

Testimony of Nick Larigakis, President, American Hellenic Institute (AHI)
Fiscal Year 2018 Appropriations Bill
Submitted to the House Appropriations Subcommittee on State, Foreign Operations, and Related Programs – March 21, 2017

Chairman Rogers, Ranking Member Lowey, and Members of the Subcommittee, I am pleased to submit testimony to the Subcommittee on behalf of the nationwide membership of the American Hellenic Institute on the administration's proposed FY2018 foreign aid budget.

In keeping with the best interests of the United States AHI opposes: (1) any military assistance the administration will request for Turkey until Turkey withdraws all of its troops and illegal Turkish settlers in Cyprus; (2) the proposed elimination of the Overseas Private Investment Corporation (OPIC); (3) aid the administration will request for the Former Yugoslav Republic of Macedonia (FYROM); and (4) any reduction that might be introduced in the aid levels for the UN Peacekeeping Force in Cyprus. 2017 will be an important year for Cyprus settlement talks. Should a settlement to reunify Cyprus be reached via referendum, United States foreign assistance can help solidify a reunified Cyprus and its government during the post-referendum transition period.

Also in keeping with the best interests of the United States, AHI supports an increased investment for NATO ally Greece's International Military Education and Training (IMET) program funding level to a recommended appropriation of \$420,000.

U. S. Interests in Southeast Europe and the Eastern Mediterranean. The U.S. has important interests in southeast Europe and the eastern Mediterranean. With Greece's centuries enduring presence, its close cultural, political and economic ties to the Mediterranean countries, including Israel; Western Europe, the Balkans, Eastern Europe and the Middle East, Greece is strategically situated in a vital region for U.S. interests and an ideal strategic partner for the U.S. To the north of Greece are the Balkans, Eastern Europe and Russia, to the East is the Middle East, and to the South are North Africa and the Suez Canal. Significant commerce and energy sources pass through the region. In promoting a multilateral approach to diplomacy and foreign policy, the U.S. should look to Greece as an immensely valuable link in this region. However, the projection of U.S. interests there depends heavily on the region's stability. Therefore, the U.S. has a stake in fostering good relations between two NATO allies, Greece and Turkey in addition to achieving a just and viable settlement to the Cyprus problem.

Greece is important for the projection of U.S. strategic interests in the region by its geographic location and by being home to the most important U.S. military facility in the Mediterranean Sea, **NSA Souda Bay**, located on Crete. Military installations located at Souda Bay include the NATO Maritime Interdiction Operational Training Centre (NMIOTC) and the NATO Missile Firing Installation (NAMFI).

- The annual trilateral naval exercise "Noble Dina" between the U.S., Greece, and Israel, which is scheduled to take place mid-April off of the coast of Souda Bay, Crete, is a prime example of Greece's strategic importance to U.S. interests in the region. Among others.

Moreover, in 2015, more than 70 U.S. Navy and NATO ships and vessels visited Souda Bay and more than 2,830 U.S. Air Force and NATO planes utilized the 115th Combat Wing on Crete. Also, more than 65 U.S. ships and more than 1,200 trainees utilized NMIOTC.¹ To illustrate Souda Bay's importance, during U.S. operations in Iraq and Afghanistan, tens of thousands of aircraft used over-flight access. During one, two-year period nearly 30,000 allied flights traversed Hellenic airspace. At a recent forum held on Capitol Hill, Deputy Assistant Secretary of State Jonathan Cohen noted how Souda Bay allows United States Navy vessels—especially aircraft carriers—the ability to dock, make

¹ "Souda Bay: NATO's Military Gem in the Eastern Mediterranean," Dr. Daniel Goure, Lexington Institute, March 2016.

needed repairs and maintenance, and resupply, all within a couple of week and without having to return to Naval Station Norfolk.

In addition, President Donald Trump has been vocal about NATO alliance members paying their fair share. Greece is a top contributor to the defense efforts of NATO, spending an estimated 2.38% of its GDP on defense in accordance with NATO standards despite battling two crises, economic and migratory. The United States, United Kingdom, Estonia, and Poland are the only other NATO allies that meet the two percent minimum standard. Greece is second behind only the United States.² Greece is also an active participant in peacekeeping and peace-building operations conducted by international organizations, including the UN, NATO, the EU, and OSCE. It should also be noted Thessaloniki was NATO's main sea and airport of debarkation during crises in the former Yugoslavia. Moreover, Greece was involved in Afghanistan by offering personnel for security and training purposes. Greece also participated through donations of equipment, millions of euros, and transportation services.

