

TURKIC
AMERICAN
ALLIANCE



SECOND ANNUAL CONVENTION

30 NOVEMBER 2011

NEW CHALLENGES & NEW OPPORTUNITIES

TUSKON

P R O C E E D I N G S

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TURKIC AMERICAN ALLIANCE

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NEW CHALLENGES & NEW OPPORTUNITIES**

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PROCEEDINGS



TURKIC AMERICAN ALLIANCE

Turkic American Alliance is a non-government, not-for-profit organization established under the 501(c) 3 laws within the United States with the mere purpose of promoting cultural understanding. The Alliance is established as a broader umbrella organization for federations, councils and similar entities which bear the qualities and share the objectives of establishing closer relations with the Turkic American community and the community at large and also with the members of other ethnic communities in the United States.

www.turkicamericanalliance.org

TUSKON

As the most widespread non-governmental, non-profit institution representing business community in Turkey, Confederation of Businessmen and Industrialists of Turkey, TUSKON, is dedicated to share know-how, experience and communication networks with our businessmen who would like to be global players of the today's world. TUSKON today, is an umbrella organization for 7 regional federations, 162 business associations with more than 35000 business people members and 100 thousand companies in Turkey.

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PRESIDENT'S MESSAGE

I welcome all of you to the Second Annual Convention of Turkic American Alliance. It is a tremendous honor and privilege to host you on such a great day. Thank you for your participation. I am delighted to see all of you here; it means a lot to our continuing commitment to serve the Turkic American community.

This year, we organized our annual convention in collaboration with TUSKON (Confederation of Businessmen and Industrialists of Turkey) and Turkic American Alliance member federations. I would like to thank to each of you who has helped to make this event a reality and a success. Our convention this year is entitled “New Challenges and Opportunities”, because our common commitments to peace, democracy and civility are being tested at this time. We are facing these challenges and are turning them into opportunities to serve peaceful transition to democracy.

Change comes with uncertainty, but experience can guide transition. We can hope for a better future if we face our fears and understand the spirit of our times, which calls for uplifting human dignity. The panels in this convention call for an examination of these challenges as the means of turning them into opportunities.

Democratization in Turkey has brought an active foreign policy in its region. Turkey's goal to promote peace in the Middle East has met various challenges. However, it has also coincided with popular demands for democratization in the area. Turkey's close collaboration with the United States is crucial for both actors to address these demands. US-Turkey partnership strengthens as Turkey's experience in democratization makes it a prominent actor.

Above all, economic cooperation is at the heart of this continuing partnership. Turkey's economic growth can give us clues on how to turn economic hardships into opportunities. Lastly, the Turkic countries of Central Asia have reached energy reserves which can be mixed blessings if not transported wisely. Thankfully we have brought the very best experts to guide us through these challenges and give us the magical touch to turn them into opportunities. If they cannot do that, I am confident, that they are going to help us, overcome our fear of change and capture the spirit of our times. They combine the best of policy making and scholarship in their undertakings. They come from abroad and from Washington DC. Their best quality is that, they all share a common, genuine common interest to serve peace,

democracy and civility. I know this because they have accepted our invitation and they are here.

As Turkic American Alliance we are proud to bring these brilliant minds to help us understand and navigate through the challenges we face and see the opportunities they bring. On behalf of the Turkic American community I thank all the distinguished panelists, moderators, speakers, and guests who have come from near and far. Thank you very much for your interest!

Dr. Faruk TABAN

ADDRESSES

HIS EXCELLENCY
MEHMET ŞİMŞEK
FINANCE MINISTER OF TURKEY

Thank you distinguished guests, ladies and gentlemen. It is a great pleasure for me to be here. I want to thank the organizers and everybody else who is here. There is no question that conventions like this help bring our nations closer together. I am also delighted to see among us honorable senators and members of Congress at today's luncheon. A warm welcome to all. And special thanks to honorable Kirsten Gillibrand, US Senator, as well as Honorable Congresswoman Ros-Lehtinen. I am sorry if I missed anyone else.

Ladies and gentlemen, the United States and Turkey are not only strategic partners, but also actually quite natural allies, as described by President Obama and Prime Minister Erdoğan. First of all both countries try to achieve peace and stability in the Middle East which is absolutely critical not only to national security interest and future of both Turkey and the United States but also to global prosperity and stability. In the Middle East we shared the same goal of lasting peace and stability between Israel and its neighbors. Both Turkey and the US secured a united Iraq that does not serve a safety haven to terrorists. We also support Arab peoples' desire to achieve better standards of democracy and prosperity. So I think it is on its own is a strong enough reason why we have a lasting alliance and going forward and going to strengthen. Secondly the United States and Turkey face a common threat from terrorism and both countries have been fighting against global terrorism and radicalism. We continue to provide support for the US fight against al Qaida in Afghanistan and we are very grateful for the US support for our fight against PKK terrorism and we very much appreciate the steps taken by the United States which strengthens Turkey's hands as an effort to contain terrorist activities by PKK.

Access to energy is an essential for functioning of any modern economy, so working together to ensure energy supply security is also top priority not only for the United States but Turkey as well. Considering that Turkey is a major energy consumer as well as its central role as an east-west corridor for oil and natural gas, I think that also underlines the importance of cooperation on energy supplies and security issues together. As members of G20, both countries work together to ensure a well-

functioning, open global economy, and reject the pressures of protectionism in times like this. Finally, we share common values such as democracy, respect for human rights and rule of law.

Some, in the United States and elsewhere, misguidedly interpreted Turkey's growing economic and political influence in the region as a threat.

However, recent events have shown that Turkey's rising role in its neighborhood is in fact an asset and an opportunity for Turkey, for its allies, and for the people in the region.

As the title of this convention is 'New Challenges and Opportunities' now I would like to highlight a few of these opportunities and challenges. First, there is an increasing attention to Turkey's growing economic and political ties with its neighbors in the Middle East. Some, in the United States and elsewhere, misguidedly interpreted Turkey's growing economic and political influence in the region as a threat. However, recent events have shown that Turkey's rising role in its neighborhood is in fact an asset and an opportunity for Turkey, for its allies, and for the people in the

region. A good example of this is Prime Minister Erdoğan's recent speech in Cairo where he reemphasized the importance of adopting secular democratic values, market oriented economic model. As a democratic and prosperous nation Turkey's economic leadership is a powerful force for progress across the region. As we consolidate our own democratic progress at home, we can serve as a better source of inspiration for peace and stability in our neighborhood. Turkey has been vocal it is condemnation of President Assad's brutal campaign against his own people. And we continue to support a more democratic a more stable a more prosperous region which includes Syria as well as other countries in the region.

So, I think we can spend a lot of time highlighting the virtues of having better standards of democracy and open economy and prosperity that comes with it. I think it is best seen rather than talk about it. Every year we host over a million Iranian tourists, we host over a million Syrian tourists until recently and from other nations. When they come to Turkey they realize that even without having natural resources such as oil and gas, Turkey can actually prosper and Turkey has relatively high living standards, Turkey has respect for human rights. Turkey's also at peace with its western allies. Turkey can be a part of global network that promotes all these values. So when they look at Turkey and look at their own countries and see the difference, I think they recognize and appreciate all these factors much better

than when it is explained to them. I think that is very important. And that's why, even we do not claim any role in Arab awakening I think certainly the progress in countries like Turkey was a source of inspiration for many people in the region.

A second opportunity and challenge is, unfortunately, the economic ties between Turkey and the US do not reflect the strong political and security cooperation between our two nations. This is largely to do with our entrepreneurs' strong focus on European market. Turkey's exports rose from about \$30 billion in 2000 to about \$140 billion this year. But our exports to the US rose from about \$3 billion to mere \$4 billion, so almost no increase. Our export to US represents less than 1/5 of a percent of the US's imports. So unfortunately there is a lot missing here and fortunately there is a lot we can do here. It is a challenge but it can be easily converted to an opportunity.

Turkey has done a lot of reforms and we have tripled our per capita GDP over the past 9-10 years and we are now the 6th largest economy in Europe. We have created more than 4 million jobs since the end of 2007. We have the ambition of becoming one of the top 10 largest economies in the coming years. We have extremely favorable demographics with a median age of 28. We also have a very strong and stable government that is focused on doing further structural reforms that would help boost productivity so a combination of favorable demographics and rising productivity means rising per capita GDP.

I think it is time for business people from the United States and Turkey to pursue opportunities that would serve prosperity of our nations. There are enormous opportunities in many sectors but in particular in energy in renewable energy, in infrastructure, in tourism in biotechnology, in many sectors.

I think it is time for business people from the United States and Turkey to pursue opportunities that would serve prosperity of our nations. There are enormous opportunities in many sectors but in particular in energy in renewable energy, in infrastructure, in tourism in biotechnology, in many sectors. The United States is a modern high tech country while Turkey is a rising emerging market. I think if we can combine our strength here, then we not only take advantage of our opportunities in the United States which

is the largest market in the world, but also in Turkey which is also one of the top markets and one of the largest 8 growing markets in the world. We can also take advantage of opportunities in third countries. Because Turkey in its region has

strong linguistic, cultural and historic ties with Central Asia, Middle East, with Africa. And I think, American businesspeople, entrepreneurs who want to do business in the region, probably recognized that, because Microsoft uses Istanbul as the base to cater for services for 83 countries. Many US and global companies use Istanbul as the center to provide services to the entire Middle East, Africa, Balkans and Central Asia. So there are plenty of opportunities not only in Turkey but also in third countries if we can work together.

What about challenges? I mentioned two of the opportunities. One of the challenges is the Arab awakening. In the short term it looks like it is destructive in terms of trade and business. However, we can put these in the category of opportunities for both the US and Turkey. Because clearly a Middle East, Africa, MENA region that is more democratic, more stable, that has obviously listened to the will of their own people, that uses the resources for advancing the quality of the human capital, for infrastructure, for the health of their citizens. I am sure that these nations, these regions will provide more opportunities for Turkey, for the US. A second challenge is the Euro zone sovereign debt crisis. Unfortunately it is a major challenge not only for Turkey and the US but for the entire world economy. Thanks to coordinated intervention by major global central banks this morning, and improved investor consumer confidence in the US, and hopes that some sort of progress on eurozone debt concerns ahead of next week's EU leaders summit has brought some sense of normalcy and calm to the market, in fact there is some euphoria today which is very encouraging. It is very important that EU leaders address some of the concerns about the sovereign debt which is absolutely essential for the health of global economy, particularly the US and Turkey.

There are two questions I would like to address here. One is, what about any potential fallout from Euro zone crisis for Turkey? After all, Turkey has so many links with European Union. Europe counts like 46 to 47 percent of our exports accounts, about 60 percent of our tourist arrivals. Turkey is the 7th largest tourist market in the world. We attract about 30 million tourists. But also Europe accounts for about 80 percent of our foreign direct investments inflows into Turkey. So when you have these kinds of strong links with European Union, I think people understandably ask whether Turkey have any continuous impact, what Turkey is doing to cope with a potential shock. Well, first of all even though we do have these cases and therefore we are likely to be effected by an external shock, like everybody else, we have strengths that make us less vulnerable to such a shock. The problem in European Union is one of unsustainable deficits and debts. And GDP ratio in Europe zone is about 90 percent and deficits remain well about 3 percent of GDP. In the case

of Turkey, GDP ratio is less than half of the average which is about just under 40 percent. Just to keep in mind these ratios are very high in countries like Japan and many other industrial nations. Turkish GDP ratio is very low by European standards just under 40 percent. Deficit is running by the 1 percent GDP. And Turkey's public sector net external debt is 0 as of the end of second quarter. So, in that sense we have a lot of fiscal room. So I think it is important not what happens to you when you cannot control the events around you but it is important how you respond. And we have room to respond.

Secondly, we have a very cautious medium term economic program I think that proves quite credible. We have been implementing it for three years and we are revising it every year and I think, investors are very confident. That is why we can now borrow at lower interest rates than 15 EU members. So Turkey's, even though is not a member of EU, cost of borrowing is substantially low. We have a flexible exchange rate unlike the members of the eurozone. And we do have adjustments taking place and that is going to help us cleanly manage a plan going forward. Our household factor sector: not only did we have created jobs in the past four years but also household leverage ratio is very low in Turkey, it is about 17 percent compared to 59 percent in European Union. We have current account deficit and that is the main spot. And as I said domestic demand moderating with creative expansion slowing down with exchange rate adjustment, I think it is quite likely that we will see a visible decline in the current account deficit starting early next year.

Another question that is raised is whether we are still going to join the European Union considering that the European Union is suffering serious problems. Well, yes we are still in the EU accession process because the process itself is relevant. The end game is academic.

Another question that is raised is whether we are still going to join the European Union considering that the European Union is suffering serious problems. Well, yes we are still in the EU accession process because the process itself is relevant. The end game is academic. The process is so important because it contains political economic and social transformation of Turkey. We are already in the process of real conversions with European Union; Turkish per capita GDP in 2010 was about 30 percent of the EU average. Now it is 48 percent of EU average so we are narrowing

the gap very fast. The Southern Europe looks at Germany, looks at Sweden. Europe will gain a lot from the diversity. It is also secular, democratic. It is in peace with its

neighborhood and I think it is very important to show that examples like this could serve to bring together the wisdoms.

We do have challenges we do have opportunities. But all I concern is that I think gatherings like this are very relevant, very important. So I would like to thank Turkic American Alliance for organizing this event. Because the work you are doing today, the people that you bring in today will not only bring our two nations together, but also will help us overcome some of the challenges we have just discussed. So thank you very much, thank you senators and members of Congress for being here. Thank you for being friends of Turkey and I am sure the relations between Turkey and US will thrive on the back of such events, such gatherings. Thank you very much.

THE HONORABLE KIRSTEN GILLIBRAND UNITED STATES SENATOR, NEW YORK

Thank you so much for welcoming me to this lovely luncheon, so honored and pleased to meet the Finance Minister and all of you, distinguished guests.

I have a wonderful honor and privilege of visiting Turkey last year. I was in Istanbul for a few days and as you all know it is such an incredibly beautiful and rich city. It is amazing as it is situated in the convergence of the two continents but continues to be a center of a vibrant economy and many cultural institutions and made me appreciate even more the long and deep partnership between the US and Turkey, which is growing stronger every single day. When the earthquake took the lives of hundreds of Turkish citizens, the US delivered assistance to help with the relief effort.

As the winds have changed across the Middle East, the United States and Turkey are establishing an increasingly strong partnership. Together we are ready to welcome liberty and freedom for those who are demanding it. I know our tactics in these issues may sometimes differ, but I believe that the leaders in Turkey are just as the leaders in the US want nothing less than to keep the nuclear weapons away from the hands of Iran. We are bound by a common belief that for all in the world have basic rights and freedoms. That's why seven thousand Syrians have become refugees in Turkey. The Turkish government knows that the longer Assad stays in power and oppresses the Syrian people, the more likely it is that Syria will be in chaos and threaten its neighbors. At this time of Arab awakening, Turkish democracy is a shining example of the strength that can be achieved through basic freedom and democracy. The same vision from which America was born and the reason that President Obama made Turkey his first foreign trip to a Muslim nation as our president.

The Finance Minister is here, I very much want to focus on the strong economic ties between Turkey and America. My home state, New York, has one of the most vital trade relations with the global economy and Turkey is among all welcomed economic partners. Even in the face of one of the most challenging economic times

in our history, and in the global economy, Turkish economy is thriving, tripling over the past decade, and becoming the 17th largest economy in the world. Turkey is thriving both because of domestic policy decisions and because it is a member of a key global economic forum, G20. In the first eight months of this year alone our bilateral trade grew by 50%. That means new jobs in both of our countries at a time where we certainly need it here. My hope and believe is that a strong economy sets a strong foundation for security.

In its region, as a part of the transatlantic alliance, Turkey plays a vital role. And our mutual security relationship is contributing to Turkey's prosperity.

In its region, as a part of the transatlantic alliance, Turkey plays a vital role. And our mutual security relationship is contributing to Turkey's prosperity. That's why I support the country's joining to economic partnership commission bringing together exports from across both governments to discuss everything from protecting intellectual property rights to boosting energy trade along with southern

corridor, positioning Istanbul as the international financial center. Turkey's robust economy and increasing regional leadership benefits not only the people of Turkey but the countries of the Arab Spring and allies like the US. All of you here today are helping making a difference all across America by telling your own stories, the beautiful story on Turkey's history and the incredible opportunity we have today to continue to build such an important and special relationship. Thank you again for welcoming me.

THE HONORABLE ILEANA ROS-LEHTINEN

UNITED STATES REPRESENTATIVE, FLORIDA

Ladies and Gentlemen,

I am a thrilled and honored and pleased to be here to talk about the US-Turkish relationship. I am honored to join you. Many Americans do not realize the benefits of this relationship to our country. And unfortunately many citizens from your country from Turkey are equally unaware of the positive impact of the US-Turkish ties. And that's why events like this one, this convention is so important to raise awareness of our strong cooperation of our efforts in building bridges and the expanding commercial and diplomatic ties on a host of issues, and build in these. It is important to the US. It is important to Turkey. It is important for diplomatic relations worldwide. For example, the United States and Turkey have fostered a key strategic relationship which enhances the security for all of our citizens. We are safer because of this alliance. And this alliance has been born out at home and abroad as well. We see it in things great and small. Our nations understand all too well; the threats that our citizens face as attack form violent extremists have taken the lives of so many people on our very soil and on your very soil.

For example, the United States and Turkey have fostered a key strategic relationship which enhances the security for all of our citizens. We are safer because of this alliance. And this alliance has been born out at home and abroad as well. We see it in things great and small.

The PKK terrorist group is a common enemy to both the United States and Turkey. Since the PKK began its active operations in 1984, more than 40 thousand people have lost their lives as a result of the violent PKK attacks. Unfortunately, the brutality of the PKK attacks has not waned over these 20 years. In October, these extremists open fire at will on civilians and police in Southeastern Turkey leading to numerous casualties, 5 deaths and including a pregnant women and her 6-year-old daughter. How reprehensible is that! Only a week later, the PKK followed

with another vicious attack on military troops in Southeastern Turkey resulting the death of 24 soldiers and wounding 18 others. These attacks are outrageous and such tactics of terror will not be tolerated. The United States is playing a crucial role in Turkey's counterterrorism operations against the PKK by providing real live satellite imaging, by providing intelligent sharing in other operational and logistical support. In fact, The United States will soon be providing Turkey with a Super Cobra attack helicopters. That's a sign of the great military and security relationship that we share with only close allies. And this is going to be a tremendous asset to the Turkish military as they conduct their operations in this difficult reign in southeastern Turkey.

The US assistance is sometimes quiet, is behind the scenes. So it is not well known, either in the United States or in Turkey. But I believe that it should receive greater public recognition. It directly counters the misconception that is so widespread that we no longer share close interest. Nothing could be further from truth. In fact, our close relationship goes beyond the regional security partnership which is one of the global strategic importance. It is worth noting that even in the midst of these difficult economic times, as allies are decreasing investments in transatlantic defense, Turkey continues to maintain and even increase its contributions to NATO alliance. So I thank you very much for what you're doing. Turkey continues to support the NATO mission in Afghanistan, by providing the operational military lay zone teams.

Thank you.

CONFERENCE

PANEL

TURKEY'S NEW FOREIGN POLICY AND ITS IMPLICATIONS

Moderator/Discussant

DR. JOSHUA WALKER is a Transatlantic Fellow at the German Marshall Fund based in Washington, D.C. He is also a non-resident fellow at the Crown Center for Middle Eastern Studies at Brandeis University and a Truman National Security Fellow. Dr. Walker's forthcoming book focuses on the role of historical memories in post-imperial successor states, with a particular focus on Japan and Turkey's domestic and foreign policies. He has been published in a variety of outlets including the *Boston Globe*, *Christian Science Monitor*, *Foreign Policy*, *International Affairs*, *International Herald Tribune*, *New Republic*, *Washington Quarterly*, and *Washington Times*.

Panelists

ABDÜLHAMİT BİLİCİ is General Manager of Cihan News Agency and columnist in Zaman and Today's Zaman newspapers. He serves as the Deputy Editor-in-Chief of Zaman daily, largest circulated paper in Turkey. He also worked as the foreign news editor of Zaman and Aksiyon weekly. He contributes other papers on Turkish politics and appears on national and international television programs to comment on political developments in Turkey. He edited the book "Why Turkey?" which focuses on understanding different perspectives on Turkey-EU relations. BİLİCİ had his MA on Turkmenistan's energy structure and natural gas.

DR. JAMES ZOGBY is the author of *Arab Voices* (Palgrave Macmillan, October 2010) and the founder and president of the Arab American Institute (AAI), a Washington, D.C.-based organization which serves as the political and policy research arm of the Arab American community. Since 1985, Dr. Zogby and AAI have led Arab American efforts to secure political empowerment in the U.S. through voter registration, education and mobilization. Dr. Zogby is married to Eileen Patricia McMahon and is the father of five children.

THE HONORABLE MIKE MCMAHON is a former Democratic U.S. Representative for New York's 13th Congressional district. While in Congress, McMahon served on the Committee on Foreign Affairs and the Committee on Transportation and Infrastructure. McMahon is a recognized leading voice in defending our nation's financial and real estate investment companies and promoting their importance to New York's economy. He is married to New York State Supreme Court Justice Judith McMahon. They have two children.

TURKEY'S NEW FOREIGN POLICY AND ITS IMPLICATIONS

JOSHUA WALKER: Herkese günaydin, hoş geldiniz. I will switch back into English now. I am Joshua Walker, I am at the Transatlantic Fellow at the German Marshall Fund. It's my distinct pleasure to welcome you to our very first opening panel.

The US-Turkish relations have a major impact on Turkish foreign policy. There are people in this town now that question the motivations, question the legitimacy of Turkey's "zero problems with neighbors" policy. There are many different views on Turkey today. As we speak, Vice President Biden is already in Turkey, clearly showing the importance of Turkey to the US. There seems to be no other topic that you can talk about with as much interest and as much relevancy today, than Turkey's new foreign policy and its challenges. And we have a great set of experts from Turkey, from DC, from different areas in terms of elected and unelected officials who can discuss these issues with us today. So the first panelist I would like to turn, who has just come in from Turkey and is going back to Turkey

tonight, who is a household name in Turkey, who writes for the one of the largest newspapers in Turkey, Abdülhamit Bilici, please.

ABDÜLHAMİT BİLİCİ: Thank you and gunaydin, good morning to everyone. It is an honor for us to be with you, with these distinguished participants and speakers here. But the topic is very difficult for me to cover in a very short time. And it is also difficult because it changes, I mean the relations between our country, between Turkey and America is changing very rapidly. When I was here one year ago, it was a totally different picture, as Turkey voted against the US in UN Security Council. And it was post-Flotilla case. So here it was the definition of the relation between of America and Turkey was in its worst times. So just one year ago this was the definition. And when I turned back to Istanbul my article was "How to save Turkish American relations", so I underlined some topics and some suggestions how to bridge that widening gap between the two countries. But one year later I am in the town again and the definition of relations between two countries is like in golden times of relations. So it is, first of all, it is very difficult to understand that rapid change in the perception and in reality. And I have clear doubts about what will be the mood in the next time I come to this town. For instance it is very likely that we could have the Congress deciding on recognition of 1915 events as genocide and we would have another awful, terrible time in our relations. This is very

likely, not very likely but it's a possibility. You don't know what the possibility is.

So what I try to do is to help understand how the relations changed from awful times to golden times, just in one year. So in that, I guess it is very important that there have been two changes in our relations and one is a practical issue, which is the NATO radar system. You know, we were debating and America was debating for years to establish an entire missile defensive system. And one of the possibilities was to put the radar in Turkey. And this was, as you all remember, one of the hot topics we covered during this year. And until that time, until the last decision about that topic, the famous topic in the western media was whether Turkey changing axis. You could remember those things, whether Turkey is getting Islamist, whether Turkey is drifting away from the West, or one of the topic was who lost Turkey. But when Turkey made a decision to accept the NATO radar system in Turkey, all of a sudden everything changed and became very positive. Now we no more have such debate, whether Turkey was lost or drifted away from the West. So this is very important, but the nature of the decision is even more important. I guess the details of that decision give a lot of clues on new type of relations between America and Turkey. Maybe between America and the new Turkey.

You know in earlier times, those kinds of strategic decisions were not democratically held, or not democratically done. These were being done in closed doors, maybe negotiated,

but not under the scrutiny of civilians. But this time it was under, I mean there were very tough negotiations, because I was in

But when Turkey made a decision to accept the NATO radar system in Turkey, all of a sudden everything changed and became very positive. Now we no more have such debate, whether Turkey was lost or drifted away from the West.

the Lisbon summit where this topic was decided, it was a NATO summit and I was really impressed by Abdullah Gul. I heard some of the details about how those negotiations were tough indeed. Turkey put some conditions, asked something in return, and America of course asked some other things. And at the end, some of Turkey's conditions met and there had been a consensus and then that consensus decision was very important in our relations. This is the first factor, comparing from last year to this year.

