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09/21/92 15:12 202 690 0892

USDA OICD RSED

OES/SCT 001/003

United States
Department of
AgricultureOffice of
International
Cooperation
and DevelopmentWashington, D.C.
20250-4300
Room 3220-S. Bldg.

Research and Scientific Exchanges Division

TELEFAX

MEMORANDUM

DATE: September 21, 1992

TO: John P. Boright, OES/S, Chair FCC(OES) Fax: 647-0773

FROM: *L. Whetten Read* L. Whetten Read, DD, OICD/RSEDSUBJECT: Some ideas on expanding S & T cooperation
with Russia.Please find attached USDA's response on expanding non-traditional
S & T types of activities with Russia.*cc / MCT*The Office of International Cooperation and Development
is an agency of the
United States Department of Agriculture

09/21/92 15:13 21 202 890 0892

USDA OICD RSED

002/003

Avenues For Expanded Cooperation In Non-Traditional S & T Activities With The Russians.

Present Authority:

The United States Department of Agriculture (USDA) has been given legislative authority to cooperate with foreign scientists in areas of research and technical assistance of mutual interest and benefit. These authorities can be found in: 7USC 3318; 7USC 3291; 7CFR 2.64(a)(3). In the past, that authority served as the basis for work with the USSR. We believe that existing authorities can be used for developing new programs with Russia and other CIS nations.

Funding of Mutually Beneficial Activities:

Collectively, the USDA family of agencies provided approximately \$680,000 in FY-'92 funds for work with Russia. In FY-'93 we estimate that USDA agencies will provide slightly more in program funds. This estimate does not include agency costs for scientist/support staff salary and benefits. The US has committed \$400,000 in emergency support to the Vavilov Institute of Plant Industry in St. Petersburg, as part of the comprehensive assistance program for the CIS under the direction of Ambassador Armitage. Given the present budget climate, it is not realistic to expect the USDA agencies to re-program additional domestic funds to expand ongoing programs or start new activities with Russia. Significant program expansion will require resources external to the Department. USDA would need \$5 million to provide first year funding for the project proposals presently in hand.

Other funding mechanisms available to USDA and possibly other USC agencies in support non-traditional S & T activities would be use of local currencies generated from sales of agricultural commodities to Russia under PL 480 and/or 416. Although OMB has placed a moratorium on use of PL 480 Title One local currency sales through FY-'93, no such restrictions apply to the 416 or the PL 480 Title Three programs.

Constraints to Expanding Non-Traditional S & T Collaboration:

As noted in the recent CISFT Report on S & T Relations with Russia, "There is an absence of effective intellectual property laws, which reflects a wider lack of legal frameworks related to trade, commerce and real property ownership." We propose changes in the traditional S & T program to allow us to assist the Russians during the transformation of the present centrally planned to a free market agricultural system. Restructuring of Russia's agricultural sector requires the Russians to correct many deficiencies in their present legal system. The U.S. agribusiness community, and their international affiliates are key players in our proposed bottom up reform of the existing agricultural system. U.S. agribusiness will not participate unless Russia has in place a legal framework that assures them protection.

09/24/92 12:08

001

DEPARTMENT OF ENERGY WASHINGTON, DC 20585

Office of International Research
and Development Policy
Office of Domestic and International
Energy Policy (EP)

Telecopier 295

FTS: 202-586-1180

Commercial: 202-586-1180

Date

Sept 24, 1992

To: *Cathy Campbell*
Telephone:
Fax No: *647-0773*

Sender's Name: *H. Jaffe*
Telephone: *586-6777*
EP-70, RM 1E-218, Forrestal

No. of Pages for Transmission:
(Including Cover Sheet)

Special Message to Recipient:

*Cathy - here is a generic per
John's request yesterday. It's certainly
not the whole story, but it covers the
high points*

*9/24/92*

09/24/92 12:06

002

DEPARTMENT OF ENERGY

AVENUES FOR EXPANDED COOPERATION WITH RUSSIA

EXISTING RESOURCES

THERE ARE A NUMBER OF AREAS WHERE DOE HAS AN IMMEDIATE AND ACTIVE INTEREST IN EXPANDED COOPERATION WITH RUSSIA. MOST OF THESE ARE IN VARIOUS STAGES OF DEVELOPMENT. THEY ARE SUMMARIZED AS FOLLOWS.

o FUSION ENERGY RESEARCH DOE has placed a number of small contracts with fusion energy research institutions in Russia over the past six months which now total approximately \$200 k. This has been primarily for technical services utilizing facilities and equipment in Russia. Additional services of approximately the same magnitude or perhaps larger would be of further interest and value to the U.S. magnetic fusion program. (Note that a large cooperative effort involving the U.S., Russia, Japan, and the European Communities, the International Thermonuclear Experimental Reactor design activity, is already underway with Russian funding support expected to come from their Government.)

o ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT A number of areas related to nuclear waste processing and cleanup are of interest to DOE, including waste partitioning, vitrification, contamination distribution and transport modeling, disposal, decontamination and decommissioning, and environmental restoration. There appears to be broad mutual interest but it has been difficult to date to get meaningful cooperation started. Substantial cooperation is possible.

o FUNDAMENTAL PROPERTIES OF MATTER There has been fruitful and long standing cooperation in theoretical and experimental high energy physics between DOE and FSU laboratories. It is anticipated that this cooperation will continue to be of benefit to DOE even if it becomes necessary to pay for some of what was funded in the past by the Soviet Government. This is separate from the very substantial effort that may evolve in connection with the Superconducting Super Collider.

o RADIOLOGICAL HEALTH STUDIES There has been limited cooperation to date with the FSU related to the health effects of the Chernobyl accident, in part because of reluctance of health officials to release important information. Recently, however, the Russian Health Ministry has indicated its willingness to engage in a broad epidemiological and environmental research program associated with major radiological events at Chelyabinsk, Kyshtym, and possibly other sites. A multi-agency program is being developed, involving DOE, DOD, NRC, and possibly other agencies. This area has high priority to DOE because it relates directly to the establishment of risk based standards that may ultimately be applied to radiological cleanup operations.

09/24/92 12:07

003

o PYROMETALLURGICAL PROCESSING DOE has an interest in Russian past activities in pyrometallurgical processing of spent nuclear fuel which directly relates to its Integral Fast Reactor (IFR) advanced reactor program. To date it has not been possible to get interagency clearance for cooperation in this area, in spite of the fact that the Russians have done much more work than DOE to date, and their data and experience would be very valuable to the IFR effort. Should it be allowed, this would be a likely area of modest cooperation.

o FOSSIL ENERGY TECHNOLOGIES With the recent signing of the Fuels and Energy Agreement, DOE is now ready to identify initial areas for R&D cooperation. Topics of potential interest include emission controls, improved efficiency in production, processing and distribution of fossil fuels, advanced electrical generating technologies, and coal mine safety. A fact finding visit to Russia (and possibly one or two other republics) is planned in late October/early November with the objective of defining modest cooperative projects that could get underway next year.

o SPACE POWER RELATED TECHNOLOGIES DOE currently has pending two thermionic power R&D contracts which anticipate subcontract support from Russian institutions. The Russians are well ahead of the U.S. in this area of technology, and their participation in DOE's program, when approved, will be technically and economically beneficial.

o NUCLEAR SPACE PROPULSION It is anticipated that nuclear space propulsion activities will get underway again in the near future after almost a two decade hiatus. The Russians maintained their nuclear propulsion program until recently, and have technology and facilities that may be of direct interest and value to any U.S. effort. A fact finding visit is taking place in early October.

NEW RESOURCES

WITH NEW RESOURCES, THERE ARE SOME DESIRABLE ADDITIONAL AREAS WHERE DOE WOULD PROPOSE TO WORK WITH THE RUSSIANS ON TOPICS THAT WOULD BE OF MUTUAL BENEFIT. THE FOLLOWING ARE SEVERAL OF THE HIGHEST PRIORITY TOPICS.

o NUCLEAR SAFETY DOE plans to implement the Lisbon Initiative dealing with nuclear safety and operational safety training upon receipt of funding from AID.

o ENERGY CONSERVATION DOE has provided very limited funding to establish an Energy Efficiency Center in Moscow, in part to promote energy saving technologies and approaches. With additional resources currently being considered by State, this program will be expanded to include facilitating joint ventures between U.S. energy efficiency industry and Russian enterprises.

H. Jaffe, 9/24/92



United States Department of State

Washington, D.C. 20520

UNCLASSIFIED
MEMORANDUM

DATE: September 25, 1992

TO: Frederic C. Hof
Richard A. Nelson

FROM: Charles A. Lawson *CAL*

SUBJECT: Thoughts on Assistance for Science and Technology
(S&T)

Before I head off to the wilds of the Russian Far East, I wanted to leave you with a few preliminary (and I emphasize the word preliminary) thoughts on how I see S&T fitting into the CIS assistance program. Assuming I return in one piece (and depending on your reaction to these first thoughts), I plan next to develop for your consideration a more complete and coherent S&T Assistance Strategy.

In the comments below, I talk about Russia, since by far it contains the majority of S&T assets of the former Soviet Union are there. However, the same arguments can be used to a greater or lesser extent for the other countries of the CIS.

Background

One necessary condition for any country to be able to sustain long-term economic growth is the existence of a strong and viable S&T infrastructure. For a country whose economic, political and social structures are in such a state of flux (read chaos), Russia is unique in that it already has a large, highly trained S&T infrastructure with substantial R&D capabilities. However, as in every other sector of Russian society, the S&T infrastructure is under severe stress and in danger of collapsing. In addition, because this infrastructure was developed to respond to the R&D demands of the USSR's planned economy, it is ill-suited to the needs of a market economy.

As I see it, then, in addition to the assistance the USG currently is providing in support of the transition to a market economy, we also should be providing funds to help keep the S&T infrastructure viable during this transition and to assist in the structural changes necessary to make the S&T infrastructure meet the needs of a market economy.

Possible Activities

Listed below are a variety of possible activities that would provide useful support with respect to either the transitional or structural needs of the Russian S&T infrastructure. The activities cover the range from basic science to industrial R&D. I think that a mix of activities would be most appropriate.

Addressing structural needs

1) Industrial R&D - Activities in the industrial R&D sector could include placing IESC or CDC sponsored advisors in Russia who are active or retired senior executives from the R&D labs of U.S. companies (such as Bell Labs, IBM, GE, etc). The focus would be on advising Russian companies how to integrate R&D into a market setting.

