



THE BLACK SEA ... OR A BLACK HOLE?

Ben Hodges



STRATEGY PAPER

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Cover: Russian sailors march during the Navy Day parade in the Black Sea port of Sevastopol, Crimea July 28, 2019. REUTERS/Alexey Pavlishak.

“What happens in the Black Sea doesn’t stay in the Black Sea”

Tihomir Stoytchev,
 Bulgaria’s ambassador to the United States

The Black Sea region (BSR) is where Russia, Europe, the Middle East, the Balkans, and the Caucasus come together. The region is at the center of four great forces:

- Democracy on its western edge
- Russian military aggression to its north
- Chinese financial aggression to its east
- Instability in the Middle East to its south

The BSR is, in short, the literal and philosophical frontier between liberal democracy and autocracy. It matters to the West and to the Kremlin. But U.S. and Western strategy in the region has been insufficient. Great-power competition prevents great-power conflict. Conversely, failure to compete and to demonstrate and protect interests, in all domains, can lead to power vacuums and misunderstandings that can, in turn, lead to an escalation of tensions and actual conflict.

Russia uses its new generation (or “hybrid”) warfare to force NATO into an asymmetric contest, thus avoiding many of the Alliance’s greatest strengths. Challenging the Kremlin with military means only, in its perceived sphere of influence, reveals our lack of an effective long-term strategy, potentially leading to an escalation where Russian President Vladimir Putin’s regime holds most of the cards.

We need greater focus, vision, and willpower. This region must now be where NATO and the West compete: holding the line against anti-democratic forces, taking the initiative, establishing our influence, and protecting our strategic interests.

Why the Black Sea Region Matters to the Kremlin

Russia's concerns are aggressive, but also defensive. It fears growing Western and, in particular, Turkish influence in the BSR, which could turn the Black Sea into a "NATO lake."¹ Moscow wants to ensure that no new east-west energy corridor can bypass Russia or weaken its grip on oil and gas exports. The BSR is Russia's key strategic maritime domain now and into the future. Russia believes it can operate with near impunity in the BSR, building and then projecting capabilities into the Caucasus, the Balkans, the Middle East, and beyond. The Kremlin's growing military capabilities in the BSR have, in effect, surrounded Turkey, while enabling Russian naval operations in the Eastern Mediterranean and its support for Bashar al-Assad's regime in Syria and Gen. Khalifa Haftar, the commander of the self-styled Libyan National Army, in Libya.² These Kremlin actions have also "weaponized" refugees, particularly from Syria, with a huge negative impact on European cohesion and budgets.³

The Kremlin is prepared to use force in the BSR. Since 1992, it has backed the separatist authorities in the Moldovan region of Transnistria. It invaded Georgia in 2008 and continues to occupy 20% of Georgia's sovereign territory (Abkhazia and South Ossetia).⁴ It occupied Crimea in 2014. It seized three Ukrainian naval vessels in November 2018.⁵ It continues to support and lead separatist forces in Donbas while preventing the Organization for Security and Co-operation in Europe (OSCE) from fulfilling its monitoring tasks.⁶

Russia's illegitimate claims to territorial waters around Crimea also threaten Ukrainian gas fields in the western Black Sea and Romania's Exclusive Economic Zones (EEZs).⁷ A claimed "humanitarian crisis" in Crimea due to water shortages

could be a pretext for military action. The logistical and infrastructure legacy of the Russian Kavkaz-2020 military exercise, which ended in September, remains in place and available for use in subsequent weeks and months.⁸

So, What Do We Do?