The second thing is the Arab spring, the so called Arab spring, we don't know yet if it is spring or winter, I don't know which month of the year. But this was really important for the relations. How it became important. Now if we look retrospectively, we see that Turkey and America had very identical positions. In Egypt, in Libya, in Tunisia, Turkey had some hesitations before making the last decision. But in Syria now, there are very identical positions. But can we once imagine what would happen, for instance,

if Turkey continues its friendship with Assad's regime despite the massacre done against the Syrian civilians, the civilian population. And what would be the consequences if America sided with Egypt despite popular risings in Tahrir Square? So now we handled those crisis and both America and Turkey had very clear decisions to take side with the people, to take side with the change, to take side with the freedom aspirations of all people in the region.

That was very important, and when I listened to our foreign policy makers, especially the top bureaucracy in the foreign ministry, they say in the past it was very exceptional to talk, to meet between undersecretaries, the American state department and the Turkish state department. So, the phrase was very interesting, it was once in a year such meeting could be possible, meeting of undersecretaries from both sides, and for that meeting whole ministries were working to prepare themselves. So that was that critical. But he said, one of the top diplomats in Turkish foreign ministry, now we are talking with Americans on a daily basis, sometimes three times. And this is not one-sided talk, this is very important, as it was the case in the NATO decision. It is not Washington is telling and Ankara is doing. This is, I mean, the gist of the point. So I guess, this is also very important, and comparing the relationship in the earlier administration's time, it was a program designed in Washington in certain circles and then asked Turkey to follow. But in Arab spring as we say, as in the critical NATO decision, Turkey and United States

are working together. And this is I guess correct, when we see the notes from the American media, that Turkish leaders, be Abdullah Gül, or Recep Tayip Erdoğan, or Ahmet Davutoğlu are the most frequently connected leaders in the world that Obama or the American Administrations are talking with. So this is very important. So I guess the mood changed, and now we are talking about the golden times this year, as we were talking last year about the awful times. I guess we should talk about how we could handle or we could solve the problem of that much fluctuation. One year we have perfect, the other year we have very bad relations. So how can we prevention this, what kind of solutions should we focus on to make relations between the two countries more stable and more predictable.

MIKE MCMAHON: Yeah, thank you very much Joshua, I just want to thank the folks at the Turkish American Alliance and everyone at TUSKON that invited us here, and put together of this very timely very important conference. And I am honored to be here again with my old friend, even though he looks very young, Dr. Zogby and Joshua, nice to be with you. And Abdülhamit, I just want to say, you were here last year and you saw problems in relations between Turkey and America and you went back and wrote an article about what needs to be done to repair those relations and now we have a golden time, so I was wondering if you could go back to Turkey and write an article about how we can fix the unemployment problems in America and how to proper the Euro, maybe we can come back in a year and once again

see your praises. I know we have a lot of distinguished guests here, I met some of the parliamentarians from Ankara, it's a great honor and privilege to be with them, as well another former council from Istanbul is here. So a lot of dignitaries in the crowd, and I as a former or current politician always have to thank everybody who brought us together. It's interesting that we did not meet and speak before joining the panel here, except to say hello to each other, and yet we all sort of came bringing the same issues and perspectives for, for me too.

The topic that I have prepared in my notes, is the question of how is it that we are either in this golden time, or what I would call it, an era of good feeling, between Turkey, the Republic of Turkey and the United States, how it is that we are here now, and where were we for the last two years, and I would like to bring this perspective as. It's not that long ago, in early 2009, when Israel asserted its right to protect itself with the attacks on Gaza. And I think it is important for us to remember, there was the flotilla incident, there was the incident with the votes on Iran and the nuclear issues that were faced there. And it was very tense to be on Capitol Hill during that time, especially when, you know for Americans, our perspective is that we know that we have important friends in a difficult neighborhood, but when those friends are in odds, that is a difficult time for American foreign policy and that's the reality. So when Israel and Turkey got in odds, that made it a very difficult time for all politicians in this country, and

especially for those who are very close to either or both of those countries.

So when Israel and Turkey got in odds, that made it a very difficult time for all politicians in this country, and especially for those who are very close to either or both of those countries.

And so, in some ways, the American perspective was, it seemed for so many years that Turkey followed a foreign policy that was very much in line with its status as a NATO member and line with interests that we perceive to be the American interests. Of course, what we realize is that as Turkey grew in its modern economy, and its status as a regional power player in the area, in which it finds itself, there are going to be growing pains or tensions, there are going to be these times, that we do not always get along or we disagree. But those times are passed, and as Abdülhamit said, we have to examine, how it has so quickly gotten to this point of good feeling or golden age. And certainly, what we realize is, that we are in a context in the world with things have changed. And as mentioned, the Arab Spring has emerged on the scene, and clearly as the security of the region, and this is Turkey's security, became an issue, there are many ways I think in which Turkey and America again realize that there mutual security is something that binds them very strongly. It's also clear that there are paroles very close to Turkey's border. Syria now is on

the forefront of everyone's mind and it's quite clear, that Syria's regime has to come out. And the Prime Minister just spoke very strongly about that yesterday as well. And we in America perceive our number one threat perhaps in the world to our security, to our democracy and two our friends are neighbors in the region is Iran. Every discussion on Capitol Hill you should know, when it's involving foreign policy, when it's involving the budgets of our government in foreign aid and deployment of military assets focuses on Iran, because we see Iran as the greatest threat to the security of the world, to the security of our friends and neighbors in the region and as to the rest of the world. So that's something that, the relationship and the friendship that America has with Turkey is so important, the relationship and friendship that America has with Israel is so important, and we also see Iran and Syria as severe threats to those friendships and to that mutual assured security.

The mutual love of democracy, the respect for freedom, and the respect for human rights is something that should drive the American foreign policy, the Turkish foreign policy, and the foreign policy of all like-thinking nations.

Turkey is now embarked on a third face of its foreign policy. Having gone to traditional, having gone to zero problems and now went to a third face. But I think

the reality is that the zero problem policy is a great goal to have, but there are times, given the nature of actors and players on the international stage, that a different policy has to be implemented for the security of the allies, who seek to quite simply provide a better life for themselves and for their friends and allies as well. So the time in Congress was very difficult, it was very heated, it was very hard to be on the Hill and to be a member of the Turkish Caucus as I was. I am happy now that these relations have gotten better and I think that we can all look forward to Turkey's continuing role on the world stage as a regional and world power and as a very good and important ally of the Americans. The American people, I can say, were so much puzzled over the last two years. The average person on the street in this country, is not as well versed in international relations in international matters as we perhaps should be, but I think I know my community, where are many Turkish Americans, that the bonds are strong, and the mutual love of democracy, the respect for freedom, and the respect for human rights is something that should drive the American foreign policy, the Turkish foreign policy, and the foreign policy of all like-thinking nations. So I look forward to the discussion and I am privileged and honored to be here.

JAMES ZOGBY: I will come at some of what we heard but I will begin with the observation from another life I lived which is the polling with my brother across the Middle East and there are also some interesting headlines in polling this summer that we released. That two

headlines everywhere, but one headline only in one place, The Economist. Let me tell you about the two headlines we got everywhere. First headline was that the US's standing across the Middle East, across the Arab world, is lower today than it was in the last year of the Bush administration. There was, if you look at the trajectory of US standing from the beginning of the Bush era, there was a sudden dropped down with the election of Barack Obama, and there was an immediate spike up where it was almost tripled in some countries. And then today, the numbers are today lower continuing the downward trajectory, there was, in another words, an Obama bounce, there were expectations, that there would be dramatic changes in the way the US would relate to the region. They did not materialize, and so there has now been a sense of frustration. Barack Obama is still right, but the sense that America can't change, won't change, doesn't change have created this frustration.

The other headline we got, was that Iran, which in 2006, at the time of Israel's first devastation of Lebanon and the first assault on Gaza, so when Iran speaks out, and Iran is viewed over and against Israel, Iran's numbers go way up and they were. Ahmedinejad's numbers were high and in 2006 we saw Iran up here, in rating 60, 70, 80 percent favorable ratings in many Arab countries. Today, the trajectory has gone downward, every year we poll and every year the numbers have continued to go down. Today they are at their lowest point. What I didn't notice in the numbers, is that I looked at the 2006 and

2011 numbers, I hadn't noticed what happened to Turkey. We saw that Turkey's numbers were very high, and we reported that Turkey was the most favorite nation across Arab public opinion. But what we hadn't taken look at was going back to 2006. When we looked at we saw that Turkey's number from 2000 to 2006 had stayed fairly stable, in the 40% range and in 2006 began to climb upward upward upward, where today there are in the 60+ to 80+ percent range in all of the Arab countries in the poll. So we almost have this kind of

We saw that Turkey's numbers were very high, and we reported that Turkey was the most favorite nation across Arab public opinion. But what we hadn't taken look at was going back to 2006. When we looked at we saw that Turkey's number from 2000 to 2006 had stayed fairly stable, in the 40% range, and in 2006 began to climb upward upward upward, where today there are in the 60+ to 80+ percent range in all of the Arab countries in the poll.

reverse, Iran going down, Turkey going up and almost at the same time. When Turkey and the US numbers were released, there was a comment from an analyst here in Washington, somebody very close to the State Department. He said, we're waiting for the Arab spring

dividend, President Obama has spoken out for Arab democracy and yet public opinion has not changed.

It's a common problem here, just not understanding what the Arab spring was about, and not understanding what the US – Arab relationship was about, and why it is in trouble. I was asked by a reporter sometime after the revolts began in Egypt, she asked me, it was an NPR reporter, she said to me "If America dumped Mubarak would not it stand up in the region?" and I said "you got it backwards, we are not in trouble in Egypt because we supported Mubarak, Mubarak's in trouble in Egypt because he supported us". He supported America in Iraq; he supported America in keeping quiet, and not only keeping quiet as Israel devastated Gaza, but closing off Gaza. And several Arab leaders were in that problem. They actually sided with America on issues that were widely popular at home. As their people protested against those things, they cracked down even harder. And as the prisons filled resentment grew, America's favorable rating dropped and the supportive Arab leaders for America in that time, in support for American initiatives, the damage done during the Bush administration is almost incalculable across the border in terms of Arab public opinion.

I set that stage to talk about Turkey because Turkey actually got it right. When America was getting it wrong, Turkey got it right. It understood that if it was going to move south, in terms of its strategic positioning, it needed to understand where the Arab sentiment

was. Arab leaders subordinated themselves to America, and who had been quiet in the face of what was going on in Gaza. There was an example on a neighbor to the north understood and spoke out. There is the question of why the relationship shifted in the last year. It is because Arab spring has happened and in the context of Arab spring, everyone is in a bit sort of wondering through this

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maze of this changing Arab world and President Obama speak at AIPAC last May, he had one interesting observation, he had a number of interesting observations, one that was especially pointing. He said to that audience, he said, in the past Israel was able to make peace with a leader, now it has to make peace with an entire people. It is much more difficult. Turkey understood that, and therefore understood that it needed both to protect its relationship with leaders as long as it could, so there was a bit of meandering with Qaddafi, and with Mubarak in the beginning and they kind of got Ben Ali a little righter than the others but even with Assad there was an effort at the beginning to start with "let's see if we can reform, no we can't". They

have chosen the Arab people and Arab voices despite the meandering that appeared in the surface, they made a strategic choice.

In the context of that, America, which is the policy analyst I was speaking about, is waiting for the dividend like, we support you guys why don't you like us, or we don't like you because you wrote it against this, you wrote this about that, you stand up against this, I mean in the very context of it, Mubarak is very weak, that Mubarak is stepping down, America is voting against the settlement resolution of the UN and there is no dividend there. If you don't understand the people that you are trying to appeal to, it was not Mubarak leaving; it was standing up in the face of an issue that is very near and dear to the hearts of most Arabs. So in that sense Turkey is becoming a valuable ally. We are, America does have, a tremendous interest in this coming outright. We don't know where it comes out. You say you don't know what month it is, it is November, but that does not mean much because we don't know. Tunisia seems on the right track, Libya, I don't know where it's going, Egypt, I have confidence in the end it will come out okay although I said before the best I think we can hope for Egypt might be Turkey 30 years ago, you know, with the military in control of several aspects of governance, space created for a democratic process, that 30 years from now will produce, or maybe 20 years, some more interesting change. I think the revolt will continue, I don't expect other than what, you know, this terrible disaster that is unfolding. I don't really

expect other countries to explode, in a real sense, but I think a transition process in on the way, certainly in Morocco, I think we will see change in Algeria.

What is different is that Arab voices now matters, Arab opinion matters. America has to pay attention, but almost can't for two reasons; one is the inability, the lack of flexibility that the American political process provides for a president to make change.

What is different is that Arab voices now matters, Arab opinion matters. America has to pay attention, but almost can't for two reasons; one is the inability, the lack of flexibility that the American political process provides for a president to make change. President Obama came to office with all the right intentions that at the end of a two and a half year process, the Israeli prime minister comes to the White House wags his fingers and insults the president at the White House. And two days later, as hosted in the Congress and gets 29 standing ovations from both sides of the aisle, something that left people in the airborne, scratching their head. What kind of a country you guys got? You know, what is the thinking here? In that situation, where we have the ability of acting very limited, Turkey has become the valuable ally. Without changing its view or without changing its position on Gaza or on Palestinians, or its anger with

Netanyahu and his policy, they said we can help ease this transition. We can help with some issues on Syria, but you cannot deal with it. I mean, when you hear Republican candidates arguing with Obama saying “you wanna do this in Syria, you wanna do that in Syria” is a fact not having learned a damn lesson from the Bush failures, or from the problems of last year what we have as a President Obama who says “There is no space for us to take the lead, we will in fact lead from the behind, but now we have an ally, Turkey, who can do some of the things we can’t do to kind of bring the situation under control for at least create some movement here in the direction in which we would like to see the situation. Turkey can interface with the Arab League, America can’t. Turkey can interface with Iran, at this point America can’t. Turkey can play a leadership role in trying to create space with Syrian opposition. The Syrian opposition cannot not meet with American leadership in the same way; it would undercut the credibility at home.

So I think that’s what it counts for the shift. Not so much that Turkey has changed as much as America has come to realize it needs somebody as a partner in a changing Middle East that has got, as we would say in American slang, the street credit, to operate in the region and it’s the street credit earned during that period when the relationship was sour. And I will stop there.

JOSHUA WALKER: Thank you Dr. Zogby. Let me start with the general question here. In Washington, as we just heard, there is a time lag between something that happens and the reaction that comes.

One of the things that have been interesting to someone who has been working on Turkey for the last ten years, is that people suddenly discovering Turkey. Suddenly realizing that Turkey has all the right characteristics that might be that Dr. Zogby lays out. One of the questions now that many people in Turkey seem to be having, given that you just come from Turkey I wanna get your perspective on this, some people might make the argument that the fact that the Prime Minister Erdogan has suddenly been transformed into a global leader, the fact that he just was on the Time Magazine as the main leader, the ‘delikanli’, the Turks love so much, the charisma he has, seems to be translating as the most popular leader in the Middle East. That might be going to Turkish leaderships’ head and people are concerned within Turkey and you hear it is reflected here. Is there something about Turkish hubris that we need to be careful of and friends of Turkey on the outside should be helping with and how does that translate when it comes to interlink the domestic Turkish politics and kind of the unrivalness of the AKP looking towards 2023 and also what that means in terms of its foreign policy because much like we have heard from Obama administration when it comes to foreign policy, the AKP seems to be on the right side of history? Each time there is a transformation in the domestic, what does it mean for places like Syria that has been very important for Turkish foreign policy moving forward?

ABDÜLHAMİT BİLİCİ: In Turkey the rise of Prime Minister Erdogan was never

easy. So, he was used to outside pressure, internal pressures, from media from judiciary, from establishment, from many sources. So that, maybe, made him indeed a powerful person. Because when you resist all those pressures, all those treats, then you become a real leader tested in many fields. So this is strength. And in Turkey, yes, both in Turkey and abroad, there are two stories about what is happening in Turkey. The one is that Turkey is getting authoritarian more and more or some people are putting it like that. Turkey is replacing one kind of authoritarianism with another one. So these kinds of statements or media coverage we are very much used to for several years, not for time being. And you can argue about those things. But it is very difficult to get a fair judgment from within Turkey because Turkey is very polarized, and respective of whom you are talking to would have a different angle of the story. So I think it is very valuable in this angle to trust the objective or the fairly objective observer's attitude or evaluation of the situation. In this regard, I see that the EU's approach is very important. You know, they are writing progress reports to evaluate the situation in Turkey, whether Turkey is Islamized or not, whether Turkey is getting a better democracy or not, whether Turkey is raising human rights standards or not. I mean all issues, you know, America is not dealing maybe, in that manner, with what's happening in Turkey at very detailed level, in the courts, in the environment, in the police, in the prisons, everything is covered by EU. And those EU reports are very valuable. And when you look at those

reports and when you talk to European observers on what's happening in Turkey towards the European Union, is Turkey getting closer in terms of democratic standards, closer to European Union.

When I, for instance, talk to people from European Commission, they say that in the 10 years comparison, Turkey of 2000 and Turkey of 2011, it is like day and night. So there is this big change, radical change. But when you look at detailed things, I mean, when you omit or neglect the forest and focus on the trees, you'd have the danger of losing the perspective. So this is the dilemma.

For instance, I know that in Washington people have little time that people are very busy, but this report is around 100 pages or so. It could be very valuable for any observer, who is interested in what's happening in Turkey, to read those reports. Those reports are available in the Turkish EU ministry, and of course EU websites. It is very objective description. They are critical of Turkey in some senses, but they are also applauding in some regards. When I, for instance, talk to people from European Commission, they say that in the 10 years comparison, Turkey of 2000 and Turkey of 2011, it is like day and night. So there is this big

change, radical change. But when you look at detailed things, I mean, when you omit or neglect the forest and focus on the trees, you'd have the danger of losing the perspective. So this is the dilemma. So we see that, in for instance the foreign news coverage of Turkey, the same week *Time* put Erdogan to cover, *The Economist*, published an article very critical of Turkey as if they are talking about a different Turkey. So it is very important to know, first to go to objective evaluations, and second to look at in perspective. For instance the journalists or the people who belong to minorities were assassinated 10 years or 5 years ago. But now, we don't have those kinds of things. Now it is very clear that we don't have torture in Turkish prisons, but it was the case in 1990's. So there are very important progresses, but is it enough? Of course not. And, Turkish people's desire makes me optimistic and hopeful. For instance, we held, as news agency, a public poll just last month, asked people about their desire for a new constitution. The support was 87%. And the last mini package referendum was passed by the approval of the 58% of Turkish people. So it is not an elite project imposed on people without their acceptance. It is something coming from bottom, not from top down but from down to top. So this is very important, but of course Turkey has a clear problem of the position. Third time the ruling party is winning by increasing the amount of support. It is a historic record for Turkish democracy, and it is a big challenge for the opposition. And indeed, for Turkish democracy, to better function, you should have a reliable ruling party,

but you should have a powerful, legitimate opposition to resist and to be another alternative. In Turkey we don't have that. But some people are putting the blame for that on the ruling party which is not sensible.

JOSHUA WALKER: What can we do to work together in the same way that we've never seen a closer working relationship between a US president and a prime minister?

MIKE MCMAHON: We step back for a minute and see what our mutual and shared goals are in the region of the Middle East and in the world. I talked about the current situation of this country, where we stand with certain countries and where there are certain tensions that seem unsolvable. What we need to figure out is how to get a world where there is peace in the Middle East, where we solve the problems and tensions between Israel and its neighbors. How do we solve the problems of Syria? Syria, you know, has the largest stock piles of chemical and biological weapons in the world and that's sitting in a place now that is extremely difficult. We talk about Iran. We in America are very concerned about Iran. But how do we get to a place where we find peace in this region in a greater world? And there is no question that Turkey's role in doing that is becoming more and clearer to the American government and to the American people and I think Dr. Zogby said it right that Turkey gained certain amount of street credibility because for us, Americans, it is a democracy, human rights are respected there. And as Abdülhamit said the government that

exists now is on a democratic process so in our eyes there is credibility.

At the same time Turkey has taken positions that are not always in line with what Americans think or what Americans want. But at the end of the day, Turkey stands by its principles, and moves forward to make that bridge into these different worlds. And so Americans have to be more supportive of Turkey's efforts to do that.

At the same time Turkey has taken positions that are not always in line with what Americans think or what Americans want. But at the end of the day, Turkey stands by its principles, and moves forward to make that bridge into these different worlds. And so Americans have to be more supportive of Turkey's efforts to do that. People in Turkey have to understand that America is a democracy, and therefore it means it is not the most efficient form of government, and it means it sometimes, the foreign policy that is directed is difficult for president, as was said by Dr. Zogby, because there is a Congress you have to deal with and there is a system that was not always making it clear. A president cannot act out policy on his own so that is a problem for Medicare faces as well. America, you know, I do not believe and I cannot sit and abide with that, but America has to realize

that its future lies in regional partnerships with the democracies in those regions that can formulate a better world for people all around world, and a key player in that region is certainly Turkey and that's why Turkey's foreign policy moving forward is so important not only for the people of Turkey, people of the region and the people of the US as well. And I will submit that there have been changes in that foreign policy as we see it from America because it has matured understanding that it is a reflection of conditions and contexts in the world as they exist, to which a country like Turkey applies its values which rise to the top to the democratic process. And that's you have a foreign policy based on international law sort of a process defined policy and a reality. It is critical that Turkey continues that its leadership stays on track and America realizes that it has a good partner and Turkey can help America bridge some divisions that perhaps it cannot bridge on its own.

JOSHUA WALKER: I realize even before you're talking I already elevated you to a former New York senator, Mike McMahon, thank you for your comments on that. Let me ask Dr. Zogby about this. The feeling that you're describing in Arab world, this is one piece of a larger equation, and you kind of laid out the polls where lots of people would simplify the situation as Turkey and Iran balancing each other and Arab world has no agency. Turkey's rising in economic strength in many ways, you know, there is this feeling among some nationalists. How does it seem from the region, and how does that affect the US's relation with Turkey?

JAMES ZOGBY: Well, there are a number of questions. And I have a couple of observations that I can make. The first one is the hubris, in two ways, one is here. Turkey's favorable ratings are high, but they cannot be taken for granted. Because those favorable ratings are derivative, they are not earned. And can evaporate quickly. I told, the Palestinians for example, when Abu Mazen was first elected president, his favorable ratings in America were 56% and his unfavorable rating was 16%. 6 years later, his favorable rating was 17%, his unfavorable rating was 53%. He didn't deserve the 53% but he did not deserve the 56% favorable. It was derivative. He was not afraid. That was why he got 56% and now he is viewed as standing in the way of our only democratic ally in the Middle East. And so that's what happens is that a publicity machine has destroyed them once built him up like in American politician in the same way.

Turkey's favorable ratings are high, but they cannot be taken for granted. Because those favorable ratings are derivative, they are not earned. And can evaporate quickly.

Turkey is today high but if Turkey does not work to earn its rating, I mean you can't pedal back on the fact that Obama works with you. You can't pedal back to the old days that Israel was campaigning for you. No one is campaigning for you if you don't campaign for yourself. Turkey needs to make its case in America and

have Americans known Turkey and Turkish Americans, you folks, are in a critical position to help do that and should do that. Secondly in the Arab world, there is a danger, I am reading articles, the New-Ottomanism; you know this kind of thing is nonsense. Both because I don't think it's Turkey's goal. I think Turkey is trying to move back north, I mean Turkey's goal is the EU, not the Arab league, they don't want to join. Nor do they want to take over. We also understand, the Arabs don't want you to take over the Arab league, it's the Arab league. And so there is an issue here that I think, needs to be understood, when we poll and say who is currently leading, the way in the Middle East, they say Turkey. And when we ask, who do you want to lead the Middle East, they want Egypt. They want Egypt to come back. They see Egypt as the natural leader. To your question about the partnership, that would be a critical partnership.