International Military Education & Training (IMET) – Greece. AHI recommends funding Greece's IMET level at \$420,000 for FY2018. The International Military Education and Training (IMET) program at the U.S. Embassy in Athens, Greece, advances the professional military education of the Greek Armed Forces. It enhances interoperability with U.S. and NATO forces such as Greece's. Through the training of Greek military officers and noncommissioned officers in a multitude of professional military education and technical courses in the United States, IMET provides strong United States-Greece military-to-military relations. IMET affords Greek military students to experience American culture, and IMET encourages the development of relationships with their peers (classmates) in the U.S. military. As a result, Greek military personnel return to Greece with a greater appreciation of American culture, and equally important, are better prepared to counter shared threats to national security. Moreover, these Greek military students often advance to senior level positions within the Greek Armed Forces.

Since FY2006, the decline of Greece's IMET funding levels has resulted in the drastic decrease in the number of Greek military students participating in the program. The "opportunity lost" to educate and train our ally's military officers has been significant. During this time, it is estimated that 400 to 500 Hellenic Officers, of which 20 to 30 are General Officers, have not been able to participate in IMET. Greece is a frontline state in the fight against terrorism. The FY2018 IMET programmatic request of \$420,000 will be an effective and wise investment toward a key component of U.S. security assistance. It will help the United States because it contributes toward the strengthening of United States security interests in an increasingly important part of the world, the eastern Mediterranean, which lies at the doorstep of the Middle East, by helping to train and educate and promote the professionalization of the Greek Armed Forces.

A U.S. embassy spokesman recently reaffirmed the existence of strong cooperation between the United States and Greece, and Greece's importance to U.S. security interests, when recently he told *Ekathimerini*: "*Greece is an important pillar of stability and democratic values in a region that faces numerous security challenges. The United States is appreciative of the close cooperation and mutual support we have with our Hellenic allies. We participate regularly in joint military exercises, our students work together on combined military education and, moreover, we train together. In fact, American and Greek forces have trained together more in the past year than at any other point in recent history... Our ability to use the facilities at Souda Bay is a critical contribution to how the United States addresses areas of mutual security concern in the region.*"³ Americans nickname Souda Bay as the "Best in the Med."⁴

² http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2016_07/20160704_160704-pr2016-116.pdf

³ Souda Bay US Naval Base 'best in the Med,' *Ekathimerini*, February 28, 2017, <http://www.ekathimerini.com/216484/article/ekathimerini/news/souda-bay-us-naval-base-best-in-the-med>.

⁴ Ibid.

OPIC. We oppose the proposed elimination of the Overseas Private Investment Corporation (OPIC). In 2016, AHI backed successfully a policy shift that stated OPIC is authorized to do business in Greece if there are “strong development or foreign policy reasons to proceed.” The policy objective aimed to help spur commerce investment in Greece as Greece endures its economic crisis.

Regional Instability. A key to peace and stability in the region is for Greece and Turkey to have good relations with one another, promote democratic ideals and principles, and maintain growing economies. However, Turkey’s continuing occupation of Cyprus, its intransigence in solving the Cyprus problem, and its refusal to recognize the Republic of Cyprus (a prerequisite to Turkey’s E.U. accession process), which is a member of the European Union; are detrimental to U.S. interests. To illustrate Turkey’s intransigence, Turkey insists on maintaining troop levels on Cyprus and on remaining a guarantor power as part of a solution to the Cyprus issue. Furthermore, Turkey’s bellicose threats against Cyprus, and at times in the past, against Israel, which is working in collaboration with Cyprus and a U.S. energy company to develop hydrocarbon reserves found within their exclusive economic zones (EEZs), also threaten U.S. interests. For a six-month period (fall 2014 to spring 2015), Turkey elevated tensions in the eastern Mediterranean by sending warships into Cyprus’ EEZ and by issuing a NAVTEX that stated it would begin seismic surveys.

Because of threats in the eastern Mediterranean and Middle East, AHI contends the U.S. must lift its arms embargo on Cyprus⁵, which would allow Cyprus to consider the U.S. as a marketplace for defense procurement. It is in the best interest of the United States that the Republic of Cyprus maintains its Western orientation and it is preferred that the Republic of Cyprus turn to the United States to procure its defense materials.

