And they argue for strong regional cooperation and engagement.

Cooperation and engagement are particularly important for those of us who are in the field of military intelligence. And, to my counterparts who are present here, I thank you for your presence and your participation in this conference. I believe that the cooperation between our nations and cooperation in military intelligence is particularly important to all of us on a regional basis as well as to establish relationships and to maintain those relationships.

Mr. Clift talked a little bit about the importance of relationships that are built through events such as this; through events such as the International Fellows Program, and through events and the kinds of activities that are sponsored here by the Joint Military Intelligence College. It is important for us to build on those relationships, to address the

concerns and to address the issues. And that's why I am particularly pleased to have so many of my counterparts present and participating here today. We have a tremendous group of speakers who have been arranged by the conference organizer today. You're going to hear more from them on regional initiatives to improve security, to improve border control, and to respond to the transitional threats that we have discussed. These initiatives are intended to improve security cooperation, to improve interoperability, and to develop a common understanding, a common operating picture to look at where we may have gaps in our collective capabilities. Your views on these initiatives, your inputs on how they can be strengthened and what the role of military intelligence is going to play as part of this, are really critical to success in the region. And, again, I go back to the purpose of this conference—information sharing, critical thinking, and informed debate. And I can tell you that there are none as informed as those of you who have traveled from the region to be here, to be a part of this conference today. So, I thank you very much for being here and being a part of it.

I mentioned earlier that our Joint Military Intelligence College provides a very conducive environment that enables this exchange of ideas. That's what this collegial and academic environment is intended to do. I encourage you to take full advantage of this opportunity. I want to thank Denis Clift and the College and Brad Knopp, who is not present but will be here later from our Office of International Engagement, who have taken the lead with all of their people in developing and putting on the conference. I thank you for your hard work in getting this organized and set up. And I am looking forward to having the opportunity to listen, to understand, to discuss, and to interact with you during the conference. I hope you enjoy this opportunity. I think this is a great opportunity—I want to thank Gen Medar and Gen Wald for their vision and understanding in developing this concept that enables us to work together, and I know it's going to have a very successful outcome.

On a personal note, I think it's also a great opportunity for me to renew a number of personal acquaintances with many of you who are in the room, to meet with my counterparts and to develop new relationships. I'm very excited about that opportunity as well. So I thank you all. I thank you all for what you do. I thank you for being here, and I thank you, in advance, for your participation in this conference. We've got a really tremendous line-up of speakers, and I think we ought to get into the substance of the conference. Thank you very much.

Lorenzo Hiponia, Director, Center for External and International Programs

Thank you, General. Our next speaker is our other Symposium Co-chairman, Gen (Retired) Sergiu T. Medar. He is the Senior Advisor to the Romanian President from the National Security Department. Previously, he was the Chief of the Military Intelligence Department and also a Defense Attaché to the United States. He is a graduate of our very first International Intelligence Fellows Program and is a friend of the Joint Military Intelligence College. He has been a guest speaker at the Marshall Center in Garmish and also at DIA and the College. Ladies and Gentlemen, Gen Medar.

Gen (Ret.) Sergiu T. Medar, Senior advisor to the Romanian President, National Security Department

Thank you. First of all, I would like to confess to you that in 1992 when I entered this building for the first time, I never believed that one day we'd be here together, the chiefs or representatives of military intelligence from our area. This is why I'd like to thank very much DIA and the Joint Military Intelligence College for what you have done because I think it's really a historical moment. It's a good sign that we have taken the fate of our area in our hands and with the help of our friends are trying to build cooperation. At the same time, I'm happy that GEN Maples said that our area, it's not just very important—it's **very, very important**. And saying that our area is very, very important is a good sign, when the Chief of DIA is saying something like that. I'd like to thank you for that.



For more than a decade, international security has been concerned with the Black Sea and the Caspian Sea areas, because of the fragmentation tendencies in the region. Here is the big geopolitical dilemma: Integration and stability and conflicts. But why is this area so important?

The Black Sea and Caspian Sea areas are at the crossroads of very important regions. Here, we need to be interested in the global regional actors, as well as those of regional states particularly in the economic and security field. The Black Sea and Caspian Sea represent a major link that contains several regions of great political, economic, and security significance—the Balkans, Central Asia, and the Middle East, with ties to Europe as well as Asia. Here we have the link that connects this strategic area and the region encompassing the Middle East and Central Asia. It is the junction between two major strategic forces. The first is the energy providers (the Near East,

GEOPOLITICAL AND GEOSTRATEGIC DIMENSIONS

- contact and confluence area between civilizations, players, and strategic interests;
- component of the Mediterranean - Pontic - Caspian - Central Asia area;
- changes in the balance of forces;
- efforts to build a new security architecture;
- increasing economic importance;
- high conflict potential.

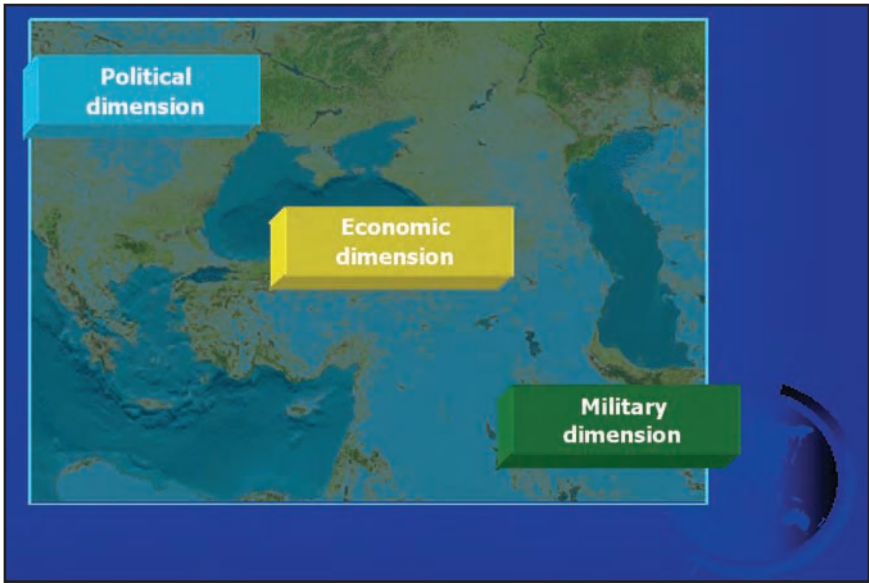


Central Asia and the Caspian Sea) and the energy consumers (the Euro-Atlantic area). The second is the force between the security provider (the Euro-Atlantic Community) and the security consumer (the Near East and Central Asia).

One of the very important characteristics at this period of time is the changes in the balance of forces in the area, due to NATO and European Union enlargement. The European Union expands democratic processes. The wider Black Sea area is becoming part of the European market and is the area where future European security and defense arrangements are to be made. Another main political characteristic of the area is related to efforts to build a new security architecture, through the cooperation of littoral states in various partnerships; forums like the Euro-Atlantic Partnership for Peace; NATO-Russian Federation; the Special Partnership of the Ukraine; OSCE; the Council of Europe, and the economic cooperation organization GUAM. From the economic point of view, the area of significance has increased.

First of all, in the strategic perspective, the Caspian area has huge regional energy resources. More and more, states are becoming interested and involved in the prospects for reserves and in the transportation of energy. According to estimates, the prospective oil reserves exceed 20 billion barrels and possibly up to 35 billion barrels, and natural gas reserves exceed five thousand billion cubic meters. Caspian oil exports could reach 3.2 million barrels a day, and natural gas exports could reach 4,850 million cubic meters a years by 2010.

The development of the oil and natural gas transportation network is another economic characteristic. This is an issue of main concern for European countries, and in the near future will see many alternative options compared with current situation. In spite of the stability in the area, there are still large deployments of forces in the Black



Sea-Caspian area and the neighboring regions, military forces belonging to the littoral states and military and civilian infrastructure of strategic importance. The existence of paramilitary forces in some of the areas is an issue of concern. The theater of naval and land military actions represented in the Black Sea and Caspian Sea area opens the strategic direction towards regional and global areas of interest regarding the fight against terrorism.

SECURITY SITUATION IN THE BLACK SEA AND CASPIAN SEA AREA

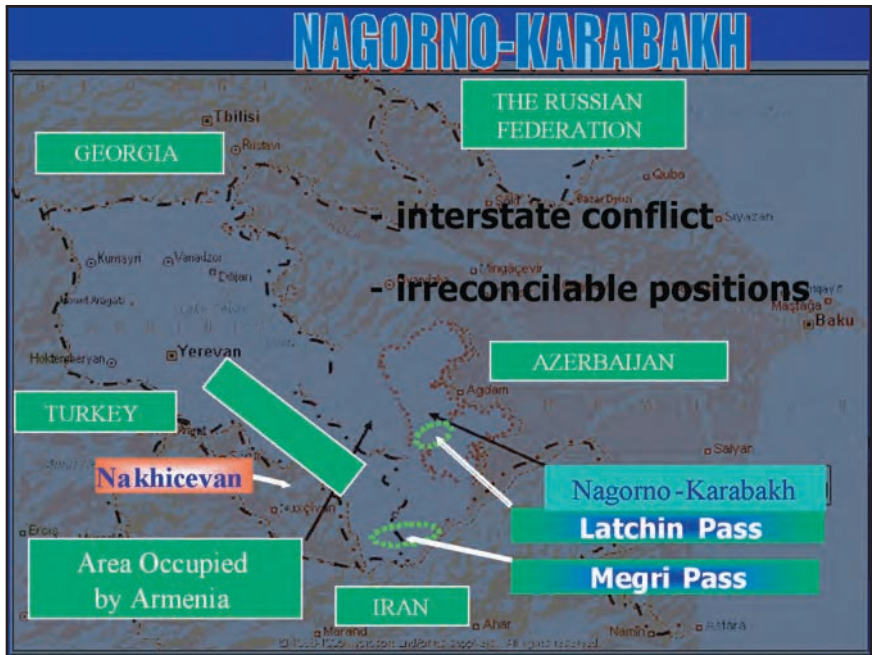
CHARACTERISTICS:

- ✍ high conflict potential - frozen conflicts;
- ✍ diverging strategic interests and orientations;
- ✍ important military infrastructures - foreign military presence;
- ✍ important transportation routes and energy pipeline networks;
- ✍ connections to areas with high conflict potential;
- ✍ terrorism, organized crime, Islamic fundamentalism;
- ✍ environmental threats.

So-called “frozen conflicts” are a major threat to the stability of the region. We include in this category Abkhazia, South Ossetia, Nagorno-Karabakh, and Transnistria.

Speaking about Abkhaz and South Ossetia, we can see that in Georgia there are still tensions between the central power and the separatists. But the threat from open conflict is remote. The Georgian government has made known its readiness to give large autonomy to the two separatist republics. The Georgian president, Mikhail Saakashvili, declared that he wants to integrate the Abkhaz and South Ossetians by peaceful means and that the development of the Georgian economy can contribute to a rapprochement between Georgia and the two breakaway republics. In order to achieve this goal, he proposed a new step-by-step resolution plan, in three phases. The first step is to ensure their trust. The second is to limit the conflict area. And the third is to intermesh a peacekeeping mission in Georgia. He has called for a Commission on the breakaway republics. The only chance for these so-called “frozen conflict” to be solved is for the dialogue and trust-building process to be continued. The democratic process in Georgia is irreversible, and this will help solve the problems.

The Nagorno-Karabakh “frozen conflict” seems to be the most complex one, mainly because it is an inter-state conflict. It is probably the most difficult of all the conflicts in the area. The number of incidents on the dividing line has increased, and there is no prospect for the conflict to stop. During the negotiations between the Azerbaijani and Armenian presidents that were held on 10 February 2006 on the resolution of Nagorno-Karabakh conflict, the news was very different. The presidents of OSCE’s



Minsk Group have stated that two principles must be taken into consideration for a peace agreement—the right of return for the people from Nagorno-Karabakh and respect for the territorial integrity of Azerbaijan.

Here, like in a lot of areas of tension, the only way is to extend the dialogue—to build trust between people first and then to accept compromises. We hope that both parties will find a good solution.

The Transnistrian “frozen conflict” is one of the most dangerous ones. It’s not because of an imminent military threat, which does not exist. But it is because of the other threats coming from this area. The eastern territory of the Republic of Moldova is under the control of the separatist regime led by Igore Smirnof. Separatist authorities are consolidating both their political and financial position and the de facto “statehood” of the separatist enclave through dictatorship, organized crime, and violations of human rights and international law. The separatist regime in Moldova keeps blocking the progress of negotiations that could increase the chances for reaching a resolution. The conflict needs to end with a favorable resolution for the Republic of Moldova and its territorial integrity, as well as the security situation in the region.



We cannot analyze the security in the region without taking into account the situation in Iran. Iran continues to be a focus of the international community’s attention because of its extremely aggressive regime and as a consequence of its nuclear program. Tehran declared that its nuclear program was developed for peaceful purposes, for producing nuclear energy, and as an alternative to conventional sources. In order to deny the suspicions regarding its intention to develop nuclear weapons, in 2005 the Ayatollah Ali Khamenei issued a religious decree (a fatwa) to forbid the production, the deposit, or the use of nuclear weapons in Iran. However, the possibility of using facilities to

produce nuclear weapons is a threat to the security of the region, taking into account the fact that Tehran does not accept the cooperation and the control of the international community and its organ, the International Agency for Atomic Energy. To eliminate the threat generated by the Iranian nuclear program, a diplomatic solution remains the most efficient one, offering the United Nations the possibility to find a solution for solving this crisis.



At the meeting in Vienna on 2-3 February 2006, the General Director of the International Agency for Atomic Energy was to send the Iran nuclear program file for analysis to the United Nations, in order to find a solution. The General Director of the International Atomic Energy Agency, Mohammad El Baradei, stated on 27 March 2006 in his report, addressed to the Managers Council of International Agency for Atomic Energy, that there are no clues that indicate a deviation from peaceful activities or the violation of the stipulations of the Nuclear Nonproliferation Treaty at the Isfahan Nuclear facility. On 27 March, the speaker of the Iranian Supreme National Security Council, Hassan Azamine, declared that Iran would agree to continue the establishment of a Russian-Iranian Company and to intensify the cooperation with the International Atomic Energy Agency, but Iranian authorities won't give up their right to produce nuclear material on their national territory. Thus, this initiative is not a resolution of the threat generated by the Iranian nuclear program.

The Black Sea is an area with high ethnic, cultural, religious, and linguistic diversity. The Czarist Kingdom of Peter the Great realized these diversities. We used to say that in the area, there are 148 recognized ethnic communities. It is not compulsory for a diverse area from the ethnic point of view to be unstable, but it is very important to take into account measures to avoid ethnic tensions. If these issues are not managed with

high consideration, it is possible for some ethnic groups to express their willingness to create new entities, which in time could generate instabilities. Here coexists the Orthodox religion with Catholicism and Islam. In some areas, there is peaceful coexistence; in other areas there are tensions, but no conflicts. This could be used by Islamic extremist to develop a group of factions and build capabilities for the future. In this respect can be mentioned the work coordinated by the Bakhitar Movement, with the purpose of swaying the Islamic population of the area to change the political regime and to create the great Islamic caliphate.

The current main threats to the Black Sea area are asymmetrical threats. The extended Black Sea area is influenced by a series of asymmetrical threats that endanger the security both of the littoral states and some European states. The Black Sea region is crossed by important strands of threats, including illegal migration and illegal weapons and ammunition trafficking. Illegal migration has enjoyed unprecedented growth. At the moment, all the states in the area are transited by migrations and human trafficking organizations. Persons involved in criminal activities can easily hide among the thousands of people that migrate. The huge diversity increases the human traffic risk.



The illegal traffic of weapons is stimulated by the presence in the area of frozen conflicts, and has even maintained some of them with legal or illegal weapons. For example, we cannot pretend that there is no illegal armaments traffic, knowing that in Transnistria there are many armament factories in full production. These arms are going out to the areas of conflict and for terrorist organizations.

Drug trafficking is characterized by the growth of heroin consumption; the routes change and diversify. The production of synthetic drugs and criminal activities linked to drug trafficking grow. The United Kingdom officially declared that 80 percent of the drugs commercialized in the United Kingdom came from the Black Sea area. Money laundering is very common in the area, especially in Transnistria.

All these activities are supporting, in the end, directly or indirectly, terrorism. In order to solve the security problems specific to the Black Sea and Caspian area, the following aspects must be taken into consideration. We have to cooperate as allies, as partners, as friends. This is first because we have common interests linked to the economic development of the states in the region, to conflict resolution, and to actions against asymmetrical threats. We have to enhance our cooperation and promote transparency, democratic reform, and information cooperation. Our goal is to develop the national economies; to solve national disputes; to enhance Euro-Atlantic integration; to fight against proliferation; to deter transnational crimes; to fight against corruption; to protect strategic energy resources; and to add value to the national cultural treasures.

OPPORTUNITIES

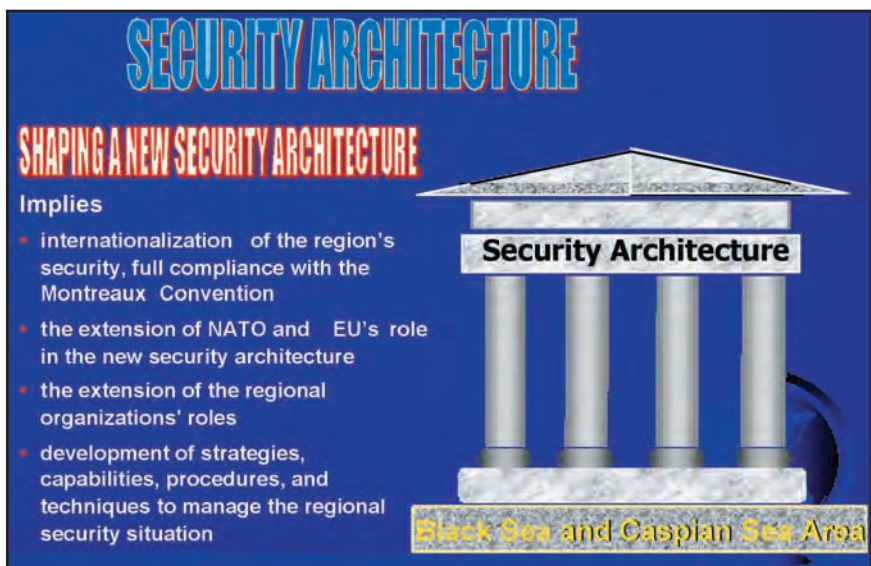
COMMON INTERESTS

- cooperate as partners or allies
- promote transparency
- promote democratic reform
- develop national economies
- solve regional disputes
- enhance Euro-Atlantic integration
- counter proliferation
- deter transnational crimes
- fight corruption
- protect strategic energy resources

The slide features several small images: a large industrial facility with multiple smokestacks, a group of people in a mountainous region, a railway track curving through a landscape, a portrait of a woman wearing a headscarf, and a view of a port or harbor with ships.

The achievement of the common interest is beneficial not only for each state in the region, but the Black Sea and Caspian Sea area as a whole and for the entire international community. Insecurity remains very important in the Black Sea and Caspian Sea region. There are several risks that pose a threat to the security in the region. Nevertheless, we have not yet found the moment for an efficient solution for the security problems in the area. One of the main tasks is to be able to guarantee peace in this area, through an opening of the area's security process. The creation of the region's security architecture is part of the European and Global security picture. On the one hand, this means strengthening regional cooperation and actions of the security organization in the area; furthering economic cooperation; and enhancing Black Sea and GUUAM cooperation. On the other hand, it means strengthening cooperation with international organizations—EU, OSCE, NATO—with their active participation in all processes of securing the Black Sea area.

It may be concluded that more serious involvement of the international community is necessary in order to find real solutions to security problems and for an efficient security architecture in the Black Sea and Caspian Sea area. Romania believes that



the Black Sea area must be open in order to transition into a stable, economically viable area with a high security level. A main aspect of regional cooperation is the development of working partnerships with PfP [Partnership for Peace] states in the region. The documents regarding the strategic orientation of PfP toward the Caucasus and Central Asia, adopted in Istanbul, contain the possibility that actions in the field of naval and port security, complementary to the region, could be developed within PfP. Georgia, Romania, Azerbaijan, the Republic of Moldova, and Kazakhstan cooperate significantly with NATO. The common action plan with the Ukraine has also been signed. The number of activities carried out by NATO and PfP within the region has doubled.

The range of cooperation within the security initiative in the Black Sea area and Caspian Sea area is so important. In the Black Sea region, there are at the moment several organizations of regional cooperation involved in countering security risks and threats, such as those established in April 2001 by the Istanbul Agreement, signed by Turkey, the Russian Federation, Ukraine, Georgia, Bulgaria, and Romania. Its main goals are strengthening regional stability, cooperation, and inter-operability between the neighboring forces of the Black Sea littoral states. Operation Black Sea Harmony is a very important exercise. Its missions are countering terrorists and organized crime in the Black Sea. A Black Sea economic cooperation organization was established in 1992 in order to develop larger economic cooperation, as a contribution to OSCE for its members to work together, in order to transform the Black Sea region into an area of peace, stability, and prosperity. Progress is present, especially at the economic and political cooperation level, but it has not yet achieved the efficiency needed. The group is comprised of eleven members—Albania, Armenia, Azerbaijan, Bulgaria, Greece, Georgia, Moldova, Romania, Russia, Turkey, and Ukraine—and seven observers:



Austria, Israel, Egypt, Poland, Slovakia, Tunisia, and Italy. For now, these initiatives of cooperation in the Black Sea area offer only partial solutions for solving the security issues in the region because we have not yet succeeded in facing all shared threats.

The security initiatives in the Caspian Sea area are CASFOR, established in July 2005 by the Russian Federation to be a rapid deployment force in the Caspian Sea to counter WMD (chemical, bacteriological, and nuclear weapon) proliferation, prevent pollution, and control fishing areas; and Caspian Guard, established in April 2005 by the United States to create an advanced system monitoring the maritime and air space of the Caspian Region. Intended to establish a special destination detachment and police force network, it aims to achieve the mission of maritime intervention in case of terrorist attack and to achieve oil assurance supply objectives. It is also designed to counter weapons, ammunition, and drug trafficking. The Collective Security Treaty Organization (CSTO) consists of member states, including the Russian Federation, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan, that signed the final documents in April 2003 in Dushanbe. It also is recognized by the United Nations as a regional security organization. Its goal is to defend the area against specific risks by joint air force cooperation of member states. Achieving the security standards in the Caspian Region depends on the effort of all actors interested in the area, as well as regional advances within the global security architecture.

The Black Sea-Caspian Sea is an area with important energy and natural resources that represent a good basis for the economic development of the states in the region. The Black Sea is also a gate to access the ocean for all the littoral states. At present, the most significant dimension that characterizes the relationships between the states in this area and between these states and those that have major interest here is economic

cooperation. Given the importance of natural resources, especially energy resources, the relatively good transportation infrastructure, the great number of harbors, and the viable port facilities, the two areas represent a space of interest for the industrial countries and a good environment for economic cooperation. Chief are concerns over the economical potential of littoral states; concerns about how some of them



have developed industry or advanced technologies; and the presence or lack of a qualified and cheap labor force. Nevertheless, most of them are weakly developed or in transition and are currently establishing the basis for economic self-sustainment and development. Most of them have urgent needs for investments, modern technology, adequate management, and efficiency in order to become competitive on the world market. Some of them are dependent on foreign sources of energy and are therefore interested in enhancing their cooperation with the states that are in charge or control of these resources.

The area represents an extended market of consumers and a vast territory from a geographical point of view, where littoral states are interested in creating a climate of security and stability as the framework for projects and cooperation and economic and social development. In this context, the interest of littoral states and of others is to make a common framework of controllable stable states, bounded by the Balkan Peninsula and Black Sea-Caspian Sea region. The area has particular economic significance, given its energy importance. According to estimates, Central Asia and the Caspian Sea area hold up to 400 important oil fields. Each one has at least 500,000 barrels of oil. The whole recoverable reserve was estimated at 200 billion barrels. According to estimates, the prospective oil reserves exceed 20 billion barrels, and the natural gas reserves exceed 5,000-billion cubic meters. By 2010, the Caspian oil exports can reach 3.2 million while natural gas exports can reach 4,815-million cubic meters a year. It seems that, cumulatively, 12 percent of the world's oil reserve potential is in the Caspian Sea area. That makes it second only to the Middle East.

At present, the oil production and oil reserves of the states in the area are mainly on the shore of the Caspian Sea, in the Azerbaijan peninsula, totaling approximately 1.36 billion barrels. Kazakhstan's oil reserves are estimated between 95 and 117 billion



ECONOMIC IMPORTANCE

- area rich in natural resources;
- infrastructure for transportation, telecommunications, and energy;
- important human potential;
- viable economic infrastructure;
- market economy in many states.

Need for

- foreign investments, modern technologies, and efficient management;
- rehabilitation of the transportation infrastructure in the Caspian Sea area;
- labor force training.

The slide includes a map of the Caspian Sea region with several inset images: a railway track, a bridge, a ship, and an industrial facility. A yellow rectangular box is also present on the right side of the map.



barrels. Certain reserves of more than 20 billion barrels lie in Uzbekistan. Potential oil reserves have been estimated by Uzbek authorities at 527 million tons. So far, 150 oil and natural gas fields have been identified, of which 60 are in exploration. Turkmenistan has an important oil field in the Caspian Sea. Iran has a small field in the Caspian Sea. The Sea of Azov also has oil and natural gas reserves. An island has been discovered on the continental platform in the Black Sea with important hydrocarbon reserve of approximately 10 million tons of oil and 10 billion cubic meters of natural gas. This area is important for the transportation of the hydrocarbon reserves from Russia, Central Asia, and Caspian Sea to Europe, which leads to an increase of geo-economic importance of the Black Sea and Caspian Sea area.

The Black Sea and Caspian Sea areas represent an important energy resource for Europe. The extended Black Sea area provides at present 50 percent of European Union energy needs, with prospects to rise in the next few years to 70 percent. The development of economic activity and transportation networks favors the appearance of some of the asymmetrical threats noted earlier. Once trade intensifies and volumes increase, illegal trafficking activities can be hidden more easily. The transportation routes, and especially the energy transportation means, can become targets for terrorist attacks and organized crime. The increase in economic importance of natural gas and the gas pipeline networks is foreseeable in the future. In this context, the states in the area are developing the current gas pipeline network, with new projects both at the regional and global levels, involving partners from the West or southeastern Asia. A more active involvement of the European Union and the other regional and global actors in supporting the states in the area represents an important element for the area's development.



Among those opportunities in the areas of economic development, the following should be mentioned. More efficient exploration of the area and ensuring access to all types of energy resources with no discrimination is vital. Re-evaluation of the area's connections to areas of interest like Europe and Southeastern Asia is important. The trans-European transportation routes, important for these developments, are the corridor that leads around the Black Sea to Bucharest, Constanta, and Istanbul or the corridor connecting Helsinki, Moscow, Kiev, Chisinau, Bucharest, and Protiv, along with Berlin and Greifswald. Another is the corridor linking the North Sea and the Black Sea in the northwest. In the southeast direction are the Rhine-Main and Danube links to the North Sea port of Rotterdam from the Black Sea port of Constanta. The linking of the Baltic Sea with the Volga has facilitated the connection between the Baltic Sea and the Caspian Sea, as well as between the Black Sea and the Sea of Azov and the ocean.

The diversification of transportation routes will gradually increase volumes, beginning with 3 billion cubic meters of gas in 2010 and the possible transportation of volumes of up to 31 billion cubic meters of natural gas in 2020. The project Nabucco-Novorossiysk aims to make a transit route for natural gas from the Caspian Sea region to Western Europe on the route linking Turkey, Bulgaria, Romania, Hungary, and Austria. The construction of a branch of this project with Iran is an added source of supply if conditions warrant, based on Iran's position on the nuclear issue. The cost of the Nybuka Project is estimated at 4.4 billion Euros. The Tran-European oil pipeline PEOP is part of the European program—the Interstate Oil and Gas Transportation System—and will be Trans-Romania, Serbian, Montenegrin, Croatian, Slovene, and Italian. When it reaches Europe, the pipeline will connect to the System Alpine Pipeline, which supplies Austria and Germany, with the added possibility of supplying the refinery in northern Italy.



PERSPECTIVES AND OPPORTUNITIES FOR REGIONAL ECONOMIC DEVELOPMENT

- more efficient exploitation of the economic potential in the area ;
- re-evaluation of the trans-European transportation routes ;
- diversification of energy resources transportation infrastructure ;
- the intensification of economic cooperation among states in the area and between them and the highly industrialized countries ;
- further development of functional market economies ;
- initiation of viable programs to protect the environment .



Characteristics for the future. The area's march toward democratization will continue and is important for the progress of the Black Sea and Caspian regions. In the short- and medium-term, it is highly unlikely that a viable solution to solve the conflicts in the area will appear, but this will maintain the character of "frozen conflict." The Black Sea area will face asymmetric risks and threats in the future. Counteracting these threats represents one of the main objectives of the joint efforts made by states in the region and those that have interests in the area. The Black Sea and Caspian Sea regions remain very important; the complex areas are characterized by democratic processes and the competition of interests, by development of regional structure of cooperation, by some conflicts, economic importance, and poverty. It is an important bridge between Europe and Asia that can solve many problems in the region and the world. The strategic value of the Black Sea and Caspian is increasing as all the political actors with interest in the area become aware of its importance. The free access to the energy resources in the region represents on one hand an important reason for

ESTIMATES

- The democratization process will continue ;
- Countries in the area will expand their efforts to develop market economies;
- Solving the conflicts and tensions in the area is unlikely in the near -term ;
- Long lasting asymmetric threats .

CONCLUSIONS

- The strategic importance of the Black Sea and Caspian Sea will increase ;
- The area provides a platform to project the global and regional actors' interests in other areas ;
- Energy resources provide a reason both for economic cooperation and for strategic confrontation in the region ;
- The roles of regional cooperation and security organizations must be extended .

cooperation and development and on the other hand one of the most important source of the strategic confrontation in region. Security of the region implies the expansion of the role of regional cooperation and security organizations that, in relationship with the international organizations that are involved in the area, should ensure the creation of an efficient security architecture, with the active participation on all factions involved, as part of the European and global security architecture. The result will be the area's transformation into a secure region that is beneficial both for the states in the area and for all Eurasian states. Thank you.



Lorenzo Hiponia, Director, Center for External and International Programs

Thank you, sir, for those remarks. Now we have a break. Please return your seats by 0940 for Gen Wald. Thank you.

[Break; resumption of Morning Session]

Lorenzo Hiponia, Director, Center for External and International Programs

Ladies and Gentlemen: Our Keynote Speaker for the symposium is Gen Charles F. Wald. He is Deputy Commander, U.S. European Command, Stuttgart, Germany. USEUCOM is responsible for all U.S. forces operating across 91 countries in Europe, Africa, Russia, parts of Asia, the Middle East, and most of the Atlantic Ocean. The



LTG Maples welcomes Gen Wald, the keynote speaker

General is a combat pilot with more than 3,500 flying hours, including more than 430 combat hours over Vietnam, Cambodia, Laos, Iraq, and Bosnia. He is a friend of the College, having addressed our International Fellows Program last year. Ladies and Gentlemen, Gen Wald.

KEYNOTE ADDRESS



Gen Charles F. Wald, USAF, Deputy Commander, U.S. European Command

Thank you, Larry. President Clift, thank you for having me. GEN Maples, thank you. It's good to see Gen Medar again as part of the vision of this Black Sea process and all of you—I've meet many of you before in the countries we've traveled in. My personal opinion is that forums like this are extremely important, not just because of the forum, but the fact that you start developing relationships with the people in your areas where you're actually going to be the solution to the problems. And it's our feeling at the European Command that, whether you call it intelligence or knowledge or information or whatever, that the exchange of all of those items is going to be the key, I think, to the solution to the problems, in this case, in the Black Sea-Caspian region. It is what we like to call in European Command the EURASIA Corridor; I'm not sure that's going to catch on any place, but it works for us as far as explaining, in a regional perspective, what the geostrategic environment is in which we live.

As Larry mentioned, I was fortunate to address the African directors of military intelligence services here not too long ago, and a couple of things came to mind. One

is that I had met many of the people that were in those audiences, and we have a lot in common as far as objectives go. And two is how far, in this case, Africans have come from a standpoint of actually starting to cooperate with each other. We'll talk a little bit about that during the discussion. I'm not sure if I'm supposed to have questions at the end or not, but if there is time for that available, just let me know when to stop, because I can talk about this all day, and I don't want to take up all your time.

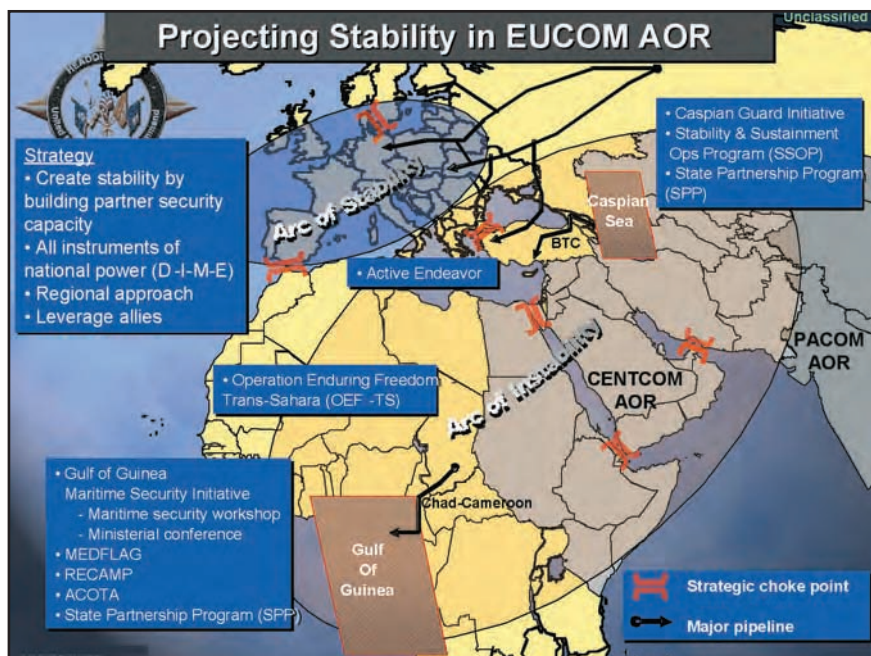


Gen Wald outlines U.S. European Command's priorities for the Black Sea and Caspian Sea Region

Just as a background, in the United States military, the way we're organized is that the United States government, in this case through the Secretary of Defense, is responsible for setting up what is called the Unified Command Plan. The Unified Command Plan geographically identifies in the world where the COCOMs, Combatant Commanders, are assigned. In our case General Jones, who is the Commander of the European Command as well as NATO, has an area of responsibility, as Larry mentioned, of about 91 countries, and it stretches from the east coast of Russia to Greenland, and down to the southern tip of Africa. And so our position is that we're named incorrectly. We shouldn't be European Command anymore. The reason we were European Command is mainly because of the post-World War II Cold War and NATO. This rationale was preeminent for, in this case, the Western Alliance and, of course, the Warsaw PACT and the Soviet Union when we had a bipolar situation in the world.

Today, that's changed. Western Europe was the focus then. Today, for European Command, our focus is away from Western Europe and more into Eastern Europe, through the Mediterranean, and then down into Africa. I'll tell you why that is in a minute. But up front, I will tell you that European Command's philosophy or strategy is to develop world partners. We want to work with people to achieve common objectives; not necessarily to be in any particular place or exercise influence over anything, but to develop common objectives and common practices. As I said earlier, we could talk about it forever, but I won't. I'll just point out a couple of things. You can see this arc of stability here. The way we look at it, three years ago we had to readjust our thinking. European Command, based on Secretary Rumsfeld's guidance that we look at a new strategic transformation plan, examined a new footprint of where our bases are and where our people are—our U.S. people in Europe. After World War II, European Command had 1.5 million U.S. troops in Europe, mostly centered in

Germany. Over the years, it pared down to around 315,000 active duty U.S. military, generally in Western Europe. Then, after 1989, when the Berlin Wall fell and the Soviet Union and the Warsaw Pact dissolved, the United States, as well as most countries in the world, took what was called the “Peace Dividend.” We decreased the number of troops in Europe by about 200,000 over a very short period of time. And today we have 110,000-120,000, not counting National Guard and Reserve participation in Europe. That’s still, we think, too many troops because the objective of the Marshall Plan, the U.S.-initiated plan to help Europe to develop itself economically after World War II and then help develop itself so it could defend itself and become self-sustaining and stable, succeeded. That’s a good thing. And today’s European Union is a manifestation of that; the European Union is the second largest economy in the world, and it’s very stable. That’s what we like to call the Arc of Stability in our area. That’s not the only arc of stability in the world, but that’s what it is called in EUCOM. And our thought was that the Arc of Stability shows our job has been done in European Command. We don’t necessarily just need to be in the Arc of Stability; as a matter of fact, the countries in that Arc of Stability that aren’t exactly associated with the European Union but are pretty close can take care of themselves now. As a matter of fact, they ought to be contributors to other areas in the world that aren’t so lucky or that need attention.



And so we started looking at our area and said, Where are the areas that we need to pay attention to, and for what reason? Number two, Where should our people be? And if you look at this area, which you’re familiar with, Russia obviously has interests all the way through the Caspian Sea through the Black Sea, down to the Mediterranean. Israel is in European Command’s area of responsibility, ironically, and for many of you it seems misplaced. But frankly, from a U.S. perspective, the reason Israel is in the European Command is because of the dynamic relationship between other Middle

Eastern countries and Israel. If I were GEN John Abizaid here today, I think he would say it would be very difficult for him to travel to Tel Aviv and then to go from Tel Aviv to Riyadh. They wouldn't get landing rights to do that. So it's easier for Israel to be in our area from a U.S. perspective, but then you get down into this area and all the yellow is European Command. This area you can see is Central Command (CENTCOM). That's GEN John Abizaid's area of responsibility, and Sudan, Egypt, Eritrea, Ethiopia, Somalia, and Kenya are in Central Command's area. But we do have a lot of interface.

But we get into our [EUCOM] area here and it's huge. One of the maps we like to show is that of the United States; we all think that the United States is fairly large. This area right here, the United States, fits in to that area for example. As a matter of fact, in the Sahara desert is as big as the United States of America. This country, Sudan, which you hear a lot about because of Darfur, is one-third the size of the United States alone, and the Darfur region is as big as France. So these areas are huge. The reason I point that out—we're not going to focus on that today—is I want you to know a little bit about it because it's all tied together. Algeria itself is—if you say Texas, it means big. It's kind of like living in a place called "Timbuktu." Timbuktu in America means way out in nowhere. And Algeria is three times as big as Texas. So these countries are huge, and that limits the ability to first of all defend this territory in the case of the countries in the Sahara, or even move around in them.

The other thing is that people who want to harm us, whoever they are—radical, fundamentalist, extremist—see North Africa as a haven for training, recruiting, having a place where they can move with somewhat of a free rein. So we have a program here, and I'll get back to the Black Sea, that we hope this Friday (10 March 2006) the Secretary of Defense will approve, called "Operation Enduring Freedom Trans-Sahara." This is where the United States will train nine countries in this region to take care of their own territory. It's about a \$750 million program over a five-year period, very large. And the reason I'm talking about it here is because there is applicability for this group to look at, as a model.

The major issues here will be adopting an information sharing modality. A process will grow, whether it be complex communications or simple communications, a wide-area net via HF radios, or via satellite communications. But the countries in this region are leading the charge on information-sharing that will give these countries the ability to have a forum where they can exchange information. That information would be on things like smuggling, criminal movements, or where terrorist would be building. So that's coming along. And we're going to have a meeting with the Chiefs of Defense from those nine countries, which include Tunisia, Morocco, Algeria, Senegal, Mali, Chad, Mauritania, Niger, and Nigeria. We're having a meeting with those Chiefs of Defense, the third one now, in April in Malta to discuss the process. It's a great model. And the reason I bring it up is that years ago, not many but a few, I think if anybody were betting, they would have said that none of these [African] Chiefs of Defense would ever show up in the same place to talk about an issue of common interest—in this case fundamentalism, terrorism, and criminal activity.

In our first meeting in Europe at EUCOM at our Headquarters in Stuttgart, these Chiefs of Defense seven showed up. The Chiefs of Defense from Chad and Nigeria had never met each other, never even talked to each other, nor had any of the other Chiefs of Defense; nor had their Intelligence people talked to each other. Now they do that in a routine way. They see a common interest. We see this as a one issue. And the other issue that's major—and worth talking about—is the security issue in the Gulf of Guinea. Nigeria is a country that many of you may not be as familiar with as some of us, but it is a large country with 160 million people, very diverse from the standpoint of ethnic make-up, religious make-up, resources. The international community is going to become very dependent on this area in the next 5 to 10 years for hydrocarbon resources. As you all know from the areas that you're in, one of the major issues is energy security. Off the coast of West Africa in the Gulf of Guinea in the next five to ten years, the international community is going to increase the amount of energy resources that we get out of there by four or five times. U.S. companies alone are going to invest \$1 billion a year. International investment in that area is going to be somewhere between \$30-40 billion a year in energy development.

Now you say to yourself, What do I care? We all should care, because energy resources are, for all of us, going to become a big deal from the standpoint of our economic viability. It's going to be an issue of contention that could flow not just from West Africa, but throughout the whole area very easily, very rapidly. These areas are choke points, and one of the major ones that you're all aware of is the Bosphorus Straits. Three million barrels of oil go through the Bosphorus every day, and that's somewhere in the category of about 2-3 percent of the total oil in transit in the world at any time. That becomes a critical infrastructure point, a security point, and strategic point of interest. I will tell you that Turkey concerns itself very much with that. But that's just one choke point. You've got the Suez Canal, you've got the Straits down here off the coast of Yemen at Djibouti, and then the Straits of Hormuz and the Straits of Gibraltar. Those are all strategic points that we need to be thinking about: How are we going to better defend those points and is the effort going to be multinational or unilateral? In the case of the Mediterranean, Active Endeavor is a NATO mission. NATO Article 5 says that, in an attack on one or a threat to one nation, all nations will defend that particular country. That's a very appealing thing about NATO. I think Gen Medar can talk about that for days and hours—on the importance of being part of a strategic alliance that says, if you are threatened from an outside source, you will have friends that will take care of you. That's the whole idea. Active Endeavor is an Article 5 mission that's ongoing today, which most people don't know about—that NATO has invoked Article 5 for the defense of the Mediterranean. The first time NATO ever invoked Article 5 was right after the attack on the United States on 9/11; NATO invoked Article 5 because of that attack, and then sent NATO surveillance aircraft to the United States to actually help with the Operation Enduring Freedom mission. Not too long after that, we stood-up Maritime Intercept Operations Mission in the Mediterranean; it continues today. There are usually between 10 and 12 ships at any time committed to that mission, and they ensure the free flow of legal maritime traffic through the Mediterranean. They also watch for illegal immigration, much of it through Libya, from any place. As a matter of fact, the Straits of Gibraltar are only seven miles wide; at night the flow of people back and forth—illegal immigration—is dramatic. Several of them drowned this week, trying to get across. That's a huge choke

point. Since this Active Endeavor mission has come into operation, Lloyds of London, which is the benchmark for international shipping insurance, claims that the insurance cost for shipping in the Mediterranean has decreased by 25 percent—a huge indicator of the positive effect of the mission. In addition, illegal immigration from north-south in that area since that onset of the mission has decreased by half. Now the reason I talk about that is not because it's the Black Sea, or it's the Caspian Sea, or the Eurasia corridor—but there is applicability for those types of missions for all of us to address. The beauty of the mission is that it is multinational; there's multilateral exchange of information. And in the NATO Mission with the MED Dialogue, the southern rim of the Mediterranean countries is all part of the NATO Mission now, as well as Jordan and Israel. And these countries are participating; all the countries along the littoral are participating. Obviously, Turkey is part of it, being part of NATO, but the other countries in this area are also a part of this mission. And Russia has joined the Active Endeavor, as part of the mission, with a ship in the Mediterranean. Their intent is to be a participant in Active Endeavor, in the security and the movement of assets in shipping in the Mediterranean. As you can tell, one of our interests here is this whole transit route from Europe on into Afghanistan, because of Operation Enduring Freedom that's going on there.

From the standpoint of the war on terrorism, whether it be OIF in Iraq or Enduring Freedom, which is more of a universal mission, European Command is in a supporting role for CENTCOM. And the biggest thing we do, besides intelligence where European Command supports Central Command significantly in the intelligence arena, (and Frank Kelly can talk to that later if you'd like to hear about that) is mainly from a logistic support aspect. Ninety-five percent of all the logistic support going into Iraq comes through European Command. And almost 85 percent of all the communications capability goes through European Command based on physics.