Egypt is the hinge, which connects two continents; Turkey is the door that opens into the third continent. So I think this partnership is a critical one and if, while Turkey spends its time in Syria, it need not be diverted, Syria is an absolutely central country, not only for the fact that it is sort of created in the center. A serious breakdown would have very serious consequences, not only in Turkey, in Iran, in Jordan, in Lebanon as well. And so Turkey is right to spend time there but it cannot lose its eye on the prize which is Egypt, and I thought that you know the visit of the Prime Minister to the Arab League and his message while you know some of the Muslim Brotherhood

movement reacted negatively to that. It is a message that needs to be repeated. Egypt needs to find a new way, and Turkey provides that new way. It can be a model, thank you for flattering us with the model role but I think Turkey provides a model role that needs to be looked at. And sure Egypt emerged from this, and I believe that it ultimately raised the question how long does it take, I hope sooner than later. A Turkish-Egyptian partnership, both in terms of demographics and in terms of the potential can be quiet critical.

I am not worried about the Gulf States and I am not seeing them as hostile or, everyone has got their interests, as they are sort of inoculated against or from Arab Spring. When we poll, there is no demand for change in the Gulf States, there just isn't. Bahrain is the unique case. I mean, there aren't jobs in Bahrain; there isn't wealth in Bahrain, there is this demographic problem of discrimination against the Shia majority that is real, that is a problem Bahrain has to solve. But Bahrain is not Saudi, it's not UAE, it's not Qatar, it's not Oman. Kuwait has its own world; it's got its own problems to deal with. But there is legitimacy that the families have. No one questions the descendants of Sheik Zayed, the founder and the family. These are tribal cultures, yet, they are still tribal cultures. No one questions the descendants of Abdulaziz. Are there excesses? Is there a need for accountability? Is there a need for transparency and spending in front? Absolutely. But there isn't the same issue that Americans would like to see. So I think the President gets it right. The issue

is human rights. The issue is not democracy in the Gulf. The issue is that these countries need to be protecting human rights. They need not to be imprisoning people; they need to be opening up their political culture. They need to be more respectful of personal freedoms. But, no one at this time is questioning the legitimacy of the families and their roles. Different in Jordan, but in the Gulf states where you have this tribal culture, the fact is that there is a social pact and the social pact operates that the descendants of Abdulaziz are the tribe. Will that change? Sure it will. Look, these countries are 50 years old; 50 years ago people were living in tents and in mud. Riyadh was 35,000 people in 1950's, 35,000 people. Today is 4.5 million. I think we leave that out of discussion and look at the Levant in North Africa. That's where the change is occurring, and we have to focus on. The Saudis and the Gulf states will be partners to the degree to which it meets their needs. And where it doesn't meet their needs, they will coalesce and try to take it down and control. But they are not as concerned with Syria. In other words, Syria becoming a democracy does not threaten the Saudi system at all.

AUDIENCE MEMBER: He talks about the golden age in relations between the US and Turkey that exists right now. I would note that I think that's the golden age in government to government relations between the two countries. And I think it is important to note the distinction, Jim mentioned for example, that public opinion is more anti-American in the Middle East in general now than even at

the end of Bush administration. I know you're both polling us primarily in the Arab countries, but I think the same numbers apply in Turkey. So what we have is a situation where you have a golden age in government to government relations with public opinion that is as negative as it has ever been. And it seems to me if there is any one lesson of the Arab spring it's the danger of interpreting the nature of your relationship based on government to government relations and ignoring what public opinion is underneath that. Especially in a country like Turkey where the current leadership is very much populist, so it seems to me that just as Jim says, Turkey can't take its high ratings in the US for granted, it seems to me that this disconnect between the government to government relations in Turkey right now, and what Turkish public opinion thinks about the US is to me a fundamental destabilizing piece of this golden picture. And I would be interested in your views, primarily in Abdülhamit's views, but others, about what does this imply in terms of what we need to do and what Turkey needs to do?

AUDIENCE MEMBER: Mr. Bilici was talking about stabilizing about Turkey - US relations. If someone studies Turkish-US relations, s/he will discover that these relations are based on security. My question is to Mr. McMahon: Is there any possibility to have decision in the Security Council in the UN regarding Syria and how can we assess position of Russia and China and do you think that domestic dynamics or Turkish and Arabic pressure enough to change regime in Syria?

ABDÜLHAMIT BİLİCİ: American reach in Turkish public is very poor and it is very evident in pure findings that there should be lots of investment in this regard. In the states, in the town, counties, it is very important, and these organizations I guess realize and get very well and they are doing very well. And the second thing you raised is the economic aspect which is for many years in Turkish-American relations, not just at the biggest company levels, but at the small and medium size company levels, in that regard, Tuskon's effort is important. Thus 35,000 members of this businessmen organization are supporting this event.

MIKE MCMAHON: It is true the decisions are made here because of local politics. That's the way democracy works, in other expression, you should know, certainly a parliamentarian knows that all politics is local and so the local efforts of people is very important in establishing this friendship. You see that up on Capitol Hill which is quite frankly is not in the best interest of America's foreign policy but it is local politics. You see that in New York City, and in my opinion and in many people's opinion, the best bid came from a Turkish company, Karsan. I was fortunate enough to go to Turkey last month with my wife and we did a lot of traveling and quiet often walked by ourselves. And it is clear to see when I walk down the street, and I'm an American, and if you're a Turkish, I have no question about that, the response we got from people both in the cities and in county sides were very warm. And so I came home with a feeling that no matter what our governments do, that there is a warm feeling in Turkey of

the American people. And it is really common on both sides, for us to continue to work at the people to people level, to make sure that it continues. So no matter how much our government screws up, the people will remain in contact and continue to do that. And I think that is something that we have to do for ourselves and for our children as well to make sure that the bonds between our countries remain strong.

I will answer to the question about the United Nations. The United Nations and the Security Council sometimes is very much like the United States senate where a minority vote or the vote of one can block a policy that has to go forward. So, whether or not we can convince China and Russia to see the rightness on mutual understanding that the current government in Syria has to be replaced and the people has to be given a voice and because of the security issue that opposes not only to itself, to the civil war, but to the region and to the world, we have to continue that fight. So if it continues to block the Security Council, we have to remain committed to bring a deposit of change in that region, in that country.

JAMES ZOGBY: I just want to take the issue on the Security Council question. You're right; the vote of one country can block in a couple of places, and the US has been..

MIKE MCMAHON: And I knew you would bring it back. I thought we were talking about the Turkish foreign policy.

JAMES ZOGBY: We're talking about the UN. And I think that is one of the

problems, obviously that we are dealing here is the fact that the 5 standing members can do this. But let me make, I think I would like to be critical of Turkey right now and offer a suggestion. I think Turkey plays a critical role in providing a door between diverse points of view. They tried to negotiate between Syria and Israel. They tried with Brazil to create an alternative to confrontation with Iran. And I think made some real progress. Yet, they tried initially with Syria, and I think gave up too soon. I would like to caution that before Turkey goes too far down this dark road, of cornering itself with regards to insisting on change, it ought to consider the fact that you don't really want to call for a change when you don't know what the change will look like. You're going to have to live with the consequences of this and more so than the United States will. And so, Syria is an enormous concern. This regime has lost legitimacy clearly in the region, at least. It still has legitimacy at home, understand that. I think you do, I think Turkey does understand it to some degree. There are those who have lost their fear of the regime, and they are demonstrating courageously and they exhilarate us with their fearlessness in the wake of a brutal onslaught of the regime. But there are also those who are not demonstrating because they are also afraid. They are afraid of change. They are afraid of what happens when the Baath goes.

Syria is a pluralistic society. There are Christians in Syria who look at Iraq next door and say 'God forbid'. And there are Shia and Alawite in Syria who are equally afraid of. There are those in Damascus

who are living a fairly good middle class, upper middle class life who are fearful of this rural urban conflict that they see growing in the future. And so Syria has a real problem and I think the regime is handling badly. I think their behavior has been deplorable but I think Turkey's initial effort, which was try to find a way to create and negotiate a process forward is still the way because a civil war in Syria, if this goes on much longer, we will have a civil war, and a civil war in Syria is in no one's interest, certainly not in Turkey's and certainly not anyone in the Arab side. The numbers who die will increase tenfold. The kind of barbarity we saw in Lebanon that we saw in Iraq that we saw in Sarajevo can unfold in next door. And no one will be immune from that.

PANEL

THE FUTURE OF THE UNITED STATES – TURKEY PARTNERSHIP

Moderator/Discussant

DR. MICHAEL WERZ is a Senior Fellow at the American Progress, where his work as member of the National Security Team focuses on the nexus of climate change, migration, and security and emerging democracies, especially Turkey, Mexico, and Brazil. He has been a senior transatlantic fellow at the German Marshall Fund where his work focused on transatlantic foreign policy and the European Union. He is currently an adjunct professor at Georgetown University's BMW Center for German and European Studies.

Panelists

THE HONORABLE ROBERT WEXLER is President of S. Daniel Abraham Center for Middle East Peace. Formerly he was a Democratic Congressman from South Florida. Wexler was an active member of the International Relations Committee. He traveled with Secretary of State Madeleine Albright on a Middle East peace mission, and was the only member of the House of Representatives present during the signing of the historic Wye River Peace Agreement. Wexler and his wife, Laurie, have three children.

RUDY DELEON is Senior Vice President of National Security and International Policy at Center for American Progress in Washington, D.C. He serves on several nonprofit boards and is a part-time college instructor. DeLeon is also a former senior US Department of Defense official, staff director on Capitol Hill, and retired corporate executive. For five years, beginning in 2011, he served as a senior vice president for the Boeing Company.

DR. GÖKHAN BACIK is Professor of Political Science at Zirve University, Gaziantep, Turkey. He is also a columnist of Today's Zaman covering Middle Eastern politics. Bacik has taught at various European Universities as an Erasmus Visiting Professor. He is the author of *September 11 and World Politics: American Hegemony Reconsidered* (2004), *Modern International System: Genealogy, Teleology and the Expansion* (2007). He published in *Middle*

East Policy, International Review of Sociology, The Muslim World, Studies Quarterly, Peace Review, Turkish Studies, Nationalism and Ethnic Politics.

THE FUTURE OF THE UNITED STATES – TURKEY PARTNERSHIP

RUDY DE LEON: Secular government has well served to Turkey, it is part of the reason for the rise of Turkey right now and so looking at how the party structure moves forward how the civilians take further responsibility for executive decisions very critical as we move forward. In Afghanistan, Turkey played a critical role for the United States and the United States needs its friends and partners right now in Afghanistan as it starts the process of the turnover and an exit in terms of the current military stage of activities in 2014. Iraq was a three year exit based on status of forced agreement that was negotiated in December of 2008 right after the election but before the inauguration, and so very shortly and by shortly I mean a few days, the US military mission in Iraq will be over and so I think we salute president Obama for his leadership there and the US will continue its repositioning bringing most of the troops home but returning to a limited number of troops elsewhere in the Arabian peninsula as part of its deployment.

I don't want to go too long because I want to let the speakers talk and then come back to your questions. You know I think the key would be moving forward and Turkey staying on a constant path as the Americans go through the presidential election in 2012. I worked for president Clinton for 8 years, these debates are hard to watch sometimes just in terms of the level of rhetoric that comes out and the retreat to unilateralism things like that so the Americans will be preoccupied in 2012 with its political process, with its elections the need to create jobs. We hope that our friends in Turkey, as they go through this point of great economic success, will have a few lessons learned that they can share with the United States because we can certainly benefit from constructive ideas on jobs creation here in the United States.

MICHAEL WERZ: Thank you very much Rudy. Gokhan I would like to share your thoughts with what you just heard and also include maybe a few ideas of what you think is the perspective of the Turkish government towards the United States and what strategies are in place to make this partnership even stronger.

GÖKHAN BACIK: Thank you Michael. I heard in the previous panel that in Turkish American relations, everything is perfect. But I should ask why 6 or 8 months ago despite Turkey being a member of NATO, Chinese jets were in Turkey for a military exercise and Turkish government stopped Israeli participation and for having Chinese jets in Turkey and the US government did not allow the use of joint made F16s. So what changed in the story is the Arab Spring. For Turkey

when we look east we recognize the Iranian threat. Syria has Russian-made missiles and has a Russian military base. The second point is NATO. The Turkish people are proud of being candidate to the European Union but historically speaking NATO membership is the most important institutional aspect of Turkey being member of the western club, not European Union. So NATO has always been important for Turkey. We act in Serbia with the United States; we were together in Libya in Afghanistan. Through NATO Turkey gets the ability of taking high profile action in Libya and so forth.

The second question, everything is perfect but because of the Arab spring but is it a long term reality? The answer is definitely no. Just after normalization, Turkey is again knocking the door of Iran because of energy. Let me give you some numbers. After 50 years of strategic partnership the trade volume between Turkey and the US is less than \$50 billion. In 1999, Turkish-Chinese trade volume was less than \$1 billion, right now it is almost \$30 billion. So is it sustainable? So in the end the critical point is the American Turkish alliance does make sense but in the long term the key word is economy. Turkey is a zone broker country. This means that if you analyze Turkish policy since the 1950s Turkey said that "I am part of NATO but I am the connector that is going to connect NATO and the rest. I am part of the west but the connector to the west and the rest." Just imagine these binaries of Turkish foreign policy. Just imagine Turkish role between Iran and America. So this means that when Turkey a kind of competition in

different poles immediately it is going to act as a zone broker. My expectation is that Turkey wants to play a zone broker between China and the US, in the long

Turkey is a zone broker country. This means that if you analyze Turkish policy since the 1950s Turkey said that "I am part of NATO but I am the connector that is going to connect NATO and the rest. I am part of the west but the connector to the west and the rest."

term. Imagine Turkey and Russia were enemies officially during the Cold War. There is no visa between Turkey and Russia right now. But just imagine how difficult it is for Turks to go to Europe sometimes. So how to keep Turkey on this course while there are many opportunities for middle class, middle sized companies to invest China to invest Russia, because it's just like visiting another Turkish city. So let me summarize. Right now everything is okay because of strategy. Strategy is about political elites. It's about Mr. Erdoğan, it's about Mr. Davutoğlu, it's about American elites. but in the long term the main actors are the market actors

MICHAEL WERZ: I would like to give the word to Congressman Wexler and Rudy De Leon to briefly react but would also like to ask a question about Turkish-Israeli relationship. Congressman, if you were asked to give us in a very

abbreviated the worst case scenario and the best case scenario from a US perspective how that Turkish-Israeli disagreement plays out, what would that be?

ROBERT WEXLER: Well the best case scenario would be that the Israeli leadership, Prime Minister Netanyahu, President Perez, were able to agree with Prime Minister Erdogan and President Gul, possibly to a formula that satisfied both the Israeli and the Turkish interests. A formula of some type of apology, a formula of compensation and then an agreement as to the steps the Turkish government would take immediately thereafter to begin the rehabilitation of the relationship. My understanding somewhat following very thoughtful remarks is that while Israeli Turkish political relations of course are at a deep low the economic relationship ironically between Turkey and Israel still, while not as possibly robust in certain sectors as it was and certain tourism has dropped the economic relationship, is relatively strong considering the political divide that exists. So that's the positive side. The negative side would be that on either side of the equation the political leaders ignore their responsibility to be sober in difficult times and they wretched up the division either by language or by action and then there could be an event possibly an unforeseen event that then brings Israel and Turkey into a greater level of confrontation. Then that would be just disastrous for both sides and the United States as well.

Think about what's happening in Syria today and the dramatic change that is

likely in the next 3 to 6 months and the notion that Israel and Turkey are not coordinating, talking, working, coalescing

Well the best case scenario would be that the Israeli leadership, Prime Minister Netanyahu, President Perez, were able to agree with Prime Minister Erdoğan and President Gül, possibly to a formula that satisfied both the Israeli and the Turkish interests. A formula of some type of apology, a formula of compensation and then an agreement as to the steps the Turkish government would take immediately thereafter to begin the rehabilitation of the relationship.

around a joint strategy with respect to Syria, is absurd both from a Turkish and Israeli perspective. And that's just one example of why the division between Israel and Turkey serves no one's purposes. I do not minimize in any way the emotional and legitimate impact on Turkish people of 9 being killed on international waters. I understand that. I also understand that for a period of time, the objective truth was the response of the Turkish government was a moderate sober response and I think respectfully or I had hoped respectfully that Prime Minister Netanyahu and the Israeli government would have taken the

opportunities that they had to offer a type of apology in compensation that seemed to have been negotiated and the comments of the Israeli foreign minister are not helpful. On the other hand if you look at some of the interviews that Prime Minister Erdoğan gave while he was in New York, again I say this with great respect, some of the things he said are totally unacceptable; they were exaggerations of extraordinary degree of the amount of death in Gaza caused by Israelis that is not true. It's not helpful. And some of the language, I again respect Prime Minister Erdoğan greatly but when we talk about sensitive subjects and certainly Turkey and its elected officials understand sensitive subjects, there are certain words that are employed that make other people sensitized. And Prime Minister Erdoğan used some of those words that caused great concern on the Israeli side. And while I agree with Rudy that there is a significant respect in the House of Representatives in Congress for America's relationship with Turkey, there are people in this room that know very well, two are sitting right over here, that there are domestic forces in the United States, whether it be the historical conflict between Greece and Turkey, Armenia and Turkey, and one of the avenues of support the American Turkish relationship quite frankly was the American Jewish community. Today there is great anxiety in the American Jewish community as a result of this divide and particularly is a result of the inflammatory language that helps no one.

MICHAEL WERZ: Thank you very much. Rudy you have mentioned that the US -

Turkish relationship became more complex. It moved from a serious relationship into a new phase and so to speak this has been a learning experience from a US perspective. So my question is: how are we doing in that learning curve to develop more complex partners that are merging and sometimes moving more quickly than the foreign defense policy establishment might be used to and secondly do you think we are in a good trajectory to address the issue, which Gökhan has pondered out that the longer term draft might exist towards China and Russia, to make sure that Turkish - US relationship stays on track?

RUDY DE LEON: Congressman Wexler, you are right that the reason that I brought up the level of support in the House of Representatives for Turkey was that it was based upon their policy of moderation in strategic engagement with Israel and so if that relationship deteriorate then you'll see it manifested in a much more turbulent role in the House of Representatives and that would help no one, but that's certainly a distinct possibility.

AUDIENCE MEMBER: We talked a lot about turmoil in the Middle East but what about the most important election in this town which is a year away as we watched the republican campaign. What do you expect if there is a change in administration in terms of republican administration and how might we see the domestic us affect this US Turkish relationship that is so close right now but has always been so volatile because of domestic politics?

AUDIENCE MEMBER: I want to go back to this quick sand issue that is the Gaza flotilla issue. I'm going to leave it to you. You direct the question to whoever you want. Wexler may be good since he is not running for an office I guess. He can be impartial there. Anyway but do you think this Turkish stand on Gaza Flotilla issue helped or derailed the Middle East peace process?

RUDY DE LEON: In terms of the Turkish American agenda, in many respects, we will find our solutions and our common ground in how well both of us can contribute to the Eastern Mediterranean Arabian Peninsula in terms of solutions. You are right Cyprus, Gaza flotilla, Iran are policy issues there and they are important, the spread of nuclear weapons remains the single gravest threat that is out there but the longer term it is how a regional approach we can help we construct. The economic development throughout the region, in Egypt in particular: Egypt doesn't have oil so it is not like one of the gulf countries where the governmental structures all center around inherit natural resource wealth. So Egypt, the US, Turkey, NATO all will have a significant interest in seeing Egypt turn out to be a prosperous multicultural democracy.

ROBERT WEXLER: With respect to the third question and then maybe the second, will it help or derail, I think the truth of the matter is the Middle East peace process was derailed by a whole number of factors that have little or nothing to do with the Gaza flotilla. That's not to minimize the impact of the flotilla in the region. It was significant, but I don't

think the reason why we have not yet seen the progress that many of us would have hoped we would have seen in terms of the Israelis and Palestinians is because of the Gaza flotilla. I would analyze this in a couple of different ways. I didn't quite frankly understand the reaction fully of the Turkish government when Prime Minister Netanyahu changed his policy with the respect to Gaza and in fact opened up to a degree a large degree the amount of resources and material that was permitted to go into Gaza subsequent to the flotilla. In one of my visits to Turkey, I asked the leading officials why Prime Minister Erdogan was declared a victor. In fact he made this extraordinary public demand upon the Israeli government to break the Gaza blockade and yes the Israelis still maintain the blockade in terms of shipments coming in from abroad but the amount of material and now recently even cement being allowed into quite extraordinary.

No one in Turkey actually declared victory understanding because they didn't get the response they wanted in terms of an apology and compensation. But if you analyze it from an unemotional somewhat and detached point of view the Turkish effort was successful. My contrary argument would be that in certain respects Turkey's overall approach has not helped the peace process because Turkey tends to or has tended to focus on the Hamas portion and Turkey's criticism often of the United States is either our inability or our unwillingness to deal directly with Hamas and they question whether we read it all wrong in terms of the fact that we view Hamas as a terrorist

organization. But I would argue that either the intended or the unintended consequence of some of Turkey's approach is to actually undermine the forces within the Palestinian society that in fact support the peace efforts. It is Fatah and President Abbas, of course, that has placed his entire political effort in this regard. Turkey's policies, at times, I would argue, undermine the very moderate element amongst the Palestinian society. In that respect, I would say Turkey's overall effort may not be as helpful as otherwise be.

But I think we should not forget that America and Turkey's policy with respect to the Israel-Palestinian conflict is actually at its core not all that different. What do we support? What did President say in May? We support, as the basis of negotiations between the Israelis and Palestinians, that the boundaries be based on the 1967 lines with agreed territorial swaps. And the president went on to talk about the need for providing a significant security both to the Israelis and of course the Palestinians and when you get down deeper in terms of not necessarily the publicly stated positions but the manner in which America would envision that the Israeli-Palestinian conflict be resolved is highly consistent with the Turkish vision. So while the tactics may be different I would say the ultimate conclusion is very similar.

As to the American election, I would not foresee a dramatic difference whether it is President Obama or President Gingrich or President Romney or whoever it is. But I think there would potentially be a dramatic difference in the manner in

which a President Obama versus one of his republican opponents might frame some of these in terms of how America will engage with the region and that could

But I think we should not forget that America and Turkey's policy with respect to the Israel-Palestinian conflict is actually at its core not all that different.

have, I think, significant affects. And the somewhat dogmatic way and Rudy referred to this, I don't think this is unique to the Republican Party, the Democratic Party does the same thing when we have contested primaries but the dogmatic way in which candidates tend to express themselves during a contested primary is not necessarily the matter in which they would express themselves in a general or if they were to then be elected and governed. And to me the greatest concern in this regard from what I see thus far of the Republican candidates would be an inclination to see things in black and white terms when in fact they are quite grey and particularly with Turkey. My humble experience tell me that most of times it is not grey and white there is a shade of grey and President of United States must fully appreciate if we are going to engage with Turkey in a constructive way.

AUDIENCE MEMBER: A few strategies that you have been talking about specifically with respect to the question of troop withdrawal from Iraq and the likely coordination of policies between the

United States and Turkey with once the troops will pull out. This has to be one of the most critical things that foreign policy makers are making out. Is there any coordinative strategy that states what could happen once the US Troops pull out in the advance? Thank you.

AUDIENCE MEMBER: I am interested in getting suggestions on economic partnership and the strategic partnership together.

GÖKHAN BACIK: Well, we all know that Talabani is ruling Iraq for some time. All Kurdish groups in Northern Iraq are content with Barzani. We don't expect a surprise in Northern. But talking about how to rule Iraq and we how do we reintegrate Sunni people to the Iraqi system, I don't think there is a common or a joint strategy between the US and the Turkish Government. This is a quite difficult question, I wish I knew the exact answer but let me give some ideas. First is that, well, Iraq now is analyzing the general profile of Turkish economy. The most employment producing actors are mid-sized companies. So, I think we are most focused on these sectors or these sectors might make sense because these are also creating long-term sociological effects, which means that in the last fifty years public diplomacy has been critical in Turkish American relationships.

The Iranian nuclear problem will remain as a regional problem and so we think that it is a problem for Turkey, for Saudi Arabia, for the United Arab Emirates, for all of the partners there. So, again a regional approach will be very critical and I think the Obama administration has

tried to go down to path and tried to use the United Nation's IAEA most recently validated much of the logic of that. On Iraq, I think the United States and Turkey will return to the position that it had prior to the 2003 war and much likely post-1991. There will be one of the first test of an Iraq will be how well does the Kurdish minority, how well are they respected in Iraq and what we know is when pressures, when Hussein would move against Kurds, it will force a humanitarian migration towards Turkey. Take that in

So I think, in terms of the US and Turkey, we will move back to the historic positions where the two countries worked regularly together to keep the Iraqi part of Kurdistan safe and stable, and to very much have the humanitarian focus.

complexity by the PKK and an issue of Turkish safety? And also their own rule of law and law enforcement of anti-terrorism. So I think, in terms of the US and Turkey, we will move back to the historic positions where the two countries worked regularly together to keep the Iraqi part of Kurdistan safe and stable, and to very much have the humanitarian focus. But then also very much respect Turkish borders.

