



Ambassador Brent R. Hartley's Slovene International Relations Association Remarks, Dec 15th 2015

The United States and Slovenia: Allies and Partners in Challenging Times

I'm especially pleased to have the chance to talk to you today just three weeks after President Pahor and Vice President Biden met at the Brdo-Brijuni summit, two weeks after Prime Minister Cerar led a high-level business delegation to the United States, and one week since Prime Minister Cerar and I traveled together to the aircraft carrier USS Harry S Truman. These engagements – just over this very short time span -- highlight the strong partnership between Slovenia and the United States, particularly in the two areas I will focus on the most today: security and prosperity.

As I've told many of you over my past 10 months here – after working for most of my career on defense and security in Europe, it is an incredible honor to serve as Ambassador in the capital of a NATO ally and an EU member. Our status as NATO Allies is, in particular, a key foundational element of our bilateral relations.

Before wading too deeply into international politics, I would like to speak a bit about the status of U.S.–Slovenian relations.

From the U.S. perspective, Slovenia is a reliable and valued European Ally, and relations between the United States and Slovenia are strong.

As I highlighted a few minutes ago, we have had a wealth of positive high-level interaction in 2015, including a visit from Assistant Secretary Nuland in the spring, Under Secretary Gottemoeller in the summer, and Assistant Secretary Countryman at the Bled Strategic Forum. And of course we had Vice President Biden coming to the region last month.

As an Ally in NATO, Slovenia provides valuable cooperation in missions such as KFOR and in Afghanistan, both currently in the Resolute Support Mission and previously in ISAF. Today, a united and robust NATO could not be more important. There is an arc of crisis and instability stretching from Europe's East to the South which poses varied, and serious, challenges to our security. I echo recent statements from Slovenian government officials about the need for Slovenia to increase its focus on security issues. And, of course, we encourage Slovenia to follow through on its NATO Summit commitments on defense spending, including the proportion of funding for improved capabilities to meet its NATO defense goals.

But our relationship is not just about security. Slovenia and the United States have a long history of cultural ties, as well. Since the beginning of the first international exchanges in 1940, almost 900 Slovenians have participated in U.S.-sponsored exchange programs. We were proud to celebrate the 75th anniversary of our exchange programs by hosting many program alumni, including Prime Minister Cerar, for an event this past Spring.

While the number of students we fund to study in the U.S. is rather modest, Slovenia continues to send some of its best and brightest to study in the U.S., through our programs or through private means. I was pleased to see the number of Slovenians studying in the U.S. increase by over 30% last year, and the number of Americans studying here by nearly 50%. But the raw numbers are still way too small. There is much room for improvement.

In humanitarian efforts, my government has been the largest donor – over \$175 million -- for Slovenia's renowned de-mining and human security organization ITF. By cooperating to support ITF, our two governments—along with other donors—have made a difference in stabilizing the Western Balkans and other regions ravaged by war and instability.

And of course, some of the strongest ties between our countries are very personal, whether it is the American I met a few weeks ago who came to Slovenia to research his family's background and is now importing Slovenian beehives to the U.S., or the many Slovenians who tell me about their memorable trips trekking in America's world class national parks, or the business leaders who have found in the U.S. a market that is open to the innovations and energy that Slovenian entrepreneurs are becoming increasingly known for.

I will address our economic relations later in this talk.

Relations between our two countries are incredibly strong. But, luckily for me, there is still more work to do.

Now a little about my priorities:

Since I arrived in Slovenia in February, I have been spending a good deal of time traveling around the country and listening to government officials, business leaders, and ordinary citizens – to learn your history, culture, economy, and the politics.

I do not claim to be an expert just yet, but I am trying to apply what I am learning to shape the Embassy's agenda for my tenure here as the U.S. Ambassador. Let me briefly review a number of issues and then I look forward to your questions, comments and recommendations during the discussion time.

Specifically, I will touch on: the Western Balkans; combatting terrorism and disrupting the flow of foreign fighters to and from Iraq and Syria; solidarity on Ukraine and Russia; energy security and climate change; trade and economic development; and human rights.

Euro-Atlantic integration in the Western Balkans:

We appreciate Slovenia's positive contributions to peace and security in the region, and we continue to believe that Slovenia has a special role to play here through its unique historical ties in the region and its support for stability. Slovenia has and needs to continue to be a leader and mentor to those countries still aspiring to join trans-Atlantic institutions.

