

ISSUE BRIEF

No. 4892 | JULY 27, 2018

Five Immediate Actions for Reassuring U.S. Allies in Europe

Daniel Kochis

During his recent trip to Europe, President Donald Trump reaffirmed the U.S. commitment to the North Atlantic Treaty Organization (NATO), publicly recognized increases in defense spending among NATO allies, and rightfully highlighted the planned German–Russian Nord Stream II pipeline as a danger to transatlantic security. However, in Helsinki, the President missed multiple opportunities to hold Russian President Vladimir Putin accountable on the international stage.

Following this important trip overseas, the White House should seize the opportunity to build momentum with allies, and continue its strong record on holding Russia accountable for its actions. Five immediate steps the U.S. can take are to (1) fill vacant ambassadorships in European countries; (2) expand the Visa Waiver Program; (3) continue high-level attendance at the Three Seas Summit; (4) begin discussions on a double-taxation treaty with Croatia; and (5) announce a presidential visit to Ukraine.

The Three Seas Initiative

The Three Seas Initiative consists of 12 European countries situated between the Adriatic, Baltic, and Black Seas with the goal of developing energy and infrastructure ties among their nations. The ini-

tiative has the potential to spur economic growth, lessen the region’s dependence on Russian energy, help counter Chinese investment, and create new inroads between economies with significant growth potential. President Trump attended the Three Seas Initiative Summit in July 2017 in Warsaw where he stated, “We support your drive for greater prosperity and security. We applaud your initiative to expand infrastructure. We welcome this historic opportunity to deepen our economic partnership with your region.”¹ Eastern and Central Europe represents a significant economic and political opportunity for the U.S. As such, the Administration should continue its high-level engagement at the next Three Seas Summit in Bucharest in September.

China has been aggressively investing in Central and Eastern Europe, launching the 16+1 Initiative in 2012 to build inroads with 16 countries in Eastern and Central Europe. China established a Secretariat in the Ministry of Foreign Affairs to oversee the initiative.² In 2013, Chinese President Xi Jinping announced the larger One Belt, One Road project,³ a \$900 billion economic and diplomatic initiative to invest in infrastructure across Africa, Asia, and Europe. Chinese activity in Eastern and Central Europe is a long-term investment that seeks to garner economic, diplomatic, and political influence. Chinese banks and companies benefit financially from the investment, and Chinese policymakers gain additional “chips” to cash in at a future time. A successful Three Seas format backed by the U.S. will help to counterbalance growing Chinese economic and political interest, and therefore is in the long-term interest of the United States. As noted by President Trump in Warsaw, “The Three Seas Ini-

This paper, in its entirety, can be found at <http://report.heritage.org/ib4892>

The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002
(202) 546-4400 | heritage.org

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

tiative will not only empower your people to prosper, but it will ensure that your nations remain sovereign, secure, and free from foreign coercion.”⁴

A Double-Taxation Treaty with Croatia

Croatia has seen rising Chinese investment in recent years, and will host the Chinese-led I6+1 summit in 2019.⁵ While the U.S. remains Croatia’s most important ally, China is seeking to expand inroads there. Chinese investment in Croatia is far below that of neighboring Western Balkan nations—but is not insignificant.

One way to reaffirm a robust U.S.–Croatian alliance would be to conclude a double-taxation treaty. As The Heritage Foundation’s Anthony Kim explained recently:

Double taxation treaties are international agreements whose chief purpose is to curtail or prevent double taxation of income earned by residents of each country from sources within the other country.... Nations with such agreements enjoy more robust trade and investment, generating higher levels of prosperity and, in turn, enabling higher levels of defense spending and more effective defense cooperation.⁶

Sending a Clear Message

On July 25, Secretary of State Mike Pompeo issued the Crimea Declaration, a permanent message that the United States will never recognize Russia’s occupation and annexation of Crimea. In it, he stated:

As we did in the Welles Declaration in 1940, the United States reaffirms as policy its refusal to recognize the Kremlin’s claims of sovereignty over territory seized by force in contravention of

international law. In concert with allies, partners, and the international community, the United States rejects Russia’s attempted annexation of Crimea and pledges to maintain this policy until Ukraine’s territorial integrity is restored.⁷

This non-recognition statement sends a strong, clear signal that the U.S. will hold Russia accountable for its irredentist behavior and that the U.S. will continue to stand with Ukraine. The Trump Administration has bolstered these commitments with concrete actions, including the sale of lethal weapons to Ukraine, and continuing U.S. sanctions against those individuals and entities who are responsible for Russia’s invasion of Ukraine and continued aggression.

President Trump should consider following these robust actions with an announcement that he will make an official state visit to Ukraine. President George W. Bush is the last President to have made a visit in office to Ukraine, traveling there in 2008. A visit from President Trump would be an internationally visible political sign of U.S. support and would affirm the Crimea Declaration.

