

**Testimony of Nick Larigakis, President, American Hellenic Institute (AHI)**  
**Fiscal Year 2019 Appropriations Bill**  
**Submitted to the U.S. House of Representatives**  
**Appropriations Subcommittee on State, Foreign Operations, and Related Programs**  
**April 20, 2018**

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 FY2019 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 and Turkey ceases and desists its acts of provocation and aggression in the Aegean; (2) a reorganization of the Overseas Private Investment Corporation (OPIC) that would prevent its authorization from doing business in Greece—a policy shift achieved in 2016 due to Greece's economic crisis; (3) aid the administration will request for the Former Yugoslav Republic of Macedonia (FYROM) until mutually-agreeable solution to the name-recognition issue; and (4) any reduction that might be introduced in the aid levels for the UN Peacekeeping Force in Cyprus.

Also, in keeping with the best interests of the United States, AHI applauds the FY2018 enacted level of funding of \$1 million for NATO ally Greece's **International Military Education and Training (IMET) program** and supports a recommended appropriation of \$1.2 million for FY2019.

**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 focusing on the problems in the region that are detrimental to U.S. interests and to call out those who cause instability in the region.

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).

- Held annually off of the coast of Souda Bay, Crete, the trilateral naval exercise "Noble Dina" between the U.S., Greece, and Israel, is a prime example of Greece's strategic importance to U.S. interests in the region.

To illustrate Souda Bay's importance, please consider the following figures that demonstrate the volume of operations conducted there in recent years:

- 2016: At least 2,356 U.S. and 305 NATO (total 2,661) planes utilized the 115th Combat Wing. Also, at least 139 U.S. and 139 NATO (total 278) ship port visits at NSA Souda Bay. Also, 16 U.S. and NATO units utilized NAMFI (NATO Missile Firing Installation).
- 2017: At least 2,102 U.S. and 530 NATO (total 2,632) planes utilized the 115th Combat Wing.

Also, at least 115 U.S. and 133 NATO (total 148) ship port visits at NSA Souda Bay. Also, 14 U.S. and NATO units utilized NAMFI (NATO Missile Firing Installation).

- 2018 (Jan-Feb-Mar): At least 126 U.S. and 50 NATO (total 176) planes utilized the 115th Combat Wing. Also, at least 30 U.S. and 29 NATO (total 59) ship port visits at NSA Souda Bay.

Moreover, 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. It has been noted by U.S. government officials how Souda Bay allows United States Navy vessels—especially aircraft carriers—the ability to dock, make needed repairs and maintenance, and resupply, all within a couple of weeks and without having to return to Naval Station Norfolk.

Further, 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 2.36% 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. By percentage of GDP, Greece is second only to the United States.<sup>1</sup> Greece is also an active participant in peacekeeping and peace-building operations conducted by international organizations, including the UN, NATO, the EU, and OSCE.

**International Military Education & Training (IMET) – Greece.** AHI recommends funding Greece’s IMET level at \$1,200,000 for FY2019. 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 mil-to-mil 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.

For 11 fiscal years (FY2006-FY2017), the decline of Greece’s IMET funding levels resulted in the drastic decrease in the number of Greek military students participating in the program. 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 FY2019 IMET programmatic request of \$1.2 million, building upon FY2018’s \$1 million appropriation, will be an effective and wise investment toward a key component of U.S. security assistance and will make-up for the “opportunity lost” to educate and train our NATO ally’s military officers. 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.

In a November 2017 interview, U.S. Ambassador to Greece Geoffrey Pyatt stated: *“The United States sees Greece as a pillar of stability in this region. That was the message that Vice President Pence underlined when he met with Prime Minister Tsipras last month... We see Greece as an important partner, not just because of the way that we work together – for instance our military forces in Souda Bay – but also the way in which Greece is deepening its partnership with American friends in the*

<sup>1</sup> [http://www.nato.int/nato\\_static\\_fl2014/assets/pdf/pdf\\_2016\\_07/20160704\\_160704-pr2016-116.pdf](http://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2016_07/20160704_160704-pr2016-116.pdf)

region, countries like Israel, Cyprus, the trilateral between Greece, Cyprus and Egypt, the very important role that Greece plays in the Western Balkans.”<sup>2</sup>

A U.S. embassy spokesman also reaffirmed the existence of strong cooperation between the U.S and Greece, and Greece’s importance to U.S. security interests: “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.”<sup>3</sup> Americans nickname Souda Bay as the “Best in the Med.”<sup>4</sup>

**OPIC.** In 2016, AHI backed successfully a policy shift that stated the Overseas Private Investment Corporation (OPIC) is authorized do business in Greece if there are “strong development or foreign policy reasons to proceed.” The policy objective is aimed to help spur commerce investment in Greece as Greece endures its economic crisis. We have a neutral position on the administration’s proposed consolidation of OPIC, and bipartisan-supported legislation (H.R.2747) aimed to streamline and coordinate U.S. development assistance programs such as OPIC, so long as Greece is able to still be eligible and benefit from these programs carried out by federal agencies overseas with private sector investment activities.

