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**REMARKS**  
*AS PREPARED FOR DELIVERY*

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**“The U.S. - Bulgaria Partnership – Built on a Foundation of Shared Values”**

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Atlantic Club  
Sheraton Hotel  
Sofia, Bulgaria

Thank you Solomon for that warm welcome. The Atlantic Club is a longtime and valuable partner of the U.S. Embassy here in Bulgaria and I am pleased to join the distinguished list of Ambassadors who have spoken to your audiences.

As many of you know, I arrived in Bulgaria at the end of September. I have spent the past four months meeting with Bulgaria’s leaders and with representatives of the opposition, with journalists, with artists, with students, and with representatives of civil society. In short, trying to get a sense of what Bulgarians think is important and especially how you would like to see the relationship with the United States develop.

The United States and Bulgaria already enjoy a productive partnership that encompasses many fields. We work together on security and science, on energy and education, on the arts and archaeology to name a few. In September of this year we will celebrate 110 years of bilateral diplomatic relations. That is over a century of U.S.-Bulgarian friendship.

Roman philosopher and statesman Seneca said that one of the most beautiful qualities of true friendship is to understand and to be understood. That expresses very well an important goal of partnership and of diplomacy in general. We strive to understand and to be understood. But it is also true that for countries to collaborate they must have mutual interests, and for that collaboration to be sustained, they must have shared values. For the U.S. and Bulgaria these include a commitment to democracy, to a free market economy, and to equal rights for our citizens.

We share a desire for our children to have more than their parents. We value education. We embrace modernity. We have a pride in our countries’ national endowments --- in the case of Bulgaria the mountains, the seaside, a history as long as that of civilization. Americans are proud of our national endowments as well and, like Bulgarians, are concerned to protect them.

I am one of those who continues to believe that Europe is the United States' most important partner. It is with Europe that we have our largest volume of trade, with which we are partnered in the world's most important military alliance, and with whom we have a shared global perspective.

I hardly need to remind this audience of the value of the transatlantic partnership since the Atlantic Club played such an important role from the beginning.

Together, we are committed to keeping our Alliance strong, to protecting Western Democracies and to securing prosperity for future generations.

It is these common values and common commitments that underpin the relationship between our two countries.

Since arriving in Bulgaria, I have been listening to what the people of Bulgaria want from our bilateral relationship in order to make our joint work responsive to our shared needs. As I have met Bulgarian citizens in Sofia and outside the capital, they have shared with me the things they are proud of about Bulgaria, and in moments of candor, the things they want to change, so that their children and grandchildren can inherit a more prosperous, more secure Bulgaria with strong democratic institutions. One of the messages that I hear repeatedly is that they would like more U.S. business cooperation and more collaboration. We, too, would like to make that happen.

Bulgaria is six years into European Union membership, has been a member of the NATO alliance for nine years, and is on the path towards evolution into a mature European democracy. We envisage the role of the United States to be one of a supportive partner enabling Bulgarians to achieve your own aspirations.

I would like to begin by talking a bit about our security cooperation.

The Atlantic Alliance, once limited to the trans-Atlantic space, has stepped up to meeting global challenges to the security of its members. Bulgaria has played a part in the Alliance's activities in Libya, and in fighting piracy off the coast of Somalia. We have worked together in Afghanistan and after eleven years we are beginning to wind down our commitment there, but the job is not done and we need to take care that the investment we made endures into the future.

Working together as allies certainly bolsters our collective security, but it also has other benefits. It creates a lasting bond between Bulgarian and U.S. soldiers and interoperability between our two militaries. This has been vital in the Iraq, Afghanistan, and Libya conflicts, and will also benefit any future NATO operations.

I had the opportunity in November to observe the certification of the first Bulgarian Battalion Battle Group and I can tell you it was quite impressive. As your military works to stand up additional units, the United States will continue to be there to support the realization of your own plan for military modernization.

Coping with the challenge posed by international terrorism is another shared commitment. Recent events in Algeria, which involved hostages from eight different countries taken by militants of at least four different nationalities claiming to protest events in a neighboring African country, demonstrate the global nature of the threat and the need for collaboration amongst like-minded states, like ourselves, in countering it. The bombing in Burgas was another crime in which innocent people from another country

were attacked here in Bulgaria. We are impressed by the professionalism and determination with which Bulgarian security experts have approached the investigation and we await the results.

Another important facet of our partnership is collaboration in the field of energy.

Assured energy supplies have been the necessary underpinning of mankind's prosperity since ancient times, but more intensively so since the dawn of the industrial revolution and continuing to today.

Disruptions of supply, unexpected price increases, or other events that limit the energy available for heat, for transportation and every sort of economic activity, can have serious consequences that affect all of our economies.