2) Government sponsored R&D - Russia is establishing a research foundation (supposedly, with 3-5 billion rubles) for support of scientific research. The question is: will the money be distributed to the best scientists doing the best research projects, or will it go through the existing old boy network to apparachiks. The USG could help the Russian Ministry of Science establish a merit based review system (such as the one at NSF or NIH, for example) to help insure that the research funds supported the best projects. On a more general level, we also could help the Ministry evaluate the quality of the science being done in a particular field (such as physics, chemistry, etc) or at a particular institute.

3) NGO/PVO - A number of U.S. professional scientific societies are providing assistance to their Russian colleagues - through the donation of technical journals, by providing computer networking and by paying costs of travel to scientific meetings in the U.S. All these activities help keep the Russian scientists current in their field (otherwise they would be very isolated and ultimately would become second rate). Many of these Russian societies are new, and their membership includes the younger, more reform-minded scientists. I think it would be useful to provide some funds, on a matching basis, to the U.S. societies to continue these activities.

4) USG agencies support - There are cases where a USG technical agency has a particular expertise that could be brought to bear on a structural change in the S&T sector that would be beneficial to the U.S. An example that comes to mind immediately is the National Institute of Standards and Technology (NIST - an agency of the Dept. of Commerce). NIST

has a great interest in influencing the revision of the Russian standards setting process toward one that is compatible with the U.S. system. I have been told that Russia is leaning toward adopting EC standards and processes, which are not always beneficial to U.S. exporters.

Addressing transitional needs

1) USG-Russian cooperative projects - In the past, cooperative S&T activities between U.S. and Soviet agencies were done with each side paying its own expenses. Now, however, many U.S. agencies are being told that their Russian partners cannot cover any expenses. In select cases where a USG agency is willing to use its own funds to support the U.S. side of a project, it could be beneficial to provide support for a year or two for the Russian side's activities.

2) Laboratory or Institute support - Several U.S. companies have entered into deals whereby they provide support for an entire lab, at very little cost, relatively speaking (\$100k per year, for a lab of 80-100 scientists). However, there are many institutes and lab doing research of a more basic nature that would be unlikely to attract industrial support. Consideration should be given to targeting a very small number of the most outstanding labs for support (DOE did just that with the Kurchatov Institute in fusion research). (Note. While one's first reaction might be to reject the idea of providing any assistance for basic science, it should be kept in mind that basic science is the foundation upon which applied research and technological development is built. The key would be to identify the best facilities.)

3) Providing used equipment - Even the best labs in Russia are generally very poorly equipped. Providing labs with old, surplus analytical equipment from USG (or other) labs could help Russian scientists to continue to do top quality science. Mostly transportation costs would be involved here.

Funding

As with the other assistance activities, the problems in the S&T sector are large enough to consume the entire \$400 million (or whatever the final figure is) of USG assistance for FY93. The question becomes, what realistically can be spent on S&T and what will the impact be. After many discussions with S&T people around town, I am convinced that a very useful and

meaningful program, comprised of some combination the activities mentioned above (possibly also including others I have not thought of yet), could be put together for the figure that the three of us used for discussion purposes earlier, namely \$20-25 million. If a smaller amount is available, a more narrowly defined focus would have to be used, to insure that the program would have maximum positive impact.

Program

In a conversation I had earlier this week with Karen, she said she was against the idea of establishing a separate S&T program. Rather, she favored an approach whereby supporting S&T infrastructure would be a general guideline for CIS assistance, and then S&T activities could be added, where appropriate, to all existing programs. While in principle, it should be able to work as Karen suggests, I still believe it would be much better to have a stand-alone S&T program, for the following reasons.

1) I think S&T is important enough that the USG should identify it as a discrete category of assistance.

2) In practice, I anticipate that it would not prove very easy to add some of the activities suggested above to the existing programs (look at our struggles with AID over the OES proposals). Having an S&T program would give us more flexibility in funding activities.

3) Especially if S&T activities approached the level of \$20-25 million, but also if we commit less, having a stand-alone S&T program will make it much easier to insure that we have a well integrated and coordinated set of activities.

After visiting research institutes and talking with Russian officials on this trip, I should have better first hand feel for the situation in the S&T sector. I look forward to discussing the topic with you and Karen and Christina when I get back.

Shalom.

cc. Karen Volker
Christina Rufenacht

Doc. No. 2753

-10-31-92 02:18 PM FROM DOT/OST P-25

P01



Department of Transportation

Office of the Secretary
400 Seventh Street, S.W.
Washington, DC 20590

FAXED PAGES
(including cover)

1

DATE: Oct 1, 92

TIME SENT: 3:00pm

FROM: Zia Kazimi

PHONE: (202) 366-6927

OST/P-25

FAX: (202) 366-7417

TO: Dr. Zoltan Annau
OES/SCT Room 4330

PHONE: 647-1055

FAX: 647-0773

REMARKS:

DOT'S POTENTIAL AVENUES FOR EXPANDING S&T COOPERATION WITH RUSSIA

DOT is presently working on a new S&T agreement with Russia to be signed in early 1993. Past S&T cooperation with the former Soviet Union consisted mainly of activities in the fields of maritime and civil aviation. In response to your request for comment concerning potential areas for expanding S&T cooperation, listed below are areas and topics for future cooperation that would be of interest to DOT's technical agencies.

In the Area of Aviation:

- FAA seminars and training on establishing aviation safety authorities and monitoring airline operations in Russia;
- FAA assistance in implementing the June Summit MOU;
- Airport planning and development; and
- FAA representatives located in Moscow to facilitate the burgeoning civil aviation cooperation underway.

In the Area of Highways:

- Strategic policy planning and Management training;
- Financial and accounting principals for passenger transport enterprises;
- Road administration and organization;
- Road rehabilitation and construction; and
- Bridge rehabilitation.

*Transp.
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10/02/92 15:39

202 501 6381

OIA

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007/008



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240*Memorandum*

by Fax 10/2/92

To: Martin Prochnik, Director, OES/SCT, U.S. Department of State

From: Kathryn Washburn, Director, International Affairs, U.S. Department of the Interior 208-3101 *Kathy*

Subject: Russia - Avenues of Expanded Cooperation for the Future

The Department of the Interior currently has a \$2 million series of multi-year science and technology projects with Russia and several environmental initiatives, which are expected to continue at that level for the foreseeable future. These programs were described in the Tranche process last spring and in a submittal to Assistant Secretary Armitage. Please call if you need copies.

In order to advise you about Avenues of Expanded Cooperation or Assistance with Russia, if resources were available, for your November and December meetings, we in Interior have returned to and reviewed our basic responsibility in order to describe what we do best. Interior is the nation's principal conservation agency and is custodian of its natural resources and its heritage. It is also responsible for American Indian reservation communities and for the people who live in Island Territories (the U.S. Insular Areas) under United States administration. Any expanded effort with Russia would, therefore, involve what we do best now in each of Interior's bureaus and offices. The following specific activities could be utilized:

National Park Service: Share criteria for identification of areas of natural, cultural and scientific significance, and train individuals in the protection of historical, natural, architectural, engineering and archaeological resources in Russia.

U.S. Fish and Wildlife Service: Review the Russian management of the habitat for migratory birds, endangered species, freshwater and anadromous fisheries and certain marine mammals. A program for training the Russians in modern habitat management could be started.

Bureau of Land Management: Exchange information on the land management principles for multiple use and sustained yield. This will identify areas where management of the various resources in Russia could be strengthened to ensure the productivity of the land and the quality of the environment.

SENT BY: OIH/PHS/DHHS

:10- 1-92 ; 9:49 ;

OIH-

202 647 0773:# 2



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Memorandum

Date October 1, 1992

From Director, Office for Eastern Europe, OIH/DASH *Planning*

Subject Draft Report on US-FSU Cooperation in Health - Status Report

To Martin Prochnik, Director OES/SCT, Department of State
Attn: Cathy Campbell OES/SCT

In response to the verbal request for a two page summary of "new initiatives" for consideration in developing S&T cooperation with Russia and the NIS, on behalf of HHS, I would like to provide the following text, largely distilled from recent communications to your office.

HEALTH SECTOR NEW S&T INITIATIVES

From within existing resources, the U.S. Public Health Service (PHS), including the Centers for Disease Control, Food and Drug Administration, and National Institutes of Health, is prepared to maintain the existing program of cooperation and, on a limited basis, to provide experts for various assessments, explore the possibilities for other means of cooperation, and augment the ongoing Fogarty International Research Collaboration Awards.

DHHS has prepared a draft MOU for renewal/continuation of cooperation in the field of Health and Biomedical Research between DHHS and the Russian Federation Ministry of Health. Interagency review of the Circular 175 request has been completed and formal clearance is anticipated shortly.

In terms of opportunities, perhaps one significant area of high potential mutual benefit is in the area of study of the adverse effects on human health of various forms of environmental pollution, including radiation. Although a politically sensitive topic, research on the health effects of radiation and environmental pollutants, dosimetry, and ultimately the setting of reasonable exposure standards and tolerance limits, has the potential of substantially benefiting both the U.S. and Russia. However, maintaining scientific neutrality and rigor is essential if the majority of the citizens are to believe and trust their respective health authorities' conclusions in these areas. Collaborative USG interagency efforts are now underway, in which DHHS is participating, to explore the potential for studies in the Chelyabinsk region, as well those areas affected by the Chernobyl reactor explosion.

DHHS is also prepared to work with U.S. AID and the Department of State to provide a wider range of badly needed health-related scientific collaboration and technical assistance to the Russian Federation and other Newly Independent States (NIS). If non-HHS funds can be identified, HHS could quickly initiate activities to provide technical assistance in the restructuring of the health care system, improve quality control and standard setting for pharmaceuticals, as well as increase the activities to help meet immediate humanitarian needs.

SENT BY: OIH/PHS/DHHS

110- 1-92 ; 9:50 ;

OIH→

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Page 2

DHHS can provide specific proposals to respond to special needs and opportunities such as: health-effects epidemiology, conversion of biologic weapons facilities, and strengthening primary health care delivery. A network of centers focusing on health care system infrastructure development, health finance, and primary health care, may be desirable. HHS could also prepare a proposal to help to provide assistance to medical libraries.

With respect to the development of proposals for new or expanded S&T related activities, we support recommendations in the NAS Report to the President's Science Advisor, calling for much greater involvement of U.S. Federal Agencies, in providing technical assistance, research training, and engaging in collaborative research. This could be achieved most expediently by providing agencies, such as the National Institutes of Health, with additional funds to enhance already established programs which provide support for bilateral cooperation with scientists in the NIS. The NIH Fogarty International Center, Central and Eastern European Initiative provides an excellent model for increased collaboration. Other approaches might include development of expanded S&T programs modeled after the US-Hungary or US-Israel S&T Programs.