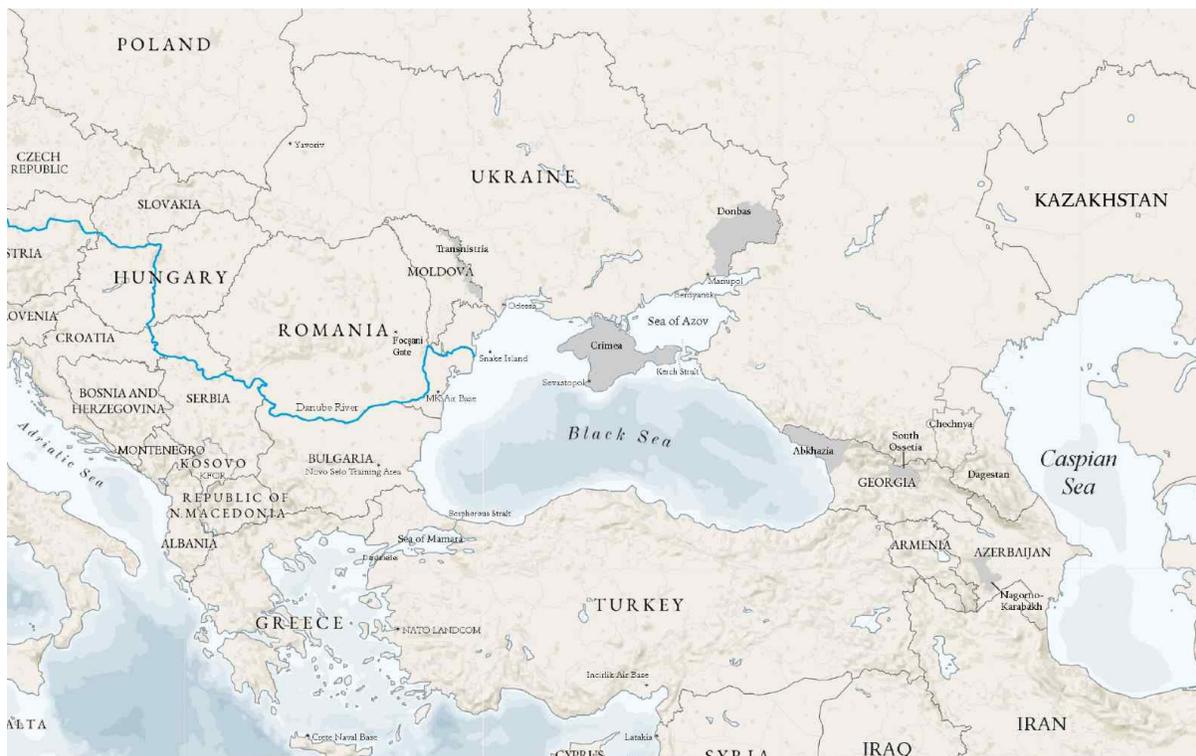
On the other side of the continent, the Baltic Sea has enjoyed considerable attention from Western security planners over the past 20 years, resulting in a substantial improvement in regional security. It is now time to close the security gap in the BSR.

We need to shape events through military alliances, diplomacy, private investment, and effective deterrence instead of reacting to or ignoring or accepting Kremlin coercion and other interventions. This is entirely feasible. Doom-laden talk about the end of U.S. strategic interest in Europe is overblown. U.S. attention is shifting toward the Indo-Pacific region, but its national interests depend significantly on stability, security, and prosperity in Europe. European allies are uniquely close and effective. NATO is the most successful military alliance in modern history and remains the mainstay of U.S. security efforts not only in Europe, but also in the Middle East and Africa.

The West needs to change the rules of the game, develop its own approach to hybrid warfare, use all the tools of national and alliance power, and compete across all four domains of the DIME (Diplomacy, Information, Military, and Economic) framework.

1. Diplomacy

The aim should be to build diplomatic consensus between like-minded players about the strategic importance of the greater BSR, while communicating our intentions clearly to the Kremlin. Black Sea nations need to put their voices together



Adapted in 2020 from © Mapbox and © OpenStreetMap.

in cooperation with diplomatic efforts in Washington, Brussels, Berlin, London, and Paris to draw attention to the BSR and highlight its strategic importance.

Successful templates include the concerted efforts by Central European and Baltic countries in the run-up to decisions on European Union (EU) and NATO expansion in the 1990s and early 2000s and the decision at the NATO Summit in Warsaw in 2016 to deploy Enhanced Forward Presence (eFP) battle groups to Estonia, Latvia, Lithuania, and Poland.⁹

German leadership is key. Its rotational seat on the U.N. Security Council and current seat on the U.N. Sanctions Committee, as well as its role (in the second half of 2020) as president of the Council of the European Union give it leverage and a platform. The immediate goal of BSR-focused diplomacy should be to reject any and all claims to legitimize the Kremlin's illegal annexation and occupation of Crimea. In particular,

Russia should not be allowed to promote creeping legalization of its land grab over time, for example, by exploring or developing gas fields around Crimea or by using force to stop Ukrainian naval vessels off the coast of Crimea.