Seizing the Opportunity

After President Trump’s trip to Europe, the U.S. has an important opportunity to build momentum with European allies and to continue holding Russia accountable for its actions. Five immediate steps the U.S. can take to seize the moment are:

1. Fill vacant ambassadorships in European countries. As the chief representatives of the U.S. in foreign nations, ambassadors are crucial for strong, smooth relations with other nations. In addition, ambassadors help to carry out the

1 Madeline Farber, “Read Donald Trump’s Remarks at the Three Seas Initiative Summit in Poland,” *Time*, July 6, 2017, <http://time.com/4846780/read-donald-trump-speech-warsaw-poland-transcript/> (accessed January 25, 2018).

2 “China’s Twelve Measures for Promoting Friendly Cooperation with Central and Eastern European Countries,” CEEC.org, January 26, 2015, http://www.china-ceec.org/eng/ldrhw_1/2012hs/hdxw/t1410546.htm (accessed February 8, 2018).

3 Tom Hancock, “China Encircles the World with One Belt, One Road Strategy,” *Financial Times*, May 3, 2017, <https://www.ft.com/content/0714074a-0334-11e7-aa5b-6bb07f5c8e12> (accessed January 25, 2018).

4 *Ibid.*

5 “Croatia to Host Summit with China Next Year,” *Total Croatia News*, July 7, 2018, <https://www.total-croatia-news.com/politics/29612-croatia-to-host-summit-with-china-next-year> (accessed July 24, 2018).

6 Anthony Kim, “It’s Time to End Double Taxation with Croatia,” *The Daily Signal*, July 24, 2018, https://www.dailysignal.com/print?post_id=427519.

7 News release, “Crimea Declaration,” U.S. Department of State, July 25, 2018, <https://www.state.gov/secretary/remarks/2018/07/284508.htm#.W1jLgmSspP8.twitter> (accessed July 26, 2018).

messaging and policy decisions of leadership back home. Yet, despite their importance, 18 months into the Trump Administration, no appointments have been made for the ambassadorships to Belarus, Bosnia and Herzegovina, Bulgaria, Cyprus, Estonia, Georgia, Greece, Iceland, Ireland, Latvia, Lithuania, Macedonia, Montenegro, Romania, Serbia, Slovakia, Sweden, Turkey, and Ukraine.⁸ These vacancies hamper effective policy execution overseas. As such, the President should quickly nominate qualified individuals to fill the positions and impress upon Congress the importance of timely consideration of these appointments.

2. Expand the Visa Waiver Program (VWP). The VWP pays security dividends as countries in the program share information on serious criminals, terrorists, and lost and stolen passports with the U.S. in exchange for visa-free travel up to 90 days. In addition, the VWP smooths business travel and tourism between foreign countries and the U.S. and further strengthens the transatlantic bond. Despite meeting the VWP's information-sharing requirements, visa-refusal rates above 3 percent have kept several allies, including Croatia and Poland, from joining.⁹ The U.S. should expand the program to include these two close allies, while also considering inclusion of Romania.

3. Continue high-level attendance at the Three Seas Summit. The Three Seas Initiative launched in 2016 to facilitate the development of energy and infrastructure ties among 12 nations in Eastern, Central, and Southern Europe. President Trump set an important precedent by attending the 2017

Three Seas Summit in Warsaw. The President, Vice President, or Secretary of State should continue this robust engagement by attending the 2018 summit this September in Bucharest.

4. Start discussions on a double-taxation treaty with Croatia. Despite the robust U.S. alliance with Croatia, the two nations have not concluded a double-taxation treaty. President Trump should instruct his Administration to begin work immediately on this important agreement.

5. Announce a presidential visit to Ukraine. The Trump Administration has taken robust actions in defense of Ukraine's sovereignty and territorial integrity, including recently issuing the Crimea Declaration. President Trump should follow up these critical actions with a presidential visit as a visible sign of U.S. support.

Conclusion

In the weeks following an important presidential trip to Europe, the Trump Administration has an opportunity to further its robust support for security in Europe, and to continue to hold Russia accountable. While many policy recommendations have a longer horizon, these five proposals are immediate steps the U.S. can take to build momentum with European allies.

—*Daniel Kochis is Policy Analyst in European Affairs in the Margaret Thatcher Center for Freedom, of the Kathryn and Shelby Cullom Davis Institute for National Security and Foreign Policy, at The Heritage Foundation.*

8 American Foreign Service Association, "Appointments-Donald J. Trump," July 24, 2018, <http://www.afsa.org/appointments-donald-j-trump> (accessed July 24, 2018).

9 James Jay Carafano, David Inserra, and Paul Frederick, "The U.S. Can Counter Russian Aggression by Expanding This Program," *The Daily Signal*, April 2, 2018, <https://www.heritage.org/homeland-security/commentary/the-us-can-counter-russian-aggression-expanding-program>.