It is important to us to make sure this area remains open for all of us, for the free flow of logistic support for Afghanistan. The other issue here that I think you're going to hear about later is the security aspect of that corridor known as the Silk Route—we call it the EURASIA Corridor. And we think all of us want stability for our countries and would like to have our economies grow; we'd like our people to have a better life. That's all dependent upon security. If you don't have security—if you have instability—none of those things are going to happen. And we in European Command think we all have a common interest here to make sure that security is developed and maintained. The Caspian Sea itself came into European Command's area about three years ago. Previously, it was in Central Command. And since that time, we've had a significant amount of activity in the Caspian. I saw some of our friends from Azerbaijan here today, as well as Armenia. I think we have Georgian representation here, as well as other countries. I've spent a lot of time in these areas—in Georgia, Armenia and Azerbaijan over the last three years. As a matter of fact, I've made 10 trips to that area. And it's fascinating. The significance geostrategically is, I think, really not recognized by everybody. But the Caspian Sea has become a very, very good project—I'll talk more about that later—for U.S. European Command. And one of the countries we operate with, along with those in the Caspian area, is Kazakhstan. Kazakhstan is in Central Command as we speak, but European Command has a significant relationship

with Kazakhstan from the standpoint of helping Azerbaijan and Kazakhstan develop a security apparatus in the Caspian to assure first of all that the Caspian remains a free sea for movement back and forth, but also to defend against narcotics trafficking, weapons of mass destruction proliferation (we know of about six or seven cases where WMD has been intercepted in that region over the last five to ten years), and human trafficking, criminal elements, weapons trafficking, and illicit drugs. Ninety percent of all the drugs that come to Europe go through the Caspian Sea area, through that Eurasia Corridor. That is a huge issue in Europe from a stability standpoint. We're told that there are upwards of 30 million people in Europe that use illegal drugs. That is a security issue, and we all have to face that.

I just want to talk about this acronym D-I-M-E for a minute. I think we all are thinking in these terms, and one of the manifestations of this conference is the fact that people are thinking in different terms geostrategically. In America, in the military we like to say that some people look at the military from a problem-solving standpoint, as if every problem is a nail and we're the hammer. What that means is that the military is a group for force application. It's usually the last resort, and when you get to that point (in the word D-I-M-E, the "M" is military), in our estimation, we've probably failed. When you have to use military force, something else that should have been done earlier didn't work. And our feeling is that this word D-I-M-E, Diplomatic, Information, Military, Economic, is really the new world for all of us to help solve problems before they become military problems. We'd like to see the D-I-M-E, have a big capital D, a big capital I, a very small 'm' and a big capital E. And the "I" part is you—that's Information, Intelligence—Knowledge Management. The key to future stability of not just the Black Sea region, but for all us is going to be information sharing and intelligence. I'm 100 percent convinced that the U.S. initiative for realigning how we do intelligence—changing how we do intelligence, having intelligence become more operationally oriented—is exactly the right way to go. The key to victory against what I think is the universal threat to all of us, terrorism, is going to be intelligence and information.

When you do a revolution in military affairs, a hot topic here about 7-8 years ago in Washington, called the RMA, the focus was mainly on buying new equipment; it was buying new technical capabilities, whether they be strategic intelligence or whatever the case may be, and I think we have learned since then that the revolution of military affairs is not just technologically oriented, but it's doctrinally oriented; it's organizationally oriented, and it's tactics, training, and procedurally oriented. And so, as the U.S. Intelligence Community realigns itself, the doctrine will have to be looked at; the organizational structure will have to be looked at; how we train people; how we work together; what the tactics, training, and procedures are; and we can't do this unilaterally.

Now I think every country is going to have some national secrets that make a difference to you, and we respect that. But most of the stuff that we know now is not national secret-level stuff. Most of the things we know, if we share with everybody, is going to be a huge force multiplier. And I think the going-in position for these types of meetings is that we respect national sovereignty interests—no doubt about it. But



we probably need to go heavy on the exchange and cooperation side of the equation, rather than go back toward the national intelligence centers or unilateral information. We need to go heavy on about 90 percent of the sharing side.

Regional threats to stability threaten us all, particularly in the area where our concerns lie today, in the Eurasia Corridor. You can call it what you want, but the reason we in European Command want to call it this—somebody can come up with a better name if you like—is that the area can't be treated as separate sections. There are specific issues and specific geographical issues that all of us can probably focus on individually. But this area needs to be addressed as a whole, without infringing on nation sovereignties and countries like Turkey or any of the countries that have national interests in the Black Sea. But if we start treating the Black Sea separate from the Caspian Sea, separate from the Caucasus, separate from the Balkans, separate from Western Europe, we're going to make a mistake. Because if any of these areas goes into crisis, and we lose stability, free flow, free access, or security in any of these areas, it will affect all of it and all of us.

So our feeling is that the Eurasia Corridor needs to be treated geostrategically as a single area. And that's where all of you come into play. You can go around this chart and see all of the different pictures, point out some of the areas that we in European Command see as threats or issues that need to be addressed in order to attain stability and of security in the corridor. We all know these include Transnistria, Moldova, and through the Black Sea, where a huge amount of illicit arms travel every day. We know

this, and Turkey's representatives can probably talk for a long time about the issue of illegal arms traffic in the Black Sea. That is a huge issue for all of us.

Those weapons aren't just for criminals; they are going to terrorists. The weapons are prolific around the world, and some of these things may look like a rocket, an anti-tank rocket, but in fact are precursor elements of an IED. Where do you think the people in Iraq that are killing people with improvised explosive devices are getting their material? Some from Iraq, and some from other places. Nuclear weapons—nuclear proliferation—is I think the biggest concern, and we all know the worst scenario in the world today is a terrorist with a nuclear capability of some sort. Whether it will be radiological dirty bomb, or even worse an actual nuclear weapon, that is the ultimate nightmare scenario. I think the Russians here will admit that their stockpile is huge. They want to decrease this stockpile. In the United States, there's a law called Nunn-Lugar where the United States is putting significant amounts of money into Russia to help secure the stockpile. The United States has the same issue. This is the biggest problem from a security standpoint all of us have, and I don't think there's anybody in this room that wouldn't agree that a cooperative effort could help.

Iran changes the equation for all of us. Iran is a Black Sea—a Eurasia Corridor—significant issue; it is a worldwide issue. Everybody in here can have their own opinion on what they think Iran's all about. But I think in the next decade, my personal opinion, not speaking for America now but just my own opinion, Iran is going to be the biggest problem we have; probably is going to be the focus of the most important strategic effort we do in the world. And when you have people like this that publicly state they want to take a country that's internationally recognized by the UN off of the face of the earth, that's a scary proposition. I think GEN Maples could talk more about the implication of when we think Iran could have a nuclear weapon. I've read quite a few articles lately, and the controversy about Iran having a nuclear weapon bothers me a lot. Some people argue that if other countries have nuclear weapons, why can't a country like Iran have a nuclear weapon? However, most countries in the world haven't said they are going to use a nuclear weapon against a recognized sovereign nation in the world, to wipe them off the face of the earth. That's a lot different than a country that doesn't make those types of statements. That's dangerous. Their weapons, now the Shihad-3 when it comes into operation, will reach all the way past the western borders of Western Europe; that's a significant threat. If anybody in here thinks they are not threatened by it, I think you're wrong. I know the Russians have told the Bulgarians and Romanians, based on the fact that there may be a missile defense capability against Iran put into Europe at some point, that when that happens you're vulnerable to debris dropping on your country. Those kinds of scare tactics don't need to be used. But that is a huge threat for all of us, and will threaten everybody's country that is sitting in this room today at some point.

As our friends from Turkey could probably tell you—it was about 8 years ago when a tanker caught fire in the Bosphorus Straits, and it took five days to put the fire out and clear the debris. In today's world, that's 15 million barrels of oil that would have been stopped. Now that case actually happened to be an accident. But the Bosphorus is one of the most strategic areas in the world today. It means a lot to Turkey. It's their backyard and their purview, but it also means a lot to the international community.

When we start talking about Black Sea security, and to our friends from Turkey for whom we have high respect, the security of the Black Sea is not just a regional issue anymore. It becomes an international issue. The countries in the Black Sea have done a good job of developing the capability to defend the Black Sea, but I think things like intelligence sharing and capacity building would be welcomed in the Black Sea area by countries like the United States, or NATO, or the Western European countries. That doesn't mean that NATO should be launching a mission there; they've got the mission in the Mediterranean. My personal feeling is the Black Sea Force issue and the Mediterranean assurance missions ought to be coordinated and worked together. And that would be a complementary type mission.

Gen Jones, Commander of EUCOM, thinks that drugs in Afghanistan are the biggest issue for the long-term success of the mission in Afghanistan. There is no doubt about it. As I said earlier, 90 percent of all the drugs in Europe come from that area. In Russia, and our Russian friends here can speak to this better than I can, and the United States has a problem with drugs too, don't get me wrong, we all do. But, in Russia particularly, I was told two weeks ago by a knowledgeable source in Kazakhstan that the cost of a "hit" is the same cost as it would be for a beer for young kids. And young 13- to 14-year-old kids are now getting into that. That is a strategic issue for our countries. It's not only from the standpoint of the criminal element that evolves from that, but also in that in Russia, HIV/AIDS is an extremely big problem. And it's driven by the free flow of drugs from Afghanistan. Part of this is also the illegal movement of people. In this case 50,000 or more women from the former Soviet Union are moved into Europe every year illegally, and abused and used for the wrong purposes. That is a problem for all of us, and we have to face that.

The Caspian is an example of a good program that all of us could probably embrace as a model. The Caspian Sea as you know is the only large body of water that's split up along an internationally recognized maritime border, based on the median line between the shore line of the country and where that median line in the sea would be. And so this black line shown here indicates, in the case of Azerbaijan, that this is the national sovereign territory for Azerbaijan and they also have the development rights in those areas. The same holds for Russia, Kazakhstan, Turkmenistan, and Iran. There is a disputed area here where Iran doesn't like the 20 percent split because right in here there are huge oil fields. So that's a stability issue in the Caspian Sea. As a matter of fact, Iran has had intrusion flights and ships into that area several times in the last few years, as recently as 11 February [2006] and threatening Azerbaijan. That is a new stability issue. The United States, I think, has a pretty solid program. This program, called Caspian Guard, was conceptualized by a major in European Command about four years ago. It's a pretty good idea. And the idea is to help Azerbaijan develop a system for monitoring, detection, command and control, and response to secure the waters in the Caspian Sea against a lot of things—weapons of mass destruction, illegal movement of people, drugs—and also to ensure the free flow of oil.

I will tell you right now that in European Command, we think energy is a serious international security issue. And there are people all over who, when they hear the term protecting oil, consider that a dirty phrase because they think all the United States



cares about is getting more oil so we can have a more robust economy and drive our cars. Well, I'll tell you that I think it is important for the United States to have energy security. But when people criticize the United States as the largest user of energy resources in the world, I think you need to put things into perspective. We do use a lot. But the European Union, for example, which has 25 countries, and has a GNP close to what the United States has, uses 7 percent more oil than we do every year. The European Union actually uses 32 percent of the world's energy resources; the United States uses 25 percent. That's an interesting fact. Now, when the European Union wants to count themselves as individual countries of course, you know, France or Germany don't use as much as the United States. But as a Union, which is equivalent to the United States in size and economy, they use more. They also produce more hydrocarbon emissions than the United States. And the reason I say this is not from a defensive standpoint; it's perspective. International energy for all of us is important to our economies and the stability of our societies and governments. In this case, the United States is doing what appears to be a pretty hybrid program along with State Department, Department of Energy, the Drug Enforcement Agency, and others; it is helping Azerbaijan and Kazakhstan to develop a capability to protect their own areas. The United States has zero interest whatsoever and won't have any permanent forces in this region. We're not going to do it. That's another red herring we hear from a lot of people, about our presence in the Caspian area or the Caucasus area, and how the United States wants to elbow our way in and take over. That is 100 percent wrong. What the United States wants to do is help our friends in these areas do a better job and have the capability to protect their own interests and resources, which translates into protecting our interests as well, even though we're not the sovereign there. So we're putting radars up that will detect both maritime and air traffic, as well as have

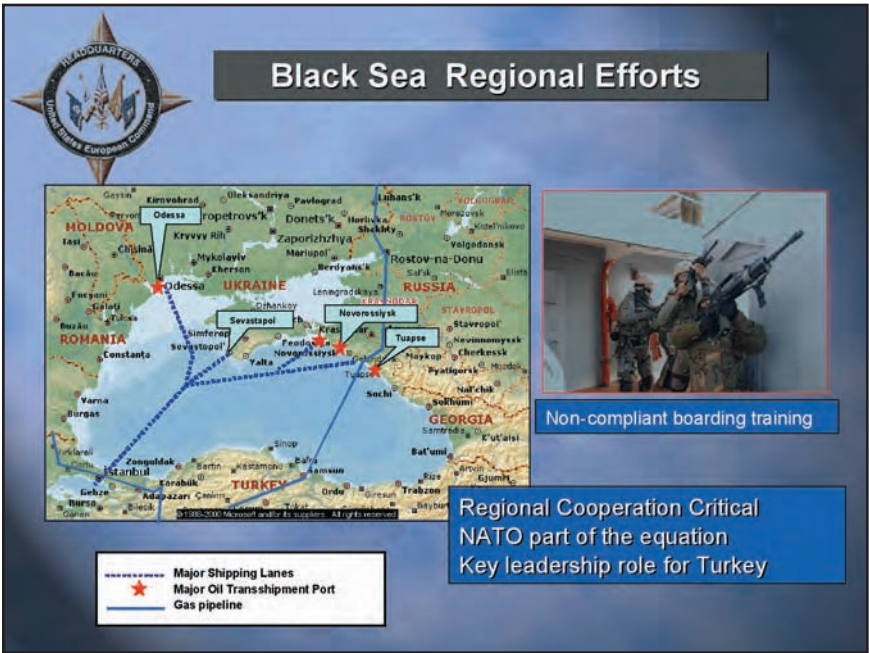
an air surveillance capability. These radars will have the capability to look over the horizon—it's a new capability that bends the signal and you'll be able to see out into the sea. In addition, we're building command centers in Azerbaijan and Kazakhstan to better the control of their assets, to detect, decide, and then engage—which isn't necessarily the norm. It's a doctrinal issue that seems simple to us, but necessarily wasn't traditional. We're helping train, in the case of Azerbaijan, their special forces. We've trained their special operations troops to be able to protect their assets out into the Caspian, to board platforms, and to intercept ships if they need to. And then they can do better border control, through the use of detection devices and training to monitor movements across borders. This program is about a quarter of a billion dollars. The assets will all be left there and the United States will have no presence when it is done, except for normal day-to-day engagement. I think something like this can help; we're looking at potentially putting it into the Gulf of Guinea as well, where it's a little different because it's not a closed body of water. But off the west coast of Africa they have zero maritime capability whatsoever; they have no command and control, no ability to coordinate with each other, pass data, detect, and then address threats in that region. In the Gulf of Guinea it's going to be a lot harder.

Azerbaijan-Kazakhstan cooperation is unique since Azerbaijan has its own navy. They have the coast and the border control. They have ships. They are used to operating on the Caspian. So it will be a fairly simple task, I think a simple move, to the point where that capacity is built in the Caspian. But off the west coast of Africa there is none of that. There's very little maritime security capability. We think that what we want to do in the west coast of Africa is the same thing. And the idea, the theme, if there's a bumper sticker for EUCOM from a strategic standpoint, it's to help our friends help themselves. We do not want to go in and do the job. First of all, it's the wrong thing to do, and we don't want to take up that load in the military anyway. Plus, the nations would not necessarily appreciate that very much. I think you could argue that the Black Sea could use a similar program. And I'm not saying the United States is standing here today offering to fund those types of programs. That's not my decision to make. But I think Bulgaria, Romania, Ukraine, Georgia, Russia, and Turkey could look at a program like Caspian Guard and see benefits from that.

As a group of cooperative nations, they could put in a detection capacity to be able to know when ships leave certain ports and certain areas, and what is on those ships and where are they going. How do you assure that there's continuity of what left the port and what arrives at the port in let's say Romania, for example, from Ukraine or from Georgia? Or let's say from Bulgaria to Georgia. How do you know what arrives at the port is what left the port, and then how do you have confidence that, if something bad is happening in the Black Sea, nations have the capacity to detect it, intercept it, then do something about it? And I think in the future that all ships on the high seas universally will have an identification code that you'll be able to monitor someplace. It's going to have to happen. In the United States, for example, you've all read the controversy about who is going to control our ports. That's a big political debate in the United States as we speak today. There is a lot of public emotion on it. Lots of people harbor concern about what arrives at our ports. And in the case of the United States, as you know, there is a firm in Dubai that wants to take up the responsibility for

managing eight of our larger ports in the United States. That worries people because of the uncertainty of our ability to protect the ports. I'm not necessarily as worried about it, because I think we have a lot of methodology for that, but what it tells you is that people worry about things arriving in our countries, in our ports, without knowing what's on the ship and having that as a vulnerability point for the stability of our countries. And the Black Sea requires, because of all the transport that goes across it—and I think you're going to hear more about this later today—requires not just for those countries on the littoral of the Black Sea to have some capacity to develop security, but also have an understanding of exactly what's on the Black Sea. Internationally, there's concern as well, because of the potential for illicit flow of drugs or people or arms or whatever else, terrorism across this large body of water. You're going to talk a lot about this, so I won't belabor it too much, because I want to stop and have some time for some questions.

But the Caspian has a process that we're building. And I think eventually it would be nice to see Russia participate in a program like Caspian Guard, not from a standpoint of setting up a separate system, but to be cooperative. The chances of Iran playing in Caspian Guard right now are about zero. So that's problematic. But in the Black Sea, we don't have a problem like Iran necessarily; we have countries that all seem to get along and cooperate. And when you start looking at some of the major issues, like gas pipelines, the diversification of energy resources in the world and particularly in the Caspian area is a huge issue for all of Europe and all of the Eurasia area as well as Turkey and the United States. And you can talk about what happened with the gas being turned off to the Ukraine lately by the Russians—since we have Russians in the audience, maybe they can talk about it more later—but that was a pretty significant issue. But what's happening now is diversification, and much of that diversification is



going to come through the Eurasia Corridor. When that happens all, of us become very dependent upon making sure this area is secure.

In my travels around the area, particularly to see our friends in Turkey for example with whom we have a great and close relationship, there's concern that the United States wants to move NATO into the Black Sea. Or that the United States wants to take over running the Black Sea security apparatus. That is wrong. We don't want to do that. We just want to work with everybody to make sure we can do our part, whatever that may be, to help to make sure the security of the Black Sea remains viable. And primarily it's an exchange of information and an understanding that there is a common interest, and that sharing information, sharing common operating visions, in this case a maritime picture, does not threaten anybody's sovereignty in the Black Sea.

I think we've got some time for questions. I hope you have some. I want to tell you that the world, as far as we're concerned and I think most everybody in the United States military and I believe, is interconnected today. It's such a universal problem from the standpoint of security, that I think the world has had a tectonic shift from the standpoint of strategy. The world right in front of our eyes is changing; post-1989, then President Bush, Sr. said there's a "new world order." And I remember that vividly. There's a scholar named Francis Fukuyama who said that the end of history had arrived by which he means that the world has changed; we're in this new era of security. President Bush [41] was right; Fukuyama was wrong. But former President Bush, even though he was right, never defined what that new world order was. It's defining itself. And I think all of the countries here, over time, will find out that we have serious strategic interests in common, that we're now part of that new world order. And that new world order goes all the way across from the United States through the Eurasia





Gen Wald talks with Conference Co-Chair Gen (Ret) Sergiu Medar, National Security Advisor to the president of Romania, and Brig Gen Georghe Savu, Chief of Military Intelligence Directorate, Romanian Ministry of Defense.

Corridor, and now into India and potentially China, for example, as strategic partners in assuring strategic security for our people and our countries.

And what it really boils down to is, and what our main job is, is to ensure security for our people; to help build a better middle class; to build better economies; to build systems that provide for our people and to ensure their security. And the only way to do that is as a group, and this effort you've set up, Dr. Clift and Mike, I think will go a long ways toward that, because I think the last thing I'd say is, is that the key to winning will be intelligence and information sharing over the next decades. So I thank you for your time and wish you well for the conference.

Lorenzo Hiponia, Director, Center for External and International Programs

Our next speaker is Dr. Jeffrey Simon. He's a Senior Research Fellow in the Institute for National Strategic Studies, National Defense University. Previously, he was Chief, National Military Strategy Branch, at the Strategic Studies Institute, U.S. Army War College. He has taught at Georgetown University and has held several positions at System Planning Corporation and the RAND Corporation. Ladies and Gentlemen, Dr. Simon.

Dr. Jeffrey Simon, Institute for National Strategic Studies, National Defense University

I want to thank the College and GEN Maples for providing this opportunity to me. I had a fairly long presentation but I must say that my predecessor Sergiu preempted a fair amount of what I wanted to say. So, what I really want to do is to think about the general scene. We all agree on the general thrust of what has been put forward here today. There is a paper that I think you have, and I want to walk through a way of thinking about the problem of the Black Sea and the Caspian. The title of the paper is *Building Bridges and Barriers*. And from where I work at NDU, in the privileged position of thinking and writing about policy, but having no responsibility for policy, you can rest assured that if you don't like something that I say, it has nothing to do with policy, because everything I say has nothing to do with policy. They are just the ruminations of an academic who suggests things to his bosses. Sometimes they listen and sometimes they don't. Again, as I think was mentioned by Sergiu and by Gen Wald, we have seen a sea change in this region. A sea change within the region itself, as well as the importance of that region for us in the United States, for the North Atlantic Treaty Organization and indeed, I think, even more recently for the European Union.

What I wanted to talk about briefly this morning is to think about what kind of a strategy we should have for this region. I'll walk briefly through—it's been covered already—what NATO's initial responses were and raise the question for us, Is this NATO's final frontier? Then I want to briefly look at the Black Sea regional security environment. And I want to focus on, despite the overlay, the commonality that we agree on concerning the existence of a very significant competition of interests that still exist in the region. The goal, of course, is finding the means to enhance regional cooperation; that's the objective. But I think we have to face the realities that exist on the ground, because the realities frankly, at least from where I sit, are somewhat different from the nice overlay of what we would all like the world to look like. And then I'll make a few notes of conclusions, in terms of, if we're going to succeed, that ownership really is a two-way street. You got this from Gen Wald. We do not want to push ourselves into this region; we want to work with the countries of the region. We want to understand what the security challenges are as perceived by the countries there, and work with those countries to overcome and solve those challenges.

So, to start of with: What kind of a strategy should the United States and its European Allies and partners pursue for building greater stability in the Black Sea? As has been pointed out, this is increasingly of greater importance, because this is a crossroads of energy, commerce, criminal, and terrorist activities. I think, though, that the second round of NATO enlargement, which occurred a year-and-a-half ago, has raised questions about how far and what is the extent of NATO's geographic scope. Does NATO's open-door policy apply to all the aspirants, regardless of the geographic location? We have a partnership where we have 20 partners with 26 Allies in the Alliance, so we're looking at 46 countries that have different webs of relationships. We also know and hear discussions in NATO about the possibility of yet further enlargement. Countries are named. We've heard about Azerbaijan's interest, Georgia's

interest, Ukraine's interest, and there is discussion in terms of where NATO ultimately goes as we move down the road.

I think it's fair to say that the European Union, on the other hand, has a very different notion of its geographic confines. It has indeed through its last enlargement, roughly the same time of NATO's second enlargement, gone through the Balkans. You know the EU has opened up negotiations or begun discussions with Turkey, but clearly I think the Caucasus is off the radar scope for EU enlargement. Certainly from the perspective of many in Europe, it still seems that Ukraine is off that radar scope and there is some skepticism regarding Turkey. So, there are different views in terms of the geographic confines of where we are. We in NATO and in the EU have increasing interest and find this region to be of increasing importance. And if the EU's not going to expand into this region, it still doesn't mean that this area is not one of a high priority in terms of its interests. We all know what happened with 9/11, and NATO on 12 September [2001] initiated Article 5 for the first time in its history.

And we hear about Active Endeavor in October of 2001, the further extension of Active Endeavor in 2003 going out to the Straits, and this keeps going on at the moment, including NATO supporting the Afghans and trying to bring about stability in Afghanistan. So, on the military side, very clearly the world changed for NATO, as Gen Wald alluded to. I think, though, that the Alliance also took on and is still taking on the task of a conceptual adaptation to this new world. The key to the foundation of the new NATO, as it's evolving, was the Prague Summit in November of 2002, where we had the endorsement of a new military concept against terrorism, which focused on consequence management, counter-terrorism, and military cooperation. More importantly, the EAPC, the Euro-Atlantic Partnership Council at that same Summit adopted the PAP-T, the Partnership Action Plan on Terrorism, and assumed at least that at the political level the same area of responsibility would take on these tasks. And now, the question for us, the challenge for us, is how do we put the flesh on those agreements? The question that I think has arisen is: Does NATO have a final frontier?

We now have 46 countries involved through partnership or membership, and that's likely to change. We're going to have some new countries appearing on the horizon. We have aspirants for PFP. So, the numbers are likely going to increase. I think the key here though, as I mentioned, is that the Caucasus is on the horizon at least in discussions among NATO members, as to where NATO will be moving in the future. It's not yet on that same agenda for the European Union. Interestingly, if NATO moves into the south Caucasus, it's going to create enormous new challenges for us, and present us with new and greater burdens. It's not to say that one shouldn't take them on; it's just one has to recognize that there will be challenges. And I think also the EU has to recognize that, even if enlargement isn't on its agenda in that area, that that region is increasingly important to the security and vitality of the EU. Gen Wald presented very clearly some of the facts and figures that underlie that. The Black Sea security environment is a case in point. There is probably no area in the entire security environment that has changed as significantly as the Black Sea since, to use the symbolic term, "the fall of the Wall" and since the break up of the former Soviet Union. We are plagued in this region with

boundaries that were drawn up by Molotov and Stalin; boundaries and enclaves that need to be addressed now with new circumstance.



David Soumbadze, Georgia, Maj Gen Plamen Stoudenkov, Bulgaria, and Maj Gen Basentsi Azoyan, Armenia, engage in dialogue during a presentation.

Of the six littoral states of the Black Sea, three of them, as mentioned, are now formal members of the Alliance—Turkey, Bulgaria, Romania—and this becomes a critical core in terms of the membership. Ukraine has aspirations to join the alliance and wants to get into the Membership Action Plan; Georgia has similar aspirations for a seat in the Alliance for its own reasons; and Russia has no desire now to join the Alliance, but has been active in many of the various military and political activities of the alliance. It is now a matter of, How do we put all of this together? The key factor about the Black Sea is that this is an area where, I think, extraordinary changes have occurred over the past 15 years. Some of them have been alluded to, but I want to touch on them again.

The commercial traffic in and around and across the Black Sea, is absolutely extraordinary in terms of the rate of growth. There is also the revival of tourism. When you travel in Turkey, you see more Russians or Ukrainians than even existed before. And as we saw in some of these briefing slides, there are many pipelines—two new ones, in particular—which means a lot more oil coming through the Bosphorus Strait and the increasing importance of that choke point for European and Western security. This, of course, means coming from Georgia or from Azerbaijan, that they are increasingly important to the security of the West. It means there will be more tankers traveling through the Bosphorus, with the potential for a disaster like the one that occurred eight years ago.

Another factor has been the “blue stream” gas pipeline that, as you saw on the chart, brings gas from Russia down to Turkey, which opened officially at the end of last year. What we’ve seen in the Black Sea is a transformation, from what was a fairly quiet area into a very busy commercial thoroughfare that’s connecting Europe’s heartland through southeastern Europe to the Caucasus and other parts of Asia.

Now, I just pointed out that this transformation does not come without cost. It brings all of the dark sides of globalization as well. Drugs have been discussed. So have human trafficking and small arms, and the potential of material for weapons of mass destruction. And all of this raises the importance of this region as a security challenge. The area that I wanted to touch on very quickly is to look at the fact that the region itself is a mosaic of very real competitions of interest. And the job that we have in breaking down regional barriers and building bridges is to meld these competitive interests together so that we can build the cooperative institutions and processes to solve the problems that were alluded to.

Let's start with Turkey. Turkey, since the Cold War, was always NATO's outpost. It has a huge coast along the southern Black Sea. And despite long-term differences with the former Soviet Union, Turkey has seen a remarkable transformation over the past 10-15 years. Today, Russia and Turkey have gotten extremely close in commercial terms and in tourism, and this has been a remarkable change. For example, 70 percent of Turkey's gas consumption now comes from Russia. In terms of commerce, Russia is one of its major trading partners. Correspondingly, while the relationship has altered with Russia since the Cold War, it's obviously gotten tenser with the United States, especially during the Iraq War. There are concerns about the promotion of some of our activities, which excite Turkish concerns over the possibilities of enflaming the Kurdish population, and so forth. So there's been a shift. They're still loyal allies; this is just a change of interests that has occurred over the past 10-15 years. I think it's fair to say that Turkey will probably not be as willing to pursue what the United States or NATO suggests that it do. Quite the contrary, I think we're going to see Turkey expressing, and understandably, its interests much more vocally. We saw this recently over the issue of Active Endeavor with Russia.

Let's look at the other two NATO members on the Black Sea—Romania and Bulgaria. Both of them a few years ago were in the Warsaw Pact. Who would have thought then that in 2004 they would be in the North Atlantic Treaty Organization and hopefully next year will also be in the European Union. The European Union will be on the Black Sea for the first time. That will bring about a change and an opportunity for EU and NATO cooperation in dealing with these Black Sea issues to a degree to which the EU has not been engaged up to now. Romania and Bulgaria are very different, if you look their behavior during the Cold War. Bulgaria was a very loyal Soviet ally; Romania was a maverick in terms of foreign policy. They had very different foreign policies toward the Middle East, toward China, or what have you. One should not assume that both of these allies, who do want to be providers of security and stability for the Alliance, will necessarily continue to be the same. But they are two new Allies there.

Then, there is the question of Russia. Russia is the country that, you can argue, has undergone the greatest transformation in the past 15 years. Keep in mind during the Cold War, if it was Turkey from east to west on the south of the Black Sea, it was the Soviet Union with its Warsaw Pact allies on the northern slope of the Sea. If you look today with Romania and Bulgaria in NATO, Georgia an independent state, Ukraine separate, Russia's coastline is fairly small and its naval facilities are

basically leased in the Crimea from Ukraine. Despite that shrinkage, in terms of its footprint on the Black Sea, Russia's interests in the Black Sea and the south Caucasus have increased. Its concerns about the north Caucasus and the spillover into the south Caucasus are very real, vital issues for it. The export of oil through the Bosphorus to Europe, which is a main source of its income, is also increasingly important. So in the Black Sea, while Russia's footprint has shrunk, the importance of the Black Sea has increased extraordinarily.

I won't go so much into the issue of Azerbaijan and Armenia and Nagorno-Karabakh; I think Sergiu touched on that fairly clearly. One of the sensitive issues with Georgia is clearly the issue that Sergiu also brought up, and that's the question of Abkhazia and South Ossetia, and how this plays into Russian concerns over the north Caucasus spillover into the south. And the other area clearly mulled over, which was touched on, is Transnistria. I think the point that I want to make here is that the challenge for the United States and the Alliance as a whole is to find the right posture in the Black Sea region that keeps Russia and Turkey actively and constructively engaged, yet demonstrates direct hands-on U.S. and NATO involvement in the region.

A priority for us is, if we're going to succeed in building Black Sea regional cooperation, we have to have all of the littoral states play; most importantly, we have to have Russia and Turkey engaged. That's our challenge. I want to move quickly to Ukraine; it's certain to be a more cooperative partner with NATO in the Black Sea region than Russia, but it obviously is torn, and we'll see how torn specifically as we come up through the elections on 26 March this year. Ukraine's desire to be in NATO is tied to Russia. On the other hand, it has low public support for NATO because of Russia and Russian speakers in Ukraine. So it's caught in between. Our job in developing a strategy for building regional cooperation is to somehow get these competing interests to work more effectively together, and to achieve the objectives that were laid out here.

So what are the elements of a Black Sea strategy? What should they be? I think that NATO needs to be more explicit about a Black Sea strategy precisely because a serious commitment to extending its security framework into this region cannot follow the model of NATO's enlargement to Central and Eastern Europe. To its credit, NATO came to the Black Sea pretty quickly and it came to the Black Sea with a lot of tools in its kit. We have learned a lot in the Balkans and Central and Eastern Europe and with the Baltic States. We have had a fair amount of experience. I think the most difficult question for NATO to resolve is the question of will and capacity. Does the Alliance have the will and the means to commit itself to the tasks of securing the South Caucasus region, as it did with Eastern Europe? That's a question mark. I think the challenges in South Caucasus will be far greater for the reasons that I discussed earlier: the conflicts in Nagorno-Karabakh, Abkhazia, South Ossetia, and others; and whether we like it or not, if we go into the South Caucasus, the Alliance will have to get involved and stay involved for a long time, as it did and is still doing in the Balkans.

How do we enhance regional cooperation? There was a paper that walks us through some of this. I think as NATO members seek to determine whether they can muster

the will, the vision, and resources to take on the challenge, it's important that regional cooperation is by no means a blank slate. The Black Sea region already has, and we've had some discussion of this, been host to several regional groups and activities that provide a foundation for the Alliance to build on as it builds bridges to new partners and aspirants in the region and makes an effort to erect firm barriers to new threats. I won't go into those extensively; you've heard them earlier this morning. There's the Organization of Black Sea Economic Cooperation (BSEC). As you know, the United States just became an observer to BSEC; the same with SEMD. I think the United States can now try to get some energy into this, and, from an outsider's view, it has been somewhat moribund as an organization, but it has the potential for building regional security in a number of areas. BLACKSEAFOR, which Gen Wald referred to, and Operation Black Sea Harmony are institutions that offer an important point of departure for any new Black Sea strategy. We have to begin with those institutions. While the states of the region lack a strong common identity, possible new forms of cooperation are most likely to take root if we build upon these existing institutions rather than try to create something new. In other words, the way we can succeed is that, whatever processes and institutions evolve, they have to be locally developed and owned, not imposed from the outside.

Now, within the contours of this, and Gen Wald gave me a beautiful segue, I think that there are basically four modalities for future cooperation in the Black Sea area, building upon many of these processes and institutions. The four modalities are clearly in the maritime area, the air reconnaissance area, border controls and coastal defense, and emergency planning. If we take those four avenues and look at what's out there, we can try to build from the ground up the regional identity that frankly is lacking because of all these competitive interests.

A maritime activity is the first one. Multinational security cooperation in the maritime domain is currently dominated by Turkey and Russia under the banners of BLACKSEAFOR and Operation Black Sea Harmony. Neither country has been receptive to the idea of allowing the NATO-sponsored operation Active Endeavor into the Black Sea. I think we have to recognize that's the reality; those are the interests of those two leading countries. And we have to find ways to push or allow that process to blossom and to move forward and figure out the best way to get all the six littoral states to participate in that with the ultimate goal I of building a maritime picture or a capacity to build a maritime picture, as Gen Wald talked about. This is needed so we all know, everyone sitting at the same table, what is moving across that sea from port to port. That's the goal.

I think that we have to use BLACKSEAFOR or the internationalization of Operation Black Sea Harmony to build a new permanent headquarters, and build it using cooperative tools.

The second area is air reconnaissance. The concept of joint air reconnaissance and interdiction is going to be operationally challenging on the one hand. But on the other hand, I think it's also an avenue where we have a greater productive capacity to build regional capabilities. And I think we have to do some very serious thinking. I'm

not going to go through the specifics of various IFF systems, or national command centers, or the various forms of radars and so forth. Some of that you got from Gen Wald in terms of the Caspian Guard notion. If it is adopted by the six littoral states, and if they acquire ownership of that and push it ahead, it will obviously help. The bottom line here is that the path for air reconnaissance—I can't get into the specifics, but the path can now only be sketched as an ideal type. And I would say it would require the following: 1) Black Sea air reconnaissance would require all six littoral states to participate; you have to have them all. 2) You have to have modernization and compatibility of national and NATO capabilities combined in joint training, common SOPs, compatible with NATO. We do exercises; this is nothing terribly complex—it's not rocket science. 3) A capacity to develop common air-maritime picture and coordinate decision-making capacities. That's the ideal goal. That is where we want to get. Again, the key is to use existing institutions that have been put into place over the past decade to get us to that objective.



Dr. Jeffrey Simon provides an overview of security issues in the region.

The third area is the Coast Guard and border defense. With U.S. support, the Southeast European Cooperation Initiative (SECI) was launched back in December 1996, to encourage cooperation among the states of southeastern Europe to facilitate their integration. If you go to Bucharest today, you'll find 12 countries with customs and police folks sitting down and exchanging information, which does a lot for integration. There are 13 country observers as well. That model is very useful, in terms of dealing with border defense, to get us to the point that Gen Wald was talking about, port-to-port security and the border control. Romania and Bulgaria will be in the European Union next year. Border control and coastal defenses are predominant interests that bring the EU to that region. Therefore, I think the SECI model has enormous utility, particularly with ties now to GUUAM, as well as to the CARICC. Exchanging information and keeping this flow from the Caspian through the Black Sea and on up into Europe with INTERPOL is essential.

Now SECI does not yet provide coverage of the entire Black Sea littoral, and it is an organization that's still, I would say, embryonic. The Black Sea Border Coordination and Information Center (BBCIC) in Bourgas, Bulgaria, is where the six coast guards of the Black Sea are engaged. There's a long way to go. It's not connected to the SECI, in terms of information exchange. But it does bring together coast guard cooperation efforts, and I think pushing that or helping that to grow and connecting it to SECI should become an increasingly high priority. By the way, it is this area that specifically begs for EU and NATO cooperation and coordination, particularly because both Bulgaria and Romania will be in the EU in a short period of time. This is the area where we really need to find cooperation.

Civil protection. We've made some progress here, particularly with SEDM and SEABRIG, as you know from '96 to '99, and in 2004 SEABRIG was authorized a new capacity; it's now going out to Afghanistan. But I think it can play potentially a greater role in the emergency planning in that area for southeast Europe. I think it's that model that we should be thinking about in terms of pushing, working with the Black Sea littoral states that have very serious emergency planning challenges. These include earthquakes that consistently hit the area, and flooding, as well as Chernobyl-type potential disasters. So this is the fourth area.

The bottom line, coming to a conclusion, is if we're building a Black Sea strategy, we have to recognize that ownership is a two-way street. And to facilitate regional cooperation, NATO should actually put the Black Sea as a high priority on its next summit agenda and think seriously about creating a Black Sea Group that could pull on the entire series of activities from PfP, MAP, the I-PAPs, and so forth. I think we ought to think about developing a trust fund to support some of those activities and build regional identity, and I think that's a critical issue for the summit agenda that's coming up.

I guess if I were to make an overall conclusion—I'm running out of time—it is that ownership of Black Sea regional security one has to be a two-way process. NATO will have to demonstrate its stake in the region's most pressing security concerns in order for the countries of the Black Sea to do the same with regard to threats and challenges that NATO considers to be at the top of its own security agenda. This, in turn, means that the Alliance will have to develop a Black Sea strategy that deals with what ails the region most, not what the Allies think threatens them the most from the region.

Lorenzo Hiponia, Director, Center for External and International Programs

I'd like to introduce the moderator for this discussion period, Mr. George Fidas. He is a member of the Joint Military Intelligence College Faculty.

George Fidas, faculty, National Defense Intelligence College

It is a pleasure to be here, and I'd like to thank Dr. Simon for a very fascinating, informative and comprehensive presentation on the challenges and opportunities in the Black Sea region. I want to go somewhat beyond Dr. Simon's introduction and comments and raise some issues with you that I think are of great interest to all of us.

Dr. Simon emphasized, for example, the importance of Russia and Turkey in that region, and also Ukraine, and some of the issues involved with them. As we know, at least in this country, our relationship with Russia is coming under a bit of a cloud. There has always been pressure to take a more jaundiced view of the relationship, to get beyond President Bush's "looking into the soul" of President Putin and look more realistically at what is going on in Russia. Recently, Vice President Cheney had a conclave with Russian experts on whether a reappraisal of U.S. policy is warranted. The Council on Foreign Relations had a similar conclave and came out with the conclusion that perhaps the United States and the West in general, should look more to selective engagement as opposed to general engagement. And I'd like to raise the point that if the relationship deteriorates and becomes more selective, would that include the Black Sea region, and how would it affect it?

Two, with respect to Turkey, as we all know there is a growing clash of civilizations within Europe now with regard to Islam. And there is expansion fatigue after the expansion to 25 countries in the case of the EU. Looking ahead, if EU membership talks are increasingly pessimistic about Turkey's prospects of getting into the European Union, how would this effect Turkey's role as a cooperative member in the Western Alliance and institutional system, as well as its relationships with its neighbors, and Russia for that matter? And three, biting the bullet: Can our relations with Russia survive Ukrainian membership in NATO? So those are the three areas that I would like to raise as possible topics, beginning with commentary from Dr. Simon, beginning with Russia, perhaps. And I welcome other comments.

Dr. Jeffrey Simon, Institute for National Strategic Studies, National Defense University

As I argued, I think that, if we're going to have any success in building Black Sea regional security and make progress, it means that we have to have successful interactions and cooperation with both Russia and Turkey. And that relationship has changed very significantly. So, I think, despite the tensions at various times and the relationship with Russia, the relationship would have to remain selective, unless we gave up on this region. As I argued, and I think Gen Wald and Sergiu argued, that is not the case; it's become too important to our interests, so it necessitates cooperation. But to get to your issue, I think the important question—I touched on it slightly—is the question of further enlargement. You're right, George, in terms of a fatigue both within the EU clearly and what impact it might have on Turkey, let alone Ukraine who aspires for EU membership. We do hear in NATO, in contrast to the EU discussions, about the South Caucasus and Ukraine, but I don't know if we've thought through the entire ramifications of that.

George Fidas, faculty, National Defense Intelligence College

And what about Ukraine, do you think that our relationship with Russia can survive Ukrainian membership in NATO?

Dr. Jeffrey Simon, Institute for National Strategic Studies, National Defense University

I think there's a fair amount of time between now and Ukraine's possible accession into the Alliance. I deal with Ukraine on a constant basis. I know what their expectations or aspirations are. They claim they want a signal from NATO. My argument with Ukraine is what we need from you is a signal in terms of perseverance. Public support for NATO has actually declined in the year that Yushenko has been in office, since the Orange Revolution. And we have, as you know, very significant elections that are coming up. There is a problem with interagency coordination within Ukraine, with the changes to the constitution, and the changes in the relationship with powers between the Prime Minister and President. All of this is going to be worked out in the aftermath of the 26 March elections. And, I think, in that context, whether or not Ukraine will be ready for a bid for NATO will be determined at the ballot box rather than in Brussels.

George Fidas, faculty, National Defense Intelligence College

Thank you, Jeff. I'd like then to open the floor to at least these three questions, and anything else. President Clift.

A. Denis Clift, President, National Defense Intelligence College

George, would you please be good enough to repeat very briefly the three questions; the menu of issues that you are putting in front of us?

George Fidas, faculty, National Defense Intelligence College

Yes. The first one is: there are some clouds that are emerging in U.S. and Western relations with Russia, in the sense that there is growing pressure to reassess the relationship, which has been somewhat unqualified, in terms of cooperation up until now, and there are some signs that at least it's being considered. There was a conclave that Vice President Cheney had with some Russian experts recently; the Council on Foreign Relations also had its own discussion, and came up with a policy proposal calling for a selective engagement, as opposed to across-the-board engagement, which fits more with the National Security strategy of the United States. That calls, to some degree and at one level, for a set or directory of great powers—meaning the United States, Russia, India, China, and perhaps Brazil. That was the rationale initially for closer ties with Russia. So the question is: How do you, because Russia looms so large in the region, how do you feel about a reassessment of the U.S. relationship with Russia, and perhaps a more selective engagement, one that alternates between being supportive and critical. How would a more critical, more strained relationship affect your position in your region, and your relations with Russia? That's one question.

Two is Turkey. If it looks increasingly as though Turkey will not become a member of the European Union, what consequences will that have for the region?

And then three is, Can NATO, U.S., and EU relations with Russia survive Ukrainian membership in NATO? What about Russia—what is the sentiment about reassessing relations with Russia, and being more selective in terms of cooperation. Any comments? Any ideas about that?