This should include an international boycott of any ships sailing directly from Crimean ports. They should be turned away from Western ports and denied maritime insurance. Russian pressure within the London-based International Maritime Organization (IMO) has unfortunately, so far, limited visibility of these violations and hence the effectiveness of these efforts.

More broadly, BSR diplomatic efforts should review and, if necessary, expand/extend existing sanctions. An international monitoring and sanctions compliance regime, which highlights violations of sanctions in international media and organizations, should be established.

Time for Turkey-U.S.-NATO 2.0

The most important long-term diplomatic goal is stabilizing and strengthening the relationship between Turkey and the West, and, specifically, between Turkey and the United States. Failure to do so risks further cracks in NATO cohesion in one of the most geographically strategically important parts of the Alliance — cracks which are already being exploited by the Kremlin.

The EU's prioritization of Greek and Cypriot concerns risks further alienating Turkey within the transatlantic community, including in the Black Sea. Policymakers in Washington and Brussels must find a way to embrace **Turkey as the strategic pivot** *linking the Black Sea, Levant, and North Africa and as a major regional power that is at the crossroads of several regions and challenges. Turkey is essential for deterrence in the Black Sea as well as a critical bulwark against the Islamic State group and Iran.* Protecting all of this must be a priority.

Turkish geostrategic thinkers and planners know that the Black Sea has been an historical vulnerability for them for centuries. Turkey has fought more wars with Russia in its history than any other opponent, and without much success.

Turkey would like to do more to advance NATO's interests in the Black Sea, but it is distrustful of the willingness of the United States and the rest of NATO to come to its defense if it does in fact push back firmly against the Kremlin. The United States should make clear that it would **stand with Turkey** *in such a case.*

Additionally, the conflict between Azerbaijan and Armenia over Nagorno-Karabakh puts a lot of pressure on the Ankara-Moscow relationship. Turkey supports the Azeris while the Kremlin, which sells weapons to both sides, has bases in Armenia. The United States should make clear to Ankara that while it doesn't support an expansion of the conflict, it will support Turkey if there is a problem with Moscow.

The United States should also cease providing weapons to the **Kurdish YPG militia**, recognize that Turkey has legitimate internal security concerns regarding the Gülenists, and find a way to resolve the current legal impasse regarding the extradition of their U.S.-based leader, Fethullah Gülen.

Western countries should recognize that Turkey is on the front line of the Middle Eastern refugee crisis, with more than 3.5 million refugees in Turkey or on its border with Syria.

The United States should reframe structures dating from the Cold War, including changing the EUCOM/CENTCOM and Department of State regional boundaries, which currently sit on the Turkish-Syrian border, to one that is more mindful of Turkey's strategic situation.

The United States should offer Turkey a way out from its misguided purchase of **Russian S-400 air defense systems**. It should consider making a special case for Patriot sales to Turkey that include technology transfer and co-development with the Turkish defense industry, similar to the arrangement for F-35 production and then bring Turkey back into the F-35 program. However, Turkey's current testing of the S-400 system on the Black Sea coast makes this increasingly difficult.

The Turkey-Greece conflict over drilling for gas in the **Eastern Mediterranean** should be resolved. Germany should lead this diplomatic effort, with strong U.S. and U.K. support.

Offer to support construction of the proposed **Istanbul Canal**, not for the purpose of evading the Montreux Convention, but to improve the economic potential of the BSR, assuming Turkey is able to adequately address environmental concerns. Western investors should make this offer before China or Russia offer to do it.

Despite sanctions hundreds of vessels sail in and out of Crimea each year, often turning off their mandatory tracking devices, changing flags, and using various other methods to avoid restrictions.¹⁰

Vessels from several European nations have been involved in side-stepping sanctions.¹¹ Sanctions should be extended to businesses that use Crimean ports, not just the vessels themselves.