S&T Cooperation in Health involves applied research and technology as well as the more traditional basic research component and ranges from health promotion and disease prevention, to public health protection, and to health finance issues. Thus, many of the current appeals for "health cooperation," are more accurately interpreted as requests for technical assistance in areas where HHS personnel have unique experience, such as pharmaceuticals and vaccine regulatory affairs, field epidemiology, and health care financing. Mid- to long-term technology transfer activities ought to be associated with any NIS assistance efforts and the Department of Health and Human Services is prepared to be involved, as indicated in Secretary Sullivan's letter to Deputy Secretary of State Eagleburger (1/6/92).

From within existing resources, HHS is largely restricted to funding mutually beneficial S&T cooperation. Technical assistance, per se, is the responsibility of the U.S. Agency for International Development (U.S. AID). Although HHS is a domestic agency, on a reimbursement basis, components of the Department, including the Centers for Disease Control, the Food and Drug Administration and the Health Care Finance Administration are now working with U.S. AID to provide technical assistance on a range of urgently needed public health issues. These include providing emergency health assessments, strengthening existing health and nutrition information systems to better target emergency assistance, vaccine production and quality control, and assistance in health financing reforms. In each of these areas, progress is dependent on appropriate use of technology, science, and management information for decision making.

10/02/92 15:39

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Office of Surface Mining: Assist in the development of a regulatory system to restore land for other productive use after mining is complete and assess how to help repair lands left unreclaimed in the past.

Bureau of Reclamation: Water resource management in Russia needs modern tools and training that cover hydroelectric power generation, municipal and industrial water supplies, flood control, recreation and wildlife habitat, all of which the Russians are extremely well educated to do. A joint program involving expanded exchanges and training could be initiated quickly.

U.S. Geological Survey: Earth science questions are currently being conducted with Russia, increasing both their and our knowledge about the structure, processes, resources, and dynamics of the Earth. As the private sector moves into Russia, the need for scientific information, maps, and water information will increase, and the USGS could speed up modernization of the availability of the this data.

Bureau of Mines: Mineral technology and mineral data exchange could be expanded to the benefit of both countries if there were additional resources available. The United States must make sure it has the minerals it needs for both industrial and military activity and Russia is one source that could be valuable in the future.

Minerals Management Service: Sharing of management of offshore minerals and management of mineral revenues collection and distribution could assist private investors looking to Russia for mineral opportunities. The sophisticated software and hardware now available as a management tool could be shared under the proper circumstances.

Bureau of Indian Affairs: There is an opportunity to exchange information on how both the U.S. and Russia work with native tribal governments and village communities. We have much in common and a long history of needs for assistance, education and training that merit discussion on how best to address them.

In a broader sense, we submitted some materials to CISET recently, which are attached, which provide additional thoughts about future coordination. Recent events described in **SCIENCE** are, of course, a new concern not reflected in previous comments, but we assume you will be updating your material accordingly.

Attached is a separate paper from the USGS which is appropriate to consider as specific initiatives.

Attachments: USGS Letter
SCIENCE article

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20506

**YELTSIN-BUSH SUMMIT FOLLOW-ON
AVENUES FOR EXPANDED U.S.-RUSSIA S&T COOPERATION
DECEMBER, 1992
WASHINGTON, D.C.
DRAFT AGENDA**

INTRODUCTION

9:30 **Coffee**

10:00 ***Opening Remarks***

Dr. D. Allan Bromley

Vice Premier Boris Saltykov

MORNING DISCUSSION

Theme: New S&T Challenges

10:15 **Cooperation With Russia: Status, Goal and Objectives**
Overview by Dr. Bromley

- **Cooperation in Science and Technology**
- **Innovative Approaches: Government and Private Sector Initiatives**

10:45 **Cooperation With the United States: Status, Goals and Objectives**
Overview by Vice Premier Saltykov

- **To be determined by Russia**

12:00 **LUNCH**

AFTERNOON DISCUSSION

Theme: Avenues for Enhanced Cooperation

14:00 **New Arrangements**

14:30 **Measures to Address Factors Affecting Cooperation**

15:00 **Chairmen's Summary/Next Steps**

15:30 **ADJOURN**

For Immediate Release

June 17, 1992

JOINT STATEMENT ON
SCIENCE AND TECHNOLOGY COOPERATION

The Presidents of the United States and the Russian Federation note with satisfaction their long-standing cooperation in science and technology. Wishing to build on that cooperation, the two Presidents declare their intent to promote scientific and technological cooperation in areas of mutual benefit and to broaden and expand contacts and ties between the scientific and technological communities of their countries.

In the new spirit of partnership between their two countries, the Presidents underscore the potential of their scientific communities to make important contributions to economic development and enhancement of the quality of life. They deem to be of cardinal significance efforts underway in both countries to convert defense-related industries to civilian purposes and stress the desirability of further cooperation in this regard. Both sides expressed satisfaction at the progress made in establishing the International Science and Technology Center in Moscow with its important task of redirecting the talents of weapons scientists to peaceful purposes. Consistent with their firm support for democratic and market economic principles. The two Presidents recognize the private sector's role in the science and technology area and support industry's efforts to seek opportunities to acquire goods, services, or technologies that benefit economic and security interests. The two countries will promote greater levels of trade and will seek to remove barriers to trade in scientific and technological matters.

The two Presidents further declare their intent to advance the state of science and technology by broadening and expanding contacts and combining the talents and resources of both countries. To this end, the Assistant to the President of the United States for Science and Technology and appropriate officials of the Russian Federation will meet no later than this fall to discuss avenues for expanding cooperation in science and technology, the Presidents reaffirm their intent to continue cooperation and improved coordination in particular the fields of basic sciences; earth and mapping sciences; energy and natural resources; peaceful uses of atomic energy; space research for peaceful purposes; health; protection of the environment; transportation; oceans studies; and agriculture. They also note the importance of continued cooperation in major projects such as the superconducting supercollider and the international thermonuclear experimental reactor.

The two Presidents assert that their scientific and technological relationship shall be governed in particular by the following principles of: shared responsibilities, contributions, and benefits commensurate with the two countries' respective scientific and technological strengths and resources; equitable protection and distribution of intellectual property rights resulting from joint activities; transparency of policy and programs to facilitate identification of opportunities for cooperation; comparable access to government-supported and government-financed facilities; and the widest permissible dissemination of research results and information.

The two Presidents further declare that high-level government contacts will be important to setting the direction of future scientific and technological cooperation. They charge the Secretary of State on the United States side and the Minister of Foreign Affairs on the Russian side to continue to coordinate the development of expanded scientific and technological cooperation and of appropriate legal arrangements between their two countries, in conjunction with the interested governmental bodies and agencies.

#

BILATERAL COOPERATIVE S&T AGREEMENTS WITH RUSSIA

- 1. AGRICULTURE**
- 2. ARTIFICIAL HEART**
- 3. BASIC SCIENTIFIC RESEARCH**
- 4. ENVIRONMENTAL PROTECTION**
- 5. MEDICAL SCIENCE AND PUBLIC HEALTH**
- 6. OCEANS STUDIES**
- 7. PEACEFUL USES OF ATOMIC ENERGY**
- 8. SPACE**
- 9. TRANSPORTATION**

BILATERAL COOPERATIVE AGREEMENTS WITH THE FORMER USSR

1. AGRICULTURE

TERM: 6/19/93

**EXECUTIVE AGENTS: USDA
USSR COMMISSION ON FOOD AND FOOD
PROCUREMENT**

2. ARTIFICIAL HEART

TERM: 6/28/92

**EXECUTIVE AGENTS: HHS
USSR MINISTRY OF HEALTH, ALL UNION CENTER FOR
CARDIOLOGY RESEARCH**

3. BASIC SCIENTIFIC RESEARCH TERM: 1/08/93

**EXECUTIVE AGENTS: OSTP
MINSCI**

**SUBSIDIARY MOU PARTNERS: NSF-USSR ACADEMY OF SCIENCES
NIST-USSR ACADEMY OF SCIENCES
USGS-USSR MINISTRY OF GEOLOGY
USGS-USSR COMMITTEE OF GEODESY &
CARTOGRAPHY**

4. ENVIRONMENTAL PROTECTION TERM: 5/23/92

**EXECUTIVE AGENTS: EPA
USSR STATE COMMITTEE FOR NATURE USE AND
ENVIRONMENTAL PROTECTION**

5. MEDICAL SCIENCE AND PUBLIC HEALTH: TERM: 5/01/92

**EXECUTIVE AGENTS: HHS
USSR MINISTRY OF HEALTH**

6. OCEAN STUDIES: **TERM: 5/31/95**

EXECUTIVE AGENTS: **NOAA**
GKNT

7. PEACEFUL USES OF ATOMIC ENERGY: **TERM: 6/01/95**

EXECUTIVE AGENTS: **DOE**
MINISTRY OF ATOMIC POWER AND INDUSTRY

8. SPACE: **TERM: JUNE/97**

EXECUTIVE AGENTS: **NASA**
RUSSIAN SPACE AGENCY

9. TRANSPORTATION: **TERM: 5/31/93**

EXECUTIVE AGENTS: **DOT**
GKNT

AGREEMENTS BY ORGANIZATION

GKNT:

**BASIC SCIENCES
OCEAN STUDIES
TRANSPORTATION**

ACADEMY OF SCIENCES:

**BASIC SCIENCES
SPACE**

USSR MINISTRY OF HEALTH:

**ARTIFICIAL HEART
MEDICAL SCIENCES AND PUBLIC HEALTH**

USSR MINISTRY OF GEOLOGY:

BASIC SCIENCES

USSR COMMISSION ON FOOD AND FOOD PROCUREMENT:

AGRICULTURE

USSR STATE COMMITTEE OF GEODESY AND CARTOGRAPHY:

BASIC SCIENCES

**USSR STATE COMMITTEE FOR NATURE USE AND ENVIRONMENTAL
PROTECTION:**

ENVIRONMENTAL PROTECTION

USSR MINISTRY OF ATOMIC POWER AND INDUSTRY:

PEACEFUL USES OF ATOMIC ENERGY

GLAVKOSMOS:

SPACE



United States Department of State

*Bureau of Oceans and International
Environmental and Scientific Affairs**Washington, D.C. 20520*

October 28, 1992

TO: PCC (OES) S&T Subcommittee Members

FROM: John P. Boright, Deputy Assistant Secretary for
Science and Technology Affairs *[Signature]*

SUBJ: Request for Review of Documents for US-Russia S&T
Bilateral Consultations, December 8-9, 1992.