**Maj Gen Mehmet Eroz, Chief of Plans and Operations Department,
Turkish General Staff**

I'd like to talk about the European Union and Turkey first. From the beginning, from the establishment of Turkey, Western values were a target, an objective for Turkey. There was no European Union at that time. But since Turkey's establishment, we dedicated ourselves to adopting the Western values, and we worked in our way to that direction. This was begun in the 1960s, and the process is continuing. Right now, you begin with the EU negotiations. The outcome might be different, but to become a vested contributor, furthering Western values is our objective and this is our preference, not the Western preference. So we are working on that and we will achieve it. For almost 50 years, Turkey has been a NATO member. We are always coordinating our activities, our policies, with NATO and the European countries. So I am sure that this won't change in the future, whether we are to become a European Union member or not. If it comes to the Black Sea area, just after the fall of the Berlin Wall, we have signed 35 agreements from around the continent. That means that we give importance to cooperation and friendship with the littorals. This is our main objective. So we should look at the fact that the leaders of Turkey embrace BLACKSEAFOR and Operation Black Sea Harmony.

Black Sea Economic Corporation should be seen in this perspective, and especially about the BLACKSEAFOR and the Operation Black Sea Harmony. We are closely coordinating our efforts with NATO and the European Union, also especially for the Operation Black Sea Harmony; it is a joint operation. We have close coordination with Operation Active Endeavor in the Mediterranean. And we have very close relations and coordination with Naples and try to transfer all the necessary information and up to now there is no problem with that. And we should consider that NATO involvement or the U.S. involvement doesn't mean that they need to bring ships to the Black Sea. Coordination, intelligence sharing, cooperation is the most important part of that. We should respect the territorial organizations that are created by the littorals. The European Union, Turkey, and the regional institutions, and establishments like SEABRIG, are working closely with NATO and the European Union. Those are the channels, information channels and the cooperation channels, with SEABRIG right now. At the beginning, it was ready to be deployed to the Balkans as a peace keeping force; we did not manage it because of some other reasons, but right now it is in Afghanistan and it is under the NATO Command. So, we should see that all these organizations are working closely with the European Union and NATO, and we understand NATO and European involvement doesn't mean being in the area by themselves, but that cooperation is important. Thank you.

George Fidas, Faculty, National Defense Intelligence College

Thank you very much for your comments. Any follow up on Turkey's role in the region? What about the issue of Russia and relations with the West? The idea of a reappraisal towards becoming more selective in our engagement? Is that warranted? And what would be the implications of that for the region? Any thoughts or comments about that? It is under consideration, at least in certain circles in the United States and Europe, based on what is supposedly happening within Russia in terms of restrictions on democracy and various other policies Russia has followed. Is a reappraisal warranted? It's an important question. President Clift.

A. Denis Clift, President, National Defense Intelligence College

As I have begun my education this morning and as I have listened to these excellent presentations, my sense is that it is very much in everyone's interests, it's certainly in the United States interests, to engage with Russia in this region. That has been the tenor of the discussion this morning. We have very real reasons for wanting to have a cooperative dialogue and engagement. And so I think, whether you start reducing the relationship, or keep it at the present level, in this area we wish to engage.

Rich Kauzlarich, National Intelligence Council

I'm not sure what a selective relationship with Russia would look like, that would be different from the current relationship. If you think about it, certainly the U.S. relationship with Russia, if anything, has grown. They're now in the G-8 and will host the G-8 Summit this summer. Every major issue that is of concern to the United States, whether it's international energy or weapons of mass destruction and Iran, the future of the Western Balkans, settling the "frozen" and forgotten conflicts that we touched on this morning, every one of those must involve a very close relationship between Russia and the United States and the countries in the region. Whatever reappraisal might go on, by the time you're done, there's a necessity for the kind of cooperation that's going on now to in fact grow, rather than to be reduced.

George Fidas, Faculty, National Defense Intelligence College

Thank you. What about representatives from the region? How do you assess any prospects for a change in relations between the West and Russia? How would that affect your countries and your interests, if the relationship became somewhat more tense? Any thoughts about that?

Regional Participant

I don't want to shift the attention from your question, but I'd like at the same time to try to let us think a little bit in another way. If all of us were military leaders in society now, we have a tendency to think in military terms. When we are thinking about security in the Black Sea, for example, we see ships going on the Black Sea. But the danger and asymmetric threats are not coming from the water. And the danger is not under the water. Of course the Black Sea is a route. It's a transportation line, and

here is the transportation means for a symmetric threat. But the asymmetric threats are generated on the land, not in the water. I think what is very, very important from all of us—it's the process of trust building around the Black Sea. Trust building between all of us, all of our countries, in the areas that are very painful for all of us, and in areas where all of us have difficulties. The military side is included here. What kind of difficulties? We have difficulties with the transition toward a free market economy, to what is the democratic—fully democratic—state, and so on. At the same time, we have difficulties in keeping control over corruption. I'm fully engaged in my country to fight against corruption and at the same time to make the law work. Nobody could come and say to you, "X country, you have to do this, you have to do this." No, we have to understand we should not act alone, but with the assistance and help of democratic countries.

This is why I'd like to build this trust. Why not have—it doesn't matter in which country—a center for lessons learned from the transition to democracy. It's a center—it could be anywhere. It doesn't matter in which country. And here we can discuss about military things and about security things, too. Jeff gave here the example from SECI, which is much more a law enforcement institution and cooperation than a military one. It was very, very efficient in Romania. I know that there is the tendency to have a sister organization, a "child" of SECI, in one of Caspian countries. It's a good idea. Why not have the center in one of these countries' universities, to teach democratic principles? Military intelligence in a democratic society, what does it mean? Or intelligence in the democratic society? Something like that to make our people get closer, share their experiences, and to understand more. And then we go back to our own countries and share our impressions with everybody. It's unbelievable how much value it could have for the education of the younger generation, not in the next year but in a short time.

I can give you another example. We know very well all of the discussion about oil, gas, and so on has a lot of environmental implications. Why not have a center with our people learning about the environment, how to protect the environment and taking back those lessons to their own areas? It's very difficult in the Caspian Sea to divide the water, but it's possible to draw lines on the map. But there is trouble when it is water and oil is being spilled over it. Training together, two countries, three, and so on, when it's an emergency, they are friends. They know the procedures—common procedures. They know how to do it and they'll do a better job. This is why I'd like for us to change our thinking and not to move ships on the water; to think in a broader way, in collateral areas with the military, but with a huge benefit in the military cooperation, too. Thank you.

George Fidas, Faculty, National Defense Intelligence College

Thank you for those thoughtful comments. Did I see a hand back there? A follow-up on this issue? Sir, yes.

Regional Participant

Mr. Chairman, ladies and gentlemen, the area has a framework of shipping issues. That's why, Mr. Chairman, I prepared this short statement on paper, so as not to waste time with explaining that. If you would give me five or six minutes, I would be able to present it. Also, I would be able to answer some questions, which are put already on the table, but could also save this for this afternoon and tomorrow, when we're going to go into more detail.

So I'd like to express my sincere delight at the opportunity to have been invited to take part in the work of this forum, discussing Black Sea and Caspian Sea security issues. Our region bears considerable importance for Euro-Atlantic security. Also, I want to mention that some of the issues which I'm going to touch on are the same as were mentioned already from the previous speakers. This confirms that we are sharing the same challenges; we have the same thoughts. And we also hope that we have the same views, which others, all the people around the table, have.

Recently the Black Sea countries—Romania, Turkey, and Bulgaria—have become members of NATO, and it was mentioned already Ukraine and Georgia are ready to join the Alliance. Security issues in this part of the Euro-Atlantic space should not be considered in an exclusive context, but as an element of the security of the world in general. In other words, there are some that are integral to global maritime security, and also on the front lines in the fight against international terrorism. I will talk about some of the security challenges facing the countries in the Alliance and in the Black Sea region, including Bulgaria, against the background of the current transformation processes in the region. Moreover, I would like to emphasize that these security challenges have been evolving from the concept of military risk, and have become primarily asymmetrical and non-military in nature, which has made them difficult to predict.

The once notorious comparison of the Black Sea to the Bermuda Triangle, in my judgment, is now in the past. Today, the security challenges include, above all else, international terrorism, WMD proliferation, the so-called “frozen conflicts,” organized crime, illegal trafficking, and other major risks. Terrorism remains the greatest threat to the region. Moreover, this has been evolving. There have been changes and terrorists adapting to security measures, which necessitate an update of asymmetric assessments of the threats, and of how the world must act in order to counter these. I would also like to elaborate on the type of weapons proliferation.

While I was preparing for this symposium, I came across the graduation speech delivered by President George W. Bush at the United States Military Academy in West Point on 1 June 2002. It contained some very impressive thoughts, including the fact that freedom lies at the crossroads of technology. As we consider the risk of weapons proliferation in the Black Sea and Caspian Sea region, we must take into account, above all else, the difficulties related to WMD and destruction of their delivery efforts. Greater risks are also arising from the increased interests of organized crime and terrorist organizations in the nuclear market. Although nuclear reactors are for

peaceful use, some of them are susceptible to penetration. There is also the risk of defecting specialists, and development of nuclear and chemical weapons technologies under the cover of private of enterprise.

Organized crime is yet another serious security challenge, which has an effect on Bulgaria as well, due to its geographic location. I will point out here, the continued improvement of the tactics and cooperation of the criminal organization, the regulation of the illegal trafficking, and above all else the surprise tactics which makes organize crime difficult to counter.

The rapid spread of infectious disease and epidemics to the Black Sea states, Bulgaria included, leads to me to mention that various contagious diseases have already entered Europe. Our environmental problems pose a real danger, which requires us to increase our capabilities to deal with ecological catastrophes and natural disasters. Typical of the Black Sea region, there are environmental risks which have acquired transnational dimensions. Moreover, we should take into account the fact that more than 150 ships, 25 of which are tankers from 85 states, (in 2001 the number was 65) pass daily through the Straits.

Thus, we come to the conclusion that the nature of the security risks and challenges in the region requires some improved regional and international cooperation between the military and non-military factions so that the risks and challenges are countered successfully. This concerns my country, since we would not be able to deal with the security challenges on our own. The general analysis of the security issues in the Black Sea and Caspian Sea region is on top of the agenda. It is necessary for NATO and the EU to formulate a common strategy with, as Dr. Simon's has spoken already, a deal for promoting greater stability in the region. The approach towards the crisis in the Balkans, if adopted in joint cooperation by the two organizations, could help come up with appropriate mechanisms for this region. I would also like to state that, as a Black Sea country and a member of the Alliance and as a future member of the EU, my country is capable of making contributions to the solution of a number of issues relating to security in the region. In this context, my country has been successful in using both its participation in the regional forums and with the mechanism of bilateral cooperation in the field of security for updating its preventive measures, improving cooperation between those assigned the task of safeguarding the border and customs control, and exchanging information.

Mr. Chairman, it is beyond any doubt that the continued involvement in the security in the Black Sea and Caspian Sea region has increased the responsibilities of intelligence for discovering and for neutralizing threats. All this requires us to engage in joint efforts and to promote cooperation to prevent the risks. This is, moreover, obvious in the fact that today no intelligence service has the necessary capabilities to cope with the asymmetrical threats on its own. In this connection, our need to thank both the Joint Intelligence College president and our host Mr. Clift who once wrote that "the will to share information is part of the intelligence cooperation transformation." I absolutely agree with that. I would also like to note that the service I'm responsible

for is an active participant in this cooperation, both nationally and internationally. And finally, I would like to say that I've been impressed by an article entitled, "The Black Sea and the Dream of a Large European Lake." I think I would not exaggerate if I say that this dream will soon become true. Cooperation in identifying the security risks and the dynamism in the relations of the Alliance and the EU has paved the way to the fulfillment of this dream. Mr. Chairman, I believe that I touched some of the answers of your two questions.

George Fidas, Faculty, National Defense Intelligence College

Thank you very much for that informative summary. I think it's getting close to the time when we have to adjourn. Dr. Simon do you have any concluding thoughts?

Dr. Jeffrey Simon, Institute for National Strategic Studies, National Defense University

I just would make the following observation, and I debate this with my friends in the region all the time. I worked for many years in trying to build and assist in putting together the institutions that have brought together southeastern Europe. We've been trying to take some of those models and apply them to this region. On the one hand, most of my colleagues and I would argue at great length that in the Balkans there was a pre-existing identity, a Balkan identity. And as the enlargement process commenced, I think there was an increasing desire to develop a southeast European identity and reject that Balkanic imagery.

The other part is that we've had both the EU and NATO, as external institutions, play a mutually reinforcing role in establishing incentives which have, I think, had a positive effect upon what we have seen occur thus far in the Balkans. The Black Sea, on the other hand, I think presents a much greater challenge. A greater challenge in that I do not think that there really ever was a pre-existing Black Sea identity. And we're trying to create one, or build one from the ground up. It's more difficult to build identity from scratch than to change a pre-existing identity. That's the first point. And the second, which will make it more difficult, is the fact that the EU, at least up to now, has been less visible in the region, whereas it has played a more important role down in the Balkans or the southeastern European environment. The real question is the degree to which Bulgaria and Romania's accession to the EU can bring and articulate an EU Policy—i.e., put the region on the EU's agenda and build cooperative links with NATO. Therein lies our greatest hope of success. But I don't think we should pretend that this is not going to be a very long process.

George Fidas, Faculty, National Defense Intelligence College

Thank you very much. And thank you all.

AFTERNOON SESSION

Lorenzo Hiponia, Director, Center for External and International Programs

Thank you very much gentlemen. Thank you. Next, I'd like to introduce Dr. Bowman Miller who will introduce our next speaker.

Dr. Bowman Miller, Faculty, National Defense Intelligence College

Good afternoon. I would start off with *zdravstvuite*, but that's about as far as my Russian will go anymore. So I better stop at that point.

I hope you enjoyed both the good conversation as well as a good lunch, and that we can continue our conversation in a lively discourse this afternoon. I asked for the opportunity to do this introduction myself, because Ambassador Richard Kauzlarich and I have worked together for a long time. He has a long and distinguished career in American diplomacy, having served both as our Ambassador to Bosnia-Herzegovina and to Azerbaijan in the 1990s. He is the Senior U.S. Intelligence Officer concerned with European issues as the National Intelligence Officer for Europe, and therefore also a member of the National Intelligence Council. His diplomatic career of 32 years includes tours in places as far a field as, I think, Togo and Israel, among others. And he has also worked prior to assuming his present position, on a special initiative dealing with American understanding and appreciation of the Muslim world at the U.S. Institute of Peace. He will talk to us this afternoon about U.S. interests and diplomatic initiatives in the region. Ambassador Kauzlarich.

Ambassador Richard D. Kauzlarich, National Intelligence Officer for Europe

Thanks, Bo, and thanks to Denis for including me today. Denis and I share a long history together working on the status of U.S. POWs and Missing in Action, and I think it's probably one of the more rewarding things that I have done in terms of trying to help families come to closure about their loved ones, who in some cases were, for many years, unaccounted for.

I feel a little like I'm following the main act after these terrific presentations this morning, which I think laid the groundwork for trying to come to grips with what, I think, is a problem that we all share. And that is how to better understand the relationship between our individual countries' national security policies. How do they relate to a region which, in some respects, is still not entirely clearly defined in any of our minds? And then, what can we do together to advance both our national and collective interests? Sergiu did a terrific job, I think, of broadly laying out what the issues are for all of us, and I think that the best thing that I can do, perhaps, is to try to add a couple of insights from an American perspective on those questions, in terms of both our interests and our policy.



Ambassador Kauzlarich discusses U.S. policy interests in the region.

But I also want talk a little bit beyond this region; and in a different way than Gen Wald so ably laid out this morning. But let me start with a bit about what I am doing now, and what the National Intelligence Council is doing, and then go to a discussion of what the world might look like in the year 2020, and why that should be of concern to both you and us. Then, go back to the Black Sea-Caspian Region, mainly in terms of the evolution of U.S. policy interests there; and finally conclude with a discussion of when does a region become a region, and what is the framework of opportunities and challenges that lies before us?

The National Intelligence Council is not a new body; it's been around for a number years and it's been the center for strategic thinking within the U.S. Intelligence Community. When the Director of National Intelligence was established about a year ago and Ambassador Negroponte took over, the National Intelligence Council became part of the new Directorate of National Intelligence. And in addition to the strategic thinking that we have been doing for a number of years, we've become the principal analytic staff for the Director of National Intelligence. So we've become both strategic and more operational in meeting his needs. Our principal job is to produce analytical products that represent the view of all of the 15 agencies in the U.S. Intelligence Community. Bo Miller, in his position at the Department of State in Intelligence and Research, would produce excellent analysis for the Department of State; and Brad for DIA, when I first knew you anyway, you were involved in that as well. We try to take the best of all of the community and bring policy makers as well as war fighters a consensus view of the intelligence on particular problems.

One thing that I want to underscore from the very beginning: in my present job, there is a very high wall drawn around what we do as analysts and what policy makers do, in terms of making decisions about what the United States might be trying to accomplish in this part of the world, or indeed any other. So from being an Ambassador, where I was in the middle of policy, to being a super analyst, where I'm sort of walled off from it, excuse me if I sound a bit schizophrenic in my presentation, because I'll be going back and forth on this. One of the best things about the National Intelligence Council, and this picks up on a point that Gen Wald made this morning, is that we reach out both to the non-government world and to foreigners as well to help us better understand the problems that we face. It's rare that there is anything that you could call a secret, that isn't already known well to many people in the outside world, and in many respects better perhaps. And we try to take advantage of outside experts to help us understand the problems that the United States is confronting.

The best example of that is in an unclassified product that we produced just a little over two years ago, called our 2020 Project—our “Mapping the Global Future.” And we went out to over 1,000 experts outside of government, American and non-American alike; we organized several day-long workshops on five continents to bring people together and ask them what they thought the world might look like by the year 2020. The result is an excellent document—Bo just took my last 10 copies, so you'll have to go to the Internet to find it, but you can look at the text of this, if you are interested. I thought it would be important to spend a few minutes before we get back to the Black Sea and Caspian Region, talking about our sense of what we learned from the experts that we brought together, about what the world of 2020 would look like and what the challenges are. And to say a little bit about why that's important, both for Americans but for non-Americans as well.

In doing this study, we reached five clusters of conclusions and I don't want to go into great detail. But the first and most important one is that the process of globalization, which we're all familiar with today, is going to get even more intense as we look out at the world of 2020. One of the consequences of that is going to be the unprecedented prosperity in some places, including Africa where one doesn't usually associate prosperity and the globalization process. But there's also going to be uneven benefits and a great deal of uncertainty connected with this. We mentioned this morning the questions that are being raised about the Dubai Port Authority taking over six U.S. ports and the anxiety that this has generated in the American public because of the fear of globalization. We just concluded a conference yesterday on France with the Brookings Institution, and the one thing the French academics emphasized as the major concern of the French people now is globalization.

So you're going to have the positive benefits of the economic growth, but you also have the anxiety that is going to be created by the fact that you're going to be bringing from low wage countries many millions to new members of the new global workforce.

The second cluster of conclusions we reached was that the world of 2020 is going to be much more fluid and complicated in terms of international alignments. And

this is going to be particularly because of the emergence of both China and India as major global players. Not just as large economies—they're that already—but as actors who could transform the geopolitical landscape in very dramatic ways. Our paper concludes that their emergence could be one of the most significant developments since the creation of the Western Alliance system in 1949. And at the center of their role is going to be access to, and the transport of, energy. We've already looked at the map of the Black Sea and the Caspian region, but there's a bit of a bias in that map in that the connections are westward, when in fact the connections may increasingly (by the time we get to the year 2020) be eastward, as China and India demand their share of what are going to be limited energy resources. So, in a sense, the Caspian-Black Sea region becomes pivotal, not only because of the westward dimension but because of the eastward as well.

The third cluster of conclusions has to do with the challenges to governance. In other words, governments are going to be increasingly challenged by their own populations, and by external forces, to make changes. Part of the challenges will come from the globalization process that I mentioned earlier. As I said, societies uncomfortable with globalization are going to put demands on their governments to protect their populations from those pressures. The spread of information technology, something that we take for granted today, may grow in ways that we can't even imagine, that will make control of information to people and to individual actors within a society much more difficult. And the final challenge to governance is going to come from new forms of identity politics that are likely to emerge in many countries—identity based on ethnic groups but more importantly identity based on religions, particularly Islam.

The final cluster of conclusions deals with terrorism. We still see the world of 2020 being very much a world where the terrorist challenge is there. But it's a challenge that is going to transmute from a world where, at least as seen from the United States, the focus is on al Qaeda and similarly structured terrorist actors, to a diffused network of uncoordinated, in some sense atomistic groups, capable of doing both the United States and other countries great damage. But they will be motivated largely by a radical Islamic political and ideological challenge, a challenge that's going to require all of us to think about terrorism in different ways, and to look at ways that societies have to change in order to diffuse the attractiveness of terrorism.

Now what does the U.S. care about in the world of 2020? Why would the National Intelligence Council devote a good bit of time and effort to producing this report? Well, one thing we recognize very clearly is that to prepare for the future challenges you need to start now. So we're trying to anticipate the unexpected. And in doing this report, we tried to lay out possible scenarios of a world where no longer would we presume that the United States would be the major superpower, or even the dominant economic power, given rise of China and India. It's a world where the nation state may not be the object of deference, competitiveness, and conflict; non-governmental actors such as terrorists groups and religious organizations begin to play more in international relations than they do today. And we also care about this because the National Intelligence Council needs to ensure that we're providing better, more timely, and relevant analytical support, to the policy makers. They may not be looking out to

the year 2020, but they need to understand that the consequences of the decisions they take or do not take today will have implications far beyond that.

But more to you around the table! Why should you care? This is your world too. No more than you can move from the Black Sea, can you move away from some of these global trends that we see affecting all of us. They are going to impact traditional concepts of sovereignty and boundaries; and we need to be able to step beyond our traditional and, in a sense, comfortable ways of viewing challenges and opportunities in the future, so that we take account of these global trends that are already beginning to emerge. And perhaps the most important reason that you should care where your country and your region will be 15 years from now is that others—China and India in particular—are thinking about where they are going to be 15 and 20 years from now. You're going to have to be equipped to deal with that.

Let me go back and talk a little bit about how we got to the present, from a U.S. perspective—in other words, the evolution of U.S. foreign policy interests. Coming to a presentation like this, I try to do a lot of reading about what others have said, so I can save myself some work. And in doing some research, a good friend of mine, Ambassador John Berley, who is our Ambassador in Bulgaria, gave a speech not too long ago, and he pointed out America's historic interests in the Black Sea region. He said that the founder of the U.S. Navy, John Paul Jones, served on the Black Sea as an Admiral in the Russian Fleet under Empress Catherine. That was a new piece of American history to me. But, in a way, it shows that in terms of interest in this region, the United States has been there for quite a while. And this is only one example of the connection between our histories, and indeed U.S. interests in this region. But I think the more relevant period for describing how we got to where we are today begins with the Cold War. And indeed our view of this region was for many years colored by East-West distrust and divided purposes. I hadn't realized until this weekend that Sunday, 5 March was the 60th Anniversary of the speech at Westminster College in Fulton, Missouri, that Winston Churchill gave. Most Americans recall that speech for the language about the Iron Curtain descending across Europe.

I was on the BBC website and saw a link to the speech, and you could actually listen to the full text of Churchill's speech. It was quite remarkable because he said our strategic concerns are tyranny and war. How do we prevent them from coming back? He said we would look for instruments to try to achieve our strategic objectives, and his most important instrument was a united Europe; for Churchill, the boundaries really weren't there. He wasn't thinking in those terms. He wasn't even thinking in institutional terms. More than anything else, he talked about the growing rift between wartime allies, the Soviet Union and the United States and Britain. He talked about the need to deal with common challenges of tyranny and war, and for Europe to work closely together. It was a very broad definition of Europe. So the immediate post-war period for this region was very, very important. The United States, in particular, worked with our ally Turkey as the focus of U.S. policy in that region, and we've had a good dialogue over these many years with Turkey about issues relating to the Black Sea.

But the end of the Cold War created a new focus. It opened tremendous new opportunities for cooperation in political, economic, and security areas, not as a defensive response to the East-West conflict, but as an opportunity to deal with what we're seeing now as common problems among countries that have more to bring them together than divide them. And the opportunities presented by the expansion of the European Union and NATO promised security, not only for the region but for Churchill's dream of Europe as a whole. It also created the opportunity for new regional organizations to emerge. SECI was mentioned this morning as just one example of that, and the areas of military cooperation that have emerged on the Black Sea are yet another. But it truly opened this region, which in some respects had been closed to the rest of the world; it opened this region to the importance of new countries, new partners, and new opportunities.

I think what occurred at this time was the coincidence of the development of energy resources in the Caspian region with this new openness and these new opportunities. When I flew into Azerbaijan to take up my duties as Ambassador there, I stopped in Istanbul on the way. This was in the spring of 1994 and in the harbor in Istanbul was the hulk of that tanker that we saw on fire in one of the pictures this morning. It was a vivid reminder to me of how interconnected this region really was, that the movement of energy through this narrow strait could conceivably, by one accident, involve many countries—those nearby but also those further away.

But if opportunities are there, there are certainly challenges as well that emerged from the end of the Cold War. Internal conflicts in Moldova and Georgia and between Armenia and Azerbaijan in Nagorno-Karabakh quickly arose out of this environment of change and uncertainty. And the second element of this, something that Gen Wald hinted at but we really didn't talk much about, was the spillover from the dissolution of Yugoslavia. And finally, there was another challenge that emerged. That was suspicions about the role of the United States and the West through the NATO alliance and the EU by some countries in the region, including Russia and (depending on which press you read) Turkey.

As we began to evolve our relationships, it became quite clear that United States involvement in this region was very complex. We began with important bilateral relationships—the pre-existing ones with Turkey, Ukraine, Bulgaria, and Romania. We saw that our existing relationships with countries in the region, such as Turkey and Russia, were shifting because of the changes in the world at large, but also the changes in U.S. interests that were moving from the security area and more into the economic and political area. And then, finally the whole issue of exploitation and transportation of energy from the Caucasus and from the Caspian region to the Black Sea became another element in the complex nature of the U.S. engagement in this region. Throughout this period, certainly throughout the period that I was Ambassador to Azerbaijan, the United States and Turkey, in particular, worked very closely together because of that Bosphorus bottleneck. It became very clear, first to Turkey and, then to the United States, that having multiple ways of moving energy from the Caspian that avoided it all being funneled through this very, very narrow point, was not only to the advantage of people in the region but to the consumers outside, in

terms of assuring access to supply. And then finally in terms of the complexity of our engagement, multilateral organizations were playing a growing role as countries in the region assumed membership not just in NATO and the EU but in the OSCE and the regional organizations like SECI and the Council of Europe.

Our security focus during this time in a sense narrowed, but developed in terms of the range of issues that we were concerned about. No longer was it a question of avoiding conflict between the East and the West, but how could we adapt the CFE Treaty to the changing circumstances, and the implications that had for individual countries, the region, and United States. The United States became more directly involved through NATO; our presence in Bosnia Herzegovina, and later in Kosovo, gave the United States a very direct involvement in peacemaking and peacekeeping activities in a region that extends beyond the littoral states of the Black Sea. And the expansion of NATO membership to countries like Bulgaria and Romania, and possibly beyond, indicated an intricate web of opportunities, as well as obligations that the United States was assuming.

Now simply talking about a region doesn't make a region. I will say, from an analytical point of view, coming to grips with the Black Sea is not easy. And Jeff, maybe you'll back me up on this, but our approach has been to look at the energy issue and the Caspian almost as a separate question from what's going on in the Black Sea area. Then, when we look at the Black Sea, we tend to focus just on those states with coastlines on the Black Sea. But there's been a change in this region, and that's stating the obvious. I think there's a change in how countries in the region view the region as well. Not only the United States but you as neighbors, and with these relationships that are beginning to emerge, you now see your roles differently than you did even 10 years ago. Don't forget that the global impact of the changes that I've talked about has hit this region heavily—energy being the most obvious one, where security of supply is the question not just for the United States and Europe but for India and China as well. Will the major consuming countries, both East and West, be able to approach the energy security issue in a rational and cooperative way, or will this too lend itself to competition?

Of course, there is a more basic question: Is it possible to even talk about a "Black Sea region"? Academics and analysts are always looking for things that bring countries together, because it's a lot more convenient and easier to talk about groups of countries than individual countries. But our problem, I think, traditionally has been that we've tried to define these interests almost exclusively in geographic terms—such as the countries bordering the Black Sea. But maybe there's a broader community that we need to look at. What are their ideas about the role of democracy, the role of a market economy, or the shared challenges that we all face the global war and terror, and energy security in particular?

So, I guess the question, "Is the Black Sea region a region?" has a kind of flip answer which would be, "It depends." We can say that geography is less important than a sense among states that they share a common interest and a shared destiny as old barriers fall. I guess that's why countries join the UN and want to join NATO and

the EU. But we also understand that there are national and shared regional interests that intersect with what might seem to be uncontrollable global trends. You mentioned the Avian flu problem. Here's a new issue that five years ago I don't think many of us would have given much thought to, and yet we now see in this region and indeed globally, that international cooperation and intelligence must be brought to bear on how we deal with and cooperate in this area, which I think for many seems a bit esoteric and out of our normal range of daily life.

For the United States, I think looking at this region, we look at it in terms of how can the United States supply resources in the Black Sea that enhance our ability to meet the global challenges of the 21st century. One thing I haven't detected here, as I have detected in the Balkans, is that nobody is claiming that they're not part of either the Caspian or the Black Sea region. Let me tell you a little story. In Sarajevo in the summer of 1999, there was a summit of leaders of European and Balkan countries to try to come to grips with what could we do to help the Balkan region become more integrated into Europe and into the world community. We thought it would be a good idea before that summit to get the countries from the region together and talk about what the interests of the Balkan countries were. So we had, at the level of political director, all of these representatives from Slovenia and Croatia, from Bosnia and other regional countries, and the discussion sort of went like this. The Slovene got up and said, "Well we're not part of the Balkans, we're part of Europe." And as countries went around, it ended up that there was only one country in the Balkans, and that was Bosnia-Herzegovina. I think the failure to have that sense of a common purpose is at the root of the problems we continue to face in the western Balkans.

Here, in the Black Sea region and in the Caspian region, I think, it's clear that there are many more common interests that will bring you together. It's a question of how do you deal with those interests that's going to be the challenge for the future. Now if I were to lay out a framework of challenges and opportunities that lie ahead, I would break it down in the following way. In the opportunity column, I think both the countries in the region and those from outside have a tremendous opportunity to strengthen democracy. This is something that, as time goes on, becomes more and more vital to creating a sense of stability, both for the people of individual countries and for the countries as a region. The second opportunity for cooperation is going to be in the area of energy, not only as consumers, but as suppliers and as transit states for energy. As time goes on, there's going to be more of a need to work together, because there's no way that any single country or two or three countries working together can effectively make the energy security problem for the world as a whole better than it is today.

The third opportunity that we have is the interaction between the Islamic and the non-Islamic worlds. I think that we've seen, with the events of the last weeks and the controversy over the cartoons that appeared in the Danish press, that there's a great danger that the division between Muslims and non-Muslims could become greater if we don't work at it. Yet a number of countries in this region (Azerbaijan, Uzbekistan, Turkey, Bulgaria) have had experience with Muslim and non-Muslim populations and

can play a very important role as a bridge between the Western and the Islamic worlds. Countries like Russia, who have such a broad mosaic of ethnic and religious groups, have been struggling with the interaction between different religious groups for a long time. And so there's an opportunity to work together to help bridge what is a potentially growing global divide between Muslims and non-Muslims. In settling these so called "frozen" and forgotten conflicts, I think the experience in the Balkans can be a positive one, where countries and international organizations working together can not only stop a war, but build a peace, as we're seeing in Bosnia now 10 years after the Dayton Peace Accords. Can we take similar approaches of cooperation to deal with the conflicts in Ossetia, Abkhazia, and Nagorno-Karabakh? There needs to be more done in the area of transportation infrastructure, not just by sea but by land as well. And lastly, the final opportunity is to achieve Churchill's dream of enhanced European integration and stability. Now that doesn't mean that we've avoided the challenges that are out there; the challenges are obvious: Terrorism, both on a global scale and on a regional scale. A number of countries in the region are facing terrorist challenges that, left unaddressed, could become part of the global war on terror. Narcotics trafficking—I know you're going to get into this in much more detail—remains a very serious problem for all of the reasons that were mentioned this morning: Arms proliferation, both conventional and weapons of mass destruction; the tragedy of human trafficking. At the root of many of these is the issue of criminality and corruption, something I must say that the United States does not pay as much attention to as some of our European friends. But the criminal connection among all of these challenges is something that we really have to address. And finally, I would add the challenges that we don't know about yet, just as Avian flu has surprised us. There may be some other unanticipated challenges that are going to require not just national attention, but international attention.

Much of dealing with these challenges is going to require control of borders, and that's something where I think SECI has played a role that I wouldn't have imagined back in 1996. And I think it's also important, looking at these challenges, that we don't become so fixated, as we quite often are in the United States, on terrorist problems—as important as they are. But we ignore these others, which I think is a great danger, because terrorists rely on financial flows that are generated from illegal criminal activities, such as narcotics and arms trafficking. And also quite often, these frozen conflicts are in parts sustained by illegal and criminal transactions. So criminality and the associated corrupt government structures are at the center of this complex web of interactions that we all must undertake, if we're going to meet the challenges of tomorrow.

Americans get accused, I think, of over-emphasizing democracy, and in a way I think that is probably unfair. Not that we don't pay a lot of attention to it, but there's a reason for it. And I've come away from my time in both Azerbaijan and in the Balkans with a firm belief that, if governments and the structures of governments, particularly law and police authorities, are not regarded as legitimate by the populations, stability is threatened. Stability is not maintained by suppressing views or not allowing opposition parties to have access to media, or even run in elections. That is a recipe for instability.

I think the other opportunity that we really need to look at, in a broad sense, is the removal of the illegal financial incentives that are out there for people to undertake these criminal activities, by increasing both transparency and accountability. And finally, and most important in terms of opportunities, is how do we work together to improve economic opportunity for all the people in this region? I think nothing would do more than the possibility of jobs, education, and delivery of social services to dry up support for terrorism and for illegal activity. Economic growth is at the heart of this.

So concluding, what do I make of where we are today? I think, though we may be geographically far away from the Black Sea and the Caspian region, we do share a number of common interests. Our relationship in this region, as I mentioned, began and continues with Turkey, but now we want to expand that close cooperation to all the countries of the region. It's more than energy, but energy is going to remain central. Nothing is going to take away the critical role of the production and transportation network that you see up on this map for the foreseeable future, and it's going to be important that we collectively stay engaged on that.

But security matters, such as preventing the use of the Black Sea and associated land transit for trafficking in narcotics, persons, weapons of mass destruction, and other illicit activities also will require U.S. and your cooperation. And I think the countries who are here today, and the United States, share political interests in resolving the unresolved conflicts in the western Balkans, in Moldova, and in the Caucasus. Nothing can draw us further away from our effort and cooperation than the re-emergence of war or conflict in any of these regions.

So, what does our focus have to be? I think from the U.S. perspective we need to look for the most effective ways to work with this region, to create conditions of stability and prosperity that will allow you to move closer to Europe and become more integrated into a broader world community, which as every day goes by become smaller and smaller.

Dr. Bowman Miller, Faculty, National Defense Intelligence College

Thank you indeed. I knew I wouldn't be disappointed, and I hope that from your questions and comments that I'll see an indication that there were plenty of things that Ambassador Kauzlarich offered that prompt questions, comments both across the region as well as attitudes and reactions to American hopes, aspirations, and so forth. Just let me mention a couple of things that we might add to our inventory of things to keep in mind. We talked a lot about energy but I hope we keep in mind that there are a number of things connected with that big word "energy" that then further complicate the security equation. What do you do if you have terrorists that take control of a tanker in the Black Sea? How do you manage that kind of an incident? There are huge regional environmental implications in these kinds of things. We saw the burning hulk of the ship that was a little farther out in the Bosphorus. Can you imagine that under one of the bridges that goes across and links both sides of Istanbul? These are the kinds

of worries that Turkey legitimately carries around every day, as they see every single ship move through that narrow body of water.

There are all kinds of resource issues besides energy that are involved that region. I would invite any of you and all of you at this point to offer comments. I've been writing down a few of my own questions, but this is designed to be an open forum, and I hope now that you've all introduced yourselves and you've had lunch you will ask. We didn't offer you any vodka, that comes later in the day, but only if you have a lively discussion first. So let me open the floor. Would anyone like to respond to or add to the things that the Ambassador has offered this afternoon, or anything said earlier today?

Participant

Given the Ambassador's background expertise in both the Balkans and the Caucasus, I thought I'd express a concern that's been raised to me several times, and that's the precedent that Kosovo independence or conditional independence may set for the other "frozen conflicts." I was wondering if you could address that issue for us. Do you see that are they tied together or are they not? Is that an issue that we should be concerned about for the other "frozen conflicts" and how we solve them? Thank you.

Ambassador Richard D. Kauzlarich, National Intelligence Officer for Europe

It's obviously a concern. It's a particular concern for Russia; President Putin has made quite clear that he sees this as a precedent. I guess I would say it could be helpful precedent in some respects. One, if you have a peaceful resolution, whatever that might be, of the status of Kosovo that's accepted by the parties to the conflict and by the international community working together, that's a good precedent. I think that, if Kosovo become independent or not, that in itself is not necessarily a precedent. I mean, there have been other cases around the world, including Czechoslovakia splitting into the Czech Republic and Slovakia, where boundaries have been changed by mutual agreement. But I think the precedent would be if we get a good outcome that people see as in their interest, and particularly in this case gives both Kosovar Albanians and the Serbs a view that they have a future as part of Europe. Then I think it would be a very good precedent for this. But I guess I would want to wait until we got a little further along before I become worried about it.

Dr. Bowman Miller, Faculty, National Defense Intelligence College

Let me ask if I can get a response from Gen Medar or others. This morning I heard you mention that the guiding principles that the OSCE had enunciated, for example, in the Nagorno-Karabakh case, include two principles that I have always found in complete contradiction to each other, or at least in relative contradiction. One is self-determination for the affected people, the residents and population of Nagorno-Karabakh, and at the same time maintaining the territorial integrity of Azerbaijan.

And we've just had reference made to a situation in the Balkans where we tried to make both of those principles work at the same time and are still trying to make them work. I'm interested: Is that a workable set of arrangements for the kind of situation we're talking about, when ethnic or other groups try to assert greater and greater autonomy? And do you see broadly in this room a role for an organization that we've only mentioned: Where does the OSCE come in dealing with any of the kinds of things that we're talking about?

Regional Participant

I think, if we try to make, to find, similarities or to make a parallel between Kosovo and some "frozen conflict" in Black Sea-Caspian area, it's not productive. And I think it's better not to make this similarity because it's almost clear what will be the solution in Kosovo. And it cannot be the same solution for other "frozen conflicts" from the Black Sea and Caspian area, because in Kosovo it was an ethnic conflict, which is not the case with Transnistria. If we make a parallel with Nagorno-Karabakh, it will be again in the wrong way, because the Kosovo conflict was in a state, within a sovereign and independent state, inside the state. Nagorno-Karabakh is an inter-state conflict. It means that, if we try to copy the solution it's not possible to make fundamental similarities. This is my opinion.

Ambassador Richard D. Kauzlarich, National Intelligence Officer for Europe

I would add in the same region that the solutions may not be similar, if you look at Bosnia and Kosovo. You know it's not the same, even with countries that are closer together than further apart.

Regional Participant

If we are coming back to the same region—if your question is for the same region—it will be very difficult too, because I don't know if it will be the same sort of sharing with Kosovo and Bosnia. If it will be split, we need to take into consideration that it gets very, very penetrated by the Islamic fundamentalism that is taking root in the areas where they find receptivity, and at the same time it is very well known for corruption, dirty business, and so on. We can see another complication in the area in the future. It means that the situation is complex, and it's very difficult to say that this is the best solution.

Dr. Bowman Miller, Faculty, National Defense Intelligence College

Are there other comments on that?

Let me see if I can turn some of the discussion back to this security question, and ask what would happen in the region if, in fact, there weren't increasing sharing of information, working together in a cooperative way on some of the problems that we're

talking about here? It seems to me that a negative outcome would occur if that were in fact the case, and we don't see the region working more closely together. There's a temptation to transfer a problem that confronts you to your neighbor. I'll give you an example: narcotic trafficking or illegal migrants. One of the things that I think the Europeans and the European Union are experiencing now is the question of how much trust and faith do they actually put in the Schengen Agreement, where they agreed to eliminate a lot of their internal border controls and to put an outer boundary around the European Union, or at least the members of the Schengen Agreement, which includes most of the region. As transnational problems grow and the terrorism threat grows, the question of illegal migration grows. The General mentioned this morning something about a half-million women per year are caught up in illegal migration and illegal trafficking. I don't know whether that is a solid figure, but it is in the hundreds of thousands at least, and Moldova I think is the place that is really confronted with this challenge. What happens in a situation where a problem that confronts one country is simply handed to the next one, as a way to get rid of trouble that confronts you? Is that something that should spawn more discussion and more across-the-border cooperation? What would happen in fact? We're accused in the United States sometimes, and in



Dr. Bowman Miller, NDIC, leads a discussion on U.S. policy and interests in the region.

the 9/11 Commission findings, of not being imaginative enough in the intelligence community. Now obviously that's not true for the National Intelligence Council, because they've looked out 15 years and tried to imagine what the world could look like. But imagine for yourself if those two big bodies of water didn't exist and you took those demarcation lines and drew the ones in the Caspian in a similar way and in the Black Sea, and you had land borders with all of your neighbors instead of water. Would that change what you have to do with respect to cooperation? Your border guards wouldn't be sitting necessarily on ships where they saw each other from miles away; they would be, in fact, a couple of hundred yards away from people, the way they are in most of Europe.

Regional Participant

We are chiefs of military intelligence sitting together discussing those issues. The Security issue is different in Kosovo, but first of all we have to begin with trust, trust between services. For cooperation in intelligence it's absolutely critical; if not, we can sit together here for months or years, and cannot achieve any results. If we trust each other, we can achieve some positive results and we can exchange information, but how can we exchange information, for example with Armenia and Azerbaijan? Or between us and Russia? It's really a difficult process, but first of all we must establish trust. Thank you.

Dr. Bowman Miller, Faculty, National Defense Intelligence College

I think that's a very good point. I'm a more recent arrival in this line of business. I've been a consumer of the information that intelligence analysts have produced. Now I'm in the business of helping people understand what's going on. It would seem to me that, even if you are a country or you're one of several countries who may have conflicts of one kind or another, that there are going to be issues on which not only can you cooperate, but you must cooperate. Let's use the Avian Flu example. Countries must see that there's a common interest in letting their neighbors know that there's a serious outbreak of Avian flu in a region that borders on a neighbor, irrespective of whether Armenia and Azerbaijan are disagreeing over Nagorno-Karabakh, or whether Ukraine and Russia have a problem over gas. This is something that everyone recognizes, and it is only going to be solved by not holding back information but by sharing it. It seems to me that if it's possible to identify issues like that, like terrorism, that you can begin to do the practical work that builds trust.

Regional Participant

I think you have a very interesting point. I have a question. I agree that building trust among the intelligence professionals and between nations is important, but do you see that trust being developed through bilateral contacts, or through the establishment of regional organizations, or in the context of something like the European Union or NATO or OSCE? How do you move forward to establish the kind of trust that you believe we need to develop, in order to have an effective exchange of information?

Regional Participant

My answer is we already can find a couple of areas of cooperation. Illegal immigration, illegal arms sale, and narcotics traffic; it's the same for everyone. And here there is no competition and no conflict between intelligence organizations. But we need a good definition of intelligence. It's collection and reporting of information to our highest authority about a national threat. And for one country, it's for example, the energy threat—today it's the main threat to our national security. For another, they have a different threat and they can collect information. And we can separate some topics, some threats, and then we can start discussions.

Regional Participant

We should look at the issue from the wider view of Black Sea security. If you look from that prospective, this will give us lots of opportunities to coordinate, to share information and intelligence, and this can contribute later to bilateral relations. This will contribute, of course, to building cooperation areas. For example, Black Sea economic cooperation might contribute to the countries getting involved in economic prosperity, and in this way contribute to and improve human relations. And in the long term, I'm sure this will help to get other cooperation and to make other relations better. You can look at other points; for example, Black Sea ports. I'm sure it would contribute to confidence building. Let the littorals, the NATO countries and non-NATO countries, work together, share information, and have confidence in each other. So at the beginning, if you look from the broader prospective and improve it as far as possible, and then take the other small issues of the region—the regional issues—and work together, I am sure that they will do better. Thank you.

