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“Next Steps in US-Ukraine Bi-lateral Relations: Forging Ahead”

STATEMENT OF  
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THE HERITAGE FOUNDATION  
BEFORE THE SENATE FOREIGN AFFAIRS COMMITTEE, SUBCOMMITTEE ON  
EUROPE AND REGIONAL SECURITY COOPERATION

“Five Years After the Revolution of Dignity: Ukraine's Progress/Russia's Malign Activities”

June 18, 2019

Mr. Chairman and other distinguished Members, I am honored to testify before you today on this vital subject. My name is Dr. James Jay Carafano. I am the Vice President for Foreign Policy and Defense Studies, the Director of the Kathryn and Shelby Cullom Davis Institute for National Security and Foreign Policy, and the E.W. Richardson Fellow at The Heritage Foundation, a non-partisan research institution. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.<sup>1</sup>

In my testimony, I would like to: (1) stress the importance of Ukraine to the U.S. strategy for a secure and flourishing transatlantic community; (2) underscore that the principle threat to peace

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and stability remains the recalcitrant, malicious, destabilizing, and dangerous policies and actions of Russian President Vladimir Putin; (3) emphasize the imperative of immediate, strong and active engagement with the new Ukrainian government; (4) discuss regional developments that are crucial for the future peace and security of Ukraine and U.S.-Ukraine bilateral relations; and, finally, (5) emphatically make the case that it is vital that the U.S. lead in preparing Ukraine for membership in NATO.

My responsibilities at The Heritage Foundation comprise supervising all of the foundation's research on public policy concerning foreign policy, defense, and national security. Heritage has assembled a robust, talented, and dedicated research team. I have the honor and privilege of leading that team.

Heritage analysts have studied and written authoritatively on virtually every aspect of the challenges of foreign policy and national security that affect the transatlantic community and US-Ukraine relations. The results of all our research are publicly available on the Heritage website at [www.heritage.org](http://www.heritage.org). Of particular note, and relevance here are, the Heritage *Index of U.S. Military Strength*, which includes a comprehensive review of contemporary European security issues and the Heritage *Index of Economic Freedom*, which grades every nation in the world on its level of economic freedom (the trends in Ukraine and neighboring states are especially instructive).

We collaborate frequently with the research community, including such institutions as the American Foreign Policy Center, the Hudson Institute, the Foundation for Defense of Democracy, the Jamestown Foundation, the Center for European Policy Analysis, the Center for International Private Enterprise, the International Republican Institute, and the U.S. Institute of Peace, all of which have done substantive and important work on Ukraine, the Russian threat, and regional issues.

I, and our research team, have also widely traveled in Ukraine and the region, and have participated in the regional and international conferences on the spectrum of vital issues from security and economic development to health care and the challenges of public corruption.

In addition to our regional work, we have substantial expertise on defense issues. I served 25 years in the U.S. Army, including two tours with NATO forces. Our team also includes senior retired officers from each of the armed services with well over a century of operational and combat experience, a good deal of it in the European theater.

I am particularly proud of The Heritage Foundation's long and substantive record of research on Ukraine. Our effort reflects the foundation's commitment to advancing public policies that keep America free, safe, and prosperous. We believe that U.S.-Ukrainian bilateral relations have important implications for meeting this aspiration.

### **Why Ukraine Still Matters**

The U.S. is a global power with global interests and responsibilities. American interests can only be protected if the U.S. is forward present to safeguard, or can get where it needs to be, to

exercise power in support of those interests. There are three vital regions that link the U.S. to the world—Europe, the Middle East, and the Indo-Pacific. Regional peace and stability in each is a vital U.S. interest. These requirements are strongly reflected in the U.S. National Security Strategy, and sustaining and strengthening that commitment is crucial.<sup>2</sup> In this respect, the stability of the transatlantic community is foundational to U.S. security, and the future of Ukraine has strong implications for that stability and security.

In U.S. efforts to ensure regional stability in an age of great power competition, what is, in fact, more important than ever, is the role of “small powers.”<sup>3</sup> There are three reasons why small states matter to the United States, particularly in the context of the transatlantic community and Western Europe.

