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**QUESTION AND ANSWER WITH
VACLAV BARTUSKA,
AMBASSADOR-AT-LARGE, ENERGY SECURITY,
CZECH REPUBLIC**

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MODERATOR: The recent event in this area that we're going to discuss today is the deal between Ukraine and the European Union to modernize its gas pipelines, which immediately triggered Russian reaction. And Russian Prime Minister Vladimir Putin said a gas plan presented by Ukraine is ill-considered and unprofessional and immediately threatened to reconsider the principles of Russia-EU energy relationship, whichever it means and whatever it means.

Czech Republic will host the energy security summit on May 7th. With this current development, Ambassador Bartuska, what do you expect from this summit? What will make this summit a success?

AMB. BARTUSKA: Well, I think that, actually, what we really need is a few more crises in deliveries for Europe, because we need to wake up. And the one in January was too short and too small. And I would like to thank, publicly, Prime Minister Putin and his colleagues for helping us to form a unified European policy, because without his help, we would never have EU 27 speaking with one voice in January of this year.

And sadly, we don't have it at the moment, because as soon as the crisis ended, we always revert to our usual, selfish policies. What we are trying to do at the moment is to come up with a set of principles which will be shared by all the EU-27, even if there is no crisis on the horizon. But I expect it will not come this May or next May because of – even though we do share borders and we do share currencies and we do share many other things, in energy matters, we do behave like idiots and we don't use the power we have.

I mean, we are the biggest market in the world, of half-a-billion people; we should be calling the shots, not the supplies. But because we are divided and we act, each, alone, we lose out this opportunity we have. So that's why we are trying to put on the table that we do have – we could have a huge leverage and we don't use it, which results in Europe being blackmailed, or at least threatened by blackmail, from many countries, not just Russia.

It goes to other energy suppliers, be it Algeria or Middle East countries. So that's all we want to do. It's basically to say, frankly, that we are in a bind and if we want to keep on our present, well, if not growth, then at least fight it with the crisis, we should have much more robust approach and common approach.

MODERATOR: We have two distinguished panelists in Washington, as well – two experts in the area. Let me introduce them and bring them to our discussion. Ambassador Keith Smith, who served as a U.S. ambassador to Lithuania and has been a consultant to several energy companies, now with the Center for Security and International Studies in Washington in Energy and National Security program, and Roman Kupchinsky, our former colleague, now partner at AZEast Group. Roman used to edit "Crime, Corruption and Terrorism Watch," here at RFERL for some seven years.

Let me first ask Ambassador Keith Smith, Ambassador, when we last talked, you were very much concerned that your words will trigger pretty angry reaction from RosUkrEnerg again and I'll – let me just say that both Mr. Kupchinsky and Ambassador Smith, through their

research and investigation made RosUkrEnergO very angry at some point – so Ambassador, let's start with your comments and questions to Ambassador Bartuska, please.

AMBASSADOR KEITH SMITH: Well, thanks very much for the buildup, but I think that on this, you know, when Ambassador Bartuska talks, I think he knows pretty much what we are going to say. I've been following this for quite a while and I think that the one thing that is continuing to disturb me is the issue he raised – is the lack of a common energy policy within Europe. And there's a clear division between Old Europe and New Europe.

The countries – the larger countries of Europe, like Germany, France, Italy and Austria really are looking at their own commercial interests. And the Russians have been very clever at kind of divide-and-conquer, and using the – a lot of the carrots with the large countries – Nord Stream, for instance. One of the reasons why Nord Stream helped, which makes no economic sense, is that it's – it kind of divides a lot of contracts around German industry and it's the German industry who puts pressure on both of the political groups – major political groups in Germany – to support this, I think, non-economic project.

And the same with South Stream and Italy. And you've got countries in the EU who are looking at their short-term economic interests and not paying much attention to what happens east of the German border. I keep hearing from Europeans this crazy phrase that Russia's always been a reliable supplier of energy; well, maybe it has been west of the Polish border, but it hasn't been east of the Polish border. And now, after the events of this spring, and actually, January of 2006, it wasn't even a reliable supplier to Europe then.

So what I think somehow has to be done is to put together a coalition of countries, starting with the Central European countries that are really in a bind. A lot of them are energy islands – not the Czech Republic, fortunately – but a lot of them are energy islands that are really stuck, because of history and geography, in monopoly situations with Russia, where Russia is the monopoly supplier of energy.

And I think building a coalition of these countries and then bringing in some West European countries who, I think, are – or I think, now, would be willing to join would really help the idea of building a coalition in the EU which could push back a little bit with the kind of freewheeling policies of the old countries like Germany, Italy, France, who are not interested, really, in Central European energy security, so much.

One very – and I'll just end on this note – one very sad thing, I think, was the recent 5 billion-euro division of energy infrastructure money that the EU is working on. Since the cutoff of January of this year showed that the biggest dangers were in Central and Eastern Europe, and yet, most of the money that's going from the EU commission, from that 5 billion-euro fund is going to go to Western Europe, the place where it's needed the least and countries that have the alternatives.

So the question is, what's my question? My question, really, for Mr. Bartuska is, is it possible to build this kind of a coalition within the EU commission and EU parliament that will

kind of push back with some of the Russian policies and defend the interests of Central and Eastern Europe?

AMB. BARTUSKA: Well, I am not very much liked in many of the eastern capitals of the EU for what I'm saying, and I'm probably not going to please you, either, but I do believe that it must be first the responsibility of the member states to take care of themselves. And only then can you talk about solidarity. What you mentioned about the energy islands in many of the Eastern European countries is perfectly true, but it's also true that it's been, now, 18 years since the demise of the Soviet Union and 20 years since Eastern Europe got free.

And there's plenty of time. The truth is that energy independence on Russia, for most of the Central and Eastern European countries was not a matter of concern for all those years. When this country – the Czech Republic – built the pipeline for oil from Germany, which actually allowed us, last year, to import a record number of oil – this was between 1994 and 1996 – our friends in the neighborhood, the Poles, Hungarians, Slovaks, were laughing at us.

We have spent \$400 million of good money on a pipeline which wasn't needed because we had the Truzka (ph) pipeline and there's plenty of oil in Russia and Russia has always been around. You know, I've heard it all. And we just kept saying that we do have our historical experience, which we share, but we drew different lessons out of it. The Czech Republic started to buy Norwegian gas in 1997.