That is why it is only prudent to seek diverse and reliable sources of energy. This is an area in which partnerships, for example the various possibilities for the development of a Southern Corridor for the transport of natural gas, hold the possibility of bringing new supplies over new routes to much of Europe.

This is also an area in which a strong partnership between Bulgarian and American firms are paying real dividends.

Thanks to Westinghouse, the information and control systems at the Kozloduy nuclear power plant are state-of-the-art and continue to provide Bulgaria with safe, affordable energy. Westinghouse continues to help Bulgaria explore options for expanding its nuclear power potential, by doing a feasibility study for the proposed seventh reactor at Kozloduy.

The same can be said of the AES and ContourGlobal clean-coal plants at Maritza Istok, which together account for over 11 percent of Bulgaria's installed capacity for electricity generation. The owners of Maritza Istok 1 and Maritza Istok 3 invested hundreds of millions of dollars to ensure these facilities meet the highest European standards for low emissions. Many residents of Stara Zagora remember the days when pollution was visible and led to disease and reduced life-span for the residents. Thanks to the new equipment installed at Maritza Istok 1 and 3, these days are over.

These American companies supply some of Bulgaria's cleanest energy. Together they employ over 1,000 people directly and have a multiplier effect creating over 10,000 jobs, most of which are in a part of Bulgaria that has an unemployment rate that's above the national average.

As we look to the future, we see the potential for the United States to become a net exporter of natural gas. And, I have to add that electricity prices for American consumers have dropped in the past year due to abundant natural gas from shale. In Texas, for example, consumers saw their electricity bills drop by 40 percent over the year between 2011 to 2012. It is up to Bulgaria to decide whether or not to develop shale gas. But, if Bulgaria decides to develop its own significant potential shale gas reserves, the United States is ready to assist with the regulatory and technological know-how.

Economic interaction – promoting business – is another area we would really like to see grow in the coming years.

Our economies, indeed the whole transatlantic economic space, have faced some very serious challenges since 2009. The signs are that we are beginning to return to a period of expanding economic

activity, employment and growth. To take advantage of this improvement, but also to support it, it makes sense to look for ways to promote increased bilateral trade and investment.

Increased economic cooperation can bring needed capital for investment, jobs for local communities here, as well as new ideas and modern technologies. To give a concrete example, HP, IBM, NuBoyana Films, and Johnson Controls alone employ close to 10,000 university graduates here in Sofia. They are here because the companies believe in the talent that exists in Bulgaria's work force, and they believe in the country's future. The jobs they provide offer terrific opportunities for young Bulgarians to work here in Bulgaria in innovative fields like, for example, Computer Generated Imagery, where they make the effects that contribute excitement and visual drama to blockbuster movies. They provide IT crisis management for major corporations around the globe. And they contribute to the development of new software and electronics for the vehicles of tomorrow.

These companies and others in the innovative sectors form the cornerstone of a technology cluster in Bulgaria that can grow and flourish if it is nurtured through partnership and collaboration. American and other international investors are stakeholders in this country's future and they have much to offer in terms of technology and resources. It is my hope that in the coming years we are going to see more American companies taking advantage of Bulgaria's affinity and desire for high-tech jobs.

Beyond the pure economic impact of American investment in Bulgaria is the social impact. American companies have a strong culture of corporate social responsibility. American companies bring this corporate value with them when they go abroad and create lasting and meaningful change in communities they support. Here in Bulgaria, American companies have banded together to create programs such as the American Chamber of Commerce Volunteer Days, when employees go out and work on projects around the country organized by the Bulgarian Charities Aid Foundation.

Going forward, I hope to see many more American companies attracted to Bulgaria by its highly skilled workforce and beneficial tax conditions. For companies to come here and thrive though, we all need to work together to promote an atmosphere of openness, predictability and partnership in which business truly has a voice in the country's economic vision. There are ample opportunities for U.S. investors and exporters to expand in Bulgaria. Part of growing foreign investment will be taking steps to ensure that Bulgaria continues to be seen as an attractive location, where rules are consistent and consistently enforced.

Trade between our two countries amounted to 643.3 million dollars in 2011 and could expand even more with the introduction of better intellectual property rights protection, including of copyrights. Now, I know that my saying this will not be popular with some, but it is just a fact of economic life. One last point on economic cooperation and that is the current discussion of a U.S.-European Free Trade Agreement. As the U.S. Special Trade Representative said this week, President Obama is committed to reaching an agreement to smooth trade with the European Union. Though, all acknowledge that there will be tough hurdles to overcome.

I would like to speak now about perhaps the most challenging and sensitive part of our relationship - our work together to combat organized crime and strengthen the rule of law in Bulgaria. In recent years, we have identified drug trafficking, cybercrime, ATM skimming, and other economic crimes as priority areas for law enforcement cooperation. Collaboration between our respective law enforcement services is excellent in these areas and is producing concrete results. This, in turn, has persuaded the U.S. Government to significantly increase our resources for joint law enforcement activities here in Bulgaria.