Vice President Biden's participation in the Brdo-Brijuni summit last month underscores our continuing, long-term commitment to this region. I've heard his visit characterized by some as the United States "returning to the Balkans." I would like to emphasize very strongly that we never left.

Vice President Biden and President Pahor, in their private discussion on the margins of the summit, discussed a wide range of security issues, including counter-terrorism, NATO's role in the Balkans, and the current migration crisis.

The Vice President emphasized that the United States continues to have a strategic interest in the stability of the Balkans—our mutual goal of Europe whole, free, and at peace rests on progress in the Balkans—and we are committed to seeing that project through. NATO's invitation to Montenegro earlier this month has given this effort new momentum. But the process of reform has been too slow, in Bosnia in particular. We and Slovenia are united in supporting full Euro-Atlantic integration, and we both must do all we can to keep this agenda moving forward in NATO, the EU and other international structures.

Combatting terrorism/disrupting the flow of foreign fighters to and from Iraq and Syria.

The world is united in its determination to combat terrorism, in particular the advance of the so-called Islamic State in the Middle East and North Africa.

Europe's contributions, including those of Slovenia, are vital to this effort. Combating terrorism and fighting ISIL is not only a matter of training and providing material support but also one of ensuring that each European country and the United States prevent recruitment and financing of terrorists. This includes intelligence cooperation, tightening counter-terrorism legislation, pushing back against extremist messaging, and working with young people to make sure they don't fall victim to recruitment.

This is not an area where Slovenia can simply sit back and say – it's not a problem here. Current estimates are that 30,000 foreigners are fighting in Syria, including 5,000 from Europe. Their return is a clear and present danger to Europe, as we saw all too tragically in Paris. As has been reported in the press, some Slovenians have been among this group. And Slovenia must be prepared, with its EU allies, to mitigate this threat.

The recent attacks in Paris have given new urgency on why we must join forces to counter and defeat the scourge of ISIL. With countries coming together to face down a common enemy, the time is right to make real progress in bringing peace and stability to Syria and the region.

Secretary Kerry is deeply involved in diplomatic efforts to end this conflict, and is in Moscow today to try to bridge the profound differences we have with Russia on Syria and Ukraine (more on Ukraine in a minute).

We also need to resist the false argument that this is about Christianity vs. Islam, or East against West. The vast majority of the victims of violent extremism are Muslims; their rights must be defended. This includes the thousands of refugees that have fled the Daesh-fueled conflict in Syria and Iraq.

The United States is the largest single donor to Syria humanitarian assistance efforts. We have provided over \$4.5 billion since 2012 to assist those displaced by the conflict. In light of the

increased need in Syria and along migration routes, the U.S. government announced in September over \$400 million in new humanitarian funding for life-saving emergency assistance to people affected by the crisis in Syria.

This U.S. government funding will provide emergency health, logistics, water, sanitation, and hygiene support, as well as food assistance, shelter, and protection for conflict-affected populations throughout Syria and in neighboring countries.

Vice President Biden assured President Pahor in Zagreb that the United States recognizes the burden borne by Europe because of the migration crisis, and the incredible scale of the challenge faced by EU members like Slovenia. We are committed to helping refugees and the countries affected by migration. In this regard, we are providing an additional \$24 million to the UN High Commission for Refugees to assist its operations along the refugee corridor between Greece and Germany.

Specific to Slovenia, the Embassy is working closely with civil society organizations responding to the challenge of the migration and refugee crisis. Together with SLOGA Platform we are funding a \$100,000 project to surge communications and coordination capacity in the NGO sector. We are pleased to be supporting Slovenian civil society organizations as they continue to extend their hands to help those most in need.

I'd like to turn now to U.S.-Europe solidarity on Ukraine and Russia.

Slovenia has played a reliable role inside the EU to maintain consensus on our approach to Ukraine and Russia. We appreciate Foreign Minister Erjavec's July trip to Kyiv to express support to the leadership of Ukraine. We welcomed Prime Minister Cerar's clear statement, during the visit of Russian Prime Minister Medvedev in July, of Slovenia's commitment to the EU and NATO consensus that improved relations with Russia can only take place when Russia fully implements the Minsk accords, respects Ukraine's sovereignty and territorial integrity, and supports a political resolution to the conflict there.