Actually, we revamped the whole gas distribution system and we started to buy, besides Russian, also Norwegian gas. Once again, it was dubbed "the expensive Norwegian gas." Well, this January, it was the only gas coming to the country. It wasn't that expensive any more. And I do see much more interest in infrastructure in Eastern Europe at the moment, but in the same time, quite honestly, if you counted the level of investment in energy in the western part of Europe and the Eastern part, you will see much more responsibility in the West than in the East.

The Brits have built terminals for the LNG – the liquefied natural gas – for 40 percent of capacity over the last 10 years. They invested heavily. The same with the French, Germans and others. In this part of Europe, it did not happen. So that's something that really is our problem, and I would put the question, probably, differently and I do ask my politicians slightly differently, which is, we do have money from Europe for infrastructure; it's just that we spent most of this money on transport infrastructure, not on energy, because whenever you open a new highway anywhere in Eastern Europe, you get all the politicians, living or dead, you know, who want to be pictured there cutting the ribbon, because that's the moment when you have made it to the pages of media.

But if you open a new interconnector in electricity, I mean, who cares? That's the boring stuff. Most public doesn't care. So if you look at the structure of funds of the EU spent in this neighborhood, in the structure of funds, the ratio of money spent on transport and energy is 40-to-one. It's 80 billion euros on transport and 2 billion on energy. So unless you have clear interest from the countries themselves and from the public itself, there will be no change, because the public wants new airports, new highways much more than it wants new power lines.

They look dirty, ugly – you know, nothing to win. So that is the problem, that actually, even when we laugh and criticize our Western friends in France, Germany, elsewhere, they sure did their homework in the 1990s and after that; this part of Europe did not. I fully understand Lithuania that they feel scared by the fact that, when it closes down Ignalina – the nuclear power plant – it will be almost totally dependent on Russian electricity.

At the same time, hello, you have been independent since 1991 and you have agreed to close down Ignalina in the late 1990s. So some homework probably wasn't done. And the same can be applied to other countries. It can be applied to my country as well; I mean, we could have done much more than we did. I'm glad that we at least built some pipelines and we contracted some gas from Norway, but there is still plenty of work to do on our part as well. The truth is that France and Germany and Britain are much more secure than this part of Europe, which is also why they don't really share our fear of Russia, because they have nothing to fear.

If Russia is one of five major suppliers for you and all of them are below 20 percent, why should you care? Even though they just stop selling gas, you get it from elsewhere. But if you buy 100 percent of your gas from Russia, it's a different story.

MODERATOR: Let's bring in Roman Kupchinsky to our discussion. Roman please – your comments and your questions.

ROMAN KUPCHINSKY: Well, thank you, Elena (ph). In a time of very rapidly changing loyalties, I am glad I'm back at my old alma mater, RFERL, for a few hours, before I run back to somewhere else. Last week I began working on thinking about this meeting today and two days ago I had to change everything because of the agreement that was signed in Brussels on March 23 between the European Union and Ukraine.

The immediate reaction – the violent reaction of – (inaudible) – Putin, the Russian delegation walking out of the conference hall that same day before the conference was ended, the comments by Putin that we will review our relations with the EU and possibly change contracts, raise the price of gas or change the price of gas arbitrarily, unilaterally, for me were very shocking and not really understandable immediately.

Why – what happened? Well, what happened was – I think the major point of it is that the whole structure of gas delivery, of gas transit from Russia to the EU can change, which will have dramatic consequences for the whole energy structure and the whole concept of the Russian Federation and of Gazprom towards where it is going. The EU/Ukrainian agreement stated that the EU would buy its gas at the Russian/Ukrainian border and that the EU would pay transit costs to Ukraine.

Up to now, that whole transit facility was from Russia to the German border to the Slovak border to the countries that had signed the contracts. What in fact happens now if the EU goes along with this and doesn't renege in the near future, is that the Ukrainian gas transport system will be integrated into the European gas transit system. Now, this is a colossal meaning in terms of the whole complex of issues dealing with transit.

Don't forget that the largest transit of gas to the EU comes through Ukraine. A second point in the EU/Ukraine agreement was to possibly expand Ukrainian main trunk pipeline to have an extra 60 billion – almost 60 billion cubic meters more of put-through capacity. Putin reacted by saying well, how do you know we'll give you that gas? How do you know we're able to fill that?

What Putin was really saying was that if this happening, North Stream and South Stream will not be needed. And this is something that Putin and Gazprom have put their major bets on over the last few years. It's one of the major reasons for the January 2008 boycott of Europe – not because Ukraine owed Russia money for gas. That's not true – Ukraine paid by 31 December, 2008 – it paid off all its debts. Nonetheless, they were blockaded. So the Russian arguments fall to the wayside.

But this – if North Stream and South Stream are not viable – commercially they are not viable. It would cost \$10 billion to renovate the Ukrainian pipeline, expand its throughput capacity by 60 billion and North Stream and South Stream become commercially unfeasible. This would open up the way for Nabucco to gain more supporters from those European countries that initially thus far have gone along with the South Stream project.

This is, I think, the essence of what is the reaction you're seeing today in Moscow. And just to quote Walter Boltz, the vice chairman of the European Regulators Group for Electricity and Gas, in an interview with the *Kommeresant Daily* today, he stated: "In reality, there are no reasons why Russia should ensure transit of gas and why we shouldn't pay for transit. We buy gas at the Ukrainian/Russian border and worry about its delivery ourselves. I believe there is no alternative."

Now, that's very important. My questions is, will the EU stick to this? Will Putin abandon the present gas pricing policy of linking the gas to oil products and choose an arbitrary price that he would pull out of the air like he pulled out of the air the \$250 per a thousand cubic meters for Ukraine? It was a totally arbitrary figure. There was no commercial reason for this – it was totally arbitrary.

So I believe this is one of the biggest questions that I have to you. Will the EU stick to this or will it slowly be torn apart – Germany going its own direction, the French in another? The only European company which has come out against the EU/Ukraine agreement is Italy, so far – for many other reasons.

AMB. BARTUSKA: That's a good question – thank you very much for this. I think I know something about the situation. Somewhere in the beginnings of all this is a long paper which I wrote actually in December 2006 about – just when I get in my position and I said that the situation – the state of the transit pipelines is such that we have to worry because I compared how much money reinvested in the renewal of our pipelines for oil – for gas – and that in fact nothing was done east of our border.

And from that actually started some sort of study of the state of the pipeline at work – (inaudible) – with Russia. I had a bit of a spat at that time with Alexander Medvedev, the deputy

head of Gazprom, who basically claimed that pipelines are in perfect order in Russia and nothing is going to – there is no need for an investment. And last year when we met again – we do meet regularly – he actually was praising the company for spending half of its – (inaudible) – budget on renewing the pipelines.