MICHAEL WERZ: Congressman, Rudy has made out the strategic and the political account of Iraq and Iran questions. How is this going to play out in the election year in the United States.

ROBERT WEXLER: Of course, it will play a role but the American election will bound itself around American jobs, the American economy and more jobs and economy and more jobs and more economy. And there will be side debates around about Iraq, side debates about Iran assuming that there are no catastrophic events that focus people's attention. Ohio will be determined on jobs. Pennsylvania will be determined by jobs, Florida will be determined on jobs and President Obama and his republican opponents are going to be focused on that. In terms of long term strategically objectives I would offer two quick observations that we should not be penalized by the short term analysis as justifying as it is. Number one out thing is that the last chapter actually has not even begun to be written in terms of Turkey's relationship with the European Union and when the European Union assuming it does irons out its extraordinary problems. I suspect when that is done not too long after there will be some very thoughtful people in Berlin and in Paris and in other parts of Europe that they say maybe we did not actually had to wait the manner which we engage with Turkey in the way that was so much in our interest. And given our pretentions versus Turkey's rise, maybe we are going to revisit this thing. Likewise in Ankara after the Turkish leaders get done smarting about how well their fortune is relative to the misfortune in Europe. And Turkish leaders may begin to calculate that maybe an opportunity here Europe was a set of last advantageous situation maybe we in fact can create a relationship that is more advantageous to Turkey.

This I think is a place for America to play a particularly useful role. I would not put American Turkish trade relations in a zero sum analysis. I think the world is far more global than that and I think American's most important role potentially in terms of the economy will be to be the vast invested party but the extremely interested hopefully persuasive party in continuing to engage Turkey with Europe in economical way and that, I would argue, directly impacts the Turkish American relationship in a very favorable way.

MICHAEL WERZ: This is going to be the last round. Let me invite all three of you to speak. We are in 2011 now and where do you see the estimated rates in US and Turkey?

GÖKHAN BACIK: Well very frankly speaking, I am a political scientist so I can describe the economic issues but I cannot give the exact answers; maybe follow-up sessions there will be some people who are much interested in the economic aspect and the to the right policy just speaking for myself not the behalf of the panel. Turning back to the point, well I think on Iran just talking about what may happen, Turkey's policies are changing seriously. Just remember last year Turkish leaders and Iran you know. So Turkey is becoming more realistic on Iran. Because the point is that Iran with nuclear ability is not in interest of Turkey. It is a direct threat to Turkey. I just remind you there is an Iranian general who said that they can hit Turkey if any facility of NATO will be used through the Turkish territory. Of course I am not saying this simple general is representing

all the Iranian mentality. I hope there are some responsible people in Tehran. But this is something that we should put some weight.

Turkey is becoming more realistic on Iran. Because the point is that Iran with nuclear ability is not in the interest of Turkey. It is a direct threat to Turkey. I just remind you that there is an Iranian general who said that they can hit Turkey if any facility of NATO will be used through the Turkish territory.

So, the second is again through the Arab Spring we recognize that Iran and Turkey are competing in different areas. On Bahrain, Turkey never said that Shia people are majority so let them rule Bahrain. We don't say that. And we support the Sunni minority against the Shia majority. So, on Iran, Turkey is becoming more realistic. This realization is also taking place about how to overcome the energy problem. Turkey is importing 75% of its energy, which means almost \$50 billion a year. Which also means dependency on Russia and Iran. There is no other way.

But I just want to go back to Joshua's question. I think this point it is correct. I mean the US is a great country. There is a kind of continuity in foreign policy. But I think right now we can talk about personal level relationships. I should say that there is a perfect harmony between Turkish Prime Minister and President Obama. Looking at the candidates of the

Republican Party, I cannot guarantee the same level will possibly repeat. I am not going to say that America is going to change everything radically. But I am not sure that any Republican president will repeat this level of personal harmony with President Obama and Prime Minister Erdogan. So I think Republican issue is and will be a quite serious point to make some expectations about the future of Turkish American relations.

ROBERT WEXLER: In 2012, we will see the dramatic time in the Arab nations. Most, if not all, will have been largely affected by. Hopefully by 2020 there will be some opportunity for sober planning for the futures of the battling between the parts and nations. And come 2020, hopefully Israeli Palestinian conflict will be resolved in some satisfactory ways and there will be the ability for most if not all the parties of the region to begin to think like a region. To implement a regional economic strategy which totally not exist today. And in that capacity Turkey again will have this extraordinary role to play. Talk about being a bridge between China and United States which I think exaggerating or even between the Europe and the Middle East for political sense the bridge between Europe and redefine the North Africa, Middle East in an economic sense to make Turkey even far more prominent than it is today

RUDY DE LEON: First, my colleagues have remarked on their trips to Turkey, how many American corporate logos they have been seeing in Turkey. I think that reflects the growing trade relationship. By 2020, it is quite possible that Chinese economic growth strategy will have

peaked. Growing at eight percent per year, continuing to move up, the technology, the value chain they are hitting on all cylinders they are all vigorous. They will reach a point where the growth model will not be sustainable in the way that it is right now. And that will I think rebalance historic trade relationships between Turkey and Europe between the United States and Europe, between the United States and Turkey. Perhaps the growing prosperity in Africa. Because of Africa's importance given their natural resources. So if they can get better government in Africa they certainly have the capacity to generate the capital for their own economic development. One of the problems of the some of the oil companies Michael is doing a study on that is right now the Niger its generating tremendous amount of oil right now but none of it is going to the economic model of the country. And it has got a population growth rate that sees median age continuing to get younger and younger. So, by 2012, the economics of the global markets will maybe be slowing down and starting to change and then the energy as potentially new supplies of gas come from South American and North America and from the South China Sea might that then moderate the high revenue that we all pay for the oil right now. And then rebalance the economies in the constructive ways. So but again by 2012, 2020 the key is the impact policy more than anything else are global economics. The other risk will be has nuclear weapons technology proliferated. And so what is the concern is that a third party requires a weapon from a new nuclear country that is not master the locking key. So those kinds of things.

PANEL

ADVANCING ECONOMIC COOPERATION BETWEEN THE UNITED STATES AND TURKEY

Moderator/Discussant

AMBASSADOR JAMES HOLMES (ret.) is the President and Chief Executive Officer of the American-Turkish Council, a bilateral, non-profit organization dedicated to the strengthening of U.S.-Turkish trade, investment, defense and cultural relations, and to the promotion of awareness and understanding of U.S.-Turkish issues. Ambassador Holmes was elected to the Board of Directors of the American-Turkish Council, and subsequently as President of the ATC, in April 2005.

Panelists

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ADVANCING ECONOMIC COOPERATION BETWEEN THE UNITED STATES AND TURKEY

JAMES HOLMES: Now we're going to handle this panel a little bit differently. We're going to get into a conversation on the economic cooperation. We'll have a round of questions, and responses and I'll keep an eye out for people, who wish to raise questions or indeed intervene if something has been said which is critical, time critical, raise your hand, let me know and that way I hope we can engage in a conversation. Kemal Derviş, if I might start with you, two weeks ago, you were quoted with the following: If the new Greek and Italian governments are unsuccessful there will be a serious slowdown in Europe. If the crisis deepens it will affect the global economy which will in turn affect the Turkish economy. The latter has already started to be affected, Brazil and the United States's economies will also be affected. So my question is: Have the new Greek and Italian governments, the Euro zone governments, taken hole in a way that

gives optimism about the future? Help us to lay a foundation for this conversation by playing a picture for us of a global and European economies and economic situation.

KEMAL DERVİŞ: Well, thank you, it is wonderful to be here, Mr. Minister, dear friends, colleagues. It is a great occasion. I think for the future of cooperation between Turkey and America, I think this is a great day. Let me, immediately, come to the point. I am afraid we are facing a very serious challenge in the global economy. The situation in the Euro zone is really extremely worrisome and we will get into more details. The US is doing better but still the recovery is far from solid and the main point I would like to make, also coming from an emerging market like Turkey, is the following: There is a decoupling between the long-term growth trend in many emerging economies and what's happening in advanced economies. So the emerging economies are no longer as dependent as they used to be 10-20 years ago on what happens in the advanced economies. The trends are different; I think, for many reasons, the diffusion of technology being the most important one factor. The emerging world will grow at growth rates between twice and three times as fast as the advanced countries. That I think is true and it varies, of course, China is not the same as Mexico, one can differentiate, but broadly speaking. So, there is trend decoupling.

However, when you look at the cyclical movement around the trends, they are extremely correlated. So, it is not true that we are dealing with different parts,

different economies altogether. The world economy remains highly integrated and what happens in the Europe, what happens in China affects everybody to various degrees, but affects very very strongly. So, I think there is common interest of every country, really, to look at the situation in the Eurozone and what the crisis is there and hope that it can be solved, because if it isn't solved, and if there is a major sovereign debt failure in one of the countries in the Eurozone, if there is a dismantling of the Euro, it will have a tremendously negative effect on the banking system in Europe. That will of course affect the banking system in the US, the banking system everywhere. It is already happening, there is a credit crunch, and credit is withdrawing, it is much harder, finance investment. So, I think we are at a very critical moment. Now the response is not hopeless. At the end of the day, the Eurozone, as a whole, does not even have a current account deficit and the Eurozone's aggregate debt is lower compared to the GDP than the aggregate debt in the US. So you have weakness inside the Eurozone, but also you have strength. And when you have a monetary union, at least when there is a crisis, the strong really should help and support and finance the weaker parts of the zone. You can then, once you overcome the crisis, think about the longer term issues and, these are very important, and there are many efforts that the Southern countries in the Eurozone have to engage in, but the most important thing right now is to stop the fire. And that's I think, what has been discussed now, that's what has been debated now.

Of course Turkey is a medium size country, cannot be compared with the strength of the United States. But, nonetheless, it can play a role; it is a member of the G20, and I think, by working with the US authorities, within the framework of G20 as well as within the framework of the IMF board. There are things that Turkey can do, and there are things Turkey and the US can do together.

And in that context, and to bring back to the main topic of this meeting, I think both the United States and Turkey have a very strong interest in trying to help. Of course Turkey is a medium size country, cannot be compared with the strength of the United States. But, nonetheless, it can play a role; it is a member of the G20, and I think working with the US authorities, within the framework of G20 as well as within the framework of the IMF board. There are things that Turkey can do, and there are things Turkey and the US can do together. I do believe for example that a contribution coming from the IMF on top of what can be done by the European Central Bank and the European Institutions could help a lot in Europe. The IMF has the degree of global experience that is much wider, much longer than the European authorities have by themselves. They could

contribute some special financial resources, not grants, but loans that would help the liquidity situation in Europe, and help solve that problem. And I think the emerging markets including Turkey; have said that they would look favorably on joint action by the international community to compliment what the Euro-zone can do by itself. The

In my view, Turkey should play an active role here and try to make that happen. It does raise the whole issue of rebalancing and reforming IMF quotas and voting shares, it is really time that the emerging markets, including Turkey, have a stronger place on the board of the IMF.

emerging markets, however, have said that this should be done within the framework of the IMF. I think that is quiet logical, natural, the IMF is a global institution, there is weighted voting that has to be improved to reflect the new realities. But I think, complimenting the European effort by an IMF effort where Turkey in its modest way can contribute, the US can contribute, I think is very desirable, I would say beyond desirable, it is actually necessary. I think discussions are going on; the finance ministers of the G20 will meet in February if not earlier, deputies meetings are being held, and I think it is under active discussion.

In my view, Turkey should play an active role here and try to make that happen. It

does raise the whole issue of rebalancing and reforming IMF quotas and voting shares, it is really time that the emerging markets, including Turkey, have a stronger place on the board of the IMF. I wish to see, I hope, a Turkish executive director. I think the weights in the IMF board; reflect the world of 10-20 years ago, but don't reflect the world of today.

JAMES HOLMES: Secretary Fernandez, the US has its own economic problems, and they are not small either, high unemployment, truly tiny growth rate for GNP, political good luck on Washington which in my view denies all of us the opportunity to see a national vision for our economy back on track. Yet, both capitals, Washington and Ankara, have set pretty lofty objectives for growth and bilateral trade on investments and in your most recent trip to Turkey, you expressed optimism and ability of Turkey and the US to productively work together to deepen and expand our bilateral economic engagement. My question to you is, what's in your diet that gives you this optimism and where do we get some for ourselves?

JOSE FERNANDEZ: Well, thanks for having me. Look, clearly the US is going through some difficult times, but I think we'd be foolish not to look at the opportunities and the reason why I'm so bullish on the potential for the economic relationship between Turkey and the US. You've got a country that's been among the leaders, if not the leader, in GDP growth of last few years. It has got big plans of becoming the 10th largest economy by 2023. It has objectives that in many ways, conformed to think that we

can do together. It wants to deepen its financial sector, entrepreneurship. It has got big plans on IT sector, it has got things that both of us think we can work together. These are areas that I think the US companies can be helpful, US companies are leaders, so I see a synergy. You have got an economy in Turkey that

You have got an economy in Turkey that is, in many ways, small, medium enterprise, based economy, whereas in the United States we have larger companies. You have got this little disconnect that we have to overcome. But we can do that, I see great potential in areas we can work together.

is in many way to take small, medium enterprise, based economy, whereas in the US we have larger companies. You have got this little disconnect that we have to overcome. But we can do that, I see great potential in areas we can work together. I think we show some results now. Just last month, we had a delegation from four energy agencies from Turkey. They rode a show here to talk about the energy companies in the US. Next month I believe the Commerce Department will send 17 US renewable energy companies to Turkey to look at opportunities. This week, Vice President Biden will be in Istanbul to co-host the 2nd Entrepreneurship Summit. So I think the opportunities are there. I'm not going to minimize the fact that we have a difficult

road and we have got a difficult time in the US and we've got a great competition. At this point Turkey is a country where you have got a lot of countries with businesses. So I think we are not alone, but I do think that the kinds of industries, the kinds of plans that Turkey has announced, it wants to concentrate on, energy, entrepreneurship, financial sector, are things that we can work in. That's why one of the first things I did when I took this job is I decided to rather than meeting once a year for economic partnership commission, that we wanted to meet twice a year. Because the opportunity was there and unless we took advantage of it, someone else would do that. So I think the opportunities are there but I think from the point of view of the US business angle, it is the time to take advantage of that now.

JAMES HOLMES: If I might just follow up Mr. Fernandez, in your outreach to American companies, what are the discoveries when you talked to them about Turkey? Are they also seeing opportunities or are they operating on 1980-1990's conventional wisdom that it is a tough place to do business?

JOSE FERNANDEZ: Well, you know, from my time of the private sector, people will talk about the challenges; they will talk about the pharmaceutical side, they will talk about how it could be a \$1 million market, and they would love to invest in Turkey in electrical property issues, or resolve in the some of the pharmaceutical certificates were easier to obtain. I think people do see the energy potential. They also see that Turkey would be a wonderful place to expand and to the

neighboring countries. And I'm also seeing more and more on the US infrastructure companies the desire to work together with Turkish companies in North Africa and the rest of the Middle East.

JAMES HOLMES: Thank you. Mr. Kavranoglu, not too many years ago, in fact only about 5 years ago, most of Turkey's export eggs were in one basket, labeled textiles and grains. China took the eggs and the basket. And with the end of the textile quota regime, Turkey's exports to the US have been very slow and adjusting since then. Turkey's aspirations on how to do much better on the American market place with value added products like automotive than IT products, bathroom and kitchen towels and fixtures, etc. You are the deputy minister of science industry and technology. What can your ministry or any other Turkish ministry does to help Turkish exporters with high value added products that can be successful in the American market place.

DAVUT KAVRANOĞLU: Thank you very much, Mr. Ambassador, distinguished guests, it is an honor for me to have the chance to address here. I am on a short trip to the US, visiting some other places as well. So we are looking forward to the future to have a high-tech economy in Turkey. Currently high-tech products are the 5% of our export. As you said, our export in 1980s was about \$ 1.5 billion. In 20 years after Özal's initiatives, and his innovative approach, he made thousands of Turkish businessmen doing exports all around the world. In the beginning of 2000's Turkish exports started to have

more industrial content and we had about \$30 billion annual exports. Now in the last 9 years, under our Prime Minister's administration, we are in the level of, by the end of this year, we expect to be a little over \$135 billion. And as our Minister Simsek just said during the lunch, we are trying to bring our economy to a level where our export is \$500,000 billion in year 2023.

Of course, to go from \$135 to 500 billion, you cannot do that with textile and eggs. We have to have high-tech economy. So our aim is to have, like in our export, 20% high tech content in the year 2023. And in the year 2023, we aim to be the 10th largest economy in the world. We want to grow our trade volume in the US as well. Today we have 15 billion dollar trade volume in the US, and it is one of the rare countries that the US has a trade balance. So out of 15 billion dollars, we only export \$4 billion to the US and the US is exporting \$ 11 billion to Turkey. So, we're not like other countries. We benefit a lot from this. How about we take this to \$100 billion dollars in 2023? As Minister Şimşek mentioned, we are 0.5 % of your total imports, so it is a negligible amount for you. So, we should reshape our economy and walk together.

I also want to give a personal touch to my visit that, we just arrived at Thanksgiving night. The following morning, my friends at Caltec , at 9.30 am, were kind enough to meet our Minister Nihat Ergun and myself and our delegation and they gave us a 3-hour presentation. They showed us their high tech projects and what we can do together. It was very impressive. It is encouraging for us to see this kind of

forthcoming approach by the US universities and companies that we met during the last few days. We had very fruitful meetings with Microsoft, Apple and many other companies all around the West coast. We hope to go forward in high tech industries. Of course, our government is doing a lot to encourage transforming our industry to a high tech industry. A few years ago our government passed a law to give incentives for R&D centers. If any company, a Turkish company or a foreign company opens an R&D center in Turkey, they will have no employment tax and many other great benefits. They will also be eligible for all kinds of R&D incentives we are offering, like our government will sponsor 75% of their R&D expenditure if they have an approved project.

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We are also setting up a new Silicon Valley type of Techno Park close to

Istanbul, Gebze. It's like 4 million square meter of land and we are inviting all high tech companies from the US and elsewhere to set up their facility there. This area will have not only an R&D center incentive but also other incentives which means if they do manufacturing there they can import their raw material with no duty. And they can also import from domestic market with no value added tax and they will have no income tax till 2023 and many other incentives. So Turkey is really the land of opportunity for high tech companies. We don't want anybody come and manufacture textiles and eggs for us. But we are just opening our arms for all international companies to come and partner with us. We want to do together; we want to partner with high tech companies, develop technology in Turkey, and sell to Turkish market than elsewhere.

JAMES HOLMES: Taner Bey, you are the sole representative of the private sector of this panel. You have a company, Naksan, which is a large producer of consumer products. I understand that your company exports to more than 80 countries worldwide, including the US. What is it that makes the US a difficult market place for Turkish companies and Turkish products? What is your experience in finding markets in the US?

TANER NAKİBOĞLU: Thank you Mr. Ambassador. Well, I'm a market actor who is in the field. I live in Gaziantep which is in the southeast of Turkey, 38 miles away from Syrian border which is a critical point. It was frightening for us because the US was too far away and

when we aim to enter the US market, the volumes were big so before we enter, we decided to enlarge our capacity, so we bought high capacity machines. Then when we tried to enter again to the US we saw that Chinese companies producing low quality but big volumes of similar products. Then we decided to enter with high quality products and we entered by flexible printed shopping bags. For example, Disney stores. In terms of the US-Turkey trade relations, small and medium size companies are so critical so we should develop a correct strategy to include them into the formula. These companies are the backbone of recent economic activism of Turkey. So, the unit of analysis should be these companies. Without a correct analysis of them we cannot be optimistic about bilateral trade.

In terms of the US-Turkey trade relations, small and medium size companies are so critical that so we should develop a correct strategy to include them into the formula. These companies are the backbone of recent economic activism of Turkey. So, the unit of analysis should be these companies.

Turkey's main problem is the lack of well-educated young people. So we decided to open a nonprofit private university in Gaziantep. This is the third year of university. The name is Zirve, the peak, is the meaning. In the third year, we have 3000 students from especially southeast

and eastern parts of Turkey. We built a partnership with University of North Texas, to teach American English to our students, and by this connection we brought around 32 American teachers. The crisis helped us find American teachers; they were even taking less money than Turkish teachers. So, inshallah, 2-3 years later we will have thousands of English speaking students. Second, we built a partnership with Apple in our university. It was the second university, Apple told us, started with Apple. We have wireless free of charge, 50 megabytes. Not like here, it is \$15 per day. So it is free of charge. We gave every student one Apple Macbook pro. It was not advertised. When they came to the university they saw that free of charge Macbook pro. Then the second year we gave Macbook Air, and this year Macbook Air, small, 11 inch. Then we found very good academics, academics from the US, Italy, Hong Kong, Japan. Then the third point is to learn their subjects, major very well. Also they should make their practice in Gaziantep industrial area. Gaziantep is the 6th biggest largest city of Turkey among 100 cities. Its industrial zone includes 700 companies, which is the biggest in Turkey. So there is a laboratory for them.

How to connect Turkey and the US through small and medium size companies? I feel Tuskon -style organizations will help our connections in the future, too. I want to mention that the US government should develop a new strategy on energy. Turkish companies are successful in construction, in Libya or in other countries. But it is not

satisfactory. The US should develop a higher level strategy in energy and construction. Despite having 50 years of friendship, the US's help to Turkey in global market is weak, but we heard that there is an organization already. Finally both sides should update their strategies according to the outcomes of two developments; one global economic crisis, two Arab Spring.

JAMES HOLMES: Secretary Fernandez, if I turn back to you for a second. I often hear from Turks and I think you probably do as well about trade incentives, things like free trade agreements. Recently we finally got ratification of free trade agreements with Panama, Colombia and South Korea. Why can't we negotiate a free trade agreement with Turkey and if that's technically impossible as I have been told several times, is not there some other government to government vehicle that can be used to invigorate incentivize US-Turkey trade?

JOSE FERNANDEZ: Well, you know Turkey has a Customs Union agreement with the EU, and we were told by the Turkish government that the rule is that you cannot sign a free trade agreement. That agreement does not allow Turkey to sign a free trade agreement with the US unless there is a free trade agreement between the US and Europe, which there is not. You know, I think what we are focusing on certainly is trying to connect the very vibrant private sector in Turkey. The Turkish private sector is very entrepreneurial. And I have been to Gaziantep and I have seen the Anatolian Tigers, and in addition to having some great baklava, and they just need an

opportunity, they need a partner. This is what the agreement with the SBA is so important. What we have been focusing on is trying to engage private sector actors and putting them together in the US. You've got, in terms of government programs; Turkey is a very robust user of GPS benefits, so that helps with trade. But I really think that the key here is to try to find more events, more opportunities such as this one to put together business communities of both countries.

One of the things we have been talking about is can we put together some US infrastructure companies with Turkish companies to work in third countries. They have the experience, we have the technology so that's what I think we need to do. We need to focus more on private sector to private sector contact.

I was in Libya last November and I was amazed by the amount construction that was being done by the Turkish companies. It was a construction site and they were all Turkish companies. One of the things we have been talking about is can we put together some US infrastructure companies with Turkish companies to work in third countries. They have the experience we have the technology so that's what I think we need to do. We need to focus more on private sector to private sector contact. I know

it's hard live waiving a magic wand putting together a free trade agreement but we can do that and if we put our private sector, I think we will be quiet successful.

JAMES HOLMES: Mr. Kavranoglu, I hesitated to ask this question with Minister Simsek sitting in the first row and having heard him earlier today say that there is still ammunition in his belt to combat adversity as far as the economists concerned. But Turkey historically has been through bust cycles and indeed sometimes they have been caused by such things as current deficits. Why should we not be concerned that Turkey is one slip away from bust?

DAVUT KAVRANOĞLU: The reason is that you have such a great minister started up good fundamentals in his time for recovery of Turkish economy from such a disaster we have been through. Our PM just put the fiscal discipline as the foremost importance. I know that our government is taking measures for a possible crash of Euro and world economy. So therefore we are extremely careful about budget deficit, not to loosen up and just feel over confident and start spending. So we are very careful about that. What you can do other than fiscal discipline, and not overspending and try to increase the fundamentals and make the fundamentals strong. That's what we are doing. We have a well regulated banking system. We do not allow banks fool around and make mistakes like it happened here which caused the whole world economy crashed and we are still suffering from it. We are doing all that can be done. On daily basis we are

checking with our Central Bank. Just trust me.