At the October 7 preparatory meeting in Moscow, the U.S. and Russia agreed to hold in Washington on December 8-9, 1992, the third session of the Joint Commission under the Basic Sciences Agreement and the consultations called for in the summit Joint Statement on S&T Cooperation. The sides also agreed to the U.S. proposed agendas, with slight modifications, that were cleared by the PCC S&T Subcommittee in September (the record of the October 7th meeting, delegation lists, and agreed agendas for the December meetings are provided in Tab 1).

The purpose of this memo is to continue interagency preparations for the December meetings, particularly the summit follow on consultations (documents for the Basic Sciences Joint Commission Meeting will be forwarded separately). We agreed with the Russians to exchange information (the target was October 30) on three agenda items: factors affecting cooperation; possible areas of new cooperation; and possible arrangements for expanded cooperation.

Attached at Tab 2 is a draft document to stimulate internal USG discussion and encourage additional ideas in advance of the December meeting with the Russians. The ideas contained in this document were generated through PCC (OES) deliberations, the CISET report on U.S. Government S&T Relations with Russia, input received for the PCC (OES) S&T Subcommittee Report on Avenues for Expanded Cooperation with Russia, and the OSTP-sponsored meetings on private sector and NGO S&T interactions with Russia. The results of interagency review will serve as the basis for the U.S. portion of the agreed-upon information exchange to prepare for the December meetings.

It should be emphasized that the specific areas listed for expanded cooperation, which were extracted from information provided by technical agencies for the PCC report, are examples only. Any areas listed in the materials provided to the Russians will require prior authorization of funding within total overall agency funds. As part of this clearance process, agencies should identify which areas proposed for expanded cooperation have funding available.

-2-

In order to come as close as possible to the October 30 target, we are requesting clearance by COB, October 29, 1992. Please submit your comments or clearance to Cathy Campbell, OES/SCT, at (202) 647-4662 or (fax) 647-0773.

Attachments:

- Tab 1 - October 7 Meeting Documents
- Tab 2 - Draft Discussion Paper

Record of the Meeting
of U.S.-Russian Discussions on Preparations
for the Next Session of the U.S.-Russian
Joint Commission under the Basic Sciences
Agreement and the Meeting to Discuss New
Directions for U.S.-Russian Science and
Technology Cooperation

U.S.-Russian discussions on preparations for the next session of the US-Russian Joint Commission under the Basic Sciences Agreement and the Meeting to discuss new directions for U.S.-Russian science and technology cooperation, in accordance with the charge given by the Presidents of the U.S. and Russia in the June 17, 1992, Joint Statement took place in Moscow October 7, 1992.

The Russian Federation delegation was headed by Deputy Minister of Science Z. A. Yakobashvili.

The U.S. delegation was headed by OSTP Associate Director J. Thomas Ratchford.

The sides discussed issues related to new tasks and conditions of current U.S.-Russian science and technology cooperation and noted a number of problems requiring special attention of the sides.

In particular, it was noted that at the December meeting the two sides will discuss new possibilities and areas for developing U.S.-Russian science and technology cooperation in light of the overall development of relations between the two countries. These new possibilities and areas will require agreement and specification by the sides.

The U.S. and Russian delegations in particular agreed on draft preliminary agendas for the next session of the Joint Commission under the Basic Sciences Agreement and the Meeting to discuss new directions for U.S.-Russian science and technology cooperation and agreed to formulate the details of the agendas during preparations for these meetings.

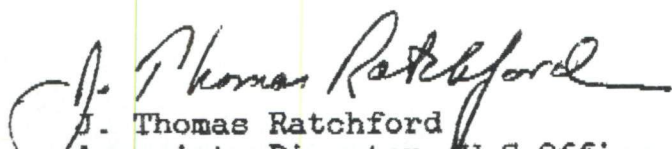
The sides agreed to exchange documents in three specific areas in preparation for the meetings. They include:

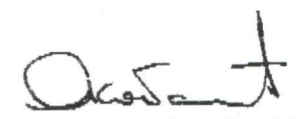
(1) Possible new or expanded areas of science and technology cooperation;

(2) Options for new or revised arrangements for cooperation; and

(3) A discussion of factors that affect science and technology cooperation between the U.S. and Russia.

The sides also agreed that the above meetings will take place in Washington December 8 & 9, 1992.


J. Thomas Ratchford
Associate Director, U.S. Office
of Science and Technology
Policy


Z. A. Yakobashvili
Deputy Minister of Science
Higher Education and
Technology Policy of the
Russian Federation

**AMERICAN DELEGATION
FOR OCTOBER 7, 1992 MEETING
AT THE RUSSIAN MINISTRY OF
SCIENCE, HIGHER EDUCATION, AND TECHNOLOGY POLICY**

J. Thomas Ratchford, OSTP

John Boright, OES

Bob Clarke, Embassy Moscow

Reno Harnish, EUR

Cathleen Campbell, OES

Chuck Lawson, Ambassador Armitage's Office

Jeff Schweltzer, OSTP

John O'Neil, OSTP

John Thomas, DOD - DTSA

of the delegation of the Russian Ministry of Science,
Higher Education and Technology Policy.
October 7, 1992, Moscow, Russian Federation.

1. Z.A.Yakobashvili - Deputy Minister of Science, Higher Education and Technology Policy of the Russian Federation, head of the delegation.
2. A.N.Bykov - Director General, Department for Scientific and Technical Cooperation with Foreign Countries, Russian Ministry of Science.
3. V.V.Nichkov - Deputy Director General, Department for Scientific and Technical Cooperation with Foreign Countries, Russian Ministry of Science.
4. V.N.Krukov - Deputy Director General, Department for Scientific and Technical Cooperation with Foreign Countries, Russian Ministry of Science.
5. E.A.Rogovskiy - Director, Department for Strategy and Export Promotion, Ministry of Foreign Economic Relation of the Russian Federation.
6. M.M. Czimbalo - Director, Department for Legal Protection of Intellectual Property, Patent and Trade Committee.
7. S.I.Kisliak - Deputy Director, Department for Scientific and Technical Cooperation with Foreign Countries, Ministry of Foreign Affairs of the Russian Federation.
8. S.S.Garov - Director of the Division, Department of the North America, Ministry of the Foreign Affairs.
9. S.S.Markianov - Director, Department of External Relations, Russian Academy of Science.
- 10 V.I.Tychchenko - Division Deputy Director, Department for Scientific and Technical Cooperation with Foreign Countries, Russian Ministry of Science.

Experts

1. U.K.Shian - Department of External Relations, Russian Academy of Science.
- 2.G.A.Sarichev - Department for Research Development of the Higher Education Committee, Russian Ministry of Science.

1

**United States-Russia Basic Sciences Agreement
Joint Commission Meeting
December 8, 1992
Washington, D.C.**

AGENDA

- 9:00** **Agenda**
- 9:30** **Opening Remarks:** **Dr. D. Allan Bromley**
 Deputy Prime Minister Boris Saltykov
- 10:00** **Overview Presentation by Dr. Bromley on U.S. S&T Developments -**
 Possible Topics Include:
- **New Approaches to Supporting S&T**
 - **U.S. R&D Priorities**
- 10:30** **Overview Presentation by Minister Saltykov on Developments in Russian**
 S&T Policy - Possible Topics Include:
- **New Organization Structures**
 - **New Approaches to Supporting S&T**
 - **R&D Priorities**
- 11:00** **Coffee Break**

**JOINT ACTIVITIES: MEMORANDA OF UNDERSTANDING (MOU) AND
OPERATIONAL ISSUES IN THEIR IMPLEMENTATION**

- 11:30** **MOU in Basic Scientific Research (NSF-Russian Academy of Sciences)**
- 11:40** **MOU in Geosciences**
- 11:50** **MOU in Physical Sciences, Chemistry and Engineering Sciences**
- 12:00** **MOU in Mapping Sciences**
- 12:10** **MOU in Biomedical Research (possible)**
- 12:25** **LUNCH**
- 2:00** **Chairman's Summary/New Areas of Cooperation/Plans for Next Meeting**
- 3:15** **Adjourn**

**Yeltsin-Bush Summit Follow-On
Avenues for Expanded United States-Russia S&T Cooperation
December 9, 1992
Washington, D.C.**

AGENDA

INTRODUCTION

9:00 Coffee

**9:30 Opening Remarks: Dr. D. Allan Bromley
Vice Premier Boris Saltykov**

MORNING DISCUSSION

Theme: New S&T Challenges

**9:45 Cooperation with Russia: Status, Goal and Objectives
Overview by Dr. Bromley**

- Cooperation in Science and Technology
- Innovative Approaches: Government and Private Sector Initiatives

**10:15 Cooperation with the United States: Status, Goals and Objectives
Overview by Vice Premier Saltykov**

- To be determined by Russia

10:45 Discussion

Theme: Avenues for Enhanced Cooperation

11:15 New Arrangements - S&T

12:45 LUNCH

AFTERNOON DISCUSSION

2:15 Measures to Address Factors Affecting Cooperation

4:00 Chairmen's Summary/Next Steps

4:30 Adjourn

TAB 2

1

INTRODUCTION - CURRENT STATUS

At present, the governments of the United States and Russia cooperate in science and technology on a bilateral basis under the following agreements:

- Agreement on Cooperation in the Field of Basic Scientific Research
 - USGS-Ministry of Geology Memorandum of Understanding on Cooperation in Geoscience
 - NSF-Academy of Sciences Memorandum of Understanding on Cooperation in the Field of Basic Scientific Research
 - USGS-Committee of Geodesy and Cartography Memorandum of Understanding on Cooperation in the Mapping Sciences
 - NIST-Academy of Sciences Memorandum of Understanding on Cooperation in the Physical, Chemical and Engineering Sciences
- Agreement on S&T Cooperation in the Field of Fuels and Energy
- Agreement on Cooperation in Artificial Heart Research and Development
- Agreement on Cooperation in Ocean Studies
- Agreement Concerning Cooperation in the Exploration and Use of Outer Space for Peaceful Purposes ¹
- Agreement on Cooperation in the Field of Environmental Protection
- Agreement on Cooperation in Transportation Science and Technology
- Agreement on Scientific and Technical Cooperation in the Field of Peaceful Uses of Atomic Energy

¹ Discussion of space issues will be handled through the National Space Council

2

- Memorandum of Cooperation in the Field of Civilian Nuclear Reactor Safety
- Memorandum of Cooperation in the Fields of Environmental Restoration and Waste Management
- Memorandum of Cooperation for Magnetic Fusion Energy
- Memorandum of Cooperation on the Fundamental Properties of Matter
- Agreement on Cooperation in the Field of Agriculture
- Memorandum of Understanding on the Participation of the USSR in the Ocean Drilling Program as a Regular Member ²

Note: The Medical Science and Public Health agreement lapsed in May 1992.

