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Folder Title:

Brown Foundation [2]

Staff Office-Individual:

Science Technology Policy-Gibbons, John

Original OA/ID Number:

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DRAFT
April 23, 1993

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Purpose - To call a meeting of legal type
To resolve legal issues of
Foundation

MEMORANDUM FOR

SUBJECT: JOINT RESEARCH AND DEVELOPMENT FOUNDATION

The Freedom Support Act authorizes the Director of the National Science Foundation (NSF), in consultation with the Director of the National Institute of Standards and Technology (NIST), to establish an endowed, non-governmental foundation to support joint research and development programs between the U.S. and the republics of the former Soviet Union. This joint R&D foundation is described in section 1441 of the National Defense Authorization Act for Fiscal Year 1993, and in section 511 of the Freedom Support Act of 1992. In section 1421(C) of the National Defense Authorization Act, and section 9110(b)(6) of the Defense Appropriations Act of 1993, the Secretary of Defense is authorized to allocate up to \$25 million of the so-called Nunn-Lugar funds to NSF for this foundation. These Acts also spell out important purposes for the foundation that address defense conversion, development of market economy in the former Soviet Union, economic and technological benefits for the United States as well as the countries of the former Soviet Union, and counter-proliferation measures.

The \$25 million figure is the same as that proposed by the National Academy of Sciences report entitled, "Reorientation of the Research Capability of the Former Soviet Union." This report dealt with civil science in the FSU and was produced at the request of the Office of Science and Technology Policy. It was co-authored by Dr. Frank Press, former Science Advisor to the President and currently President of the National Academy of Sciences; Dr. Guy Stever, former Science Advisor to the President; and, Dr. Ashton Carter, Assistant Secretary of Defense-Designate. The legislation for this foundation was introduced by Congressman George Brown of California. It was co-sponsored by former Congressman Les Aspin and former Senator Albert Gore.

Legislation pertinent (extracts attached) to this Foundation was passed by Congress and signed by the President during the previous Administration, but no decision was taken. Successive efforts to resolve the issue have not succeeded, apparently due to a divergence of views relative to ~~the proper use of funds~~ ^{the proper use of funds} for the Foundation. To resolve this issue you are invited send a Principal plus one to a meeting with the Counsel, OSTP on XXXXX in Room NNN, OEOB. Please submit the Department's written interpretation of the pertinent legislation 24 hours prior to the meeting to Holly Gwin via fax (number: 202-395-1572) and provide the names and dates of birth to JoAnn Ward at 202-395-3272 for access to the OEOB.

- ① legal requirements / authority
② policy decision on allocation (not to address the policy issue of whether such funds

How can we avoid to support civil science in the former Soviet Union?

April 23, 1993

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International Science and Technology Centers (ISTCs) are being formed in Moscow, Russia and Kiev, Ukraine. The purpose of these centers is to wean defense scientists from work on weapons of mass destruction. The Foundation would be the logical complement to the ISTCs and support U.S. policy objectives for S&T assistance to and

JNT R&D FO. un.

cooperation with the FSU through the three primary missions of the Foundation:

- 1) reform of the current system through support of peer review and a less centralized approach to S&T,**
- 2) strengthening of the S&T infrastructure in selected areas, such as communications and empowering scientists to benefit from individual initiative and creativity, and**
- 3) facilitating U.S. private sector participation in technology and trade in the FSU, strengthening the S&T infrastructure while furthering U.S. free-market objectives.**

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O'Neil ✓

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

February 19, 1993

MEMORANDUM FOR JOHN H. GIBBONS

FROM: JOHN F. O'NEIL *JFO*
JEFF SCHWEITZER *JS*

SUBJECT: CORRESPONDENCE FROM GEORGE BROWN

HIGHLIGHT: Attached are copies of letters to the Vice President and the Secretary of Defense from Congressman George Brown on an endowed, non-governmental foundation to support joint research and development programs between the U.S. and republics of the former Soviet Union. The following information is provided should the Vice President want to discuss this issue with you.

BACKGROUND: The Freedom Support Act authorizes the Director of NSF, in consultation with the Director of NIST, to establish an endowed, non-governmental foundation to support public and private joint research and development programs (predominately civil science) between the United States and the republics of the former Soviet Union. The FY 93 DOD Appropriations Act allows the Secretary of Defense to allocate up to \$25 million of so-called Nunn-Lugar funds to the NSF for this foundation. This figure is the same as that proposed by the National Academy of Sciences report entitled, "Reorientation of the Research Capability of the Former Soviet Union." This report dealt with civil science in the FSU and was requested by OSTP. Frank Press, Guy Stever, and Ash Carter co-chaired the effort and George Brown participated.

You may recall that International Science and Technology Centers (ISTC) already exist in Moscow and Kiev. The purpose of these is to wean defense scientists from work on weapons of mass destruction. OSTP has supported Congressman Brown's foundation as a logical complement to the ISTCs. The Foundation can support U.S. policy objectives for S&T assistance to and cooperation with the FSU via three primary missions. Each is an important complement to the mission of the ISTC and significantly related to defense conversion: (1) reform the current system, introducing peer review to the process and moving away from the top-down command approach; (2) strengthen the S&T infrastructure in selected areas, such as communications, empowering scientists to benefit from individual initiative and creativity; and (3) facilitate U.S. private sector participation in technology and trade in the FSU, strengthening the S&T infrastructure while furthering U.S. free-market objectives.

The three missions of the Foundation are critical to the success of defense conversion efforts, an important goal of the Nunn-Lugar initiative. For conversion to be sustainable, "converted" scientists must eventually be embedded in a strong, transparent, merit-based S&T system in which individual initiative is rewarded and creativity encouraged. Strengthening a reformed civil science infrastructure will provide the basis for successful defense conversion, and will contribute significantly to U.S. non-proliferation efforts.

The Foundation is a high priority in the Russian agenda for science, and is raised repeatedly by them in bilateral discussions.

Attached for further background on the status of interagency activity concerning the Foundation is a memo of January 27, 1992, and a paper describing the Foundation in more detail.

CURRENT STATUS: This issue was not brought to closure by the previous Administration. State had requested that \$10 million be allocated for this foundation. However, Defense had not allocated the funds because, by their interpretation of the law, they were prohibited from using Nunn-Lugar funds for such "non-defense" related activities. To establish the Foundation, the Secretary of Defense will need to allocate funds up to \$25 million, but the figure could be less at his discretion.

RECOMMENDATION: That you support the concept of a foundation for joint R&D should the Vice President raise it.