JAMES HOLMES: Kemal Dervis, the minister has described the prudence of keeping government side on the right balls and there are hundreds of balls in here right now as far as the economy is concerned. What balls should we be watching?

KEMAL DERVİŞ: Well I have to say that I really do believe that both in terms of public sector balances and the entrepreneurial drive of Turkish private sector, Turkey is really quite strong. So, in the medium to long term I think there is every reason to be optimistic. I also feel from experiences, Turkish people have a common sense. It is just quiet remarkable. We went through 2001 crisis with a lot of pain but no serious social dislocation. A lot of resilience. So I think all these elements of strength are there. The public sector that is now below 45% of GDP, it has reached a way healthy level. Things are transparent; I mean in the public sector you can include the state enterprise, the municipality, one has to measure it in the best possible way. However, there is, unfortunately, one feature of Turkish economy which is still somewhat worrisome which is the quiet low national savings. A current account deficit is essentially imbalanced between investments and savings. I mean it looks from one side as an imbalance between exports and imports, but underneath that is imbalance of the savings and investments. Turkey to grow to be the successful country that we all hope it will be, and it has to some degree has to invest. I would say at least 25% of GDP

and if it only saves 12-13% low, 12-13% is particularly low. Maybe let's say that the average was 15% of GDP of the last few years. That means you need to have a current deficit of 10% of foreign capital to come in to finance that investment. So we have to correct that in Turkey. There is no magic bullet, there is nothing Mr. Simsek can do just to fix that overnight. But I think to be realistic, in terms of our growth expectations in the long term it is quite important that the national savings rate goes up. That has to do with financial

However, there is, unfortunately, one feature of Turkish economy which is still somewhat worrisome which is the quite low national savings. A current account deficit is essentially imbalanced between investments and savings. I mean it looks from one side as an imbalance between exports and imports, but underneath that is imbalance of the savings and investments. Turkey to grow to be the successful country that we all hope it will be, and it has to some degree has to invest.

sector policies, retirement policies, it has to do with macroeconomic policies, but it also has to do with private sector behavior and the greater, I think, we believe in Turkish growth and the greater people believe in the long term stability,

and both political and democratic stability democratic rights, safety of every citizen, all these things in the long run contribute to the savings. To me this is the long term problem we face. In the short term there will be an effect from the European crisis. We already feel it, everybody feels it. We can't avoid it; we don't live in the world by ourselves. But hopefully that crisis will be overcome; I think that the fact that the exchange rate is flexible, it is very important; we don't have the same problem that the countries try to fix the exchange rates so the exchange rate can move to adjust and as we said, as the minister said, and I'm sure Mr. Simsek also mentioned before, the fiscal prudence has been a consequence of Turkish policy I think over the last 10 years.

MINISTER MEHMET SİMŞEK: Thank you. I just want to add a little bit of color to whether or not we will be able to manage soft landing. Certainly it is a big tough spot for us in current account deficit is very large, it is part destructional, meaning we have extremely low savings rates. We have an industry or production that services or concentrates on relatively low value added. Not necessarily low quality, because when you don't command global brand names and things like that, the low profit margins, but also we have had extremely favorable, relatively easy financial conditions which essentially has triggered consumption. Here is what we are doing. Apart from maintaining a relatively strong fiscal position, I think we have recognized that we needed to be tougher. Even with a little bit of delay

admittedly BRSA, our bank regulator, has stepped in and long growth which was running at 40 to 50 % year on year in early part of this year has actually now collapsed to about a 10% if you look at the most recently. But if you look at more on monthly numbers it is still running around 20%. So what I'm trying to say is this: There is a very strong effort, monetary policy, credit policies, to slow down credit expansion. There is obviously going to be slow downs on our growth rate. No question about it. Because domestic demand in Europe is weak, and our key export markets, like Libya, Syria, Egypt where we have over 5 billion dollars of trade surplus were destroyed by the Arab Spring.

So all I'm saying is that there are structural elements, which requires structural fix and that's why if you invest on R&D center in Turkey, if you spend money on R&D you can get 200% deduction in terms your tax pays. So we are giving one of the most generous incentives in the world if you do R&D in Turkey. We are investing very heavily in our people. I think that's extremely important. Because in the long run the quality of education matters. With private sector with state there is a lot of focus on infrastructure as well. We need time and in the meantime if we can prove that we have a strong and stable government and good fiscal balance sheet and maintain a healthy banking sector then we can persuade people to continue to fund out deficit. I think it is important. But in the meantime we absolutely, and I agree with Minister Derviş that we have to address the relatively low savings. In

the short run I think the key is maintaining fiscal discipline but also curtailing or slowing domestic demand and expansion which we did. Then, there has been a substantial currency adjustment. That is also going to help. So long growth is adjusting, currency has adjusted, yes, if there is no demand from Europe and elsewhere, that may still not work but that is still important. And Turkish companies are beginning to make a big headway in terms of their presence in global markets, like in terms of retail chains. We have now more than 2000 Turkish stores globally that sells Turkish or global products. We are beginning to acquire global brand names. In Italy we acquired ceramics companies in Italy, household names like Grundig in Germany. You know also food and textiles, etc. So we are beginning to change the strategy. So we are acquiring global brand names because that would help us command higher profit margins. Because we do produce first rate products, we just don't have the high profit margins enjoyed by our competitors, I mean at least Europeans. So I think we have the right strategy, we need a bit of time, and that time probably will be given to us if we can prove that and maintain good policies and good politics. And I think that's where the commitment is strong and hopefully work out. But we will be affected by the European sovereign debt crisis, there is no question about it, in fact we are already affected by it. But we will be resilient.

AUDIENCE MEMBER: We are here in the US and this event is organized by Turkish

immigrants abroad. I want to hear the role of immigrant Turks abroad could play in dynamizing our economies on both sides. We know that America is a land of immigration and this is the American dream. I represent more than 10,000 Turkish immigrant entrepreneurs in Europe, in Brussels. There are more than 140,000 Turkish immigrant entrepreneurs in Europe. These people were originally from working class without any knowledge of entrepreneurship, without any tradition of entrepreneurship. But after 50 years of presence in Europe, they have been able to form a fantastic potential even for the economic competitiveness of Europe. I really believe that this target group can play a very important role in building bridges between the US and Turkish economy. We did not talk anything about it. Everybody is talking about the role of diasporas for economic dynamism. My question to our minister, is there any specific policy to empower the role of the immigrant Turks abroad?

DAVUT KAVRANOĞLU: Last week, we had a big convention a gathering of Turkish I mean diaspora in a business community. We have about 6 million Turks living abroad most likely in Europe. And certainly there has been a change in the nature. I mean initially, we were working first now we are employers. I think it is very important we had a two day session for Prime Minister attended and many of my colleagues where we have developed strategies how we can strengthen ties with businesses that are set up abroad by Turks and Turkey but also the rest of the world. So, I think there

is already a very good strategy, framework in terms of the essentially taking advantage of that time that we have. Just one more thing. We are also changing the incentive regime in Turkey. And no longer have we thought that market will fix everything. We are becoming a lot more interventionist in a more transparent way I have to admit, in a more competitive way. We are now really targeting specific products where we think relatively large supply gap locally or large trade gap and how we could persuade, assuming that as competitive to produce in Turkey. How to help? And that applies to obviously Turkish businesses abroad. When we look at producing a tablet in Turkey for all 18 million students we have in Turkey over the next few years. We also got it touched with the chief technology officer of a global company that is a Turk. So we have already those mechanisms in place. We do get in touch, we do now organize them and I think Turkey as well as the businesses set up by the Turks overseas to take advantage of. The point of contact is we have got a minister responsible for the diaspora. We have got several agencies; we have got as well as, TOBB, in the umbrella set of agency that covers all the Turkish businessmen locally but also globally. So I think, there is already a framework mechanism in place, and in fact there is already a strong interaction between Turkey and those places.

JAMES HOLMES: Thank you very much. Taner Bey, you are a member of Turkish US Businesses Council, which is a private sector representative, private sector organization. But it is responsible for the

advising two governments with respect to challenges, opportunities in hence, for trade of our states. Are you prepared to help us to understand what kind of recommendations are coming out of these business councils to our governments?

TANER NAKİBOĞLU: This council started this year. And the first meeting was in Istanbul on September 19, 2011. And the next one will be in Washington DC. Our first recommendations to the both countries: establishment of joint industrial zones between US, Turkey and Iraq with possible extension to Middle East and North Africa region. We recommend this to establish joint industry zones in Turkey to produce technologic products like tablets. For example Apple is already having a company in Turkey. And also we said we can produce some products in Gaziantep, Adana region, which is very close to the Middle East and North Africa. And there are structures already.

Let me explain one thing about my hometown, Gaziantep. You know Turkey's growth rate was around 10% last year. Gaziantep growth rate was 17%. Our entrepreneurs are very famous in Turkey like Anatolian Tigers and now we have the problem of finding employees in Gaziantep. So, we are looking around to find employees. We have incentives in Gaziantep from our government. We have land, we have industrial areas, we have very good infrastructure. But we have the problem of finding employees. But this area we are planning to make a joint industrial zone is little bit at the west of Gaziantep. Adana, Ceyhan, Iskenderun, and Gaziantep it is becoming like a

Rotterdam. We recommend regional joint construction and infrastructure projects. We have talked about already. And another one was about Intellectual Property Rights and then defense and aerospace supply chain. You know, Turkish Airlines are buying airplanes and now in Turkey, we can produce most of the main parts together.

AUDIENCE MEMBER: If I understood correctly, the secretary does mention about energy footprint and energy future has been talked. So, my question is by saying quadrating energy do you mean since Turkey is progressive and advanced in so many areas on the areas. Also addressing to the environmental climate chaos. And right now people are gathering for the US climate change and Turkey's representatives as well. So in the future, dealing with the renewables and reducing carbon footprint what do you mean by quadrating energy.

DAVUT KAVRANOĞLU: Absolutely, our government has programs in place to encourage green energy investment in Turkey for solar energy and others. Also for carbon emission it is very important that we have nuclear power for peaceful purposes. And we are setting up one and some environmental organizations don't like this but whatever is good for France—60% of their energy needs comes from nuclear—should be also good for Turkey and we need in a developing world there will be energy hungry and we have to have a more understanding for them. And developed world should support them with more reliable nuclear technology. So, we have to have energy and we love our country. We want to have

it keep clean. It's our mother land. We want to have clean air, clean nice forest and everything but we need energy too. We are very keen on finding the right balance between the environmental concerns and economic development. Thank you.

AUDIENCE MEMBER: I believe the energy partnership on the wind is going to be the lowest hanging tool for the American Turkish partnership for the Turkey in long term. So, in terms of that my question is that whether Davut Kavranoglu or Secretary Fernandez what will be the additional incentives in addition to tax and others to encourage more wind investment. For example today Iowa is an example state. 20% of our energy comes from the wind which is the 20 percent by 2030 of the federal government's goal is already there in Iowa. There are more than 200 companies in Iowa making from buildings to the towers I believe this great example can be applied to Turkey also as well in long term. So what will be to encourage this partnership?

DAVUT KAVRANOĞLU: Mr. Fernandez mentioned the energy footprint and the investment companies visiting Turkey for the energy investments. This is very much encouraging. But we also don't want the old trend that when people say Turkey in the United States, in the 80s I was here, that means US bases in Turkey and US needs for defense as we were the frontier with Russia and things like this. So when you look at Turkey, we should not only look at it as how we can sell wind energy technology to Turkey. We invite you since you are in Iowa, come to our R&D centers

and we would like to be the part of this development. Let's develop the clean energy technology in Turkey. I invite people; I try to find right people to invite them to invest. This is my personal effort. We would like to encourage developing technologies in Turkey. Our largest deficit is in energy. We are spending about \$50 billion annually for energy. So we are spending a lot on that. And I know that for example for natural gas, 40% of our electricity is coming from burning Russian natural gas in Turkey. And the efficiency is about 50%. This is a disaster. We will pay like \$50 billion and we burn

So I encourage everybody, high tech companies that we will fund your R&D please come to Turkey and develop more efficient ways of burning or other ways of converting natural gas into electricity.

the half of it goes to the air. And it also destroys the environment. So I encourage everybody, high tech companies that we will fund your R&D please come to Turkey and develop more efficient ways of burning or other ways of converting natural gas into electricity. So, for wind energy it is very nice but I gather that the technology is very expensive. They are charging a lot for the installing and the paybacks. Because of the fact that they are charging a lot for the wind turbines the paybacks are very long. So, to make this shorter we have to invest in R&D in Turkey and we have to have low cost wind turbine. So, it all goes down to R&D

and high tech industry and that is the way. We have no other way. We don't have large oil reserves, or other underground resources in Turkey. We have a young population. We are very enthusiastic about investing in R&D and having a high tech technology for energy or other sectors, we invite everyone to invest in Turkey for R&D. We will pay for all your expenses. Just come and bring your know-how knowledge. Our finance minister is here. He hears me and he approves that.

JAMES HOLMES: Secretary Fernandez, I know General Electric has recently signed a partnership on wind energy. What can you add to this as far as the renewable energy, efficiency is concerned between the partnership of US and Turkey?

JOSE FERNANDEZ: In our economic partnership commission conversations, we talk about energy all the time and because the Turkish government as they express desire to focus on to expand its renewable energy, on research and development as well as the power plans, we are concentrating on the renewable energy. The delegation that is going to Turkey in the next couple of months is to bring 17 energy companies all 17 of those are renewable energy companies. So that is something we see both a need and an opportunity and these are companies that are understand that in addition to simply selling their equipment the Turkish government and the Turkish people want to create a partnership. And that is something that if you make it work the Turkey can be a spring board to number of markets in the region. So, they

understand and that is really what the converse is focusing on right now.

AUDIENCE MEMBER: I was just wondering about this recent so called Arab Spring. I know that in a short term, the primary industry is getting affected by this. And Gaziantep is most probably that is getting affected by Syria. I just want to see whether we could turn this to an opportunity as far as the rebuilding concern in those countries. I just want to see how Turkey is seeing this. Is this an opportunity or is this a concern for the Turkish economy? Thank you very much.

DAVUT KAVRANOĞLU: We would like all people around us and all the people around the world have the same standards. We would like to, we demand and we never give up and we want human rights. And the prosperity for all Turkish people. Regardless of their religion or ethnic diversity, we want everybody to have human rights and democracy in Turkey. Therefore we want the same thing for all these countries. Regardless of their economic consequences of course we are concerned about how it is going to affect the Turkish economy. And may be in the short run, as it affects very negatively the people of those countries, it will have some effect on our economy. But in the long run, I am sure it will pay, democracy and human rights will pay back those people as well as for us. And we are supporting the people's desires to have more humanly regime and to live in a better society. Because in nowadays, the whole world is like a village. Everyone knows what is going on in any other country and they know what is going on in US and how they live in the US. So they

want to have a similar Prime Minister, similar Finance Minister and similar government. And they want to be treated well. That is our concern for the most. And we are taking measures to balance any effect that it is going to have.

JAMES HOLMES: If I can spin this a little bit differently, without question, one of the most important factors when Arab Spring countries look at Turkey as either on a model or any inspiration, I know Turkey uncomfortable with the notion of model more comfortable with the notion of inspiration. This is a discussion about US Turkey cooperation. Is cooperation with United States an asset or a debit, positive or negative or is it mutual in terms of Turkey's effectiveness as an inspiration to the Arab Spring countries.

DAVUT KAVRANOĞLU: And Turkey now is becoming a brand name for telling the truth no matter what. This gained us lots of respect around the Middle East and all around the world. So we are not changing opinion on the same topic depending on which country we are dealing with. So having this ethical behavior is gaining a lot for us. It is opportunity for the US to work with us closely in economic ties to also address to those markets as well. So, our relationship and economic cooperation makes a lot of sense to improve Turkey's economy to make it place of radiating human rights and economic prosperity for the region and around the world to inspire as you have said.

PANEL

REGIONAL ENERGY NETWORKS AND THEIR POLICY IMPLICATIONS

Moderator/Discussant

DR. MICHAEL CAIN is Professor of Political Science at St. Mary's College of Maryland (USA), Maryland's state honors college. Professor Cain joined St. Mary's College in 1999 and served as chairperson in Political Science for five years. Since 2007 he has been the director for the Center for the Study of Democracy, a non-profit organization that supports democratic inquiry and discussions on national and international politics. From 2002-2007 he was a senior technical adviser on energy and social welfare policies in new democracies for the United States Agency for International Development (USAID), serving in states throughout Eastern Europe and Eurasia.

Panelists

FATİH BALTACI graduated from Boğaziçi University with a Bachelor's Degree in Mechanical Engineering Department, 1993. He is the founder and Chairman of the Board of Directors of AKFEL GROUP, a company that has provided services for the energy sector for more than fifteen years. Mr. Baltaci is also the Chairman of the Board of Directors and CEO of ENERCO ENERJİ, a company incorporated in 2004 to carry out the import and wholesale of natural gas in the Turkish energy market. Mr. Baltaci is also the president of DIVİD (Natural Gas Importers and Exporters Association).

GREG SAUNDERS is Senior Director for International Affairs in BP's Washington, DC office, responsible for the Caspian, Middle East, North Africa, and Europe. He joined the Washington office in August 2004 after a posting as the C&EA Manager within the Algeria Business Unit. Greg joined BP in 2001. Prior to joining BP, he was the Director for Policy at the Corporate Council on Africa, a corporate NGO in Washington. He culminated a career with the US military in 2000 following assignments in the Office of the Secretary of Defense.

He has been posted to Europe, Africa, Asia, and the Middle East. He speaks French and Portuguese.

AMBASSADOR ROSS WILSON (Ret.) is Director of the Dinu Patriciu Eurasia Center at the Atlantic Council. He is a former US Foreign Service officer and ambassador. He was the United States Ambassador to Turkey, with the personal rank of Minister-Counselor. From 1997 to 2000, Wilson was Principal Deputy to the Ambassador-at-Large and Special Advisor to the Secretary of State for the New Independent States of the former Soviet Union. He currently teaches part-time at the George Washington University.

REGIONAL ENERGY NETWORKS AND THEIR POLICY IMPLICATIONS

MICHAEL CAIN: Good afternoon, welcome to our panel discussion on regional energy networks and their policies. This is the last panel for today. My name is Michael Cain and I am director for the study of democracy at St Mary's College of Maryland and have worked about eight years on energy issues. And I am absolutely delighted to be chairing this panel of this distinguished senior politics analysts and I am looking forward to interesting discussions with you all on this.

And I would like to make three basic points. One point and I think this is much of the discussion where we really focus on the supply side of the energy of Turkey. I will make a few points about that and two other points that I would like to talk about is that the institutional side of the energy, the importance of an energy reform as well as the main side of the energy consumption in the region. I did not need to tell you all about the strategic and geographic significance of Turkey as

building regional energy networks. It is geography makes it a crucial and important regional actor. And an important partner in building security reliable networks in the Black Sea region, in the energy community and of course for the EU members. Turkey's proximity to large gas suppliers in the Middle East along with its crucial location to gas supplies make Turkey an important strategic partner for the EU's long term goal to achieve energy security by allowing greater supplies to European gas markets. And much of the discussion is here we have experts, who can talk directly to the issue of those infrastructures and gas distribution.

Yesterday The US Energy Council met in Washington and explicitly indicated the importance of the gas between Turkey and Azerbaijan and we will hear more about that. I know you will comment on that today. All of that possibility of multiple sources of gas for the southern part of the Black Sea region. Perhaps we will also get a chance to talk about the China's role in the Caspian Region and their energy needs. In terms of the institutional side the security of the energy supplies and its importance for the strengthening the reliability of the energy provision is really just one part of the energy politics of the region. The other critical component is the liberalization of the energy markets to a greater regional integration to improve the market functions. This involves number of distinct parts. It involves public sector regulations it allows stability and transparent of the energy market operations which will lower the

investment risks. Fair market pricing for residential commercial consumers. The elimination of state runs energy monopolies to enhance regional trade and competition. These actions are the corner stones of the EU and energy community policies in the region of course also backed by the United States. Turkey and other energy community contracting parties have been in considerable progress along the number of the mentions here. But important institutional policy issues remain I think to be addressed both in the gas and electricity separately. And finally the demand side. The demand side is often overlooked in future in my opinion of this whole equation. Not just for the supply of energy and the infrastructure needs but the demand is going out tremendously not only in Turkey but also Europe. But the critical issue for this stopping or slowing this increasing demand and it is really a progress in the energy efficiency. Progress in the renewables. This is not easy to do. Achieving the progress especially in residential energy efficiency is a difficult and a long term project but it is certainly something that needs to be addressed. I think I will turn it to the panelists who want to talk about those three major issues and let the panelists to take over to with them. Fatih.

FATİH BALTACI: Thank you very much Professor Cain. It is a great honor for me to be here. As you have said Turkey is natural hub since decades just because of the Bosphorus. Most of the Russian oil still is passing through the Turkey which is another issue as well. But and also the Iraqi oil pipeline which is also operating

for quite a long time, pumping out of Kirkuk, Yumurtalık to Ceyhan for a substantial amount even during the war time. But the latest development the Baku BTC pipeline, a remarkable achievement for Turkey and the region. So from the oil

But the real challenge and the opportunity for the Turkey is the gas which is the next century's energy source. And Turkey is the only country having direct pipeline in the neighborhood. So, Turkey has a good opportunity for supply purposes as well as from a perspective of passing through all these sources to the west. So it has a geographical blessing.

perspective, Turkey becomes a corridor. Today I would like to argue that Turkey becomes a corridor or hub. Or is there any potential future for Turkey as a hub? So the perspective of oil already shifted. There is still a lot of faith to go to; when we will see the Caspian oil is finding other roads to the world market. But the real challenge and the opportunity for the Turkey is the gas which is the next century's energy source. And Turkey is the only country having direct pipeline in the neighborhood. So, Turkey has a good opportunity for supply purposes as well as from a perspective of passing through all these sources to the west. So it has a geographical blessing. Stability is also important, geography does not help you

at all itself. Stability is an important issue. And the last decade Turkish zone achieved considerable economic growth as well as democratic development. Market size and the quality you have mentioned is also an important issue. Turkey from the gas perspective is one of the in the top five markets in the Europe. We are reaching 45 bcma (billion cubic meters per annum) this year which is going ahead up to 50 and 60 bcma. And of course the other point from the perspective of pipeline whether Turkey is an investment friendly environment or not. I mean just giving the facts of the coming ten years the Turkey needs to invest \$100 billion for only the energy infrastructure. So, it needs to have environment friendly investment and investors. Otherwise Turkey cannot cope with the equity requirements. So we need foreign investors, foreign equity for energy so that's why having these all features will make Turkey potentially a right place to play this energy game.

GREG SAUNDERS: Thank you for everyone attending and agreeing to join us on this late afternoon. And also congratulations to the Turkic American Alliance and the organizers. Thanks once again for this distinguished panel. I thought I would talk a little bit about taking the page from my colleague about natural gas and specifically this transformational event that is under way right now around the production in the trans of gas from the Caspian to Turkey and to European markets. Years past, most of the focus on the energy and the Turkey was on the way. Many refer to the 1990s and in the last decade the oil has

the great game. And Turkey played a fundamental role in facilitating the movement the transit of the oil from Central Asia and the Caspian through that part of the region through the Turkey to the global markets. The facilitating the realization of the projects most importantly of which is the famous pipeline Baku to Ceyhan pipeline. But the game has changed. The transformational dynamic has now around the gas and who services growing European demand for natural gas. Europe faces a significant supply demand gap starting at the end of this decade. And countries, companies are now competing for that market.

But the game has changed. The transformational dynamic has now around the gas and who services growing European demand for natural gas. Europe faces a significant supply demand gap starting at the end of this decade. And countries, companies are now competing for that market.

And at the center of this dynamic is Turkey. So I thought I would give you some insights from a private sector point of view. And from a company that is participating in this new great game. A snapshot and a look a little bit of a detail about a famous natural gas project coming from Azerbaijan. This project that I have mentioned is located in the Caspian Sea, offshore of the Azerbaijan. The field is one of the largest in the world. It is now

producing a little over 8 billion cubic millions of gas per annum. 80 percent of that gas is exported to Turkey. The project team, led by BP and Statoil, is now looking to expand and increase production from 8.5 bcma to 25. Tripling production from this field which will require the installation of new platforms, new pipelines expanded terminals in Azerbaijan and Georgia. It is a massive undertaking at a cost of a little over \$20 billion. Even in the oil business and the energy business \$20 billion is a big number. As I mentioned in producing additional 16 bcma of gas as well as a 100 thousand barrels of oil equivalent which will be transported to Baku-Tbilisi-Ceyhan (BTC) Pipeline. All together this natural gas project constitutes maybe one of the most complex, costly but most important natural gas project that the world sees today.