Sanctions should target oligarchs close to Putin, who depends on their financial resources, in an effort to weaken that support. Measures should include travel and study bans on oligarchs and their immediate family members — for example, they should be barred from schooling or purchasing real estate in the United States or the United Kingdom. BSR nations should follow up on sanctions protocols rather than leaving enforcement to EU member states.

Combining such efforts would apply broader pressure on the Kremlin to live up to its international obligations and agreements and act responsibly.

BSR diplomacy should also condemn and restrict Russia's frequent live-fire training exercises that periodically block large segments of the Black Sea, impairing freedom of navigation.

Secondary BSR diplomatic priorities include:

- Resolving the dispute between **Serbia and Kosovo** over the latter's recognition as an independent state. The Western Balkans are the backdoor of the BSR. The United States should work with the EU to ensure continued Western integration of Serbia and the rest of the Balkans. NATO should also continue its KFOR (Kosovo Force) peacekeeping mission in the Balkans.
- Addressing **Hungary's issues with Ukraine**. Failure to do so limits NATO's ability to work more closely with Ukraine, affecting, in turn, the security and stability of the greater BSR.

2. Information

Besides criticizing Russian actions in Crimea and elsewhere, we should accentuate the positive. The West has a better story to tell, winning the hearts and minds of citizens through the ideals of individual empowerment and dignity. But we must live up to our own ideals and tell that story better. Since the end of the Cold War, the United States has reduced its investment in cultural influence, weakening the kinship Eastern Europeans feel toward the United States and the transatlantic relationship. However, technology offers huge opportunities to rekindle the U.S. ideal, and the BSR is a perfect place to start. We need to support independent media as well as U.S. government-supported news outlets like *Radio Free Europe/Radio Liberty* and *Voice of America*. The Russians and Chinese are much more deliberate about directing resources.

We also need to revive our education programs. In the past, some of the most effective U.S. influences have been the schools built by U.S. initiatives, especially schools that taught the basic principles of parliamentary and U.S. democracies: direct representation, checks and balances, decentralization, and judicial independence. U.S.-sponsored and affiliated universities, high schools, and other programs offer great potential for the competitive exercise of U.S. soft power.

From 1992-2013, the U.S. Congress made available hundreds of millions of dollars via the Edmund S. Muskie Graduate Fellowship Program to provide U.S. graduate-level education to the 25-35-year-old demographic in the states of the former Soviet Union. Now, the graduates of these programs — “Muskie,” as they call themselves — are ministers and deputy ministers and have an understanding of the United States and a transatlantic view. We should reinvigorate the Muskie Program

or develop a successor as a long-term investment in the region.

Montreux Convention: This treaty gives Turkey sovereignty over the so-called Turkish Straits (the Bosphorus, the Sea of Marmara, and the Dardanelles) and governs naval presence in the Black Sea. Submarines based in the Black Sea are allowed to transit the straits only for purposes of repair.¹² Russia has breached this rule by sending a submarine from its Black Sea Fleet to take part in operations in the Eastern Mediterranean.¹³ We should ensure Turkey is holding the Kremlin accountable for any violations. A public information device, perhaps something similar to a virtual “Times Square” billboard display, could display violations.

3. Military

The BSR is essential to Western security and stability. Western defense planners need to make the region a higher priority and invest more resources. The Russian Black Sea Fleet will always have a numerical advantage, as a result of the Montreux Convention, so the Alliance must find innovative ways to gain the initiative.

The Alliance must develop a strategy that places the BSR in the middle of the geostrategic map. This strategy should be underpinned by a Graduated Response Plan (GRP), similar to what has already been accomplished in the Baltic region. Such a strategy and GRP will drive planning, resources, exercises, and presence to deter Kremlin aggression and provide a bulwark against Iranian and Chinese inroads.

Unlike in the Baltic Sea, attaining “sea control” in the Black Sea is not feasible, at least not in the early stages of a potential crisis, given the numerical advantage of the Russian Black Sea Fleet over combined NATO and partner naval capacities in the region.¹⁴ However, achieving “sea denial” so that the Russian Black Sea Fleet is unable to enjoy complete freedom of navigation and maneuver is feasible.

Ideally, Turkey should be NATO’s center of gravity in the region. Given its strategically decisive location and sizeable military capabilities it should lead deterrence efforts against the Kremlin. Turkey, however, is focused on its southern border and the Eastern Mediterranean.¹⁵ It is reluctant to challenge the Kremlin or disrupt the status quo in the BSR.