Attachment

cc: Skip Johns
Tom Ratchford

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON SCIENCE, SPACE,
AND TECHNOLOGY

SUITE 2320 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-8301
(202) 225-8371

February 17, 1993

TOM LONES, Florida
PAUL HENRY, Michigan
HARRY SAWYER, Illinois
CONSTANCE A. MORELLA, Maryland
DANA RONDORACKER, California
STEVEN N. SCHIFF, New Mexico
JOE BARTON, Texas
DICK ZIMMER, New Jersey
GAIL JOHNSON, Texas
KEN CALVERT, California
MARTIN HOLTZ, Ohio
MICK BARTY, Michigan
ED ROYCE, California
ROD CLARKE, Minnesota
JOHN LINDER, Georgia
PETER SAWYER, Massachusetts
JENNIFER CLARK, Washington
BIL BAKER, California
RONNIE BARTLETT, Maryland

MADFORD STEVENS, Jr.
Chief of Staff
MICHAEL RODENRYER
Chief Counsel
CAROLYN C. GREGG, D.
Chief Clerk
DAVID S. CLIMONT
Legislative Chief of Staff

The Honorable Les Aspin
Secretary of Defense
U.S. Department of Defense
Washington, D.C. 20520

Dear Mr. Secretary:

I would like to bring to your attention the status of provisions in the FREEDOM Support Act and the 1993 Defense Authorization Act which call for the establishment and funding of a non-governmental foundation to support public and private joint research and development programs between the United States and the republics of the former Soviet Union. As you recall, these provisions authorize the Secretary of Defense to spend up to \$25 million during Fiscal Year 1993 to support this foundation. The necessary funds were appropriated as well.

Although with your strong support and co-sponsorship we were able to enact these provisions, the previous Administration did not obligate any funds for this Foundation. Russian Ambassador Lukine has approached U.S. government officials on several occasions asking why there has been a delay in funding this foundation, which the Russian government fully supports. Therefore, I would like to ask that you give your personal attention to allocating the full \$25 million authorized and appropriated for the foundation.

Also, as you prepare the 1994 Department of Defense budget, I would like to ask you to consider making an additional allocation to the foundation of DoD funds set aside for the demilitarization of the former Soviet Union. I realize that numerous demands have been placed upon the Department of Defense. However, I know that you believe that this foundation can achieve a number of U.S. foreign policy objectives in an efficient and effective manner.

Sincerely,

GEORGE E. BROWN, JR.
Chairman

GEB:cf

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON SCIENCE, SPACE,
AND TECHNOLOGY

SUITE 2320 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6301
(202) 225-6371

February 17, 1993

The Honorable Al Gore
The Vice-President
Old Executive Office Building
17th Street, Suite 274
Washington, D.C. 20500

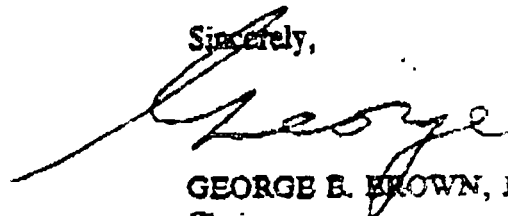
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Although with your strong support and sponsorship we were able to enact these provisions, the previous Administration did not obligate any funds for this foundation, which the Russian government also fully supports. Therefore, I would like to ask for your assistance in allocating the full \$25 million authorized and appropriated for the foundation.

I realize that numerous demands have been placed upon Department of Defense funds for the demilitarization of the former Soviet Union. However, I know that you believe that this foundation can achieve a number of U.S. foreign policy objectives in an efficient and effective manner.

Sincerely,



GEORGE E. BROWN, JR.
Chairman

GFB:cf

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CONSTANCE A. MURPHY
DANA ROYBACHER MURPHY
STEVEN R. SCHIFF, New Mexico
JOE BARTON, Texas
BOB CARR, New Jersey
SAM JOHNSON, Texas
KEN CALVERT, California
MARTIN MACE, Ohio
BOB CARR, New Jersey
ED ROYCE, California
BOB GRAMS, Missouri
JOHN LINDER, Georgia
PETER BLUTE, Massachusetts
JONAS DURN, Washington
BILL SANDER, California
ROSCOE BARTLEY, Maryland

ANDREW BYRLEY, Jr.
Chair of Staff
MICHAEL RODRIGUEZ
Chief Counsel
CAROLYN C. GIBBERD
Chief Clerk
DAVE S. CLARK
Republican Chief of Staff

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

January 27, 1992

MEMORANDUM FOR JOHN H. GIBBONS

THROUGH: TOM RATCHFORD

FROM: JEFF SCHWEITZER
JOHN O'NEIL

SUBJECT: U.S.-RUSSIA S&T RELATIONSHIP

Issues: Three elements of our S&T relationship with Russia require timely action:

- o February 1993 Joint Commission meeting under the Basic Science Agreement
- o February 1993 discussions on expanding cooperation with Russia in science and technology
- o USG support for civil science in the former Soviet Union

Highlight:

BASIC SCIENCES AGREEMENT AND THE JOINT COMMISSION: A meeting of the Joint Commission under the Basic Sciences Agreement, currently the main mechanism for managing our S&T relationship with Russia, was scheduled for December 15, 1992. Due to political developments in Russia in conjunction with the meeting of the Russian Congress during December, the Joint Commission meeting was rescheduled once and subsequently postponed without a new specific date. Minister Saltykov, a progressive reformer who supports more openness in Russian S&T, has expressed interest in rescheduling the meeting for February (see attached letter), although he has subsequently canceled his February visit to Washington.

AVENUES FOR EXPANDING COOPERATION WITH RUSSIA IN S&T: In the joint Summit Statement on Science and Technology Cooperation resulting from the meeting between Presidents Bush and Yeltsin on June 17, 1992, Bromley was charged with meeting appropriate Russian officials to discuss avenues for expanding cooperation in science and technology. The planned summit follow-on meeting, postponed along with the Joint Commission session, was to focus on three themes: (1) the status, goals and objectives of U.S.-Russia cooperation; (2) new avenues and new arrangements for S&T interaction; and (3) factors that affect cooperation. There has been interest on both sides (not shared by State) in developing an umbrella agreement as a vehicle to restructure the S&T relationship, building on and enhancing the Basic Sciences Agreement.

USG SUPPORT FOR CIVIL SCIENCE: The USG, through legislation introduced by Congressman George Brown, has now in statute an S&T Foundation in Russia that would focus on reforming the current civil S&T system, primarily emphasizing mechanisms of financing science and technology (see attached 10/1/92 legislation and OSTP paper on this topic dated 11/18/92). The FY93 DOD Appropriations Act includes a provision permitting DOD to obligate up to \$25 million for research and development from the so-called Nunn-Lugar funds. The Freedom Support Act permits the Secretary of Defense to make the \$25 million authorized available to the National Science Foundation for the establishment of an endowed, non-governmental foundation. After interagency discussions, STATE proposed that \$10 million be used to support the foundation, but this was opposed by DOD because they have a narrower interpretation of the legal uses for these funds. Negotiations on the Nunn-Lugar funding are still underway.

Background:

JOINT COMMISSION: Under the U.S.-Russia Agreement on Cooperation in the Field of Basic Scientific Research, signed in early 1989 with the Soviet Union and now continued with Russia, a Joint Commission meets once annually. OSTP is the Executive Agent for the Joint Commission and STATE serves as the U.S. Executive Secretary. The Joint Commission's purpose is to review, coordinate and facilitate cooperation in the field of basic research. The Basic Science Agreement is scheduled to expire in January of 1994.