Now let's move on Turkey. What is Turkey's role on this? I am absolutely delighted to inform you that quite frankly thanks to the extraordinary efforts of both the Azerbaijani and Turkish governments. Azerbaijan and Turkey signed a landmark agreement actually a series of agreements that will enable the transit of Azerbaijan gas through Turkey into Europe. This gas sales agreement sets out the terms for the sale of 6 bcma to Turkey actually to BOTAS. Even more importantly the agreements feature and this is a transformational parts and a transit agreement for transiting the gas through Turkey to European market. It is a total of 10 bcma. What I think is important to understand is that this agreement between the United States and

Azerbaijan and Turkey called for the transit through one of two ways. The first is that transit the gas could move to the existing BOTAS network and upgrade about \$2 to 3 billion in the Turkish natural gas infrastructure or the construction of a new standardized pipe from Turkish Georgia border through Turkey to Turkey's western borders.

Equally important, these agreements recognize two important principles sustainability and scalability. Sustainability must enjoy the strong political support for both regional governments as well as the markets in Europe and scalability be able to expand over time as regional gas becomes available from Azerbaijan, potentially Iraq, potentially Turkmenistan. This project is the first just the beginning of now opens up the famous southern corridor some of you may heard about this. This corridor of gas takes Azeri gas or Caspian gas through the region into Europe. Finally, there has been a publicity discussion around the European angle to this project which we have talked about the production of the gas in Azerbaijan and the second part is transit it through Turkey and third is the export into Europe. Many of you will be familiar with these names, three established projects, namely Nabucco, TAP, and IGI. Holding extensive discussion with each of these companies and with the vast range of gas buyers. The consortium passed for the request of proposals and package. Each of these three portions a proposals for the purchase of the gas on the first of October. Now evaluating the technical terms of three others and intense the selection

sometimes later on in this month or in early January. A forth potential export option transport of this gas into the markets in South Eastern Europe: this option is basically connecting the existing the gas across Bulgaria, Romania, and Hungary. The key advantage is reducing pipeline cost while maintaining the potential stability. So, I just gave you a little bit of an idea of the dynamic around this process it's playing right now. The last piece of the credible mosaic was this landmark agreement between Azerbaijan and Turkey that allow for the transport of gas and this will open up the next great game around gas, a truly transformational energy event that puts Turkey once again at the center of the regional energy dynamics. Thank you very much.

MICHAEL CAIN: Thank you for these remarks. It is a transformation agreement and I think you are absolutely right to emphasize its importance. The next part of this game is how to fill it and so I am sure we are going to get to that.

ROSS WILSON: Thank you very much for the opportunity to be here and see the friendly faces around the room. It is a pleasure and honor to be a part of this. What I thought I would do is to pick up where Greg has left off. This transformational nature of the decision that BP partners and Azerbaijan will be making about the route for the next pipeline and for the full development on the gas field. So what that means and what are some challenges for Turkish diplomacy in general, energy diplomacy in particular? There are, as you look at the couple of years. One thing Greg did not say, is he did not reflect on how long it

took to reach this agreement that was signed in Izmir at the end of October. Turkey and Azerbaijan have been working on this for years and a number of us including United States including me but also the European Union and the others were trying over a long period of time for Baku and Ankara to reach an agreement that would provide for the transitive substantial Caspian gas across Turkey into the Europe. Decisions are being made on the Southern gas now will in turn generate decisions on other gas. It will attract other gas to what now looks not like a pipedream but the reality of a pipeline that has being built.

I was in Turkey two weeks ago for a conference of Atlantic Council on the Black Sea Energy and Economic Forum. One of the main things talked about there is the Iraqi gas and particularly the gas from Northern Iraq. Iraqi Kurds can see that a pipeline is actually going to be built probably or at least it looks like it is in progress. They can be a part of this developing energy transit trade across Turkey to European market, it's good for them politically, it's good for them economically, it's good for the development of their energy industry and also of course plays a role in Iraq's internal political dynamic and in particular the struggles having to do with the hydro carbon legislation there. Southern gas corridor also at least opens the prospect for gas, on the other side of the Caspian to come to the west. And many years ago, I was involved in some of the discussions about a trans-Caspian gas pipeline that would bring gas across the Caspian from Turkmenistan. I don't know

what the short and medium term prospects of such a pipeline are but Turkmenistan announced a major new deal with China to buy substantial additional quantities. Turkmenistan's got a tremendous amount of gas. The fact that now something actually looks like it might be happening from Baku through Turkey to Europe changes what was always at most theoretical conversation about the transit of Turkmen gas to the west.

I was in Uzbekistan in the spring. The Uzbeks look at in the same way at Baku to Europe gas pipeline as an opportunity for them. Kazaks may be a little bit less. They could maybe, potentially at least look at some opportunities, to move their gas through the same network maybe not literally through that pipeline that BP and its partners would be developing but through that southern gas corridor. It is an important decision to make but there are still about a million questions that have to be resolved, require some important sensitive and very active Turkish diplomacy to make it happen. There will remain a number of issues between Turkey and Azerbaijan today. There are many details that may be less important than cosmic schema things but details that have to be worked out. There is a way you can conduct that diplomacy if you want to resolve these things. That wasn't the diplomacy that was being conducted when I was in Turkey by Azerbaijan and Ankara frankly. But it is where they are now; there is a lot of work to do. I would submit Turkish diplomacy in Iraq is helping Baghdad and Erbil work out in acceptable arrangement that allows all of Iraq to benefit including the Iraqi

Kurds from gas sales opportunities that may come to as a result of this expanded gas corridor. And Turkish diplomacy in Central Asia, they are trying to wire those pieces together. And I think Turkish diplomacy is not the only thing that will make this happen, make this broader southern gas corridor happen, but I would submit that without some tough work by the Turkish authorities, these things are unlikely to come to reality any time in the near future.

For Turkey to become an energy hub, an energy exchange, requires a whole different set of things. It is about liberalizing Turkey's own domestic energy market which can transform Turkey from just being a transit route into being a real energy setter in the region.

The last thing I will say is to come back to something you referred to, the idea that Turkey has an energy hub or a transit country. Turkey is well positioned to expand its role to as an energy transit route. That's what BTC is, that's what I think in the first instance what BP, its partners were talking about. That is an important role, the transit revenue that comes from this, there may be follow on development that flows from it. For Turkey to become an energy hub, an energy exchange, requires a whole different set of things that you referred to in your opening, Professor. It is about liberalizing Turkey's own domestic

energy market which can transform Turkey from just being a transit route into being a real energy setter in the region. That I know is a current line of discussions that Washington, the official Washington is having with Turkey, there is a lot of work to do there. The amount of wealth that can be generated for Turkey from being an energy exchanger, a real energy exchange towards the revenue that generate for itself as a transit country and I think it is something many of you in the energy business or influential on the margins with respect to the overall business climate in Turkey and the specific energy markets in particular can play a very helpful role.

MICHAEL CAIN: Maybe before I turn it over, we can follow up a little bit some of the remarks that have been made. You mentioned sensitive diplomacy that needs to take place to realize some of the gains that have been made, agreements that have been struck. Can you elaborate on what you think that some of the main challenges in that diplomacy are for Ankara?

ROSS WILSON: Well I did a couple of points on my head. One is, I refer to the problem of Iraq's overall hydrocarbon regime and hydrocarbon legislation. It has been battled up in Iraqi parliament for the last 5 years, 4 at least. Certainly it has been discussed when I left Turkey in 2008 and it has not moved ever since then. Our efforts have not been approved as successful; the US government efforts in Iraq declined for obvious reasons, Turkey's influence increased for obvious reasons, and I think that is an area where Turkey can be helpful in brokering a

solution among the various players in Iraq on this matter. Second, there is the issue which could come after an overall hydro carbon agreement or perhaps it could come before is brokering some kinds of arrangement that provides for the export of Iraqi Kurdish gas, gas of Northern Iraq across that border. The gas is ready to move, it is not inconceivable that there could be an arrangement worked out that provides for the export of that gas to Turkey but then, what is the regime, what are the transit terms, are the transit terms agreed upon, how do the benefits get waived, so on and so forth. I think similarly with Turkey that it may be able to play an important role between Azerbaijan and Turkmenistan. This two is an area where US diplomacy is not going to particularly be effective. Turkey I think has baggage in both countries and we can be honest about that. Again the prospect of actually being able to move gas west starts to change the dynamic in Ashkhabad, the prospect of making long term money, out of that move, out of that transit gas by changing the attitudes in Baku could be helpful, and there could be some opportunities for Turkish diplomacy. And even in matters related to the immediate projects if the ultimate decision is to set up pipelines that or a schema that's aim is primarily southeastern Europe, I would guess that Turkey would see for itself opportunities to leverage some of that work in ways that assist, support Turkey's overall political agenda in the Balkans, which I think in turn can help to leverage a broader market that BP wants to generate. I noticed in your lists of countries, there are a few Balkan

countries. You didn't mention like Serbia and you know there is a heap of political contradictions in Balkans, Turkey has been active on those when the US and EU's attention on those matters have dropped. Because we were focused on other things.

GREG SAUNDERS: And I would mention one more thing, taking on Ross's point, this was a fundamental concern in the recent Azerbaijan-Turkey agreement about transiting gas. If our friends from Brussels were here this would be the first thing they would talk about. One of the advantages, one of the principle strategic political and economic advantages of the southern corridor is to diversify Europe's source of gas supply. Some refer to the southern corridor as the fourth corridor, the other 3 comes out of Russia. Yet, those in Europe still sting from the recent

One of the thorny issues in this Azerbaijan-Turkey transit agreement was to create the conditions that would prevent another Ukraine. That there were assurances provided to the purchasers' office of this gas, that in fact there would not be an interruption in the regular supply.

decisions or disputes, if you will, between Moscow and Kiev that resulted in the cutoff of gas pump supply into and through Ukraine. One of the thorny issues in this Azerbaijan-Turkey transit agreement was to create the conditions that would prevent another Ukraine.

That there were assurances provided to the purchasers' office of this gas, that in fact there would not be an interruption in the regular supply. And so the terms, one of the terms of this transit agreement is that the agreement is based on international law, especially Swiss law. And this was an insistence of not only the countries of Europe but also the producers in this case. So, this is another area, in which Turkey cannot only facilitate the movement of additional supply but also provide the market, the commercial but more importantly the political assurance that Turkey will be a value and trusted transit partner for Europe.

MICHAEL CAIN: I think that it is a very good point that bringing up the delight perhaps of the European Union about this agreement and the hope that they can diversify their gas supplies through this agreement is no doubt an important hope. Can we, since we have two people from private sector, say something about meeting the needs of European gas demand? There is tremendous demand in the region for gas in the next decade. Turkey continues to present more and more amounts of gas and energy. Can you say a little bit about the current infrastructure needs, and the future needs of infrastructure and what can, in your view, be realistically met by the private sector and perhaps some of the barriers to meeting those needs?

FATİH BALTACI: Thank you. First of all what Europe needs is huge. As you said the numbers are there. I don't think the shale gas or the non-conventional gas like in the US will succeed in Europe because

of environmental issues. And I don't think as well that the LNG will be discussed for the solution of Europe's problem especially after the Fukushima incident we have seen that the volatility of the LNG process is high. So that's why Europe still is dependent on the pipelines and inevitably they need a 4th corridor or southern corridor. On the other hand, Turkey's demand is growing very fast. The very first contracts of Turkey will be finishing by the coming decades. The first long term contract signed by Turkey with the Russian Federation ends at 1st of January of 2012. So this is the 25th anniversary of the first long term pipeline contract that Turkey signed. On the way to 2014, 4 bcma contract is finished, 2022 another 8 bcma contract is finished and 2022 as much as 6 bcma. So if you add up Turkish demand as well as the diminishing the contracts, Turkey will need in the next decade between 10-20 bcma. If you just sum up the coming gas, 16 bcma, let's say I believe that much more will come from Azerbaijan, or let's say minimum 20 bcma, and agree with Northern Iraqi guys between 10, I was at the same conference with Ross Wilson, and the minister from the Kurdistan region mentioned tremendous numbers, I mean, I double checked with him. He was mentioning 20 bcma by 2017. These all can be utilized by Turkey and Turkey has an advantage to pay much more advantages from the net pack perspective in comparison with the Europe. I wish there would be a Turkish Ministry representative here. But I agree with Ross that there has to be a lot of diplomacy that has to be done but there is

also some internal decision has to be done.

But there is a conflict in guidance inside of the Turkish energy community. Okay, we have to take care of the security supply of Europe but what about our own security? Turkey so far bought expensive gas. So Turkey understood that we have to utilize and leverage this pipeline, first, to supply security, second to get the best priced gas. As leverage, I am not suggesting that Turkey will try to use it like the Ukrainian issue. But that's why we need more gas from the region but Turkey's concerns have to be addressed. Especially projects like Nabucco; it is a European Union project, backed by the EU. Turkey also sees it as a matter of negotiation to the European accession. So not only energy politics, but also international politics should be addressed. I think the Turkish energy policy makers will have to set their position, whether they have to let the pipelines built by the supplier or this should be a common pipeline for Turkey. If, as you said, the BP suppliers still establish their pipelines, this will still serve for Azeri gas, but is there a room for Northern Iraqi gas? Or at the end we will come up with 3 other pipelines. What will be the capacity of pipelines? 16 bcma? 30 bcma? What will the Russians say? If you say 30 bcma its Nabucco. If you say 16 bcma is another. So how will Iraqi gas transport from Turkey? I agree the that agreement was remarkable, at least after a long time, but as far as I know the Turkish Energy Ministry, they are saying that we have only agreed for 16 bcma. Any other cubic meter there is another

discussion that has to be discussed. So that will make a bit bitter in the coming days.

GREG SAUNDERS: I will make three points. BP is one of the largest producers of gas in this part of the world. It is also one of the largest sellers or marketers of gas in Europe. So you can imagine we spend a fair amount of time understanding both the supply dynamic but more importantly the market dynamic country by country, sub region by sub region a lot of time understanding future demand in various places in Europe. So I make three points. Number one is, I started my comments by talking about the next great game. The professor is absolutely right. Competition is on the way among companies and countries to

One word: scalability. A pipeline, a gas pipeline built today must be scalable. You must be able to expand that pipe over time as additional supply becomes available. So if you hear countries or companies talking about certain size pipe and it is not scalable, it is likely not commercial and may not be built.

fill the mushrooming supply demand gap in Europe, specifically Central Europe, Eastern Europe and Southeastern Europe. Those countries seek to do two things.

Number one is to diversify their supply. Many of them are completely dependent on Russia. Second is with respect to infrastructure. Keep in mind one point and look at this dynamic. One word: scalability. A pipeline, a gas pipeline built today must be scalable. You must be able to expand that pipe over time as additional supply becomes available. So if you hear countries or companies talking about certain size pipe and it is not scalable, it is likely not commercial and may not be built. Third is price. This entire dynamic is about price. The challenge for producers such as Azerbaijan, such as Iraq such as other countries selling their gas to Europe, is that they must sell it at a price below the correct market price. So if you hear people talk about volume, it is about price and you can relate to this. If you have a choice between buying a car at X price or Y price and the cars are similar, not identical, you're going to get it on the lowest price. The only way new suppliers gain access to European market is based on price. They have to undercut the gas prices. And this goes back to the choice of pipelines, the terms, the tariffs, the investment infrastructure, investment environment in transit countries, must be in a position to facilitate the movement of that gas so that the buyer, price to the buyer is less than the Gazprom prices. That's what this whole thing is about. The price.

AUDIENCE MEMBER: I wanted to comment about, the Ambassador mentioned, the follow up on development in transit, on being transit route. This morning on our earlier discussions we

heard about a railroad that might go from China to Europe that would be able to take containers there as they, the containers go to Long Beach in across the US now for trade. And you all talked about pipelines going to Southeast Europe. My question is, has there ever been a thought about having a transit corridor which would go through Turkey but that would go to Europe to combine the obvious revenues of those to aspects of transit and trade?

MICHAEL CAIN: The short answer is probably yes. Turkey, Azerbaijan and Georgia are now building a railway that I think it is called the Kars-Baku railway that connects by rail, across Georgia, Baku and Turkey. The old railway line that used to connect the through Armenia and that is kind of not available, shall we say. In addition to that, I heard when I was in Baku this summer about plans to expand the merchant marine capacity, Azerbaijan's merchant marine capacity, on the Caspian, moving goods east to west across the Caspian. I think in part, this builds off the idea of the Northern distribution network that the US has developed across different countries in Central Asia and the Caucasus including Azerbaijan to supply American coalition forces in Afghanistan, but it could certainly be the kind of thing you are referring to. I have also heard talk among Central Asians about new rail lines that would go from Turkmenistan across to China across as well as new lines that run through Uzbekistan and Kazakhstan. So I think a network is developing; is there a single sort of corridor known, but these bits and pieces are developing because

people can see it could be very advantageous to ship goods directly across the huge Euro-Asian landmass rather than shipping them all the way around through the South China sea that now looks somewhat more certain than it used to across the Gulf of Suez, or around Africa, but potentially in ways that expose yourself to East African pirates or perhaps West African pirates once you get on the other side. And I understand that there is a growth in industry going on. So it is developing but in bits and pieces.

AUDIENCE MEMBER: I have two questions. The first one is for Mr. Saunders. You mentioned Europe's dependence of energy and you mentioned that it has been in that of Europe's strategic thinking and I would like your comments whether this intervention to Libya would in a way diversify Europe's energy needs and in this sense its dependence towards Russia so it will in fact give a freehand to Europe and be less dependent to Russia and including these pipelines. And my second question goes to Ambassador Ross Wilson. Mr. Ambassador, you gave a talk but it seems from your talk that you regard all these issues as a kind of technical problems. But looking at the political context of this pipeline project what do you think would happen?

GREG SAUNDERS: European countries are looking to diversify that this is normal this is predictable and that's really what the dynamic is on the side it is not a question about pro- or anti-Russia. I think if you look at the energy sector as a whole and Europe's approach to it is not just

about the diversification of supply but also allowing the demand and much of it focused on ways which to lower the demand domestically in each of the accession countries as well as to EU. As you know many countries, Germany, Northern countries, have made tremendous steps in the developing energy efficiency, energy efficient buildings and distributing those kinds of equipment, developing that industry within their domestic economies which is putting out to be huge resources of free energy. So that is other part of it. It is not just about the supply side it is also about the demand side. Climate change as well. It is an important component of the Europe the transition to a lower carbon future. There is a question here.

AUDIENCE MEMBER: I would like to make some comments. I am representing the Federation of Entrepreneurs Association in Germany. We are also funding the European Business Confederation representing ten thousand entrepreneurs from Europe. TAA and TUSKON are also very important partners of us. So, first I would like to emphasize the role of the business organizations in economic dynamics. That is a very important part and then I guess you will agree that this event is also a good example of it. Before all, business people need the ability to access open markets and minimal bureaucracy and similar heads on. There is no doubt that energy is important, which is very strong related with the security, sustainability and democracy. For example in Germany, the field of renewable energy is with respect to these issues getting more and more

important. Also the public opinion is demanding a change to renewables. We are interested in EU-Turkey relations and also we are very interested in the EU-US relations on this efficiency and clean energy and renewable energy. There is a huge potential in the sector of renewable energy regarding cooperation of companies, know-how transfer, and also the technological alliance. So business organizations have the best opportunities to build bridges, so let us build more bridges in that field. Thank you very much.

AUDIENCE MEMBER: The panelists meant a lot talking about gas resources in Caucasus and Central Asian area. But on the other side of Turkey in the Eastern Mediterranean there is also been discoveries of significant amount of gas over the last few years. And along with that come disputes between countries including Turkey and Cyprus. I was wondering how the panel sees that situation is playing out and what is the role of Turkey and possibly the United States playing in that?

ROSS WILSON: Well actually the reserve that has been found is enormous. And there are explorations are still going on. The new exploration also proved that reserves are there almost the same size it gives a dynamics to the region. I see the point actually there is a lock there. I don't want to call it dead lock but there are three keys that one is in the hands of European Union. I don't want to talk in the perspective of Southern Cyprus issue and of course definitely for Turkey. The other one is in the hands of Israel. So that is a generally hydrocarbons do not

necessarily bring peace to the region so far. But let's hope that it will, it may let's say that if we couldn't manage so far the peaceful Mediterranean because of the other reasons, maybe these resources could be a chance for peace. But I believe that because the one technical way of getting this gas of this market. That is why Israel is doing a lot of other approaches to use the Southern Cyprus as a base to export. But even the Mediterranean is a bit difficult but I think the pipeline is also much easy. And the cost of the production of the shore over there as far as I have heard I don't know it exactly but it is considerably competitive.

FATIH BALTACI: I think it is not a very short term. I think the mid to long term might be interesting game to play there. But you know in geopolitics conflicts repeat themselves as long as you don't fix the underlying problems or issues. So I believe it is more than energy. There are already reserves that long time in the Palestinian seas and it has stuck there and it has not been used for a long time. We have to consider that Egypt is running out of its gas. So in the region there is not too many, the need of the gas is getting more and more important.

GREG SAUNDERS: I will talk about politics. I will talk about the technical and the market aspects. I would say two things. First one is if someone works at an international company, when there are discoveries of location for more oil and more gas, everyone smiles. We like this, this is great. Number two is, I will ask you to take a deep breath. When the press talks about the discovery of gas, this is not what you think about the discovery of oil.

Gas is exceptionally difficult to develop, has a very long time horizon and it is politically complex. Talked about earlier, most our conversation today and my presentation gives you an example of how complex it is. The timelines, I think my colleagues are right; we built the phase 1 project in 7 years, and probably should have taken more time. Shell built its gas business in Nigeria, took them 30 years. So this gives you a range for the development of gas projects. This is not something for today; this is really something frankly well into the next decade, perhaps the following decade. But this is how you work the gas game. It is really about what's happening in 2020s and 2030s.

GALA RECEPTION

SHORT REMARKS BY DISTINGUISHED GUESTS

JENA LUEDTKE

Ladies and gentlemen let's get the evening started. Honorable and distinguished guests, ladies and gentlemen welcome to the second annual Turkic American Alliance Convention, "New Challenges and Opportunities." We would like to first extend our gratitude for your support and for making this a memorable one. We have had a very full day, wonderful speakers at panels and we have hosted Turkey's Finance Minister Mehmet Şimşek and Senator Kirsten Gillibrand of New York and Congresswomen Ros-Lehtinen of Florida in this wonderful program as well as many other distinguished speakers throughout the day. We have also with us this evening several representatives from diplomatic core and ambassadors as well as US State Department representatives, staffers and government representatives. Welcome, we are much honored that you took your time to be with us this evening.

Tonight we are here to celebrate 20 years of independence of the Turkic Republics. The Turkic American Alliance is a non-profit organization with the purpose of promoting cultural understanding. The alliance was established as a broader umbrella organization for federations, councils and similar entities which share the quantities and share the objectives establishing closer relations with the Turkic American community, the committee of large as well as members of other ethnic communities in the

United States. Let me emphasize that TAA does not only work with the Turkish organizations and the Turkish community but also with the organizations and communities in the Central Asian states and the Turkic American Community. The Turkic Alliance holds the conviction of maintaining an unwavering relationship among people of different backgrounds in order to secure the safe and the friendly environment for everyone. Dear guests this evening please do take advantage of the wonderful exhibitions we have around the room. Ebru, water marbling, Turkish cuisine and Turkish coffee a wonderful and talented group of musicians that are going to share the stage with me this evening, and a famous Kyrgyz pianist. Please also visit the many Turkic state exhibitions, Bosnian, Albanian, and Kazakh, Kyrgyz Turkmenistan, Tajikistan, Northern Cyprus, Kosovo, Azerbaijan, Uzbekistan. Now, if you would join me in welcoming the president of the Turkic American Alliance to say a few words.

FARUK TABAN

(President of Turkic American Alliance)

Distinguished guests, ladies and gentlemen I would like to honor the Turkish Finance Minister Mehmet Şimşek, US Senators, members of Congress, parliamentarians from Turkey, his Excellency Hüseyin Tanrıverdi, İlhan İşbilen, İdris Bal, Muzaffer Yurttaş, Selçuk Özdağ, Uğur Aydemir, and Emrullah İşler, ambassadors and distinguished guests and we also have the Deputy Minister of Science and Technology here Dr. Davut Kavranoglu. I welcome all of you to the second annual gala of the Turkic American Alliance. It is a tremendous honor and privilege to host you on such a great day. I am delighted to see all of you here; it means a lot

for our continuous commitment to serve Turkic Americans. As the Turkic American Community we have built stronger ties not only within our community but also with the other communities of the greater American society. We celebrate the good times and we stand together on the difficult days. For example when the recent 7.2 magnitude earthquake struck southeastern Turkey, we extend our support to the families of all the

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victims as we did for the Somalia and Haiti before. Several former Soviet Republics also experienced unfortunate events such as civil wars, revolutions and ethnic conflicts as well as natural disasters in the past since realizing their independence. Although many of those problems get to be resolved the people in the region are making progress to integrate into the free world. We now see thousands of students from Central Asia, the Caucasus as well as the Balkans at the most prestigious universities of the United States and other countries. Turkmen cultural days are organized here in the capital for the first time this year. Moreover these regions are more stable now than they were a decade ago. These are great achievements to celebrate diversity in US as well as in Central Asia, the Caucasus and the Balkans. Despite this good news, these countries of the region should be better introduced to the American society.