First, geography matters. In geopolitics—as in real estate—a critical consideration is “location, location, location.” To a major power, another country’s greatest asset might be its map coordinates rather than the size of its arsenal or bank account. Part of the reason why the U.S. must insist that NATO continue to keep its membership door open is because there are nations still not included, whose accession would enhance collective security due to their geographical location.

Second, freedom matters. Like-minded nations make better partners. One of the reasons why NATO works is because the Alliance is a partnership of free nation-states. The foundational rationale of the transatlantic Alliance is that free states have the right to associate for the purpose of collective security. To close NATO’s door to new members would undermine what NATO stands for: the right of free peoples to choose their future.

Third, contribution matters. Small nations can be net contributors to peace, security, and economic development. A free, secure, and prosperous Ukraine can provide all three of these benefits. Conversely, failing to support Ukraine adds to the prospects for diminishing and weakening the transatlantic community, and losing a pivotal state in the U.S. effort to help sustain peace and stability in Europe. A successful Ukraine is an important U.S. interest, and the U.S. should invest its time, influence, and treasure consistent with that interest.

### **Russia is the Greatest Destabilizing Threat to Peace and Security in Western Europe**

Ukraine and the transatlantic community share a common cause: resisting, mitigating, and abating the malicious and dangerous actions of Russian President Vladimir Putin. Russia has been occupying Ukraine’s Crimean peninsula illegally since 2014, and continues to stoke a deadly war in the east that has resulted in thousands of deaths, tens of thousands of wounded, and almost two million people internally displaced. In addition, Russia meddles in Ukrainian internal affairs, seeding political and economic disruption and fueling corruption. Of particular

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<sup>2</sup> James Jay Carafano, et al., “Preparing the U.S. National Security Strategy for 2020 and Beyond,” Heritage Foundation *Special Report* No. 214, May 23, 2019, <https://www.heritage.org/defense/report/preparing-the-us-national-security-strategy-2020-and-beyond>.

<sup>3</sup> James Jay Carafano, “Why Small States Matter to Big Powers,” *The National Interest*,” August 10, 2018, <https://nationalinterest.org/feature/why-small-states-matter-big-powers-28362> (accessed June 14, 2019).

note is how Russia uses religion and religious narratives, through tactics of misinformation, to further sow divisions.<sup>4</sup>

Of greatest significance is Russia's armed intervention in Ukraine. In addition to illegally occupying Crimea, Moscow stoked sectarian divisions in eastern Ukraine. Backed, armed, and trained by Russia, separatist leaders declared the so-called Lugansk People's Republic and the Donetsk People's Republic. Russia continues to support separatist factions in the Donbas region of eastern Ukraine with advanced weapons, technical and financial assistance, as well as Russian conventional and special operations forces. Two cease-fire agreements—one in September 2014 and another in February 2015, known as Minsk I and Minsk II, respectively—have come and gone. As events in eastern Ukraine since the signing of Minsk II have shown, the agreement is a cease-fire in name only.

Of recent note, on November 25, 2018, Russian Federal Security Service border-patrol boats opened fire on three Ukrainian navy vessels near the Kerch Strait, a narrow body of water connecting the Black Sea and the Sea of Azov. Twenty-four Ukrainian sailors are still being illegally detained.

In addition, the 24 sailors being illegally detained, it is estimated Russia also illegally holds about 70 other Ukrainian citizens.<sup>5</sup>

There is no demonstrable evidence that Russia will cease its destabilizing activities any time soon. Thus, without question, without the support of the U.S. and the international community, stability and security in Ukraine will be at grave risk. As a result, the U.S. should:

- Sustain commitment. Five years later, we can't show "Ukraine fatigue" in the face of Russia's naked aggression.
- Maintain and strengthen the economic sanctions.
- Continue to provide support and lethal aid to Ukraine.
- Never consider making concessions in U.S. support to Ukraine as a trade for Russian cooperation on other issues.