Regional Participant

Thank you, sir. My judgment is that everybody around this table will agree that the response to the transnational problems must be transnational. For example, as we try to react against international terrorism, we're trying to create an international anti-terrorist coalition of all countries. It sounds good, but to realize this in practice, it's quite difficult because first of all, a lot of us have to be engaged inside our countries. I fully agree with the claim that in the first place it should be the work of the national intelligence services as well, but also we have to tackle the problem of the regional issues, with law enforcement institutions, the border police, and other institutions that exist inside our countries, to deal with this international problem.

In the second place, it's our task to develop quite reliable bilateral or multilateral relations on that basis. Frankly, some times it's much easier to create a quite reliable, quite high level of international cooperation than to do so at the internal level. If you want me to just take one example, drug trafficking, it is very basic information, but it's confirmed that 90 percent of the heroin comes from Afghanistan. And the cultivation

of the poppy in Afghanistan is growing more every year. So how would we deal with this problem? Again, it is quite simple to see the relationship and seek cooperation in combating drug trafficking from Afghanistan to Central Europe, to try to create a good level of exchanging information. It's not so easy; however, to take action on transportation or some other issues.

U.S. Participant

Just to reassure you, sir, that your country isn't the only country with problems of internal coordination. We have the same difficulty in the United States, getting the various members of the Intelligence Community to work together, even on problems where there's recognition that it requires this kind of cooperation. So I think that is a common problem I suspect all of us face. Your example of the narcotics problem brings up another dimension to this as well. A number of our countries are involved in ISAP and OEF in Afghanistan, and obviously you start at the source if you're going to deal with a narcotic problem. But the whole chain of that has to be through the transportation process. I would say, in the Caspian region, the ferry between Turkmenistan and Azerbaijan is probably one way that a lot of narcotics move from Central Asia into Europe. And that puts a particular responsibility on both the Azeris and the Turkmen in that respect. And then all of us on the consuming end of the chain have to do a lot of things, not just interdicting the supply, but in terms of our own societies, in creating an environment where narcotics are not demanded at the level that supports this trade. So you are absolutely right; in this area it's global, chain of interaction, and cooperation. It's going to take a major effort but you know we're all involved in one respect or another.

Dr. Bowman Miller, Faculty, National Defense Intelligence College

Just a couple of quick comments in response to some of what I've just heard. I've been in the intelligence business for 36 years, and I remember earlier in my career being told there's no such thing as a "friendly" intelligence service because, as you said before, sir, from Ukraine, trust is really the coin of the realm. Most of us in the intelligence world were taught to be mistrustful and suspicious as the nature of our business. And we're supposed to identify threats, enemies, adversaries, sources of conflict—that is the nature of what we do all of the time. And yet as you said, we can't just leave everything in the world for the diplomats to solve, with all due respect to my colleague.

You'll notice that Gen Wald this morning used the American acronym DIME. (In English it makes sense because that's ten-cent coin, *the dime*. We all have it in our pockets.) The first letter was not democracy, but diplomacy. And when we all live in a world in which we are just as much diplomats in what we do in information sharing and problem solving as he is in what Gen Wald is trying to do, this is a diplomat in uniform in many respects. A lot of what he is doing besides leading the whole U.S. force component in the EUCOM area is engaged in active diplomacy, in active problem solving, information sharing, and coalition building at the political level, as well as at the military level. And it seems to me that your comment about using intelligence also

to sustain the proper climate for negotiation, for diplomacy, is something that a group like this, as it gets better acquainted, can also contribute to.

Ambassador Richard D. Kauzlarich, National Intelligence Officer for Europe

The other thing I think that contributes to building trust and a willingness not to hold information, but to share it, concerns these various deployments that all of our countries have been involved in, whether it's in the Balkans in Bosnia or Kosovo, or in Afghanistan or Iraq. I think military commanders and soldiers, in particular, know that keeping information from others that could affect the success of the mission, or indeed risk casualties, is a bad thing. And from my time in Bosnia, there were no secrets that anyone involved in the SFOR Operation kept from each other. Everybody needed to know what was going on, where the trouble makers were, where there was a potential for violence, where refugees might be returning—you had to do it, otherwise you failed in your mission. And I think the more we get used to working with each other in that kind of framework, perhaps some of that trust which seems—dare I say it—almost easier for people in uniform than diplomats to achieve, can spill over into these other areas. I'm not sure whether your countries have had similar experiences or not, but as an outside observer that's what I see.

Regional Participant

I'd like to talk a little bit about this kind diplomacy. In Europe it works very well in some countries. This is defense diplomacy. In my country, we have a course for defense diplomacy, which is attended by not only the military, but by civilian diplomats for example. The last 10 years proved to everybody that such a program could exist and is very efficient. Because sometimes we wait and say that generally military men are very undiplomatic. Modern diplomacy in the world has to be very clear, sharp, and right to the point. And this is why I think defense diplomacy succeeds. It's very important in a conflict and it's much more important in post-conflict areas. Before and during, it is most vital; but it's very important in post-conflict areas too. Thank you.

Regional Participant

I would like to support the previous speaker about diplomacy—military and civilian diplomacy. The Chief of Military Intelligence has real soldiers and real officers who collect information with some risk. Sometimes they risk their lives, and it's the diplomat who uses this information for negotiation, for making decisions, and so forth. And it is very important for intelligence officers, for chiefs, to provide the truth. What do you or your boss want to hear? It's necessary to provide the real picture with your information. And it looks like what I'm saying is very aggressive, but I want everyone to understand that we are not academic; we are very practical people sitting here together and we must talk about the practical things, like how to establish trust, and how to the establish exchange of information. But the first step is absolutely critical for the future perspective. It's necessary to establish trust and real cooperation.

We work together with the U.S. armed forces, and also troops from other countries where we can work together and we trust each other in the field. But sometimes it's a different story and different situation. I don't want to raise some issues, but we have some in our relations that are different in different countries. As for Kosovo, it is very important for Europe not to forget about the Transnistria, about North Ossetia, and Nagorno-Karabakh, which could lead to a chain reaction situation in that region. Thank you.

U.S. Participant

I'm not sure I can add much more to the specifics of the narcotics point, but back to the question of military diplomacy. To a certain extent, intelligence feeds into this as well. I will tell you from the point of view of experience as a diplomat. We do a good job of training American diplomats to understand the point that you just made. One of the great honors that I've had is to work where young officers who are going into their first joint command learn about the interaction between military and civilians, both overseas and in Washington. The courses are terrific, because there are a lot of young captains, majors, and even participants from foreign militaries in these courses. Is there ever a single State Department diplomat? I have never seen one. Yet it's precisely that kind of understanding that I think diplomats need to get under their belts at an early stage. Because I think military men and people working in intelligence understand why you need to cooperate across these realms, and I think in my country we don't do a good job of it.

Dr. Bowman Miller, Faculty, National Defense Intelligence College

I know that I and the Ambassador are the only two people standing between you and a coffee cup or maybe even a cigarette—but let me offer two quick closing remarks, though—they're not at all designed to close off the discussion. I hope you'll continue it outside the doors and bring it back in when you come back from the break. I don't think any of us are naïve about the trust issue. It's trust in a context. We all, I think, are quite clear on that. At the same time, all the kinds of things that come out here as issues among you, and between you, and involving all of us, are the kinds of things that this College in particular tries to focus its students on: understanding a world that is very rapidly changing, but that not everything in it is changing. And I think one of the lessons that this country learned in a very hard way was that we had agencies within our own vast intelligence community that didn't trust each other enough to share information, in a way that I'm not sure should have prevented 9/11 from happening, but might have given us a better chance to do something about it.

And the fact that we are now talking about moving toward—a culture of “need to share” rather than “need to know”—is really a bit of a misnomer, but I offer the

thought for you to consider: How do you define the field of the people who eventually are going to belong, in one way or another, in your “need to know” audience? And if they are only in your own country or only in your own service, then I think we have a problem. I think we are in the process of defining “need to know” in a very different way. One of the other things that Gen Wald talked about this morning, that I think we’re coming to grips with in this country, is, yes, there are certain things that are national secrets and they need to be kept that way. But there’s an increasing volume of publicly available information and one of the things we need to understand is there’s a difference between sharing intelligence with each other, which is a specific piece of information that is source sensitive, and letting your analysts who work with this kind of information in the general way get acquainted with each other. So at some point, maybe you want to think about the idea of letting people who are working the same problems at the lowest levels in your organization, who are looking at information, some of which is intelligence and secret, but a lot of it is not, actually starting to talk with each other. President Clift.

A. Denis Clift, President, National Defense Intelligence College

Building from what you have just said, in our work with the International Intelligence Fellows at the Joint Military Intelligence College, we have found that there are some nations in which trust does not begin at an external boarder, but that there is still distrust within national borders and that there are some nations that have found that, if they are going to share information with others, they have to change their own national laws. Because the laws on the books from past regimes have prohibited sharing—have prohibited discussions with almost any other country—and it’s worth exploring as we think about our new regime.

Dr. Bowman Miller, Faculty, National Defense Intelligence College

Ambassador, thank you very much. On behalf of President Clift, I’d like to present you this Certificate.

Ambassador Richard D. Kauzlarich, National Intelligence Officer for Europe

Great. Thank you very much.

Dr. Bowman Miller, Faculty, National Defense Intelligence College

Ladies and Gentlemen, we’ll go on break. Please return to your seats at 1500.



Col Ruslan Kyryluik, Ukraine, BG Gheorghe Savu, Romania, Oleksandr Halaka, Ukraine, and Col Yurii Syrokon enjoy an afternoon break.

Dr. Bowman Miller, Faculty, National Defense Intelligence College

Our final speaker for the day is Mr. James C. MacDougall. James C. MacDougall has served as Deputy Assistant Secretary of Defense for Eurasia since November 2003. He is responsible for planning and developing U.S. defense and national security policy for Russia, Ukraine, and the countries Central Asia, the Caucasus, and the Balkans. He advises and assists senior Department of Defense officials on the military, political, and economic aspects of U.S. security relations within the states of Eurasia. Secretary MacDougall's support of the Symposium was instrumental in bringing you all together in the same room. So thank you for that, sir. Without further ado, Mr. MacDougall.

James C. MacDougall, Deputy Assistant Secretary of Defense for Eurasia

Good afternoon. I'm very pleased to see a number of colleagues, friends, and acquaintances here, from everywhere in the region. Welcome. I understand you've had a productive day so far. It's an important topic. You've all come here to discuss a number of important issues in a very important area of the world. Before I begin my own remarks, let me say thank you first of all to the hosts of the Symposium for inviting me and in organizing this effort, and I'd like to say a particular word of thanks to Mr. Denis Clift, an esteemed public servant, a mentor, and a friend for many years. His work in the policy and intelligence fields represents a record of excellence that's worthy of the highest respect and emulation. And I want to say thank you, sir, for having me here and for the work that you've done. I'm hoping, not having had the benefit of hearing Gen Chuck Wald and Ambassador Rich Kauzlarich, that what I have today won't be repetitive or contradictory. I can live with the contradictory; the repetitive, if it gets a little—oh you've hear it before, I'll get the message and try and move on a little faster.

What I want to do today is laid out on this slide and if you'll bear with me I'll give you the outline—and say a few words about the historical and geographical context of the Black Sea/Caspian Region. I have a number of maps that I've put together over the years that I'll go through to set the context. I'll talk a little about U.S. objectives and interests, and here I expect Rich Kauzlarich probably mentioned similar things. I'll talk a little bit about regional interests, and how we understand the interests of other countries in the region. Then I'll talk about U.S. global posture and future access to the region, which is an issue I'm sure you're all well aware of. There's been a very active and somewhat public discussion in the U.S. about our global posture, and how to properly align our military forces for the challenges and threats of the 21st century. It's possible I might do the first two and the last one and then go back to the fourth to engender some more conversation, but we'll see how that develops.

I want to take you back a few years into the mid-90s, after the collapse of the Soviet Union. At a time, the Central Asian states, the Caucasus, and to a lesser extent some of the Eastern European States around the Black Sea had not yet formed particularly strong national identities and chartered their way forward as we have seen in the last decade at least. And a number of analysts perceive this region as sort of an extension of what used to be known as the “arc of instability.” It was called by one observer the “emerging zone of no control.” Another study called it the “global zone of percolating violence.” And you can see a number of the red stars representing conflict areas. We're talking mainly about the eastern part of the Black Sea and then further into the Caspian and Central Asia region—and it was also called it the “Eurasian Balkans.”

That particular name, I think, deserves a few words because the idea was an image that conjured up historical and ethnic animosities—conflicts, religious differences, and most of all, a power vacuum that tempted great powers in the region to go in and exert their influence,—Czarist Russia, the Austro-Hungarian Empire, the Ottomans. And we know largely what the result was of that security vacuum in the Balkans. So calling this the Eurasian Balkans was a rather ominous description I think. Maybe with the benefit of 10 years we could see that it hasn't quite turned out as what we've seen in the Balkans, although in the Caucasus there are a number of frozen conflicts. Conflicts in Transnistria were indeed violent at one time, but they've been stable now for a decade or more. And the hope is that we can resolve them without resorting to any sort of violence in the future.

Okay, this is a map of the region in 1988. The red is the Warsaw Pact; the blue is NATO, very easy to understand. It was pretty clear where the lines were. The Warsaw Pact dissolved in 1989. And I have here the Commonwealth of Independent States representing at that time most of the states of the former Soviet Union, less Georgia who didn't join right away. This is the CIS Collective Security Treaty in 1994; a number of states—Ukraine and Turkmenistan, among the former Soviet states—didn't join the Collective Security Treaty. And as I do this, I want you to keep in mind one thing, that the Black Sea, in particular, which has now gone in five years from red and blue to red, blue and the gray, I suggest it's not really clear what sort of orientation or future direction we see there. As for the Collective Security Treaty, in 1999, Uzbekistan, Georgia, and Azerbaijan have now opted out. By 2002, NATO

is starting to take up more of the space around the Black Sea. I'll jump back to 1996 for a minute, because in addition to what was going on around the Black Sea, we had developments in Central Asia. Here we have the Collective Security Treaty in red; green is GUAM—Georgia, Ukraine, Azerbaijan, and Moldova; blue is NATO still; and yellow is the Shanghai Five, which we'll talk more about later. Next, Uzbekistan joins GUAM. Poland and Hungary join NATO; more states join NATO by 2002. And here we are in 2006. We've jumped ahead fast, but we see in the Black Sea NATO is still blue; Russia; green is GUAM; but more important from my perspective, is the yellow in Central Asia—China and these dotted yellows are the observer states that belong to the Shanghai Cooperation Organization. The historical factor, I believe, that's had more to do with the development of this region than any other, has been the expansion and then contraction of the Russian Empire reconfigured as the Soviet Empire. I'm not telling you anything new because you've all lived through this, this is your history, not mine. I'm simply an observer. I would suggest as we look into the future that the development of Russia is probably one of the critical factors, if not the critical factor, in how the region will develop. I just put that out there on the table for now and we'll discuss that a little bit later.

Here I suggest that the overarching U.S. objective in the region is the development and support of independent, stable, democratic, and prosperous states, increasingly integrated into the Euro-Atlantic community and global, economic, and security structures. As a government, we have three core interests: political and economic reform and development; commercial and energy interests; and security interests. We tend to look at our interests in those three baskets.

A couple of words on security interests, and these aren't necessarily directed just at the Black Sea and Caspian Region, but I would suggest they hold pretty much on a global scale. The fight against terrorism is indeed a primary interest. Non-proliferation,



Deputy Assistant Secretary of Defense for Eurasia James MacDougall outlines U.S. strategic security and policy issues in the region.

particularly weapons of mass destruction and their elements, and broader security is a primary interest. And here I might just note the role of the cooperative threat reduction program that we work on with Russia, Ukraine, Kazakhstan, Uzbekistan—most of the states in the region—to try and control and if possible eliminate, elements of weapons of mass destruction. Counter-narcotics is increasingly a security issue that we have to grapple with. And then I would say we at the Pentagon have an overarching interest in defense and security sector reform and assistance. And the model here, we believe, is the Euro-Atlantic model of civilian control over the military. This comes from our Roman forebears, the idea that *the guys in the army cede central control to the guys wearing the togas*, that is the civilians, and we believe that this is a firm principle that we uphold. We believe it leads to better decisionmaking and less bellicose societies in the end.

To reiterate, the objectives I mention about democratic, prosperous, stable, and independent states are nothing new. After the Marshall Plan in 1947, in Marshall's speech at Harvard, he mentioned our goal is that these countries remain independent and become democratic, stable, and prosperous. As I've said, it may be back to the future, but this isn't a new goal of the U.S. I suggest it's a fairly consistent role throughout the last decades. When I talk about a band of states through the region, through the Black Sea, the Caspian Sea, into Central Asia, the way we envision this is not a sphere of influence. Not as some sphere of exclusive U.S. influence or any other influence, but a sphere of development, stability, and reform. There is one nightmare scenario that troubles any of us with responsibilities for this region and security in general, and that is the nexus of the first and second of these two issues—terrorists and weapons of mass destruction. In the abstract it's troubling enough but in practical terms, geographical terms, you have the fact that terrorists have spread worldwide; the locus of terrorists in southwest Asia and the Middle East, and potential sources of WMD in the former Soviet Union states. Geographically, that band in between the arc of instability, the zone of percolating violence—whatever we want to call it—is a logical place where these two things could meet. And I'm certainly not casting aspersions on anyone's efforts to control WMD, because it's an interest and a task that we all share. In fact we have some very active cooperation with all your states, but the very physical geographical proximity of these two elements—the terrorists and the materials—causes us to prioritize this region from the Black Sea through the Caucasus, the Caspian, into Central Asia.

I want to talk a little bit about U.S. Global Force Posture. I'm sure you've heard enough about it, or you've heard something about it. The idea in the abstract is to configure U.S. forces for speed, agility, flexibility, and mobility. U.S. forces currently aren't configured to do that. They are configured, as they were during the Cold War, to operate on the European continent, on the German plain or the Hungarian plain, and we don't believe this addresses the threats of the 21st century. It's not an easy thing to conceptualize, and it's not an easy thing to implement, because there's domestic politics, there's local politics involved in every country, and it's been several years in conception and now several years in the implementation. But I want to say a few words about how this particular region, the Black Sea and Caspian Region, figures into our plans for a global posture.

The fundamental reality of this region is that it's landlocked. Uzbekistan is landlocked; every country that borders it is landlocked. So it really is the center of "landlocked-ness," if you will, in the region. The Caspian Sea is a landlocked sea. The Caucasus is landlocked, less Georgia that's got a border on the Black Sea. The Black Sea, while not landlocked, has very restricted access through the Straits, which has implications for security and for commercial flows of energy and other goods. So what does that mean in military terms? It means that in order to access this region, if you're not already in the region with a standing military force, then you have to access it by air. That there's no sea access to this region is, again, nothing new. The Mongol hordes and Genghis Khan, a nomadic land force, emanated from Central Asia. That was their center. But for the U.S. military and others, Europeans or others who choose or who have a requirement to operate in that region, we have to go in by air. We had the days of land power. We had the days of sea power. And I know there's still a healthy debate between the two; air powers certainly have their say as well. Leaving the debates of that aside, in this particular case, for us and for the coalition air access, strategic air is the only way in and out.

Now what does that mean? It means we need over-flight rights. We need places to refuel. We need places to land and off-load troops and materials and maybe secure land lines of communication into Afghanistan, which is our primary area of operations. This is a complicated piece of work. I myself never thought I'd get involved in logistics, but I find myself increasingly thinking like a logistician when I'm working on issues in this region. I just want to say you can see here the access through the Caucasus and then up to Kyrgyzstan, where we have basing rights, and you can see right down to Afghanistan, or right into Afghanistan. So for the foreseeable future, as long as the coalition operates in Afghanistan, we'll have a requirement for this type of over-flight access and refueling rights. The U.S. has said at the highest level that we have no plans for permanent military bases in Central Asia. I haven't seen any plans, and I don't think any exist. But we do have a requirement to support operations in Afghanistan, and we do have a requirement for long-term military relationships with the countries in the region. And here I want to be clear. We don't see the region as strictly instrumental in getting in and out of Afghanistan. I go back to the earlier objectives I noted, which are to try and develop a region of stability, democracy, and economic development. In addition to that, for the time being, we need access in and out of the region.

Our idea for dealing with 21st century threats includes an expanded role for allies and partners, developing nice capabilities. Partners when they join the coalition bring unique capabilities to the coalition. And here I would like to suggest that in the field of intelligence and intelligence sharing—both information gathering and dissemination—these are all areas where every state in the region can bring a unique capability. Not the least of these is our language capabilities. I'm today meeting with a team from the Albanian Ministry of Defense, including the Minister. There are 10 of them on one side of the table—every one of them speaks English. There are 10 of us on the other side of the table, and not a single one speaks Albanian. So right away, if we were trying to identify a niche capability, we could say the Albanians bring the Albanian language, which we don't have, and perhaps information sources that the Albanian language would allow access to that would then become part of a greater collective effort to

understand what's going on in Albania, the Balkans, or elsewhere. So as part of this idea of a new global posture, it's simply not the physical locations on the ground but it's a way of dealing with Allies and Partners.

We also want to try and develop flexibility in dealing with uncertainties. We didn't foresee what happened on 9/11. You know it may be old by now, but Secretary Rumsfeld likes to talk about the known-knowns all the way to the unknown-unknowns. And for these unknown-unknowns, you folks in the room have a better idea or have a different perspective of what may be coming down the road, and that's invaluable. It brings different perspectives, different points of view into the partnership, the coalition, or whatever we choose to call it. We're trying to help partners, allies, and friends develop global capabilities. We've done training programs with the Georgians in particular, and with other states; the idea is to develop capabilities that will help them domestically and will also contribute to the efforts of the coalition. We want to focus on capabilities, not so much raw numbers, in our development. We have the facilities; we have activities, which include exercises, operations, training programs, and so forth; we have relationships: military-to-military relationships that build common understanding and interoperability. And in the intelligence field, interoperability is essential; you all can talk and it's easy to communicate—hit the mike and communicate. If it needs translation, it gets translated. Soon as you leave here tomorrow, you'll be hard pressed to communicate with three or four people in the room I would guess. But you should think how do you communicate, and how do you communicate quickly with the people you need to reach out to, because of the threats that we're going to be facing in the century. We're not going to have 30- to 90-days warning like they did in World War I. Threats are happening rapidly. Information moves rapidly and it's up to us in responsible governments to try and move as fast as the terrorists or other elements. Lord knows they use the internet; they use digital communications, and we ought to be at least as fast as they are, if not faster.

We also try with states in the region to negotiate legal arrangements for access in the event of contingencies—I'll use a non-military example: the earthquake in Pakistan. The U.S. military, along with other countries, responded to that humanitarian crisis by bringing in supplies by air. And a lot of that was facilitated on our side by these same arrangements that allow us into Afghanistan right now. But one lesson we learned after 11 September: you had better have these arrangements in place before you need them, or at least some mechanism to quickly call up an arrangement and review it and see if it is applicable. Because by the time we decided or realized we needed to go into Afghanistan and deal with the al Qaeda and the Taliban regime, it took us three months to come to terms with how we would gain access. Now I'm not saying we lost a certain advantage in those three months, but we want to try and have arrangements in place. And we want to try and develop some mechanisms—surge capabilities—across a number of areas.

Just a historical footnote to underscore the importance of strategic air lift to us in this region; I'm reminded by something I read. In 1900, Great Britain deployed a quarter of a million soldiers to South Africa, all by ship. In 1904, Russia deployed a quarter

of a million men to Manchuria in the Far East, by rail. In this day and age, at least for us in this region, it's air power or strategic airlift; I can't emphasize that enough. In 1997, you may recall, there was a largely forgotten but interesting exercise where 500 U.S. airborne forces left Fort Bragg, refueled three times in the air, and dropped into Kazakhstan as part of the Centrazbat exercise. And while a training exercise, it did demonstrate at the time that, with the proper arrangements and agreements in place, we can deploy any place on the globe in a time of crisis or emergency.

Okay, what I'd like to do now is go back to 2006 and talk about the need for access to the region for the U.S. and the West in the foreseeable future. The question of NATO's future is still open. The NATO leadership has said the door to NATO membership remains open. There are a number of countries who have expressed an interest in pursuing membership in NATO. In the Balkans you have three—Croatia, Albania, and Macedonia—who have taken certain steps to position themselves for membership in NATO. It's a challenge. They have a long way to go in reform, not only of the military and the defense sector, but the economy, the judiciary, and a number of other areas where NATO requires certain standards before they will consider a country for membership. They are moving forward. Having just met with some of them today, they desire very strongly to join NATO at some point. Other states—Ukraine and Georgia—are very interested in NATO as well. And I should say a word about our vision of NATO. First of all, NATO is a community of values. Second, while it's a military alliance, it is also an alliance of countries who share certain values. The flag of NATO is not an imperial standard; no territory or country that belongs to NATO was ever coerced or forced into it—it's all voluntary. The European Union members as well are countries that desired to join the European Union for the benefits it can bring.

At the same time, I draw attention to the Shanghai Cooperation Organization, an organization that began, as I mentioned, as the Shanghai Five—Russia, China, Kazakhstan, Tajikistan, and Kyrgyzstan—largely to resolve border issues that arose after the Soviet Union dissolved. With the addition of Uzbekistan it became the Shanghai Cooperation Organization. And it's an organization that's had, in addition to this border management role, an economic role, and the future of it remains to be seen. I do note with some concern the last summit of the Shanghai Cooperation Organization, which issued a statement that called on coalition countries to set a timetable for withdrawal from Central Asia. And we take that for what it is, although I express some concern that as the Shanghai Cooperation Organization develops, if it takes a certain anti-Western or anti-US bent, then we would certainly have to look at it differently, because we believe we have a strategic imperative in the near-term to get in and out of Central Asia. And if the Shanghai Cooperation Organization countries individually take steps that would suggest their interest in denying us that access, then certainly we'll have some conflict of interest, which hopefully we can resolve.

What I'd like to do now is offer to you a tool that we might use to try to understand where the interests of various states lie, and where we can cooperate. Here I suggest that in the Black Sea Region, there are certain issues—counterproliferation,

counternarcotics, regional stability—where we can concentrate our efforts. Those are areas where we should be able to find some way to cooperate, because we all share interest here. The challenge, of course, is to define those interests, discuss them with partners of like-minded countries, and try to look for ways forward, to resolve issues or to implement plans. Certain issues—regional stability, counternarcotics, economic development—call for a common approach. Other issues, that two or more countries may share, would be a matter for bilateral cooperation. But based on fact that you folks are here, I would suggest that intelligence sharing might come in the forums. That's for discussions here, to try and determine where your interests overlap. In fact, the second step, after you determine that you have some overlapping interests, is to define those interests and study and brief them to the policy makers.

We're committed to trying to find cooperative solutions that involve as many countries as possible. We have bilateral relations with every country here—good bilateral relations. Multilaterally, I'll admit to a certain impatience with the time and the procedures that you have to go through to try and take a decision and move quickly. But that being said, there's still a recognition at the end of the day that we are much better working in league and cooperating with each other than we are separately or even on a small bilaterally basis. So with that, I hope we can have a discussion. I'd be willing to take a few questions if you'd like to do that, or hear what you think about what I just said. Thank you.

Dr. Joe Gordon, Faculty, National Defense Intelligence College

Thank you very much for the very comprehensive view from the Pentagon of the Region. I would like to first open it up if there are any specific questions, before we consider any topics. It would be good if we could continue the fine discussion that you began after the last presentation. So first, specific questions?

James C. MacDougall, Deputy Assistant Secretary of Defense for Eurasia

Sorry. I violated what someone told me was the first rule of speaking in front of a crowd, which is always to start with a joke. And I guess in my nervousness I jumped past that. I didn't make a note of it. So let me just tell a joke that may have some bearing on what I've said about trying to define interests in a way that we can understand each other and then look for a way forward. And this is a joke, as most of the ones I know, that comes from the Cold War era. There's an international track meet and right before the 220 meter dash every other contestant except for the American and Soviet drop out. So the race was between an American and a Soviet. And they ran the race, and in this case the American won and the Soviet lost. So the next day in the newspaper it was reported in the American paper the American won and the Soviet lost. And in the Soviet paper it was reported in the race yesterday, the Soviet runner came in second and the American came next to last.

I only bring this up to suggest that we're all bound by the facts, but it's easy enough to see the facts in different ways. And the point is not to sit back in your own country and look at the facts, but to get together as you are here, put the facts out, and then talk about how they look from one side of the Black Sea, how they look from the other side of the Black Sea, and how they look in the Caspian Region. I think that's a useful exercise and I applaud this sort thing and certainly would be interested in hearing feedback from you. I'll throw something out that may be controversial, but so be it. I'm wondering, among littoral states of the Black Sea, how you see the security regime developing. Because the first map I showed had the Soviet Union and Turkey, a NATO ally. So it was largely a closed sea with the Soviets at the north and NATO at the south. Well, it isn't any more. I mean, you still have Turkey, at the south—a NATO member. You have Russia, Ukraine, and other states to the west, and what I'm wondering is how does this look? What sort of security regime will develop there? I've heard so much as I deal with the Bulgarians and the Romanians of one vision. The Turks seem to have a different vision. Russians seem to have a different vision. It's an example of what I just mentioned in this anecdote; it's the same facts but a different way of looking at them. So if I could, I would just like to present a question—How do you see the Black Sea developing in security terms? Any takers?

Participant

Jim, I think it's fair to say that in the discussion thus far today, the view which has emerged time and again is that the development of security cooperation in the Black Sea is very complicated, and it's going to take a while. This is not a natural setting for security cooperation.

Dr. Joe Gordon, Faculty, National Defense Intelligence College

Perhaps I could piggyback on that a little bit. And referring to your over lapping arcs of interest. Except for Gen Medar's fine presentation, you referred largely to the view from the U.S., and how we view this area of great importance. But I would like to ask, do you see these problems that we have isolated—trafficking, nuclear energy—do you see these as threats to yourselves? Do you see that these things are of concern to you? Drug trafficking, is that a threat to your society or do you just see it passing through and perhaps not such a great concern? And if it is, can that be a basis around which you can begin to continue a dialogue amongst yourselves.

Regional Participant

About drug trafficking, drug consumption was not an issue before three or four years ago. But only in the last year this has doubled. I believe that it started to be very important for the country. It's really a threat. And this is why for us, at least, it's a very serious thing and this is why we are very much interested to fight against it.

Participant

Do others share this concern, in the drug area?

Regional Participant

My personal viewpoint of the picture is more clouded than at previous times. The level of security is a bit higher than in the Cold War period. But the tasks of the present are more difficult than before. Now, as we mentioned, we have to know what we don't know. Now we have to decide to develop sources and collect much broader information than in the previous times, which is more difficult than just collecting information about military capabilities. Now we need more specific information than in previous times about the military potential of the countries. I was going to mention also the problem of sharing information and cooperation, which in comparison with previous times, without any doubt, is much higher and much better. In spite of the positive tendencies that we saw since 1999, after we joined NATO, the mission of intelligence is not easier than before 1989. And I fully agree and I fully share your statement that actually the most, the biggest problem and the most dangerous challenge of the region is the close combination between the terrorism and WMD. That's why in that area we're trying to concentrate our efforts on nonproliferation, what we consider the biggest threat for the region. Thank you.

U.S. Participant

I came in just as you were discussing the narcotics problem emanating from Afghanistan, so I'll just say a few words on that.

I think it's useful to look at the narcotics problem in three phases or three aspects: the supply side-issue, the demand-side issue, and the transportation between the supply and the demand. And it seems to me if we've learned anything in trying to stem the flow of cocaine, particularly from Columbia, from South America to North America, and to the U.S. in particular, it is that we have to try to combat the flow of narcotics at all three of those places. It's not simply a supply-side effort, it's also demand driven; indeed, in the U.S. we took a decision that we had a certain responsibility to cooperate with the Colombians in Colombia to eradicate the crops. After all, it was demand in the U.S. that was fueling the supply. So you follow that logic, there's a certain responsibility, but also a certain need for Europeans, in particular.

It is my understanding, and you folks probably know better than I, that a lot of this heroin moves from Afghanistan into Europe. So the Europeans, whether individually, as a NATO alliance, or an EU organization, have some responsibility to try to stem transport, to work on reducing the demand, and on reducing the supply. And, in fact, within the ICEP Great Britain is the lead country on combating the opium or the heroin flow out of Afghanistan. Now where everyone in between comes in is the transportation.

Here I mention we're trying, along with a number of other countries, to build capabilities for border control, border security, more intelligence, and information about what's crossing the borders. And here we have the net effect that building these capabilities doesn't simply give you better capability to combat the flow of narcotics; it may also, if you develop a border control capability, help you with potential interdiction

of WMD, of persons that might be connected with terrorists, and any number of other illicit or undesirable elements moving across your borders.

So I would put this squarely in the middle of all of those circles. No matter whose circles we put up there, better control of the borders is in the interests of all governments. It's not in the interest of those who choose to try and smuggle things, or cross borders illicitly. And there's certainly room for cooperation on all fronts intelligence-wise, between our ministries of defense, between our drug enforcement agencies, and, in our case, between a number of U.S. agencies cooperating across the border with other countries in Afghanistan, in Tajikistan, and then further down the transport routes.

Here I think there's really an area for more discussion and more imagination about how to tackle this problem. For example, the Russians have a presence in Tajikistan. For many years they were the first line of defense on the Tajik border. Tajikistan and Russia have re-negotiated the terms of that agreement. But the Russians are still there very actively. And they have played a central role in this whole drug interdiction issue over the last 10 or 15 years. So it makes sense to me, and we've had discussions with the head of the Russian drug control agency and our Drug Enforcement Agency and even senior officials at the Pentagon, about how we might cooperate or at least make sure that what we are doing in Tajikistan on the border helps to stem the flow of drugs.

So these are areas where, I think, especially in the counter-narcotics area, it should be easier to come to a common understanding of the problem and some steps to try and deal with it. I don't get the sense that there is a tremendous difference of opinion about what the problem is and how to deal with it. It really seems to me that this is one area there shouldn't be a requirement for lengthy discussions or soul-searching over this. Maybe you already have cooperative programs of that nature; but if not, I'd certainly recommend that you try and think through this.

Regional Participant

In the Black Sea region there are many initiatives. The United States has some initiatives in the region. Romania, Turkey, Ukraine also have some initiatives in the region. But we need to find a leader, a leader who leads the region and will be more responsible for the results in cases of security in this region.

Dr. Joe Gordon, Faculty, National Defense Intelligence College

The question is, how would you try to organize this? I should say in all sincerity that the United States, as a government, is not looking to take a leadership role in the Black Sea. We have before us a big list of requirements and commitments that we're trying to do worldwide. So the idea that the U.S. somehow wants to take a leadership role of the Black Sea is something I don't see. Now colleagues of mine who work on the Black Sea may argue, but I don't think so. The question is, How do you, I mean the neighbors of the Black Sea, how do you see yourselves being organized to

deal with this? The U.S. is certainly prepared to support some efforts that deal with these threats, of counter-terrorism and counter-proliferation and so forth, but we're not anxious to move into every region in the world to try and be the leader. We're happy if either a coalition or some sort of group would form up that would take responsibility for this, and we would be happy to support it. But how you see this developing?

Regional Participant

On your question, I think the consensus is to keep discussing initiatives and to find some common solutions and initiatives, because it's all of our problems.

Participant

Would you be willing to share your assessments or prospects for how relations between the United States and Iran are going to influence the Black Sea and the Caspian Sea region, and their relations with the countries from that area? Thank you.

James C. MacDougall, Deputy Assistant Secretary of Defense for Eurasia

It's probably not my place to be talking about the developments in Iran, and I have no substantive responsibilities for relations with Iran. Our president has said, "We cannot tolerate an Iran with nuclear weapons." And I think that view is shared pretty much by the members of the Security Council at the United Nations. The question is how do you do that? What steps do we take to try and prevent it? I wouldn't hazard a guess on what's happening. I mean, there's a diplomatic process that we're trying to use. The Russians have been very instrumental in trying to resolve this. They've put some imaginative [ideas] on the table. There's an ongoing discussion with Iran about trying to manage the fuel enrichment process, so that it won't take place in Iran or it won't allow them to master the enrichment process. In the first place, I don't know all of the details of that; and second, it's not my responsibility. So I really hesitate to go into that. I recognize it's a serious problem for the region and for all of us in world. But I think the general approach is to try and work through the diplomatic process, if there is any chance whatsoever that it could be successful. And if at some point it proves that it doesn't have a chance of being successful, then I'm sure there will be a discussion of other options among the concerned states, maybe within the Security Council at the UN, but I don't think anyone can predict right now exactly how that's going to unfold. But it's a serious concern for us, and I'm sure everyone in the room.

Dr. Joe Gordon, Faculty, National Defense Intelligence College

One more thought; we've heard many comments that this is a historic moment, the first time that such a group has been assembled. And I wonder if you think this is something that should be continued in some fashion. As you know, there is a precedent at NATO, the Mediterranean Dialogue, which began for the first time about a year ago to convene the intelligence chiefs of the Mediterranean littoral, from Morocco to Jordan and including Israel, and they plan to meet regularly.

Would something like this be a reasonable proposal say for continuing this kind of meeting?

A. Denis Clift, President, National Defense Intelligence College

Why don't we reserve that until tomorrow?

Dr. Joe Gordon, Faculty, National Defense Intelligence College

That's a good point, and actually our speaker has to leave to host the Albanian Defense Minister. And I want to thank you again for your excellent presentation. It stimulated a good bit of discussion.

Thank you.



Gen Medar and President Clift join other participants in a discussion of DoD Interests and Initiatives in the Region.

James C. MacDougall, Deputy Assistant Secretary of Defense for Eurasia

If I can have the final word I'll end on sort of an anecdote as well. In 1992, I was on a U.S. team to inspect an SS-25 missile launcher in February, and it was cold. It was a cold snap similar to the one you suffered earlier this year—and about 0200, as we were working outside, a Russian colonel came out and he was hollering excitedly and I said, "What's going on?" And he said, "It's minus 40 degrees and its cold. At minus 40 degrees, Fahrenheit and Centigrade are equivalent. It's the first time in the history of arms control the U.S. and Russia can agree without any argument whatsoever."

I've often remembered that, not least of all because it was cold and it was difficult conditions, but it strikes me in this day and age that there is no need to be minus 40 before we can agree on something, particularly without any discussion. I think there's much to agree on; there are a lot of challenges we all face, and I think forums of this type, where people can sit down and try and understand what the other side is thinking or what other people are thinking in other countries, are valuable. I encourage it. I won't be here tomorrow, but if you take a vote, I would say keep meeting, keep plugging along, and try and move from the discussions to concrete plans of how we can cooperate to face threats that really are threats to all of us in the room, and to all of our countries. Thank you.

Dr. Joe Gordon, Faculty, National Defense Intelligence College

Mr. MacDougall, thank you very much for speaking with us. I have a couple of tokens of our appreciation.

James C. MacDougall, Deputy Assistant Secretary of Defense for Eurasia

Thank you very much.

Dr. Joe Gordon, Faculty, National Defense Intelligence College

We have a little bit of time in the schedule left. I've had a request from Major General Eroz if he would like to present a short briefing.

Maj Gen Mehmet Eroz, Chief, Plans & Operations Department, Turkish General Staff

Mr. Chairman, I work on the Turkish General Staff and am a member of the Turkish Delegation at the Symposium. Since the beginning of the Symposium this morning, we have heard a number of times two specific acronyms: BLACKSEAFOR and Operation Black Sea Harmony, mostly during the presentation of Mr. Jeff Simon. And having this opportunity, I would like to provide some information on the security in the Black Sea from the Turkish national perspective, and the Turkish Navy-led Operation Black Sea Harmony as well as Black Sea Naval Cooperation Task Group known as BLACKSEAFOR.



LTG Maples with Maj Gen Mehmet Eroz, Turkish General Staff, who provided a briefing on Black Sea Naval Cooperation.

Overview



The Black Sea is a semi-closed sea and covers 432,000 square kilometers. Turkey has the longest coast line on the Black Sea. This area has a set of unique features for Turkey, because it's the only sea area where we have established an exclusive economic zone and delineated the maritime borders with our neighbors. We have signed 36 different international agreements with the Black Sea littorals within the last 15 years.

Overview



Overview

MONTREUX CONVENTION - 1936

The existence of the Montreux Convention is the most important instrument for the maintenance of maritime stability in the region.

In our view, bilateral and multilateral initiatives with other countries in the Black Sea have played a significant role in the post-Cold War era, under a favorable maritime security environment, mainly through the existence of the Montreux Convention of 1936, which is the most important instrument for the maintenance of maritime stability in the region.

Overview

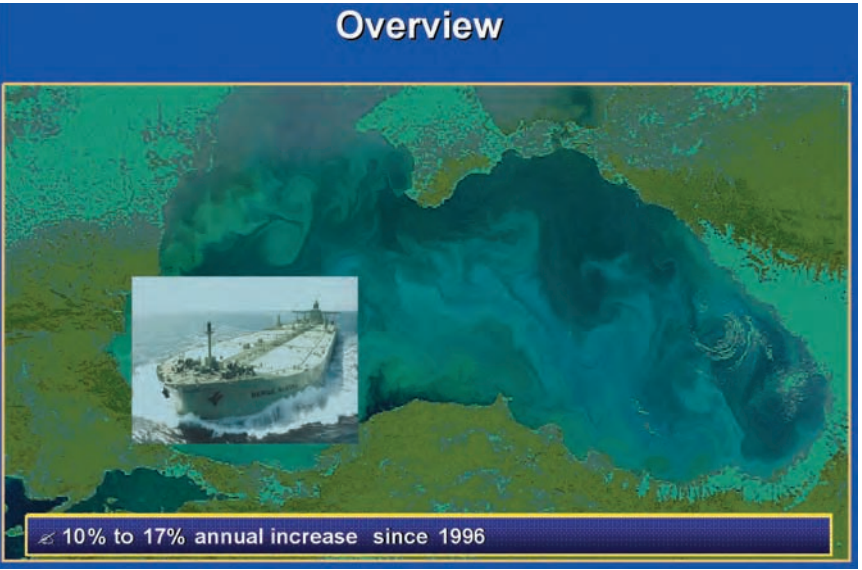
Steady increase in the maritime traffic

2005 → 150 SHIPS DAILY
2001 → 65 SHIPS DAILY

On the other hand, there is a steady increase in maritime traffic over the sea lines of communication in the Black Sea. One indicator of this is the number of merchant ships crossing the Turkish Straits daily. In 2005, this number was around 150 ships per day, compared to 65 ships in 2001. The overall number of ships that crossed the Turkish



Straits in 2005 was around 55,000 belonging to 85 different nations. In the Turkish Straits we have witnessed an increase of 10 to 17 percent, on an annual basis, since 1996.



Overview

Maritime Jurisdiction



Since all maritime areas of the Black Sea fall into the categories of territorial waters and exclusive economic zone, literally there is no maritime area where state jurisdiction is not exercised. This situation facilitates the control of shipping through established exclusive economic zone protection patrols and maritime surveillance areas.

Now I would like to share our security assessment of the Black Sea maritime domain with you. The security challenges in the Black Sea region can be seen under two different categories, as hard and soft issues. Hard security challenges are based

Security Assessment in the Maritime Domain



on ethnic and territorial conflicts in some areas mentioned during the conference, such as South Ossetia, Transnistria, Abkhazia, and Nagorno-Karabakh. These may be seen to have spillover effects over the soft security challenges in the maritime domain. However, in reality, the security of the maritime domain in the region is affected most by the increase of the shipping volume. The rules and methods we have adopted since 1994 regarding the traffic regulations in the Straits have considerably improved maritime navigational safety.

Security Assessment in the Maritime Domain

Maritime Domain

Most affected by the increase in the shipping volumes

Security Assessment in the Maritime Domain

Rules & Methods adopted since 1994

Traffic Regulations - VT MIS

ISPS Code

Sailing Plan Reporting System (SP1-SP2)

Operation Black Sea Harmony

SITUATIONAL AWARENESS + DETERRENCE

Security Assessment in the Maritime Domain

Black Sea Border Coordination and Information Center
(BBCIC)

Provides important information
on illegal activities.