So I thanked him very much for investing money in something that's so needed. Actually Russians started to renew the pipelines. In Ukraine, the situation is much more complicated, for one reason. Naftogaz is – and I say this with all respect to people who actually work there, right? I have quite a few friends there. Naftogaz is a totally – unknown to the outside world – black box company which has everything in it.

Since 2007, the EU keeps saying if you want to renew and repair the gas transit pipelines, you have to take Ukrtransgaz – the company which runs the pipelines and take it off of Naftogaz, because then you can actually have some sort of control of the investments, you can have a look at the money being spent and how is it being spent. And trust me, this is not a proposal which is being loved by many in Ukraine.

I hope I will not insult anyone's feelings, but Naftogaz is milked by many in Ukraine. And the fact that it's basically bankrupt and has been for quite some time is a – for me is a major wonder. You know, how can you actually be bankrupt when you run 80 percent of Russia's gas exports to Europe and the other transits to Hungary, Czech Republic and Slovakia. I mean, how can you make such a wonder of losing billions of dollars when you should be the most profitable country in Ukraine?

And the reason is very simple. There are plenty of people who make huge amounts of money out of Naftogaz, and those are mostly in Ukraine themselves. And, you know, the transparency issues – as it is being usually called – I put in very much more blunted terms. I keep telling my Ukrainian friends that they steal too much too fast and they are stealing their country away.

With this tempo, Ukraine will lose Crimea and maybe its own independence. And I think that's really what's at play at the moment – what's at stake, because you see a much stronger Russia – much more determined Russia, which really wants something and knows what it wants. And then you have Ukraine on the other side, which is not consistent, which has a president fighting the prime minister.

I mean, you know it better than I do – I guess by your name. And that's just frustrating our efforts. So the fact that Ukraine agreed to something that – (unintelligible) – agreed to before, which is taking the Ukrtransgaz out of Naftogaz is a great step. We want to see it fulfilled because only then money can actually come to Ukraine for investment. We heard on Monday a very clear statement from the president of the European Investment Banks – Maystadt – as well as the vice president of EPRD, Mr. Freeman, that without transparency and basic accounting rules, no one is going to pour billions of euros into Ukraine because that money will just vanish.

And we will see. Europe is prepared – and I clearly – even though the government in the Czech Republic fell last night – and we will still be running the show till late June, and I can promise you that we will stick to what we are doing and we have no change of policy – no change of tack. It would depend very much on the what the Ukrainians will want to do. And I was very pleased that we saw both Mrs. Timoshenko and Mr. Yushchenko in the same place at the same time without actually arguing with each other loudly.

And it was a very nice sight – I would love to see it more often, and not just in Brussels and for 10 or 15 minutes. And I do sincerely hope that Ukrainians themselves and Ukrainian elite will understand what is at stake. It's the survival of their country. The reaction from Moscow is so strong because this is precisely what is at stake. And I couldn't explain more bluntly. And I know that I should be diplomatic about it because my position is such, but I came from security field, and I'm used to speaking – I'll put it bluntly: I think this is what is at stake and that's why we are trying so much to keep Ukraine on track. But they have to want it themselves.

MODERATOR: Let's take several questions here and please introduce yourself.

Q: Elena, may I add first, I'm sorry you haven't answered to the –

MODERATOR: You have to introduce yourself.

Q: You have not – my name is Nanat Vej (sp) and I'm associate director. You have not answered the question put by Roman. Roman asked you, will Europe stick to it? You said Czech Republic will stick to it. (Laughter.)

MS. : Speak for Europe now.

AMB. BARTUSKA: We do speak for Europe at the moment – at least till June 30. And after comes Sweden, which has the same commitment to Ukraine's independence. And as for Europe, I think Europeans are prepared to help out those who want to help themselves. And many of us in Europe have been frustrated in the last few years by what happened in Ukraine after the Orange Revolution. If we see a profound real interest, we will help. If we don't, we will just move on elsewhere.

MODERATOR: Okay, we have a question here – okay, please.

Q: (Inaudible) – Russian Services – (inaudible). Mr. Ambassador, there definitely is – (inaudible) – once again that Russian gas delivery through Ukraine to the EU. Any guess – an initial guess – (inaudible): Should we deliver it somewhere – either to countrymen or to some underground reserve – maybe – (inaudible) – or a river?

Three years ago, when we were speaking about the first Ukrainian/Russian gas war circle it must have gone then three or four days –

AMB. BARTUSKA: Four days.

Q: Four days. One of the main reasons was that Russia refused an whole – (inaudible) – full of oil. Gas reserve – gas pumps underground – within three or four days. And that’s one of the main reasons why Gazprom just has to resume delivery. From this point of view, I think that probably the main reasons why the latest conflict – I mean, this year – won’t last for three weeks.

AMB. BARTUSKA: Well, both were ready to go on for a long time. Ukrainians were ready to go to the summer. They had storages full, they cut off the country completely. As for Russians, they could have gone on for a long time as well, because in the end you can do the third thing with the gas, which is just – you just burn it. You can flare it, which is being done on a tremendous scale in Russia.

I mean, the amount of gas burned or flared, as it’s being called in Russia, is probably about one third of the whole volume of gas which is being delivered to Europe annually – I mean talking about normal year. Flaring is still – I was in Hanti-Mansiysk in October last year, and I’d been to many places before. And landing at night in those places is really – Las Vegas multiplied by 10. It’s really a flash show.

So there is no problem with this. We can just flare it – we can just burn the gas; you can do that, it’s quite feasible. And I think what was really at stake this January was that Russia was really economically hurt by the lost revenues. And the possibility of this stand of lasting till summer – because Ukraine’s storages were full, they could keep the country going until June, July. They would basically take away a huge slice of Russia’s foreign currency revenues, and in a time of crisis, that will be a major blow.

So what we feared, actually, was the possibility that if the conflict would last two, three months, you could see a very violent reaction, because it would be a major, major blow to Russia’s economy. So the gas issue as such wasn’t with – in my opinion – the major problem. The major problem was what would Russia do if had basically no – or very little income from the gas for three months.

MODERATOR: Let’s take some questions from D.C. please. Please introduce yourself.

MS. : There’s a sound issue.

AMB. BARTUSKA: They are trying to tell us something.

MODERATOR: Since it looks like the microphone there doesn’t work, let’s take another question from Prague and Washington will have time to prepare, meanwhile. Bruce, please.