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<sup>4</sup> This section of this testimony is adapted from Luke Coffey and Daniel Kochis, "The Trump Administration and the 115th Congress Should Support Ukraine," Heritage Foundation *Background* No. 3200, April 11, 2017, <https://www.heritage.org/global-politics/report/the-trump-administration-and-the-115th-congress-should-support-ukraine>, and Luke Coffey and Alexis Mrachek, "Improving Ukraine's Maritime Capability: Next Steps for the U.S.," Heritage Foundation *Issue Brief* No. 4926, November 28, 2018, <https://www.heritage.org/global-politics/report/improving-ukraines-maritime-capability-next-steps-the-us>.

<sup>5</sup> Halya Coynash, "Russia is holding over 70 Ukrainian Political Prisoners of War," June 6, 2018, <http://khp.org/en/index.php?id=1527519105>.

- Work to sustain the international coalition condemning and punishing Russia for its illegal and malicious activity. Continue to demand that the starting point for future negotiations is Russia’s full compliance with the Minsk agreements.

## **Engagement with Ukraine Is the Answer**

There is no question of whether the U.S. should continue its level of engagement and support to the people of Ukraine. The only issue that should be up for discussion is how to make the U.S. effort the best it can be.

The election of Volodymyr Zelenskyy (official English-spelling released by his administration in late May) as president of Ukraine raises many hotly debated questions about which key policies he will adopt and who will most influence the administration.<sup>6</sup> Right now, I think it is fair to say: We just don’t know for sure.

The direction of the government may be clearer after parliamentary elections on July 21, 2019, (unless Ukraine’s highest court stops the vote, which is highly doubtful). But, even that assessment is debatable. Zelenskyy has created a new party—Servant of the People—and his governing style will definitely be guided by how successful his party is in the July election. The more compromises that have to be made to form a majority coalition, the more difficult it is to speculate about future policies. When the cabinet is filled later this summer, the picture might be clearer.

## **The U.S. Can’t Wait**

The time to ramp up engagement is right now. The U.S. must send strong, clear, and consistent messages of its expectations. What will best serve to strengthen the U.S.-Ukraine bilateral relationship is a stronger Ukraine. That requires advances in the three crucial areas: (1) security, (2) economic development, and (3) advances in good governance.

**#1. Security.** Security assistance and cooperation remain a high priority, particularly accelerating lethal defense aid and maritime-security capabilities.<sup>7</sup> Military reforms are lagging. That said, Ukraine’s military has made remarkable progress and looks more and more like a competent, professional modern military. Naval power, however, is particularly problematic. Two of the six U.S. Island class patrol boats are getting ready to be sent, after long delay, but as of today Ukraine still has no navy—just five gunboats and one dock-bound former Soviet cruiser in Odessa. Ukraine has no naval ability to defend Odessa. Among the actions the U.S. could take are:

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<sup>6</sup> There are causes for concerns over senior appointments. See, Vladimir Socor “Ukraine’s New Presidential Administration Filled With Show Business Friends,” *Eurasia Daily Monitor* (16/75), <https://jamestown.org/program/ukraines-new-presidential-administration-filled-with-show-business-friends/>.

<sup>7</sup> The recommendations in this section are adapted from Coffey and Mrachek, “Improving Ukraine’s Maritime Capability: Next Steps for the U.S.”