On October 7, 1992, a U.S. delegation to Moscow (including John O'Neil and Jeff Schweitzer) led by Tom Ratchford met with representatives of the Russian Ministry of Science, Higher Education and Technology Policy (the Russian executive agent for the Basic Science Agreement) to discuss preparations for the third meeting of the Joint Commission and the Summit Follow-On, scheduled for December 15 and December 16, 1992, respectively. Both sides agreed on agendas for the two meetings (attached). Minister Saltykov was to lead the Russian delegations and Dr. Bromley was to lead the U.S. delegations. The meetings were postponed due to a meeting of the Russian Congress of People's Deputies during this same period and the tenuous political climate that followed.

AVENUES FOR EXPANDING COOPERATION WITH RUSSIA IN S&T: In preparation for discussions on avenues for expanding S&T cooperation with Russia, OSTP organized and hosted two one-day consultations on August 13 & 14, one with the scientific community, represented by scientific organizations and foundations; and one with industry, represented by industrial associations and individual firms, to explore the magnitude and character of current S&T cooperation supported by these communities, and to identify major activities planned for the near future. The purpose of these meetings was to assist OSTP in representing private sector interests in our discussions

with the Russians. OSTP also examined the role of USG S&T interactions with Russia by asking CISET to develop a report on the subject (executive summary attached).

One critically important element in restructuring our S&T relationship may be the negotiation of an umbrella S&T Agreement. This approach was raised during preparations for both the Bush-Yeltsin Summit and the postponed Summit Follow-on, but was opposed by STATE on both occasions. Umbrella agreements can provide a framework that will enhance the ability of individual scientists and small research groups to interact with their foreign colleagues, and, at the same time, provide a policy level review and integration mechanism of great utility. An umbrella agreement should be an important topic of discussion in our upcoming meeting with the Russians on restructuring our S&T relationship (see attached Niles/Ratchford and Wisner/Bromley correspondence).

USG SUPPORT FOR CIVIL SCIENCE: The broad policy objective for U.S. programs supporting science and technology in the former Soviet Union (FSU) is to contribute to a stable transition to democratic ideals and market-based economies. A viable civil science enterprise will be founded on a system of merit review, full and open communications, and financial disbursements to individual scientists or groups of scientists in place of centrally allocated funding to state institutes or institute leaders.

Last year, at the request of OSTP, the National Academy of Sciences held a conference on restructuring civil science in the FSU. The Academy's report of April 3, 1992, recommended \$25 million for civil science in Russia. Subsequently, Congressman Brown proposed a bilateral effort to help strengthen the infrastructure for civil science in Russia through a foundation. The Freedom Support Act legislation authorizing the establishment of the Foundation contains only the prescription that it be endowed and non-governmental. Therefore, there is considerable flexibility in creating a Foundation that is most effective in meeting the requirement of the Nunn-Lugar appropriations, established to assist the FSU with dismantlement (nuclear weapons destruction), reactor safety, non-proliferation, and defense conversion funds.

The foundation, if established, could stress peer-review, focus on selected areas such as communications, and facilitate private sector participation in technology and trade in the FSU. These are key components of our approach to S&T in Russia if the goals of Nunn-Lugar are to be achieved and if DOD's plans for defense conversion are to be sustainable. Funding has been a key issue. Interagency negotiations are still under way concerning disbursement of Nunn Lugar and other funds.

The Foundation would also be a critical complement to the International Science and Technology Center (ISTC) in Moscow. The ISTC serves as a clearinghouse for S&T projects aimed at engaging weapons scientists and engineers from the FSU in civilian S&T activities. Effective weaning of scientists from weapons research and other defense-related activities will require the development of an open, merit-based S&T

system into which they can be integrated. Strengthening civil science, the purpose of the Foundation, is the necessary complement to assistance for redirecting military scientists toward civilian applications.

RECOMMENDATIONS:

1. That you write Saltykov immediately, noting the importance of the US-Russia S&T relationship and accepting his December suggestion for an early Joint Commission meeting in Washington, D.C. The talks on avenues for expanding cooperation could be held at the same time or, perhaps, near April 20 when Saltykov will be in Washington for a Georgetown University conference (you will be invited to speak there also).
2. Initiate interagency preparations for the Joint Commission or/and "avenues for expanding cooperation talks.
3. That you meet quickly with appropriate NSC and State officials on the issue of support for civil science in the Former Soviet Union. Meetings with Chairman George Brown and Sam Nunn will be useful in calibrating Congressional views. A "going-in position" requesting \$25 million for this effort is well-documented by the NAS report.

Attachments:

- 1) Letter from Saltykov, asking to reschedule meetings (12/11/93)
- 2) Legislation and OSTP paper on Russia S&T Foundation
- 3) Ratchford/Niles correspondence on an umbrella agreement
 - Ratchford to Niles (11/2/92)
 - Johnson (on behalf of Niles) to Ratchford (undated, around 11/13/92)
 - Ratchford to Niles (11/19/92)
 - Niles to Ratchford (12/3/92)
- 4) Bromley/Wisner correspondence on an umbrella agreement
 - Bromley to Wisner (11/24/92)
 - Wisner to Bromley (12/9/92)
 - Bromley to Wisner (1/5/93)
- 5) Agendas for December meetings
- 6) Executive Summary of Ciset report
- 7) Documents on Nunn-Lugar funds

**Research and Development Foundation
An Integral Component of Defense Conversion**

U.S. Policy

The broad policy objective for U.S. programs supporting science and technology in the former Soviet Union (FSU) is to contribute to a stable transition to democratic ideals and market-based economies. Support for defense conversion is a critical means of achieving this objective, and an integral part of the U.S. efforts to address the transformation of science in the FSU. Effective weaning of scientists from weapons research and other defense-related activities will require the development of an open, merit-based S&T system into which they can be integrated. Strengthening civil science is the necessary complement to assistance for redirecting military scientists toward civilian applications. A viable civil science enterprise will be founded on a system of merit review, full and open communications, and financial disbursements to individual scientists or groups of scientists in place of centrally allocated funding to state institutes or institute leaders.

The United States therefore has two specific policy objectives for S&T assistance to and cooperation with the FSU. First, that all S&T efforts should contribute to reforming the current S&T system, with a primary emphasis on ensuring that science funding is based on merit; and second, that every effort should be made to prevent an exodus of qualified scientists from the former Soviet Union so that: a) the foundation for long-term growth and stability are maintained, and b) proliferation of know-how for technologies related to weapons of mass destruction is minimized.

The Research and Development Foundation

Given the predominance of military interests in support for science under the Soviet regime, defense conversion is perhaps the most important element in developing an open and transparent S&T infrastructure built on the foundation of merit-based review.