In the short to medium term, NATO should, therefore, designate Romania as its center of gravity due to its geographic location, proximity to other allies as well as Ukraine and Moldova, its robust modernization efforts, and its strategic transportation infrastructure. Accordingly, Romania should create its own anti-access/area denial (A2/AD) capability to protect its coast and EEZ using standoff weapons such as anti-ship missiles, HIMARS (long-range rocket system), attack helicopters, Maritime Unmanned Systems (MUS), and armed unmanned aircraft systems (UAS, also known as drones).¹⁶ Romania should also offer to establish and host a NATO Center of Excellence for Unmanned Systems due to its ideal flying conditions and long Black Sea coastline as well as presence of the Danube River. Finally, Romania should continue to expand the training and logistics infrastructure at Mikhail Kogălniceanu Air Base (MK) and at the Smârdan and Cincu training areas, improving capabilities for joint, multinational live fire exercises that enable training that meets U.S. Army and U.S. Air Force qualification standards.

Gain the Initiative — a 12-Step Program

1. **Immediately invite Georgia into NATO** and put **Ukraine** on a fast track to membership. Continue to train and support modernization efforts in Ukrainian and Georgian military forces. The British Royal Navy should establish a formal partnership with the Ukrainian Navy to assist with development, modernization, and



U.S. Navy guided-missile destroyer USS Ross, with the Blue mosque in the background, sails in the Bosphorus, on its way to the Black Sea, in Istanbul, Turkey, February 23, 2020. *Credit: REUTERS/Murad Sezer.*

- training of the Ukrainian Navy. The U.S. Army and Canadian Army should continue to support training at Yavoriv Training Center in western Ukraine and look to develop the large maneuver training area, Shirokyi Lan, in southern Ukraine.
2. **Make the Russian Black Sea Fleet vulnerable** in its illegal home ports in Crimea. That means the deployment of drones and cruise missiles with a 500-km range to NATO nations around the Black Sea and the deployment of mine-laying capability to disrupt or neutralize Russia's ability to deploy or threaten NATO and partner-country coastlines, harbors, territorial waters, and EEZs.
 3. Continue to support and expand NATO's MUS program and encourage the purchase, development, and deployment of MUS to complement the conventional naval forces and surface vessels of Romania, Bulgaria, Ukraine, and Georgia. One frigate with an attached grouping of four or five MUSes operating above, on, and below the surface will greatly enhance the capabilities of that single vessel, particularly in the areas of anti-submarine and anti-mine capability. This alone can significantly change the correlation of naval forces in the Black Sea and blunt much of the Russian Black Sea Fleet's advantage.
 4. Increase significance, size, and sophistication of the annual **Sea Breeze exercise** hosted by Ukraine, including ground deployment of U.S. and allied units from Poland and Romania, through Moldova, into

Ukraine. Put this on a scale with Russia's Kavkaz-2020 or the U.S.-led Defender 20 transatlantic military mobility exercise. A scaled-up Sea Breeze should be linked to Georgia's annual Noble Partner exercise and the Saber Junction exercise in Romania, Hungary, and Bulgaria, giving NATO and its partners a chance to exercise mission command, military mobility, integrated air and missile defense, and intelligence sharing and fusion with a large multinational force. To maximize impact and increase transparency, Russian observers should be invited along with international media.

5. Ensure a continuous **non-littoral NATO naval presence** in the Black Sea 365 days a year. Establish naval support infrastructure in Romania, Ukraine, Georgia, and Bulgaria that enables the maximum U.S. naval presence allowed, within the parameters of the Montreux Convention.
6. Convert Black Sea air policing to **Black Sea air defense**, with attendant changes to mission profile and rules of engagement.
7. Encourage collaboration between Black Sea allies and partners in intelligence sharing, exercises, and interoperability. Romania and Ukraine are good models to follow and build on for the entire region.
8. Establish a **joint, multinational three-star headquarters** on the Black Sea, responsible for planning, readiness, exercises, and coordination of all military activity in the greater BSR.
9. Develop a **Common Operating Picture (COP)** for air, maritime, and land for the greater BSR by fusing intelligence from all sources/nations around the Black Sea and NATO to create the "unblinking eye" that ensures speedy recognition of what the Kremlin might be doing. Training and maintaining this

capability would significantly reduce the possibility of NATO or Black Sea littoral nations being surprised by the Kremlin's hybrid toolbox.

