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July 19, 2011

The Honorable
Senator Kelly Ayotte
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Senator Jim DeMint
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Senator Jon Kyl
Senator Jerry Moran
Senator David Vitter
U.S. Senate
Washington, DC 20510

Dear Senators:

On behalf of the nationwide membership of the American Hellenic Institute (AHI), I am writing to express concern regarding your support of an initiative members of Congress have undertaken that urges the Obama administration "to take a taxpayer bailout of Greece through the International Monetary Fund (IMF) off the table . . ." In our opinion, the basis for the position that you support is flawed for reasons presented below.

First, the amount provided to Greece from the IMF is in the form of a loan and not a bailout. The loan is provided at a substantial interest rate and the IMF's loan is part of a much larger European package. We also call to your attention that in its 60-plus-year history, the IMF has always regained the money it has loaned to ailing economies. With specific regard to Greece, the IMF enjoys priority of reimbursement over all other creditors. Greece is living up to its obligation of repaying its loan. Consequently, no American taxpayers' money is lost or in jeopardy. In addition, such financial mechanisms help to avert harmful consequences on the U.S. and larger global economies.

Second, we believe that the policy initiative you supported on this issue unnecessarily targets a longstanding, loyal NATO ally in Greece. Therefore, we underscore Greece's strategic importance and partnership with the United States by presenting the following facts and perspectives for your consideration.

Greece is of vital importance for the projection of U.S. strategic interests in the region by virtue of its geographic location. To the north of Greece are the Balkans, Eastern Europe and Russia, to the East the Middle East, and to the South are North Africa and the Suez Canal.

On March 19, 2009, at a rollout ceremony to unveil the delivery to the Greek Air Force of the “F-16 Peace Xenia IV” in Fort Worth, Texas, Bruce S. Lemkin, Deputy Under Secretary of the Air Force, stated:

“From World War II and the Cold War through today, Greece had remained a stalwart NATO ally and friend. [Since 9/11] Greece [has] provided strong political support, the use of Greek airspace, and offered Greek military assets to combat terrorism, including the deployment of a Greek frigate to the Arabian Sea for almost two years!...Greece has been resolute in its support of operations in the struggles against terrorism and extremism, through the vitally important use of Souda Bay Air Field as landing base, unrestricted over-flights, and providing a continuous rotation of personnel to Afghanistan since 2002.”

Greece is also home to the most important naval presence in the Mediterranean Sea, NSA Souda Bay, in Crete. There are numerous annual visits by U.S. military ships and planes to Souda Bay and its adjacent air base. Souda Bay has been critical to the delivery of U.S. troops, cargo, and supplies to Afghanistan, and most recently, NATO operations in Libya.

At a May 3, 2011 AHI policy forum, Capt. J. Stephen Hoefel, U.S. Navy (ret.), who was the Commanding Officer at NSA Souda Bay from 2000 to 2003, made his thoughts about Greece’s strategic importance to the United States very clear. “I feel strongly about the strategic value of Greece today and in the future,” he said, citing Greece’s geostrategic location with proximity and access to the Balkans, Middle East, and Northern Africa. “Greece is the finest strategic partner the U.S. could ever have.”

On March 9, 2010, during a White House event honoring Greek Independence Day, President Barack Obama said:

“...And let me commend Greece, our close NATO ally, for standing up for the security and opportunity of people around the world—from the Balkans to Afghanistan, where Greek service members are helping to give people who have know[n] too much war the chance to live in peace and security.”

Moreover, on March 25, 2011, President Obama re-affirmed Greece’s contributions as a NATO ally, including in support of NATO’s most recent operations in Libya:

“And as we celebrate the independence of the Greek people, the United States and Greece are standing with our NATO allies to support the Libyan people as they stand up for their own freedom.”

These sentiments were echoed by Secretary of State Hillary Rodham Clinton’s July 17 visit to Greece. She also stressed United States support for the difficult actions taken by the Greek government, and the citizens of Greece, to address its economic crisis.

“Americans know these are difficult days, and again, we stand with you as friends and allies. The United States strongly supports the Papandreou’s government’s determination to make the necessary reforms, to put Greece back on sound financial footing, and to make Greece more competitive economically.”

In the NATO buildup for Libya, Souda Bay spokesperson Paul Farley said of the 400 U.S. Marines deployed there that they were “part of contingency planning to provide the president [Barack Obama]

flexibility on full range of option regarding Libya” along with the amphibious assault ships USS Kearsarge and USS Ponce.¹

In addition, Greece is a top contributor to the defense efforts of NATO, spending an estimated 2.2% of its GDP on defense, and is also an active participant in peacekeeping and peace-building operations conducted by international organizations, including the UN, NATO, the EU, and OSCE.

This month, we witnessed Greece demonstrating its value to the United States’ crucial ally in the Middle East, Israel, by thwarting the international flotilla to Gaza.

Also at the May 3, 2011 AHI policy forum, Dennys S. Plessas, vice president, Business Development Initiatives for Europe, Middle East, Africa, Lockheed Martin Aeronautics Co./Lockheed Martin International S.A. stated, “The Hellenic defense industry is one of our valued allies around the world.” According to Plessas, Greece’s purchase of 90 F-16s since 2000 has led to additional Lockheed Martin sales around the world. Of course, as a result, this has helped to employ countless of American citizens.

Finally, significant communication links for commerce and energy sources pass through the region. As a result, Greece is by far the most economically and politically stable country in the Balkans. It has helped the U.S. to bring political stability and economic development to this volatile region, having invested over \$22 billion in the countries of the region, thereby creating over 200,000 new jobs and contributing over \$750 million in development aid.

We are in a global economic crisis that dates back to 2008. No nation is isolated, including the United States. Any action aimed at opposing loans to European countries, including Greece, would jeopardize the major reform program undertaken by the government of Greece.

For these reasons, we urge your reconsideration of the policy initiative for which you have demonstrated support that 1) calls for the United States to withdraw IMF support to Greece, and 2) unnecessary attacks a valued NATO ally, Greece.

Sincerely,



Nick Larigakis
AHI President

Cc: The Honorable Secretary of State Hillary Rodham Clinton
U.S. Secretary of Defense Leon E. Panetta
U.S. Secretary of The Treasury Timothy Geithner
Assistant Secretary of State for Europe and Eurasia Dr. Phil H. Gordon
Deputy Assistant Secretary of State for Europe and Eurasia Eric Rubin
U.S. Ambassador to Greece Daniel B. Smith
Department of State Senior Greece Desk Officer Christopher K. Snipes
The Congress

¹ “U.S. troops arrive in Greece in Libya buildup,” *USA Today* as reported by the *Associated Press*, March 3, 2011.