• BOURGAS

Security Assessment in the Maritime Domain

Black Sea Border Coordination and Information Center
(BBCIC)

• BOURGAS

✍ Smuggling

✍ Not terror or proliferation of WMD

✍ Based on isolated cases , not systematic patterns

The introduction of vessel traffic management and information systems in the Turkish Straits in January 2004, along with the implementation of the Sailing Plan Reporting System and International Ships and Ports Security (ISPS) Code System, as of 1 July 2004, as well as the launching of Operation Black Sea Harmony in March 2004, have not only increased the situational awareness in the region but also provided deterrence in our view of merchant ships with suspected illegal activities. On the other hand, the information exchange under the framework of the Black Sea Border Coordination and Information Center (BBCIC) at Bourgas, Bulgaria, which was established by six

Security Assessment in the Maritime Domain



littoral coast guards in 2003, provides an important information database regarding illegal activities in the Black Sea. Most cases involve different sorts of smuggling, but not terror or proliferation of weapons of mass destruction, and were based on isolated cases not in systematic patterns. Although we face isolated cases of illegal action in the Black Sea maritime domain, we all know that the risks of asymmetric threats and illegal actions in the Black Sea have the potential to increase and to transform themselves into threats if no deterrent action is taken. This general assessment of the maritime security is also reflected under the BLACKSEAFOR framework.

Security Assessment in the Maritime Domain



In March 2005, six littoral countries gave their approval to a document, “Maritime Risk Assessment in the Black Sea.” This document became an officially agreed risk assessment for BLACKSEAFOR, thus underlining the fact that there are a number of risks in the Black Sea maritime domain. We also know that there is no systematic illegal activity carried out in the Black Sea maritime domain in connection with the frozen conflicts around the region.



At this part of my briefing, I would like to move to the issue of Operation Black Sea Harmony. Being well aware of our responsibility to maintain the smooth flow of shipping through the Turkish Straits, as well as maintaining navigational order



Operation Black Sea Harmony



along the vital sea lines of communication in the Black Sea maritime domain, the Turkish Navy launched Operation Black Sea Harmony as of 1 March 2004. This operation has been carried out in accordance with the principles contained in the United Nations (UN) Charter and the objectives set forth in the UN Security Council Resolutions 1371, 1540, and 1566, which call upon all states to cooperate, particularly with the aim of contributing to overall efforts for deterring, disrupting, and preventing the threat of terrorism and illicit trafficking in weapons of mass destruction and their means of delivery and related materials. This operation is coordinated through the

Operation Black Sea Harmony



Permanent Coordination Center, which is located in Karadeniz Ereğli. The mission of Operation Black Sea Harmony is to conduct periodic maritime surveillance operations in the maritime jurisdiction areas and the airspace above those areas in accordance with international law; to conduct reconnaissance operations for suspect vessels and contacts of interests (COIs); to trail suspect vessels and contacts of interest; and to show a naval presence in the traffic routes of merchant shipping. The Turkish Navy aims to provide deterrence against potential illegal activities and maritime-related asymmetric risks by showing a naval presence in the traffic routes of merchant shipping in the Black Sea. In other words, this operation generates deterrence and produces maritime-security

Operation Black Sea Harmony

Hailing by all units

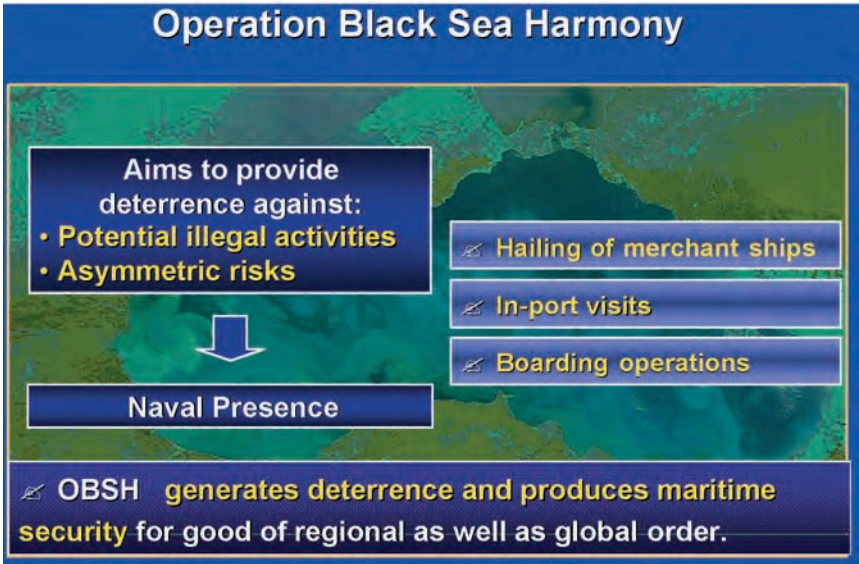
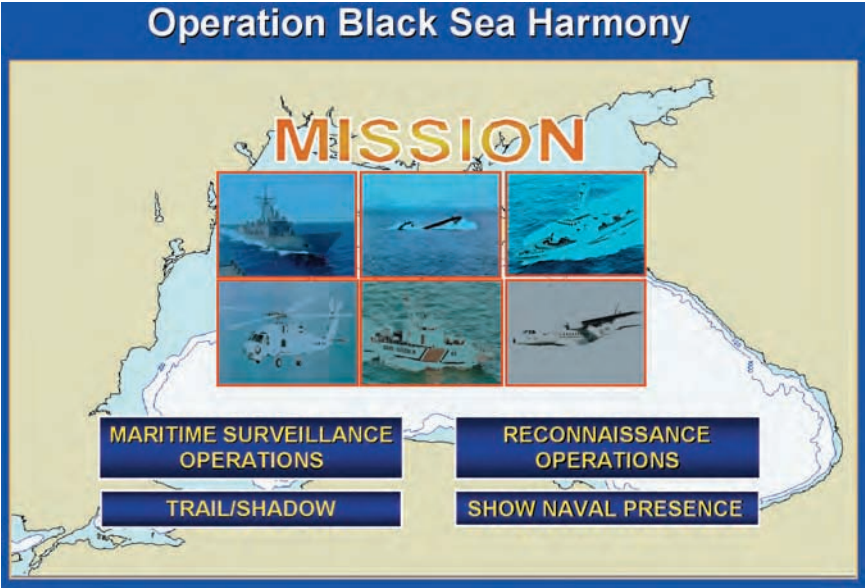
In-port visits and boarding by Coast Guard units

Operation Black Sea Harmony

hailed approximately 250 ships per month

more than 220 in-port visits and searches

for the good of regional and global order. Operation Black Sea Harmony includes hailing merchant ships; in-port visits; and boarding operations. Hailing is carried out by all units, while in-port visits and boarding are conducted by the Coast Guard units in the ports and territorial waters. Since the launch of the operation, we have hailed approximately 250 merchant ships per month in the surveillance areas, while the operation Active Endeavor record is 1,320 in the same basis. Up to now, more than 220 in-port visits and searches by the Turkish Coast Guard have been conducted, on board contacts of interest and suspected ships in our ports.



Cooperation with NATO



Cooperation with NATO



Now I would like to provide information on the cooperation with NATO authorities. Operation Black Sea Harmony's cooperation with NATO can be summarized under two headings. The first one is shadowing and trailing of suspect ships. From the beginning, the Turkish Navy has shadowed every contact of interest coming from the Mediterranean Sea. The second one is information exchange, which also covers the transfer of the Recognized Maritime Picture (RMP) of the Black Sea. We have been sending necessary maritime security information through NATO C4I systems, with amplified information regarding merchant ship trafficking, suspected vessels, and their movements. Furthering our cooperation with NATO, the Turkish Navy and Maritime Component Command in Naples held a coordination meeting in September and this meeting gave the opportunity to enhance information exchanges between the sides.

Littorals Participation to OSH

Russian proposal to contribute NATO's AOE in the Med
Turkish invitation for all littorals to join OSH

March 2005



Agreed to participate

Agreed to participate

Now, Mr. Chairman, if you'll let me, the littorals' participation in Operation Black Sea Harmony is my next subject. After the Russian proposal to contribute to NATO's Operation Active Endeavor in the Mediterranean at the beginning of 2004, Turkey had also extended an invitation to all littorals in the Black Sea to join Operation Black Sea Harmony or, in other words, to assist and support this activity. In March 2005 Ukraine became the first country to announce formally its intention to participate in Operation Black Sea Harmony. The Russian Federation has followed Ukraine. Turkish

Littorals Participation to OSH



Technical talks started in June 2005.

Exchange of letter process was adapted to finalize the procedures for RF participation.



and RF navy technical talks started in June 2005. An exchange of letters process was adapted to finalize the legal procedures for RF participation in Operation Black Sea Harmony. At present, the exchange of letter process is about to be finalized, and we expect the Russian side to participate in a short time. As for Ukrainian participation, we have prepared and sent a draft protocol aimed to be the legal and political basis for the participation of Ukraine. Processing on the draft protocol in Ankara has been concluded, and the paper was delivered to the Ukrainian side.

Littorals Participation to OBSH



Black Sea Naval Cooperation Task Group



Black Sea Naval Cooperation Task Group



- ✍ One of the **regional initiatives in the Black Sea**, established in **April 2001**.
- ✍ Participation from **all littoral countries'** naval forces.



Black Sea Naval Cooperation Task Group



✍ Initial tasks

- Harbor and sea training,
- Search and rescue operations,
- Humanitarian aid in natural disasters,
- Mine counter measures operations,
- Environmental protection.

Now I would like to move to the Black Sea Naval Cooperation Task Group, known as BLACKSEAFOR. This force is one of the regional initiatives in the Black Sea area established in April 2001, with the participation of all littoral countries' naval forces. Initial tasks for BLACKSEAFOR are harbor and sea training; search and rescue operations; humanitarian aid; mine countermeasures operations; and environmental protection. In accordance with the Establishment Agreement between 2001 and 2003, the force was activated for a period of 20 to 25 days on an annual

Black Sea Naval Cooperation Task Group



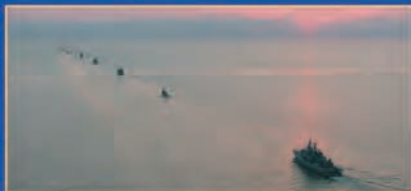
Between 2001 and 2003, activations for 20-25 days annually

Since 2004, conducting two activations per year

5th activation (first phase) conducted in August 2005

Operational phase extended to 40-45 days

Black Sea Naval Cooperation Task Group



Second phase of 5th activation to be conducted in April 2006.

basis. BLACKSEAFOR has commenced to conduct two activations per year since 2004. The fifth activation of the BLACKSEAFOR under the command of Romania was conducted in August 2005, focusing its training activities on antiterrorism as well as maritime security operations. With the concept of two activations, the total operational phase of the force has been extended from 40 to 45 days. The second phase of the activation of the force will be conducted under Romanian command in April 2006. In order to enhance interoperability as well as institutionalization of the BLACKSEAFOR, a number of operative documents have been prepared by a Joint

Black Sea Naval Cooperation Task Group

Operative Documents

DOCUMENT	CUSTODIAN	STATUS
BSN-01 Concept and TOR	Turkey	Approved in 2001.
BSN-02 Standing Orders	Turkey	Approved in 2001.
BSN-03 Surface Search And Rescue Operations	Romania	Approved in 2003.
BSN-04 Sub-Surface and Sub-Marine Rescue Operations	Turkey	Approved in 2004.
BSN-05 Humanitarian Assistance Operations	Bulgaria	Approved in 2004
BSN-06 Mine Counter Measure Operations	Ukraine	Approved in 2003.
BSN-07 Environmental Protection	Georgia	To continue to be tested at sea during Activation-05

Black Sea Naval Cooperation Task Group

Operative Documents

DOCUMENT	CUSTODIAN	STATUS
BSN-08 Peace Support Operations	Russian Federation	To be experimented at sea during Activation-05
BSN-09 Standing Operating Procedures	Turkey	Approved in 2003.
BSN-10 Tactical Communications Handbook	Turkey	Approved in 2003.
BSN-11 Sub-Concept for Defensive Operation Against Terrorism	Turkey	To continue to be tested at sea during Activation-05
BSN-12 NBC Defense Sub-Concept	Turkey	To be experimented at sea during Activation-05

Black Sea Naval Cooperation Task Group

Transformation!



Solidarity

**Interstate
cooperation**

Fight against terror

**WMD
proliferation**

**Illicit
trafficking**

BSF Tasking

**Coast Guard
Cooperation**

Black Sea Naval Cooperation Task Group



**Initiative to utilize
BLACKSEAFOR for new tasks**

**Working to transform the Force to a capable and efficient
tool for the maritime security of the Black Sea**

Committee. Following the approval by the Naval Commanders Committee, these documents have become standard references during the activations. As you are well aware, the post-11 September period increased the need for solidarity and interstate cooperation worldwide to fight against terrorism, proliferation of weapons of mass destruction, and all sorts of illicit trafficking on the seas. This was reflected in the Black Sea Maritime domain, with expanding activities of BLACKSEAFOR and enhanced cooperation amongst the littoral coast guards. A new initiative envisaging the utilization of BLACKSEAFOR for those kinds of tasks continues. In this respect,



different sub-groups and committees of the BLACKSEAFOR have been working to achieve the transformation process of the force, with a view to making it a capable and efficient tool for the maritime security of the Black Sea.

Regarding the future of the Black Sea maritime domain security, my country's objective is to make Operation Black Sea Harmony a multinational operation. The role and mission of Operation Black Sea Harmony, like Operation Active Endeavor in the Mediterranean, is to provide security through deterrence. Furthermore, affiliation



The Future of Black Sea Maritime Domain

OBSH

Complementary Operation

based on simplicity and applicability

**satisfies
security
needs**

at the tactical level with NATO for information exchange and suspect ship-shadowing are essential elements of the operation. In that regard, we are of the opinion that it is an operation complementing NATO's Active Endeavor in the Mediterranean, and our approach for security in the Black Sea maritime domain is based on simplicity and applicability. We think Operation Black Sea Harmony satisfies the maritime security needs of all NATO and partner countries having an interest in the Black Sea. In this

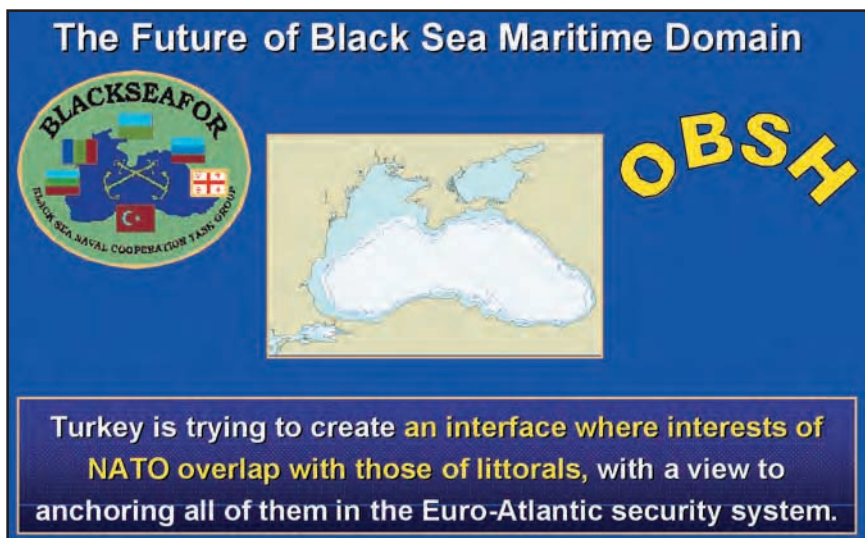
The Future of Black Sea Maritime Domain

✍ **Black Sea Harmony** - an instrument for regional cooperation in support of security and stability.

✍ **Expectation from Allies and Partners**

✍ **encourage cooperation** achieved in the Black Sea,

✍ **advise other littorals to contribute** to OBSH to enhance deterrence and efficiency in the Black Sea.



regard, the acknowledgment of Operation Black Sea Harmony as an instrument for regional cooperation in support of security and stability in the Black Sea region, along with other regional institutions and initiatives in NATO forum, seem very promising for us.

To conclude, my briefing, Mr. Chairman, we expect the Allies and Partners to continue the cooperation achieved in the Black Sea so far and to contribute to and support this Turkish Maritime Operation in order to further enhance deterrence and efficiency in the Black Sea. What my country is trying to achieve through Operation Black Sea Harmony and the BLACKSEAFOR, as one of the members of the first line of the Black Sea maritime security domain, is to create an interface where the interests of NATO overlap with those of the littorals, with a view to anchoring all of them in the Euro-Atlantic security system.

Sir, this concludes my presentation. Thank you for your kind attention.

A. Denis Clift, President, National Defense Intelligence College

Before the Turkish Delegate takes his seat, does anyone have a question they would like to pose on these operations in the Black Sea.

Regional Participant

You said that this is to be an international operation with NATO and partner countries with an interest in the Black Sea. It would be an organizational operation with the mission to fight against asymmetric threats. It's very good to fight against asymmetric threats, because all of us know that there could be a crisis caused by these threats. It means that we have to have good management for threats. Will Operation

Black Sea Harmony be a multinational operation against asymmetric threats in the Black Sea? At the same time, if it is an extension of the BLACKSEAFOR, will we have two operations with the same issues?

**Maj Gen Mehmet Eroç, Chief of Plans and Operations Department,
Turkish General Staff**

Thank you, sir. First I would like to bring to your attention that the BLACKSEAFOR is not an operation, it is a force that supports the established agreements. As I mentioned in my briefing, the transformation process or transformation necessity for the force will see the force as a permanent force, active and ready to operate in any risks of the region through the year. On the other hand, Operation Black Sea Harmony is an operation currently conducted by the Turkish navy, and it's on the way to becoming a multinational operation with the support and contributions of Russia and Ukraine. It is an operation; it is not a force. Our plans consist of two steps in this regard: To provide and make ready the BLACKSEAFOR for the purposes and objectives mentioned in the establishment agreement, and to make the force more operational and efficient; and then, if it will be reasonable to all the countries, the force will have responsibilities and functions for the operation of Operation Black Sea Harmony, if we have a consensus on it by the parties.

Regional Participant

Thank you.

**Lorenzo Hiponia, Director, Center for External and International
Programs**

Okay, ladies and gentlemen, that concludes the formal events for today. We will reconvene here again tomorrow at 0800. The next thing we have is a reception that is open to everybody to attend. It is located in the DIAC Café, which is just past the Bowman Room where you ate lunch, and we will have people to show you the location. Please take all of your belongings with you because we will not be returning to this room again. Until tomorrow, thank you very much and I'll see you at the reception.

[Adjournment until 10 March 2006 at 0800.]

BLACK SEA AND CASPIAN SEA SYMPOSIUM

Friday, 10 March 2006

A. Denis Cliff, President, National Defense Intelligence College

Good morning, ladies and gentlemen. The Joint Military Intelligence College welcomes you to the second day of our Black Sea and Caspian Sea Regional Security Symposium. We're delighted to have our Co-Chair, the Honorable Sergiu T. Medar, in the Chair, and GEN Michael D. Maples, our Co-Chair, is looking forward to joining us as soon as he can today. What I'd like to do now is to give the floor to the gentleman who is making this conference possible, assisted by a remarkable team of people, Mr. Larry Hiponia.

Lorenzo Hiponia, Director, Center for External and International Programs

Good morning I have a few administrative remarks.

First thing to clarify something on the computer you saw yesterday. At the top of the heading there was a security banner that said "Top Secret"; that was a default setting. We have since fixed that. There is nothing that was Top Secret that was shown yesterday, just to clarify.

Today, lunch again is in the Bowman Room, the same place where we had lunch yesterday—it's a buffet and it's open seating. All the foreign visitors, attachés, and U.S. principals are invited. Again, a telephone is available for use here. Small breakout room available for talks there.

GEN Maples will be joining us again at 1430 today. He would like to take pictures with the U.S. attaches at that time. I understand some of the Delegations want to present GEN Maples a gift. That's not required, but if you do desire to so, that would be an appropriate time. We'll have a photographer available.

On your table is a form requesting some information. If you could please help us out and fill in your name, mailing address, and e-mail. The mailing address and e-mail is very important for us because we will put all the pictures and the briefings that we have had at this Symposium on a CD and we will mail it to you. Please make sure you give us accurate information on your contact data.

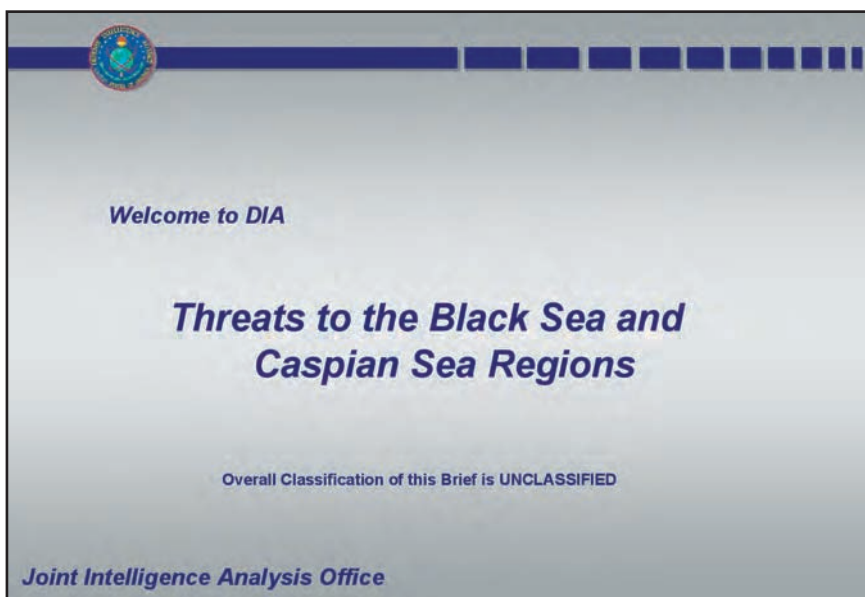
In addition, Capt Franz will be going around to the individual delegates to determine whether or not you will be attending the dinner tonight. We want to get an accurate list of who is attending. Please let her know when she comes around. The dress for dinner is business attire—suit and tie—or Class "A" uniform.

And some of you have asked me for copies of certain briefings. The briefings that you will get on your CD are the ones that I'm authorized to release. Some of the presenters have asked that copies not be released, so that's why you only have certain briefings.

Okay. Today's events will start off with an Intelligence Briefing by our Joint Intelligence Analysis Office.

U.S. Participant

Good morning, Gen Medar, Mr. Clift, Distinguished Guests.



This morning myself and a colleague will be providing a brief overview of the threats to the region to review the key points Gen Medar discussed yesterday, and as a lead-in to this afternoon's panel discussion. The subject experts on that panel will go into more detail on these topics. This morning's briefing will discuss the unresolved disputes in the region, terrorism, and proliferation. We will also cover the issues of drug trafficking, trafficking in persons, and organized crime. All of the threats have common aspects that allow them to continue to pose challenges to the region's governments, drain national resources, and disrupt reform efforts. Intelligence sharing is essential to addressing all of those.



Regional Threats

Black and Caspian Sea Regions

- Unresolved Disputes
- Terrorism
- Proliferation
- Drug Trafficking
- Organized Crime and Smuggling



In Moldova, hundreds died during fighting in 1992, followed by the entry of Russian peacekeepers under a ceasefire agreement. The final status of Moldova’s separatist region of Transnistria remains unresolved. The European Union Border Assistance Mission was established in December 2005. It provides training and assistance



Unresolved Disputes

Moldova: Transnistria

- Ceasefire holding
- Parties have not yet agreed on final status of Transnistria; talks continue
- Transnistria involved in illicit trafficking





Unresolved Disputes

Georgia

Abkhazia

- **50,000 Georgian returnees in Lower Gali region**
- **High crime levels in Abkhaz - Georgian border region**
- **Georgia-Abkhaz relations remain tense**

South Ossetia

- **Security situation in conflict zone remains fragile**
- **No progress in peace talks**
- **Strained relations between Georgia and peacekeepers**



to Moldovan and Ukrainian customs officials and border guards, under a two-year mandate to improve border controls. Also in December 2005, peace talks expanded to include officials from the European Union and the United States with observer status—the talks are now known as the Five Plus Two talks. Parties at the January 2006 round of the Five Plus Two talks agreed to create one group of experts to discuss access for Moldovan farmers to their farmland in Transnistria, and another group to discuss issues related to the movement of goods across the Ukraine-Moldova border. The parties have thus far agreed to continue their consultations.

Turning now to Georgia, in Abkhazia, the civil war between Georgians and Abkhazians killed some 10,000 persons and displaced another 300,000, including 250,000 Georgians. Approximately 50,000 Georgians have returned to the Lower Gali region, just across the administrative boundary of Abkhazia. Tensions in the Gali region have been especially high since the fall of 2005, due in part to the high level of criminal activity. Negotiations between the Georgian government and Abkhaz separatists have been unsuccessful thus far, and relations remain strained. Tbilisi is offering broad autonomy to the region, while Sukhumi is demanding independence. The Sukhumi leaders are closely watching negotiations on the status of Kosovo, believing that Kosovo may be a model for Abkhazia. In South Ossetia, the civil war between Georgians and Ossetians ended with a ceasefire in June 1992. The fighting killed 1,000 persons and displaced 36,000 more. Tensions between Georgians and South Ossetian have been particularly high in recent months, and the peace in South Ossetia is fragile. Both Georgia and South Ossetia have proposed peace plans that are similar in their details. However, Georgia sees the restoration of authority over South Ossetia as the outcome of a peace settlement, while the South Ossetian leadership views independence from Georgia and union with North Ossetia as the end state. There also has been considerable friction between Georgia and Russia on the issue of South Ossetia and Abkhazia, as well as Russia's role there.



Unresolved Disputes

Nagorno-Karabakh

- **Ceasefire holding**
- **Some progress on peace talks; recent talks did not resolve remaining differences**
- **Resumption of fighting would threaten economic, political, social progress**



Also in the South Caucasus, Armenia and Azerbaijan have been in conflict over control of Nagorno-Karabakh. Intense fighting, especially during 1992, killed an estimated 25,000 persons. Another 800,000 Azeris and 230,000 ethnic Armenians were displaced by the fighting. The security situation along the military line of contact remains uncertain. The Organization for Security and Cooperation in Europe (OSCE) conducts periodic monitoring there. There has been progress in peace talks, conducted under the auspices of the OSCE Minsk Group, co-chaired by the United States, the Russian Federation, and France. While a meeting in Paris between the presidents of Armenia and Azerbaijan in February failed to resolve key differences in a plan to settle the conflict, further talks are expected in the coming months. A resumption of fighting would retard the social, political, and economic progress of both countries, threaten outside investments in the region, and perhaps disrupt the flow of energy from the Caspian Sea. And of course, renewal of any of these conflicts will distract from efforts to cooperate on regional issues of importance.

Finally, Azerbaijan and Iran are at odds over the Caspian Sea maritime border. At issue is control over the oil fields located in the contested area. Iran aggressively asserts its territorial claims to what it views as its share of the Caspian waters and demands the Caspian be divided equally among the five Littoral states. Tehran also objects to Baku's close ties with the West; but both countries have taken steps to improve relations and reduce tensions. We are aware of terrorism supporters in the region, conducting activities that assist with the movement of terrorists and materials, such as explosive and weapons, through the region. These support activities perpetuate activities such as document fraud, money laundering, and other illegal activities that are tied in with organized crime and serve to undermine governments. The Black Sea and Caspian Sea regions, being at the crossroads of Asia, Europe, and the Middle East, make for a natural transit point for terrorists and smugglers.



Unresolved Disputes

Azerbaijan-Iran Caspian Sea Boundary Dispute

- Key issue is control over oil fields in contested zone in south
- Azerbaijan accuses Iran of numerous border violations
- Iran also angry over Azerbaijan's ties with West



Terrorism

- Areas of instability and corruption create an environment supportive of terrorism
- Supporters can facilitate movement of terrorists and materiel between Central Asia, Europe, Caucasus, and Middle East



Proliferation. The combination of lax security for nuclear materials, poor economic conditions, and the growing power of organized criminal gangs means a potential for theft and subsequent smuggling of materials relating to weapons of mass destruction will continue. This concern also extends to facilities in the region that have chemical and biological warfare-related materials. As discussed yesterday, one of the most serious proliferation concerns for the region is Iran's nuclear aspiration. I won't



Proliferation

- **Potential present for WMD -related materials, technology, and delivery systems to transit from or through region to state or non -state groups**
- **Iranian nuclear aspirations threaten regional security**
- **Scientists & technicians previously involved in WMD programs could be targeted for recruitment**
- **Efforts underway to halt proliferation**



belabor the point, because that was covered yesterday. I would merely say that Iran's nuclear capability represents one of the key threats. Also, Soviet biological programs or the numerous scientists and technicians involved with those programs could still be targeted for recruitment by non-state or state actors trying to develop a weapons capability. Regional efforts, supported by the international community, are underway to improve border security. I won't go into that, because I know you're more familiar with those than I am.

Drug trafficking is another concern, as it effects all of our countries on this side of the Atlantic and on the other side. Not only do drugs, heroin, cocaine, and precursor ingredients transit the region; the Black Sea is a natural transit zone for heroin from Afghanistan bound for European markets, and Latin American cocaine bound for markets in Europe, Russia, and other Eurasian countries. Precursor chemicals for the production of heroin transit the region. The Caspian Sea provides a transit route for Afghan heroin bound for Europe and Russia and allows drugs shipped from Turkmenistan along the Caspian Sea into Russia or Azerbaijan. Organized crime, as I mentioned, is a growing concern, operating in the Black Sea and Caspian Sea regions to promote corruption and hinder efforts at economic and political reform. The Black Sea is a popular corridor for the illicit movement of people and goods, driven by poor economic conditions and its geographic location. Narcotics smuggling is sometimes associated with this activity. It's prevalent in many areas, depriving countries of needed



Drug Trafficking

- Good transit zone for modest amounts of heroin and cocaine and the precursor chemicals needed for heroin production
- Limited amounts of heroin likely smuggled from Turkmenistan and Iran across Caspian Sea to Russia and Azerbaijan



revenue and sometimes involving violent competition among gangs and conflicts with law enforcement bodies.

In conclusion, we have attempted to summarize what was discussed more in depth yesterday, and the experts on each particular topic will be in later this afternoon to



Organized Crime/Smuggling

- Organized crime promotes corruption and hinders reform
- Black Sea region is a corridor for the illicit movement of goods and people
- Smuggling undermines revenue collection and fosters violence





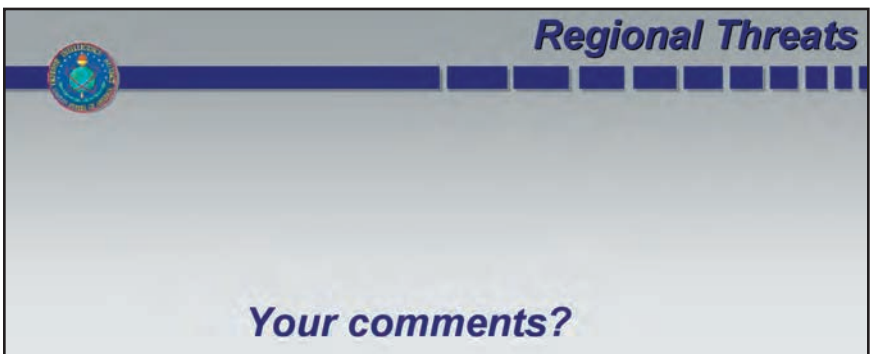
Regional Threats

Conclusion

- Threats are inter-connected and will continue
- Region growing in importance as world energy supplies tighten
- Regional cooperation, especially intelligence sharing, critical to address these threats

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discuss them in greater detail, but we tried to capture the main threats to the Black Sea Region to begin the discussion this morning. We talked about the unresolved disputes; terrorism, which threatens all of our countries; proliferation; drug trafficking; organized crimes; and smuggling. There's a strong connection between these activities. The threats outlined in this briefing are likely to continue, as world energy supplies focus more on attention on both regions—the Black Sea and the Caspian Sea. And because of their transnational nature, it will require international cooperation and especially intelligence cooperation, which has proven extremely useful in combating these threats. Thank you for your attention.



Regional Threats

Your comments?

This slide features a header with the title "Regional Threats" in a bold, italicized font. To the left of the title is a circular logo with a globe and text. Below the header is a horizontal bar with a series of small squares. The main content area is titled "Your comments?" in a bold, italicized font.

This concludes our briefing and we'd like to open the floor now for your comments.

Lorenzo Hiponia, Director, Center for External and International Programs

Next we have Mr. Jon Wiant, a member of our faculty, who will introduce today's panel. Jon.

PANEL DISCUSSION: THEATER PERSPECTIVE ON SECURITY THREATS AND ALLIED COOPERATION

Jon A. Wiant, Faculty, National Defense Intelligence College

Thank you, Larry. Sixty-five years ago this week, British Commander-in-Chief for the Middle East, Gen Wavell, was being briefed by his intelligence officers about the threat posed to Benghazi by the advancing forces of Gen Rommel. At the same time, more than 1,000 miles away, there was a coup in Iraq. It was unexpected, unanticipated. Preoccupied with the North African campaign, the British were seriously unprepared for this untoward event. It is not my purpose here to reacquaint you with old history; but it is important to note that at the time, more than 50 percent of British petroleum came from Iraq. Although Iraq was on the outer boundaries of the regional Middle Eastern command, it now posed the most serious of threats, with which Wavell had to contend. And, in fact, for the next 90 days, the British had to scramble to secure their strategically vulnerable positions in this short but violent early war in Iraq. Today, our attention is centered on Iraq. We're preoccupied with the intelligence issues growing out of campaigns of OIF, but we're also aware that this is taking place within a much broader region.

The purpose of this panel today is to give an opportunity for our three most senior intelligence officers in that region to reflect on both the security threats in the Black Sea and Caspian region, and on the ways in which we are working for cooperation in this region. I'm delighted today to have the opportunity to chair a panel bringing together GEN Custer, GEN Keller and ADM Clark. Let me note from a point of institutional pride, that the two Army generals are both graduates of the Joint Military Intelligence College, and we welcome them back as alumni. And I am certain that if ADM Clark had not been so busy working in his world, he would have taken the opportunity to come to the College as well. We welcome him here today with a perspective from the Fleet.

You have had a chance to read the biographical statements of our three Flag Officers here, so I will not spend time going over their backgrounds, but merely extend a warm welcome to them. Let me turn to GEN Custer as our Senior Intelligence Officer in U.S. Central Command to begin the discussion. I give him the honor of starting, because he is the intelligence officer of our forces currently engaged. John.

BG John M. Custer, USA, J2, U.S. Central Command

[Speaking in foreign language] Good morning. I'm very happy to be here. I'm looking forward to your questions very much. I want to engage with you, and I have

a few remarks to start off. I'm sorry I wasn't here yesterday, and I understand it was a great discussion over security issues, over the various estimates of Caspian Sea potential and future, as well as the Black Sea. As the J2 at United States Central Command, I am focused mostly on the Caspian Sea as part of my area of responsibility. Obviously, Iran, Iraq, Afghanistan, the Horn of Africa, Saudi Arabia are my primary concerns, but we certainly have a number of states in Central Asia as part of our area of responsibility. So let me begin with a few quick remarks on the Caspian Sea.

First, I think there is a worldwide overestimation and belief or hope for a panacea for our energy problems in the Caspian Sea oil estimates. I've done a little research and I find estimates anywhere between 17 and 44 billion barrels. That's anywhere from what Qatar claims, to what the United States claims—a huge variance there. I think any belief in the West that the Caspian Sea production will eventually free us from Mid-Eastern oil is simply not there. Right now, worldwide, we are producing in the vicinity of 83 million barrels per day, and consuming on the order of 81. We are really within about one million barrels of total production and consumption, which is a very, very small delta. When you think of small countries, Nigeria and Norway produce more than that delta between production and consumption. It shows you just how vulnerable we are to economic blackmail, or any number of threats from al Qaeda against the Western economies. We're truly vulnerable, and I think the smartest thing we can do is dampen our expectations about oil production in the region, while also working to achieve a sense of stability and security in the region.

My second point really revolves around the demarcation issue. I know you talked about those yesterday and there were some slides on this in the morning presentation. We came a long way with the agreement last year, but we still have a long way to go. I think the most important issue is certainly the eventual resolution of disputes in the Caspian Sea, in which Iran and even Turkmenistan are key. We're certainly very, very concerned about this and watching it closely. How the Iranians operate this year as they move their Aborigines rig out into the Caspian Sea, where they eventually drill with that rig, and how close or where they locate it with regard to the Alov field are key. That demarcation piece, I think, is crucial to future cooperation and stability in the Caspian Sea itself. Despite the fact that most countries have focused on oil, we believe that there are probably better gas reserves there. In the long term, natural gas will be a major contributor to the world energy market. There are a number of issues with that, however, including the start up costs for gas, developing transportation networks, buildings for gas to liquid transformation, and infrastructure are all very immature in the region when it comes to gas. For the present, the default is oil. That attitude will change over time, since gas certainly has a major potential and will be a major part of long-term energy piece here in the Caspian area. Historically, we've seen a limited number of pipeline routes, and these are largely to the north. As alternate routes to the south, to the west, and to the east mature, we'll see different types of regional concerns evolve. The pipeline construction and planned pipeline expansions that we're starting to see now will definitely change the look of Caspian Sea oil and gas.

When you think about it, between now and 2020, we estimate China will use an additional 6 million barrels per day over its current consumption. That would be 5

million more barrels per day than the world produced in 2006. So there is a long-term equation here that needs to be looked at very, very hard. As more and more gas lines, pipelines, and oil lines are built, we are concerned with how many are moving to the East, to China and to India. We would like to see more moves to the South. We believe pipelines moving through Turkmenistan, through Afghanistan, and through Pakistan would provide great economic benefit for those countries, especially Afghanistan, if we can ensure the security of that region. Transit fees for those gas and oil pipelines would certainly help build the economies of those regions. As I mentioned before, Iran is not yet focused on exploration in the Caspian Sea. We see that coming this year and over the course of the next few years, and there is too much energy there to ignore. Obviously, Iran is involved in a number of other issues. It has long been focused on the Arabian Gulf and the Strait of Hormuz, both for stability and oil. Nevertheless, Iran will remain a key player in the larger region, and many of the issues here will revolve around Iran in the future.

My last point revolves around the security realm. Russia has long been the major player in regional security. We can still see this in the Caspian Sea Flotilla, as well as in the Russian's traditional Security umbrella over the Central Asian states. We believe this will continue. We want to work closely with Russia in regional stability matters. We don't want Russia to revert to 1860 again and play the Great Game. We don't believe that this is a zero sum game between us and the Russians in Central Asia. I say this emphatically because we believe there are places and parts for all the participants to play in the stability of the region. And you will see that most of my answers to any questions that you have are going to revolve around stability. This, we believe, is the key to the region. Long-term investment, as well as long-term decisions on infrastructure, economics, and governance will provide for stability in the region. Thank you very much.

Jon Wiant, Faculty, National Defense Intelligence College

General Keller.

BG Brian A. Keller, USA, J2, U.S. European Command

Thanks Jon. I have two pictures of General Custer in my house back at Stuttgart,

Germany. One is a picture of GEN John Custer—I actually have a picture of him when he was a young major. I also have a picture of the famous Gen George Custer, the day before the Battle of Little Big Horn. According to an old story, General Custer's wife comes out to his horse and tells Gen Custer that she had a premonition of bad things that were about to happen and Gen Custer said, "Don't worry about it."

Today our GEN Custer said don't worry about it, we've got it under control, and everything is going great in the CENTCOM area of operation. We've been friends for a long time, so I feel comfortable with anything GEN Custer says. I have just a few points to discuss this morning with you all. First, the fact that you all have taken

time from your countries to come here to DIA to discuss issues that are germane to all of our nations and all of our political leaders is a great credit. From the European Command perspective, I can tell you that we recently hosted nine intelligence officers from the Trans-Sahara region to discuss common issues of security, border control, and the transmission of intelligence and information. We worked on a strategy to help and assist each of those nine member states that GEN Wald talked about yesterday, to work collaboratively towards a common goal. That common goal is really both the eliminator of the sanctuaries that now exist in the Trans-Sahara for terrorist and the securing of borders for their people and for these countries. What I see here in this conference is that this part of the world is very similar to the Tran-Sahara. It is nations coming together to work on strategies, engagement strategies, and mechanisms to defeat the terrorists, but also secure your borders and hopefully secure the prosperity of your citizens. This is something in which I believe we all have a common interest.

My original conference task was to discuss the security threats to the Black Sea-Caspian Sea Region. Fortunately, we've had experts including yourselves contribute on those topics. So I will not get into the specifics of these threats, because I think we have already had a great discussion, and I won't belabor the points that have been made yesterday and earlier this morning. Let me very quickly cover some of the overarching threats and discuss what might be some logical ways to confront them. Some of these threats are not conventional security issues. For instance, we haven't discussed enough about what some of the Black Sea Littoral states face with regard to the trafficking of women. I think INTERPOL and OSCE estimate that over 500,000 women and girls from the region are trafficked into Western European countries each year. I think it is an OSCE report that says 80 percent of all sex workers in Western Europe have been trafficked from the Black Sea Littoral states. In a similar vein, EUROPOL estimates that 90 percent of the heroin destined for European drug markets transits the Black Sea regions from Southwest Asia, especially Afghanistan. When I was in Moscow last October and had talks with the Russian General Staff, it was a point they hammered home to me. A point that the Russians centered on was, What are you, America, doing in Afghanistan when it comes to disrupting the supply of heroin, not only to Russia but to Europe and elsewhere? And that is a good point. I also noted that part of the problem is demand for drugs in the West, and the increase in disposable income that drives up that demand. Transit routes to Europe go through this region, and while we work strategies to reduce heroin production, there is still much to be done when it comes to actually disrupting trafficking through the regions, of which your countries are a part. Although no Black Sea Littoral state is considered a major narcotic production center, the region is a key trans-shipment point, as we all know. And how we interdict drugs, and how we take actions and strategies to disrupt that flow are things I think are very important because you, better than me, understand the implications of the drain on resources away from other productive parts of your economies when it comes to fighting this kind of deadly influence that affects your region and the world at large. We discussed our concerns about key economic infrastructures and energy that flows through this region. It is something that you are very familiar with. About 3 million barrels of oil transit through the Bosphorus Straits each day. Four percent of the global consumption passes through the Bosphorus Straits. Of the 3 million barrels that flow through the Black Sea region every day, 100,000 of those barrels move between the Littoral states, never leaving the Black Sea.

We recently discussed energy security threats in Europe. We know the impact, especially with the severe weather this year. It's only a matter of time, I believe, when a terrorist who has access to the Internet, who sees the security plans, who brings in satellite photography, who looks at routes, who knows how to use technology, will discover that he can bring the European economy, the Western economy, and the economies of many of the nations here today to their knees with some deliberate and well focused attacks. It takes little imagination to discover how a rocket propelled grenade fired somewhere along the Bosphorus Straits could stop the flow of energy, for even a small amount of time, and disrupt their economies. And when we look at the natural gas ports and many places in Europe, Zeebrugge and other places, we know that it's not going to take a lot of imagination to bring the transit of those kinds of energy resources to a halt. So this is another common threat that we can discuss.

With these common threats, there has to be discussion of common goals. The unfortunate part of the conference today is there are all too few operators here with us today, and there are no political leaders. So as intelligence professionals, we have an important job to describe these threats and to work with our chiefs of defense and politicians to develop a mutual strategy based on common goals. That's the hard part for us, because our work in many ways is paradoxical. We assess threats, we present these threats to our leaders, and they will take actions to defeat those threats. The paradox is that if we are successful, the threats will not occur. Then our chiefs of defense and politicians will say we are trumping up this threat to gain more money for



President Clift and BG Keller discuss regional intelligence and engagement issues in USEUCOM's area of responsibility.

your forces and the threats are not real. But I would argue, as I think you've heard in the last day, that these threats are real. So let me move from these threats, with which I know you are very familiar.

Let me from my perspective in European Command offer some analogies and some examples where we can gain synergy working together, against these common threats. I am drawing on my experience in the last eight months in European Command, looking at the 91 countries in our area of responsibility. Like GEN Custer, I am fully engaged in fighting a very deliberate threat that manifests itself in things like the London bombings in July 2005; the bombings in Istanbul and Madrid and Casablanca. There are things that are very, very real, on the seams between Central Command and European Command. And that's what I want to address today. I would offer to you that we are fighting a terrorist network. You know that. This network is real. This network exists for several common goals: It's the removal of U.S. and Western influence from the Holy Lands, from the Middle East. It's the destruction of the State of Israel. It's the establishment of a caliphate, where Shari a law will rule; law that will be interpreted by a very few and applied to many. This caliphate seeks to set back the forces of democratization and globalization. We're fighting a network that knows how to conduct sophisticated and brilliant strategic and psychological operations. They know how to use the Internet.