10. Enhance and integrate **Air and Missile Defense (AMD)**. Increase AMD capabilities that are layered and fully integrated. Conduct an annual theater-wide AMD exercise with Command Post Exercises (CPX) and live exercises in alternating years.
11. Give the Supreme Allied Commander Europe (SACEUR) the tools needed to extend his Area of Responsibility (AOR) to the BSR. This means harmonizing the operational space and rear area with greater investment in transcontinental logistic infrastructure, more frequent exercising, and improved military mobility. Improving the cyber protection of this transportation and mission command infrastructure is essential to rapid reinforcement. Capabilities, including communications architecture, mission command, transportation, intelligence, air/missile defense, fuel, ammunition storage, and assembly areas, should be trained and in place.
12. **Improve military mobility** to enable more rapid deployment and reinforcement. NATO, the EU, and countries in the region must address the challenges resulting from underdeveloped transportation infrastructure and traversing the Carpathian Mountains. Make better use of the Danube for large, bulk military cargo, similar to what is currently done on the Rhine.

4. Economic

A strong economy is critical to building security and stability in the BSR. Like the third leg of a three-legged stool, private investment in regional economies complements U.S. diplomatic efforts and military/security cooperation efforts.

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Encouraging investment in the BSR by businesses from the United States, the U.K., Germany, the Netherlands, and others gives those nations skin in the game. Having real economic interests means these countries will care about Kremlin interference with freedom of navigation, violation of borders, illegal annexation, and claims to EEZs.

This is why the Kremlin did all it could to kill the Anaklia Deep-Water Port project in Georgia on the east end of the Black Sea.¹⁷ This would have been a game changer for the BSR, especially for Georgia and Romania. Stopping the Anaklia port project hinders the development of the proposed East-West Economic Corridor, meaning lost benefits to the Port of Constanta in Romania, less incentive to improve the Danube River, and no bypass of Russia.

But there are challenges. Black Sea littoral states are generally weak on the rule of law, transparency, and investment attractiveness, and some still suffer to varying degrees from oligarchic capture.

Only Romania and Bulgaria are EU members. Ukraine is still struggling with its own corrupt political and economic institutions nearly thirty years after independence. Georgia and Moldova's EU accession is stalled by economic and political weakness. All nations in the BSR need to increase investment attractiveness by deregulating industry, improving transportation infrastructure, creating favorable tax incentives, and implementing transparency in financing, banking, and the judiciary.

Given the different risk/reward scenarios across the BSR, unifying economic structures have a lot of ground to cover. Several organizations have emerged over the

past few years, each intended to improve economic prosperity in the BSR. They have all had some impact but they have not been able to match Kremlin or Chinese investment because they lacked resources or political clout or a common focus. Russian membership in some of these organizations has also hindered their effectiveness.

These organizations include:

- **BSEC** (Black Sea Economic Cooperation), based in Istanbul, is an 11-member organization that comprises Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Romania, Russia, Serbia, Turkey, and Ukraine. It is regarded as ineffective, outside of some efforts in agriculture. It lacks common perspectives and priorities.
- **BSTDB** (Black Sea Trade and Development Bank), headquartered in Thessaloniki, Greece, is an international financial institution serving its 11 member states: Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine. (BSTDB's membership is almost the same as BSEC but excludes Serbia and includes Moldova). It is intended to support economic development and regional cooperation by providing loans, guarantees, and equity for development projects and trade transactions. Russian membership in this bank is probably not conducive to competitive development in the BSR.
- **GUAM** (Georgia, Ukraine, Azerbaijan, Moldova): GUAM's charter was signed during a summit in Yalta in 2001 by the four current members and Uzbekistan, which later withdrew. The charter set objectives for cooperation, such as promoting democratic values, ensuring stable development, enhancing international and regional security, and stepping up European integration. One of the issues associated with GUAM is competition between two proposed transportation corridors to better link