FACTORS AFFECTING COOPERATION

Each entry above represents a government to government agreement. Some include subsidiary memoranda of understanding which implement the cooperation under the given agreement.

The U. S. private sector, both profit and non-profit, has a wide variety of relationships with S&T entities in Russia, both governmental and private sector. These private sector relationships include, but are not limited to: joint ventures for research, development, and production; contracts for services in research, development, and production; joint facilities; coordination relationships with sister associations; exchange programs; and assistance in the form of scientific literature, research grants, and monetary assistance.

Both governmental and private sector organizations have expressed desires to expand S&T interactions, but at the same time have identified a number of factors which inhibit current, and limit expanded, cooperation. Factors inhibiting cooperation identified to date include:

Predominantly on the Russia side:

- difficulty in communications - including electronic, mail, fax, and phone;

² Continued cooperation under the MOU on ODP is uncertain.

3

- intellectual property rights protection and enforcement;
- difficulty with financial transactions, problems with banking system and convertibility of the Ruble, inflation;
- tax laws which adversely affect foreign currency transactions and discourage foreign investment;
- ownership laws, and difficulty identifying - legal entity with authority to commit to a relationship and to implement an agreement/relationship;
- infrastructure difficulties such as transportation;
- characteristics carried over from the former system with regard to sharing of scientific information;
- internal dissemination of information about opportunities for cooperation and involvement of scientists of various regions;
- poor internal Russian government agency coordination;
- lack of experience in accountability, planning, and management;
- the narrow scope of international experience of many Russian scientists and engineers.

Predominantly on the U.S. side:

- need for continued review and updating of technology transfer constraints, including COCOM and U. S. export controls;
- tight budget climate;
- slowness in response to grant proposals;

Both:

- customs;
- visas;
- funding;

POSSIBLE AREAS FOR EXPANDED COOPERATION

Subject to remediation of factors affecting cooperation, and in some instances in spite of them, there is considerable interest both in government and in the private sector to expand S&T cooperation with Russia. The U.S. is interested in maintaining, and expanding, cooperation under the present nine agreements (subject to availability of funding and assessments to determine the feasibility and desirability of additional cooperation). The U.S. also seeks to expand cooperation to include all regions of Russia, particularly the Far East. Areas of expanded cooperation could include, for example:

- transportation: aviation and highways;
- health and medicine: on the effects of environmental pollution, including Chernobyl and Chelyabinsk, on human health, and radiological health studies;
- biological, engineering, and social sciences
- geosciences; assessment and management of energy, mineral, and water resources
- energy, fusion research, environmental restoration and waste management, radiological health studies, pyrometallurgical processing, fossil energy technologies, nuclear safety, and energy conservation;
- materials science.

There is also interest in offering limited project-related training, seminars, and equipment in some of the areas cited above, subject to availability of funding.

The private sector has expressed interest in expanding cooperation in S&T to achieve a more normal US-Russia S&T relationship.

POSSIBLE NEW ARRANGEMENTS FOR EXPANDED COOPERATION

To permit, facilitate, and enhance current and expanded future S&T cooperation with Russia, a number of ideas can be suggested. Several ideas are provided below. They are not necessarily mutually exclusive, but rather represent a continuum of initial activities. Some would overlap and be mutually supportive.

5

- Continue existing governmental arrangements with adjustments to address governmentally controlled factors affecting cooperation, such as IPR.
- Broadening and restructuring existing agreements to include new areas of cooperation and to establish operating procedures which will resolve factors affecting cooperation.
- A joint consultative mechanism to address major policy issues, and to propose joint solutions to factors which limit cooperation [and/or assistance], including aspects of multilateral cooperation which affect bilateral cooperation.
- An endowed non-governmental, non-profit foundation to promote civilian joint research in scientific, engineering, and industrial R&D (the Brown proposal.)
- Formation of new non-governmental, professional association/society relationships.

This list is intended only as a sample of possible steps which could be considered.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01a. Letter	To: Z.A. Yakobashvili Re: Science and Technology Cooperation (1 pp.)		(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Science and Technology Policy, Office of (OSTP)
Series: Bromley, D. Allan, Files
Subseries: International Files - Country Files
WHORM Cat.:
File Location: Briefing Book, Moscow Trip [2 of 2] [1992]

Date Closed:	5/10/2010	OA/ID Number:	62067-012
FOIA/SYS Case #:	2005-0336-F	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01b. Letter	To: Boris Saltykov From: Allan Bromley Re: Joint Commission Meeting (1 pp.)	9/22/92	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Science and Technology Policy, Office of (OSTP)
Series: Bromley, D. Allan, Files
Subseries: International Files - Country Files
WHORM Cat.:
File Location: Briefing Book, Moscow Trip [2 of 2] [1992]

Date Closed:	5/10/2010	OA/ID Number:	62067-012
FOIA/SYS Case #:	2005-0336-F	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

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(b)(9) Release would disclose geological or geophysical information

unofficial translation

Dr.D.Allan Bromley
The Assistant to the
President for Science
and Technology

The White House
Washington D.C. 20508

August 31 , 1992.

Dear Dr.Bromley,

Thank You for kind letter of August 3,1992, which we received from the Embassy of the United States of America in the Russian Federation on August 21, 1992.

I agree with You and confirm that the Agreement on Cooperation in the Field of Basic Scientific Research remains in force between our two governments.

We accept with appreciation Your invitation to hold the Third session of the Joint American-Russian Commission in the fall in Washington.

We would be happy to meet Your Associate Director for Policy and International Affairs, Dr.J.Thomas Ratchford in Moscow in time convenient to him and discuss with him questions related to practical realization of the provisions of the Joint Statement on Science and Technology Cooperation issued by Presidents Bush and Yeltsin on June 17, 1992 and on preparation to the Third session of the Joint American-Russian Commission under Basic Sciences Agreement between our countries.

I am looking forward to hearing from You on this matter again.

Sincerely Yours,

Dr.B.G.Saltykov

UNCLASSIFIED

INCOMING
TELEGRAM

ACTION

Department of State

PAGE 01 MOSCOW 26792 032013Z
ACTION QES-03

5488766

MOSCOW 26792 032013Z

5488766

MATTER AGAIN.

INFO LOG-00 ACDA-16 AID-00 AMAD-01 CIAE-00 CIP-00 COME-00
 C-01 DINT-05 DCDE-00 DOEE-00 ITCE-00 CISA-02 EB-00
 EUR-00 N-01 INRE-00 INR-01 ITC-01 L-00 ADS-00
 NASA-02 NAS-01 NRRG-00 NSAE-00 NSF-02 PM-00 SP-00
 SSO-00 SS-00 STR-16 TRSE-00 TST-02 *-01 EPAF-00
 /074W

SINCERELY YOURS
 DR. B. G. SALTYSOV

END TEXT.

2. ORIGINAL TO FOLLOW BY POUCH. STRAUSS

-----5DECA7 032013Z /3E
 C 032013Z SEP 92
 FM AMEMBASSY MOSCOW
 TO WHITEHOUSE WASHDC IMMEDIATE
 SECSTATE WASHDC IMMEDIATE 8865

UNCLAS MOSCOW 026792

DEPT FOR EUR/ISCA/CAST:BARKLEY, CLAPKE
 WHITE HOUSE FOR OSTP (RATCHFORD)

E.O. 12356: N/A
 TAGS: TSPL, OVIP, PS, US
 SUBJECT: RUSSIAN MINISTER OF SCIENCE REPIES TO OSTP
 BROMLEY LETTER

REF: A) STATE 269322, B) MOSCOW 21874

1. EMBASSY RECEIVED SEPTEMBER 3 A REPLY LETTER TO
 DR. BROMLEY FROM MINISTER OF SCIENCE (AND DEPUTY

PRIME MINISTER) SALTYSOV, IN RUSSIAN. THE
 ACCOMPANYING TRANSLATION FOLLOWS:

"DR. D. ALLAN BROMLEY
 THE ASSISTANT TO THE PRESIDENT
 FOR SCIENCE AND TECHNOLOGY
 THE WHITE HOUSE
 WASHINGTON, D.C. 20506

AUGUST 31, 1992

DEAR DR. BROMLEY:

THANK YOU FOR YOUR KIND LETTER OF AUGUST 3, 1992,
 WHICH WE RECEIVED FROM THE EMBASSY OF THE UNITED
 STATES OF AMERICA IN THE RUSSIAN FEDERATION ON AUGUST
 21, 1992.

I AGREE WITH YOU AND CONFIRM THAT THE AGREEMENT ON
 COOPERATION IN THE FIELD OF BASIC SCIENTIFIC RESEARCH
 REMAINS IN FORCE BETWEEN OUR TWO GOVERNMENTS.

WE ACCEPT WITH APPRECIATION YOUR INVITATION TO HOLD
 THE THIRD SESSION OF THE JOINT AMERICAN-RUSSIAN
 COMMISSION IN THE FALL IN WASHINGTON.

WE WOULD BE HAPPY TO MEET YOUR ASSOCIATE DIRECTOR FOR
 POLICY AND INTERNATIONAL AFFAIRS, DR. J. THOMAS
 RATCHFORD IN MOSCOW AT A TIME CONVENIENT FOR HIM AND
 DISCUSS WITH HIM QUESTIONS RELATED TO PRACTICAL
 REALIZATION OF THE PROVISIONS OF THE JOINT STATEMENT

ON SCIENCE AND TECHNOLOGY COOPERATION ISSUED BY
 PRESIDENTS GUSH AND YELTSIN ON JUNE 17, 1992 AND ON
 PREPARATION TO THE THIRD SESSION OF THE JOINT
 AMERICAN-RUSSIAN COMMISSION UNDER THE BASIC SCIENTIFIC
 AGREEMENT BETWEEN OUR COUNTRIES.