Fighting crime is a lot more than just policing. It requires an able and efficient prosecution service as well as a determined and impartial judiciary. Recent events have demonstrated that there is considerable interest in Bulgaria in having a prosecution service and a national judiciary that can truly uphold the rule of law. And there has been progress in that regard. The selection of the Supreme Judicial Council as well as the Prosecutor General involved a serious examination of the credentials of the candidates and were conducted in a more transparent manner than before, though there is still room for improvement. Most important will be whether those selected will institute needed reforms. There is a lot of work to be done. The U.S. is committed to assisting Bulgarian efforts to reform the legal system so that the process of administering justice can be efficient and effective, but ours is a supporting role – the impetus and energy has to come from Bulgarians.

Going forward, we plan to continue our engagement on strengthening the rule of law. We are bringing prosecutors and judges to consult with their Bulgarian counterparts and share their experiences. In the past year, members of the Specialized Court for organized crime cases and the Ministry of Justice traveled to the United States for a week of consultations with their counterparts in our Federal criminal justice system. We have identified subject matter experts who have come to Bulgaria to assist the Ministry of Justice as it drafts new legislation. We are training law enforcement officials at the FBI Academy as well as through the International Law Enforcement Academy, or ILEA, in Budapest. And both our FBI and Drug Enforcement Administration have sent agents to work side-by-side with their Bulgarian counterparts.

But of course the key ingredient for success here is going to be your determination – the commitment of Bulgarian officials and civil society to make needed reforms.

As all of you know, a key factor in the effective functioning of a healthy democracy is the strength of civil society, especially of NGOs. At the onset of Bulgaria's transformation, civil society was virtually nonexistent. We are proud of having helped develop organizations that work in such diverse areas as protecting the environment, developing a market economy, protecting human rights, and safeguarding the rights of workers. Today, Bulgaria's NGOs are many, active, and influential.

One good example is the forum in which we find ourselves today. From its founding in 1991, the Atlantic Club has promoted the transatlantic relationship, and now goes way beyond its original purpose. It is now educating Bulgarians about security issues and other crucial topics in the region and beyond.

In the final analysis, our strong bilateral relationship is about much more than any single institution, any business deal, or any negotiation between our two governments. Our most important ties extend well beyond the walls of my Embassy and your Foreign Ministry. They are the people-to-people connections that give our official relationship its depth, its warmth, and that will sustain it into the future.

To date, the U.S. Government has brought more than 2,000 Bulgarians from all walks of life to the United States to participate in a wide range of exchange and visitor programs. These include everything from the Fulbright Program, in which Bulgarian scholars and students study and conduct research in the United States, to the Kennedy-Lugar Youth Exchange, a year-long program for high school students. The list of prominent alumni of U.S. programs reads like a “who’s who” list of notable Bulgarians who have contributed much to the growth and development of the country and we are really very proud of that.

We invest significant resources in these programs because both sides benefit from Bulgarian professionals and leaders from all walks of life engaging with our professionals and leaders. Every Bulgarian who participates is an ambassador of Bulgaria to the United States and enriches our understanding of your country, in a way that no diplomatic cable ever could. Some of these programs also bring Americans to Bulgaria.

Our Summer Work Travel program is also thriving, with over 7,000 participants in 2012 alone. I want to see this program continue to grow, so that it can remain a key tool for facilitating the exchange of ideas between Americans and Bulgarians, and for helping Bulgarians to understand us better.

I am committed to increasing the number of exchanges in both directions. To that end, the Embassy and the American Chamber of Commerce will organize Discover U.S., an exhibition promoting study and travel in the U.S. on March 7 at NDK. This will be a great opportunity to learn a lot more about what the United States has to offer. I think the better Americans know Bulgaria and Bulgarians know the U.S., the more productive our partnerships can be on every level. I want our Embassy to reach out and connect with all Bulgarians, regardless of class, or religion, or sexual orientation, or ethnicity.

The direct exchange of ideas, of information, skills, and best practices between Americans and Bulgarians is essential to bringing our nations closer together. To fostering the deep ties and the trust that will secure this bond when politicians and diplomats are confronted with difficult political and economic challenges.

Ultimately, the future of the U.S.-Bulgaria partnership will depend on our citizens. Our official programs and partnerships can lay the framework for cooperation, but it is the action of individuals that makes these things a reality. As American anthropologist Margaret Mead famously said, "Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has."

I am optimistic about Bulgaria's future and convinced that our partnership is well worth the work that both sides have put into it and will put into it. And, as I said when I began, we are allies and transatlantic partners, but our most important ties are our commitment to democracy and fundamental freedoms and to creating a better future for coming generations. These are the fundamental reasons why we value our partnership with Bulgaria and why we want to make the partnership even stronger in the coming months and years.

Thank you.

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