Q: Sure. Bruce Pannier, I’m from the central newsroom at Radio Free Europe Radio Liberty. You were talking about choices, Ambassador, and putting the – giving the power to the consumers, taking it away from the suppliers. Yet in fact, Europe right now has pretty limited choices. Of all the projects that are proposed to bring more gas to Europe and the European Union, Nord Stream is the only one that’s really under construction and is coming up in 2011. It’s Russian gas. South Stream, of course, is Russian gas. Even an expansion of the existing

Ukrainian pipeline network also presumes that you'll be pumping Russian gas through that. Now, there are some projects that the European Union has given some support to; Nobuko, White Stream. These presume that you'll be able to get gas from the Caspian region, and in Nobuko's case, probably Iran.

So my question is, looking at it from the European Union's point of view, how – one, how possible is it to avoid Russian gas when in fact it seems like Europe, the European Union is currently increasing the amount of Russian gas it's getting and increasing the projects that are bringing Russian gas, and it is it an acceptable substitute to try to find supplier companies in the Caspian region and Iran which might not be any better of a partner for the European Union than Russia is?

AMB. BARTUSKA: Well, once again I will return to what I said earlier about the investment done. You know, Britain has built terminals for 40 billion cubic liters of gas coming in the form of LNG, which is actually a much bigger amount than Nobuko, frankly, because the second stage of Nobuko is 30 BCM. The first phase is just six BCM, which is 6 billion cubic meters, which is less than the Czech consumption. So Britain has done this quietly and is now importing liquefied natural gas from Qatar, Trinidad, Nigeria, Algeria, you name it. That's actually the freedom which I think we should be looking at.

For me, I must say that the fixed pipelines do not really bring much hope to my mind, because replacing Russia with Turkmenistan or Iran, replacing Ukraine with Turkey, doesn't really fundamentally change your situation. I do believe that LNG brings the freedom. It does start a little more expensive than the piped gas, but in the same time I believe that there is a price for freedom of movement, and I like that. So I do think that for Europe, LNG is something that should be looking at very much – much more carefully.

And then again you see the difference, that France, Spain, Britain, the Netherlands, Italy, even Greece already have terminals or are building them while in this part of Europe, only Poland is talking about building one. That's – (unintelligible).

Q: So if I could ask a follow-up question then, you seem to be advocating the construction of more of these LNG facilities and stuff, but that would also require a whole new pipeline infrastructure from the port countries that are receiving this, which is also a huge amount of money.

AMB. BARTUSKA: Once again, it's actually an interesting thing. What we really need in Europe are interconnections between countries. And then you sometimes are really surprised by how little is needed. The interconnection between Poland and the Czech Republic, all that is needed is 10 kilometers of pipe. That's not much. In case of this January, when we wanted to have Slovakia, to actually get some gas to Slovakia from Czech Republic, we were told by the companies who were in the Slovak system that it would take weeks to change, because if something was needed, you know, a switch and la, la, la, in the end it lasted – the whole operation took three hours.

It was possible. Many things are possible. You will – once you start talking about really connecting European countries, you will immediately run into the incumbents, the companies which at the moment control much of the market, which are not always ecstatic from the possibility of having to compete for what they already had. But you know, when somebody scares you with billions needed to build European interconnections, it's – excuse me – bullshit. I mean, the cost –

Q: Quote you on that?

(Laughter.)

AMB. BARTUSKA: No, please do so.

MS. : The government already fell.

(Laughter.)

AMB. BARTUSKA: I'm not very much, I'm not very private. But, you know, the basic rule for medium-pressure pipelines or even the high-pressure pipelines is, one kilometer is about 1.5 million euros, approximately. So the connection with Poland would be about 15 million euros. The connection needed for Bulgaria, which is together, actually piped gas from the LNG terminal in Greece, which is supposed to be built in northern Greece, is about 30 kilometers needed. It's 45 million euros. I know it's a lot of money, I don't have that money myself, but I think for governments – (laughter) – those money are really pocket money.

And all that is needed is actually a political will, because of course, the first thing you encounter once you've decided you will build those interconnections is that somebody will say, well, but not in my backyard, you know, but not through my garden, not around my city. That's actually the bigger problem in Europe, now. That's actually one of the reasons why so much money from the EU package, which was agreed on last week, in the end will not be used, because the proviso in the spending package is that the money will be used in 2009-2010. And trust me, we will not be able to spend much of that money because programs and projects in Europe take long, I mean, usually take years and years.

We built the pipeline from Germany in 18 months, but all the legal work before that took almost four years, and that was with excellent help from German government and the Bavarian government and in huge cooperation with them, and still it was four years of legal battles with owner of that (port of ent and that port of ent?) So that will be the bigger problem. It's not so much the money itself; it's more the political will which you need. You have to go to the village, some are near the border, and say, well, excuse me, but we need a pipeline and it has to go through the region and near your village. And you have to be – you have to have the bullocks to go there and say this, which is unpleasant, unpopular, and it doesn't get you any points in the next elections. That's the real story.

MODERATOR: Okay, Washington is now ready, and please.

Q: Ambassador Bartuska, are you with me?

AMB. BARTUSKA: Yes.

Q: I am Alan David of Radio Free Europe Radio Liberty, a correspondent in Washington, D.C., Ambassador Bartuska, once you said that the biggest threat for the European energy security came not from the political pressure from Russia but from the present condition of Russian gas fields, the idea was that if no investments come at the moment, Russia will be unable to fulfill its obligations to European Union as early as by the year 2014. There very simply will not be enough gas. And if this was just an assumption, how do you think, Ambassador, whether or not in reality, Russia is able to provide fulfillment of its obligations to EU after the year 2014? Thank you.

AMB. BARTUSKA: I do believe that this is the real elephant in the room, that Russia at the moment basically uses, for much of its production, two mega fields, Yamburg and Urengoy, each of them being bigger than many country's supplies. But in the same time, those fields have been tapped since the '70s and '80s, and they will last years still, but if we want to have gas coming from Russian in 2020 and if Russia wants to fulfill its commitments and to supply its own country's growing needs in Russia, it will need to open up new fields.

Probably, those will be Yamal and Shtockman. The Shtockman is the underground one in Bering Sea, Yamal is a wide, inhospitable place in northern Russia. And both of those projects are very costly, and whenever I speak to Miller, the head of Gazprom, or Medvedev or others, this is really the touchiest subject, because – and I think this is the reason why Russia reacts so – reacts so – well, I'll put it, emotionally I would say, emotionally – (laughter) – to all the dealings of Ukraine and the transit is that in their own reckoning, to open up Yamal, the investment needed is about \$80 billion, eight-zero. For Shtockman it's about \$60 billion, six-zero.