A woman holds Georgian, US and NATO flags as she takes part in a protest against the results of the 2020 Georgian parliamentary election held by supporters of Georgian opposition parties outside the offices of the Georgian Parliament in Rustaveli Avenue. With votes from 97% of polling stations counted, the ruling Georgian Dream-Democratic Georgia Party has won 48% of the vote. *Credit: David Mdzinarishvili/TASS.*

Europe with Asia. Ukrainian President Volodymyr Zelensky is attempting to breathe life back into GUAM, working with Azerbaijan on several projects.¹⁸ It remains to be seen whether the ongoing conflict between Azerbaijan and Armenia will disrupt these efforts.

- **The Danube River Commission**, established in 1948 and based in Budapest, was created to foster greater development and ensure proper maintenance of the Danube, part of Europe's economic backbone along with the Rhine and Main Rivers. The commission's members include Austria, Bulgaria, Croatia, Hungary, Germany, Moldova, Russia, Romania, Serbia, Slovakia, and Ukraine. Yet the Danube is not currently operating at anything

close to full capacity. The Danube River Commission still includes Russia as a member, more than three decades after the breakup of the Soviet Union. Its official languages are French, Russian, and German — but not English, let alone the languages of any of the other Black Sea littoral countries.

- Neither this commission nor other bodies dealing with the Danube are doing their job properly. Specific actions need to be taken to improve the quality of river port construction and train and retain the personnel necessary to operate effectively on the river. Experts predict that most skilled crews and shipmasters will be gone in 10 years. Action should also be taken to dredge the Danube to four meters

to provide a more feasible route for logistics and commerce. River water levels are low due to climate change, but also due to poorly managed dam construction and usage as well as maintenance and dredging.¹⁹

At this point, based on the lack of tangible results, most of these organizations seem to fall short when it comes to matching the challenges posed by Russia and China. In coordination with the EU, the United States should inject sustained, substantial support for these organizations through a combination of measures that encourage private investment.

A “Marshall Plan for the BSR”: The nations of the BSR were left out of the original Marshall Plan after World War II because of Soviet objections. For the same reasons that prompted U.S. postwar aid to the rest of Europe, we should focus U.S. economic assistance in the BSR to help grow and accelerate economic development and prosperity in the region. A second Marshall Plan would provide financial resources, training, education, tax incentives for private investment, curb corruption, and give legal protections to investors. It would also support projects to establish or expand U.S. universities in each of the Black Sea capitals, teaching subjects ranging from medicine and engineering to journalism. It should broaden academic exchange opportunities.

The economic impact of the Covid-19 pandemic makes it unlikely that the United States will have the resources to match the scale of the original Marshall Plan. But something smaller, and more targeted, in cooperation with the EU might enable the West to compete more effectively with Russia and China. This effort should build on existing regional framework organizations and initiatives, enhancing their already-existing networks and successes, while gradually reducing Kremlin influence and offering a better solution than Chinese Belt and Road Initiative debt traps.

The U.S. Departments of State and Commerce should work with nongovernmental organizations to organize a business development conference in Romania with other BSR nations to highlight the importance of Black Sea economic, infrastructure, and energy security. Such a conference should attract major businesses and investors as well as relevant Black Sea nation government officials.

The U.S. International Development Finance Corporation (DFC) replaced the Overseas Private Investment Corporation (OPIC) as the U.S. government’s instrument for enabling/encouraging private investment overseas to support U.S. strategic policy objectives. A DFC “road show” into different capitals, focused on infrastructure, would help clarify priorities and requirements and preconditions for attracting U.S. capital.

The Three Seas Initiative (3SI) provides a structure and process for increasing investment in transportation and energy infrastructure. This effort seeks to prioritize north-south connectivity, from the Baltic Sea south to the Adriatic and Black Seas. Greece and other countries should be included in this initiative. Finding a way to connect the 3SI more closely to the BSR, figuratively and literally, would be a major step forward.

DFC is the instrument through which the U.S. government would contribute \$1 billion to the 3SI, as pledged by former U.S. Secretary of State Michael R. Pompeo at the Munich Security Conference in February 2020.²⁰ Also, encouragingly, the DFC opened an office in Belgrade in September 2020 moving the dealmakers closer to the action — and creating the opportunity to connect Serbia, a back door to the BSR, to the 3SI.