The FY93 DOD Appropriations Act includes a provision permitting DOD to obligate up to \$25 million for research and development from the so-called Nunn-Lugar funds established to assist the FSU with dismantlement (nuclear weapons destruction), reactor safety, non-proliferation, and defense conversion. The Freedom Support Act permits the Secretary of Defense to make the \$25 million authorized available to the National Science Foundation for the establishment of an endowed, non-governmental foundation. The legislation authorizing the establishment of the Foundation contains only the prescription that it be endowed and non-governmental. Therefore, there is considerable flexibility in creating a Foundation that is most effective in meeting identified needs.

The Foundation can support the policy objectives for S&T assistance to and cooperation with the FSU via three primary missions. Each is significantly related to defense conversion:

- o First, to reform the current system, primarily focusing on mechanisms of financing science and technology. This largely means introducing peer-review to the process and moving away from the top-down command approach. Due to high inflation and the weakness of the ruble, and the fragile state of the S&T enterprise, a relatively small dollar contribution can leverage huge changes.**
- o Second, to strengthen the S&T infrastructure in selected areas, such as communications, empowering scientists to benefit from individual initiative and creativity. This includes supporting new structures that avoid the former command approach to S&T and that embrace open communications and funding based on merit review.**
- o Third, the Foundation would facilitate U.S. private sector participation in technology and trade in the FSU, strengthening the S&T infrastructure while furthering U.S. free-market objectives.**

The feasibility of realizing the objectives within these three missions is indicated by the success of an innovative program developed by American Physical Society (APS). The astronomers and mathematicians have similar but smaller programs. The APS has raised nearly \$1 million from members, foundations and other sources for a program to provide small grants to physicists in the former Soviet Union. Individuals are selected for support through joint peer-review, a process in which one of the most important aspects of reform, i.e. merit-based review, is introduced directly to FSU scientists. About 300 such grants will be in place shortly. These investments are leveraged by Russian matching funds and agreement to exempt from taxation funds for research. Given that a single professional society has disbursed \$1 million, a sum of \$25 million used wisely in the FSU to support scientists in a wider range of disciplines could leverage the kind of permanent reform in the funding system for S&T that would fulfill an important U.S. policy objective.

The APS "model" could serve as the operational basis for the Foundation. The Foundation would not create a new bureaucracy, but instead serve as a means of supporting initiatives of the academic and industrial communities. The Foundation could serve to translate government priorities and criteria for support into specific actions, but implementation would rely mostly on the private sector, building on successful on-going activities where possible. This approach would allow for immediate start-up, a critical consideration given the urgent needs of working scientists in the FSU.

DOD Support for the Foundation

The three missions of the Foundation are critical to the success of defense conversion efforts, an important goal of the Nunn-Lugar initiative. Scientists cannot be retrained

in a vacuum. For conversion to be sustainable, "converted" scientists must eventually be embedded in a strong, transparent, merit-based S&T system in which individual initiative is rewarded and creativity encouraged. Strengthening a reformed civil science infrastructure will provide the basis for successful defense conversion, and will contribute significantly to U.S. non-proliferation efforts.

**Research and Development Foundation
An Integral Component of Defense Conversion**

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The Foundation can support the policy objectives for S&T assistance to and cooperation with the FSU via three primary missions. Each is significantly related to defense conversion:

- o First, to reform the current system, primarily focusing on mechanisms of financing science and technology. This largely means introducing peer-review to the process and moving away from the top-down command approach. Due to high inflation and the weakness of the ruble, and the fragile state of the S&T enterprise, a relatively small dollar contribution can leverage huge changes.
- o Second, to strengthen the S&T infrastructure in selected areas, such as communications, empowering scientists to benefit from individual initiative and creativity. This includes supporting new structures that avoid the former command approach to S&T and that embrace open communications and funding based on merit review.
- o Third, the Foundation would facilitate U.S. private sector participation in technology and trade in the FSU, strengthening the S&T infrastructure while furthering U.S. free-market objectives.

The feasibility of realizing the objectives within these three missions is indicated by the success of an innovative program developed by American Physical Society (APS). The astronomers and mathematicians have similar but smaller programs. The APS has raised nearly \$1 million from members, foundations and other sources for a program to provide small grants to physicists in the former Soviet Union. Individuals are selected for support through joint peer-review, a process in which one of the most important aspects of reform, i.e. merit-based review, is introduced directly to FSU scientists. About 300 such grants will be in place shortly. These investments are leveraged by Russian matching funds and agreement to exempt from taxation funds for research. Given that a single professional society has disbursed \$1 million, a sum of \$25 million used wisely in the FSU to support scientists in a wider range of disciplines could leverage the kind of permanent reform in the funding system for S&T that would fulfill an important U.S. policy objective.

The APS "model" could serve as the operational basis for the Foundation. The Foundation would not create a new bureaucracy, but instead serve as a means of supporting initiatives of the academic and industrial communities. The Foundation could serve to translate government priorities and criteria for support into specific actions, but implementation would rely mostly on the private sector, building on successful on-going activities where possible. This approach would allow for immediate start-up, a critical consideration given the urgent needs of working scientists in the FSU.

DOD Support for the Foundation

The three missions of the Foundation are critical to the success of defense conversion efforts, an important goal of the Nunn-Lugar initiative. Scientists cannot be retrained in a vacuum. For conversion to be sustainable, "converted" scientists must eventually be embedded in a strong, transparent, merit-based S&T system in which individual initiative is rewarded and creativity encouraged. Strengthening a reformed civil science infrastructure will provide the basis for successful defense conversion, and will contribute significantly to U.S. non-proliferation efforts.

✓

**Research and Development Foundation
An Integral Component of Defense Conversion**

U.S. Policy

The broad policy objective for U.S. programs supporting science and technology in the former Soviet Union (FSU) is to contribute to a stable transition to democratic ideals and market-based economies. Support for defense conversion is a critical means of achieving this objective, and an integral part of the U.S. efforts to address the transformation of science in the FSU. Effective weaning of scientists from weapons research and other defense-related activities will require the development of an open, merit-based S&T system into which they can be integrated. Strengthening civil science is the necessary complement to assistance for redirecting military scientists toward civilian applications. A viable civil science enterprise will be founded on a system of merit review, full and open communications, and financial disbursements to individual scientists or groups of scientists in place of centrally allocated funding to state institutes or institute leaders.

The United States therefore has two specific policy objectives for S&T assistance to and cooperation with the FSU. First, that all S&T efforts should contribute to reforming the current S&T system, with a primary emphasis on ensuring that science funding is based on merit; and second, that every effort should be made to prevent an exodus of qualified scientists from the former Soviet Union so that: a) the foundation for long-term growth and stability are maintained, and b) proliferation of know-how for technologies related to weapons of mass destruction is minimized.

The Research and Development Foundation

Given the predominance of military interests in support for science under the Soviet regime, defense conversion is perhaps the most important element in developing an open and transparent S&T infrastructure built on the foundation of merit-based review.

The FY93 DOD Appropriations Act includes a provision permitting DOD to obligate up to \$25 million for research and development from the so-called Nunn-Lugar funds established to assist the FSU with dismantlement (nuclear weapons destruction), reactor safety, non-proliferation, and defense conversion. The Freedom Support Act permits the Secretary of Defense to make the \$25 million authorized available to the National Science Foundation for the establishment of an endowed, non-governmental foundation. The legislation authorizing the establishment of the Foundation contains only the prescription that it be endowed and non-governmental. Therefore, there is considerable flexibility in creating a Foundation that is most effective in meeting identified needs.