Additionally, instability in the region continues to be exacerbated on a consistent basis with Turkey’s ongoing violations of Greece’s territorial water and national airspace in the Aegean. On one day during the week of January 29 to February 4, 2017, Greece’s Ministry of Defense recorded 138 violations of Greek airspace over islands in the Aegean Sea, which had to be intercepted.⁶ This is unprecedented. On the sea, Greek and Turkish ships were involved in a “faceoff” when a Turkish navy missile boat, and supporting crafts, entered and violated Greece’s territorial waters by the Imia islets.⁷ In 2016, a total of 2,573 infringements and violations of Greece’s airspace occurred. On March 1, 2015, Turkey unilaterally issued a Notice to Airmen (NOTAM), a move to reserve extensive airspace over the Aegean Sea for military maneuvers that Greece protested.⁸ On March 3, 2015, Turkey canceled the NOTAM thanks to pressure from the U.S. and NATO. On July 15, 2015, six Turkish fighters crossed into Greek airspace 20 times – **in a single day.**⁹ On February 15, 2016, six Turkish fighter jets and a CN-235 maritime patrol aircraft violated Greek airspace 22 times – again, **in a single day.**¹⁰ These multiple, reoccurring actions are egregious and cost the Greek government approximately \$400 million a year and come at a time when it can ill afford to be spending any funds unnecessarily to deal with provocative actions by a fellow NATO ally.

Furthermore, Turkey has demonstrated the ability to render the fragile EU/Turkey ineffective, or void it altogether, when it wants to exercise leverage over Europe by allowing refugee flows to increase. This threat to instability by Turkey reared its head again this month as relations between Turkey and Europe continue to deteriorate.¹¹

⁵ Eastern Med Statute [22 USC sec 2373(e)(1)] and [57 Federal Register No. 244, December 16, 1992].

⁶ <http://www.reuters.com/article/us-greece-turkey-tensions-idUSKBN15G5AQ>

⁷ <https://www.theguardian.com/world/2017/jan/30/greek-and-turkish-warships-in-standoff-in-aegean-sea>

⁸ http://www.ekathimerini.com/4dcgi/w/articles/wsite1_1_03/03/2015_547849

⁹ Turkey buzzes weakened Greece, <http://www.politico.eu/article/turkey-buzzes-weakened-greece-military-airspace/>

¹⁰ Turkish Warplanes Violate Greek Airspace Ahead of NATO Sea Operations, <http://greece.greekreporter.com/2016/02/16/turkish-warplanes-violate-greek-airspace-ahead-of-nato-sea-operations/#sthash.gxTzrfTe.dpuf>

¹¹ “A Threat on Migration That May Prove to Be Empty,” *New York Times*, March 14, 2017,

https://www.nytimes.com/2017/03/14/world/europe/turkey-migrant-deal-european-union.html?_r=0

Finally, Greece lends stability to a volatile region by helping the U.S. bring economic development to it. Over recent decades, Greece invested more \$22 billion in the countries of the region, which created more than 200,000 new jobs and contributed more than \$750 million in development aid.

Turkey. We oppose any aid for Turkey and any other assistance programs from the United States. This includes most favored nation trade benefits including textile quotas and the transfer of any nuclear related assistance which we oppose as not in the best interests of the U.S. We contend such benefits should be conditioned on Turkey meeting the following conditions: (1) the immediate withdrawal of all Turkish troops from Cyprus; (2) the prompt return to Turkey of the over 180,000 illegal Turkish settlers in Cyprus; (3) the Turkish government's safeguarding the Ecumenical Patriarchate, its status, personnel and property, reopening the Halki Patriarchal School of Theology, and returning church properties illegally seized; and (4) the cessation of violations against Greece's territorial integrity in the Aegean. Of course, Turkey's ongoing human rights, freedom of speech, and religious freedom violations are problematic.

Finally, in the interest of regional stability and conflict resolution, the U.S. should promote Turkey's emergence as a fully democratic state. This will require fundamental changes in Turkey's governmental institutions, a significant improvement in its human rights and freedom of speech/press records, the settlement of the Cyprus issue on the terms referred to above, and publicly acknowledging the existing boundary in the Aegean Sea between Greece and Turkey established by treaties. U.S. policy has not had this effect and needs to be reviewed critically by Congress.

Cyprus. The illegal occupation of the Republic of Cyprus by Turkish troops remains. The Turkish-occupied area, which amounts to 37.3% of the territory of Cyprus, is one of the most heavily militarized areas in the world with the presence of 40,000 Turkish occupation troops. As long as the Republic of Cyprus remains under Turkish military occupation, a strong UN peacekeeping force must be maintained on the island.

Congress can assist the Republic of Cyprus by reaffirming the United States' position that assistance appropriated for Cyprus should support measures aimed at solidifying the reunification of Cyprus and the unified government in Cyprus. Specifically, the United States can play an active role should a successful reunification of Cyprus be achieved through assistance to Cyprus. It would provide a settlement with a chance to succeed. Therefore, AHI recommends the following language be included in Title III of the Consolidated Appropriations Act of 2012 in the Fiscal Year 2017 State, Foreign Operations, and Related Programs Appropriations bill:

Assistance provided to Cyprus under this Act in the event of reunification must be used to contribute towards the cost of reunification, support and underpin the new federal structures of a reunified island, assist with constructing a strong unified Cypriot economy able to cope with the new challenges, and strengthen the cooperation between the two communities on Cyprus in a way agreed to between the United States and Cyprus.