Energy security cooperation is an area with great potential and growing positive developments. Turkey wants to build itself as a hub for regional gas to further project

its power east and west. Ukraine, Bulgaria, Georgia, and to some extent Romania have moved farther away from the Russian energy giant Gazprom. Exports of U.S. liquefied natural gas (LNG) have put much more U.S. gas into Eastern Europe and provided a real commercial alternative to Gazprom.²¹ Even Turkey has purchased some U.S. LNG. U.S. exports could be grown so that U.S. energy/technological advantages bolster energy security.

A second EU-U.S. Energy Council Forum, similar to the one held in 2019, would focus attention. The 2019 forum was designed as a ministerial-level event to bring together U.S. and European decision makers from government as well as companies in the LNG sector. A key objective was to encourage business contacts and promote the further uptake of competitively priced U.S. LNG in the EU. U.S. and European businesses are poised to invest in LNG opportunities spanning the entire supply chain, including new infrastructure for upstream development, liquefaction, regasification, and pipeline distribution.

On energy security, a number of Eastern European countries, including Bulgaria, Romania, and Ukraine, have been looking to end their reliance on existing Russian nuclear fuel contracts to develop their own civilian nuclear capacity via next generation small modular reactors. A recent positive step was Romania's decision to shift its nuclear power plant modernization program from a Chinese contractor to a U.S.-owned company.²²

Projects that exploit the potential of the region's many rivers, such as the E40 Black Sea to Baltic waterway, should be considered. Also, increased river traffic would reduce the load on European highways, saving money and reducing the carbon footprint. But these are expensive and require sustained political will.

ACEBA (American-Central European Business Association) is another platform

Energy security cooperation is an area with great potential and growing positive developments.

for dialogue between U.S. corporate executives and government leaders from 14 Central European countries. It provides U.S.-based companies opportunities for engagement with key decision makers in these emerging markets. The organization brings together five well-established bilateral business councils (Czech, Lithuanian, Romanian, Polish, and Hungarian) and a platform to interact with the 10 remaining markets into one membership and a single point of contact for companies.

Counterarguments

There are three main arguments against the strategy outlined above.

The first is the focus on Turkey. Many Europeans and others do not wish to reward Turkish President Recep Tayyip Erdoğan for regional saber-rattling and internal repression.

The second is that Russia's built-in advantage in the BSR means that challenges will be provocative and largely futile. U.S. interests lie elsewhere.

The third is that the United States cannot trust the EU or European allies and partners to the extent necessary to mount an effective pushback against Russia and China in the BSR.

Rebuttal

While these are serious objections, the alternative is defeat. Growing Russian (and Chinese) influence in the BSR affects wider Western interests in the Middle



Turkey's drilling vessel Kanuni departs on her maiden trip to the Black Sea in Istanbul, Turkey November 13, 2020. *Credit: REUTERS/Yoruk Isik.*

East, the Mediterranean, and Southwest Asia. Turkey is not an ideal ally — and this is not new. The United States and its NATO allies have worked with Turkey with a combination of pragmatism and vision in past decades. This era is no different. Some of the deterioration in relations between the West and Ankara is indeed the result of personality clashes and differences in interests and values. But much of it is the result of Western neglect and inattention. That, at least, can be remedied.

Russia does have a built-in advantage, but not an insuperable one. It has no allies in the region. It lacks soft power, economic heft, and a technological edge over the West. If the United States and its allies devote resources and willpower, they can out-compete the Kremlin.

European allies have their flaws, but the United States is fortunate to have Romania

as a potential anchor country for its immediate efforts in the BSR, as well as an even larger partner, Ukraine. The real security gap in the region is in leadership, which the United States can supply if it wishes.

Conclusion

Given the dual great-power challenges of China and Russia and other threats around the globe, and the lack of U.S. capacity to deal effectively with all of these alone, a cohesive NATO is essential to protect the strategic interests of the West. A strategy that plays to our DIME strengths will immediately begin to curb Kremlin mischief-making in the BSR and lay the foundation for a medium-term pushback, enhancing credibility, cohesion, prosperity, and security.

Endnotes

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