The Foundation can support the policy objectives for S&T assistance to and cooperation with the FSU via three primary missions. Each is significantly related to defense conversion:

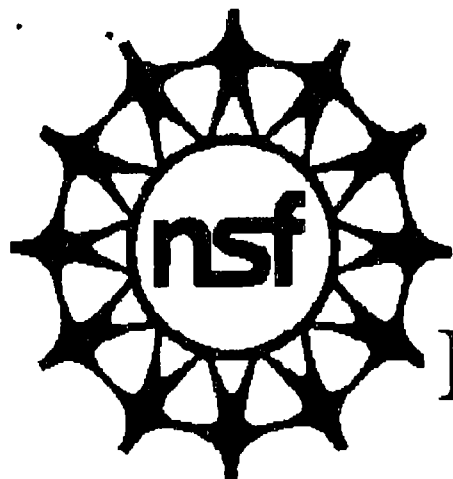
- o First, to reform the current system, primarily focusing on mechanisms of financing science and technology. This largely means introducing peer-review to the process and moving away from the top-down command approach. Due to high inflation and the weakness of the ruble, and the fragile state of the S&T enterprise, a relatively small dollar contribution can leverage huge changes.
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National Science Foundation

Fax replies to: (202) 357-7745

To: John O'Neil

Date: 11-16-92

From: gcher at nsf15

Page 1 of 4

Sending Fax number: NSF: Washington, DC

Receiving Fax number: 93951572

Subject: US-FSU S&T Foundation

This cc:Fax transmission comes to you courtesy of cc:Mail, Inc.

11/16/92 12:57PM

From : gsher at nsf15
To : Cathy Campbell fax#96470773 at FAX
John O'Neil fax#93951572 at FAX
Subject : US-FSU S&T Foundation

Forwarded

11/16/92 12:57PM

From : gsher at nsf15
To : OSTP John O'Neil fax#3951572 at FAX
DOS Cathy Campbell fax#647-0773 at FAX
Subject : US-FSU S&T Foundation

Message Contents

John, Cathy:

As we discussed, I am attaching a slightly revised version of the off-the-shelf stuff we just happened to have lying around in a version that might be suitable for a briefing paper for Dr. Bromley and perhaps also for the background book for the meetings 12/15-16. Please let me know what you think.

Gerson

US-FSU JOINT S&T FOUNDATION

The 102nd Congress has authorized and appropriated \$25 million to the Department of Defense that could be used to establish an endowment for the operation of a joint U.S.-Former Soviet Union research and development foundation. Additional legislation has been passed that authorizes the National Science Foundation, in consultation with the National Institute of Standards and Technology to establish this foundation. In signing this legislation, the President has directed the NSF Director to consider whether such a nongovernmental foundation can be publicly accountable. The legislation, while including the funding in the Nunn-Lugar component of the DOD appropriation, only allows DOD to provide it for the foundation rather than mandating it.

BACKGROUND

In March, 1992, Rep. George Brown introduced legislation (HR 4550) to establish an endowed, nongovernmental, non-profit foundation to encourage and fund collaborative research and development projects between the U.S. and democratic republics emerging from the former Soviet Union.

A version of this joint U.S.-former Soviet Union research and development foundation was subsequently included in the final version of the Freedom Support Act. The Freedom Support Act, which was passed in October and has been signed into law, provides support for a variety of programs that would assist the independent states of the former Soviet Union to become stable, market-oriented democracies.

Specifically, Section 511 of the Freedom Support Act authorizes the Director of NSF, in consultation with the Director of NIST, to establish an endowed, nongovernmental, non-profit foundation. The purposes of this research and development foundation are:

1) To provide productive research and development opportunities with the independent states of the former Soviet Union that offer scientists and engineers alternatives to emigration and help prevent the dissolution of the technological infrastructure of the independent states;

2) To advance defense conversion by funding civilian collaborative research and development projects between scientists and engineers in the U.S. and in the independent states of the former Soviet Union;

3) To assist in the establishment of a market economy in the independent states of the former Soviet Union by promoting, identifying, and partially funding joint research, development and demonstration ventures between U.S. businesses, and scientists, engineers, and entrepreneurs in those independent states;

4) To provide a mechanism for scientists, engineers, and entrepreneurs in the independent states to develop an understanding of commercial business practices by establishing linkages to U.S. scientists, engineers, and businesses; and

5) To provide access for U.S. businesses to sophisticated new technologies, talented researchers, and potential new markets within the independent states of the former Soviet Union.

This foundation, once established would have the following functions:

1) It would promote and support joint research and development projects for peaceful purposes between scientists and engineers in the U.S. and independent states on subjects of mutual interest; and

2) It would seek to establish joint nondefense industrial research, development and demonstration activities through private sector linkages which may involve participation by scientists and engineers in the university or academic sectors, and which would include some contribution from industrial participants.

The FY 1993 DOD Authorization Act includes a specific authorization of \$25 million for DOD for this research and development foundation. The Freedom Support Act permits the Secretary of Defense to make these authorized funds available to NSF for the establishment of the endowment for the foundation and otherwise carry out this program. The FY 1993 DOD Appropriations Act contains permission for DOD to use up to \$25 million of appropriated DOD funds to support the establishment of the endowment for this foundation. The DOD funds targeted by this legislation are the so-called Nunn-Lugar funds established to assist the FSU with disarmament and economic transition, now totalling some \$800 million. Access to the Nunn-Lugar funds, however, is controlled by a Policy Coordinating Committee chaired by the National Security Council.

IMPORTANCE OF THIS FOUNDATION

The proposed Foundation would have a major impact on cooperation in civilian science and technology between the United States and the former Soviet Union. It would provide, for the first time, a significant civilian S&T complement to the otherwise substantial efforts being made by the U.S. government to provide humanitarian and other forms of assistance to the FSU, to encourage the growth of a strong market economy and democratic institutions. Specifically, the Foundation would ensure that civilian S&T cooperation with the FSU is not neglected in deference to cooperation with the FSU military S&T sector, which thus far has received almost exclusive attention in terms of new funding for such efforts. Through the Foundation the U.S. would also be assured of a strong presence and major role in future contacts with FSU science vis-a-vis other countries, especially the EC, which are mounting their own assistance efforts in S&T with the region. Beyond its financial impact, the Foundation would serve as a catalyst to promote new institutional forms in FSU science, such the development of competitive grants mechanisms, that could profoundly contribute to the long-term health of FSU science and to a more compatible institutional basis for international S&T cooperation with the FSU. The equal emphasis to be given to nondefense industrial research cooperation offers particularly interesting opportunities to experiment with new forms of cooperation and of partnerships between basic and applied research in both the U.S. and the FSU.