President Poroshenko's announcement that he will make an official visit to Slovenia early next year at the invitation of President Pahor is an important sign of solidarity between the two leaders and the two countries. At the time of his November visit to Lvov, President Pahor emphasized that it was time to implement Minsk to "normalize relations in this part of Europe, as it is important to pre-empt crises in other parts of Europe."

There is no question that Ukraine must do its part, and it is moving to do so, but it will continue to need U.S. and European political and economic support.

Yet Russia and its proxies in eastern Ukraine continue to stall on Minsk implementation. Russia continues to maintain heavy weapons and troops in eastern Ukraine. The separatists continue to initiate attacks. Russian complaints about legal reform in Ukraine are primarily an attempt to stall for time. And even if there is progress on Minsk implementation, there remains the extremely difficult issue of Russia's illegal occupation of Crimea.

In eastern Ukraine, Russia and its separatists have unleashed violence that has cost more than 9,000 lives over the last year and forced 1.5 million people from their homes. The Transatlantic community is obligated to respond. We have to ask ourselves: Are we ready once again to

accept a “frozen conflict” perpetrated by Moscow -- such as in Georgia and Moldova? What kind of Europe do we want – one that fulfills the vision of a Europe whole, free and at peace with the parameters set by the Helsinki accords of (among others) respect for borders, peaceful settlement of disputes, and respect for fundamental democratic and human rights, or do we want to return to a pre-WWII world of “might makes right” and balance of power?

Deepening consultations on energy:

Energy security and independence is a critical dimension to our bilateral relationship and an issue the United States and the EU are working on together.

We see diversification of both sources and kinds of energy as the key to energy security, and we are focusing with the EU right now on encouraging greater integration of the gas grid in Central and Southern Europe by (among other things) moving forward on critical interconnectors and encouraging investments in projects such as a liquefied natural gas facility at Krk in Croatia.

Deputy Assistant Secretary of State for Energy Affairs Robin Dunnigan has made two trips here in the past year to work with her Slovenian colleagues on these issues. The Embassy is sponsoring several projects in partnership with civil society to elevate the discourse on energy security in Slovenia. We are eager to see the completion of Slovenia’s strategic energy concept, which has recently been through the public comment phase.

Looking at the European scene more broadly, we are deeply concerned about efforts to develop the Nord Stream II pipeline and other projects that do nothing to diversify sources. We view these efforts as Russia’s attempt to eliminate nearly \$2 billion in transport revenue for Ukraine and \$1 billion for Slovakia while doing nothing to improve energy security in Europe. Nord Stream II may seem a distant problem for Slovenia, but European solidarity with Ukraine and with fellow EU member states is at stake.

We do not oppose any one source but believe that an overdependence on any single energy source can be destabilizing.

No discussion of energy policy is complete without a discussion of climate change.

Climate change affects every nation, large or small, and every country has a role to play in addressing this shared challenge.

President Obama and Secretary Kerry both hailed the achievement of the historic Paris climate change agreement that has brought the global community together to address this shared challenge. As the President said, the agreement is ambitious, with every nation setting and committing to its own specific targets, even as we take into account differences among nations.

We will have a strong system of transparency, including periodic reviews and independent assessments, to help hold every country accountable for meeting its commitments. As technology advances, this agreement allows progress to pave the way for even more ambitious targets over time. And we have secured a broader commitment to support the most vulnerable countries as they pursue cleaner economic growth.

We also acknowledge that no agreement is perfect, including this one. Negotiations that involve nearly 200 nations are always challenging. Even if all the initial targets set in Paris are met, we'll only be part of the way there when it comes to reducing carbon from the atmosphere.

So we cannot be complacent. The problem is not solved because of this accord. In this regard, Slovenia as a country and as a member of the EU has an important role to play in implementing the agreement.

But make no mistake; the Paris agreement establishes the enduring framework the world needs to solve the climate crisis. It creates the mechanism, the architecture, for us to continually tackle this problem in an effective way over time.

Promoting economic reform, U.S. trade and investment

I am eager to cultivate closer trade and business ties between our two countries.

Slovenia and the United States have a solid trade relationship. Our bilateral trade with Slovenia is relatively modest, only about a billion euros in total trade volume per year, which puts us as only Slovenia's 15th-largest trade partner, at barely 2% of Slovenia's total trade volume.