The zero numbers, I have no second guess on that. But even if it's only \$80 (billion) and \$60 billion, you need your customers for that at least 20, 30 years to get the money back. And Russia at the moment is heavily trying to find out how serious and sincere we are, as Europeans, in our gas demands towards Russia, because they don't want to be in the situation that they will open up those fields with such heavy investments only to see us going away from them, to LNG or other sources of gas or other source of energy. So what you have in the moment is actually a very difficult moment in Moscow, and every time I do meet Russian leaders, they keep asking me, are you sincere, do you really need the gas or not?

And I would think that some clarity from us, from Europe, would be also in order, because we do have very competing and confusing messages to all the producers. Somehow similar to the U.S. position towards, I'd say, Saudi Arabia, which is now like, we want to get away from Middle Eastern oil, and then you go to Saudi Arabia and ask them to please open up the new field. We do the same in Russia. We preach the more effectiveness, using less energy, cutting our energy needs, but then we go to Moscow and keep asking, how about Yamal, how about Shtockman? Are you going to open it soon? Well, that doesn't make sense.

So Russia keeps talking about how they see energy security, which for them means the security of the supplier. Which I understand, I mean they will have to, in the end, put huge amounts of money underground, hoping to recoup the money in decades afterwards. And some – (unintelligible) – from us would be in order. This is the reason why Russia purchase so – wants so much to have the long-term contracts. In the same time, we all know that contracts are only worth if there is a goodwill behind them. We can always declare force majeure and go away.

So I don't know if it will be 2014, because it was – you know, that was a prediction before the crisis hit. At the moment, it will be probably slightly more, farther ahead. But there is moment which is before the end of the next decade, when much of the present gas fields will be nearing the extinction, and the growing conception in Russia, and the fact that Russia, even with all the nuclear power plants, will still make most of its electricity from gas.

At the moment, it's 65 percent of Russia electricity is from natural gas. You know, that will keep huge demand inside Russia. Russia is growing – well, not so fast this time, but it will be growing again after the crisis is over. It will need more and more of its own resources for its own growth, and we will hopefully return to growth as well in Europe. So we will see. I am quite skeptical at the moment whether Russia will really step up the investment, because the situation is complicated there and economically as well.

MODERATOR: Let me ask Ambassador Smith or Mr. Kupchinsky if they have any comments on this issue.

AMB. SMITH: Well, I think, obviously, that the – with the downturn in the economy, it's going to extend the time that Russia's will be able to supply Europe, but I'd like – quite frankly, while there should be some stability in demand on the part of Europeans, I wouldn't want Russia to have too much security when it comes to it, because there are – I think the Brits, that you're right, you pointed out the LNG factor with the Brits. But I'd like to kind of, if I can be non-diplomatic, take a little issue with Ambassador Bartuska, who to me sounds more like old Europe than new Europe, and I think you put too much blame on the Central Europeans, who are in a very – we're in a very difficult – different situation than the Czech Republic.

Having spent a lot of time in the area, I think that first, it's the timing of their developments, the way they were tied to Russia economically was very different. Also, I think you're – you give too much credit to the West Europeans for their self-interest. I think a lot of the energy policies in Western Europe come from, really come from, quite frankly, companies or individuals who are going to benefit financially from their ties with the Russians.

I think the circumstance of Mr. Schröder, the friends of Mr. Berlusconi, there are people – there are Austrian banks who have benefited enormously. Now, the question is, in that in Europe's interest? Is that in their own country's interest? I would kind of take issue with some of that, because I think that quite frankly, it may be in their personal interest, but is it the interest of their country to pay an enormous price for natural gas, which is arbitrarily set by Russia? And it's not even Russian gas, it's mostly gas from Central Asia.

But the fact that the Europeans, the West Europeans have paid that high price to me doesn't show that they're the smart ones and the people in East Central Europe are the dumb ones because they haven't invested in large amounts of infrastructure so far. I think the situation of the Czech Republic is quite different from many of the countries of Central Europe.

AMB. BARTUSKA: Okay, may I?

MODERATOR: Absolutely.

(Laughter.)

AMB. BARTUSKA: Well, you know, I am saying this for one reason: We want to have a united front in Europe, and it cannot start from the Eastern European part saying, well, we want the EU money for this. We will never get French or German support for that. We can get German and French support, as we did get this January, when we say, well, we understand, but we also have to put money ourselves. And then you can actually get those countries on board.

And I may sound like – if I sound like old Europe, I am sorry, I am not, I – (laughter) – am very much the new one, but it's been three months now, and I am trying to actually have some sort of agreement among EU-27. And quite frankly, this agreement will either be the one which can – which the French and Germans can live with or there will be none. That's it, that's the very simple thing. You have something to it.

MR. KUPCHINSKY: Elena?

MODERATOR: Roman? Yes, Roman?

MR. KUPCHINSKY: Yeah. I'm glad you mentioned United States and its dependence on Saudi Arabia, for example. Somebody once said that Russia is a Saudi Arabia with trees. (Laughter.) But with the European demand for Russian gas in February of this year, the European demand for Russian gas was down 40 percent from last year, in the same period last year. Gazprom was caught in a very, a very dangerous cash flow situation, and it has warned already that it will be cutting back its desperately needed investment programs into new gas fields exploration.

I think the January – this January's boycott ended when it did because Russia was beginning to close gas fields. They had to. They did not expand flaring. Had they begun expanding flaring, the flaring of gas, this would have immediately been picked up by satellite that there was a significant increase. They would have had to flare billions of cubic meters, and that would have immediately showed up, and it did not.

And yet, Gazprom, which is faced in April with debts due to European banks are coming up, will they be able to pay, will the government give it money, what's going to happen? It all doesn't seem to matter for Gazprom because they continue to build their new skyscraper in St. Petersburg, they keep funding football clubs, they're buying from Italy the 20 percent of Gazprom Neft in April, with two-and-a-half – \$2.1 billion. Gazprom is not being run as a gas

company. It was a gas company until Putin was elected. Gas professionals – (in Russian) – were working there, and they understood the nature of the business.