CONCLUSION

The legislation and the subsequent appropriations are permissive with respect to the actions DOD may take and funds that may be made available. The establishment and oversight of the foundation will entail a major commitment of effort. However, the creation of this foundation represents a unique and important opportunity through which the U.S. can provide significant, carefully targeted assistance to FSU science and technology while contributing to reform and democratization in the FSU by promoting the principles of excellence and competition civilian research.

**NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEARS 1992 AND 1993**

(4) the reasons for selecting the force structure provided for in the plan.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

PART A—AUTHORIZATIONS

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1992 for the use of the Armed Forces for research, development, test, and evaluation as follows:

- (1) For the Army, \$6,686,600,000.
- (2) For the Navy, \$8,633,875,000.
- (3) For the Air Force, \$14,467,094,000.
- (4) For the Defense Agencies, \$10,269,034,000, of which—
 - (A) \$228,495,000 is authorized for the activities of the Deputy Director, Defense Research and Engineering (Test and Evaluation); and
 - (B) \$14,200,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNTS FOR BASIC RESEARCH AND EXPLORATORY DEVELOPMENT.

(a) FISCAL YEAR 1992.—Of the amounts authorized to be appropriated by section 201, \$4,179,933,000 shall be available for basic research and exploratory development projects.

(b) BASIC RESEARCH AND EXPLORATORY DEVELOPMENT DEFINED.—For purposes of this section, the term “basic research and exploratory development” means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

SEC. 203. MANUFACTURING TECHNOLOGY.

(a) FUNDING.—Of the amounts authorized to be appropriated by section 201, \$280,000,000 shall be available for, and may be obligated only for, manufacturing technology as follows:

- (1) For the Army Industrial Preparedness program, \$28,058,000.
- (2) For the Navy Industrial Preparedness program, \$74,407,000.
- (3) For the Air Force Industrial Preparedness program, \$60,535,000.
- (4) For the Defense Agencies, \$117,000,000, of which—
 - (A) \$17,000,000 is authorized for the Defense Logistic Agency Industrial Preparedness program; and
 - (B) \$100,000,000 is authorized for Advanced Manufacturing Technology.

(b) DEFINITION.—For the purposes of this section, the term “industrial preparedness” means the Manufacturing Technology (MANTECH) program.

(c) SUBMISSION OF ANNUAL PLAN TO CONGRESS.—Section 2513 of title 10, United States Code, is amended—

- (1) in subsection (a), by striking out “a National” and inserting in lieu thereof “an annual National”; and
- (2) by adding at the end the following new subsection:

“(e) The Secretary shall submit the annual Plan to Congress not later than March 15 of each year. The Plan may be submitted in classified and unclassified versions.”

(d) LIMITATION.—No funds appropriated for fiscal year 1992 or 1993 may be obligated for a manufacturing technology-related research and development activity unless that particular activity—

- (1) is specifically included in the National Defense Manufacturing Technology Plan submitted to Congress during the preceding fiscal year pursuant to section 2513(a) of title 10, United States Code (as amended by subsection (c));
- (2) is required by law; or
- (3) is specifically approved by the Secretary of Defense.

SEC. 204. AUTHORIZATION TO MAKE CERTAIN FISCAL YEAR 1991 NAVY FUNDS AVAILABLE FOR OTHER PURPOSES.

(a) AUTHORITY.—The Secretary of the Navy may use fiscal year 1991 Sea Lance funds (1) for program termination costs related to the termination of the Sea Lance weapon system, and (2) for other authorized programs, projects, and activities of the Navy for research, development, test, and evaluation for fiscal year 1991 or for fiscal year 1992. The authority provided in the preceding sentence is available only to the extent provided in appropriations Acts, not to exceed \$71,000,000.

(b) DESCRIPTION OF FUNDS.—The funds referred to in subsection (a) as fiscal year 1991 Sea Lance funds are amounts appropriated for fiscal year 1991 for the Navy for research, development, test, and evaluation that were provided for the Sea Lance weapon system and that remain available for obligation and (due to the termination of that system) are no longer required for that system (other than for program termination costs).

(c) AVAILABILITY OF FUNDS.—This section does not extend the period of the availability for obligation of the funds described in subsection (b).

PART B—PROGRAM REQUIREMENTS, RESTRICTIONS, AND LIMITATIONS

SEC. 211. V-22 OSPREY AIRCRAFT PROGRAM.

(a) FUNDING.—Of the funds authorized to be appropriated pursuant to section 201 or otherwise made available for research, development, test, and evaluation for the Navy for fiscal year 1992, the sum of \$790,000,000 shall be used only for development, manufacture, and operational test of three production representative V-22 Osprey aircraft, of which the amount of \$165,000,000 is derived by transfer pursuant to subsection (b). The authority under the preceding sentence is available only to the extent provided in appropriation Acts.

(b) TRANSFER OF UNOBLIGATED FISCAL YEAR 1991 FUNDS.—To the extent provided in appropriations Acts, the Secretary of the Navy shall transfer, out of any funds appropriated to the Navy for fiscal year 1991 for procurement of aircraft that remain available for obligation, \$165,000,000 for research, development, test, and evaluation in connection with the V-22 Osprey aircraft program. The preceding sentence does not extend the period of the availability for obligation of amounts transferred under that sentence.

(c) AVAILABILITY OF FUNDS FOR THE SPECIAL OPERATIONS VARIANT.—Of the amounts authorized to be appropriated pursuant to section 201(4) for the Defense Agencies for fiscal year 1992, \$15,000,000 shall be available for research, development, test, and

evaluation in connection with the special operations variant of the V-22 Osprey aircraft.

SEC. 212. EXTENSION OF PROHIBITION ON TESTING MID-INFRARED ADVANCED CHEMICAL LASER AGAINST AN OBJECT IN SPACE.

The Secretary of Defense may not carry out a test of the Mid-Infrared Advanced Chemical Laser (MIRACL) transmitter and associated optics against an object in space during 1992 unless such testing is specifically authorized by law.

SEC. 213. A-(X) ADVANCED TACTICAL AIRCRAFT, NAVY.

The Secretary of Defense may not classify the total acquisition cost and the acquisition schedule for the A-(X) (next-generation naval attack aircraft) program at the level of special access classification.

SEC. 214. F-22 ADVANCED TACTICAL FIGHTER AIRCRAFT PROGRAM, AIR FORCE.

(a) FINDINGS.—Congress finds—

(1) that the emphasis placed on manufacturing in the next phase of the F-22 Advanced Tactical Fighter (ATF) aircraft program is a correct and significant step toward an appropriate acquisition system for the 1990s and beyond;

(2) that the objective of the next phase of the ATF program, known as the Engineering and Manufacturing Development Phase, should be to complete a production representative design (verified by testing production prototypes) with known cost and minimal risk for the Production Phase; and

(3) that the Air Force, having demonstrated satisfactory ATF system performance in the Demonstration Validation Phase, should give priority in the Engineering and Manufacturing Development Phase to investing in ATF manufacturing technologies over improving ATF performance.