- Supply more ships to Ukraine. A strong Ukrainian navy is in America's interests. Transferring two Island-class former Coast Guard ships to Ukraine is a good first step in rebuilding Ukrainian maritime capability after it lost many ships to Russia in 2014, but more should be done. The U.S. should move ahead with providing surplus Oliver Hazard Perry (FFG-7)-class frigates as part of the Pentagon's program to dispose of excess defense property.<sup>8</sup>
- Help Ukraine rapidly improve its anti-ship missile capability. The right to self-defense does not stop at a country's shoreline. The U.S. can help fund and speed up getting Ukraine's domestically produced Neptune anti-ship missile in operation faster. In addition, the U.S. should consider appropriate off-the-shelf options for anti-ship missile platforms for Ukraine.
- Assist Ukraine in improving its maritime domain awareness capability. Most of the non-lethal support provided by the U.S. to Ukraine since 2014 has focused on the land war in the east of the country. The U.S. should expand this help to improve Ukraine's maritime security by providing improved radar and appropriate surveillance capabilities, such as unmanned aerial vehicles.
- Lift geographical restrictions on U.S. troops in Ukraine. Currently, the 300 U.S. troops in Ukraine as part of a training mission are restricted to the western half of the country, more than 800 miles from the front lines. On a limited basis, the U.S. should allow U.S. trainers and observers to the front lines to gain a better understanding of the situation on the ground and of training requirements for the Ukrainian military.
- Evaluate NATO's trust funds for Ukraine. NATO should evaluate the effectiveness of the six trust funds established at the 2014 Wales Summit. For example, there is no trust fund focused on improving Ukraine's maritime capability.

**#2. The Economy.** Economic reforms are also lagging. According to the *Index of Economic Freedom*:

Ukraine's economic freedom score is 52.3 [out of 100], making its economy the 147th freest in the 2019 Index. Its overall score has increased by 0.4 point, with improvements in fiscal health, business freedom, and property rights outpacing declines in labor freedom and trade freedom. Ukraine is ranked 44th among 44 countries in the Europe region, and its overall score is below the regional and world averages.<sup>9</sup>

Progress on the economic front is vital.

As Ukraine's oligarch-dominated economy improved in 2018, partly because of greater inflows of remittances, Western institutions found that they had less leverage to press for further reforms.

<sup>8</sup> The Defense Surplus Equipment Disposal, Including Law Enforcement 1033 Program, <https://www.everycrsreport.com/reports/RS20549.html> (accessed June 14, 2019).

<sup>9</sup> Terry Miller, Anthony B. Kim, and James M. Roberts, *2019 Index of Economic Freedom* (Washington, DC: The Heritage Foundation, 2019), <https://www.heritage.org/index/country/ukraine>.

On the other hand, the results of the national elections clearly demonstrate that the people of Ukraine are impatient for change. If the government cannot deliver, it will not remain popular for long. According analysis at The Heritage Foundation, what is need most are:

- Contentious but much-needed structural reforms, such as cutting subsidies and raising energy tariffs, fiscal consolidation, and the fight against corruption.
- Developing Ukraine’s capital markets, privatizing state-owned enterprises, and improving both its legal framework and the rule of law.

**#3. Governance.** Advances in good governance are also important. The ability of Ukraine to hold free and fair elections is notable, particularly given the number of obstacles thrown in its path. The U.S. should be proud of its contributions in this area, and that in of itself should encourage America to do more. For example, in Ukraine, the International Republican Institute (IRI) has been on the ground since the country first gained its independence nearly 28 years ago. Since that time, the IRI has worked side-by-side with tens of thousands of elected officials, party representatives, and citizens to set up and strengthen the country’s nascent democratic institutions, and has monitored every single election since independence, including the recent successful presidential election. There is so much to be done.

- Good government starts at the top with professional, dedicated, and competent senior level appointments in the Ukrainian cabinet, the president’s staff and the military staff. The U.S. has to make that point at every opportunity.
- President Trump should meet with the new President in Washington and continue to demonstrate the continuation of our policy of support for Ukraine during this transitional period. Apparently a visit is tentatively scheduled after the parliamentary elections in mid-July. At their meeting, the president should both support and encourage Ukraine’s president to follow through on anti-corruption commitments and offer additional military assistance to deter further Russian aggression. The U.S. government could also exert more influence on Ukrainian governance issues by “being there.” President Trump or Vice President Pence and Cabinet-level officials across the U.S. government should visit Ukraine. Their visits should be followed up with regular calls by senior officials from all areas of the U.S. government.
- U.S. policymakers should not play into Russian propoganda about Ukraine as a failed state by focusing only on the negative. The U.S. should hold Ukraine to account where it is failing, and praise Ukraine for the strides it has made in tackling entrenched challenges.
- Congress has an important role to play. Congress should continue its strong support for U.S.-Ukraine bi-lateral relations and interaction with Ukrainian ministers and parliamentarians. In particularly, Congress could helpfully underscore at every opportunity U.S. support for an independent Ukraine with the bedrock of our policy being continued U.S. commitment to Ukraine’s territorial integrity

- The U.S. should not forget human rights. Ukraine and the U.S. should set the example. The two countries should work together to highlight and bring attention to the plight of the Crimean Tatars, who are being persecuted and oppressed by the Russian government. The Trump administration should be praised for raising the profile of this important issues.