**Regional Instability.** A key to peace and stability in the region is for good neighborly relations among NATO members and respect for the rule of law. 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, which led to the collapse of settlement talks in 2017. 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. To demonstrate, Turkey issued a Navtex on April 19, 2017 that according to one press report reserves “an area inside the island’s Exclusive Economic Zone (EEZ), off Famagusta, to carry out seismic surveys between April 30 and June 30.” The report elaborates on coverage of the Navtex, stating it not only includes Cyprus’ EEZ, but it also extends into a part of Cyprus’ territorial waters. Adding to this development is Turkey’s intensified military presence in an area stretching south from Rhodes to the coast of Paphos in Cyprus and the issuance of three consecutive Notices to Airmen (NOTAM) for military exercise over Turkish-occupied northern Cyprus. Further, in 2018, Turkey’s threats reached new heights of danger. Turkish warships harassed the surveying vessel of Italian oil company Eni and threatened on February 23, 2018 to sink it in the exclusive economic zone of Cyprus. According to press reports, Eni’s ship was forced to make maneuvers to avoid a collision after the Italian captain’s request to the Turkish vessel to change course went unanswered.<sup>5</sup> In 2018, ExxonMobil is expected to begin its exploration for energy reserves in Cyprus’ EEZ. What will Turkey do then? The United States has stated repeatedly it supports Cyprus’ sovereign right to explore energy in its exclusive

<sup>2</sup> <http://www.ekathimerini.com/223743/article/ekathimerini/community/us-sees-greece-as-pillar-of-stability-in-the-region>

<sup>3</sup> 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>.

<sup>4</sup> *Ibid.*

<sup>5</sup> <http://www.ekathimerini.com/226092/article/ekathimerini/news/turkish-ships-threaten-to-sink-enis-drill-vessel>

economic zone, most recently by a State Department Spokesperson and U.S. Ambassador to Cyprus Kathleen Doherty.

Because of threats in the eastern Mediterranean and Middle East, AHI contends the U.S. must lift its arms embargo on Cyprus<sup>6</sup>, 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 for the Republic of Cyprus to maintain its Western orientation, especially by turning to the United States to procure its defense materials.

Additionally, instability in the region continues to be exacerbated on a daily basis with Turkey's ongoing violations of Greece's territorial water and national airspace in the Aegean, which are in violation of international law and unnecessarily risks lives. 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.<sup>7</sup> This is unprecedented. This month, a Turkish helicopter flew at a low altitude, without its lights on, around the perimeter of the inhabited Greek island of Ro. This suspicious and provocative behavior on Turkey's part prompted Greece's military to fire warning tracer shots at the helicopter and unnecessarily placed lives in harm's way. Furthermore, this past week, Turkish fighter jets harassed the Chinook helicopter carrying Prime Minister Alexis Tsipras and Chief of the Hellenic National Defense General Staff Admiral Evangelos Apostolakis. 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.<sup>8</sup> Unfortunately, this escalated in February 2018, when a Turkish coastguard vessel collided with a stationary Greek coastguard vessel near the Greek island of Imia. Video footage of the incident has since been released and shows damage to the Greek vessel's stern.

- According to the Hellenic National General Staff, in the first quarter of 2018, there have been 351 violations of Greece's sovereignty on the sea and 920 violations of Greece's national airspace.

These reoccurring acts are egregious and cost the Greek government approximately \$400 million a year and come at a time when it can ill afford to spend any funds unnecessarily to deal with provocative actions by a NATO ally. They have also led U.S. Ambassador to Greece Geoffrey Pyatt to convey concern over the possibility of an "accident" happening over the Aegean.

Finally, Turkey has detained two Greek soldiers who strayed across the border into Turkey. The soldiers have been jailed without formal charges being filed.

**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 and of its airspace. Of course, Turkey's ongoing human rights, freedom of speech, and religious freedom violations are problematic.