(b) MANUFACTURING AND AFFORDABILITY.—The Secretary of the Air Force shall elevate manufacturing considerations during the Engineering and Manufacturing Development Phase of the ATF program—

(1) by accepting small reductions in aircraft performance, if necessary, to achieve a more producible and affordable production design;

(2) by directing the contractor to evaluate a wide selection of alternative production processes and technologies (including use of commercial standards or practices of manufacturing technology) for production of the aircraft; and

(3) by investing funds in those processes and technologies evaluated pursuant to paragraph (2) which have the highest cost or quality return on investment, with the objective of further lowering production costs and improving supportability.

(c) REPORT.—The Secretary of the Air Force shall submit to the congressional defense committees a report covering the production processes evaluated under subsection (b)(2) and the analysis supporting those processes which are ultimately selected under subsection (b)(3) for use in production. The report shall be submitted before fabrication of the first production prototype airframe is begun.

SEC. 215. SUPERCOMPUTER MODERNIZATION PROGRAM.

(a) PLAN.—(1) The Secretary of Defense, acting through the Director, Defense Research and Engineering (DDR&E), shall develop a plan by which the Department of Defense, beginning in fiscal year 1993, will modernize the supercomputer capability of Department of Defense laboratories. The plan shall include determinations of the equipment and software to be procured or leased and a schedule for the funding required to carry out the plan.

(2) The plan shall be developed by April 1, 1992. The Secretary shall submit the plan to the Committees on Armed Services of the Senate and the House of Representatives not later than that date.

(b) PROHIBITION OF NON-DOMESTIC ALTERNATIVES.—None of the equipment planned to be procured or leased under the plan may be obtained from a non-United States computer manufacturer unless the Secretary of Defense certifies to Congress that no United States computer manufacturer can meet the requirement being met by that procurement.

SEC. 216. MANAGEMENT OF NAVY MINE COUNTERMEASURES PROGRAMS.

(a) RESPONSIBILITY.—Subject to the authority, direction, and control of the Secretary of Defense, the Director, Defense Research and Engineering shall have the primary responsibility for developing and testing naval mine countermeasures systems during fiscal years 1993 through 1997.

(b) WAIVER AUTHORITY.—The Secretary of Defense may waive the requirement in subsection (a) with respect to any fiscal year if, not later than June 1 of the calendar year in which that fiscal year begins, the Secretary certifies to the congressional defense committees that—

(1) the Secretary of the Navy, in consultation with the Chief of Naval Operations and the Commandant of the Marine Corps, has submitted to the Secretary of Defense an updated mine countermeasures master plan that identifies—

(A) technologies having promising potential for use for improving mine countermeasures; and

(B) programs for advancing those technologies into production;

(2) the budget submitted to Congress pursuant to section 1105(a) of title 31, United States Code, for that fiscal year and the multiyear defense program submitted to Congress in connection with that budget pursuant to section 114a of title 10, United States Code, propose sufficient resources for executing the updated mine countermeasures master plan; and

(3) the Chairman of the Joint Chiefs of Staff has determined that the budget resources for mine countermeasures and the updated mine countermeasures master plan are sufficient.

SEC. 217. NON-ACOUSTIC ANTI-SUBMARINE WARFARE PROGRAM.

After December 31, 1991, funds appropriated or otherwise made available to the Department of the Navy for fiscal years 1992 and 1993 may not be obligated for research, development, test, and evaluation for non-acoustic anti-submarine warfare unless the Secretary of Defense has certified to the congressional defense committees, before any such obligation, that—

(1) the Department of Defense is conducting two viable, independent non-acoustic anti-submarine warfare programs within the Department; and

(2) at least one such program is not managed within the Department of the Navy.

SEC. 218. ANTI-SUBMARINE WARFARE WEAPON SYSTEM REQUIREMENTS.

(a) **REPORT.**—The Secretary of the Navy shall submit to the congressional defense committees a report containing an analysis of the requirements of the Navy for antisubmarine weapons systems and the program and plans of the Navy for meeting those requirements.

(b) **CONTENT OF REPORT.**—The report shall include the following:

(1) A description of the operational requirements of the Navy for antisubmarine weapons for launch from submarines, for launch from surface ships, and for launch from aircraft.

(2) A description of weapons and alternative weapons systems, concepts, and technologies that could satisfy those operational requirements, to include heavyweight torpedoes, lightweight torpedoes, quick-reaction weapons for surface ships, long-range weapons for surface ships, long-range weapons for submarines, and any other weapons concept considered for meeting the requirements stated in paragraph (1).

(3) An estimate of the costs associated with developing, acquiring, operating, and maintaining each of the weapons and alternatives described under paragraph (2).

(4) A detailed description of the programs and plans of the Navy for meeting its antisubmarine weapons systems requirements and for developing, acquiring, and operating antisubmarine weapons, including identification of funding requested for those programs and plans for fiscal year 1993.

(c) **DEADLINE FOR SUBMISSION OF REPORT.**—The report under subsection (a) shall be submitted not later than May 15, 1992.

SEC. 219. SHIP-TO-SHORE FIRE SUPPORT.

(a) **R&D PROGRAM.**—The Secretary of the Navy shall establish a naval surface fire support research and development program. The Secretary shall, with the budget request for fiscal year 1993, submit to the congressional defense committees a review of the fiscal year 1992 program for investigation, demonstration, and evaluation of potential technologies and weapons systems for improving ship-to-shore fire support.

(b) **INITIAL REPORT.**—Not later than six months after the date of the enactment of this Act, the Secretary of the Navy shall submit to the congressional defense committees a comprehensive report on naval ship-to-shore fire support requirements. The report shall be prepared in consultation with the Chief of Naval Operations and the Commandant of the Marine Corps and shall include the following:

(1) A description of operational requirements of the Navy and of the Marine Corps for naval surface fire support of amphibious and strike operations and a summary of the analysis supporting these requirements.

(2) A survey of the alternative technologies and other options which could be useful in meeting the requirements described under paragraph (1), including specifically—

(A) options based on guns, multiple-launch rockets, or missiles; and

(B) references to relevant activities being pursued by other military departments and Defense agencies and in private industry.

(3) Identification of the funds requested for fiscal year 1993 for ship-to-shore fire support, identification of plans and programs for ship-to-shore fire support programs in future years, and a description of the plan of the Navy for improving ship-to-shore fire support in the near term (with improvements that are capable of being introduced into the fleet within five years).

(c) **SECOND REPORT.**—No later than one year after the date of the enactment of this Act, the Secretary of the Navy shall submit to the congressional defense committees a second report on ship-to-shore fire support. That report shall include the following:

(1) A cost and operational effectiveness analysis (COEA) based on the requirements and technologies identified in the report under subsection (b), to include evaluation of the effectiveness and use of gun, multiple-launch rocket, and missile systems for surface fire support, both independently and in conjunction with fires from attack helicopter and fixed-wing aircraft.

(2) The near-term plans and the long-term plans of the Navy for meeting its ship-to-shore fire support requirements and a description of the research, development, test, and evaluation programs and of the procurement programs to be carried out in support of those plans.