They know how to leverage the sympathies of many of their unfortunate colleagues. Look at Al Jazeera. Look at the sophistication that the Chechens show in many ways on the Internet. These are very sophisticated approaches that take very sophisticated solutions. We see many other opportunities for terrorists to use the Internet, not only for propaganda but for transmission of intelligence, for gathering information, for reconnaissance, for the movement of money and goods. It's like a Federal Express situation. One operator will call another in a different country, bring in weapons, bring in logistics, bring in intelligence, and merge them together to form a very coherent group. We're fighting a network that knows how to leverage the resources of local Jihadists. It does not take a lot of imagination to discover how terrorist operating in Pakistan and Uzbekistan can very easily coordinate with groups preaching combat in Timbuktu. These are networks that work together for a common purpose. Our challenge is, How do we come together to work as a network that is more agile and quicker than the enemy? This is something that, as intelligence professionals, we ought to be working and we ought to be working extremely hard today. We saw how these networks come together in Turkey, how Abdullah Ocalan was coordinating directly with senior al-Qaeda leadership in Afghanistan. We also saw how they were conducting very deliberate reconnaissance operations and setting up safe houses in Turkey. But we also saw how the Turkish forces were able to quickly act on intelligence that they produced and intelligence that was generated by others. The Turks were able to focus operations to bring Abdullah Ocalan to justice. We see similar patterns with other groups like the Islamists moving into Uzbekistan. We see how they work in not only Afghanistan and Pakistan, but have networks set up even in Africa, even in Europe. Or we see the Libyan Islamic fighting group, whose key leaders still remain in Afghanistan and Pakistan but are able to reach out not just to the North African

coastline but into Europe, into Central Asia, into other places where they can assist their colleagues.

So we are fighting a network here that you all know is operating in shadows; it's operating across our boundaries, these seams. And the seams, from my perspective in European Command, are being brought together with Central Command and our coalition partners. We have to stitch together these seams in the Black Sea and Caspian Sea region. Sometimes, that takes a lot of deliberate planning and a lot of hard work. Sharing sensitive information is problematic, especially on the intelligence front. In our business, sources and methods are very important to protect. They are state secrets. Nevertheless, I would offer to you that it is more important for us today to ensure that those seams are closed with multi-lateral "coalitions of the willing" than it is to just engage in bilateral kinds of relationships; although in many ways they remain very important as well. My point here is, How are we going to assist in creating a regional mechanism or mechanisms that allows us to operate within the terrorists' decision cycle? How do you we actually get useful intelligence to our decision makers, in many cases our chiefs of defense or our politicians, to defeat these terrorists? And what's the strategy that really centers on the ways, the ends, and the means?

I'd offer a few things as I close here. First is the theory that it takes a network to fight a network. Thus, the creation of interagency intelligence fusion cells becomes very important. We, in the United States, we in European Command, have bilateral agreements with some of our colleagues that are here today. Those relationships are important and need to be sustained. But the best benefit comes from a coalition that is focused on a common goal, that can share the capabilities of many of its intelligence services together, that leads to action. So these interagency intelligence fusion cells, from my perspective, become very important. Furthermore, they must include more than just the military intelligence services. In my case we find, for example, that the infusion of intelligence generated by the Treasury Department becomes extremely important when it comes to discovering terrorists financial networks. Law enforcement agencies of many of our nations, especially in Europe, become the real driving force on how you conduct successful operations. You will not see U.S. Special Forces knocking down doors in downtown Paris. That "ain't" going to happen. Such actions are not happening, as much as we might like to see them, in other places—in the sanctuaries of North Africa. Law enforcement intelligence work becomes critically important. In many cases, these seams exist in some of our countries, including my own. How you pass intelligence generated by domestic intelligence to military officials, and vice versa, is a very, very important issue.

You've seen a lot of debate recently in our own press, with some of the surveillance operations that our National Security Agency has been conducting. We have to create these intelligence and law enforcement fusion cells, and we have to create them not only with coalition forces, but we have to include those interagency partners that some of us, based on our history, are uncomfortable in doing. Let me offer to you an example. In Turkey, there is a Center of Excellence working counterterrorism. It is an

extraordinary opportunity for intelligence professionals and operators to come together to work a very common problem set. I would ask, Who today would volunteer to set up a similar Center of Excellence, for example, to focus on financial intelligence? Where do we bring together our law enforcement agencies to work specific problems against crime and the Mafia?

Training is probably the next important part as we set up these interagency and these intelligence fusion cells. While European Command is not as engaged in this war as, for example, Central Command, we can offer opportunities like Turkey has done with the Center of Excellence. We have funding available for Foreign Military Assistance training, mobile training teams, and other kinds of forces that can be very beneficial to a coalition. So as we discover who will join the coalition and where we should establish these kinds of intelligence cells, we can bring to bear tremendous resources to help train people for the cells. Many of your countries have already sent individuals to places like Fort Huachuca, Arizona, where GEN Custer was the former Commander, to train intelligence professionals and then bring them back to assist this kind of development.

The last thing I would offer as we look at intelligence fusion cells is our experience in European Command. We have assisted in the creation of an intelligence fusion cell to support Supreme Allied Command Europe. Recently, we hosted an intelligence conference in Mons, Belgium, and the countries represented in this room could contribute people, intelligence professionals, to this NATO intelligence fusion cell. As we create these intelligence fusion cells to support operations in the littoral areas of the Black Sea and the Caspian Sea, you can contribute as well. That said, I know we must also be careful. I realize that some of you would argue that the Black Sea ought never to become a NATO sea. But I'd ask you to consider where the interests of not only NATO, but your regions and your nations, merge together to fight this threat. The enemy does not sit back and look at NATO as a separate entity. It doesn't look at the seams on a map where Central Command and European Command merge. It doesn't look at what the national interests of Russia are on the Black Sea. Nor does the enemy discern the differences between how Turkey, or Romania, or Bulgaria, or Russia, or the United States, or NATO look at the Black Sea. They look at the Black Sea as an area to transit and to control, and that's the same approach we need to have. The intelligence fusion cell, for example, at NATO offers tremendous resources, not just money but brain power, intellect—intellect so much that we will have 23 nations, some of you represented here today, providing intelligence support based on commanders' requirements. As we support operations in the Mediterranean for Active Endeavor, this intelligence fusion cell supports the requirements of its commanders. It takes the intelligence that is produced and released by your nations, it fuses it together, and it provides, I believe, a more coherent product that your commanders and in many ways your politicians can use to their benefit. Do not marginalize this great capability. Become involved, allow us to work together and against the common threats, and I think we will all see benefit to that in the weeks, months, and years ahead.

**RADM Robert M. Clark, USN, Director, Maritime Partnership Program,
Commander, Naval Forces Europe, Commander, U.S. Sixth Fleet**

Good morning, everybody. I really enjoyed the dialogue that we had yesterday in this room and also the informal discussions that I had on the breaks and at lunch time. I started to have some discussions at the reception, but I had to leave early. Today, I hope to make up the difference in our conversation during the breakouts at lunch and at our reception this evening.

The topic is Theater Perspective for Security Engagement. We've heard from two of our Unified Commands. I represent the naval component of one of these commands. I'm going to give you an operator's perspective of what we're trying to do with our theater security cooperation. I'm not the intelligence officer. Our intelligence officer is CAPT Eric Extner; his title is Director for Information Superiority. This title reflects our emphasis on going beyond intelligence itself into an area where we think that the information is most important, and that we have an end state in mind. We're either going to make a conscious decision to act or not to act, to reach that goal based on the information that we've been able to identify and provide. I also have with me today from our plans shop CDR Mark Stackfold. Mark is the branch head responsible for all the campaign plans for Black Sea, Caspian Sea, and is also a former Naval Attaché in Ukraine. He spent a lot of time in the Theater and is a wealth of knowledge for us. We're trying capture that knowledge and make sure that we have an educated organization from which to make our decisions.

Now let me tell you a little bit about how we try and do this. Our work focuses on a campaign plan, a regional campaign plan. Our Theater includes the Black Sea and the Caspian Sea but we only have Azerbaijan in the Caspian Sea region; the rest of it goes to our Central Command. We're working together to develop the appropriate linkages to make sure that everything is consistent and is flowing together between our two commands. We have a campaign plan and that's the basis for our work on what we refer to as effects-based operations. Effects-based operations is your endgame. It's your end state. You start with the answer—you start with where you want to be as a result of your activities, and then you evaluate each of your activities to make sure that it will have a direct return. It's a prioritization, if you will, because we all have limited resources and a limited amount of time. We try to determine where it is we want to be when we get done with our activities, and then we consciously make the decision as to what we're going to do in each area. In this campaign plan, we have all of our global requirements down to a regional basis, down to an individual country basis. I'll go through several of the effects, just as examples to show you what it is that we're trying to attain.

For a start, the Black and Caspian Seas littoral nations monitor their coastlines through a cooperative regional surveillance system in order to counter terrorism and transnational trafficking. The basis for this, as you heard yesterday, is the Caspian Guard Initiative and the radar systems they are trying to develop in the Caspian Sea. In the Black Sea it's a lot different. It's all individual countries, and how we're going to get an integrated multinational system is really a national requirement.

I also want to mention the second objective: how to attain a system of sharing information with other regional states, U.S., and NATO in order to develop a common maritime tactical picture of the Black and Caspian Seas. Everybody should be familiar with the term COPS: Common Operational Picture. But here, we're talking about a Common Maritime Tactical Picture. Achieving this involves a combination of things. It could be the radar systems; it could be human intelligence; it could be a whole number of different things, but the information has to be generated and then shared. The difficult part, as we all know, is how is that information being shared? Is it being shared on a multilateral basis? Is it being shared on a regional basis? Is it being shared on a bilateral basis? Those are the details that we have to work through. The important part is, if we have the information and if we want to generate a result we have to find a way consciously to develop the mechanism, to transfer this information from one to the other. If there are political issues—and there always are political issues—we have to find a way to accommodate them. Finally, we have to find a mechanism to be able to share this information in a timely manner.



LTG Maples talks with Kirstin Beach, DIA Representative to Joint Force Command Naples.

Our third objective or effect is to develop regionally effective state militaries, security forces, and civil-maritime agencies providing maritime security for the Black and Caspian Seas. Our current Chief of Naval Operations, ADM Mike Mullen, has talked several times in the past year about the development of a thousand-ship navy. He's not talking about the United States having a thousand ships. He's talking about the world having a thousand ships and about the capability of a coalition being able to react regionally and do what is required within that specific region. One of the reasons he's saying that is because, before he was a Chief of Naval Operations, he was our Commander in Europe, our Navy Component Commander. Here, he learned first hand

that this is not something that the United States can do alone, or ever will do alone in the future. We need to be able to do this on a coalition and regional basis.

Our fourth regional effect is to ensure that the Black and Caspian Seas nations cooperate with Euro-Atlantic nations and organizations to accelerate military reform and sustain interoperability. I think military reform is something always with us. One example of what we are trying to do is to assist Ukraine. We have one of my Senior Chief Petty Officer's currently at their Academy, developing and teaching a non-commissioned officer course. The Ukrainian military is going to a non-conscript volunteer force, and we are trying to teach some of the capabilities that we have within our United States Navy and the attributes that would be common to the development of their non-commissioned officer corps. The Ukraine is going to take the course, modify it, and do whatever it is that they need for their own requirements.

Those are four quick examples of effects. I will tell you, as well, in order to make this decision we also have to take a look from your perspective, at what you consider the issues and concerns. We try to understand where we're going to have roadblocks or obstacles. I mentioned one all ready, budgets. We all have budgetary concerns. You have budget concerns within your organizations. Neither European Command nor Central Command is a bottomless pit for funding. That is why we try and prioritize our recommendations, and why we ask all the nations that we work with to prioritize their recommendations as well. Equipment interoperability is another concern. We all have different types of equipment. We have to do better when we look at equipment, so that we're able to communicate and work more efficiently. One of the tools that we're looking at right now is automatic identification system on our merchant ships. This is an unclassified, fairly inexpensive transponder that identifies locations of the ships on an automatic basis, coming into an intelligence center where ships can be easily identified. You can access the system on the Internet on an unclassified basis. We're eventually looking for the most inexpensive way to generate and share this information. Now, of course, there are very few navy people here. The navy in all of our countries is probably the third tier as far as the budget is concerned. From a maritime perspective, we understand that the navy is not the first place in a lot of the national budgets in the countries with which we work. So it's another one of the reasons that we see this as a potential obstacle, and why we have to collectively make our recommendations so we generate a good return. Obviously, the areas of conflict that we talked about have to be taken into consideration. Another obstacle is corruption and organize crime—that is rampant everywhere. But from my perspective, the issue is in our attempt to control the transfer technology that has the potential for dual use to the criminals and the traffickers. And have to understand the ramifications for everyone before we do that.

Terrorism. It goes without saying, terrorism is an issue everywhere in the world. We like to refer to the term global war on terrorism, or international terrorism, but there is national terrorism. It really doesn't matter in our country whether it's a national terrorist or an international terrorist; it's an issue that has to be dealt with. So terrorism, nationally and transnationally, is the area where we're seeking effects. What have we been doing from the navy side in order to achieve the desired effects? I'll give some examples. The Black Sea and the Caspian Sea are areas where our U.S. Navy has not

had a programmatic approach for some time. Over the last year, however, we've had a very conscious decision and written into our regional campaign plans the requirement for our ships to go into the Black Sea and operate on a bilateral basis with the countries in the Black Sea. I have ridden the ships on two occasions on bilateral exercises in the Black Sea. I've met with the Flag Officers of five of the six littoral countries in the Black Sea. I have not been to Georgia yet. I've not been to Azerbaijan, but I just had a team come back from Azerbaijan. We have a requirement for our people to meet on a routine basis with all the countries, the navies, within our Theater of operations—we're doing that. I have led navy staff talks with the chiefs of the navy and their respective staffs in Ukraine, Turkey, and Bulgaria. Discussions with Romania are coming up in May. On a two-year basis, we meet on a Flag-Officer level. Generally, on an 18-month basis we meet at the mid-level. This is our opportunity to understand the budgets and the priorities of the countries that we're dealing with, and they in turn can understand what our requirements are. It's more of a proactive approach to understanding what is possible.

I've been here for about 17-months now and I have another year and a half minimum in the job. Continuity is another thing that we're trying to establish, especially where personal relationships are involved. When commitments are made, you can pick up the phone and make sure that you're going to be able to get a response.

Exercises. We talked about exercises yesterday, and the next one coming up in the Black Sea is going to be SEABREEZE. Bulgaria will be coordinating that effort in July. Reflecting on our discussions yesterday, I think we had four central themes: illegal migration, narco-trafficking, illegal weapons transit, and terrorism. From the navy side, these are the major issues with which we have to deal. I think energy security is enveloped within those four. The Navy works with a concept called MDA, Maritime Domain Awareness. MDA means that we need to be able to detect, identify, and engage. But let me emphasize that we must engage on a regional bases with an appropriate force. That's our overriding capability—our overriding desire—the overriding end state; that's where we want to get. We want to have multilateral maritime domain awareness. So the effects that I described before, having the various information systems, the various information sharing systems, and the development of capabilities, all drive towards our maritime domain awareness. The sharing of information, intelligence, and knowledge that we discussed yesterday is very important in developing the security architecture, and I absolutely agree. There's an American phrase that "knowledge is power." But it's only power if it's exchanged. If kept to yourself, it's really of limited value, and we really have to be able to exchange this valuable resource.

I'm going to discuss a couple of comments from yesterday—Operation Active Endeavor and Black Sea Harmony. Yes, we absolutely agree. You know we have Caspian Guard, which is working extremely well right now. It's starting up. We have Black Sea Harmony, which is starting to be effective to draw more countries in, to do a similar engagement to what Operation Active Endeavor is doing in the Mediterranean. We absolutely support Turkey and its continuation of expansion of Black Sea Harmony. Maj Gen Marintchev mentioned yesterday that Bulgaria does not need ships—that Black Sea Harmony does not need ships. We agree. You do not need ships. But you

do need the information exchange and the ability to transfer this information back and forth. I mentioned during my staff talks with Turkey in May of last year with RADM Denis Kucklett that we're not interested in the Montreaux Convention as a military. That's the Department of State, that's not a military issue. We are, however, concerned with the security issues we just mentioned. We want to understand what the process is and make the two compatible between Operation Active Endeavor and Black Sea Harmony. I made the offer then, and a formal request, that we would like to have observers for Black Sea Harmony, so that we can continue our information exchange. And since then, NATO has also made the same request again for an observer status, so we can facilitate this exchange between Operation Active Endeavor and Black Sea Harmony. I think that's just great.

A couple of other comments. Our friend Col Kyryliuk from the Ukraine mentioned yesterday that trust is critical. I absolutely agree. Trust is critical and that's one of the reasons we why we're trying to establish consistency in having the same people meet over and over again. Maj Gen Azoyan from Armenia has also mentioned that trust is based on national interests. We absolutely agree. Trust is based on national interest. If we do not have trust, we are not going to be able to get started. If we don't protect our national interests, we'll all be fired. That's common sense. Gen Medar mentioned yesterday that the fate of the area is in our hands and also our friends'. And I think that's probably the best summary that I could have for my discussion: it is in your hands. It's all in your hands, and the U.S. is one of your strongest friends, not your only friend—one of your strongest friends. We need to be able to find out what it is that needs to be done, to help you meet your goals and to help us meet our goals.

I mentioned before that our process is an effect-based operation. We're looking for things very specifically to do. Unless we have that discussion, unless we have that level of detail, we'll never get there. So I'll ask all of you today in this forum whether it will be during the conference here, whether it will be out on the breaks, or whether it will be at dinner tonight, or whether it will be sometime in the future, let us know through your Naval Attaché, through your Defense Attaché, let us know what you need. Let us know what the priorities are, because then we can collectively find out, on a prioritized basis, how to get there. Thank you.

Jon Wiant, Faculty, National Defense Intelligence College

Thank you, Admiral Clark.

I was just looking around, and I think I'm one of the real old men in the conference. I make this observation for two reasons: first, the problem of having bifocals and a short memory is that I incorrectly identified ADM Clark as an intelligence officer. I apologize for the mistake, and I want to recognize the real value of an operator's perspective along with these assessments from our theater intelligence officers. That's the mistake of old age; the virtue of old age is that I have a lot of experience with a lot of these issues. As I was listening to these presentations, I was thinking back to 1979 or 1980, when I was in Varna, Bulgaria, and having a discussion with a number of police

and customs agencies on how to deal with a couple of these chronic challenges, such as in narcotics and other forms of illicit trafficking. It struck me at that time that I was the only intelligence officer in the room. Twenty-five years ago these issues were seen as essentially police matters and customs matters. Now what we've heard today from all three panelists is that the kinds of challenges we confront today are really ones that spread across the domain of intelligence, of security, and of police. Integrating responses is essential to maintain our national interest. And yet at the same time, all our speakers have spoken about the difficulty of building that kind of interagency cooperation within a country, and then throughout the region. That we can speak about the need to have our colleagues in police or customs agencies working with us is an important recognition. I will say, however, from a long-term perspective of working these issues in the United States, that there is still quite a distance between the theory of interagency cooperation and the practice of it, even where we have been working consistently on some of these issues, like narcotics trafficking, since my youth. This distance between theory and practice manifests itself in different ways. For instance, even when we have some cooperative law enforcement agreements, our FBI training with other countries or that done at the Law Enforcement Institute of ILEA in Hungary, these may teach a form of cooperation that is different than the cooperation that we might seek through military-to-military cooperation.

Before I open up to general questions, I would like to ask my three colleagues to comment from their perspective how we might prioritize this issue of building a much more effective regional cooperation? I also wonder whether cooperation is going to be first among the operators or the law enforcers or, alternately, whether we as intelligence professionals can take the lead in building what we all agree is the desired goal of regional information dominance.

BG John M. Custer, USA, J2, U.S. Central Command

We at CENTCOM, as most of you are aware, have a coalition of more than 60 nations in Tampa. We have a coalition intelligence cell; we try to share a great deal of intelligence across the CENTCOM area of operations. In addition to that, we have fusion cells at our Combined Joint Task Force Horn of Africa in Djibouti. We also have built cooperation between Afghanistan and Pakistan, and we continue to work hard on information sharing with Iraq and specifically with Central Asia. We conduct a huge number of exercises, joint exercises, from Special Forces to conventional forces; continual exercises between our forces and your nations. I think we've been very, very successful. One of our tenets, to help others help themselves, is complemented by building indigenous capacity, whether it be counterterrorism capacity such as our very successful assistance to Saudi Arabia, or intelligence capacity. The partner nation piece is the only way we'll be successful here. The United States realized long ago we can't do it alone; we don't want to do it alone. It's too difficult. It has to be a coalition. It has to be partner nations, and our model for the future is in building that indigenous capacity and in working together with partner nations, for us to help them help themselves.

BG Brian A. Keller, USA, J2, U.S. European Command

This is what I would offer. First, I'll tell you what we in European Command, and the other combatant commands, are doing when it comes to the integration of intelligence with operations. We are creating what is called is a Joint Intelligence Operations Center, a JIOC. In the JIOC, we bring together all the analytical, collection, and dissemination resources available to the intelligence community, and we completely integrate those with current and long-term operations. It sounds like a novel idea. It's a challenge, because in many ways in the past intelligence was simply collected for situational awareness of an adversary, for things like indications and warning; but the intelligence was never put into effect.

We have lots of reasons now to put intelligence into action. And it's all the things we've discussed for the last two days. Within our own commands, we are empowering our commanders and leaders to actually take intelligence, and as ADM Clark said, to use it to gain some kind of effect on the battlefield. Now my suggestion for us to consider is, Why aren't we doing that together? These intelligence fusion cells need to be intelligence-operator fusion cells. The collection and the analytical priorities need to be driven by what the coalition leaders believe are important. We don't do that as well, I think, as we could, not only in places like the Black Sea and Caspian Sea or the Central Asian region, but in Africa and elsewhere as well.

For example, European Command is in the process of training certain of our African colleagues on how to use intelligence within their own borders and how to share that intelligence with their neighboring states. So if you have a terrorist organization that is transiting, for example, from some place in the western Sahara or Mauritania or Northern Mali, and moving across Niger perhaps to Nigeria or Chad to conduct an operation, you need to have both an effective exchange of intelligence and an equally good coordination of operations to pursue those kinds of terrorists. It can be as simple as having a common reference to maps. It's how to pick up a phone and communicate. It's how to exchange data. And it's not just for the intelligence service to do that; it is for the operators as well.

Finally, I would say we have to work harder towards making the training of these fusion cells relevant to the operators. It has to be relevant. That means being able to take the requirements and translate those into tasks to collectors, to analysts, and then to produce that fused picture and provide it to the people that are actually going to do something with it. That means you do not sit and drink a Scotch or smoke a pipe but actually go out into the field, send rifle companies or other kinds of operators out to confirm or deny the intelligence, and take action. It's fascinating to watch this exchange and see how we can do that better integration. Can you imagine if we went back to the Great Patriotic War, when we were sending convoys across the Atlantic and the American and British and Russian governments didn't transfer intelligence information about German U-boats? Many more ships would have been sunk and many more casualties would have occurred. But instead there was great cooperation. Today it could be a simple problem—like the one I was watching this week on Discovery Channel. The program talked about Osama bin Laden and al-Qaeda's navy.

It goes back to 12 or 15 years ago, when Osama bin Laden was actually purchasing ships to conduct operations. I ask you to imagine if Osama bin Laden's navy was in the Black Sea. It would be easy. We would send in Russian destroyers and Ukrainian frigates and Turkish battle groups and Osama's navy would be sunk because of the sophistication and the capabilities we had developed. But unfortunately we don't have that easy kind of problem. So I think if we train harder and we fuse intelligence better with operations, and we look at ways to allow us to release intelligence more effectively from all sources, then I think we'll be way ahead of this very agile enemy terrorist network.

BG John M. Custer, USA, J2, U.S. Central Command

Let me add one thing. We have an operation, our Combined Task Force 150, that conducts maritime interdiction operations from Pakistan all the way over to the Kenyan Coast; very successful. Over the past four years or so, over 12,000 maritime boardings. It is a combined operation with ships from at least seven different nations coordinating with their own intelligence sharing architecture so that our naval component, NAVCENT (U.S. Navy Central Command) is able to pass intelligence out to those various ships regardless of nationality. It is not commanded by a U.S. admiral; it's commanded by a British, French, or Pakistani admiral. And we have had great success in those maritime interdiction operations in a very, very shadowy part of the world, which historically has been a conduit for all types of al Qaeda drug running, and all types of smuggling.

RADM Robert M. Clark, USN, Director, Maritime Partnership Program, Commander, Naval Forces Europe, Commander, Commander Sixth Fleet

I like the example of Task Force 150, because it shows a coalition effort where you take the assets that are available and you figure out what is the best way to use them, and then divide them up and assign them based on their capability; that's worked extremely well. And that will continue to work well. It also leads to the question of regional cooperation. How can we get there? What should we be doing? Where are the natural hubs, the centers of excellence, if you will? We've heard already that there are some maritime centers, there are some fusion centers, there's a terrorism center. These exist—my terminology, centers of excellence. There is an existing entity out there somewhere that we should be able to leverage. Someone's already paid the initiation price in time, money, and personal effort. Why not use those? Why not focus on them in a regional basis, to say this is what I want to do. It could be a maritime center, it could be a fusion cell, or it could be what I referred to earlier as the non-commissioned officer's school. You know there should be the ability to centralize some of this, so that not everybody is paying the same price. If you have it, then you're paying a piece of it as opposed to the entire price. It could be the same thing for your special forces. There are different things we can do, if on a regional basis you look at and identify what you consider to be your capabilities. Where is a good capability that we can exploit? We can exploit it regionally? And then, instead of paying 100 percent of a startup cost, you pay a piece of it. And you give someone a charter, and again this is not that hard. This is business logic. You're leveraging a capability and directing it towards the region.

Jon Wiant, Faculty, National Defense Intelligence College

Thank you, Admiral.

I want to return to the issue of cooperation, country to country, agency to agency, and multi-agency, multilateral cooperation. I learned fairly early on that the CIA has no monopoly on important information, and that sometimes the most critical information we have for national interest may come out of the most unexpected places. For example, in October 1983 we had the bombing of the Marine Barracks in Beirut, and 286 Marines were killed. Military-to-military intelligence gave us some sense of the attackers, but the actual identification of the cell that produced the truck bomber, as I recall, was developed by the Drug Enforcement Administration office working in Brussels. DEA was cooperating, I think, with the Turkish police on heroin transiting into Europe. Either DEA or the Turks had a source in Lebanon, reporting on Lebanese trafficking, which also had some links into the terrorist group. It was this DEA-Turkish narcotics investigation that produced the bombing information as a by-product. This was certainly outside the framework of the way we conventionally think about intelligence, certainly military intelligence. Yet the issues that we've laid out today, and that we've spoke about in the synergy of multinational cooperation, require us to think about a variety of partnerships, precisely those involving the often uncomfortable relationship between intelligence and law enforcement.

I was looking at this wonderful large map we have of the region, and reflecting on GEN Keller's comment that 90 percent of the heroin coming into Europe was transited through the region. My question is how each of you in your country would look at what your responsibilities are, and how you would share information that alerted you to the fact that there may be things transiting Bulgaria, for instance. To whom would you turn?



David Soumbadze, Georgia, and Maj Gen Basentsi Azoyan, Armenia, listen as Maj Gen Plamen Stoudenkov, Armenia, poses a question.

Regional Participant

Well, it's not the easiest stuff to answer. We need another conference just to discuss these issues. Without any doubt, the question of the cooperation is very, very important for the Black Sea countries, all the Black Sea countries; not only within NATO, but all the countries in this part of the world. But I'd like to turn to another point. Between the beginning of 2003 and the middle of 2005, there's been identified about 210 movements of ships within the Black Sea. However, up to now we are not certain that these ships are engaged in illegal activities. We have no confirmed intelligence that they have been engaged in something illegal, and we haven't been able to develop the necessary intelligence on these activities. The biggest problem for the Black Sea—and let me focus on my country—both on land and by road is smuggling. Together with our internal service and with our border police, with our representatives from Ministry of Interior, our job is to collect information from all sources, inside the country and out, and to analyze which direction presents our biggest threat from illegal activities. Is it from the Black Sea or by land? Our results confirm what actually was an observation by our Turkish colleagues, that my country's main problem is with illegal trafficking by land; for instance, come in by road and just in a few cases by sea. So this is the direction on which we are trying to concentrate our efforts, together also with some of the partnership services in the region. I very much support concepts like intelligence fusion cells in that area. It's a good effort here, but it's also very difficult to create or establish because of trust. The people sitting around this conference table could easily achieve such cooperation, but it may be more difficult in another environment when we get back to our countries. On terrorism, I'd like to mention a little bit more on the security of the maritime infrastructure. This infrastructure we consider could be used as a target for some terrorism. We are trying to take the necessary measures in that area. You mentioned the Beirut incident, which happened in 1983, but it is difficult to get early warning, especially in the suicide bomb attacks by the terrorists. What I mean, it is almost impossible to prevent a suicide bomb attack. If you're able to get intelligence in the very early stage, maybe the attack itself will be not be made or they will just wait for another day. However, we must find some way to create a center or some idea, because in the Black Sea region, in the Caspian Sea, in the Caucasus area, we are under the same pressure. We're facing the same kind of problems. I'm speaking about all the issues, and within the Black Sea countries both intelligence and operations people concerned with these issues, we have to create the level of cooperation between us, because it's a question of our home security. Thank you.

Jon Wiant, Faculty, National Defense Intelligence College

I thank you very much for that perspective.

Regional Participant

Thank you very much for the opportunity to say something. I want to say something about a really serious issue.

The first problem is on the practical level. We are used to cooperating on tactical exercises, carrying out operations in Iraq or Kosovo. Our officers, our soldiers have learned to cooperate, to work together, and now we have to learn to work at the strategic level, to cooperate on the strategic level. In order to cooperate on the strategic level, we need to create first a legal base. We have to have a charter, which all countries would adopt or join, all those that are together in the fight against terrorism, against narcotic trafficking, and against the other evils that exist in the world today. There is another problem in working together, in cooperation. In countering the evils that we encounter, what we call our threats, it is not only a military problem. This is a problem where all the law enforcement, and the security forces, and the border services must cooperate; this evil must be fought on all levels. And so we must not limit our cooperation only to military leadership. An example: the United States after the 11 September event showed that even within one country, you have several intelligence organizations; it was very difficult to gain cooperation. Everybody, everyone wants to get the information. Everybody thinks what will happen if I give away information. We talked about it yesterday, about trust. But I think it isn't a matter of creating trust—I think we have to build trust. We have to build a foundation on which trust can be created. And without solving this problem, my colleague says they have a national hero and it doesn't matter what we'll be saying—there are national limitations that prohibit—that do not allow, the solution of the problem that we're facing. And we need to change these national laws that make this impossible. We have done a great deal. We have gone in the direction of creating bilateral relations with our Allies. And I think that we have gained a certain amount of success in this direction. But the time has come when we must talk about uniting all of our efforts, not only in the bilateral area, but on multilateral bases. Thank you for your attention.

Regional Participant

On the whole, I agree with what my colleague has said, and I would like to develop this idea further. Today we are cooperating. The military intelligence is the intelligence of the police, the Ministry of Financial Security, Security of Customs, but this does not promote the development of a national system for fighting, for countering these threats. Sometimes it makes it more difficult. We have information about terrorism, about narcotic trafficking. But the problem is, where is information located? The police have some, the military has some, the customs people have some—we have not been able to combine all of the information, all the intelligence, in one place where the decisions are being taken. So I think the first thing we need to do, we need to create national systems where all of these lines, from which intelligence and information comes—all of these agencies that are charged with countering these threats, they should all be working in unison. Because there is competition, there is a certain hostility between agencies; sometimes they hamper each other's activities. And this does not allow us to succeed. I think, first, we need to clean house between all of our agencies at home, and then cooperation can be organized on a higher level, on systematic level, on a national system of countering these threats. Then there will be more trust because many of the sources of information will be on a lower level. We don't even need to discuss the very serious question about strengthening confidence and trust between the sides. I propose that we should concentrate on exchanging experience, technological assistance, but we should also clean house

first at home, to create national systems. And once we have this national system, then we can cooperate on the multilateral level between the systems.



RADM Clark and BG Keller listen to participants' questions.

Regional Participant

About trust building. Here we have to recognize what we started yesterday. It means that the process of trust building between all our countries was started just yesterday. We are here at a very historical moment, I think, for the countries from these areas. And this process must continue. I think we have to change to move a little bit out of the box. We have to have original and global thinking, but at the same time we have to have national interests. Every country, small country or big country, must have their national interests. When you combine all the national interests, like in a puzzle, we see a lot. More than 50 percent, maybe around 70-80 percent, of our national interests are also global interests. This is the ground for confidence building, and this is the ground for cooperation.

At the same time, the most dangerous thing that could happen with any country is isolation. This is why I think it is necessary to identify, to have an exchange of opinions, about our national interests and to identify common areas to cooperate on these kinds of things. This is something that I wanted to say. About what our moderator said, this is a decision about internal cooperation between services. We can build trust between our countries, between our services, even taking into account that those are sensitive. I can share with you my country's experience, because we built a national intelligence community, which has a concept about network center cooperation; it means that to build a net, to be in the center of the net, is to be joined with several services—no one is a super service. None of the services is the center. If it is a military conflict, the military may be emphasized. It's a concept. I don't know if it is a good one or not, it just started. But something like that, we can share between us. We don't have to wait,

I think, to clean house before we build up cooperation between intelligence services, between national services. We can share cooperation between military intelligence services from the beginning. Of course, we don't have enough intelligence regarding illegal traffic, but we can talk and we can bring information. Sometimes only one piece is crucial. It is exactly the missing piece from the puzzle. This is why, in sharing information, in cooperation, we don't have to be shy if I don't have, let's say, a big piece of intelligence. From the beginning, what is important is to share. It's necessary to have new thinking, a new mentality. This is what I think and this is what I wanted to underline again, that this trust building must be a continuing process because we absolutely share the same interests.

I'd like to say something else, after GEN Keller said that shocking information, that 90 percent of the heroin for Western Europe is coming from the Black Sea. We in my country didn't make too many captures, but I think they are not coming this way. Maybe, I don't know. And we have to identify and to try to improve ourselves, and to share information between us regarding these subjects—asymmetrical threats. According to the last presentation of our colleagues from Turkey, there are no risks, no threats, no asymmetrical threats in the Black Sea. There are risks. I asked myself, this issue of 90 percent of the heroin coming through the Black Sea—is it a risk or is it a threat? Can we pretend that it's only a risk, when in fact in Transnistria there are many factories under full production of armament—part of these going through the Black Sea? Can we say that this a risk or is it a threat? All our colleagues around the Black Sea could tell us a lot of facts about illegal immigration. Is this a risk, is it a threat? Because, according to what kind of operation we have to do together, we will know how to plan this operation. Because if it should happen some time that a terrorist attack occurs in the Black Sea area, it will be a crisis? This is something more than philosophical, with these facts on the table we have to talk, we have to try to understand, try to identify what we are going to do. Because as I said yesterday the intention to agree is okay if it's only a risk. But today with these kinds of risks we have to identify where we are and how we are going to act. Thank you.

Regional Participant

We are talking about the trust, and confidence building, and also threat perception—there are some differences. Of course confidence will be built by talking, by cooperating, by coordinating—this is very important and it will take time. And we can't get there immediately. And threat perceptions are very important, these will bring us together. Otherwise we will be separate, and if you would like to promote the cooperation and the coordination against terrorism you have to talk, you have to think about what a terrorist is. You know everybody is discussing this. There is no clear definition about that. Who is a terrorist for whom? These are important issues. There shouldn't be difference about terrorists. Because we have talked about national terrorists, international terrorists—different types of definitions. Terrorism is terrorism;

a terrorist is terrorist. There's no difference if it's national or international, because they have a connection. They support each other one way or another. And they create the conditions for them to work in. So we shouldn't let any terrorist group survive. Otherwise, all terrorists groups will benefit. We are giving them power. We are giving them confidence. And in this way we are losing the trust of some of our friends, some of our neighbors, and this damages the cooperation. And the terrorists always seek a good environment for the smuggling, illegal trafficking, illegal immigration, and they provide the means to conduct these activity. Without terrorist organizations and without their help, it will be very difficult to bring drugs from Afghanistan to Europe.

Everybody is using organizations to promote democracy and to promote economic relations, to give a chance to grow prosperity in the region. This will help to fight terrorism, to reduce smuggling, drug trafficking and illegal immigration.



RADM Clark, BG Keller, and BG Custer are thanked for presenting their perspectives on theater security threats and allied cooperation.

Jon Wiant, Faculty, National Defense Intelligence College

My job being the moderator is to get everybody's juices flowing here and our colleague from Turkey has laid out something that all of us want to talk about. I thank the contributors, but my colleague Larry Hiponia has told me we have run out of time. Let me just thank my colleagues here, GEN Custer, GEN Keller, and ADM Clark for wonderful, thoughtful presentations that have provoked a lot of discussion, and conclude with observing that as of today we more cooperation than we had yesterday. And that's something to build on. Thank you.

ENERGY DEVELOPMENT AND THE FUTURE OF THE REGION

Lorenzo Hiponia, Director, Center for External and Internal Programs

The next speaker is Ms Katherine Hardin, Cambridge Energy Research Associates, Director for Caspian Energy. She had worked extensively in Russian and the former Soviet Union since 1991. She has focused most recently on energy sector development in Central Asia and the Caucasus. Prior to joining CERA, Ms Hardin worked as an energy consultant with PricewaterhouseCoopers, advising on power sector privatization throughout the former Soviet Union, with a focus on Central Asia and the Caucasus. Moderating today's discussion will be JMIC Faculty member CDR Wayne Hugar.

**Katherine Hardin, Director, Caspian Energy,
Cambridge Energy Research Associates**



Caspian Energy Development

Katherine Hardin
Cambridge Energy Research Associates
March 10, 2006 • Washington, DC

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STRUCTURAL CHANGE: Growing Concentration of Oil Production Capacity

15 Countries Dominate Long-term Oil Supply Growth
(million barrels per day of production capacity)

Rank	Country	1995	2005	2015
1	Saudi Arabia*	10.8	12.7	13.0
2	Russia	8.2	9.6	11.5
3	Iran*	3.8	4.3	5.7
4	Iraq*	2.1	2.6	6.5
5	Canada	2.4	3.5	5.3
6	Venezuela*	3.0	3.0	4.6
7	UAE*	2.7	3.1	3.9
8	Kuwait*	1.8	2.9	3.7
9	Nigeria*	2.1	2.3	3.6
10	Kazakhstan	0.4	1.2	3.1
11	Algeria*	1.4	2.3	2.9
12	Libya*	1.4	3.0	2.8
13	Brazil	0.8	1.8	2.6
14	Angola	0.6	1.2	2.3
15	Azerbaijan	0.2	0.5	1.0
Total Top 15		39.5	53.5	71.4
Share of World Liquid Capacity		55%	61%	69%

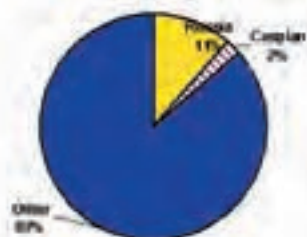


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Caspian Production Will be Significant on a Regional Level, but Only 2 Percent of Global Production in 2005

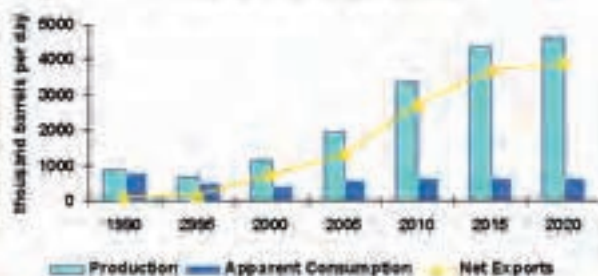
In 2005 the Caspian countries accounted for 2% of global oil production (84.1 mbd)



CERA_Pipeline_2002/2002

CERA Expects Caspian Oil Production to Reach 4.5 mbd by 2020

Caspian Oil Balance (Base Case)



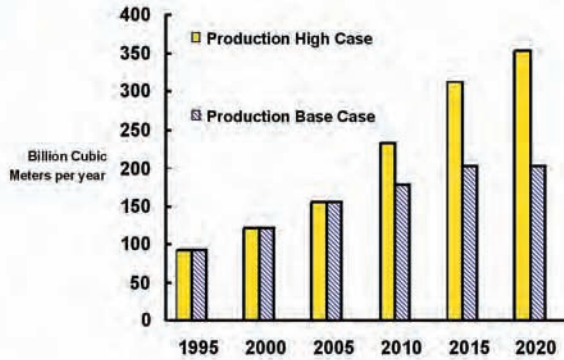
Oil Production will translate into high exports (4 mbd by 2020) as domestic demand grows slowly



CERA_Pipeline_2002/2002



Caspian Gas Production Could Grow Strongly Through 2020



CERA Source: Cambridge Energy Research Associates
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Caspian Energy: Key Projects



The Caspian Region: Major Oil and Gas Fields Under Development



Most Export Routes Head West To Russia and On to Europe



Two of the Caspian's Most Promising Projects Located Offshore Baku, Though South Caspian Mainly Gas Prone

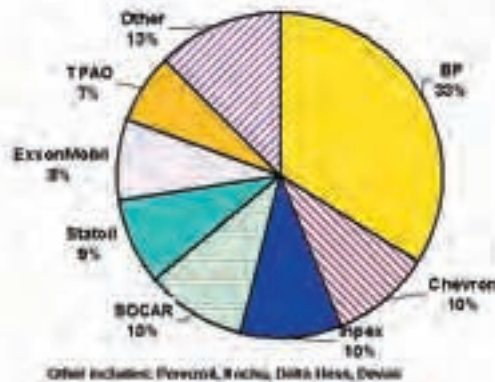


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Azerbaijan's Azeri-Chirag-Guneshli Offshore Oil Project Expects to Produce 1 mbd around 2010, exported via BTC

Companies that form the Azerbaijan International Operating Company (AIOC)

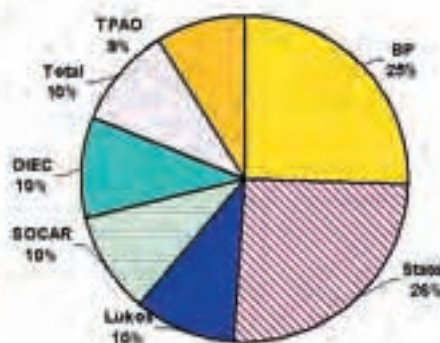


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Azerbaijan's Shah Deniz Offshore Gas Project Expects to Produce 8.5 Bcm by 2009 for Export to Turkey and Beyond

Partners in the Shah Deniz Project include Companies from Iran, Turkey, Europe, Azerbaijan, Russia



CERA_Hydrocarbons_2002/03

Promise in Kazakhstan's Sector of the North Caspian

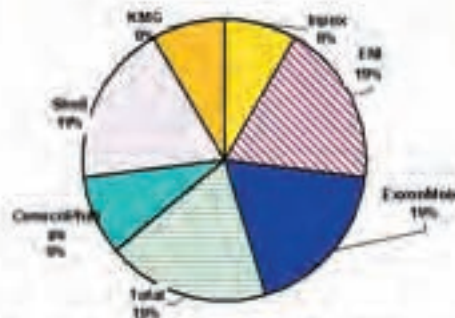
- Prospects
- Discovered Field
- Licensed Block
- International Border
- Oil Pipeline
- Major City



CERA_Hydrocarbons_2002/03

CERA_Hydrocarbons_2002/03

Kazakhstan's Kashagan Offshore Field is Biggest Oil Discovery in Last 30 Years, first production expected by 2010



Peak Production of over 1 mbd expected after 2015, exported via various routes to east, west, south. Planned gas production around 3-8 Bcm per year, but could be much more if conditions right.



