I'm very happy to be back home in Muskegon. I want to thank the Board of the Friends of the Hackley Library, for the opportunity to give this prestigious address; I'm looking forward to revisiting Hackley Library tonight, where I researched and wrote many a term paper in the 1970's.

I'd also like to thank the Muskegon County Community Foundation – which gave me some scholarship money in 1976 to make my first trip to Leningrad, and set me on this path.

Congratulations to the Robinson Essay winners -- I look forward to reading your essays, and learning something new in the process.

I look out and see a number of teachers and mentors: Jacque Tomasiewicz, who taught me English and instilled a love of books; and Ed Anderson, my German teacher from Mona Shores High School, who taught me that learning a language is not a hobby -- it's a discipline.

My sister Julie and her husband Jack Schugars cannot be here tonight, because they are in Peru on a church mission. I have the reputation for being the world traveler in my family, but I've never been to South American, and I'm a little envious.

My brother Joe is here tonight. I'm flattered that after having to listen to me talk, often against his will, for over fifty years, he decided to subject himself to a full evening of it. I'd also like to thank him for promising not to heckle me -- those of you who have an older brother will understand what I mean. I glad that Judge Neil Mullally is here, though -- it's nice to have an officer of the court on hand, just in case.

Most of all, of course, I want to remember my mother and father -- Joe and JoAnne Beyrle. And I say that with the warm feeling that many of you here tonight knew them well, and knew what special people they were -- and still are -- to me.

I am honored to have this chance to speak to you about the Russian-American relationship; about what it means for America, and our own interests at home and in the world.

On April 1, President Obama met with President Dmitriy Medvedev for the first time in London. It was a very businesslike meeting; a meeting between two men who each saw that, while we have important differences, in many areas we face the same threats, and on many important issues our objectives and interests coincide.

In the final declaration of the meeting, both Presidents made a commitment to move beyond the old habits of confrontation of the Cold War, and to make a fresh start in our relationship. The work is already underway, both in Moscow and Washington, to try to turn this change in sentiment into actual achievements. In fact I was in Washington last week for the meetings of the Russian Foreign Minister with President Obama and Secretary of State Clinton. It was agreed that President Obama will visit Moscow in early July for three days of discussions with the Russian leadership, and meetings with Russian business and civil society leaders, on a broad agenda of mutual concerns.

I'll talk about that agenda in more detail in just a minute. But first let me just set out some of context. We don't seek to improve relations with Russia just for its own sake. A constructive, productive relationship with Russia is essential to the national interest of the United States. A bipartisan Commisson on US Policy Toward Russia (Hart/Hagel) recently concluded that "few nations could make more of a difference to our success than Russia." I would point to three reasons that Russia matters:

The first relates to our strategic, survival interest. And it's a shared existential interest. Russia and the United States remain the world's only two nuclear superpowers; together we possess 95 percent of the world's nuclear weapons. For that reason alone, Russia can't be ignored or marginalized, and

Russian support is essential at a time when the proliferation of nuclear weapons and materials is a growing global danger.

The second reason is basic geo-politics: Russia is a major international power, bordering Asia, Europe, and the Middle East, three regions whose futures are vitally connected with our own. Russia is a permanent member of the UN Security Council, and thus will have an influential voice in the most crucial diplomatic challenges of this century, from Iran to North Korea, to efforts to fight piracy on the high seas, and terrorism and extremism in places like Afghanistan and Pakistan.

The third reason is simple economics: our countries' prosperity is increasingly intertwined. Russia is the world's largest producer of gas and oil, and America is the largest consumer. Forty percent of the natural gas that is consumed in Western Europe comes from Russia. Russia has and will have a very large role in how energy is produced and distributed in the world. Russians are doing business with the United States, and vice-versa. I joined President Medvedev at the opening of a General Motors Plant in St. Petersburg last fall. Before the crisis hit, Russia had become the largest car buying country in Europe; and when the crisis ends, it will be again. Even with the economic crisis, American companies such as Procter & Gamble, Microsoft, Alcoa and Boeing and dozens more are enjoying an incredible ten years of growth, taking advantage of the business opportunities and growing number of affluent and middle class consumers in Russia. For instance, the titanium for Boeings new Dreamliner, the most advanced airliner in the world, will come from a Russian-American partnership. And Russian investment in the United States has saved or created thousands of jobs, especially in our hard-hit steel industry.

Against this backdrop, another important point to keep in mind is that today's Russia is not the Soviet Union. It is a far different country than it was when I was a student in Leningrad in the 1970s, or a junior diplomat in Moscow in the 1980s. Russia is increasingly connected with the rest of the world, and with the United States, in ways that were unimaginable two decades ago.

Russians and Americans are exploring space together. In the next few years, until the new American space shuttle is ready, American astronauts will be going into space exclusively on the Russian Soyuz rocket, and working together on the international space station. And not only in space; right now American and Russian scientists are working together in Siberia, drilling down through a lake to bring up cores to the oldest ice in the world, which will provide clues to the process of global warming.