Moreover, Turkey continues to demonstrate it is not a true and dependable U.S. and NATO ally. President Erdogan threatened United States military forces with an "Ottoman slap" if they continued to partner with Syrian Kurds. Turkey's military campaign against the Kurds in Syria places U.S. troops in

<sup>6</sup> Eastern Med Statute [22 USC sec 2373(e)(1)] and [57 Federal Register No. 244, December 16, 1992].

<sup>7</sup> <http://www.reuters.com/article/us-greece-turkey-tensions-idUSKBN15G5AQ>

<sup>8</sup> <https://www.theguardian.com/world/2017/jan/30/greek-and-turkish-warships-in-standoff-in-aegean-sea>

Manbij at risk of peril at the hands of a NATO partner.<sup>9</sup> Further, Turkey's \$2.5 billion purchase of four divisions of S-400 surface-to-air missiles from Russia has raised concern among NATO partners and potentially subjects Turkey to U.S. sanctions based upon the recently-enacted Countering America's Adversaries Through Sanctions Act (CAATSA), according to a U.S. administration official.<sup>10</sup> Moreover, President Erdogan's hosting a summit on Syria in Ankara with Russian President Vladimir Putin and Iranian President Hassan Rouhani, raises eyebrows and calls into further question Turkey's foreign policy direction, which seems to be headed increasingly away from the West. Finally, the United States' economic security contributes to its overall national security. Turkey has requested an exemption from new U.S. import tariffs on steel and aluminum, and should Turkey be denied, Turkey has threatened to retaliate by imposing tariffs on U.S. goods, such as cotton.

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. It would provide a settlement, should it be achieved, 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 2019 State, Foreign Operations, and Related Programs Appropriations bill:

*Assistance provided to Cyprus under this Act should foremost ensure that the United Nations Peacekeeping Force in Cyprus (UNFICYP) can fully implement its mandate, while remaining available to also contribute to the creation of a conducive environment for the settlement talks under the auspices of the UN Secretary-General's Good Offices. Furthermore, in the event of reunification, further assistance should be used to contribute towards the cost of reunification, including towards monitoring provisions, facilitation for settlement of the property issue, supporting and underpinning the new federal structures of a reunified island and assisting with the construction of a strong unified Cypriot economy able to cope with the new challenges, and strengthening the contacts between the two communities as conducive to reunification, in a way agreed to between the United States and Cyprus.*

Held in Crans-Montana, the Conference on Cyprus, the latest UN-led attempt to achieve a just and viable solution to the near 44-year-old division of the Republic of Cyprus, ended without reaching an agreement because of Turkish intransigence. Instead of helping to provide stability by promoting a just settlement supported by both Greek Cypriot and Turkish Cypriot communities, Turkey continued to insist on antiquated and obstructive stances. For example, Turkey's insistence to maintain the Treaty of Guarantee,

<sup>9</sup> <http://www.washingtonexaminer.com/turkish-diplomat-defends-ottoman-slap-threat-to-us-amid-signs-of-deal/article/2649330>

<sup>10</sup> <https://ahvalnews.com/nato-turkey/s-400-purchase-might-expose-turkey-us-sanctions-us-official>

which would allow for future unilateral Turkish military interventions, is completely unacceptable and contradicts the governing principals of a European Union member state.

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; a bizonal, bicomunal federation, as well as a solution that embodies 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.

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. As mentioned, Turkey's threats in Cyprus' EEZ are an endangerment to U.S. companies, such as ExxonMobil and Noble Energy, Italian (NATO ally) company Eni, and others, who have been, or will be, working to explore for hydrocarbons in the eastern Mediterranean.

**Former Yugoslav Republic of Macedonia (FYROM).** We welcome the discussions currently underway by Greece and FYROM to find a solution to the unresolved issue of the latter's name. Greece is taking the lead in the Balkans because it understands it has role of stability to play in the region. Furthermore, the United States must be supportive of the process, but not place undue pressure on it.

Because of the extreme nationalist and irredentist policies of the previous government in Skopje against Greece and its citizens, AHI has opposed United States foreign assistance to FYROM, via the Economic Support Fund (ESF), and called for its proper oversight. These nationalist policies were often carried-out by the Skopje government through infrastructure and development projects, and ESF is a fund that includes support for economic development projects, such as infrastructure. Although the Zaev-led government in FYROM has demonstrated goodwill gestures, such as removing the "Alexander the Great" name from its international airport in Skopje, it is still a relatively new government and just this month survived a confidence vote. Therefore, until such time as FYROM agrees to Greece's concerns regarding all elements relating to the name issue, the U.S. government must give pause in providing foreign aid to FYROM.

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