CERA, January 2008/09

Kazakhstan's Offshore Holds Promise with Considerable Reserves

Recent Offshore Agreements Signed with Foreign Companies

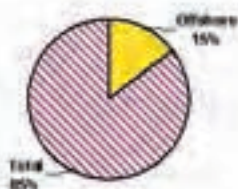
Company	Fields	Share	Signed	Reserves (bbls)
LUKoil	Tyub Karagan/Atash	50	2004	3.60
	Tsentralnaya	25	2005	2.00
Rosneft	Kurmangazy	25	2005	7.30
	Adai	50	2003	0.74
North Caspian Consortium	Kashagan	100	1997	9.00
Tsentralkaspiyegaz	Khvalinskoye	50	2003	0.27
Oman Oil, Shell	Zhemchuzhina	NA	2005	0.75
Korean National Oil Co	Zhambul	27	2005	0.70
CNPC, CNOOC	Darkhan	NA	2005	1.06



CERA, January 2008/09

Offshore Production Expected to Account for Over 30 Percent of Kazakhstan's Total Production by 2015

2010



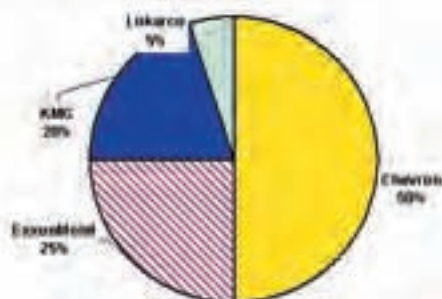
2015



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Kazakhstan's Onshore Tengiz Project Is One of the Earliest Foreign Investment Projects in the Region, 2005 Production 295,000 bpd, reaching 588,000 bpd around 2010



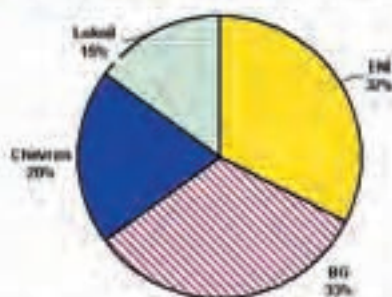
40-year PSA signed in 1993, volumes exported via CPC pipeline to Russian port at Novorossiysk on Black Sea



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Kazakhstan's Onshore Karachaganak Condensate Field Producing ~240,000 bpd, over 11 Bcm of gas annually

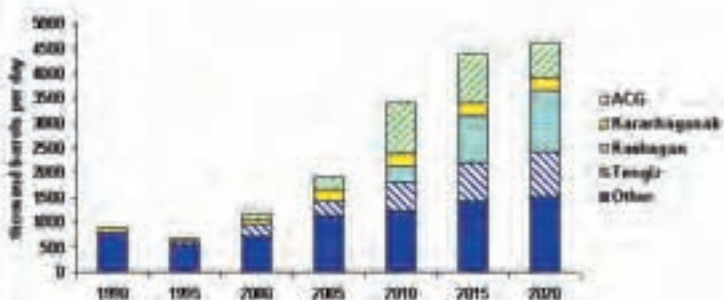


Condensate exported via CPC pipeline, the rest processed and sold in Russia. The gas is processed in Russia, and sold in Russia, Kazakhstan, and abroad



CERA, Moscow, 2009/2010

Contribution of Major Projects to Caspian Oil Production



CERA, Moscow, 2009/2010

Caspian Energy: Critical Export Routes



The Majority of Caspian Oil and Gas Production is Exported Via Russia

- **Oil exports: Russian oil pipeline monopoly Transneft handles the majority of Caspian oil exports**
 - Some exports go via Russia by rail, not via Transneft
 - Other exports exit via the Caspian Sea through Georgian port of Batumi
 - Some exports south to Iran
 - Beginning this year, Kazakhstan exports will go directly to Chinese border via new Atyrau-Alashankou pipeline
- **Gas exports: Russian gas monopoly Gazprom handles all Caspian gas exports currently, with the exception of small volumes from Turkmenistan to Iran**
- **This picture will change as new pipelines come onstream**
 - SCP pipeline from Azerbaijan to Turkey
 - Possible gas pipeline from Kazakhstan to China



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Oil Pipelines in the Caspian

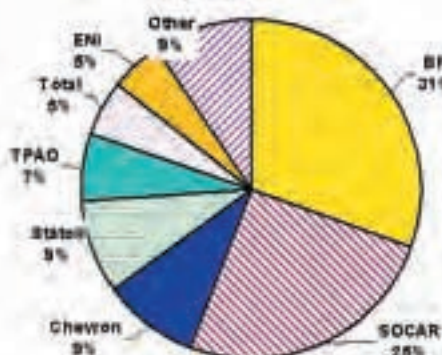


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CERA Pipeline Map 2000

Azerbaijan: Baku-Tbilisi-Ceyhan Oil Pipeline On-stream Late This Year, 1 mbd capacity, Kazakh Crude to Use Line in Later Years

BTC Partners



Other includes: Inpet, Bacti, Comcoff, Wipac, Hiss

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CERA Pipeline Map 2000

CPC Pipeline Delays Force Kazakhstan Shippers to Explore Other Routes



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CERA Pipeline Map 2006

Atasu-Alashankou Pipeline Is First Oil Pipeline to Connect Caspian and China

- **Pipeline Fill Began December 15 (as Planned)**
 - Crude sourced from CNPC-Aktobemunaigaz (via rail) and Rosneft
 - Turgay Basin's high-paraffin crude unacceptable without blending due to inherited line for initial line fill (too high a pour point)
- **Main Oil Pumping Station in Atasu Finished; 1.5 mt/year Rail Rack at Atasu Completed**
- **Possible Sources of Commercial Crude:**
 - Kumkol-Atasu line (Turgay Basin)
 - Omsk-Pavlodar line (West Siberia, in Russia)
 - Atasu rail terminal (Aktobe, KMG production)
- **But First Oil Shipments to China Not Likely Until Mid-2006**
 - Following filling line and hydrostatic testing
- **Interest From Other Producers (Besides CNPC):**
 - Lukoil
 - Rosneft (from West Siberia)
 - Tengiz

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CERA Pipeline Map 2006



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Central Asian Gas Pipelines: Additional Capacity Needed



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Central Asia Gas Pipelines

SCP: On stream in 2006 to Carry Shah Deniz Gas to Georgia and Turkey



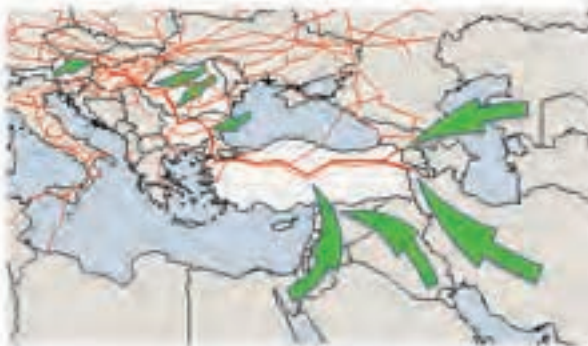
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South Caucasus Pipeline

Fight 'em or Join 'em? Gazprom Faces a Choice

The Emerging Spectre:

- Gas from East backs Russian gas out of Balkans
- Ukraine re-exports Central Asian/Russian gas to Europe through Romania/Bulgaria



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If you have any questions about this presentation or
CERA in general, please feel free to contact

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CDR Hugar facilitates Kate Hardin's presentation on Energy Development and the Future of the Region

CDR Wayne Hugar, USN, Faculty, National Defense Intelligence College

Thank you, Kate, for that very informative overview. For the past day and a half, we have been discussing a number of energy issues to a limited extent, but it's great to have someone with your expertise here to address them.

[Lunch Break]



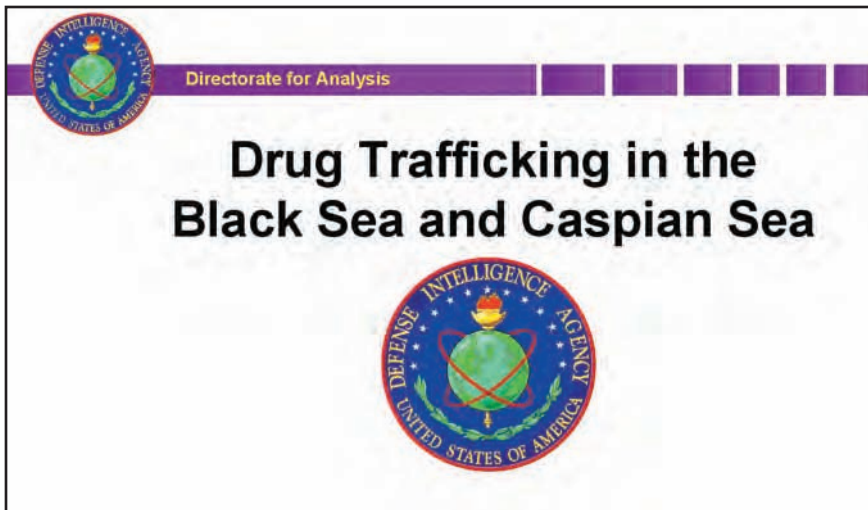
Capt Kustov, Russian navy, and RADM Clark enjoy a luncheon hosted by DIA

PANEL DISCUSSION: REGIONAL SECURITY ISSUES AND CONCEPTS FOR COOPERATION

Dr. Dan Burghart, Faculty, National Defense Intelligence College

Good afternoon, ladies and gentlemen. Since we have a number of military people in the audience today, I feel safe in using a military analogy. We started the Conference speaking at the strategic level yesterday, with broad overviews of policy. This morning we went to the operational level with regional commanders and their issues. This afternoon we have a distinguished group of specialists who are going to speak at the tactical level and address in detail the topics that we have talked about over the past day and a half. For the afternoon, we're going to have four presentations. Our first presentation will be about the Narcotics trade.

U.S. Participant



Good afternoon. I'm going to speak about Drug Trafficking in the Black and Caspian Sea area. These are just some of the key points that I will be addressing today.

Afghanistan is the primary supplier of heroin to Europe, something I'm sure we all know. This map gives us an overview of most of the routes used to trans-ship heroin out of Afghanistan and into Europe. Although officially Afghan heroin production decreased in 2005, the yield was still at very high levels and produced near-record amounts. We can see some of the major routes used, as well as yearly production numbers, from the map and from the graph. Iran, however, is still the primary overland transit route from Afghanistan into Europe.

Cocaine isn't commonly discussed with regard to the Black Sea or the Caspian Sea, since we historically see it moving into Europe by more direct routes. However, we have seen cocaine moved through the port of St. Petersburg in Russia, and we've also



Overview

Directorate for Analysis

KEY POINTS

- Drug Threat from Afghanistan
- Cocaine flow to Europe
- Drug Trafficking in the Black Sea
- Drug Trafficking in the Caspian Sea
- Outlook



Drug Threat from Afghanistan

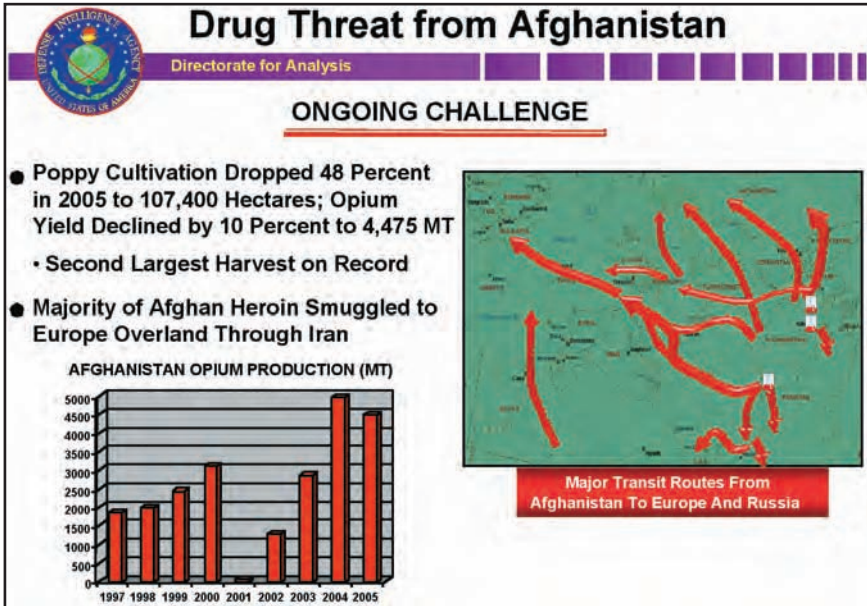
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PRIMARY SUPPLIER TO EUROPE

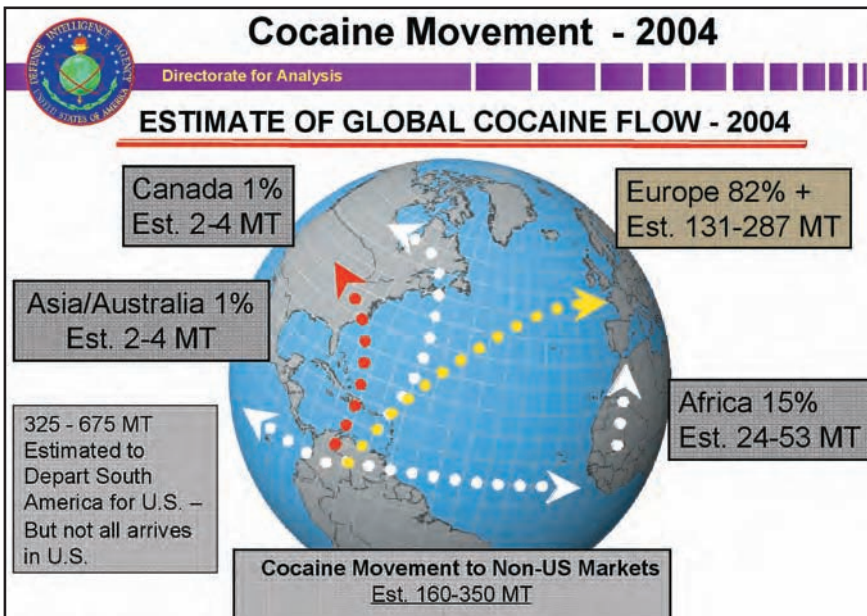
- Southwest Asian heroin supplies more than 90% of European market
 - 60-100 metric tons of heroin enter European Union annually



seen cocaine moved overland along the Balkans route into Italy and Greece, destined for Europe. However, as demand and profits rise in Europe, traffickers do what they always do—find alternate routes. We currently see an increase in trans-shipment through Africa, and small sporadic shipments through the Black Sea. Large loads are



generally sent from Latin America to Europe, primarily via maritime vessels, which could transit the Black Sea. Right now, however, Spain, Portugal, the Netherlands, Britain, and Italy are still the primary locations for maritime trans-shipment. Again, traffic is looking for alternate routes such as the Black Sea. We have only anecdotal





Drug Trafficking in the Black Sea

Directorate for Analysis

GROWING ROUTE

- Modest Amounts of Southwest Asian Heroin Transit Black Sea
 - Majority of Heroin Transits Southeastern Europe Via Overland Routes
- Significant Amounts of Heroin and Precursor Chemicals Smuggled Across Black Sea to Turkey
- Sporadic Large-scale Cocaine Seizures, Primarily in Maritime Containerized Cargo, Highlight Ongoing Threat to Region



reporting that drugs are trans-shipped along the Black Sea. These reports include information that certain ports are primary trans-shipment locations, but that may simply correspond to certain ports having much larger loads going through them in general, not that larger amounts of drugs are going through these ports specifically.

We've little concrete information laying out these shipments; how much, who is handling them, and of how it is being trans-shipped. We know for sure the heroin is

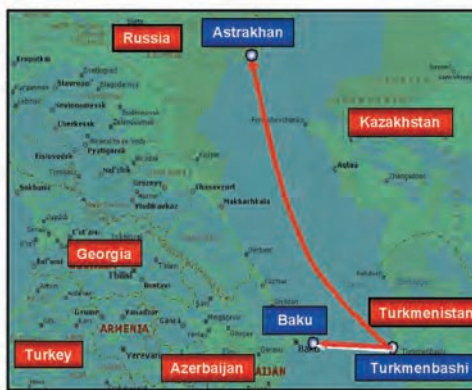


Drug Trafficking In the Caspian Sea

Directorate for Analysis

MINOR ROUTE

- Port of Turkmenbashi in Turkmenistan Serves as a Transshipment Point
- Heroin Shipments Smuggled Across the Caspian Sea to Russia and Azerbaijan
 - Ports of Astrakhan in Russia and Baku in Azerbaijan are Transit Points
 - 220 Kilograms of Heroin Seized in Astrakhan in April 1999 from a Ferry Transiting Caspian Sea



being shipped, but other drugs, such as cocaine or synthetic drugs, also are probably transiting via the same routes, either through containerized shipments, commercial shipments, private vessels, fishing vessels, or ferries. We have recent reporting on several large drug seizures along the Black Sea, including in March 2005, when officials seized 104 kilos of heroin in Samsun, Turkey, and in June 2005, when 100 kilos of cocaine were seized at the port in Constanta, Romania. Based on the reporting that we have, the Caspian Sea is used as a minor trans-shipment route, second to the Black Sea. While there are several important and busy ports, we have little reporting to show that they are used in any consistent manner for drug shipments. In this area, it still appears that overland routes are the preferable shipment means. We have less reporting on Caspian Sea seizures, probably because there is less trans-shipment through this area, or perhaps because we simply have less reporting. We don't have solid information, in general, about shipments through the Caspian as far as amounts, or about who is controlling these shipments. We do know of one large seizure: in January 1999, Russian authorities seized 220 kilos of heroin at the port of Astrakhan.

**Outlook**
Directorate for Analysis

OUTLOOK

- **Drug Smuggling Will Remain an Issue of Concern for the Black and Caspian Seas**
- **High Levels of Poppy Cultivation in Afghanistan and Demand in Europe Will Continue to Fuel Heroin Flows Through the Region**
- **Cocaine Flows Through the Black Sea May Increase Due to Growing Demand and High Prices**



In general, we need more concrete information on drug trafficking in the region before we can make any kind of an assessment about the security threats that drug trafficking poses. We also, at this point, can't make an assessment about the future, although we can say that as demand grows in certain areas of the world, the Black Sea and Caspian Sea probably will see an increase in shipments.

Dr. Dan Burghart, Faculty, National Defense Intelligence College

As moderator I'm going to keep us on track; however, I also realize that with four presentations, information is going to become blurred after a while, so we'll take a few questions. Are there any specific questions on this presentation?

Regional Participant

You are talking about drug trafficking routes, but to take some action on these routes, I think means little, because something must be done about supply and demand. Maybe I am wrong, but as far as I know, the poppy growth in Afghanistan has increased recently. Why? There are too many reasons—some good reasons: to provide jobs, food, money for the local people, or some other purposes. And there are users somewhere in the world, and someone is taking drugs from Afghanistan, by way of Iran and Turkey, taking them to Europe. What is going on in Europe? What precautions we are being taken in Europe? And who is doing this trafficking? Mostly, these people are in the countries that have some protection. So countries or the police are not able to take them.

U.S. Participant

I think the only thing that I can say to respond to that is that one thing that we have seen is that if you have a country that is a source country, the drugs don't stay there. They are moved out, and they move through not one country but two, three or four countries, until they reach their final destination. The groups that handle the trafficking of narcotics work together. They cross borders just as the drugs do, so I think that one of the ways that we really have to look at the drug trafficking issue is that it is an issue that concerns all of the countries, not just a source country and not just a destination country.

Dr. Dan Burghart, Faculty, National Defense Intelligence College

Any other specific questions on the slides? If not, we will move on. We next have a presentation by a specialist in terrorism from the Joint Intelligence Task Force-Counter-terrorism.

U.S. Participant

Thank you very much. I appreciate the opportunity to come and talk with all of you today. This is an honor for me. Before I begin, I have to give my apologies. It's a little strange for me to be talking with all of you about this. I study and look at terrorist groups that you know better than I do. You are busy dealing with them every day; I'm dealing with them from very far away. So I will be interested to hear what you have to say about them, as you probably know more than I could possibly tell you. But I will do my best.

I don't have slides, but I will give a general overview and then a few specific points about some trends that we have seen in the region. As you know, this is a region with significant terrorist presence. Some of the most important and capable terrorists groups that all of us face—al-Qaeda, the Islamic Movement of Uzbekistan, the Islamic Jihad group—they all have a significant presence throughout the region; they're all determined to conduct attacks as they have in the past and will continue to do so. We are concerned about the long term and the short term, for both our interests in the region and for yours. It does not help that bordering the region itself, you have two countries with an extremely large terrorist presence—Iraq and Iran. The problem that we have in Iraq is well known. In particular, the problem for us is that Iraq has become, in many ways, the new Afghanistan. Iraq has become the training ground that the camps in Afghanistan used to provide. If you want to learn how to do explosives as a terrorist, the place to go is Iraq. And unfortunately, you will get a lot of practical experience. While that doesn't directly impact all of you, it borders on your region and we are concerned about where that expertise might go. Similarly, Iran is home to state-sponsored terrorism. Also, as you all know, this is a region that is key in terms of energy, economics, business, military partnerships, diplomacy—and the terrorist know that. So, unfortunately, it is a region full of terrorist targets, with some very high profile ones. It is a region in which terrorist groups are very experienced at working together with one another. You know al-Qaeda is very good at training operatives who are now getting better at training in even smaller groups. The knowledge, in terms of making and planning attacks, facilitating attacks, explosives, that only al-Qaeda used to possess has now become disbursed through its training to groups throughout the region. And that is a concern for us.



Dr. Dan Burghart, NDIC faculty, facilitates a panel discussion on Regional Security Issues and Concepts for Cooperation.

One concern is the increased use of suicide bombers in the region. Unfortunately, this is a very cheap and secure means of attack. If it is done well, you are undoubtedly going to inflict damage. We saw this in Uzbekistan in 2004. Beginning in early parts of this century, al-Qaeda began to send teachers to the region to teach others who are now instructing still others on how to use suicide tactics. We are also concerned about organizations that the U.S. technically does not consider terrorists, but which preach a philosophy that enables the use of suicide as a viable option. And lastly, terrorist training is now occurring throughout the region. It used to be, before we entered Afghanistan, training was centralized in large fortified camps. Now, when we discuss terrorist camps, we're describing apartments, garages, group that may be as small as three or four people. And maybe those three or four people then go and carry out an attack, or maybe they train three or four more people. The paradox, if you will, of destroying the large camps and the success we had in Afghanistan is that the training was then disbursed to much smaller institutions, which are much harder to target.

The second large strategic concern that we have is the emergence of the Islamic Jihad group, or the Islamic Jihad Union. The attacks that occurred in 2004 in **Tashkent** were of particular concern to us, attacks against the U.S. and Israeli Embassies, as well as Uzbek government authorities; they killed dozens of people. It was the first time that we had seen the use of suicide operatives in Central Asia. Such attacks will undoubtedly continue. They are closely allied with al-Qaeda and are even more closely allied with the Islamic Movement of Uzbekistan, from which they split. They seem extremely eager to prove themselves, and the best way to prove themselves is to strike out. That makes them very impatient. And while they may make mistakes in their planning, we have no doubt that there are going to be more attacks.

The third general theme that I would address is what is known in U.S. circles as "bleed out." This is a term referring to a future concern that we have, of what may eventually happen when Iraq become peaceful. The hundreds and thousands of Jihadist and terrorists that are currently in Iraq fighting, training, learning new skills, may eventually return to their countries of origin, including many of your countries. Some of them may not; they may decide that they've had it—and try and resume some kind of a normal life. But if they don't, the skills that they have acquired—in particular the skills with explosives, the ability to build IEDs and other devices—could be dispersed throughout the region. And that new knowledge could come to terrorists that have the willingness to act, but not a lot of skill with which to carry out their tasks. That is something we are particularly concerned about in the long run. And that is the broad brush of the comments that I have at this time. Again I thank you for the opportunity to speak, and I appreciate you coming.

Dr. Dan Burghart, Faculty, National Defense Intelligence College

Again I'd like to open the floor. Are there any specific questions you'd like to raise at this time, in reference to terrorism?

Regional Participant

Thank you for your informative presentation. In your remarks, you mentioned about specific organizations. And my question is, Do you know what is the likelihood that an organization could be included on the State Department's Terrorist List? Why I am asking is because you know whenever I talk about Hizt-but-Tarin, I also remember the Afghanistan example. Back in 1993, Uzbekistan appealed to the United Nations to pay attention to the situations in that country, but, unfortunately, not many countries heeded the appeal. And what happened in the Afghanistan? The Taliban came to power. So in this regard, maybe it would be wise to take some preventative actions toward specific groups who, to some extent, are involved with known terrorist organizations. Recently, there has been a lot of discussion about HT. Some people claim that it's a nonviolent organization, but why should we wait until that organization strikes? Can we have, in the near future, such organizations included in the State Department's List of Terrorist Organizations? Thank you.

U.S. Participant

That's a very good question. It's not one that I'm sure I'm qualified to answer, but my personal opinion would be that, in terms of following a group and watching its potential development as a terrorist organization, eventually it may be put on the list. Even though they may not be on the list of terrorists groups, it doesn't mean that we don't watch them. It doesn't mean we don't carefully watch what they are publishing on the internet, and read their speeches. The fact that HT is an organization that has worldwide reach—it has thousands of members all over the world, throughout Europe, in the United States, in South America—is something that is noticed by us. As to whether or not it goes on the list, that is a decision that I can't discuss. But again, I would say, regardless of whether or not it's on the list, that should not be interpreted as saying that it isn't something that we watch. Now even if it went on the list, I don't know that we would necessarily watch it any more closely than we do now, because we do watch it. We listen to HT, and luckily HT is an organization that talks a lot in public. Most of what they have to say they put on the internet, so we can read it, just like anybody else. So we do watch it.

Dr. Dan Burghart, Faculty, National Defense Intelligence College

Let me add one item, since I'm also a student of that particular part of the world. I would say that the greatest danger is not with HT formally, but with the fragmentation of HT that we are beginning to see, where various groups do not coincide with the main line that HT has put forward and, in fact, have broken off. We had one question over on this side. Sir, go ahead.

Regional Participant

We more or less understand what a terrorist is, but I want to ask, Do you have a formal definition of terrorism? Because that determines the type of counter-terrorist

activities. Some view terrorism as fighters for peace, some for national identity, national liberation—the third group calls them terrorists, and the fourth call it a way of life, a way of surviving. Does your service have an acceptable definition that would suit most of those present here? And, the second question: We often put an accent or underline Islamic Terrorism because that, of course, creates a reaction to the Islamic Terrorism, and I don't think it's correct because we are educating a whole generation about the fact that there is Islamic Terrorism. But there is also terrorism among the Christians and among other groups. I think there is a lot of stress currently on Islamic Terrorism, and so a whole new generation is brought up with a certain hatred for Islamic countries. And the caricature scandal shows what this can lead.

U.S. Participant

I will admit that it is often times very difficult to distinguish between what is terrorism and what is an insurgency. Who is a terrorist? Who is an insurgent? What's a Jihadist? What's a freedom fighter? It is something that sometimes we even have a difficult time determining, in terms of what resources should be used to follow it. So I apologize, it's not a very good answer.

I think what it comes down to is we are all concerned about extremists. And that word for us is very important. Whether or not someone is a Jewish extremist, or a Christian extremist, or a Pagan extremist doesn't matter. If you're an extremist, that is what catches our attention. It's not the mainstream. It's not the majority of any people or religion.

It's someone that uses any kind of ideology and terrorist tactics to reach a certain end. That is what we are most concerned about, not any kind of a religious base. It's the extremist ideology that really is the one that we are most concerned about. I hope that answers your question.



Maj Gen Erozu, Turkey, poses a question on Regional Security Issues and Concepts for Cooperation in the Black Sea.

Regional Participant

It is important to have a common understanding of terrorists and terrorism. To make the distinction that this is a freedom fighter, this is an internal terrorist, this is an international terrorist—something like that—as I mentioned in the morning session, keeps some nations from participating in war against terrorism. It is important to have all terrorists on the list, but sometimes it is not enough. It may be on your list, but if you are not taking any action, it really is meaningless. So if you want regional countries to contribute, to participate in the struggle, they should try to find a common understanding. We should understand that all these terrorist organizations, one way or another, have connections and they support each other; they create an atmosphere, working conditions, safe havens. So it should not make any difference; if you are talking about the global war on terrorists, we have to find a way to get all the countries cooperating and coordinating. And on the other point, as my friend mentioned, to say he is an Islamic terrorist or a Christian terrorist, something like that, is not good. In the long term, this also keeps the countries from contributing and the countries will not be eager to participate in the war on terrorism.

U.S. Participant

Again very good comments that, I think, others in the government could address better than I. But I don't want to confuse anybody. The terrorist lists are tools. They are diplomatic tools. They are tools for categorizing priorities, but if someone from the PKK or someone from IMU was connected to an individual, let's say from HT, just because they weren't on the terrorist list doesn't mean that we would stop looking at that person. We would follow their trail wherever it went. And we wouldn't follow it less, or give it less priority, because that person may be a part of HT, and that organization isn't on the State Department Terrorist List. If they're connected to the IMU or PKK or al-Qaeda, then they are someone that warrants our watching, someone that we'd be interested in learning more about. So on a practical day-by-day basis, for analysts like me all it means is that we have a way of explaining the groups that we think meet a certain priority. But in terms of following things country by country and day by day, it doesn't matter if they're on the group list or not. You know for instance the best example I can give you is the London attacks in July. You know eventually we learned that al-Qaeda was behind that, but on 7 July we didn't care. We just knew that they had perpetrated an attack and we didn't wait to find out which group they were part of before we started looking at them. So it's what they do and with whom they are allied that's more important to us than if they are on a list.

Dr. Dan Burghart, Faculty, National Defense Intelligence College

I am certain there are more questions on this particular topic, but I'll ask that you hold them until our final wrap up session, because we need to stay on schedule. Next, we are fortunate to have from the U.S. Department of State Ms. Anna Stinchcomb, who will be talking about Illegal Trafficking.

Anna Stinchcomb, U.S. Department of State

Thank you for inviting me here today to talk about illegal trafficking. I second my colleague here that it's truly an honor to address this group. I'm going to start out talking briefly about the tools that we, as an international community, have to fight illegal migrant smuggling and trafficking of persons. Then I'm going to go into some patterns that we see in the region as a whole. Who is moving people? Who is being moved? Where are people going? Where are people coming from? I'm going to talk a little bit about whether or not we see organized crime involvement in this type of movement, and then I'm going to say a little about why, in general, we see this as a threat to the region, and a threat to the international community.

I have a map that I brought with me that very roughly summarizes some of the patterns that we see for trafficking of persons in the region. The region is a major corridor for migration, and this includes three different kinds: It includes trafficking of persons; it includes migrant smuggling; and it includes illegal movement of people across international boundaries without appropriate documentation. Sometimes these three areas become blurred. I'll talk a little more about that later.

The international tools that we have are the United Nations Convention Against Transnational Organized Crime. And within that convention, there are two protocols. There's the protocol to prevent, suppress, and punish trafficking of persons. And there's the protocol on the smuggling of migrants by land, sea, and air. What these two protocols do is extremely useful, in that they provide legal definitions of migrant smuggling. The first main thing that differentiates Trafficking in Person (TIP) and migrant smuggling is the issue of consent. It is assumed that in migrant smuggling, a



Conference attendees listen to a panel on Regional Security Issues and Concepts for Cooperation.

migrant is consenting to being moved from place to place and consenting to the job and to the conditions that he or she will face upon arrival in their country of destination. In trafficking in persons, the victim of trafficking does not consent. Migrant smuggling is international by definition. You have to cross an international boundary. Trafficking in persons can occur within the borders of countries. You can be trafficked, for example, from a rural area to an urban area, to take part in construction, or because there are more jobs in urban areas. Migrant smuggling ends at the destination. Often times with trafficking in persons, unfortunately, the horrors continue or begin when migrants reach their destination.

Just a quick legal comment on children. According to the protocol, any recruitment or harboring for the purposes of exploitation against people who are under the age of 18 is defined as trafficking. So when it comes to someone who is under 18, it doesn't matter if they consent or not. It's defined as trafficking.

These are the legal ways that we can differentiate between the two terms, but what happens is that in reality they are very hard to tell apart sometimes. A person can start being a migrant if they consent to being moved to another place for a job, or for whatever reason people decide to move. But throughout the process of their movement, any number of things can happen and they may stop consenting. Some examples are if someone is moving for the purposes of going to a new job, the labor traffickers may withhold payment of wages until their time is completed. They may pay less than what they agreed to pay, or they may not pay at all. At that point, there is an issue of whether or not the migrant has consented. Migrants can have their documents confiscated. They can lose control over their ability to move. The traffickers can provide substandard housing and meals. They can fail to provide access to health care or protection from diseases, which is particularly important for people that are trafficked to work in the sex industry. Traffickers also levy steep debts on migrants, which they must then work off. So if you start off as a person who is being smuggled, you may then be told that you owe someone a lot of money, and you have to work it off in your country of destination. And sometimes people never work off these debts. What I'm going to talk about today, is TIP, but as I said, the lines are blurry.

As with any illicit industry, it's hard to give you specifics about the number of people that are being trafficked. What we do know is that according to the United Nations, TIP is the third largest illicit industry, and it's likely the fastest growing. Cross-border trafficking accounts for some 700,000 to 2 million people per year. This includes both trafficking and smuggling, affects around 4 million people per year, and earns \$7-10 billion dollars per year for the traffickers and smugglers. The region that we're talking about today has lots of different patterns going on. There are countries that are source countries—countries where people are coming from. There are countries that people are going too, of course, and countries that people are moving through. Some countries serve all three roles. Some countries serve two roles. People are coming from the region, or moving through the region, with the major destinations being the European Union, the Balkans, and the Middle East. We are also starting to see some migrants from the region being trafficked here to the United States. Within the regions, Turkey is the major destination country. Romania and Bulgaria are transit countries.

Lots of people move through Romania and Bulgaria on their way to Turkey, to the EU, or Balkans, but we assess that role may change a little, with the new relationships to the EU. Romania and Bulgaria may become destination countries as well. Russia, Kazakhstan, and Azerbaijan are source and transit countries. People move through Azerbaijan, Russia, and Kazakhstan, mainly to Turkey and the Middle East. They sometimes will move west to Europe, or they will often move east to South Korea and Japan. One trend that we do see, which I think is particularly interesting, is that people are mainly going over land. They are using cars, they are using buses. They are going by train. They are not really going through the Caspian or the Black Sea. At least we don't think they are. We believe that these groups probably think that there's less risk involved in going over land than there is in trying to go through ports. Also, the number of groups that move people by plane is increasing. I think as we will see as destinations farther a field; as people are moving to Japan, to South Korea, and to the United States, we see the use of air travel as a method of movement increasing.

I want to talk a little bit about why migrants are moved. Why they choose to move, or why they are trafficked. First, they are moved for the purposes of sexual exploitation and this is mainly young women. They are moved for the purposes of labor exploitation; this can be domestic labor, and again that's mainly women. It can be industrial and agricultural labor as well, and that's mainly men. Children are often trafficked for the purposes of organized begging. This is a case where we'll see children from rural areas trafficked to urban areas. And recently, a new trend that we've seen is women being trafficked to bear children for infertile couples. How are these people recruited? How do they find out about these opportunities? There are agencies that recruit people to work abroad. There are travel agencies; there are modeling agencies; marriage agencies; employment agencies. Often times, these agencies are front companies for organized crime groups. They'll advertise opportunities abroad, and people will sign up. These people would like to go and have steady work in another country, and this, unfortunately, is how they become involved in trafficking ring. Word of mouth, through family, through friends, through trusted acquaintances, from people who come from the cities or villages. They tell you that there's an opportunity to work internationally, and again that's another way that people get into trafficking circles. And there are newspaper ads and radio ads, as well, that advertise these opportunities. I also want to point out that many migrants travel willingly. They want to go work abroad. Or at least they start out traveling willingly. They often have their own documents. They will travel on their passport. They will go and get their own visa. They might get a tourist visa and go to another country, and the tourist visa then expires so that's when they become illegal. And of course, there's also a certain amount of travel on counterfeit and stolen documents as well. There are certain populations that are more vulnerable to trafficking, to becoming the victims of trafficking, than other populations. Young women are the most vulnerable; 70 percent of trafficked people are young women, and they are usually trafficked for purposes of sexual exploitation. Refugees or members of displaced communities are vulnerable; children are also vulnerable. As far as the groups that are involved in moving people and trafficking people, we judge that it's probably large umbrella organizations that know about broad trafficking trends, and then within those umbrella organizations there are smaller specialized groups that actually move people. These are skilled groups; they are skilled in transportation, they are skilled in falsified documents; they are skilled in procuring documents.

They know who to call when you get to a destination country in order to sell the person that they've moved. So they know how to get their commodity to market, to put it in those terms. The large umbrella organizations benefit from this trade of course. They offer protection; they offer access to these other organized groups, which are highly specialized.

Why is this important? Why is this a threat? Why is this a threat to the international community? Obviously, because it's a huge violation of human rights, that's the first point. It's increasingly becoming a public health concern. You have a growing sex industry in many countries, and some of these countries also have growing HIV and AIDS rates because of the sex industry and increasing drug use. These countries lie along the movement route of Afghan opium, through the Balkans, and around the Black or Caspian Seas. Trafficking in persons is fundamentally a gross distortion the migration market. A woman may cost a group a \$100. You can sell a woman for a \$1000. She might make \$10,000 per month for the people that are holding her. So the profits are enormous. Where there are enormous profits, there's a likelihood of corruption. This is a threat, and a large destabilizing force in the region. These groups that move people, they're specialized, they're smart, they're active, and they might be able to move other illegal objects as well.

Dr. Dan Burghart, Faculty, National Defense Intelligence College

We have a couple of minutes. Are there any specific questions with reference to trafficking? I might comment that while we're talking about each of these subjects individually, I believe that all of us realize that there are overlaps and ties between these topics. When we talk about trafficking in individuals, we're also talking about the same patterns that are used for transporting personnel tied to terrorism. When we talk about trafficking in the legal substances, the same routes are used for trafficking materials that can be used for WMDs. When we're talking about the drug trade, the drug trade itself can be used to fund terrorist activities. So there is a linkage through all of these.

One way that, hopefully, we can combat these activities is through cooperation, and I'm glad that we have a renowned specialist in that particular field, Dr. Jennifer Moroney from the RAND Corporation, who will talk about Regional Cooperation.

Dr. Jennifer Moroney, The Rand Corporation

Thanks, Dan. That's too kind of an introduction but I appreciate it. I want to thank the organizers first of all for the invitation to speak today at this very important and very interesting two-day workshop. My presentation will be on Concepts for Cooperation, specifically in the Black Sea region.

Now with all of the concerns my colleagues have raised today, trafficking of drugs, human beings, and terrorism, there is a real need to strengthen cooperation in the Black Sea and Caspian Sea regions. When I started thinking about this topic, that is, about



Concepts for Cooperation in the Black Sea Region

Dr. Jennifer D.P. Moroney

RAND Corporation

Prepared for DIA Black Sea and Caspian Sea Symposium

10 March 2006

new concepts for cooperation in the Black Sea, the key word was “new.” I wondered what I could say that was truly “new” about Black Sea regional cooperation.

So I approached the topic by first considering the existing state of cooperation between the numerous regional organizations in the Black Sea. In my opinion, there’s no need to reinvent the wheel; rather, I feel it is important to empower the various existing regional organizations and arrangements in order to improve the overall security situation in the Black Sea. So this is the underlying assumption of my presentation.

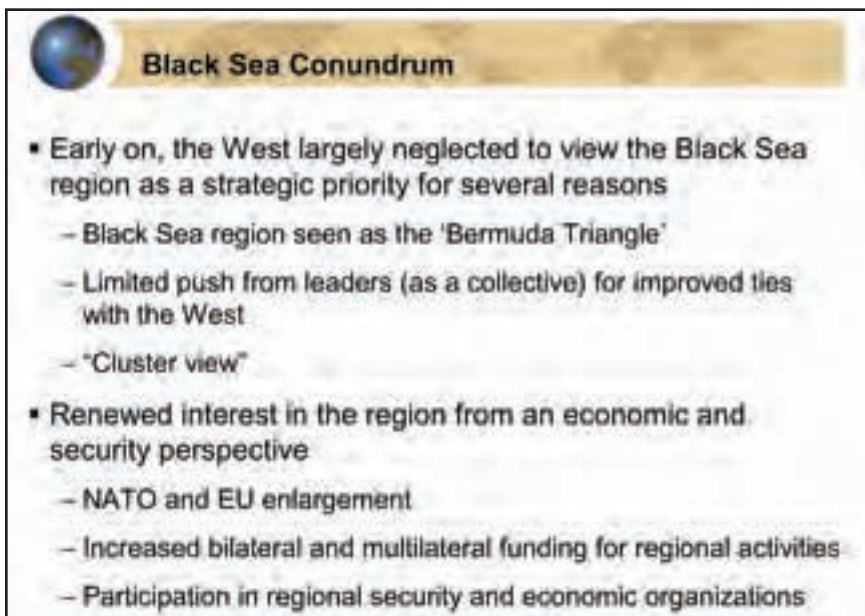


Agenda

- **Overview of Black Sea Regional Organizations' Goals**
- **Issues That Can Stimulate Cooperation**
- **Concepts for Regional Cooperation and Ways Ahead**

First, I’m going to provide an overview of regional organizations in the Black Sea, with an eye towards identifying the overlaps in their various goals and missions. Then, I will discuss some of the key issues that can stimulate cooperation between the states and organizations in the Black Sea. And finally, I will identify what I think are some important concepts to consider to encourage a more robust regional cooperation between states and institutions in this region.

As we discussed over the past two days, the Black Sea region has not always been viewed by the West as a strategic priority. Early on, the Black Sea region was viewed as something of a Bermuda triangle, which we've heard in the last couple of days, as some scholars have called it, at the crossroads of European, Eurasian, and Middle Eastern security spaces. Collectively, the Black Sea regional leaders weren't speaking with one voice regarding the improvement of ties with the West; that is, NATO, the EU, and the United States. The West tended to view the region from Eastern Europe into the former Soviet Union in terms of analytical and policy clusters, such as the Visegrad group, Central Europe, Southeast Europe, the Western Balkans, NIS/CIS, and so forth.

A presentation slide titled "Black Sea Conundrum" with a globe icon. It contains two main bullet points with sub-points. The first bullet point discusses the West's early neglect of the Black Sea region, citing reasons like the 'Bermuda Triangle' perception, limited push from leaders, and a 'cluster view'. The second bullet point discusses renewed interest from an economic and security perspective, citing NATO and EU enlargement, increased funding, and participation in regional organizations.

 **Black Sea Conundrum**

- **Early on, the West largely neglected to view the Black Sea region as a strategic priority for several reasons**
 - Black Sea region seen as the 'Bermuda Triangle'
 - Limited push from leaders (as a collective) for improved ties with the West
 - "Cluster view"
- **Renewed interest in the region from an economic and security perspective**
 - NATO and EU enlargement
 - Increased bilateral and multilateral funding for regional activities
 - Participation in regional security and economic organizations

But now I think all of that has changed. The Black Sea region is clearly on the radar of Western leaders and organizations, with the expansion of NATO and the European Union. It is evident in the amount of time that Western leaders spend visiting the individual countries in the Black Sea and the fact that the Black Sea regional organizations are almost always mentioned in the speeches as the proponents of regional security.

However, in my opinion, there's still no coherent strategic approach to be discerned in the Black Sea region from the West. NATO hasn't done a lot to facilitate Black Sea regional cooperation through the Partnership for Peace. The PfP tools include the Planning and Review Process (PARP), Membership Action Plan (MAP), IPAP, the Individual Partnership and Action Plan, PAP-T for Terrorism, which Dr. Simon talked about, and PAP-DIB which is Defense Institution Building. As we've discussed, it's very difficult to define the Black Sea as a single region because Black Sea states have already defined themselves, or have been defined by other actors, as being in Southeast



Regional Organizations: Questions to Address

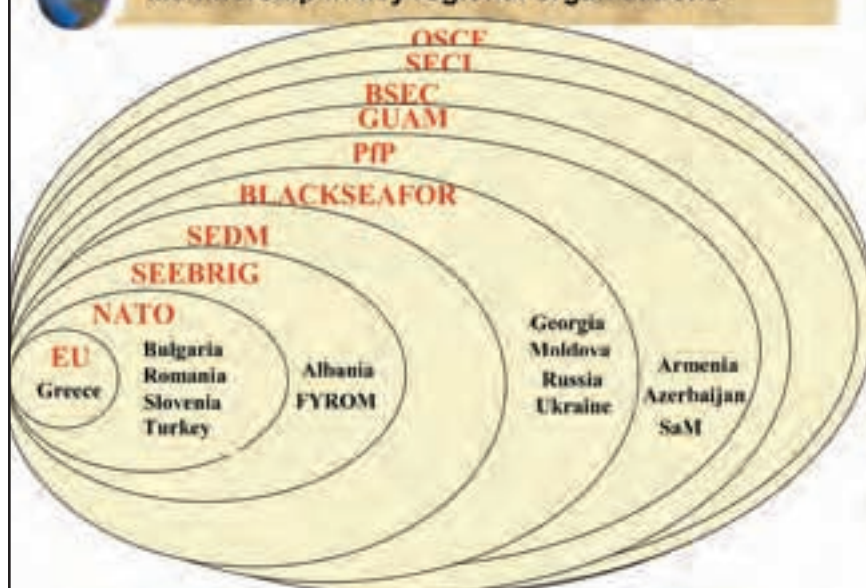
- What are the goals of Black Sea regional organizations?
- In what areas do their interests converge? What gaps exist? Regional organization limitations?
- What are some key ways to deepen cooperation in the Black Sea region?