I AM LOOKING FORWARD TO HEARING FROM YOU ON THIS

UNCLASSIFIED

TOTAL P.02

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01c. Letter	To: Boris Salytkov From: Allan Bromley Re: Joint Commission meeting (2 pp.)	8/3/92	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Science and Technology Policy, Office of (OSTP)
Series: Bromley, D. Allan, Files
Subseries: International Files - Country Files
WHORM Cat.:
File Location: Briefing Book, Moscow Trip [2 of 2] [1992]

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Re-review Case #:		Appeal Disposition:	
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AR Disposition:		MR Disposition:	
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(b)(9) Release would disclose geological or geophysical information

ESTIMATION: FY 1992 FUNDING FOR S&T COOPERATION WITH
REPUBLICS OF THE FSU FOR FY 1992

DEPARTMENT OF AGRICULTURE	\$90,000	[EXCHANGES & AG RESEARCH SERVICE LABS-NO FOREIGN AG SERVICE]
DEPARTMENT OF COMMERCE		
NOAA		
OCEANS	\$94,000	
EPA	\$300,000	[TRAVEL ONLY]
TOTAL	<u>\$394,000</u>	
DEPARTMENT OF ENERGY		
	\$ 100,000	[TRAVEL]
	90,000	[FUSION CONTRACT]
SUBTOTAL	\$390,000	[ADDITIONAL \$1,000,000 IF WASTE MANAGEMENT PROJECTS APPROVED]
SSC	\$2,000,000	
PU238	\$6,000,000	
TOTAL	<u>\$8,390,000</u>	
DEPARTMENT OF INTERIOR		
USGS	\$1,600,000	
BLM	\$120,000	
MIN. MGMT SERV.	\$35,000	
FISH & WILDLIFE	\$900,000	
PARK SERVICE	\$92,000	
TOTAL	<u>\$2,7749,000</u>	
HEALTH AND HUMAN SERVICES		
HHS	\$ 300,000	
NIH		
FOGARTY	\$ 802,000	
OTHERS	1,950,000	
TOTAL	<u>\$3,052,000</u>	
ENVIRONMENTAL PROTECTION AGENCY		
RUSSIA	\$500,000	
UKRAINE	500,000	
TOTAL	<u>\$1,000,000</u>	
NATIONAL SCIENCE FOUNDATION	\$1,500,000	
		[1/2research here & there,1/2 int'ltravel/coord costs for them here-does not include suppliments]
	\$ 380,000	
TOTAL	<u>\$1,850,000</u>	
ESTIMATED TOTAL	<u>\$14,471,000 (PLUS OR MINUS \$2,000,000)</u>	



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

September 4, 1992

National Institutes of Health
Bethesda, Maryland 20892

MEMORANDUM FOR THE HONORABLE D. ALLAN BROMLEY
ASSISTANT TO THE PRESIDENT FOR SCIENCE AND TECHNOLOGY

SUBJECT: Submission of Draft Report on U.S. Government S&T
Relations with Russia

As requested in your letter to me of August 13, 1992 (attached), enclosed is a draft Report on U.S. Government Science and Technology Relations with Russia.

This draft of the report was prepared by my staff based upon contributions and assistance of the participating agencies listed on the last page of this report, which represent the CISET Subcommittee on S&T Cooperation with Industrialized Countries. However, I would like to stress that, given time constraints, the report has not been reviewed and cleared by the full CISET. I believe, however, that it is responsive to your request to have preliminary results from our effort available to you by September 4.

The draft report will be circulated to members of CISET for their review. And in compliance with your directive to coordinate our efforts with the Policy Coordinating Committee on Oceans and International Environmental and Scientific Affairs, a copy of this draft report is being sent to Curtis (Buff) Bohlen, Chairman of the PCC/OES, with a request that it be distributed to the members of that Committee for their review.

In addition to expressing my deep gratitude for the very helpful and responsive contributions by the agencies and individuals contributing to this report, I would like to acknowledge the role of Robert Eiss, Alexandra Stepanian, and Allen Holt of my staff in preparing this draft report in the short time available.

Your comments, and those of your staff, at this stage of the report would be most helpful as we coordinate efforts with the PCC/OES to prepare you for your meeting with your Russian counterparts this Fall.

Philip E. Schambra, Ph.D.
Director
Fogarty International Center

Enclosure

cc:
Curtis Bohlen
Thomas Ratchford

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02a. Letter	To: Philip Schambra From: Allan Bromley Re: Report on Science and Technology Relations with Russia (2 pp.)	8/13/92	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Science and Technology Policy, Office of (OSTP)
Series: Bromley, D. Allan, Files
Subseries: International Files - Country Files
WHORM Cat.:
File Location: Briefing Book, Moscow Trip [2 of 2] [1992]

Date Closed:	5/10/2010	OA/ID Number:	62067-012
FOIA/SYS Case #:	2005-0336-F	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or
financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President
and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of
personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of
gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an
agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial
information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of
personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement
purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of
financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02b. Report	U.S. Government Science and Technology Relations with Russia (32 pp.)	9/4/92	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Science and Technology Policy, Office of (OSTP)
Series: Bromley, D. Allan, Files
Subseries: International Files - Country Files
WHORM Cat.:
File Location: Briefing Book, Moscow Trip [2 of 2] [1992]

Date Closed: 5/10/2010	OA/ID Number: 62067-012
FOIA/SYS Case #: 2005-0336-F	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

SUMMARY REPORT

ROUNDTABLE MEETING ON

INDUSTRY INTERACTION WITH

THE FORMER SOVIET UNION (FSU)



WASHINGTON, DC

APRIL 8, 1992

[26] From: Haas Ward J. 8/3/92 2:29PM (2854 bytes: 54 ln)

To: NATIONAL SECURITY, Ratchford J. Thomas

bcc: Haas Ward J.

Subject: For John O'Neill: IRI FSU Survey: CORRECTED

----- Message Contents -----

Dear John,

The bulk of the replies to the IRI questionnaire are now in hand. A few more may drift in over the next few weeks as reps who were on vacation respond, etc., but they probably will not develop any major differences.

Approximately 250 companies received the questionnaire. ⁴⁷~~48~~, ca. 20 %, have replied to-date. 22 answered NO to the first question about interest or activity; 13 of these made comments in answers to questions 3 & 4 about potential problems or issues (possibly indicating future interest ?)

Of 23 "YES" to question 1 companies (roughly 9 % of the IRI membership), 12 have actual interaction activities of one sort or another; 7 are in exploratory or negotiating stages; and 4 are seriously considering an attempt to interact. A positive answer was also received from one government lab, Oak Ridge, and the Univ. of Fla. (For different reasons, both these organizations receive IRI mailings.)

The answers to questions about difficulties and issues contained no surprises. In very rough order of frequency, these comments rank about as follows:

1. Funding, money, banking, currency and related problems.
2. IPR and "ownership" (who owns ?) issues.
3. U.S./Company lack of knowledge about FSU S & T: where to look, who to contact, etc.
4. Contract uncertainties (form, law, enforcement, etc.)
5. Cultural mismatch: lack of FSU understanding of business practices, standards (eg., GLP, GMP, TQM), and the commercialization process in general.
6. Cocom and related U.S. security concerns.
7. Inadequacy of FSU facilities and equipment
8. Lack of practical (as opposed to theoretical) S & T expertise.

and Martin-Marietta, as expected, raised the issue of DOD encouragement for firms highly dependent on the government as a customer.

A number of action suggestions were made including workshops and training seminars (both ways) and the need for a central data bank for information on FSU S & T programs and assets

Copies of the individual returns are attached to the printed version of this message. We will also shortly receive Chuck Larson's summary of the results from IRI's viewpoint.

I will be tied up at IRI on the GATT discussion tomorrow, and OOT on Wednesday. Back Thursday if I can be of further help.

Ward

IRI ROUNDTABLE ON INDUSTRY INTERACTION WITH THE
FORMER SOVIET UNION (FSU)

Wednesday, April 8, 1992
Washington, DC

SUMMARY REPORT

A Roundtable on Industry Interaction with the Former Soviet Union (FSU) was convened by the IRI International Committee at 9:30 a.m. on Wednesday, April 8, 1992 at IRI headquarters in Washington, DC.

DISCUSSION LEADER

John McShefferty
President, Gillette Research Institute
Vice Chair, IRI International Committee

PARTICIPANTS

Cynthia Anthony
U.S. Dept. of Commerce
Michael J. Baldwin
Quantum Chemical
Albert L. Barbero
Sundstrand
J. D. Bindenagel
Rockwell International
Jacques A. Bodelle
Elf Aquitaine
Robert E. Burkart
IRI
Lawrence P. Cole
GTE Labs
Gerald P. Dinneen
Nat. Academy of Engineering
Edward P. Foster
Air Products
Phillip Griswold
Eastman Chemical
Margaret R. Grucza
IRI
Ward J. Haas
OSTP
Jay M. S. Henis
Henis Technologies
Frank T. King
McDermott, Inc.
John W. Kiser
Kiser Research, Inc.
Stephen F. Krzeminski
Rohm & Haas

Sarah E. Laessig
Independent University
Charles F. Larson
IRI
Stephen J. Matas
LTV Steel
William K. McHenry
Georgetown University
John McShefferty
Gillette
Eve L. Menger
Corning, Inc.
Philip J. Padgett
McDonnell Douglas
John A. Peterson
Armco
Janis Plostnieks
Johnson & Johnson
A. T. Santhanam
Kennametal
Walter J. Sienkiewicz
Liquid Carbonic
Annette E. Stiefbold
Lockheed
Rudolf J. H. Voorhoeve
Great Lakes Chemical
John J. Wise
Mobil
Michael F. Wolff
RESEARCH. TECHNOLOGY MANAGEMENT
E. Allen Womack
Babcock & Wilcox
John Zajacek
Arco Chemical

DISCUSSION

Chuck Larson welcomed the participants, outlined the purpose of an IRI Roundtable, and described IRI's interaction with Academician Konstantin V. Frolov (Vice President of the Russian Academy of Sciences) over the past three years, and more recently with Dr. Boris G. Saltykov (Minister of Science, Advanced Education, and Technological Policy of the Russian Federation). Both Acad. Frolov and Minister Saltykov had visited IRI in recent months to explore cooperation with the industrial R&D enterprise in the United States. Initiatives proposed by Acad. Frolov were outlined as follows: (1) To create a joint newsletter which can provide a "window" for initiating interactions; (2) To send an IRI delegation to the FSU in late May or early June to visit research institutes; and (3) To eventually create a Russia-U.S. Industrial Research Institute.