Russian and American law enforcement agencies are working together. The FBI and Russian FSB are cooperating to combat cybercrime – a plague of credit card fraud and other on-line scams that costs Americans billions of losses every year. The American DEA and Russian customs agency recently partnered on a major seizure of drugs in the harbor of St. Petersburg, and the Russian police and U.S. Immigrations Enforcement carried out a joint prosecution of an American citizen who ran a sex trafficking service in Russia, using Russian orphans.

Russians are traveling more than ever. Russians made over 36 million trips abroad last year. Over 175,000 Russians came to America in 2008 – a record -- including 32,000 Russian students who participated in the Summer Work and Travel program, working in summer resorts selling fudge in Mackinac City and learning about the United States.

Also, Russians are getting used to other freedoms they didn't have in the days of the Soviet Union. Russia is one of the top ten countries in Internet use, and about a third of Russians are on line. And the pervasive fear that I knew during my time living in the Soviet Union is gone. An entire generation has grown up being able to read and to say whatever they want.

And many of them are quick to say that Russia is still not the kind of democratic society that they want to live in. Organized political activity is closely controlled to ensure that the ruling party, United Russia, faces no significant competition. National television channels are closely monitored by the State. Russia is one of the most dangerous country on earth for journalists – 16 reporters have been

killed since 2000, according to the Committee to Protect Journalists, with all but one of those contract killings still unsolved. Corruption in government and especially in the judicial system is still rampant. As in many other countries of the former Soviet Union, the transition to a freer more democratic society is not smooth, and not without setbacks or backsliding. But I lived long enough in the moral bankruptcy of totalitarianism in the 1970s and 80s to be convinced that there can be no return to the worst excesses of the Soviet Union, economic or social. That road back is closed off. But the road <u>ahead</u> for Russia is not completely clear. And it is very much in our national interest to work to maintain a productive, constructive relationship with Russia to ensure that her transition to the prosperous democracy that the Russian people desire and deserve happens sooner rather than later.

The Agenda for the New Relationship

To that end – to help restore the habits of cooperation and rebuild some of the trust and confidence that has been lost between us -- Presidents Obama and Medvedev laid out an agenda of issues in their London meeting where we have common interests, and where we can work together. Let me describe briefly the main areas in which we seek to make concrete progress over the next 12-18 months – and a few issues on which I think we will simply have to manage our disagreements.

Arms Control

First, we seek to conclude a legally binding treaty that reduces and limits strategic offensive arms. This is an area where Russia and the U.S. can be model for the rest of the world. We've agreed to begin negotiations on the first new verifiable arms control treaty in 20 years to replace the START Treaty that expires this December. Discussions between our negotiators have already begun The Presidents also reaffirmed their support for the ratification of the Comprehensive Test Ban Treaty and by July we hope to finalize agreements to reduce weapons grade plutonium and other weapons-grade nuclear material.

The second is in the area of non-proliferation I referered to earlier. The United States and Russia have a common interest in working together to reduce the threat of the spread of nuclear weapons to dangerous regimes or terrorist groups, while safeguarding the peaceful use of nuclear energy. We have built a substantial record of success in this area already over the past 15 years. Together, we achieved the denuclearization of Belarus, Ukraine, and Kazakhstan; the deactivation of over 7500 nuclear warheads; the destruction of more than 750 intercontinental ballistic missiles, the elimination of more than 30 strategic ballistic missile submarines and over 600 submarine-launched ballistic missiles, as well as the removal of highly enriched uranium from more than a dozen sites around the world. Many American nuclear power plants now run on fuel that was once part of the Soviet stockpile of weapons-grade enriched uranium. In London the Presidents stated their support for expanding these initiatives, which not only make both Russia and the U.S. safer, but also set an example for the rest of the world.

Iran and North Korea

Russia and the U.S. also have common interest in preventing regimes from defying international agreements on nuclear non-proliferation. We have worked together in the UN Security Council to address the nuclear ambitions of Iran and North Korea. We are working closely with Moscow to ensure that Iran's nuclear program remains peaceful -- to ensure that Iran does not acquire a nuclear weapon. We also want to work together with Russia on providing fuel for power plants in other countries which agree not to develop their own fuel enrichment capabilities, reducing the likelihood that nuclear materials could fall into hands of terrorists or irresponsible regimes. We're working now on the details of this, which we hope will be agreed to and announced by the Presidents in Moscow in July

Afghanistan

A third area where we can work together is to bring stability and security to Afghanistan. Russia has agreed to allow the U.S. and other NATO members to transit military equipment by across Russian territory to Afghanistan, which is important, given the attacks on NATO supply lines in Pakistan. Bringing stability and security in Afghanistan requires a regional solution, and Russia's participation, not with necessarily soldiers but with diplomacy and logistical support, is essential. It's also important for Russia, because Afghanistan has become an important source of narcotics coming into Russia, causing great damage to Russian society. We'll both benefit by working together.

