

**Written Testimony of Peter B. Doran  
President and CEO  
Center for European Policy Analysis**

**HOUSE COMMITTEE ON FOREIGN AFFAIRS  
Subcommittee on Europe, Eurasia, Energy and the Environment  
“Undermining Democracy: Kremlin Tools of Malign Political Influence.”**

**May 21, 2019**

Good morning, Mr. Chairman, Ranking Member, and Members of the Committee. I am Peter B. Doran, President and CEO of the Center for European Policy Analysis (CEPA). It is an honor and a privilege to speak with you. I want to thank you for inviting me here today.

I have already submitted my written testimony for the record, so I'd like to encapsulate it with one overall message for the Committee:

Right now, the Russian government believes that it is in a battle against the U.S.-led economic and international order. Its leaders believe that they are winning this battle. And they are doubling down on their strategy to undermine Western democratic systems with tools of malign political influence.

Based on the research and reporting at my organization, CEPA, I can confirm for this Committee that the Kremlin aims to undermine western political cohesion by turning the very strengths of our own liberal democratic order against us. Russia has tried to undermine—and even topple in one case—governments, sowed discord and confusion among our allies by peddling disinformation under the guise of free speech, and used corruption for political purposes under the cover of neutral business.

Importantly, these efforts are *not* isolated. Rather, they are the products of a coherent, unified strategy that was developed at the highest levels of the Russian government. That strategy is well funded and—at times—effective. I am confident that we can beat it, but we must deploy a well-planned, coordinated, and serious response.

Mr. Chairman, I am the co-author of a CEPA analytical report that I've submitted for the record. This report details how Russia seeks to undermine democracy by spreading chaos beyond its borders. Chaos is Russia's *strategy*. The Kremlin's toolkit of financial corruption, disinformation, and influence are the *means* of activating that strategy.

Russia's leaders are gambling that global competition with us will mean: the side which can cope best with disorder will win. By activating its malignant toolkit, the Kremlin is attempting to offset its weaknesses relative to our abundant strengths. This is why Russia targets the things that

make us strong—pillars of Western power like solidarity between allies, the integrity of our political systems, and the unbeatable dynamism of our free-market economies.

I would stress for the Committee that Russian leaders also exhibit a strong preference for deploying their malignant toolkit in the energy arena. Moscow hopes that we will simply debate the basic market economics of its energy infrastructure proposals, while turning a blind eye to the corrupting combination of money and influence that Russia builds into each of these physical projects. And when it comes to this combination, I can think of no better example than Russia's Nord Stream 2 pipeline – the crown jewel of Russia's malign energy offensive aimed at undermining transatlantic security.

As this Congress is aware, Russia is presently attempting to build the multi-billion-dollar Nord Stream 2 gas pipeline into Germany. If the Kremlin succeeds, Nord Stream 2 will become a new vector for Russia to spread money and influence across Europe. By completing this pipeline, Russia will make essential allies like Germany more financially and economically dependent on the Kremlin. Vladimir Putin knows exactly what he is doing. Nord Stream 2 is not just a commercial deal, as project promoters falsely claim. It will establish a new, long-lasting, corrupting influence over our friends.

Nord Stream 2 is not about bringing significant new gas volumes to Germany or Western Europe. Nord Stream 2 is about the harming our Ukrainian partners and allies while exporting and *normalizing* malign influence in the form of financial and economic dependency on Russia.

### **So what do we do; how do we defeat Putin's strategy against us?**

**First**, we need to understand that Russia's use of political corruption, disinformation, and malign influence has a purpose: to divide and weaken us.

**Second**, it reveals what Russian leaders fear: our power (especially when used in coordination with allies), accountable democratic governance, and a rules-based international order. The Putin regime views all of these as an existential threat to its autocratic kleptocracy.

**Third**, Vladimir Putin wins when our internal debates about Russia become polarized and partisan. As long as we are fighting each other, we are advancing the Kremlin's agenda.

**And fourth**, U.S. and European policy must be dramatically re-ordered when it comes to the sequence of “carrots and sticks” offered to the Kremlin. We need a lot more sticks—and no consideration of *carrots* or open-ended partnership with Russia until we see undeniable signs that it has changed its strategy. Let's not give carrots to those who would do us harm. And when it comes to *sticks*, Vladimir Putin needs to become more uncertain of our next move than we are of his. Right now, that is not the case. The costs we put upon Russia for deploying chaos against us must rise. We will know when the costs on the Kremlin are high enough when Putin no longer deploys his malignant toolkit. So far, he is not letting up.

## **What might costs look like?**

Let us finally take a stand and show that we are serious. Let us finally put sanctions on Nord Stream 2. America can take this action—today. Sanctions on Nord Stream 2 are the first, best, and most immediate way to show the Kremlin that we mean business. I would continue to encourage this Congress to do everything in its power to press the Administration, notably the Treasury Department, to use all financial and legal tools at their disposal to stop Nord Stream 2, including sanctions.

Let us also prepare effective mechanisms to prevent the buying and selling of Russian sovereign debt in our markets should Russia escalate against us in the future. As such, let us practice and publicize transatlantic “financial snap exercises.” Armies already conduct “snap exercises” to demonstrate their readiness and resolve to deter an adversary. The same must become true when it comes to money. Russia’s banks are just as dangerous as Russia’s tanks. And the Kremlin will take notice when it sees U.S. and European authorities showing similar readiness to act against Russian aggression via the financial realm.

Lastly, I would encourage Congress to continue its support for this Administration’s commendable efforts to counteract state-sponsored disinformation and the “fake news” that Russia injects into our body politic. At CEPA, we often think of Russian disinformation as a virus. In order to defeat a virus, you need to understand what it is and how it evolves. Regular, targeted analysis of the reach and impact of Russian propaganda is essential. People can also inadvertently contract a virus or spread it—unless they are educated on how to protect themselves and others. The same is true of disinformation. And when it comes to developing a cure, I would offer that Americans can learn a lot from our allies in Central Europe and the Baltic States—allies who have long been exposed to disinformation and have developed resistances to it. Therefore, building greater transatlantic networks of experts inside and outside of government will be essential to achieving our end goal: developing a cure.

Mr. Chairman, every strategy has a weakness. The Kremlin’s malignant toolkit of chaos can be defeated. We just need to get a lot smarter about how we go about it.

I thank you for the time and look forward to your questions.