Also described were recent government studies and initiatives relative to support of scientists and engineers in the FSU. They include the 1992 N.A.S. report to Dr. Bromley, titled "Reorientation of the Research Capability of the Former Soviet Union" (with its 15 key recommendations); the recently-announced Department of Commerce expansion of the Special American Business Internship Training (SABIT) Program, Congressman Brown's proposal to establish a Foundation for United States-Russian Science & Technology, and the National Science Foundation's plan to make grants available to U.S. academic institutions for use by scientists in the FSU to purchase journal subscriptions, instruments, supplies, etc.

Chuck suggested that discussion and presentations by the "resource persons" throughout the day focus on five key agenda items:

1. Facilitation of joint ventures with the FSU
2. Facilitation of joint R&D projects with the FSU
3. Support of R&D at institute laboratories in the FSU
4. Resolution of intellectual property rights in dealing with the FSU
5. Interest in visiting research institutes in the FSU in late May or early June

The resource persons (Cynthia Anthony, Bill McHenry, Jay Henis, and John Kiser) and the discussion leader, John McShefferty of Gillette Research, who is Vice Chair of the International Committee, were introduced. John McShefferty asked everyone else present to introduce themselves and their company affiliation, and called on Cynthia Anthony to describe the SABIT Program.

Cynthia noted that the program had been underway for some time, but that it was recently expanded under the auspices of the Department of Commerce because of the dramatic changes in the FSU. A press release outlining the SABIT program is attached. Commerce serves as a facilitator of the program and is seeking host companies. Given the potential benefits of this program and the need for a quick response by companies interested in applying to host FSU scientists, it was agreed that Chuck Larson would mail the announcement to all IRI members. (The information was mailed to IRI Rep/Alts on April 16.)

Professor William K. McHenry of Georgetown University, who has had a strong interest in the FSU and who was teaching a course on joint ventures with the FSU, outlined a number of opportunities and issues to deal with when considering interactions with the FSU. (Copies of his overhead transparencies are attached.) Bill emphasized that the rationale for exploring cooperation with research institutes in the FSU should be to find quality people to do quality work, rather than trying to "get a good deal."

Considerable discussion followed on legal, currency, and tax-related issues. It was noted that these issues should be examined very carefully before selecting the best method for working with the FSU.

John Kiser of Kiser Research Inc. offered several excellent points during this part of the discussion. Because a variety of arrangements exist for joint R&D (or business) ventures, it will be advantageous to begin while the situation is fluid in order to be able to customize the agreements to fit the specific situation. He pointed out that the lowest-risk approach will be to try to handle the transactions under "Western law."

John mentioned that it is often difficult to identify the key person(s) that companies should be dealing with; however, it is critical that companies spend some time using networks that can help identify these key persons who can deliver exclusivity once an agreement has been negotiated.

It was suggested that the best course is to negotiate with the head of an institute, because there is no bureaucracy currently in place that is capable of managing the process. John cautioned that while many opportunities exist, there is a danger that the rules will change over the next few years.

Jay Henis pointed out that personal contacts are essential because arrangements are made with individuals and there are no definite rules on which one can depend. Time must be devoted to creating goodwill. It was mentioned that the Japanese and Taiwanese are very active in the Baltic countries, where they are offering considerable resources; for example, the Japanese are offering to take nearly 3000 persons to Japan to learn how to establish joint ventures.

The importance of timing was noted repeatedly during the roundtable discussion. U.S. companies must act quickly if they want to capture clusters of expertise before research groups dissolve or are broken apart. At this time, many FSU scientists and engineers are not really being paid; they are living off reserves, which are quickly running out. While the initial costs of supporting scientists and engineers in the FSU are relatively low, they are looking for longer-term arrangements. The costs (including equipment and supplies) of sponsoring work in the FSU are likely to be quite variable.

U.S. companies will find it a challenge to assess both the quality of FSU scientists and engineers and the commercial potential of available technology. FSU scientists and engineers excel in theoretical domains because they do not have the best equipment for conducting good experiments. Bill McHenry cautioned that the FSU has a weak peer review

system for controlling the quality of journal articles. Working with the FSU could be viewed as being similar to working with an offshore university. Communication will not be easy, words have different meanings, the cultures are clearly different, and FSU researchers may not realize the potential commercial value of their own work. While communication will require the assistance of an effective translator, companies that do not attempt business ventures now will find it increasingly difficult later.

In reference to item 5 on the agenda for this roundtable, namely interest in an IRI delegation visiting research institutes in the FSU this spring, the consensus was that such a visit would be more of a formality than a productive venture. It was suggested that a better approach would be to arrange for small teams of representatives from the same company to visit institutes doing work relevant to their company's business interests.

CONCLUSIONS

1. Timing is critical--do something immediately, before it is too late.
2. Move quickly to establish contacts with the best institutes and the best scientists and engineers. There is no substitute for being there. Utilize databases and networks to do this.
3. Seek out groups that can be readily linked to your existing R&D programs or lines of business.
4. Assume nothing--acknowledge the inherent and numerous risks in creating any joint venture.
5. To minimize risk, try to establish your ventures under Western law.
6. Use caution and carefully examine up-front tax, currency, and property-rights issues.

7. Be willing to exert serious effort to seek, access, and utilize the tremendous number of talented research teams and opportunities that currently exist in the FSU.
8. Know that it will not be easy--try to work through a technically capable person fluent in Russian and plan to take the time to make it work.
9. Finally, one has to believe and accept the premise that there is a growth opportunity to make the effort worthwhile.

ADJOURNMENT

John McShefferty thanked the resource persons and other participants for their excellent contributions and discussion. The roundtable was adjourned at 3:40 p.m.



UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

OFFICE
OF THE
SECRETARY

G 92-04

Contact: Cheryl Crispen
(202) 388-3808

COMMERCE EXPANDS SABIT
PROGRAM

FOR IMMEDIATE RELEASE

Secretary of Commerce Barbara H. Franklin today announced a further expansion of the department's Special American Business Internship Training (SABIT) program to include training for scientists from the New Independent States of the former Soviet Union (NIS).

The expanded program, funded by \$1 million in foreign assistance funds from the Agency for International Development (AID), will place 150 defense scientists from Russia, Ukraine and other newly independent states in three- to six- month internships with U.S. companies and research institutions.

"The goal of this new program is to provide opportunities for gifted defense scientists of the NIS to apply their skills to peaceful research and development in areas such as defense conversion, nuclear safety and medical research. The SABIT training will introduce them to the important role scientific research plays in determining ultimate commercial success in a market economy," Secretary Franklin said.

"Sponsor firms in the U.S. business and scientific community also will benefit from the exchange of information and ideas, and exposure to different approaches to new technologies," Franklin added.

As it does under the SABIT program for business managers, Commerce will interview promising scientists and refer top applicants to sponsoring firms for final selection. Commerce awards will be made on a competitive basis.

Those interested in participating in the SABIT program should contact the SABIT office at (202) 377-0073 or send a facsimile message to (202) 377-2443.

SPECIAL AMERICAN BUSINESS INTERNSHIP TRAINING PROGRAM
(SABIT)

- The SABIT program was announced in September 1990 by then-Secretary Mosbacher during a Presidential Business Development Mission to the former Soviet Union. The program's goals are to provide business managers from the New Independent States (NIS) of the former Soviet Union firsthand experience working in a market economy through management internships in private U.S. companies and to increase familiarity of NIS managers with U.S. products and peaceful technologies.
- SABIT was designed as a follow-up to President Bush's offer of technical cooperation to then-President Gorbachev at the Malta Summit. The fifteen companies that accompanied Secretary Mosbacher on the 1990 Business Development Mission were the charter SABIT sponsors.
- A total of twenty-six U.S. firms signed up to participate in the pilot SABIT program. The sponsors informed Commerce of the type of managers they wanted, and Commerce recruited business managers to fit those descriptions. Commerce screened and interviewed candidates and referred outstanding ones to the companies for final selection. Commerce then assisted the companies in obtaining visas for the interns and arranging transportation. Under the pilot program, the interns paid for their transportation and the companies paid all of their costs in the U.S.
- On March 11, 1992, Commerce received \$1 million in U.S. foreign assistance funding through A.I.D. to expand the managers program to 150 interns. Under the new program, Commerce will make awards on a competitive basis to U.S. firms to defray the cost of the internships. Commerce will reimburse firms the round-trip transportation costs, plus \$30 per day (\$900 per month) to cover meals and incidentals. The companies will pay for housing, which can consist of a homestay, and medical insurance. Eighty-four companies have already expressed interest in the new program.
- On March 27, 1992, Commerce signed a new agreement with the Agency for International Development (AID) to expand SABIT further. This new phase will place 150 scientists from the former Soviet Union in three- to six- month internships with American companies and research institutions.
- The goals of this program are to provide opportunities for gifted defense scientists to apply their skills to peaceful research in areas such as defense conversion, pharmaceutical and other medical research, and energy and to expose them to the role of scientific research in a market economy where applicability of research relates to success of the firm. Sponsoring U.S. scientific firms also will benefit from the exchange of information and ideas, and different approaches to new technologies.
- Commerce will work with other U.S. government agencies in scientific fields to identify appropriate U.S. companies and intern candidates.

Reports from Companies: SABIT Results

U.S. companies that have already participated in the SABIT managers program have told Commerce of the benefits they have derived from the program. Some examples:

- An energy company, Louisiana Land and Exploration Company, reported that their participation in the program opened key doors for them in the former Soviet Union on a recent mission. The company's chairman, Leighton Steward, stated, "Our employees have been thrilled with the opportunity to both learn from the experiences of the Russian participant and to share our free market concepts with him. They have taken him in as a member of the LL&E family. Bread lines in Russia have taken on a whole new meaning as we can now relate firsthand to those events. We are hopeful through our work with our participant that he can return to Russia and participate in an economic revolution."
- James B. Hayes, publisher of "Fortune" magazine, stated, "We have benefited far more than expected from SABIT...and in an unexpected way. We planned to train and counsel our intern; when in fact, we learned about banking and business opportunities in Russia from an experienced, independent and highly energized Russian manager."
- Chevron Corporation representatives stated, "In explaining business operations to our intern and answering his probing questions, we have reexamined and improved many of our work processes. We anticipate doing business in Kazakhstan and will look to our intern for insight. Introducing our intern to American life has been a wonderful opportunity to learn about Kazakhstan and has enriched our understanding of a foreign culture, itself an invaluable lesson for anyone hoping to do business abroad."