The Turkic American Alliance aims to play a role in this by organizing various activities such as talks, trips, cultural festivals, Ambassador Talk series and all. Today we celebrate 20 years of independence of Turkic countries in Central Asia and the Caucasus, and the countries in the Balkans. Our gala reception this evening is also a celebration of success expanding of our Ambassador talk series. I would like to thank all the Ambassadors who have contributed to the talk series and cultural exhibitions at our annual convention. Dear guests, distinguished people in the room, I am confident that this convention will contribute to the strengthening US-Turkic relations. Thank you very much for your attention.

SENATOR DANIEL COATS (Indiana)

I want to thank Niagara Foundation for their invitation and thank the Alliance for warm welcome and I welcome you to Washington. I have learnt the significant amount in just last couple of days about your organization, what you do and I know you are a cultural, educational organization that does a lot of good things. You care about your homeland, and your homeland is doing very well economically as some know, I served as Ambassador in Europe for four years early in the last decade. And the time when many did not want Turkey to be part of the EU, I was saying my friends that those are perhaps a good thing perhaps you don't want to be a part of the EU at this particular point in time. Thank you for all you do, thank you for what your homeland does, thank you for your culture, your commitment for your faith, thank you for your commitment to children and providing schools for educational opportunities and the other good works that

you do. Your foundation is vibrant and dynamic and growing, we are happy to have you as a part of our state in Indiana and I am sure other states are as well. My colleagues have arrived and I will give them the opportunity to speak with you also but enjoy your time here and I hope it is profitable. And let me thank you for your friendship and your contributions. I am the son of an immigrant and we welcome many of you and maybe you are also the sons and daughters of immigrants. They have been a vital part in the growth of dynamic that exists in America. And we welcome you and appreciate contributions to this country and relationship that our two countries have together. Thank you.

SENATOR ROGER WICKER (Mississippi)

Thank you very much, thanks you all. I am sure there will be a very large crowd here later on. I am honored to follow my colleague Daniel Coats. Let me tell you my wife and I love to visit Turkey. And the only problem is, I always come back with empty pockets and an empty bank account. Because we love to spend money in Turkey. But let me say this. The trade relation that we have, the friendship relation that the United States has with Turkey is a win, win situation. It is good

This is one of the most special events that Washington has and I can tell that tonight will be wonderful. It is wonderful to be a part of it.

for the Turks and it is good for the Americans. And we want to build on that we want to continue it and I want to be a part of it. This is

one of the most special events that Washington has and I can tell that tonight will be wonderful. It is wonderful to be a part of it. I am kind to get myself re-elected in 2012, if the voters choose to send me back for another term in Senate I want to say that I want to continue working to help Mississippians and also help our trade relations with good friends like Turkey and I hope that involves another trip in the next few years, visit you again. Thank you all for your friendship, I appreciate it very much.

AHMET CİĞER (Vice Chairman, TUSKON)

Despite the distance on the map, Turkey and the United States share many common goals and values. Our relations have gained momentum strictly with some occasional pauses. There are many overlapping topics on our foreign policy agendas in the Middle East, Balkans, Central Asia, and Eastern Mediterranean, fight against terrorism. However, despite this long and intense agenda one front on this partnership was ignored trade, investment commerce in general. Although Turkish trade with the US has increased by about 50% to 16 billion dollars in the last 5 years, there is still much to be done between Turkey and the US. At TUSKON we believe strengthening our commercial ties with the US will bring a durable, mutually beneficial bilateral relations in all other areas. The establishment of the recent Turkey-US Business Council indicates that both of our governments are ready to improve economic relations. TUSKON is a part of the structure and we are committed to do our best to support these endeavors. We have already organized 10 trade delegations in the last one and a half years with the goal of introducing

our businessmen to the US market and laying the foundation of the future investments. Our most recent effort was to organize a luncheon in March, featuring the former secretary of the commerce, Garry Lock, as keynote speaker on strengthening Turkish-US economic relations. Mr. Lock's speech was most inspiring and a clear indication of eagerness on the US side at the highest level to improve our economic relations. With a strong economy, inspirational reformation process and long history of strategic alliance with the US, Turkey will remain an important partner of the US in the region. A lot will be said in this event regarding strengthening the ties between our countries, but it will to the people on the ground. That is business NGO's like TUSKON and TAA to turn verse in the actions as they are already doing. Thank you very much and have a nice dinner.

CONGRESSMAN TODD YOUNG (Indiana)

My comments will be very brief. But I just wanted to express my appreciation for all those who made this event possible for the warm reception that us, members of Congress have gotten and I certainly support the cause here. I am a member of the Congressional Caucus that promotes better relations between the US and Turkey. I recognize the importance of our historic relationship with NATO, Turkey being a founding member of NATO. And the relationship between Turkey and the US continues to evolve in a constructive way and I want to help facilitate that within the Congress. I sit at the Arms Services Committee and pay a lot of attention on security issues. I know Turkey has often times been a real partner in that regard. And finally I recognize the economic interest between Turkey and the US. Turkey is a gateway from west to east. It will continue to play a very important role. And it is so

important that we have mutual understanding, mutual trust and we learn more about one another. Thank you very much and please don't hesitate to contact our office.

CONGRESSMAN JIM MORAN (Virginia)

Turkic American Alliance (TAA) and its affiliated member organizations celebrate civic activism, freedom of conscience, and governance through democracy. In recent years, 220 organizations affiliated with TAA have done an important service to this country by uniting and mobilizing one of America's oldest and most valued ethnic communities. TAA has advanced its commitment of service in the spirit of our

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common humanity throughout America and instrumental in bringing together the Turkish community within our own congressional districts and throughout the nation. The teachings of Fethullah Gulen guide TAA and promoting a careful balance, the rights of individuals and their responsibilities to the society. Respect for the freedom of conscience, and a commitment to liberal values. Above all you are inspired by Mr. Gulen's emphasis on peace and harmony between people of diverse religions and cultures. Our constitution was written with the intent that these values be part of the fabric of the life here, in the United States.

You are here to remind us the importance of these principles because they are universal. Mutual respect is the basis of cooperation and understanding the ultimate foundation of expanding partnerships between the many societies of our interdependent world. That ultimately we are striving for something much more profound, love is at the heart of human happiness.

You demonstrate that in so many ways, in mid Atlantic chapter of TAA has raised more than \$35,000 for the Horn of Africa, demonstrated in the authenticity of your commitment to the idea that we are one family throughout this planet regardless of religion or nationality. I am very proud particularly about our Mid-Atlantic region. Turkey's new foreign policy makes a lot of headlines. Recently the Turkish government stood up to the regime in Syria, said that the killing must stop. Libya, few months earlier, Turkey was again a critical actor in the effort to remove a bloody dictator. Turkey is showing that it will not tolerate immoral principles. However, as important as it that Turkey's foreign policy has been in context with Arab spring is that they spread openness and acceptance of diversity embodied by Turkish culture and history and it is arguably, even more important throughout the region. Turkey itself is a cultural capital. It was intended to be that. A cultural capital bridge between east and west and it's embodied today with music and poetry its television and movies, that are, model for other countries. Particularly this state of openness, dialogue and respect is a model for Turkic republics including, Azerbaijan, Turkmenistan, Kazakhstan, Uzbekistan, Kyrgyzstan. As well as Bosnia, Albania, and other countries in the Southeastern Europe. So I congratulate you for making those values live, live today on a very challenging world. I

thank you on conclusion for reaching out to me and others in the US Congress to learn from you and support your reference whenever we can. Thank you.

CONGRESSMAN PETER KING (New York)

Jim is a Democrat I am a Republican, but Turkish community brings together people from all parties, all ethnic groups all religions. I am proud to be here tonight. On a personal level, I want to say what an outstanding contribution Turkish community makes in New York, in Long Island in my district. I want to thank all of people of Turkish ancestry for that. Also on international level, the fact is, over the years the US and Turkey

So I just want you to know that there is a member in the House of Representatives. I will do all I can for the strength of the relationship of the US and Turkey and Turkic Republics. We have to stand together.

has been strong allies. We shared common values and beliefs; we stood together during some very tough times. So I just want you to know that there is a member in the House of Representatives. I will do all I can for the strength of the relationship of the US and Turkey and Turkic Republics. We have to stand together. There are many issues facing the world today. And because of the leadership that you have shown I hope the US will show, we can stand together. So, thank you for what you do, thank you for inviting me.

H.E. MEHMET ŞİMŞEK
(Minister of Finance, Turkey)

Good evening. Ladies and gentlemen, so I guess I am the host. Turkey and the United States are not only strategic partners but there are also natural allies. There is so much in common. There is so much that is common to our natural security interest, there are so many issues that we work together. But not only in Middle East in many other parts of the world. As I enter this hall, one of the members of Congress told me that it is good to have a friend who is not broke. So, yes, Turkey is doing well. We are trying to obviously see if European Union can address its problems that we are well prepared. We have a very strong recovery process. We had about 9 percent GDP growth last year, 10 percent in the first half of this year. So we are a fast growing working market. United States is a high tech economy. There is so much that we can do together. Not only in the US in Turkey but also in third countries. And I think what Turkic American Alliance and TUSKON is doing is extremely useful. They are not only bringing our nations closer together but it is also helping increasing awareness of business opportunities in Turkey, in United States and in third countries. So I would like to thank the Turkic America Alliance and TUSKON. TUSKON are one of the largest business association in Turkey covers some 35 thousand members and I think it is very important to keep building these bridges. We have excellent political and military relations. But unfortunately economic relations lack and I think it is time for US and Turkish entrepreneurs to have a closer look at our opportunities in Turkey and in United States and European Union, Central Asia, Balkans, Middle East and Africa. Turkey is the 6th largest economy in Europe and 16th largest

economy in the world and we have an ambition to become one of the top ten economies in the world in the coming years. We have a democratic, strong, stable government that is doing a lot of structural forms which means productivity, a good mixture for doing business. We are open for business and once again the friendship, the alliance between Turkey and United States is very strong. The recent events have shown that our friendship is solid and it is fairly resilient to cyclical ups and downs. So once again I am delighted to be here and I would like to congratulate the organizers and thank you everybody, thank you all for being here. Thank you for being friends of Turkey, I appreciate it.

CONGRESSMAN TODD ROKITA (Indiana)

It is so good to be here among friends. In Indiana, we proud ourselves and describe the state as the crossroads of America. And of course it has a lot to do with our geography; it has a lot to do with business climate our inclusive politics and even our culture. That has been recognized recently by the fact of the Superbowl coming in Indiana for the first time in our history. As I think about our

**As I think about our relationship,
we reflect on the fact that just as
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East.**

relationship, we reflect on the fact that just as in Indiana is the crossroads of America, Turkey is the crossroads of Europe, Asia and the Middle East. And there are amazing

opportunities in Indiana. There are as well in the country of Turkey. With that leadership and with that opportunity come, as you all know, a high degree of responsibility. And I associate with you all because I know the people in this room will exercise that responsibility will exercise that leadership. And we will all benefit from the opportunities as a crossroad. I am pleased to be here tonight. On behalf of people, the great people of the state of Indiana, I thank you for your partnership, thank you for this leadership, the great charter schools that we have. They are run by the Turkish Community. We thank you.

CONGRESSMAN BILL JOHNSON (Ohio)

I represent the sixth congressional district of the great state of Ohio. It is one of the largest districts in the nation. Certainly in our state it takes about six and a half hour for us to drive it from one end to the other. I just learned this evening that some of our fine colleagues here are going to be in our district as we go into this next election cycle. This is my first term in the US House of Representatives. I sit on the Foreign Affairs Community. And I am very interested in the relationship between America and Turkey. And the reason is because from 1973 to 1999 I served for our nation on the United States Air Force. I know first-hand how important the relationship between Turkey and America is. We have many challenges facing us mutually. I am convinced that because we share so many of the same values and commitments that will meet those challenges and I look forward to work with you to make sure we do exactly that. God bless you all and thank you so much for inviting me this evening. It is good to be here with you.

CONGRESSMAN AL GREEN (Texas)

Let me start by giving a very special expression of appreciation to this great organization with some 219 chapters. Let's have a big hand for the organization itself please. And for what you are doing here in the United States and coming to Washington DC. I am proud to tell you that of these 219 we have 50 NGOs in Texas and Cemal Teber is here, he is the president, let's give them a hand please. Thank you very much. Finally, I

I am so proud to call you my friend because what you did for my friends in Haiti. And of course you were very helpful in Katrina. You were very helpful when the wild fires took place in Texas and in my community the Turkish community is making an effort to transfer neighborhoods in to brotherhoods. You have an outreach that crosses all of the lines we have events that show diversity that Texas has.

want to thank you for what you did to help Haiti, after we had that terrible disaster in Haiti, you provided funds, and you provided shelter. I am so proud to call you my friend because what you did for my friends in Haiti. And of course you were very helpful in Katrina. You were very helpful when the wild fires took place in Texas and in my community the Turkish community is making an effort to transfer neighborhoods in to brotherhoods. You have an outreach that crosses all of the lines we have events that show diversity that Texas has. And for your

diversity for what you do to help this country and what you do to help around the world, I am here to say thank you on behalf of the people of the 9th Congressional District and the State of Texas. Thank you very much. God bless you and you continue to service to this country and the world.

CONGRESSMAN JOHN CONYERS JR.
(Michigan)

Good evening my friends. What an honor it is to be here at this great convention and I come after my colleague Al Green from Texas who has filled out all the great contributions that you make to mankind. To talk about the cultural connection, between Turkey and the United States, you see I am a jazz aficionado and Mr. Erdogan was at the Turkish Embassy in 1947 and he was the first in any embassy that started having jazz musicians come to the embassy to play. So give yourself a cultural applause for this great cultural contribution. And further your Ambassador Tan is another great aficionada of our music that has been adopted in many places in Turkey and I have been to Turkish Embassy here in Northwest Washington where we have had many musicians come to play for us. And now finally I thank you for this opportunity to be with you and I pledge that next year, I congressman John Conyers, will make my first trip to Turkey. So please give me all the encouragement you can. Thank you very much.

CONGRESSMAN BILL PASCRELL
(New Jersey)

Good evening everyone. Welcome Turkish Americans of New Jersey. You know my record, I believe Turkey is having the best 10

years of the last 100 years coming up right now. All of Europe as well as the Americas look at your leadership from your country. And those of us who live in America, watch where you came from or your ancestors come from. I am proud to be among friends, you have a friend at the Congress. God bless you all. Thank you.

CONGRESSMAN BILL CASSIDY (Louisiana)

I have a good fortune to go to Turkey recently. It was a fabulous trip because of the great food, hospitality of people, the country is beautiful, it is rich in culture. I was just talking to someone about the Hittite civilization which I learned about during my trip to Turkey. Most importantly, I wondered how economically vibrant Turkey is. This economy which is booming is seeking more business relations with the US. I came on to my district Louisiana, and had an import-export conference entirely because my trip to Turkey had exposed me to the business opportunities for Americans in Turkey and for Turks in America. So besides your wonderful country, culture and food, thank you for your concern about economic prosperity of the people of the US and people of Turkey. I congratulate you and thank you and looking forward to work with you in the future. I appreciate it.

CONGRESSMAN SYLVESTRE REYES (Texas)

It is a very unique honor to be here today with Turkic American Alliance, not only because you have great food here. But also we have a lot of members from Texas and I am very proud to know that we have members of the Turkish American Alliance

that are through Texans and I am proud to be here because of that. But also because of the strong relationship that the United States has shared for a long time with Turkey maintaining the strength of the US-Turkey relationship is one of my priorities in congress. The work Turkic American Alliance does is very important in maintaining and strengthening this relationship. Even though we have a relationship with Turkish people since 1830, over the last decade, our relationship has proved vital to the safety and wellbeing of both of our nations. And following the tragic events on 9/11 and the beginning of the war on terror, Turkey because of its location at the crossroads at the east and the west, became an incredibly important ally and during that time Turkey proved to be a very steadfast ally. Turkey is not just a strategic ally but an important economically. In 1996 the US and Turkey signed a trade and investment framework agreement which was a catalyst to significant growth in trade activity between the two nations. To further and advance our partnership in 2009 the US and Turkey launched the framework for strategic economic and commercial cooperation. A new cabinet level initiative focused on further boosting trade and investment ties between our two countries. Thus far our expanded economic relationship has proven very successfully. Total trade between our two nations almost was \$15 billion last year. And this year that figure is getting bigger. September of this year, total trade with Turkey has almost reached \$15 billion. And as we continue strengthening and growing our relationship I look forward to seeing this number getting larger by 2012. Turkey is a critical ally to the US and the relationship between our countries is paramount to each country's security and prosperity. Turkey

and the United States must stand together keep our alliance strong and I look forward to seeing that we do just that. I am honored and privileged to be before you today and I look forward to the strengthening ties and relationships between our two countries and what we do in common. Thank you very much.

CONGRESSWOMAN DONNA EDWARDS
(Maryland)

Thank you so much. It is so nice to be here, with all of you, particularly with Turkic American Alliance. Special thanks to my friends from Maryland. You have really helped me understand the Turkish American community both in my district and across our state. The important strategic alliance, the important economic partnership, but most importantly the friendship that exists, the long-term friendship that is based on the principle that exists between Turkey and the US. I am looking forward to continue building this relationship helping the people of Maryland understand the importance of Turkey in the world community as a regional partner and as an important strategic partner for the US. Of course it is always good to be here and I didn't just come for the coffee. But it was good, so thank you from the corner.

CONGRESSMAN ANDRE CARSON (Indiana)

What a joy to be here with you. You deserve beyond anyone would imagine. You have been here to gather this many members of Congress. We do have a special relationship. We have got many Turkic members in Indiana and the United States and I hope that we have that relationship further. Our

relationship will grow and prosper. You concern about terrorism, we concern about terrorism. We can make a difference together thank you for your patience and your kindness. We can work together. Thank you very much.

I want you to know, if you need an advocate and if you need a friend, you get on the phone and call Andre Carson. I'm here. So, thank you and keep up the good work. As salamu aleikum ve rahmetullah. Thank you.

CONGRESSWOMAN KATY KOCHUL
(New York)

Good evening everyone. What a great place to be. I am so impressed with the outstanding the cultural contributions that you have all made to make our country even better. I am

in office since May and I have spent considerable amount of time at Turkish Cultural Center, I had friendships with them, friendships with people in Rochester. And I have a lot more friends to make. Let me tell you my husband and I celebrate 25th wedding anniversary in couple years ago. I said one place I want to go. And that is Turkey. And we have the most wonderful time. So, I have such an appreciation for what you do, the contributions to education, the University of Buffalo and University of Rochester. The areas that I represent high schools, undergraduate programs you are amazing people. So I consider it is one of my great fortunes to represent many people from Turkish decent from my district but also I view myself as a representative of all of you in this great country. Thank you very much.

INTERVIEWS

H. E. MEHMET ŞİMŞEK (Minister of Finance, Turkey)

Turkey-US relations are based on common values, common interests and has never been stronger. I think all those critics, comments, talking about relationships between US and Turkey over the past years was misguided. Because it is now very clear that we have a lot in common and we share a lot and therefore our relationship is on a solid basis. If you talk about Middle East, we have a common goal of a peaceful solution to Israeli-Palestinian conflict. We support Arab awakening, and we support Arab people's desire better standards of democracy, better fundamental rights and freedom. We both support stable peaceful and prosperous region because it is in the interest of the United States, Turkish interest but it is also in the interest of humanity. We both face a threat of terrorism and so we very much appreciate the US support against PKK terrorism. But we also provide a very strong support to the US its fight against international terrorism. And as we supply security, is again an area of common interest. Turkey obviously is a corridor for east-west energy supply and supply security is important for any modern economy. Certainly that applies to the US and European Union. So, there is lots of interest. But the most important of all, I think Turkey as a democratic secular prosperous nation, is a source of inspiration for change for the rest of Muslim world. More importantly, we do not

believe in the clash of civilizations. We believe in the alliance of civilizations and Turkey is an important player and I think it is in the interest of the West in general, the United States more specifically, that Turkey is successful. That is why I think the relationship between the US and Turkey is very strong. We don't have to agree on everything. But clearly as I have said because it is based on common interests, and shared vision, I think the relationship is a lot stronger than many people think.

SENATOR SCOTT BROWN (Massachusetts)

What do you think about the Turkish-American relationship? And what can be done to improve it?

Every relationship has its ups and downs. And we need to obviously have tolerance and understanding of the challenges and the expectations of our two countries. I think the entire world is going through some changes right now. And we have to be understanding of those hopes, expectations and challenges. For one that is one of the reasons that I came down here to meet with folks, understand what they are working on, what they are excited about, they are scared about. And I think it is important to have people all around the United States to come here and be part of the convention, to learn about what is new happening. So there are a lot of hopes and a lot of challenges as well.

Do you think these kinds of programs help?

Well, I think anytime you can bring people together and understand the different cultures and understand the strengths and challenges of everyday life. You learn the

things about people, I enjoy meeting with people. I enjoy understanding different cultures and understanding what we can do together and what we respectfully disagree about. When are not going to agree on everything but as I said to paraphrase the President Ronald Reagan I can be 85 percent friends or 100 percent enemy. I think it is important to note that we are not going to have differences but still we are the citizens of the world. And we need to find the mutual respect for each other. And that is what I try to do.

Have you ever been to Turkey?

No, I haven't. I am a new senator. I want to get reelected and it is something that I have already been working on but we have an election coming up in November. I have been to the other parts of the world as a senator and looking forward, it is a historic country obviously.

SENATOR DAVID VITTER (Louisiana)

What do you think about the Turkish American Relationship? And what can be done to improve it?

Well, I came here to underscore how important the relationship is. We need to build it up where we have used to in the last years. We need to get beyond and recognize the long term strategic and security and economic importance of that relationship. I think meetings like this and people to people contacts like this are extremely important in getting government to government relationship back and strong as it needs to be.

What kind of challenges are there among these countries?

Well, in the last years there have been issues of course with the flotilla and the relations and attitudes toward Israel but hopefully we can get beyond that. I think a great step was when Israel provided assistance to Turkey after the earthquake. Another thing that should bond us together is quite frankly recognizing common threats. Iran, their puppets like Syria, and hopefully focusing on those common interests will help improve the Turkish-American relations.

Do you think that Turkey could be a role model for Arab countries?

You know for a long time, Turkish American relationship has been among the strongest in the region. So hopefully we can get there again and it can be a model for other countries.

CONGRESSMAN PETER KING (New York)

What do you think about the Turkish American relationship? Do you think that this kind of programs can be improved?

Yes, historically we had a good relationship. There had been some problems in the recent years but overall, Turkey had been an outstanding ally that goes back to Korean War, the whole war experience. Turkey again is a type of country which we had good relations with. I think we have some problems but I am confident we can have a common and I think events such as these add so much to the values that we have in common.

What can be done to improve it?

I think first of all people having exposed to Turkish customs and traditions on the cultural level. The other one would be I would

say that you are trying to encourage American political leaders. Discuss the problems openly. We would agree on as far more than we would have disagree on. I was in Istanbul about 15 years ago.

CONGRESSMAN JAMES MORAN (Virginia)

What do you think about Turkish-US relationship? What can be done to improve it?

I think it is a good relationship where it has problems, I don't consider them to be Turkey's problems as much as America's problems. Turkey has been able to look with a somewhat broader perspective at international relations. Sometimes our foreign policy is determined with our domestic politics. I won't speak for Turkey but Turkey because of its geography its culture and its history was meant to be the bridge between east and west. And it is playing that role in a very positive fashion, searching for international peace and prosperity. I think Turkey is leading the way into the 21st century today.

During your speech you mentioned Fethullah Gulen. How do you know about him?

I think Fethullah Gulen is a very wise, thoughtful leader in terms of what he wrote, what he is trying to achieve because he is trying to find a common bond, as I read him, throughout humanity, that we have a inner core that wants to understand to respect, to work with each other and ultimately love each other. I think that is the intent of Islam, Judaism and Christianity. There is a common link of all religions and I think Mr. Gulen has found this link and I find him to be very informative and even inspiring.