Georgia, NATO, Missile Defense

One area where we have important differences which we have to manage carefully, concerns Russia's relations with its nearest neighbors that were once part of the Soviet Union. As you know, following the brief war between Georgia and Russia last summer, Russia hastily recognized two territories seeking to separate from Georgia -- a decision which raised obvious concern over Russia's respect for the territorial integrity of its neighbors. This is an issue on which we will continue to disagree with the Russian government. We stand by the right of Georgia, Ukraine and other countries to determine their own foreign policy and make their own choices about what international organizations they wish to join. At the same time, we and Russia agree on the need for greater stability and security following the conflict of last summer. Presidents Obama and Medvedev endorsed the discussions going on in Geneva involving all the parties to the conflict with the aim of finding a long-term solution to the problem.

We also have important disagreements with Russia about the enlargement and future role of NATO. President Medvedev has suggested that Europe needs a new security treaty. We see NATO, the EU and the OSCE as successful existing organizations that have helped ensure peace and stability in Europe for many decades. We think that NATO is still essential for Europe and our future security. But we clearly hear Russia's concerns that it is not fully represented in all of these European institutions. And so we will look with interest at the details of President Medvedev's proposals, with the hope of finding common ground between Russia's goals and ours.

Missile defense is another sensitive issue on which we and the Russians still hold quite different views. The system proposed for deployment in Poland and the Czech Republic is conceived as a defense against the growing missile capabilities of Iran. Despite the fact that it is incapable of posing a real threat to Russia, the Russian military is concerned that it could some day in some way be used against them. The Obama Administration is still reviewing the modalities of deploying a missile defense system in the Czech Republic and Poland to ensure any system is workable and cost effective. Our goal is to persuade Russia to work together with us and with our European allies to develop a system which can protect all of us.

The Financial Crisis and WTO

We are already working together with Russia in another important area – dealing with the global financial crisis, and, in the long term, helping Russia to integrate more closely with the world economy. The steep decline in oil, gas, steel and other Russian exports had a devastating impact on the Russian economy, causing a great jump in unemployment and a huge drop in the Russian stock market. Russian and American interests are obviously served by working together to restore the health of the global financial system, and by getting the world economy moving again. Secretary Geithner and Finance Minister Kudrin are in direct contact on next steps that need to be taken.

We also support the entry of Russia into the World Trade Organization. At the moment, Russia is the largest economy in the world outside of the World Trade Organization. Bringing Russia into the WTO will mean that Russia will be playing by the same rules as its economic partners, and will also be strong incentive for Russia to reform and modernize some of its economic structures and practices.

Those are the main issues – there are many others where we have common interests, from fighting organized crime to protecting the environment and developing new sources of energy. On all of these areas, we will get more done if we do it together.

Conclusions

It's vital, not just for the United States and for Russia, but for the whole world, that we get U.S.-Russian relations right. Our Presidents have gotten off to a fresh start and given us an action plan – now it's up to the diplomats and negotiators to turn this plan into real results.

This is a rare moment in our relationship, a moment full of possibilities. We have two young Presidents, Barack Obama and Dmitriy Medvedev, with what appear to be convergent plans and desires. And there is a feeling, in both Russia and the United States, that at last we can leave behind the psychological baggage of the Cold War and begin a new era. I hear this expressed as a fervent hope by many of the student groups that I speak to frequently in Russia. And the point I make to them is that it doesn't depend just on diplomats and negotiators. The most important long-term work to build a better sustainable relationship between these two huge, continental, consequential nations, is done at the level of people. That's why I was especially proud to discover the work done by the West Shore Symphony and others this month to make real Russian festival and gala: "Moscow in Muskegon," as the Chronicle headlined it.

We need more of this kind of exchange to help overcome the Cold War hangover on both sides. Because Russia can be a powerful and effective partner to help us advance our own interests. Together, we managed to defeat the Nazi Germany in World War II – and my Dad's unique experiences are still a symbol of that powerful alliance, 65 years on. Together, we managed, despite the Cold War, to come up with the first arms control treaties, and stopped a nuclear arms race. I am a diplomat, and therefore I have pragmatic views about the possibilities of cooperation. But I also believe strongly in one of the maxims of my old boss, Colin Powell, that optimism is a force multiplier. And as an American, I am a bred optimist. And I believe we will be able to make the new Russian-American relationship a constructive and productive one. That is my mission as Ambassador – your representative — in Moscow, one that I am honored and proud to carry out on behalf of our great country. My many years of living abroad have taught me many things, but nothing more important than a deep appreciation for the many things that make America a unique, special place — still a symbol of hope and opportunity for many people around the world. With your support, I will look forward to continuing my work. I'm very proud to have that chance. Thank you.