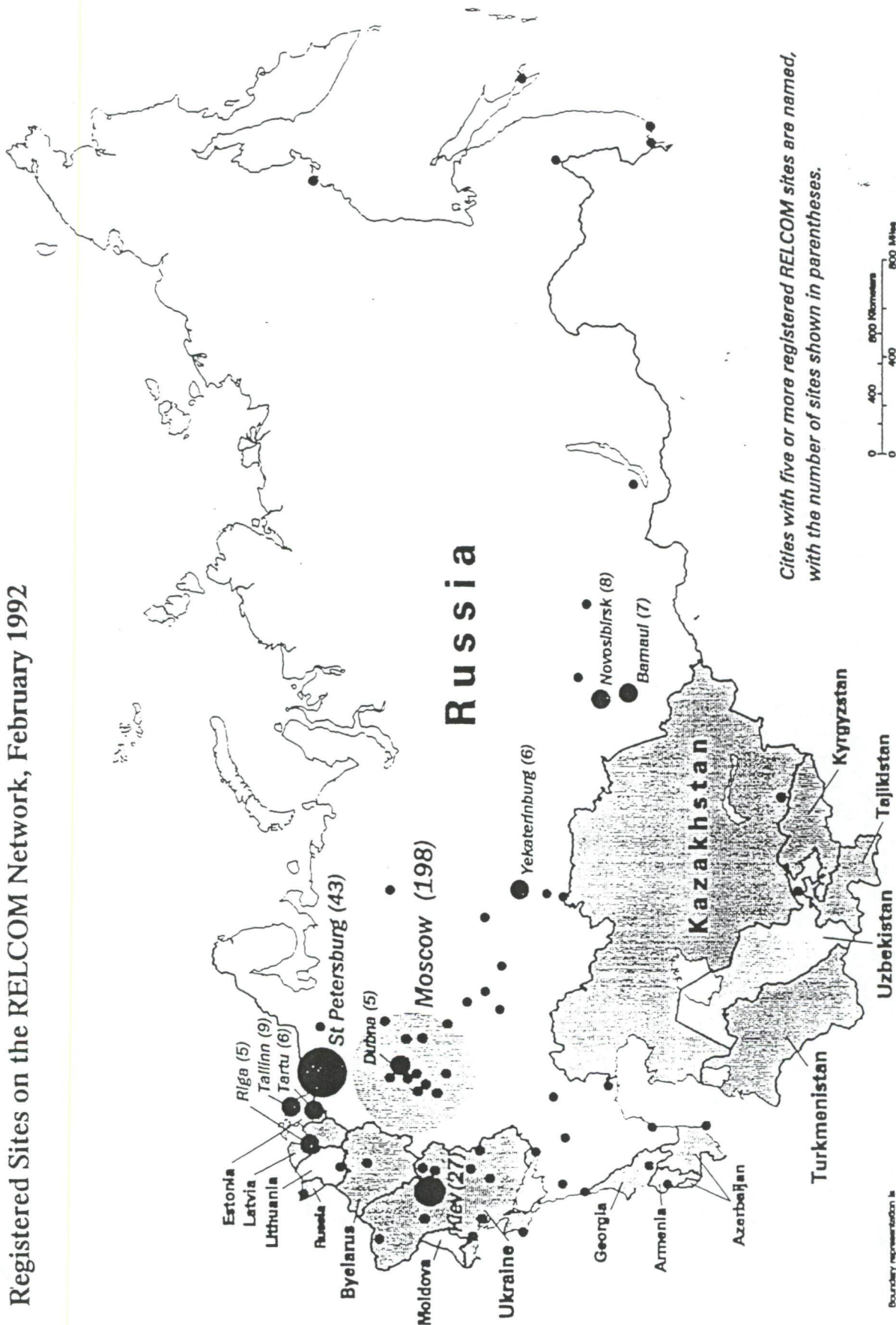
William K. McHenry
Georgetown University

IRI Roundtable on Interaction
with the FSU, April 8, 1992

ISSUES

- identifying promising technological developments in CIS
 - what work is believable: weak peer review
 - what work is believable: unreliable scientific practices, equipment, materials
- identifying promising work groups
 - Academy of Sciences vs. more applied ministry institutes
 - work groups are an appropriate level at which to look, because everyone knows everyone else and knows who are the best people
 - many work groups are now disbanding because of the collapse of the ministries, especially outside of Russia
- legal issues
 - intellectual property protection (laws vs. practice)
 - best form of business venture - wholly owned subsidiary, joint venture, licensing, purchase
 - additional complications of 15 sets of laws and regulations
 - may still be COCOM regulations to worry about
 - how much to pay - may be cheap now, but in the long run?
- communication issues
 - Internet e-mail connections available through Soviet RELCOM
 - Sov-Am teleport provides reliable commercial e-mail
 - other commercial services, Sprint Mail, Belka, etc.
 - absolutely critical to have technically capable Russian speaker who can travel frequently and/or spend significant amounts of time there

Registered Sites on the RELCOM Network, February 1992



Cities with five or more registered RELCOM sites are named, with the number of sites shown in parentheses.

Boundary representation is not necessarily authoritative.

RESOURCE PERSONS

Ms. Cynthia Anthony
Manager, SABIT
U.S. Department of Commerce
Room 3413
14th Street & Pennsylvania Ave., NW
Washington, DC 20230
Tel. 202-377-0073
Fax. 202-377-2443

Dr. Jay M. S. Henis
Managing Partner
Henis Technologies Inc.
501 Marford Drive
St. Louis, MO 63141
Tel. 314-994-1922
Fax. 314-994-1932

Mr. John W. Kiser
President
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Fax. 202-452-9571

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Associate Professor
Georgetown University
School of Business Admin.
Washington, DC 20057
Tel. 202-687-3808
Fax. 202-687-4031

MOST COMMONLY CITED OBSTACLES

- o Communication difficult by mail, fax and phone. Shipment of goods not cost effective nor reliable.**
- o Different business practices, lack of follow through on FSU side.**
- o Difficulty with financial transactions; ill defined laws regarding disbursement of funds, taxes and banking. Problems in transfer of funds without unacceptable risk or taxation.**
- o Unacceptable rates of taxation on "aid" and assistance. Matching funds are critical, so as not to contribute to declining infrastructure support.**
- o COCOM regulations, unilateral export controls, legislation regarding technology transfer.**
- o Corruption.**
- o Confusion over who has negotiating authority.**
- o Confusion over personal/commercial property rights.**
- o Lack of adequate intellectual property rights protection or enforcement.**
- o Customs and delivery of equipment difficult.**
- o Lack of hard currency.**
- o Various republics will not participate in collaborative programs.**
- o Visas.**

METHODS UTILIZED TO AVOID OBSTACLES

- o E-mail is repeatedly cited as a must for efficient communication.**
- o Use of Sabre Foundation and Brother's Brother Foundation for parcel delivery.**
- o Up front agreements for matching funds and no taxation on aid/grants.**
- o Use of off shore banks.**

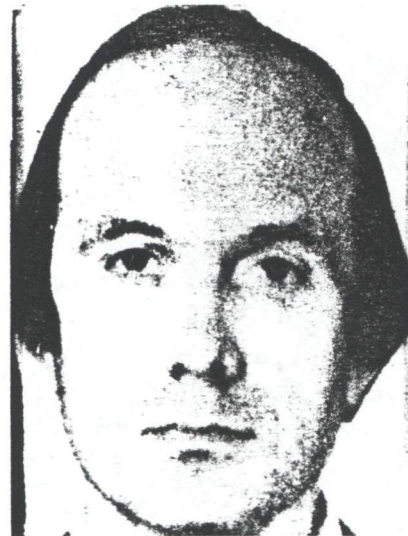
Boris Georgiyevich SALTYKOV
(Phonetic: sahl'tihKOFF)

RUSSIA

*Minister of Science, Higher
Education, and Technology Policy
(since November 1991)*

Addressed as: Mr. Minister

A specialist in the economics of S&T development, Boris Saltykov has been an energetic proponent of sustaining the Russian scientific community during a time of fundamental change. He has met with numerous scientific policy makers in the international community to foster Russian participation in joint research projects and to secure Russia's place in what he terms "the organic whole of world science." Saltykov has acknowledged that economic conditions in his country have contributed to the brain drain of hundreds of scientists, but he has categorically denied that specialists in weapons research have been lured to nations seeking to develop weapons programs.



In addition to S&T, which was the first duty assigned to him, Saltykov was later given responsibility for higher education. He has stated that he will work to break down traditional barriers between the science and education sectors and to foster a freer flow of information and interaction in order to speed innovation in domestic technology development. As early as 1989, he had called for a complete change of science's management, citing monopolism, poor wages, materials, and equipment as being crippling to the sector. He blasted the administrative command system for killing creativity through bureaucratization. He wrote that, for science to progress, the establishment would need to foster new attitudes, more flexibility, and new organizations that departed from traditional, centralized models.

Saltykov was born on 27 December 1940 in Moscow. By 1972 he held a candidate of economic sciences degree and was working at the Central Mathematical Economics Institute, where his research centered on computers, automation, and management. He had transferred to the Economics and Forecasting of Science and Technology Progress Institute by the late 1980s to serve as chief of a section devoted to analyzing scientific achievement. In 1990 he became deputy director of a new analytical center at the USSR Academy of Sciences that studied problems of socioeconomic, scientific, and technical development.

Saltykov visited the United States in 1978 as a member of a delegation studying computer applications that met with US academics to discuss socioeconomic models for long-range planning. Since 1989 he has participated with US officials in bilateral meetings on science indicators, an area in which he has much experience. He speaks English well.

21 February 1992

COUNTRY: RUSSIA

SUBJ: SALTYKOV APPOINTED GOVERNMENT REP. TO NUCLEAR CENTER

SOURCE: MOSCOW ROSSIYSKAYA GAZETA IN RUSSIAN 21 MAR 92 FIRST
EDITION P 1

TEXT:

(((UNATTRIBUTED REPORT UNDER THE "APPOINTMENTS" RUBRIC)))

((TEXT)) RUSSIAN FEDERATION SCIENCE, HIGHER EDUCATION, AND
TECHNICAL POLICY MINISTER B.G. SALTYKOV HAS BEEN APPOINTED
PLENIPOTENTIARY REPRESENTATIVE OF THE RUSSIAN GOVERNMENT TO THE
INTERNATIONAL ORGANIZATION THE JOINT NUCLEAR RESEARCH INSTITUTE.

ADMIN

(ENDALL) 21 MAR BENNETT/AF 23/1612Z MAR

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