

Testimony of Nick Larigakis, President, American Hellenic Institute (AHI)
Fiscal Year 2017 Appropriations Bill
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Related Programs – March 24, 2016

Chairwoman Granger, 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 FY2017 foreign aid budget.

In keeping with the best interests of the United States we oppose: (1) any military assistance the administration will request for Turkey until Turkey withdraws all of its troops and illegal Turkish settlers in Cyprus; (2) aid the administration will request for the Former Yugoslav Republic of Macedonia (FYROM); and (3) any reduction that might be introduced in the aid levels for the UN Peacekeeping Force in Cyprus. 2016 is 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.

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, and in 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 virtue of 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 two-week trilateral naval exercise "Noble Dina 2015" between the U.S., Greece, and Israel, held April 29, 2015 off of the coast of Souda Bay, Crete, is a prime example of Greece's strategic importance to U.S. interests in the region.

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. In the NATO buildup for Libya, Souda Bay spokesperson Paul Farley said of the 400 U.S. Marines deployed there that they were "part of contingency planning to provide the president [Barack Obama] flexibility on full range of option regarding Libya" along with the amphibious assault ships USS Kearsarge and USS Ponce.²

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

² "U.S. troops arrive in Greece in Libya buildup," *USA Today* as reported by the *Associated Press*, March 3, 2011.

When then Secretary of State Hillary Clinton visited Athens, July 17, 2011, she said, “...I am pleased to be here during these challenging times to demonstrate unequivocally the strong support that the United States has for Greece. We know that we are your friend and we are your ally and we are proud to be both...As a NATO ally, we appreciate Greece's partnership on a shared agenda that spans the globe...Our diplomatic and military efforts are gaining momentum, and we are grateful for Greece's engagement and support, especially your willingness to host coalition military assets at Souda Bay and other sites close to Libya.” She also expressed appreciation for Greece’s support in speaking against an attack on the U.S. embassy in Syria.

Moreover, on March 25, 2011, President Obama re-affirmed Greece’s contributions as a NATO ally, including in support of NATO’s operations in Libya:

“And as we celebrate the independence of the Greek people, the United States and Greece are standing with our NATO allies to support the Libyan people as they stand up for their own freedom.”

In addition, Greece is a top contributor to the defense efforts of NATO, spending an estimated 2.46% 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.³ 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.

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. Furthermore, Turkey’s bellicose threats against Cyprus, and in recent years, 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’ Exclusive Economic Zone (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 Cyprus⁴, 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.

Furthermore, 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. In 2014, there were 3,045 total violations of Greek national airspace and Infringements of Air Traffic Regulations (ICAO) that resulted in eight engagements with Hellenic Air Force interception fighters, according to the Hellenic National Defense General Staff.⁵ The examples are egregious. On March

³ http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2016_01/20160129_160128-pr-2016-11-eng.pdf#page=2

⁴ Eastern Med Statute [22 USC sec 2373(e)(1)] and [57 Federal Register No. 244, December 16, 1992].

⁵ Hellenic National Defense General Staff, http://www.geetha.mil.gr/index.asp?a_id=3954

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.⁶ On March 3, 2015, Turkey canceled the NOTAM thanks to pressure from the U.S. and NATO. Obviously, Turkey's act was a test of the new Greek government that dangerously and recklessly raised tensions. On July 15, 2015, six Turkish fighters crossed into Greek airspace 20 times – **in a single day**.⁷ 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**.⁸ These multiple, reoccurring actions cost the Greek government approximately \$400 million a year and come at a time when it can ill afford to be spending any amounts of money unnecessarily to deal with provocative actions by a fellow NATO ally.

Finally, Greece adds 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 also oppose the notion of Turkey's inclusion in the Transatlantic Trade and Investment Partnership (TTIP). 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 whether or not she enters the EU. This will require fundamental changes in Turkey's governmental institutions, a significant improvement in its human rights record, the settlement of the Cyprus problem on the terms referred to above, and publicly acknowledging the existing boundary in the Aegean Sea between Greece and Turkey established by treaties. Past and current U.S. policy has not had this effect and needs to be reviewed critically by Congress.

Cyprus. We strongly support the president's FY17 request of \$9.55 million for the UN Peacekeeping Force for Cyprus. Despite some noted progress of settlement talks, 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.

The United States stated its perspective on the current Cyprus settlement talks in a February 11, 2014 White House statement issued after a Joint Communique was signed by the Republic of Cyprus and Turkish Cypriot community:

"We encourage the sides to work expeditiously to resolve the outstanding core issues and achieve a settlement that reunifies Cyprus as a bi-zonal, bi-communal federation at the earliest possible time... The United States welcomes President Anastasiades' proposal for a

⁶ http://www.ekathimerini.com/4dcgi/_w_articles_wsite1_1_03/03/2015_547849

⁷ Turkey buzzes weakened Greece, <http://www.politico.eu/article/turkey-buzzes-weakened-greece-military-airspace/>

⁸ 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>

package of bold and innovative confidence-building measures and other constructive proposals, which have the potential, when agreed and implemented by the parties, to dramatically enhance cooperation between the Greek Cypriot and Turkish Cypriot communities and restore faith in settlement efforts.”

Following his historic May 21-22, 2014 visit to Cyprus, Vice President Joe Biden bolstered the U.S.-Cyprus partnership stating, “*The relationship is now a genuine, strategic partnership, and it holds even greater promise.*” He also reaffirmed the sovereignty of the Republic of Cyprus stating: “*The United States-I want to be clear about this-recognizes only one legitimate government of the Republic of Cyprus, and my visit and meetings throughout the island will not change that. It is my personal position. It's the position of the United States of America, and it's the position of the entire world-save one country.*”⁹

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 and should facilitate a successful reunification of Cyprus 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:

Any assistance provided to Cyprus under this Act must be used to contribute towards the [[cost of reunification]] or [[property compensation fund]], 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.

Additionally, Congress can help by calling on Ankara not to manipulate the direct talks, but instead, support the talks constructively 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 would reiterate in 2012 as committee chairman. Withdraw of Turkish troops from Cyprus would go a long way to solving the Cyprus problem because it would be a confidence-building measure that would 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 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.*”¹⁰

⁹ <http://www.whitehouse.gov/the-press-office/2014/05/21/remarks-vice-president-joe-biden-press-larnaca-international-airport>

¹⁰ <https://www.whitehouse.gov/the-press-office/2014/05/22/remarks-vice-president-joe-biden-official-lunch-president-nicos-anastasi>

Former Yugoslav Republic of Macedonia (FYROM). We strongly oppose the president's proposed \$6.9 million ESF FY2017 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 Relations 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, Prime Minister Nikola Gruevski 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. Gruevski'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.

Finally, the current refugee crisis in Greece is exacerbated thanks to FYROM's border closing, which has in essence trapped some 45,000 migrants in Greece who wish to move on to other parts of Europe through the Western Balkan corridor.

Greek American Policy Issues. The issues facing the U.S. in its relations with Greece, Cyprus and Turkey are detailed in AHI's Policy Statements available at www.aheworld.org. In addition to the issues presented in this testimony, they include: the treatment of the Greek minority in Albania and recognition of the Greek Pontian genocide.

Thank you for the opportunity to present our written testimony to the Subcommittee.