Today, you have Alexei Miller, had no background in gas, Putin came and brought him in because he was a comrade in the St. Petersburg mayor's office with him, you have Valeri Golubev, former KGB officer who is one of the deputy CEOs, co-director of RosUkrEnergo, Chuichenko, former KGB officer in charge of the Gazprom legal department. It stopped being a gas company, it became a geopolitical vehicle for Russia. And this is what's sad, that's why we've seen that – and I have documents from Gazprom arguing arguments between the former leadership, saying, we have to invest money into these new fields, and the new men, Alexander Medvedev, for example, who is purely a money manager, one of the co-directors of RosUkrEnergo, as the head of Gazprom Export, competing against himself in stealing gas. That's all it was, stealing money.

So how do you deal with a situation like this? How can Putin come up publicly and say, but we don't know who our partners are in RusUkrEnergy. Alexander Medvedev said, we don't, we have no idea who these Ukrainians are. So that's Alexander Medvedev. I said, are you serious, this is bullshit, as we – (unintelligible). (Laughter.)

MODERATOR: A commonly used word.

AMB. BARTUSKA: That's contagious, I see.

MR. KUPCHINSKY: How is this possible, how do you sign a contract for billions of dollars with people whose names you don't know? And you expect us to believe this? You know, who's been stealing? I mean, everybody – and of course the Ukrainians were stealing, of course Naftogaz Ukraine, and I know them very well, as well – I mean, it's an opaque elephant, you know. It's also being somebody creating government to keep the budget in Ukraine down. The only source – (inaudible, background noise) – source of revenue that they have.

So Yuliya Tymoshenko takes money from Naftogaz Ukraine, puts it into the budget, goes to Russia to try to get a \$5 billion loan to pay for gas. This is something very wrong with that kind of thinking, with that kind of approach. So again I ask, because I think it's very important, that if this constant cycle is to be broken, if transparency comes into the gas transportation system into Europe – and you're very right, UkrTrasnGaz has to be decoupled from Naftogaz. That's essential, that's what one of the major problems always was.

Will the European Union not back off? That's my main concern, there'll be a salami effect – you know, first Germany, you know, goes out, then somebody else, the French, the Austrians are vulnerable, the Hungarians, and then you're faced with a situation where nobody's left. The Czechs might be left in their – and, to that, the Slovaks of course, the Poles will be supported, but I'm afraid if that they see that there's a possibility that they will lose the old pricing structure based on oil products, they might back off very quickly and go back to the old formula in order to protect themselves against any uncertainty. And instability plays a major role in the energy business overall.

I mean, I'd love for the Slovaks, the Hungarians and others to have LNG terminals. I would support a project for EU to build a sea allowed tankers to come to the Czech Republic and Slovakia, where they could dock. So my question, again, will there be political will to bring Ukrainian pipeline into the integrated European system, kick the Russians back to their borders, where they belong, and sitting there drinking vodka, and I want to hear your response.

AMB. BARTUSKA: Once again, I do believe Europe will stay with Ukraine as long as Ukrainians themselves are willing to do their bid. And quite frankly, the Ukrainian problem is that there are not that many people in the EU who are still interested in the Ukraine. That's mostly in our part of Europe; some people in Berlin and Paris, but for many, the Ukraine became totally unpredictable and difficult to understand. And I keep telling my Russian and Ukrainian counterparts, both of them, that they had a beautiful crisis in a bad time. They showed that they can do tremendous things this January. They were greatly prepared, both of them, Russia and Ukraine, but it wasn't time when – you know, they will need us, both of them, the Ukraine as well as Russia. And they hurt their standing very much this January. So if the Ukraine behaves understandably to Europe, I think Europe will remain with Ukraine. If Ukraine reverts to the fratricide, it will just – you know, people will walk away.

MR. : Okay. I believe I we have –

AMB. BARTUSKA: Just about this January –

MR. : I'm sorry. Let's – please complete your thought, but I believe we have some questions here in Washington as well.

MODERATOR: Okay.

Q: Thank you. My name is Christinia Krushneer (ph), and I am Ukrainian and I am a student at American University here, and I have a question. Basically, this move to modernize Ukrainian gas transportation system was like a move with a horse, if you translate it into a chess game, so I wonder what will be the next steps from European Union. Will this modernization go beyond technical assistance? Will there be some private investments? If so, does European Union accept privatization of the system?

So that's one question, and the second question is, will European Union support Ukraine politically and economically in the face of Russia's emotional reaction to the developments? Basically, for example, if Russia is not going to give Ukraine this needed \$5 billion loan, will there be any support from European countries? Thank you very much.

AMB. BARTUSKA: Okay, well, on the agreement reached on Monday, I think that the ball is now in Ukrainian half of the playground. Separation of Ukrtransgaz of Naftogaz, creation of a clear accounting in the company and bringing clear projects, that's the condition there, because nobody's going to pull billions of euros for unspecified projects, to a bank account which is not clear to whom it belongs. So that's one thing. It's now on Ukrainian side, we hope to see some movement on Ukrainian side soon.

MS. : But what –

AMB. BARTUSKA: (Inaudible, cross talk.) As for political support of Ukraine, I think Ukraine really hurt itself this January, I really think so. And there is precious little support for Ukraine in the EU at the moment. The Czech Republic is probably one of the few countries, few last countries in the EU who still care. Am I blunt enough?

MODERATOR: I have a feeling that it would be very unfair not to give the question to the Ukrainian Service at the moment, please. (Laughter.)

Q: Thank you. Natalia Tcherkovy (ph), Ukrainian Service. The commitment the Ukrainian leadership made on Monday would not only mean that they would have to steal less or –

MS. : (Inaudible, off mike.)

Q: – which is difficult enough to do, in the Ukrainian situation, but it's also mean – it would also mean that the separation of Naftogaz from Ukrtransgaz would mean that they would have to make Naftogaz a more profitable company. And for that, they would have to raise the domestic price. And Ukraine is in the middle of the economic crisis now, so they may want sincerely to raise the prices, but it would – it might be politically impossible. Do you count in this kind of a risk? What do you – do you expect this to happen and what would you do, the European Union do about it?

AMB. BARTUSKA: Well, quite frankly, I don't expect Europe to do much about it, because Europe is also in the middle of economic difficulty, and you know, faced with the protests in France and Belgium and elsewhere, Latvia and Hungary and elsewhere, I don't think that people pay too much attention to troubles elsewhere. We have our own plate full, and our countries in the eastern part of Europe went through price separation of energy in 1990s and last few years as well. And it's painful, in this country, I mean, ask anyone whether he likes his electricity bill, and you will probably hear a few swear words. Nobody likes that.