Finally, Congress can help by calling on Ankara to support reunification efforts in a constructive manner through rhetoric and tangible steps. The Cypriots themselves should have ownership of the process and the Cypriot people should arrive at a solution that is for the Cypriot people, having full regard to the parameters of a solution as set out in the Joint Statement, for a bizonal, bicomunal federation, as well as the full respect of the principles and laws of the European Union, of which Cyprus is, and will remain, a member. However, this does not absolve Turkey of its responsibility as the occupying power to play a constructive role in resolving the Cyprus issue. In addition, Congress should echo the statement of then Foreign Affairs Committee Ranking Member Ileana Ros-Lehtinen who called for the immediate removal of Turkey's troops from Cyprus following a December 7, 2010 meeting with then Turkish Ambassador Namik Tan; a position she reiterated in

2012 as committee chairman. Turkish troops withdrawal from Cyprus will help to solve the Cyprus issue because it is a confidence-building measure that will create a more favorable environment.

AHI is also concerned with the security of energy prospects off the coast of Cyprus. AHI contends the U.S. must continue to support the exercise of the sovereign rights of the Republic of Cyprus to explore and develop the resources within its Exclusive Economic Zone (EEZ) free of any third-party interference and to underscore the importance of avoiding any threats or other actions or statements that escalate tension. During his visit to Cyprus, Vice President Biden said, “And Cyprus is poised to become a key player in the Eastern Mediterranean... transforming the Eastern Mediterranean into a new global hub for natural gas and markets.”¹²

Former Yugoslav Republic of Macedonia (FYROM). We strongly oppose any proposed ESF FY2018 aid to FYROM as long as it is not tied-in to FYROM’s commitment to negotiate in good faith with Greece to find a solution to the continuing unresolved issue between Greece and FYROM over the name of the latter. Instead, we strongly support language included in Section 935 of H.R.2583 of the Foreign Relations Authorization Act, which passed the House Committee on Foreign Affairs in the 112th Congress in July 2011. It stated:

Section 935. Former Yugoslav Republic of Macedonia. This section expresses the sense of Congress that the provision of United States assistance to the Former Yugoslav Republic of Macedonia upon that government’s willingness to engage in meaningful discussions with the government of Greece to resolve the ongoing dispute over what shall be its official name. This section also prohibits the use of U.S. funding for any activities which support any incendiary rallies, rhetoric, or propaganda by either the FYROM government or private entities, including educational materials that promote inaccuracies regarding the history and geography of Greece and FYROM.

It is FYROM that is the intransigent party on the name-recognition issue and not Greece. FYROM’s provocations against Greece are an affront to Greece and its citizens. Since August 2006, under the government of then-Prime Minister Nikola Gruevski, FYROM has followed a long-term policy of extreme nationalism against Greece—*most often through infrastructure*—in conflict with European values. We have a serious concern that ESF funds (which are provided for a variety of economic purposes, like infrastructure and development projects) to FYROM will be utilized to build infrastructure aimed to continue to provoke Greece. FYROM’s actions are a breach of the U.N.-brokered Interim Accord and erode efforts to build trust and good neighborly relations. Unfortunately, the irresponsible decision by the Bush administration in November 2004 to recognize FYROM as the “Republic of Macedonia” has contributed greatly to FYROM’s intransigent and provocative stand. It was a disrespectful act toward a staunch NATO ally, Greece. Despite this, it should be noted that Greece is a major investor in FYROM, helping to sustain the latter’s precarious economy. Congress can address this issue by persuading FYROM to negotiate in good faith with Greece to resolve the name issue and to cease irredentist propaganda against Greece. Only in this way will FYROM’s aspirations to fully integrate into the transatlantic community be realized. If left unresolved, this issue will contribute to potential instability in the Balkans. Moreover, FYROM’s inability to form a government for well over a year, must give the U.S. government pause in providing foreign aid to an unstable country in political crisis.¹³

Finally, the current refugee crisis in Greece is exacerbated thanks to FYROM’s border closing, which has in essence trapped some 60,000 migrants in Greece who wish to move on to other parts of Europe through the Western Balkan corridor.

¹² <https://www.whitehouse.gov/the-press-office/2014/05/22/remarks-vice-president-joe-biden-official-lunch-president-nicos-anastasi>

¹³ “Macedonia’s president blocks new coalition government,” *BBC*, March 1, 2017, <http://www.bbc.com/news/world-europe-39132147>

The issues facing the U.S. in its relations with Greece, Cyprus and Turkey are presented by AHI in the best interests of the United States. Thank you for the opportunity to present them in our written testimony to the Subcommittee.