Europe, Central Europe, the European Union, the South Caucasus, or the CIS. The West reinforced this viewpoint early on, and that has been difficult to overcome. The Black Sea countries never really learned to band together in order to receive special attention from the West. Relations with key Western states and institutions have mostly developed on a bilateral basis, which is a hindrance to regional cooperation from the beginning. These are some issues my presentation will address.

First of all, what are the primary goals of all of the various organizations in the Black Sea? How are they similar and how are they different, and in what ways? In what areas do their interests converge? Is there evidence of joint projects developing between them? Can organizations build bridges to improve security and leverage the existing relationships, despite rather limited resources? What gaps exist between



Membership in key regional organizations



those organizations? Where aren't they concentrating and where should they be concentrating their effort? How might those gaps be filled, and by whom? And what are the limitations of regional and sub regional organizations in the Black Sea? Could any existing cooperation frameworks become an umbrella for all aspects of regional cooperation in this region? Finally, what are some ways to deepen cooperation in the Black Sea, based on the convergence of national and regional interests?

This slide highlights Black Sea partner membership in various regional organizations—you can see the countries are blinking in and out as this build is taking place—beginning with the EU and building all the way out to the OSCE, which contains the largest number of countries. The emphasis of regional and sub regional organizations has been primarily based on economic and soft security issues. There are a lot of meetings that have been held, and a lot of talks. Black Sea Economic Cooperation (BSEC) has, for example, traditionally focused on non-military cooperation, and economic cooperation in particular. However, BSEC as of late has taken some action regarding non-traditional, explicitly security-related concerns in the region, including terrorism, drugs, organized crime, and illegal migration. I compiled this list of key objectives of the various Black Sea regional organizations from their websites, official literature, and by talking with the Program Managers at various conferences in Southeast Europe. They range in goals, as you can see, from economic cooperation to border management, to combating terrorism, to conflict prevention, political and defense reforms, securing energy resources, shipping, and tourism.

Naturally, there's not a lot of overlap between the key goals of these organizations. But overall, I would argue that a bottom-up approach is needed to develop any new

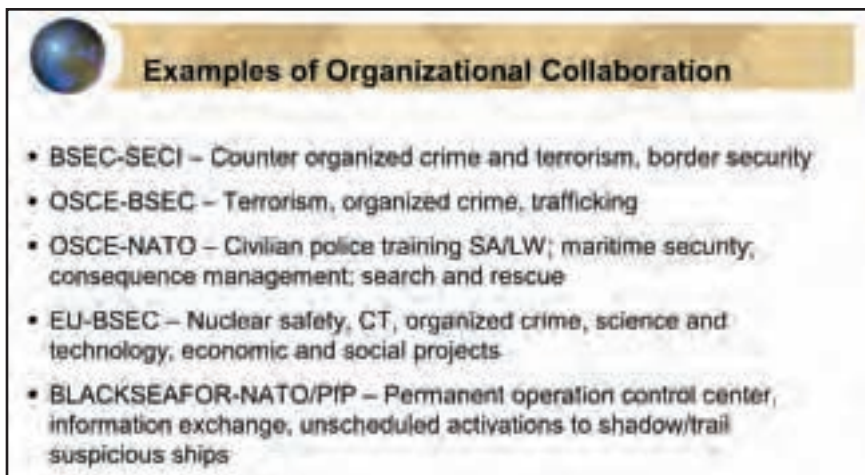


Common Goals of Regional Organizations

- Combat terrorism (OSCE, NATO, EU)
- Curtail illicit trafficking (EU, OSCE, NATO, BSEC)
- Reform security sector (EU, OSCE)
- Develop and integrate disaster response and crisis management capabilities (CMEPSEE, SECI)
- Maintain/improve border management (EU, OSCE, NATO, BSEC, BBCIC)
- Promote defense and military reform (NATO, OSCE, SEDM)
- Promote democratization (EU, OSCE)
- Improve economic activities (NATO, OSCE, EU, BSEC)
- Protect human rights (EU, OSCE)

Bottom-up approach needed to ensure regional cooperation framework
not imposed from outside

security regional cooperation framework; it cannot be imposed from the outside. That approach, in my opinion, will not work. That framework must come from the Black Sea Littoral countries themselves. And the way to do this, I believe, is to start working through some of these existing regional organizations, which again really lack the resources to carry out some of the more dynamic goals they have in mind. So in doing research for this presentation, I wanted to see where the goals of the various regional organizations converge or overlap, and see if there are actual joint projects being conducted between them. I found a few examples that are worth highlighting, and they are listed on the slide behind me. Most of the joint projects are in the civilian sector and include police training, nuclear safety, combating organized crime, and criminal activities. There are some notable examples of jointness in the civil-military and military-to-military realms as well. These include combating terrorism, joint land and maritime exercises, consequence management, and disaster response activities. But overall, there are not that many joint projects between the various regional organizations; sometimes Project Managers ended up going to conferences, such those run by the Marshall Center, to find out where their joint goals could actually come together.



 **Examples of Organizational Collaboration**

- BSEC-SECI – Counter organized crime and terrorism, border security
- OSCE-BSEC – Terrorism, organized crime, trafficking
- OSCE-NATO – Civilian police training SA/LW; maritime security; consequence management; search and rescue
- EU-BSEC – Nuclear safety, CT, organized crime, science and technology, economic and social projects
- BLACKSEAFOR-NATO/PIP – Permanent operation control center, information exchange, unscheduled activations to shadow/trail suspicious ships

I think the United States could do a lot of good by focusing resources on joint projects between some of the more creditable regional organizations in the Black Sea. Clearly, regional collaboration can be improved, as several presenters have pointed out over the last two days. For example the Black Sea Border Coordination Information Center (BBCIC), which Dr. Simon mentioned, in Bourgas, Bulgaria, has no counter-terrorism or WMD components and is separate from SECI, even though its goal is border security. CMEP for example—it's the Civil Military Emergency Preparedness Counsel for Southeast Europe—is a program entirely resourced and funded by the United States and focuses on consequence management; but here again, it is not coordinated with regional organizations in the Black Sea. At least as far as the joint projects that I could identify in the region, it seems like there are gaps that could be filled with additional security assistance in the following areas: land, maritime, and air security; consequence management and response exercises; civil-military cooperation in a multinational environment; integration of national response systems at the



Apparent gaps in regional collaboration

Regional collaboration could be improved:

- BBCIC-SECI collaboration
- CMEPCSEE collaboration with all other regional organizations

Lack of significant:

- Land/air/maritime security emphasis
- Consequence management and response exercises
- Civil-military cooperation in multilateral forums
- Integration of national response systems at the regional level
- Sharing of lessons learned from recent deployments

NATO and the EU do not have a strategic vision for the Black Sea region; and effective interface between regional organizations is lacking

regional level—for example, having joint command and control structures in place; and lessons learned from recent deployments. This last could be very useful, capturing these lessons learned from recent deployment say to Iraq or to Afghanistan can really highlight coalition interoperability issues. There’s a lot that can be learned from these recent operations. I just finished a study at RAND, looking at communication problems, command and control, intelligence sharing, logistical issues, force generation and civil-military affairs in Iraq, particularly in the multinational division that was led by Poland. Those issues really were prominent, and a lot of Black Sea countries participated in those deployments over a number of rotations.

So what issues can really stimulate or spur cooperation in the Black Sea? First, having a common threat perception, which we’ve talked about over the last two days; combating terrorism, weapons of mass destruction; human and narco-trafficking, as my colleagues have spoken about so eloquently, just to mention a few issues that could enhance or encourage regional cooperation. Second, having common economic interests in play, such as the BTC pipeline, which we heard about earlier from Kate Hardin. Also, the possibility of terrorist activities threatening shipping in the Bosphorus Straits and the potential economic impact this would have. Third, environmental threats obviously are key, and a transnational issue by definition. Fourth, increased resources for joint projects and training opportunities could be an area that could spur cooperation. And I believe that there should be a focus on civilian, paramilitary, and military agencies, in order to stimulate interagency cooperation within countries, but also as a first step—and we know there are problems that still exist—to stimulate interstate cooperation. And finally the development of specialized capabilities in the region could also spur cooperation.



What can spur cooperation in the Black Sea?

- **Common threat perceptions**
 - Illicit trafficking
- **Common economic interests**
- **Environmental threats**
- **Joint project and training opportunities**
 - Involve civilian, paramilitary, and military agencies
- **Development of specialized capabilities for regional security and coalition support**

Developing capabilities that are not redundant and filling existing gaps is absolutely critical. Jim McDougall spoke yesterday about specialized capabilities, especially the need for improving intelligence-sharing mechanisms. That's something that I've learned a lot about from the study I did last year. The intelligence collection capabilities of partners in this region are lacking. Jim talked about collection capabilities; I would add that it's one thing to collect information in the field, and quite another thing to analyze, validate, and disseminate that information. Using Operation Iraqi Freedom (OIF) as an example, I can tell you that this is one of the major issues between coalition partners—the ability to collect, analyze, validate, and disseminate information. The next slide provides a bit of data on specialized capabilities that already exist in the region. In the Black Sea, there's a concentration of specialized capabilities in peacekeeping and infantry and special forces, but are there also countries with de-mining and explosive ordinance disposal—EOD capabilities, of different types? Now I believe firmly that pulling together specialized capabilities can increase regional capacity to respond to a variety of threats highlighted during this conference. I believe it's important to have a wide array of capabilities available in the Black Sea region, to include those mentioned above, but also other kinds of capabilities such as civil and public affairs, logistics, intelligence gathering, and analysis assets.

So what are some ideas for the way ahead? We've talked about regional cooperation being important. We've also talked about some of the impediments, but I think it's important to move to giving you some thoughts about where I think we should go with regional cooperation in the Black Sea, or where you should go as partners in the region. First of all, using supporting partnerships may work. By supporting partnerships, I mean mentor-like relationships on defense, economic, and political reform, focusing especially on reform of the security sector.

Examples include Turkey working with Georgia and Azerbaijan; the Baltics working with the Caucasus; the Netherlands working with the Ukraine and Moldova. In February



Specialized Capabilities

- Peacekeeping, Infantry, and Special Forces are the most common, but a variety of other specialized capabilities exist across the region:
 - EOD / Demining
 - Chem / Bio
 - Constabulary / Military Police
 - Other (Civil Affairs, Medical, Logistics, Intelligence)
- Pulling together specialized capabilities can increase regional capacity to respond to a variety of threats:
 - Illicit trafficking
 - Natural and man-made disasters
 - Terrorism incidents

It is important to have a wide array of capabilities available in the Black Sea region – cooperation is the key

2005, the three Baltic countries and Poland, Romania, and Bulgaria formed a new group—called Georgia's Friends—to share lessons on the NATO and EU accession processes, which I think is a very, very good thing to do. Leveraging multilateral organizations' projects is very important as well. And I believe again that the United States should work through the more prominent regional organizations to increase the legitimacy of the projects that we're trying to pursue. In order to achieve these common goals and fill existing gaps in security as I've outlined, I argue that an integrated regional crisis and response capability is needed. And again, this has to be done from the bottom-up. It has to come from the region. Security needs to be locally owned.

Second point. Collaborative research and joint projects should be improved through existing regional organizations in order to determine shared goals and common perceptions of threats. Interagency officials need to be included in these joint projects. It can't just be with the military or just with civilians if you are talking about border security. And finally, building regional response capabilities is critical, as a future concept for security cooperation in the region. Consequence management and disaster response capabilities are key. From recent operations, partners should identify those interoperability challenges between them, as well as opportunities for fixing those problems. Our Ukrainian colleague yesterday mentioned that coalition operations have been a catalyst for building partnerships between countries in the region, and we need to move on from there. We need to talk to and engage the partners about the experiences in recent coalition operations, to be able to determine what their interests are, and where their shortfalls currently lie. Specialized capabilities like constabulary, Special Forces, logistics, and medical serve as a broader model



Concepts for Regional Cooperation

- Supporting partnerships
 - Encourage mentor-like relationships
 - Leverage multilateral organizations' projects where interests converge
- Collaborative research and joint projects
 - Determine shared goals and common threat perceptions
 - Include military, paramilitary, and civilian agencies, regional NGOs, and other regional governmental organizations
- Regional response capabilities
 - Focus on consequence management capabilities
 - Consider recent coalition experience to identify compatibility problems
 - Cultivate specialized capabilities for regional and out-of-area operations

To achieve these goals, an integrated regional crisis and response capability and strategy are needed for the Black Sea.

for defense and military reform at home. Cooperation in emergency situations is already a reality. I believe the next step is to develop an integrated regional crisis and response capability for the Black Sea region, to include common standard operating procedures, communication systems that can actually talk to each other, common radar systems, information and intelligence exchange procedures, and again, not just the collection, but analytical components as well. Finally, the linked challenges of conflict resolution, security sector reform, economic reform, energy security, border security, the trafficking of persons—all of these are issues that far surpass the resources of any single international organization or regional organization in the Black Sea. Thus, there is a need for coordinated multilateral action to increase effectiveness, identify gaps, and take action where those gaps exist. Thank you very much for your attention.



Conferees listen to discussions in English and Russian

Dr. Dan Burghart, Faculty, National Defense Intelligence College

We have a couple of minutes before the break so I'm going to ask, do you have any questions for Dr. Moroney on her presentation? And I'll warn you, if you don't have questions for her, I have questions for you. Building on the theme that Dr. Moroney put forward, as a Professor here, I'm use to challenging my students. I don't want to imply that you're students, but you have expertise in your region. So my question to our distinguished guests is how would you build cooperation and encourage information sharing in the region? While you're thinking about that, Dr. Moroney wants to ask a question as well.

Dr. Jennifer Moroney, The Rand Corporation

I have lots of questions for you. One idea that I've heard discussed in many channels within the Department of Defense is to facilitate the development of regional training centers in the Black Sea, which ties into my discussion of specialized capabilities. I would be interested in hearing from you if you think regional training centers in particular capabilities is a good idea, and on which capabilities are you currently focusing?

Dr. Dan Burghart, Faculty, National Defense Intelligence College

Sir.

Regional Participant

I would like to make some general comments. We have a BFB regional training center. It was built through the help of our friends from the UK many years ago, and it works very well. We have people from many countries in this area, and they have the possibility to share their views. So I think this initiative has been a good one. It will continue to be a good one and perhaps, in the future, we should think to build more centers, not only in NATO countries but in countries that will have NATO membership in the near future. I think we should move towards the Caspian Sea to bring our efforts to that area in this field BFB issues.

Coming back to your presentation, I liked it very much. It was a kind of happy ending to the seminar, because Gen Medar started it with broad security issues in the area, and now you put "the cherry on the cake." That means that you succeeded in concluding with the main issues in that area. And in my opinion, the main challenge that we are facing now is cooperation. I tried to make a kind of network of all of the countries represented here and to draw lines to see which countries cooperate. I don't know of course many things about the cooperation, because sometimes it's quite sensitive, but regarding my country, we have 13 states here around the table and we are cooperating with only three states in this area. I can tell you that my country is pushing very hard to enhance cooperation, bilateral cooperation with any country in this area. I have sent many letters to people around the table. I contacted them during

the breaks, and some of them were extremely positive about doing something, but it seems to me that things change when they go back to their countries. There is not enough confidence, enough trust, that sharing intelligence helps everybody. Sharing does not mean that you disclose sensitive intelligence. But it is extremely important. I remember we had the same situation maybe 15 years ago, after the Revolution; people were afraid to cooperate. We were afraid even to present to NATO countries our general defense missions. Now, we've learned the lesson that it's extremely useful for countries to share experience with larger, maybe more professional, intelligence organizations. I think we should find ways to cooperate, to enhance the cooperation among the intelligence services. Thank you.

Dr. Dan Burghart, F, National Defense Intelligence College

Thank you, sir. Do we have any other comments? Yes, please.

Regional Participant

As you mentioned in your briefing, we need to make more use of the existing institutions. In my country, we have a terrorism center; it's a good tool for cooperating with other countries, especially on this important issue. The other point about the Centers of Excellence, the PfP training centers, these are good, but these are just to get people together and talk. You must find some other ways to create training centers. You must conduct some exercises, you must run some exercises that get units together and make them functional, test these units. This will help to improve relations and to improve confidence. Thank you.

Dr. Jennifer Moroney, The Rand Corporation

Just a general question back to you, sir. One way to make the Centers of Excellence for Peacekeeping, I think, a little more valuable, is to use them as a forum for discussing some of the recent coalition experiences. There's a lot to be learned from working together in an operational environment, and I can tell you I spent a year doing this for RAND. Our three case studies were Poland, Romania, and Ukraine. I know an awful lot about what went right and what went wrong for the Poles, Romanians, and Ukrainians in Iraq from talking to these partner countries, to the brigade commanders and below, and to the Americans. Talking about what's happened and talking about the interoperability challenges, the lack of trust that was experienced in those operations, that's one way to move forward. Admitting fault when you know your country has made some mistakes is an important first step. And I believe that Americans should be very forthcoming in the mistakes that we have made.

Regional Participant

Right now, the center about terrorism is new, but in the long term, the lessons learned will be a key factor, especially in the changing face of the terrorism. They are everyday discovering new ways to understand the mentality, the people, and the



Conference attendees listen to discussions on regional security issues.

people behind these people. All this is very important in making plans to fight against terrorism.

Dr. Dan Burghart, Faculty, National Defense Intelligence College

I am under orders by the Conference Organizer to finish this session by 2:30. I'd like to ask the Attachés to please stay in place as the Director will be down shortly. He'd like to have his picture taken with you. The Panel will be back after the break. I'd like to ask everybody to give our presenters a warm thank you for their efforts this afternoon.

[Break]



LTG Maples with participants from Ukraine and Turkmenistan

Dr. Dan Burghart, Faculty, National Defense Intelligence College

To bring the conference to close, we have an added speaker. I'm extremely happy to note that we have **Mr. Richard Giragosian** here. He's a Washington-based analyst specializing in International Relations, with a focus on economics, security, and political developments in the former Soviet Union, the Middle East, and the Asian-Pacific Region. A man of many talents, he's a regular contributor to Radio Free Europe, Radio Liberty, and is an analyst for the London-based Jane's Information Group. Rich has written for the Center for Strategic and International Studies, the China-Eurasian Forum, *Asia Times*, and *Harvard International Review*, just to mention a few. For nine years he served as a professional staff member on the Joint Economics Committee of the U.S. Congress. He is one of the best analysts of this region that I know, and a personal friend, and I've asked him to give some summary remarks for the Conference. Rich.

Richard Giragosian

Thank you. Following that introduction the stakes are very high. Good afternoon and welcome back from the break. I wanted to start off by coming full circle and returning to the opening of the Conference yesterday morning. Several points were raised by GEN Maples that were particularly appropriate. In terms of demonstrating and confirming the importance of knowledge sharing and the essential necessity of the human relationships, we have all taken great pleasure in building and forging new personal relationships. It is this human aspect of cooperation or interoperability that is most significant.

But in wrapping up the last two days, I wanted to take a risk and perhaps lose some of my popularity by being somewhat provocative, in trying to bring together several recurring themes and trends, but also adding somewhat of a new perspective, in the hopes of generating a little thought-provoking discussion. As we come full circle to GEN Maples' introduction yesterday, we see that trust is essential. And in many ways, we see that within the context of transnational threats, which in and of themselves do not know borders—they also do not recognize border security. We see both a positive and a negative element or aspect of these transnational threats in this new threat environment. We see, of course, the transnational threats that were very well established and articulated over the past two days. We also see, however, that there are global transnational trends and movements of labor; of capital, of disease and public health, such as SARS, Mad Cow Disease, and so forth.

What this means is that the threat environment, in addition to the geopolitical landscape, has changed both abruptly and dynamically. It also means that both the Black Sea region and the Caspian region are much less defined by the old standard, the zero sum game. I would argue that the zero sum game no longer applies in these cases. More important, traditional geopolitics do not necessarily carry the day when looking at the strategic importance of these regions. But returning again to the transnational threats, which we've so well elaborated and articulated, I would argue that all categories of transnational threats must be understood in the broader paradigm

of terrorism in today's global world. Specifically, we see proliferation of both weapons and narcotics. We see proliferation also of ideas, and we see proliferation of emotional vanguard movements, whether it is Islamic fundamentalism, or the return of leftist politics in South America. We see also, of course, illegal immigration and, much more troubling, we've examined the scourge of human trafficking. We also see in a broader context that these transnational threats follow what I would call networks of crime and corruption. They enjoy a parity or supplementary role in terms of networks of crime and corruption, and emerging pathways for transnational threats.

Now the Caspian and Black Sea regions are united in terms of shared security threats. The provocative aspect I'd like to add, however, and what is missing in many ways, is the need to understand that regional security in the Black Sea and Caspian regional security should be much more of a component of a country's national security. There is a very significant linkage between regional security and responsibility and national security. In addition, within this environment, we also see that in many ways the battlefield is both everywhere and nowhere. It is the most challenging threat environment that we face.

We saw yesterday a very insightful presentation, in terms of the National Intelligence Council's report looking toward the year 2020, where four specific categories or sectors were detailed by the Ambassador. The first is globalization, which increasingly, both positively and negatively, is coming to define the current security environment. The second is looking at the world as a place of increased complexity. Significantly, the Ambassador referred to the emergence of India and China in this context. I would add a third emerging power, Brazil. A third category was challenges to governance. Challenges to governance, in this sense, were probably not stressed enough in our two days. Given our short time together, there is a need for more consideration of the linkage between domestic issues of good governance and the broader search for security and stability. The fourth and final sector analyzed within this National Intelligence Council report was terrorism and, more specifically, radical Islam. I would argue that it is not necessarily that all Muslims are terrorists, but it is an unfortunate reality that most of the current international terrorism that occurs is constituted or composed of Islamist elements.

There are four other somewhat "out of the region" actors that also require a little more insight. Beyond the strict definition of the Caspian-Black Sea region, we must consider the significant role of Iran, and the potential emergence of new challenges from the Persian theater. This requires even more insight, because I would argue that to best understand and hopefully limit Iranian nuclear aspirations, it is also necessary to understand the Iranian perspective of their pursuit of nuclear weapons. From the Iranian perspective, it is driven by isolation, where Iran feels itself surrounded by Iraq and Afghanistan. It is surrounded by nuclear powers—Pakistan, India, and Israel. It is this trend of isolation that is driving Iranian nuclear power ambitions. At the same time, there's a very significant domestic consideration at play. I wanted to reaffirm what Gen Wald identified as one of the biggest problems that we will be facing collectively and individually, and that is a Nuclear Iran. In terms of Iran, in

my opinion, it's no longer a question of 'if' there will be a nuclear Iran, it's a question of 'when' this new Iran will emerge.

Moving to Iraq, there is an interesting link to security within the Caspian-Black Sea region. There is a new, perhaps world-leading institution that can be found in Iraq. It is in many ways an informal global university of world terrorism. It was touched upon in the previous presentation. There are many students of terrorism earning doctorates in advanced weaponry, tactics, and operational sophistication from this "university of terrorism in Iraq." The reason I bring this up is because what worries me as an analyst is not so much any direct linkage from Iraq, but the potential exodus of these "graduates of the university of terrorism." Will they return to their homes to wage new operations in Central Asia, in the north Caucasus, in Dagestan, or within the Caspian-Black Sea region? It is not so much the presence of these insurgents and terrorists in Iraq; it is, where they will go later?

I also want to touch upon China again. GEN Custer established very thoughtfully that China is especially important. Having recently come from the area, I would also say that China is in many ways one of the most active players in the region, and especially the South Caucasus. It is somewhat under reported, somewhat unrecognized, but it is something that is driven by energy and by Chinese strategic planning, thus necessitating further scrutiny by you. If we look at NATO expansion, we also see, as has been affirmed yesterday, it's very much a question of will and capacity. This is important because it also puts the burden on NATO as an institution. And it also imposes a new burden on NATO's most recent members, as well as on NATO as a whole.

Shifting to the United States, I very much enjoyed a reference to DIME and the elements of U.S. national power. This is especially important, in terms of shaping the strategic environment. But I would argue that an additional component for you in your considerations is much more the dollar and much less the "dime," because it actually is the dollar—the budgetary reality of the United States in terms of budget deficit and your defense budgets, of the global economy, of high energy prices. It is, in other words, the economics of security in the Caspian and Black Sea that is as important as the veneer of military stability and presence. In terms of shaping the security environment, I would argue that the U.S. strategy in the Caspian-Black Sea regions is benign and driven by capacity building. What I'm trying to help with, or seek, is leveraging the capacity building of our partners and Allies in the region into a group of security sentinels. In terms of what Gen Wald referred to, the important thing is that the added component to the U.S. strategy of capacity building is empowerment. It is empowering you personally, and your ministries, and your positions in terms of decisionmakers and strategists, and empowering your countries to be much more global than regional actors. Now this is very important, because it also tends to dismiss doubts and concerns about U.S. military objectives and intentions in the Caspian and Black Sea, as well as in Central Asia. It's the capacity building of the U.S. approach, which is seeking not to build tension nor to garner influence or leverage, but to work in conjunction with—in partnership—to build security sentinels. And most important, there are three elements of the U.S. military engagement I would argue: planning,

posture, and presence. In English, these words are closer together than perhaps they are in Russian, but my point is there's a cohesion—there's a unified strategy in play, unlike or in contrast to some bombastic concerns by other countries worried about U.S. imperialism. We are not structured to be, even if we wanted, an imperial nation.

Returning to the Caspian region, these are two specific examples I should highlight. The first is the Caspian Guard. What I think is important here is that the U.S. Mission agenda and activity in Azerbaijan is to both professionalize and stabilize the Azerbaijani armed forces and to promote reform. The important aspect of Caspian Guard, that's often misunderstood, is that it is a mission that does not alter the delicate balance of power in the South Caucasus. This is particularly important, and in this way a secure, stable armed forces in Azerbaijan, in Armenia, and in Georgia is attained. Important as well is the case of the Georgians in the Black Sea. Having worked extensively with the Georgian military, there is both good news and bad news. The Georgian navy requires a great deal of work and effort. However, one thing that was not talked about, that should have been, was the role their coast guard plays. The Georgian coast guard is very impressive. It is deeply engaged and integrated with the U.S. Coast Guard, and it is primarily responsible for the gains made in Black Sea security.

Another area that's also receiving greater attention is military reform and civil military relations. And your role is crucial, mainly because it's a time of transition, and your role is to guide that transition. This is particularly important, because it is your countries that must seek and pursue national interest over self-interest. There is a domestic linkage, as well, that needs to be magnified, because in terms of security and stability, legitimacy is crucial; legitimacy internally, nationally, and of course regionally. But legitimacy is derived not simply by elections, but by institutions. In fact, I would argue it is institutions, not individuals, that matter. In this way evolution, rather than revolution, is in the preferred course.

If I may even be more provocative, I would argue we should also consider, when looking at regional security, the possibility that perhaps the frozen conflicts should remain frozen. In other words, perhaps state building, democratization, and economic development should be focused and emphasized around the frozen conflicts, allowing a natural thawing of these frozen conflicts. In many ways what is needed, in both the Caspian and Black Sea region, is an emphasis not so much on the ethnic nationalism that has driven so many of these conflicts, but on the healthy aspect of nationalism called patriotism. This is important in terms of pride, in terms of serving the public good, and in terms of good governance. What is also necessary, in terms of dealing with these frozen conflicts, is tackling and addressing the challenge of vested interests. To be honest, there are vested interests in all of these conflicts that have derived and are consolidating military, economic, and political power from these unresolved conflicts. There is a dangerous trend underway that we have to note: "defense spending." We see defense spending increasing substantially in the South Caucasus, and in Azerbaijan specifically, where Armenia is also compelled to increase its defense spending. What I'm saying is that while I promote the development and the modernization and professionalization of the armed forces, there is a danger of a defense-spending race.

What is important to us as strategists is not actually increases in defense spending. What is important is where the money is spent, and how the money is spent. Transparency is necessary in this process.

My other two conclusions are that, first, we talk a good deal about energy, maritime security, and pipelines. I would argue that, in fact, the most important pipelines for the future are not oil pipelines, they're not gas pipelines. The most important pipelines for these regions in the future are fiber optic. It is necessary to look forward. It is necessary to incorporate the demands of the globalized workplace, because the real threat for insecurity and instability in the Caspian and Black Sea regions is isolation. Being disengaged from the globalized economy is being disengaged from security. In this way, the most important pipelines will be not energy, but will be the pipelines by which information is carried.

In conclusion, security in these regions is increasingly less driven by grand geopolitics and more by local politics, economics, and, in many ways, good governance. The real threats to national security are often internal: corruption, mismanagement, and poor governance. Therefore, the security posture of the region must also incorporate these demands. As ADM Clark remarked, "Knowledge is power. But it is not power if it is not shared." And this is the essential point, because the key to fighting terrorism, the key to overcoming these challenges, is cooperation. In one word, a word we often have heard repeated throughout the last two days—it is interoperability. Interoperability is not just about coordinating equipment, tactics, and strategy—it is interoperability on a human level, which we've been engaging in during the last two days. It's finding a common language. Not just linguistically, but in terms of strategic analysis.

To close, I wanted to take the opportunity, to thank the organizers, as everyone has. I also wanted to thank the logistical staff who did all the operational work for this conference. And most important, I want to thank the hard work of the translators. Thank you all.

Dr. Dan Burghart, Faculty, National Defense Intelligence College

I should emphasize again Rich is an independent analysts, and his views are his own, but I always like to listen to them because they present a fresh perspective and food for thought. Let's give him a round of applause and thank him for his views.

First of all, I want to again give the opportunity to our honored guests if they have any questions that they'd like to ask, either of Rich or any of the panel members. This is your last chance to bring up something for the group. Yes, please.

Regional Participant

Iran is going to open their oil stocks, and they are planning on selling shares of their oil industry. What happens after they open such stocks?

Richard Giragosian

I would argue that in some ways, and perhaps this is unpopular in this room, but I would approach looking at Iran the way I look at China; the more integrated the country, into the globalized market place, whether it's Iran or China, the better off they are over the long term. However, I don't have the patience to wait for that. The Iranian people don't have the patience to wait for that. And in fact, the regime is so discredited, in many ways it's a matter of when, not if. So therefore, I would argue that any attempt, such as stock market introduction, a capital market development in Iran, is too little, too late. The economic problems that are mounting in Iran are corruption based, and in fact several Mullahs are known to head up their own criminal clans. My point is that any economic move toward reform by the Iranian regime, at this stage, I would dismiss. And in fact they have gone far over the edge; they have gone beyond the point of no return, especially with the new president. That's my individual view, and again my comments do not reflect those of the Department of Defense or the U.S. Government.

Dr. Dan Burghart, Faculty, National Defense Intelligence College

Any other questions? If not I'm going to return to the one I raised to the group earlier, about how do we build cooperation? Jim MacDougall said yesterday every speaker is supposed to start with a joke. I can't tell jokes, but I can tell a story. Two years ago, I was on a team sent by our government to help train the General Staff in Bosnia-Herzegovina. I think all of you are familiar with the situation in that country. We were given 36 officers and, by the Peace Accord, each ethnic group in Bosnia has to be represented. So the first day we brought their General Staff together; we had 12 Serbians, 12 Croatians, and 12 Bosnian-Muslims. We brought them into a room—12 Serbians, 12 Croatians, 12 Bosnian-Muslims, and they would not talk to each other. It's difficult to run a General Staff when your staff members don't talk. So we broke them down into smaller groups—three different groups—4 Serbs, 4 Croatians, 4 Bosnian-Muslims each. They still did not talk. We then took the smaller groups and broke them down into four, so that we only had one Serbian, one Croatian, and one Bosnian-Muslim in each of the new groups, and then gave them an assignment, and they had to talk to each other. It was interesting, because once they talked to each other, they found out they speak a common language, they share a common background, and though they were on different sides during the war, they shared the same values, and they wanted a better future for their children. And once they cooperated at that level, when we brought the group back together again, we no longer had 12 Serbians, 12 Croatians, and 12 Bosnian-Muslims—we had 36 members of the General Staff, who could then work together and cooperate. Sometimes in order to build cooperation, you have to go to lowest level and build from the bottom up, as opposed to trying to impose coordination from the top down.

What do you look for in terms of cooperation? People with common backgrounds. We have many people in here wearing military uniforms—I did proudly for 30 years, and I've always found that the military, from whatever nation they come, speak a

common language. We have common experiences. We know what it's like to work with troops. We know what it's like to do a training schedule. And even though we might wear a different uniform, we have a common bond. And wherever I've gone, including being a Defense Attaché, I've found that I could establish a common rapport with the military of the country that I served. I would suggest to you that one of the ways that we should look for cooperation is not cooperation mandated from above, but cooperation with your counterpart in the other countries in the region. You already have a common bond, be it military, be it border guards.

One of the most successful areas of cooperation that I have seen is in emergency preparedness, because while members of emergency preparedness teams come from different countries, the issues they deal with—floods, earthquakes, natural disasters—are all the same. And when they get together and compare notes, not only do they share a common background in what they are trying to accomplish, but they find out that each side has something to offer to the other. And you begin to build ties between the groups so that sometime later, if you do have a disaster, groups can come in and, because they've already established those ties—those bonds—and have practiced together, they can help each other quickly to alleviate the disaster.

Another way that we can increase the information flow is through education. I'm not going to put you on the spot, but within each country all of us can talk about the difficulties in getting information from different parts of our government. It was mentioned the other day what military people think about dealing with civilians, and what civilian members think about dealing with the military. All of us have problems, even within the intelligence community. Those problems in the United States were brought home to us very, very quickly and very sadly in the events of 9/11, where different parts of our own government did not talk. If they had, we might have been able to prevent the tragedy we were about to undergo. It's difficult, but sometimes you have to make the attempt. And something that we found useful is joint education. Our military schools are open to civilians. We get people to work together, study together, and they build those ties. We also have examples on the international level, where our schools are open to foreign officers. Every country here has had officers that have gone to our National Defense University where I used to teach. And in the process, not only have these students gained an education, but they have developed informal ties that help later on. I know at least a dozen officers that, if I'm going to a country, I can call up because I've dealt with them personally. That sort of cooperation is essential. We do that at the military level, and just like Rich, I'm going raise a possibility that may seem strange at first. Why can't we have exchanges of officers in our intelligence schools as well? We have a small program now, but the issues that we're dealing with are the same—terrorism being the one that everyone has talked about here. Why can't we see what our different approaches are to terrorism? We can only benefit from the cooperation and the exchange of information.

Taking that a step further, once we've educated, we need to train together and we need to work together. The issues we deal with are too large for any single country to deal with them alone, even the United States. We have to be able to cooperate in order to have a mutual understanding between our different people. The fact that everybody

is here today, in this room, and has been at this conference for the last two days is a small step toward that cooperation. But it can't stop here. We need to continue with these efforts.

I promised the Conference organizer I would be done by quarter till, and we've coming up to that time. I'd like to end with a personal note. Having lived most of my life in the Cold War, I saw two sides that, because they did not understand each other, and because they did not talk to each other, were subject to misunderstandings. Luckily, those misunderstandings never led to a conflict, but the way that you lower the chances of a conflict are to increase the dialogue, increase talks, and increase understanding. If we continue the dialogue, if we work together, we all will achieve what I think is the goal for every one of us—a better, safer world for us and our families.

I'd like to thank all those who have participated in this Conference. And if he comes up here, I'd like to especially thank Larry Hiponia, the organizer who has brought us all here together.

Lorenzo Hiponia, Director, Center for External and International Programs

On behalf of the President of the Joint Military Intelligence College, GEN Maples, and Gen Medar, I'd like to present each one of our Panelist a small token of our appreciation. I have one administrative remark before I call upon Mr. Clift for closing remarks. There will be a bus available to take you to the Officers Club for dinner today. It will be at the same pick-up point as we've been to this morning and yesterday. So that bus will pick you up at 1755. Please bring your Conference Badge, so we can see your names. Mr. Clift will now present the closing remarks.

A. Denis Clift, President of the National Defense Intelligence College

Thank you. This has truly been a superb two days, as we have been looking together at this Black Sea-Caspian Sea region in a time of such dramatic change.

Yesterday during one of the breaks, one of the participants said to me, it's time that we redraw the geopolitical definition of the southeast of Europe. It's time to include Georgia, Armenia, and Azerbaijan in that southeastern European region. And when you think about it, really it won't be long in the years ahead when the EU will be looking at the littoral states of the Caspian Sea as partners in their neighborhood policy.

When you hear comments like that, you realize there's a lot of good thinking going on. As I have put in my own context what it is we're about here, I thought back almost 35 years ago when I was in Senegal with the Vice President of the United States for talks with President Senghor. And while we were there, I had a chance to chat with the President's Chief of Staff, and he told me that he had just done something he never thought he could do. His President had told him, "I want you to go to Mauritania and settle this border dispute that we have with Mauritania." (The river running between the two countries shifted with drought and with flood, and the shepherds with their



President Clift presents his closing remarks, urging all symposium participants to continue to foster dialogue and cooperation among Black Sea and Caspian Sea nations.

livestock, were killing each other as they fought over the river land). The general went to Mauritania, his heart in his throat, and he sat down with his counterpart and discovered very quickly that both of them had been at Ft. Leavenworth, as guests of the United States Army, for training. They didn't know each other, but this tie that they had with Ft. Leavenworth allowed the two of them to start talking. And they very quickly were able to work out an accommodation, which stopped the conflict between their nations. When I think of what we've been doing for the past two days, we may not have been at Ft. Leavenworth, but we have, I think, made a tie, and I would ask the College Executive Officer, Capt Franz, to share with you the e-mail addresses that we have—that you have for each other, because I think this will allow you to stay in touch with just the click of the send key, and that should be a lovely step forward.

If I can look back 25 years, I can look with an apology back almost half a century. In 1960 the Antarctic Treaty was just being implemented. I was a naval officer in Antarctica, and it was fascinating to see what was happening. The signatory nations had agreed to ban military activity on the Antarctic continent. They had agreed that Antarctica would be reserved for scientific research, and the Treaty said that each signatory would invite the other signatory nations into their research camps—that the camps would be open. The reason for this was to build trust, and it did build trust. And the United States and the Soviet Union, during this coldest of Cold War periods, worked very smoothly and very harmoniously in the rugged area of Antarctica.

What can I take from these two thoughts? First, I think that when we look to the future of the Black Sea and Caspian Sea region, we do not need to look for leaders. I think each nation is an equal participant. What we have to look for is trust building. As we've been discussing for the past two days, we have these transnational issues that are of interest to us, of concern to us, a very deep concern that affects each of the nations in the region. As I have listened to the discussion, I was really struck by the comments

around the presentation on Black Sea Harmony. I was struck by the fact that more nations are joining in Black Sea Harmony—Russia, Ukraine, and I would venture the personal prediction that still more will join. And I thought with that as a vehicle, just as one test vehicle, there's an opportunity to include more dimensions to Black Sea Harmony; to share information, not intelligence at first, but share information. We've been talking about illegal trafficking in humans. We've been talking about narcotics trafficking. We've been talking about terror. We've been talking about weapons of mass destruction. When there is an event in any country, and it is not just the Black Sea and the Caspian Sea littoral nations, but it is all of the nations represented here. If there has been an arrest, if there has been something that is a fact, it doesn't have to be intelligence but it's a fact; that should feed into this Black Sea Harmony network, and it should flow from this network into the different points of interest and power in each capital, so that we become better informed. And through this better information we build better trust.

This has been a very valuable two days for the College. We are dedicated to working with each of you, to furthering what we have started here. I thank you. It is my pleasure now to invite the U.S. Co-Chair of the Conference, LTG Maples, to the mike. Thank you, sir.



LTG Maples and President A. Denis Clift discuss opportunities to continue the Conference's dialogue in May 2007.

LTG Michael D. Maples, USA, Director, Defense Intelligence Agency

Mr. Clift, I'm just going to sit here so we can have a short discussion with those around the table before we close. First of all, I want to thank those who originally conceived the idea of holding this conference, because their foresight, I believe, has truly made a difference. And, Denis, to you and your team from the College, and all those who have been involved in organizing, conducting, and doing the administration of this Conference, I thank you very much for your efforts. To all of you who have been a part of a panel, or who have conducted presentations during the two days of the Conference, I likewise thank you for the time and the effort and thoughtfulness of the presentations you made here.



**LTG Maples accepts a token of appreciation from Turkmenistan participants
Lt Col Portbuly Dadanov and Col Geldi Annaberdiyev.**

But most of all I want to thank all of you who are here as participants in the symposium, because it is you who have truly made a difference. Your presence has made a huge difference in the success of these two days. Two days ago, I spoke on several points. One was the sharing of knowledge, which I believe these last two days have been about. And as I hear and as I understand, the sharing of knowledge has not all come from the front of the room. The sharing of knowledge has come from around this table. The sharing of knowledge has happened in this room and the sharing of knowledge has happened outside of this room as well.

The second point that I have personally seen is the development of relationships as a result of this conference. Two days ago, there were very few of you who are sitting around this table with whom I had a personal relationship. I feel differently about that now, even in a short period of time, about my personal relationships with each of you, for having been here and been a part of this symposium. To me, that makes a huge difference, and I thank you for that. I thank you for your presence. And I thank you for the personal relationships from which we can move forward.

But so what? We spent two days; we're about to end the conference. From here, what do we do? We can go home; we can all take the folders, and the power point slides, and the photographs, and the pictures, and we can head on home and that will be it. It will be done. Is that what we want to do? Let me just ask around the table. Is that what we want to do, or do we want to take this forward? Do we want to continue on? Is this worthwhile? Is it valuable?

Should we sustain the effort? Do you agree to carry it forward? I'm seeing some heads moving. It's okay. I'm glad to see that, because I think that's important. Because the "so what" of this is we can't just pat ourselves on the back and say we had a great conference; we've got to do something about it. We've got to continue to work the issues. We've got to continue to develop the relationships. And it's us who have to make that happen, those of us who are here.

Now I feel a little bit like we're at the Olympics. You know, at the Olympics you always have a great opening ceremony and that's what we did yesterday—we had a great opening ceremony. And then we had the games and that's what's happened over the last two days. And now we're coming up on the closing ceremonies. And at the close of the ceremony, what they always do in the Olympics is take the Olympic flag and they pass it on, so that way you know somebody's got it and somebody's going to have to move forward with it. Okay? So I want to know, who's taking the flag?

Brig Gen Gheorghe Savu, Director, Military Intelligence Directorate

May I say something?

LTG Michael D. Maples, USA, Director, Defense Intelligence Agency

Well you can, if you're going to take it.

Brig Gen Gheorghe Savu, Director, Military Intelligence Directorate

Okay. We'll take it. I think we should continue. And for this purpose, I will suggest we organize, I propose to organize another Symposium, close to the Black Sea. And Romania is fortunate to host the next seminar in Constanta, which is the biggest port in the Black Sea, and if we can make it during the summertime we can enjoy the beaches of Romania's coast. So I am asking you all to come to Romania next time, maybe next year, and to do a similar seminar there.

LTG Michael D. Maples, USA, Director, Defense Intelligence Agency

I think you just accepted the flag.

Brig Gen Gheorghe Savu, Director, Military Intelligence Directorate

Yes, I just did!



Brig Gen Gheorghe Savu accepted LTG Maples' challenge of "taking the flag" and offered to host the next Black Sea and Caspian Sea Conference in Constanta, Romania, in May 2007.

LTG Michael D. Maples, USA, Director, Defense Intelligence Agency

Very good! I hope you all will commit to moving this forward. I think a tremendous amount of progress has been made in the last two days, and I think we have a tremendous opportunity. I thank you, Gheorghge, for volunteering to carry this forward and for getting information out to all of those who have attended. And with that, I think, we ought to conclude the closing ceremony of this Olympics, and we ought to prepare ourselves for a wonderful dinner this evening. I'm looking forward to seeing you there. Thank you very much.

[Closing of Conference]



President Clift and LTG Maples congratulate Ms. Kathryn Kolowich, Deputy Director, Center for International Engagement, on a successful farewell dinner and Conference.

The host institution was known as the Joint Military Intelligence College at the time of the Conference. Hence, that name is used when spoken reference is made to the institution.