There will be no special treatment for the Ukraine. I don't believe that. And you know, I – when I heard, when I listened to Mr. Tymoshenko on Monday and I spoke with Deputy Prime Minister Nemyrya over the weekend a couple of times, they feel hurt by the fact that the IMF package for Ukraine is \$16.4 billion while the package for Hungary, which is much smaller country, is much bigger. And I am trying to politely explain that that reflects the fact that some countries simply have better standing than others. So don't expect any special deals for Ukraine, no discounts, no favors.

MODERATOR: Back to Washington.

Q: I'm Stanley Kober with the CATO Institute. One country that hasn't been mentioned is China and I understand the Russians also could supply energy to China. Would it have enough, would it reorient the supplies for China? How does the growth of the Chinese economy and its demand for energy affect Russia's energy supplies for Europe?

AMB. BARTUSKA: This is the favorite line of Vladimir Putin, that if Europe doesn't behave he will redirect the flow to China. To build the pipelines, the trunk pipelines that could carry the gas from Urengoy and Yamburg to China, you will have to spend plenty of money on that, tens of billions of dollars. And China can also play hardball pretty well, so Russia will increase its exports of oil to China. That's already agreed, and there is a pipeline being built, the East Siberian Pacific Pipeline to Skovorodino to be finished, well, originally it was planned to be finished last year but will be finished probably next year.

But a whole redirection of the flow, I don't see it happening at present stage. What will happen definitely is that most of the new fields for oil and gas are in the eastern part of Russia, in the Asian part of Russia: north Siberia, Far East. And from there, much of this resource will probably go to countries like Japan, China or the U.S. and India; that's something Europe has to count with. We mentally think that Russia is our captive supplier, bound by the pipelines to supply to us. I think that we will have to learn that much of the newly discovered and newly opened oil and gas will go elsewhere.

MODERATOR: Let's take one more question from Washington unless our panelists in Washington want to comment.

MR. KUPCHINSKY: Yeah, I'd like to say a few words about one of the consequences of the Ukrainian pipeline EU deal. One thing it will do, if anything, it'll bring greater transparency and greater accountability to the transfer of gas. I guess we'll finally put an end, I believe, to the argument that Mr. Putin and Medvedev have used in the past that Ukraine was stealing Russian gas. The only proven incident of Ukraine stealing gas from the pipelines was back in the 1990s when the head of Naftogaz Ukraine, a fellow called Ihor Bakai, was stealing gas, selling it on the side to Poland and Slovakia and Romania and pocketing the money for himself and bought a very nice property in Naples, Florida, which I visited for a while recently. (Laughter.)

Mr. Bakai – then when the Orange Revolution came in, a little before it came to power, Mr. Bakai ran off to Russia, where he was given honorable – or given Russian citizenship by Vladimir Putin personally for his great work for Russian culture. He's a criminal. And that was the only proven example of Ukraine stealing gas from the pipeline. However, all the accusations in January 2008 by Putin, Medvedev and others that Ukraine was stealing were never proven as far as I've seen and heard. Even the EU itself has said that there was no confirmed things.

But let me ask you about this, don't you think that in this kind of a deal, where there would be much greater transparency and accountability because the EU would look after who's doing what in the pipeline, not the Russians – because the Russians, you can always go to a back room and say, guys, you never saw this, and they say, yeah, of course, we'll split it 10 percent here, 20 percent there, nothing happened.

With the EU it's going to be quite different, I believe. And I think this will have also a major impact on corruption in Ukraine, corruption in Russia and lead to a much more secure gas transportation system into where it needs to go. Let's not forget, by around 2010 the predictions

are that the price of oil is going to dramatically rise again. And there are serious predictions that we've got. This means that by the end of 2010, the price of gas will go up if the Russians continue to stick to their current pricing policy. So these things are really liable to come into great changes in the next year-and-a-half, two years. How do you see that?

AMB. BARTUSKA: Well, I cannot give you any tip on the price of oil next year. I would love to, but I can't.

MR. KUPCHINSKY: We'll talk about it later.

AMB. BARTUSKA: Okay. (Laughter). Ten percent here, 10 percent there. You know, when I spoke to my prime minister in December and I predicted a major crisis in January for gas, and when it finally happened we went to Kiev and Moscow we saw Putin and Yushchenko, Tymoshenko. He kept asking me, the prime minister, he kept asking me, how did you do it, who did you bribe, how did you do it? So, if you want a nice price for oil, let me know. But seriously, the agreement which was signed on Monday may seem maybe more important than it really is because it's my experience with Ukraine and Russia that any agreement is only worth the amount of goodwill which is on both sides.

So I do sincerely hope that Ukrainians are serious about what they signed on Monday and that they really want it. At the same time, I understand that that would mean that quite a few people in the Ukrainian elite would lose out plenty of money they are getting at the moment. So we have a Czech saying that fish never dry the pond they live in. I don't know how to translate it to English but I think it's understandable, somehow. And we will see, I mean what we propose is, a clear-cut solution, accountable, transparent, European, if you will.

We will see what it's real interesting for most of the Ukrainian elite. I cannot promise anything. I can tell you just one thing, that until Tuesday last week, six days before the conference itself, it wasn't clear that the conference would take place or not because there were huge discussions on the Ukrainian side about text, about who should go there, who should not, la, la, la, la, la. It was all agreed literally six days before the conference, finally, even though the conference itself was planned for months and months ahead. So I see clear fight inside Ukraine between different groups, and I cannot predict who will win.

MODERATOR: Let me bring a second supplier here, Turkmenistan.

Q: Thank you, I'm Jamalia Leivchuk (ph), Turkmen Service. Mr. Ambassador, you mentioned Turkmenistan as a potential supplier for Europe and to extract gas from the newly founded fields in Turkmenistan, the country heavily depends on foreign investment. My question is, where does EU stand in negotiation with Turkmen government at this moment?

AMB. BARTUSKA: Well, our prime minister was there recently, we have Sasha – (unintelligible) – going there again in April and we would very much like to see somebody from Turkmenistan at the summit – in the summit corridor in May. The present policy is Turkmenistan is clear and Gurbanguly Berdimuhamedow said it clear a couple of times, that

foreigners can invest offshore but no one from abroad can invest onshore. There is one exception which is China.

And that policy sticks. I spoke with ENI which is very interested in onshore, and everybody else is interested. I mean the audit for Yoloten-Osman field is tremendous. It seems there is plenty more gas than people thought, but the policy seems to be clear. Nobody is to get onshore, and if you want to try your luck in the Caspian Sea, here is your lot. So unless that change, no investment can come onshore unless it's Chinese or Russian. That seems to be fixed for the moment.