## **Regional Issues**

Many of the issues that will help to strengthen U.S.-Ukrainian bilateral cooperation are not confined to the borders of Ukraine. Addressing these challenges would help as well.

Of particular note is the disagreement between Hungary and Ukraine that dates to 2017 when Ukraine’s government began to consider a “language law” that makes mandatory the use of the Ukrainian language in secondary schools, which in Ukraine start in sixth grade. After much debate, Ukraine’s parliament, the Verkhovna Rada passed the law on April 25. This resulted in a disagreement not of Ukraine’s doing, but rather the result of Hungary’s unique view of what constitutes the nation-state. The dispute has had important consequences, as Hungary has reacted by blocking ministerial-level meetings of the NATO-Ukraine Commission—the venue for cooperation between Ukraine and the Western Alliance. It bears repeating that it is Ukraine’s sovereign right to take this step, just as it is in ours to ensure that our schoolchildren are taught in our national language, English. Every nation has the right to ensure that its youth grow up to be literate and productive members of a cohesive society. US officials are to be lauded for past efforts to ameliorate the dispute.

The U.S. must sustain a highly activist regional policy.

- In particular, the U.S. must continue to press for more constructive Ukrainian-Hungarian relations and end the obstructionism that negatively affects Ukrainian-NATO cooperation.<sup>10</sup>
- The U.S. should continue to demonstrate strong support for the Three Seas Initiative and remain firm in its opposition to the Russian pipeline Nord Stream II.<sup>11</sup>
- The U.S. should work with the European Union and regional partners who share our interest in the future of a free and prosperous Ukraine.

## **Commitment to NATO Enlargement**

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<sup>10</sup> See, for example, James Jay Carafano and Daniel Kochis, “The Growing Spat Between Hungary and Ukraine Helps Putin,” Heritage Foundation *Commentary*, October 25, 2018, <https://www.heritage.org/europe/commentary/the-growing-spat-between-hungary-and-ukraine-helps-putin>.

<sup>11</sup> See, for example, Edwin J. Feulner, “Three Seas, One Aim: Preserving Liberty,” Heritage Foundation *Commentary*, January 24, 2018, <https://www.heritage.org/europe/commentary/three-seas-one-aim-preserving-liberty>.



Finally, the U.S. must continue not just to keep the door for NATO membership open, but must also craft a plan and advocate hard for getting Ukraine through the door. The ascension of North Macedonia not only paves the way for other countries, it demonstrates that thorny geopolitical obstacles can be overcome. The U.S., and its friends and allies, are already working on the reforms and capacity-building that will one day make Ukraine a successful candidate. There is also, already, a course of action for how to press for Ukrainian membership, despite the continued illegal Russian occupation of Ukrainian territory. My colleague Luke Coffey mapped out a solution with regards to a similar challenge faced by Georgia.<sup>12</sup>

In conclusion, thank you for the opportunity to testify today. I look forward to your comments and questions.

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<sup>12</sup> Luke Coffey, “NATO Membership for Georgia: In U.S. and European Interest,” Heritage Foundation *Special Report* No. 199, January 29, 2018, <https://www.heritage.org/defense/report/nato-membership-georgia-us-and-european-interest>, and Luke Coffey, “Creativity and Bold Leadership Needed for Georgia’s NATO Membership,” Heritage Foundation *Issue Brief* No. 4969, June 12, 2019, <https://www.heritage.org/defense/report/creativity-and-bold-leadership-needed-georgias-nato-membership>.