But we can do better; we should aim higher. We should work for a dramatic expansion in the level of trade and investment between our two countries.

Some Slovenian companies – mostly privately-owned smaller and medium-sized firms – are doing good business in the United States. We welcome this and encourage more Slovenian businesses to look to the United States for investment opportunities.

In fact, there are opportunities for investment in both directions. Slovenian companies don't lack for know-how, imagination, or creativity. Your workforce is among the best educated in Europe and can compete with anyone on a level playing field.

We will continue to be supportive of the Slovenian government's efforts to make the Slovenian economy more competitive in global markets and attractive to U.S. investment.

At the same time, I'm interested in helping Slovenian companies find investment opportunities in the United States. With this in mind, I am working to assemble a business delegation to attend next year's SelectUSA summit in Washington, DC., in June.

Prime Minister Cerar's leadership on this issue will also go a long way to stimulate economic development. Working with AmCham and Deputy Prime Minister Koprivnikar, Prime Minister Cerar two weeks ago participated in an impressive agenda of high-level meetings with major U.S. tech firms, the world leaders in this field. Promoting a vision of a Slovenia as a "green reference country in Digital Europe," the goal is for Slovenia to partner with U.S. ICT firms to position Slovenia as a European headquarters for innovation and development.

Another critical element of an improved investment environment in Slovenia is the ongoing efforts to privatize state-controlled businesses. U.S. investors are interested, but their interest would be increased with additional progress in improving the investment climate in Slovenia, for

example by increasing the transparency of the privatization process and ensuring the independence of the State Holding Company and the “bad bank.” I also note recent conferences that have highlighted the business community’s calls for reform of tax and labor laws.

To further improve trade between the EU and the United States, as many of you know, the U.S. and the European Commission are currently engaged in negotiations aimed at lowering barriers to trade and investment between the world’s two largest economies.

The Transatlantic Trade and Investment Partnership (T-TIP) is being negotiated between friends and partners of equal size because the two sides believe that lowering tariffs and removing any remaining obstacles to transatlantic trade will bolster economic growth and create more opportunities for citizens on both sides of the Atlantic.

The goal is also to maintain high standards of consumer protection, safety, and the environment. The EU and the United States have the highest standards in the world, and this is our opportunity to make these standards the norm—not to be pulled down by trading partners with lower standards.

It has been a surprisingly controversial process, with lots of misinformation and fear-mongering, I’m sorry to say, not just in Slovenia but also in other European Union member states.

That is unfortunate, because at its core, T-TIP promises to help small and medium size businesses that don’t currently have the resources to navigate international trade by cutting tariffs, simplifying bureaucratic procedures, and seeing where we can streamline duplicative safety certification requirements for things like automobile parts, household appliances, and other goods.

We all know that most new jobs are created by small and medium-size businesses. These businesses also constitute the core of both of our economies.

There is a lot more to be said regarding TTIP, and I will welcome your questions on the subject.

Maintaining our dialogue on human rights:

I was very pleased to be able to congratulate Prime Minister Cerar and Foreign Minister Erjavec on Slovenia’s recent election to the UN Human Rights Council for a three year term beginning January 1, 2016. We have enjoyed good cooperation in the UN and the OSCE on human rights issues, and I look forward to continuing and deepening our engagement.

Slovenia is also addressing human rights issues at home. Its work to combat discrimination against the Roma is laudable. With the vast numbers of migrants and refugees crossing through Slovenia, trafficking in persons risks becoming an increasingly serious problem, and we see great opportunities in Slovenia for progress against this scourge.

I am not going to comment on the upcoming marriage equality referendum because this is an internal, electoral issue for Slovenians. I will only note that the U.S. government recognizes gay rights and human rights as one and the same, because no matter one’s sexual orientation, we are all equally entitled to human rights and dignity, and equal protection under the law. Along with a number of European countries, the United States has found its own way to marriage

equality, after a long and difficult debate. There will be great interest abroad in the decision that the Slovenian voters will make on Sunday.

So that's a lot of topics in a short period of time: Euro-Atlantic integration in the Western Balkans, combatting terrorism and disrupting the flow of foreign fighters to and from Iraq and Syria, solidarity on Ukraine and Russia, energy security, trade and economic development, and human rights. I look forward to your questions and comments on any of these topics or other issues of interest. I am sure that I have omitted or inadequately addressed any number of issues.

Thank you for your attention.