Have you ever been to Turkey?

Yes, many times. It was fine. There are some people see Americans and typecast them and don't realize that some of us don't think through ourselves. But I love the country of Turkey and I believe actually it has a quiet progressive leadership right now. I have been very much impressed with its foreign policy and its moderate domestic policy.

SENATOR ROBERT MENENDEZ

(New Jersey)

What do you think about Turkey-US relationship and what can be done to improve it?

Certainly Turkey is an important ally for the US. I think we share a lot in common, it is a NATO ally, so obviously our joint efforts and missions and NATO's missions are important. I think certainly we respect what Turkey has recently done and its decision on Syria so we can stop the slaughter of innocent individuals there. And so there is much we have worked on together and much we can work on together. But I certainly came here tonight to honor many Turkish Americans of New Jersey who are extraordinary business people, tremendous professionals adding greatly to our community and I wanted to celebrate them tonight and to thank them for their contributions.

Do you think that this kind of programs are important to improve the relations?

Absolutely. There is no question that understanding that the efforts to also exhibit what the Turkish Americans are contributing in our country. This is all tremendous

opportunity to strengthen relationships and come to understand us.

CONGRESSMAN MIKE FITZPATRICK
(Pennsylvania)

What do you think about Turkish-US relationship and what can be done to improve it?

Well I think communication is very important. I know many members of Congress who were here tonight appreciate the open invitation to come meet at your convention, to discuss issues of mutual concern. I personally was in Istanbul 3 weeks ago spent some time in Turkey in Bosphorus river meeting with business leaders and political leaders. It is critical no matter where we are that we maintain open lines of communication and I found both Turkish Americans members back home, and business members from Istanbul and from Turkey itself are very open and communicative and sincere and dealing with all the issues that are lying ahead of us.

Do you think these kinds of programs can help?

These kinds of programs are very important because it maintains a relationship on the front of the minds of policy makers and legislators here in the nation's capital. I met many Turks who travel here to meet with us tonight. That is meaningful, that's important to us. The relationship is important to us, they travel thousands of miles to meet legislators from this country, to discuss the economy, the Turkish economy which is strong, comparatively to what's going on in the world right now, and that is a great example, a great thing to see. To discuss the opportunities that we have between Turkey

and the US in trade, in business and economic development, job creation, we have many shared values; we need to continue to discuss them and keep those lines open.

CONGRESSMAN LEONARD LANCE
(New Jersey)

What do you think about the Turkish-US relationship and what can be done to improve it?

I think we have to work together to improve the relationship. Turkey has been a strong ally of the US and I want that to continue. Turkey has been our ally as we worked through to victory together in the Cold War and certainly we should continue to work together. I am committed to a strong relationship between Turkey and the US. Also those of Turkic heritage who are here in the United States are very entrepreneurial in spirit and add immensely to this country. Not only to New Jersey where there is a growing Turkish community but across the nation, and we are a nation of immigrants and this includes those of Turkish heritage.

Do you think that this kind of programs are important to improve the relations?

This is a learning experience for members of Congress and I am so pleased that the Turkish American community asks us to participate so that we can understand Turkish culture. It is my privilege to attend this event and I have done so previously, I hope to be invited in the future, and of course the members of the Turkish parliament are visiting here in the US, on Capitol Hill, with members of our Congress. And a recognition that we are a nation working with another nation and may that always be the case for the US and Turkey.

CONGRESSMAN GREGORY MEEKS

(New York)

What do you think about the Turkish-US relationship and what can be done to improve it?

For number one, I think that it is improving every day. I went to Turkey, in fact twice, in 3 weeks, and the United States understands that Turkey is key and central, not only the location but it is important to the US in bringing the world together. As Turkey deals with in NATO, dealing with Europe, Israel, Russia, it is absolutely critical that our relationship continues to improve. I think it is. I think President Obama has talked about the leadership of Turkey than any other leadership, and the world in fact understanding the strategic importance and the reason why the US and Turkish relationship is getting stronger. But Turkey has always been a good ally to the US whether you go back to the Cold War whenever necessary Turkey has been a reliable democratic partner.

Do you think Turkey can be a role model for its neighbors?

There is no question that when you look at Turkey and the democratic reforms that it is currently undergoing making sure that people are included in the parliament and moving forward, it is an example that I think as the Arab spring continues to move on, those countries turn to Turkey and see the benefits of the kinds of the advantages that democracy brings. The example with the democracy and with the reform that Turkey has done will show how strong the economy is doing and as a result how well the people are doing. So that shines the example for its

neighbors to say that if we emulate Turkey we can also be a part of global economy and our people can live in a more peaceful and better world. So Turkey is, without question, can be an example for its neighbors, and they can look at a short distance away and see a democracy that is getting better day by day and looking at the great country and the only city that is in two continents, Istanbul.

CONGRESSMAN BILL CASSIDY (Louisiana)

What do you think about the Turkish-US relationship and what can be done to improve it?

The most positive part about it is that the Turks are so interested in improving it. In this community the business relations is the beginning of it. That is a very good thing. Because once you start having business relationships, both countries profit. As most both countries profit, they both take it further. It is a way to build a sustainable always growing and improving relationship. I think the strategy is great and will work for both of us, I hope.

Do you think these kinds of programs can improve the relationship?

Of course. The more understanding the people have, the better. I went back to my hometown, Louisiana, spoke to business people about exporting goods and services to Turkey. And now they are thinking about it. Similarly, people who are living in my community, who are Turkish Americans would think about bringing Turkic goods to the US. That began because first I met people from Turkey. In a sense, I passed on that knowledge. Hopefully that is going to be how we build our beneficial relationship.

How was the Turkey trip?

It was great. I continue to think about. I thought about in terms of business opportunities, to create jobs in my district. I thought about it in terms of Turkey being a crossroads of the world. I continue to think about it, I am actually reading some history of Turkey and understanding how Turkey is a gateway to many other communities. So, it was a very positive experience.

CONGRESSMAN CHARLIE DENT
(Pennsylvania)

What do you think about the Turkish-US relationship and what can be done to improve it?

The American-Turkish relationship is quiet strong and it developed out of our strong NATO alliance. We, Americans, very much appreciate the role Turkey played in NATO in all those years. You supported us in Korea, in Afghanistan, and elsewhere. Turkey is a very dependable reliable ally. I think much of our relationship is based on military alliance. That said, we have to expand the relationship. It is really to help grow the economic relationship between the US and Turkey. That's a bit underdeveloped. I think there is a great deal on what we can do. My observation is that Turkish people are very industrious. You have an economy that is growing at about 8% per year. It is quite clear that Turkey is a country that is on the move economically, politically. It is a model country in Islamic world in terms of how to marry in Islam, and democracy in the most appropriate way. I think there are some really great opportunities for greater economic collaboration to the US and Turkey, and certainly more opportunities for Turkey

to play a greater role on helping these democracies that are hopefully emerging in the Arab world. There is a constructive role for Turkey to play, and maintain the idea that Turkey is the bridge between Europe and the Middle East. I think there is a great potential for our two nations and this relationship must grow.

Have you ever visited Turkey?

I just visited Turkey, I visited Turkey in October. I visited Istanbul, Ankara, Izmir, Kayseri, and Gaziantep. I had a wonderful experience in meeting Turkish people. I have to say that Turkish hospitality is second to none. As I like to tell people, I ate for my country and was proud to do so. It was a wonderful trip, a wonderful experience; my wife was with me on the trip. So again, we had a great taste of Turkish culture, as well as Turkish industry, and of course public policy. So we really had the best of all worlds, seeing this rich history, rich heritage Turkey has. Also, the strategic importance of Turkey. I mean, you're right there, on the border of Iraq and Iran, Syria with the uprisings that continue. And of course, your proximity to the former Soviet Republic. It is just a remarkable place, a real crossroads of civilizations. I was thrilled and honored to be included in this visit and appreciate the Council of Turkic American Associations and the Turkic American Alliance for their support and participation.

You represent Pennsylvania and maybe you heard Mr. Gulen. What do you think about him?

Mr. Gulen is about 45 minutes from my home. And Gulen movement, from what I can tell, he seems to be a philosopher. As I understand Mr. Gulen, he is a philosopher. And what I find remarkable, in Pennsylvania I suspect

almost no one knows him, but in Turkey is a household name. It is quite clear that in Turkey, Mr. Gulen, people have opinions on him and what he believes in. I visited some universities that were established by industrials who have adopted Gulen philosophy. I visited those universities in Gaziantep, Kayseri. And so, Gulen is obviously a man who has quite a strong influence on people in Turkey, and I know there are great many admirers in Turkey. But he is living in relative obscurity in America, quite remarkable. He is 45 minutes away from my home.

His idea is very important for the global peace.

Yes, that was my understanding of the movement. He is really trying to talk about how we can co-exist together peacefully in this world. And I think we need to hear more of that. And I know that within Turkey there is controversy associated, but I mean, because he is engaged with these great issues of the day, I suspect that draws people who are for and against and you get some criticism as a result of that. But again, it is quite clear that Mr. Gulen is a philosopher who has many great followers in Turkey. He is advocating the message of peace which I think we need hear more of.

CONGRESSMAN BILL JOHNSON (Ohio)

In what way do you believe this Gala will benefit the United States?

I have served in the military in the Air force nearly 27 years prior to coming to Congress. I have seen the importance of the relationship between Turkey and America. We have many challenges facing us. We have met those challenges in the past because we have so

many shared values. I believe that together we are going to meet those challenges in the future. It is very important. Especially in the Middle East, that we stay alliance and we continue to work together.

What significance does the Turkic community have in your region?

We have quite a few Turkish people in our district. In fact, I have just learned this evening that my new district because as you know we are going to be redistricted across America, my new district is going to encompass even more of your colleagues here. And I am looking forward to getting to know them.

In your opinion how could Turkic community improve yourself more with events like this?

These kinds of events are exactly the things that we need to do. To be able to communicate, to learn more about each other, to learn how we share values together and how we move the very important issues over. Thank you for having me this evening.

CONGRESSMAN AL GREEN (Texas)

In what ways do you think this Gala will benefit the US?

Well the Turkish community has been in the US in many ways prior to this Gala. Because, the Turkish community seeks to bring communities together. In my district Houston, Texas the Turquoise Center, there is an annual event, and we bring people together across religious lines, ethnic lines, all of the lines that separate us. We disregard them and we have a great celebration. These organizations seek to transform neighborhoods into brotherhoods which

mean that you make the world a better place by getting people together so that they can get to know each other. Now with reference to this specific event, when you come to the nation's capital, you have an opportunity to expose your culture and your agenda to lawmakers from around the country. I think it is a good thing to know more about what the Turkish community is doing not only abroad because there is a lot happening in Turkey, but more importantly what is happening right here in the US with the Turkish community because when Haiti was in a state of crisis the Turkish community was there to help the Haitian people. When we had Katrina, and people had to leave Louisiana many came to Texas, Turkish community was there for assistance. The Turkish community was a helping hand for many people and that message has to get out as well.

What significance does the Turkish community have in your region?

It is significant because it was involved and engaged. The Turkish community came to Houston Texas and made it very clear that they want to be a part of the political and social order and the economic order. And they did it with a great degree of enthusiasm. They have demonstrated that it means something to be a part of America, not to be in America, but to be a part of America. And that is what they have done. They have come to this country and become a part of this country. The culture is a part of American culture. The American culture is now richer because it now embraces Turkish culture.

CONGRESSMAN BOB FILNER (California)

Hi, welcome to our gala tonight. Could you introduce yourself please?

I am Bob Filner, Congressman from San Diego California. I have recently been to Turkey couple of times with Pacifica organization in California.

In what way do you believe this gala will benefit the United States?

Well, clearly having friends in other parts of the world is very important for every country. But, in the Middle East, it is particularly important. It is a strategic area and to be able to have good relations with Turkey which is a Muslim nation but a secular nation. It is very important because Turkey can be the bridge to many other nations in the area. And that is very important for the United States at this critical time.

What significance does the Turkic Community in your region?

The Turkish community is becoming increasingly active in the politics. Certainly, trying to spread the culture and the understanding of Turkey on a one base is very important. But as part of being an American citizen, being active in politics, Turkish community has been slow about doing that. But they are getting more and more active which is good. Thank you very much.

CONGRESSMAN BOBY SHILLING (Illinois)

What do you think and in what way does this Gala benefit the US?

I think it benefits the US in a couple of ways. It allows folks here in Washington DC from all

over the country. There are Congressmen and women coming here from all over the US just to see what is going on in Turkey and meet folks from Turkey. I think it is something critical to just build friendship and get to know one another.

What significance does the Turkic community have in your district?

In our state there is a significant amount of folks in the area. I come from Illinois, and in Chicago there is a large Turkish population. So it is a huge population and all of the folks I met from Turkey are great people, hard workers, they want to engage. You know the process in America, that is what we need.

How do you think the Turkic community could contribute more in terms of empowering the relations in the US?

I think what they are doing right now tonight is just being here, showing an interest in the US of America, and just continuing to build those relationships, because that is what it is all about. When you don't have those relationships being built it is when the things start to fall apart.

CONGRESSMAN GENE GREEN (Texas)

In what way do you believe this gala will benefit United States?

Well, I think Turkey has historically been an ally, and what this does is bring the Turkish American community. We have a wide Turkish American community in Houston. I work with them on a lot of issues to bring the Turkish Americans from all over the country to the congress to talk about the important relationship between the Turkey and our country.

What significance does Turkish community has in your district?

Well, on the education level, we have a number of schools that have been opening. I have been to some high schools. They have been very successful. Every one of their graduates goes to college. I think that is really important. So, that really comes from the Turkish American community with the success.

In your opinion, how could the Turkic American Community contribute more in terms of empowering relationships in the US?

I think they are doing a great job already. This annual conferences are great but the most important thing they do is to get to know the members in our home districts and that is what the Turkish Americans in Houston have. I have spoken to different groups and even though it is not our district Houston is a very wide area, but it builds those relationships. Just continue, what you are doing is great. Thank you.

CONGRESSMAN BOB TURNER (New York)

How do you think this Gala benefits the US?

This is a great celebration of Turkish-US friendship which existed for a long time, starting with NATO, and your help in the Korean War, and the mutual help in Syrian struggle.

What significance does the Turkish community have in your district?

In Queens and Brooklyn, where I'm from, we have about 60,000 Turkish citizens in our district. It is a vibrant growing community.

In your opinion, how could the Turkic community contribute more in terms of empowering the relationships in the US?

I think the Turkish people are entrepreneurial, law abiding wonderful citizens. They are great asset to our society. I'm going to visit your new school in 2 weeks when I go back to the district and I'm looking forward to it.

CONGRESSMAN STEVE STIVERS (Ohio)

Welcome to our gala tonight. Could you please introduce yourself?

Thank you my name is Steve Stivers and I represent Columbus, Ohio in the middle of the Ohio. And my district includes the Ohio State University which has a vibrant Turkish American center and a lot of Turkish Americans, good Turkish American community.

In what way do you believe this gala will benefit the United States?

Well, I want to come and spend a little of time, talking about the important relationship that Turkey and United States have militarily and now economically. And how we can do great things together for our own security and Turkey's security and the security of the world, as well as making money and grow our economies.

What significance does the Turkic community have in your district?

Well the Turkish American community of Ohio has a couple of schools in my districts. They are in the Columbus area too. They have been very engaged in our community. There are number of Turkish Americans who are

professors at the Ohio state University in my district. And that have done a great job. They are integrated to the fabric of our community and are an important part of our community. So, I definitely wanted to support the Turkish community but also again talk about what we can do together in the future.

in your opinion how Turkic community could contribute more in terms of empowering relationships?

Well, Turkey has been a great example to folks through the Arab Spring, how there can be a true democracy in and around the Middle East and I think Turkey is a very important economic partner that can help American workers back to work and put Turkish workers to work in the grow again both of our economies and do well. Thank you it is a pleasure to be with you and thank you for getting the chance to talk to you this night.

CONGRESSWOMAN LORETTA SANCHEZ (California)

How do you believe this Gala contributes benefits to the US?

I think the immigrant communities are so important or the US both in developing our culture, and identity, the economic concerns of our nation, so it is always a thrill to see groups like this Turkish alliance come together and celebrate and being a part of the American fabric.

What significance does the Turkish community have in your district?

In my district, the Turkish community is doctors, engineers, big construction companies, teachers, mathematicians, it is just wonderful. It is great food, great dance,

and great history. It is always exciting to see such a blossoming community in my area.

Would you like to give a message to the Turkish community?

I would like to say to the Turkish community in America, thank you. Thank you very much for making America so much stronger by everything you have contributed.

CONGRESSWOMAN SHEILA JACKSON LEE
(Texas)

In your opinion how does this gala benefit the United States?

Well, first of all I was absolutely amazed with the vast numbers of those who attended this Turkic American Alliance. The fact that we are discussing the issues those are mutually beneficial to the United States from finance to the economy to the issues dealing with peace and security. That is an important relationship and basis for Turkish Americans and those from Turkey to come to the United States in Washington to discuss those issues. So what benefits us first from the numbers of individuals who participated is number one. Number two is the discussions that occur. Number three is the minister of finance who gave a very important message about the growth of the Turkish economy and how that growth is interrelated with the United States and how we can be mutually beneficial to each other. That is the benefit of this gala and this wonderful day of sessions and opportunities for engagement.

What significance does the Turkic community have in your district?

A great deal of significance. First of all, the Turkish community is heavily involved in

outreach to other communities. The Turkish center is enormous asset to the Houston area. Just recently, we came to the discuss immigration issues. Many Turkish Americans are involved in the education of our children. Harmony school system is a system that focuses on teaching math and science to children throughout the states of Texas and certainly has the opportunity for a greater expansion. So we work together on educational issues and we work together on business issues, we work together on helping people to understand the different cultures and that is why the Turkish community in Houston is so very important.

Would you like to give a message to Turkic American community?

Absolutely, first of all it is my please to be a friend to the Turkish community and to the people of Turkey. Let me thank them for their relief that they have given throughout the world. I am grateful as well for the democracy that they promote and the leadership that they have given as we move to more democratizing the areas that experience the Arab spring, the stability of Turkey, the strength of the Turkish people make for a great partnership between the USA and the people of the USA: I look forward to continue our friendship.

CONGRESSWOMAN YVETTE CLARKE (New York)

How do you believe this Gala benefits to the US?

This is a great opportunity for Members of Congress in the US and others to get a real inside into the growth into the development of the nation of Turkey, to understand the relationship and the interrelatedness between the Turkic American community in

the US and why we build such strong bonds. It is a very wonderful environment where you just get a preview of the culturally rich and diverse communities that make up the Turkish Empire. And so it has been a learning experience as well as a very festive and friendly environment.

What significance does the Turkish community have in your district?

So many have come from Turkey and they found a beautiful place named Brooklyn, New York to make their home. Already a cultural center and a school have been built in Brooklyn to accommodate their families and so they brought with them a legacy and a tradition that will now be a part of Brooklyn landscape so that all New Yorkers will have access to the rich cultural diversity of Turkey.

Would you like to give a message to the Turkish community?

Yes I would. I would like to say how proud I am to represent the Turkish community of New York. And this event this evening has been so very impressive with the alliance of Turkic Organizations that have put on sort of a trade show because there are business people, there are politicians from Turkey. And they have been able to embrace us as members of Congress with the opportunity to interact to get a small taste of Turkey through coffee and food and desserts and it has just been a wonderful evening and I am glad that I had an opportunity to come and I was invited.

CONGRESSWOMAN KATY HOCHUL (New York)

In your opinion how does this gala benefit the United States?

Well the contribution is the Turkish people have made our country legendary. I know many people who are professors in many universities I have got to know them from the friendship dinners just a couple of weeks ago. I have very close relationships with the people from the Turkish community. And in fact, couple of years ago, we had an opportunity to pick any place that we want to visit. And my husband and I went to Turkey and it was a wonderful experience. I had an appreciation for the culture and the contributions that the community makes not despite for this country.

What significance does the Turkic community has in your community?

It is very strong, again professors they teach in high schools in undergraduate programs and many people that I have got to know very much focuses on science, math and their contributions are amazing.

Would you like to give a message to the Turkic community?

I just want to say hello and you have got a strong ally with the United States, mutual interests in protecting the Middle East and the rest of the countries. Thank you very much.

CONGRESSMAN KEITH ELLISON (Minnesota)

How do you believe this Gala benefits to the US?

I think it is very important for the US and Turkey and all Turkic speaking areas to build and strengthen the relationship. The only way to strengthen the relationship is to talk and interact and learn from each other and I think this Gala plays a very important role in

building the relationship between nations and communities.

What significance does the Turkish community have in your district?

In my district some of my friends are from Turkey and from Turkic speaking countries like Kazakhstan, Azerbaijan, places like that. They make amazing contributions to the city. Once they opened a school recently to help educate children, and some of these children were low income kids who didn't have an opportunity but these folks, guided by their faith, guided by their need to serve others, opened this school and now providing important educational opportunity to children. Also a number of businesspeople opened up businesses offering jobs and employment in my district. So we are very proud to have our Turkish community and very honored that they have stepped up to serve everyone.

Would you like to give a message to the Turkish community?

What I want to say to the Turkic community is, may peace be with you. Thank you for being the wonderful culture, for so many centuries, that's given so much to the world. God bless you, God willing to have a wonderful future. And thank you for stepping up to be a guide to Arab countries that are emerging from dictatorship and showing that the Muslim majority country is democratic, economically successful, thank you for coming to the aid of Syrian people who are suffering and thank you for standing up. For the rights of the Palestinian people who needs advocates in this world, so the fact is that Turkey and Turkish people all over the globe, have given much to the world and I pray that they continue to give it. Thank you very much.

CONGRESSMAN STEVE CHABOT (Ohio)

In what way do you believe this Gala will benefit the US?

Well I think it is important that Turkey and the US have a very good relationship. Turkey is in a critical part of the world, a very important ally of the US. I think it is good to have Turkish people from all over the country, occasionally get together here in Washington, our nation's capital, to discuss issues to discuss how we can bring our two countries closer together, and I think it is in interest of both our countries.

What significance does Turkish community have in your district?

There are many people from Turkish descent in my district in Cincinnati, Ohio and really throughout the country. And they play a very active role in the whole range of issues, we have business people, we have people in the medical professions, people who teach at universities, in every aspect of life they are involved in a very important part of our community. That's one of the reasons I wanted to stop by here tonight.

In your opinion, how could Turkic community contribute in terms of empowering relationships?

I think it is important that the community stays active that they stay involved through their elective representatives, they voice their opinions, they are an important part of our country and it is important that they stay active.

SENATOR BOB CASEY (Pennsylvania)

What do you think about the Turkey-US relationship and what can be done to improve it?

It is a strong relationship but it is a relationship that has some tension and some difficulty connected to it. That's natural. We are going to have those moments and I think we have to be honest about disagreements and honest about the things that we may not see eye to eye on. But I do think in some ways it has grown and developed, it traditionally been a relationship that has been more militarily in nature and I think it is beyond that now, with more business, more commerce. Also, a lot of concerted effort on some common interest. For example, most recently when it comes to Syria, the concern that we have, the diplomatic or other pressure that the US brought to bear, the Turkish government has been very constructive, in saying to Syria, we are not going to tolerate you treating your citizens that way and killing thousands of people.

Do you think Turkey can be a model for the neighbors?

I was encouraged when Prime Minister Erdogan has talked to other countries about his experiences as the leader of a secular Muslim country. As the Middle East is undergoing great change aftermath in the process that won't be undertaken after the Arab spring. We all have to point to models that are working. And that's one we can point to and can be constructive contributed to dialogue about how to govern. I think that can be very helpful.

Do you think these kinds of programs can help improve the relationships?

Sure, you got a room full of Turkish American business people, you have got businesses represented here from both countries, you have Democrat and Republican members of Congress. Maybe we should have you guys show up more often.

CONGRESSMAN RUSS CARNAHAN (Missouri)

In what way do you believe this Gala will benefit the US?

This is a great coming together with friends, and I see some of my Turkish American friends I work with on many issues, we were able to travel to Turkey and were hosted by some Turkish business people, to look at the ways we can have additional trade and commerce back and forth between our two countries. So for the people I represent in Missouri it is very important. But also for the US, as a country, the security issues that we have been working on with Turkey are vital to a lot of issues. So we are looking forward to continue those kinds of very important relationships.

What significance does the Turkish community have in your district?

They have a very strong presence. They have many cultural events. They have events where they bring together leaders from different religious groups. So it is really important for our community. They are very strong partners with the larger Bosnian community. This has been a great addition to the culture and the civic nature of our community.