Q: Could it be the key issue at the summit with Turkmenistan?

AMB. BARTUSKA: Look, we have no way of telling anyone, you should do this with your natural resource or that. I mean that's always a free choice of each country. We do believe that the intervention of oil and gas companies can do a more decent deal for Turkmenistan than some other helpers. But in the end it's for Turkmen leadership to decide.

MODERATOR: We're at about 10 minutes, so let's take questions from Washington please.

Q: Richard Weitz, the Hudson Institute. I'd like to follow on to the previous question and flip it around and ask how the Central Asian countries, particularly those who can supply energy to Europe, have been viewing the recent conflict between Russia and Ukraine.

AMB. BARTUSKA: Well, I've been to Kazakhstan recently and I'm going to Turkmenistan soon again. Those people, especially the people who are in the gas and oil business in those countries, understand very well how complex the relationship between Russia and Ukraine is, how many people have their hands in the pie, both in Moscow and Kiev. And they usually just smile when I talk about it with them. And how do they see it? I think the real message for that region was August 2008. The real message to Azerbaijan, Turkmenistan, Kazakhstan was the war in Georgia, and the message was clear: If you bypass us, you might get hurt and they understand.

I was in Kazakhstan last year a few weeks after war, and it was just in time when Kazakhstan announced that it will pull out from three investments in Georgia, which it had planned. No official explanation, just simply, it wasn't economically interesting anymore. And Azerbaijan asked right in September after the war suddenly to be able to ship oil via Mahajkala (ph) pipeline through Russia; a pipeline which it didn't use since finishing with the – Baku-Tbilisi-Ceyhan pipeline. So they also get the message, and we will see.

Europe can offer decent terms, cooperation – not just in energy but in transport and other fields – but of course we have no divisions at our disposal and no fleets of bomber planes. So there is something that we don't have obviously.

MODERATOR: Let's take another question in Washington, please.

(Off-side conversation.)

AMB. SMITH: Well, I'd like to return just quickly to the issue of kind of a coalition because I'm taking a look at the 5 billion euros energies infrastructure money, which is just being dispersed now. The only project in East Central Europe which is on there as a firm project is a power line between Poland and Sweden, and the money that was originally designated for the Nabucco pipeline is shrinking or will go away. And so I go back to the point is that – I don't think that the interests of East Central Europe, in fact, are being adequately addressed in the EU Commission.

If I look at the EU Commission, if I look at what they've been doing as far as on pipeline issues over the last few years, they've been, quite frankly, very passive when it comes to pipeline issues. When was the last – when was the first time that the commissioner for energy went to Azerbaijan to talk to the Azeris about Nabucco? Very recently.

And when the president of the EU was in Azerbaijan, the Azerbaijanis at least report that he was not interested in the issue. So it's only been recent that there's been any interest at all. And there's been very little follow up as far as White Stream. So, quite frankly, I think that those countries who feel more pressed – not the Czech Republic, obviously – but those countries who feel more in a bind on energy are, I think, legitimately, have some beef against the European Commission. That's all.

AMB. BARTUSKA: If I may, on this one. I watched carefully what was going on with those money because it was originally assigned in October to be 5 billion out of those 200 billion for the reconstruction, 5 billion for energy. And then the money constantly shrank because then in December already it was just 4 billion, the 1 billion going to Internet broadband. Then there was more money going to Internet broadband and countryside, so in the end, what was agreed last week is 3.5 billion euros. And I can assure you that much of this money will not be spent because, as I said before, it would have to be spent this or next year, and most projects are not prepared for this.

What I see as a more depressing thing is that the reason why the mixture of the projects in the end is such as we mentioned, and you are pretty right on that, Ambassador, is that what most new EU member states lack is the know-how, how to actually deal in the corridors in Brussels. How you get your things on the list, how to keep them there, how you get your projects funded. That's something that the French and the Italians and Germans know much better than we do. I mean, they've been at it for five decades now. We are just learning slowly how to do this stuff.

So I am often very exasperated by our own state service, which is – could be much better, I believe. And I could be much better myself in getting the money to my country. And I see deficiencies on our side very clearly because sometimes the view is that we are not just as good in grabbing attention and grabbing the money as others are. And that's our great – you know, something we have to catch up with pretty fast. I have nothing more to say about that, but I see the list. It's clear. There are small projects there. The connection between Bulgaria and Greece is there; there are some other smaller projects there, but in the end of the day, we are pretty bad

in grabbing the stuff which is on offer. We could do much better job as new Europeans, if you will.

MODERATOR: Mars (ph), do we want to continue with questions?

MR. : We've got one more question and then let's go to wrap up here.

Q: Tomas Gulbinas, Lithuanian Embassy. Sorry – well, thank you very much for the panel is here and in Prague for a very interesting discussion. Well, being here for a couple of years I heard many times that Americans were kind of encouraging EU to take steps on energy independence and were caring more probably for European energy independence than the Europeans themselves. Now, with this deal on Monday between EU and Ukraine, well, it looks like EU's made a very significant step, upsetting Russia – strongly upsetting Russia. And this comes in the middle of honeymoon between Washington and Moscow.

Looking forward to the EU-U.S. summit, what will be your message to the Americans and what do you expect from Washington? Thank you.

AMB. BARTUSKA: Well, I was in D.C. a month ago, and I'm going there soon again. And I think pretty much everyone in the new administration is more worried about getting the clearance and confirmation than everything else so we don't expect any new, clear policies before the end of our presidency. And that's usually stuff with all new administrations. I was at the White House where everybody had a green badge, awaiting confirmation, almost everybody there. And – so we don't expect any major new policy formulated in summit meeting in April.

And also, I think, U.S. will have to do their reviews, which are plenty of them, conducted in the moment. We will see. We will also see how far the honeymoon, as you called it, the honeymoon with Russia, how far it goes. I think that there might be some honeymoon between Moscow and Washington at the moment, but I think there is more ground for a long-term, long-lasting love between Europe and the U.S. and U.S. and Russia. So we will see.

But I don't expect anything new in April. No. It's too soon. It will be very polite, very nice, family photo and all that, but probably nothing major will happen here.

MS. : Well, thank you very much. Thank you, Washington. Thank you, Ambassador Smith. Thank you, Roman, and thank you, Ambassador Bartuska. It was a terrific discussion. I think we all learned a lot, and all benefited from this hour-and-a-half that we spent together. Thank you.

(END)