(d) **INDEPENDENT STUDY AND ANALYSIS.**—(1) The Secretary of Defense shall provide for an independent study of naval ship-to-shore fire support requirements to be conducted by the Institute for Defense Analysis, a Federal contract research center. The study shall include (A) an assessment of the operational requirements of the Navy and of the Marine Corps for naval surface fire support of amphibious and strike operations and an independent review and analysis of alternative candidates for meeting both near-term requirements and long-term requirements for ship-to-shore fire support, and (B) an evaluation of the use and cost effectiveness of gun, multiple-launch rocket, and missile systems for ship-to-shore fire support. The Institute shall submit interim and final reports to the Secretary on such study at such times as the Secretary may require.

(2) The Secretary shall submit an interim report on the results of the study under paragraph (1) to the congressional defense committees within six months after the date of the enactment of this Act. The interim report shall focus on near-term systems and concepts that can be introduced into the fleet within five years and shall identify the preferred technologies for development in the near term.

(3) The Secretary shall submit a final report on the results of the study to the congressional defense committees within one year after the date of the enactment of this Act. The final report shall include a more thorough survey of the available and projected technologies that may be relevant to the mission requirements of the Navy for surface ship-to-shore fire support during the period ten-to-fifteen years after the date of the enactment of this Act.

(e) **RESTRICTION ON USE OF FUNDS.**—Of the funds appropriated pursuant to authorizations of appropriations in this Act for the Navy ship-to-shore fire support program—

(1) up to \$2,500,000 may be used for the study required by subsection (b) and for the cost and operational effectiveness analysis required under subsection (c); and

(2) up to \$1,500,000 may be used for the study required under subsection (d).

Reports.

Establishment.

SEC. 220. SUPERCONDUCTING MAGNETIC ENERGY STORAGE PROJECT.

Establishment.

(a) **PROJECT OFFICE.**—The Secretary of Defense shall establish or designate an office within the Department of Defense to have responsibility for the Superconducting Magnetic Energy Storage Project. The project shall be carried out in coordination with the Secretary of Energy.

(b) **PLAN.**—(1) The Secretary of Defense shall develop a plan for the project. The plan shall be developed in cooperation with the Secretary of Energy and shall include provisions for sharing of the costs of the project by each Department.

(2) The plan shall be designed so as to lead to the demonstration of an engineering test model of the superconducting magnetic storage system.

(3) The plan shall be submitted to the Congress not later than April 1, 1992.

(c) **FUNDING FOR FISCAL YEAR 1992.**—Of the amounts authorized to be appropriated pursuant to section 201 for fiscal year 1992, \$20,000,000 shall be available to conduct planning and initial design activities for the project.

SEC. 221. SEALIFT RESEARCH AND DEVELOPMENT.

The Secretary of the Navy may transfer not to exceed \$25,000,000 from unobligated funds appropriated for the Navy for fiscal year 1991 for shipbuilding and conversion and made available for sealift to amounts appropriated for the Navy for fiscal year 1992 for research, development, test, and evaluation, to be available for the sealift program established pursuant to section 1424 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1683; 10 U.S.C. 7291 note). The authority under the preceding sentence is available only to the extent provided in appropriations Acts.

SEC. 222. ICBM MODERNIZATION PROGRAM.

(a) **FUNDING.**—Of the amounts appropriated pursuant to section 201 for fiscal year 1992, not more than \$566,444,000 shall be available for the intercontinental ballistic missile (ICBM) modernization program, of which—

(1) not more than \$548,838,000 shall be available for the small ICBM (SICBM) program; and

(2) none shall be available for the rail garrison MX (RGMX) program.

(b) **LIMITATION.**—(1) The funds described in subsection (a)(1) may not be obligated until the Secretary of Defense certifies to the congressional defense committees that a sufficient amount of such funds will be obligated to conduct a viable program of research and development of mobile basing options for the SICBM program consistent with the sense of Congress set forth in section 231(b)(4) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1516).

(2) Not later than 90 days after the date on which the Secretary makes a certification under paragraph (1), the Secretary shall submit to the congressional defense committees a report describing—

(A) the revised research and development program for SICBM mobile basing options;

(B) the amount of the funds that the Secretary intends to obligate in each of fiscal years 1992 through 1997 for such program; and

(C) the earliest date on which a SICBM mobile basing option will be available in the event that conditions warrant a rebasing of the missile from existing Minuteman ICBM silos.

(c) **REPORT.**—Not later than March 1, 1992, the Secretary of Defense shall submit to the congressional defense committees a report on the cost and practicality of extending the service life of existing Minuteman III ICBMs beyond the year 2010.

(d) **AVAILABILITY OF UNOBLIGATED FISCAL YEAR 1991 FUNDS.**—(1) Of the balance of the amount appropriated for the Air Force for fiscal year 1991 for research, development, test, and evaluation for ICBM modernization that remains available for obligation, \$17,500,000 may, to the extent provided in appropriations Acts, be used during fiscal year 1992 for obligation for the procurement of MX missiles.

(2) The authority provided in paragraph (1) does not extend the period of the availability for obligation of the funds referred to in that paragraph.

(3) The authority provided in paragraph (1) is in addition to any other transfer authority provided in this or any other Act.

PART C—MISSILE DEFENSE PROGRAM

SEC. 231. SHORT TITLE.

This part may be cited as the “Missile Defense Act of 1991”.

SEC. 232. MISSILE DEFENSE GOAL OF THE UNITED STATES.

(a) **MISSILE DEFENSE GOAL.**—It is a goal of the United States to—

(1) deploy an anti-ballistic missile system, including one or an adequate additional number of anti-ballistic missile sites and space-based sensors, that is capable of providing a highly effective defense of the United States against limited attacks of ballistic missiles;

(2) maintain strategic stability; and

(3) provide highly effective theater missile defenses (TMDs) to forward-deployed and expeditionary elements of the Armed Forces of the United States and to friends and allies of the United States.

(b) **ENDORSEMENT OF ADDITIONAL MEASURES.**—As an additional component of the overall goal of protecting the United States against the threat posed by ballistic missiles, Congress endorses such additional measures as—

(1) joint discussions between the United States and the Soviet Union on strengthening nuclear command and control, to include discussions concerning the use of permissive action links and post-launch destruct mechanisms on all intercontinental-range ballistic missiles of the two nations;

(2) reductions that enhance stability in strategic weapons of the United States and Soviet Union to levels below the limitations of the Strategic Arms Reduction Talks (START) Treaty, to include the down-loading of multiple warhead ballistic missiles; and

(3) reinvigorated efforts to halt the proliferation of ballistic missiles and weapons of mass destruction.

Missile Defense
Act of 1991.
10 USC 2431
note.

Reports.

SEC. 233. IMPLEMENTATION OF GOAL.

(a) **IN GENERAL.**—To implement the goal specified in section 232(a), the Congress—

(1) directs the Secretary of Defense to take the actions specified in subsection (b); and

(2) urges the President to take the actions described in subsection (c).

President.

(b) **ACTIONS OF THE SECRETARY OF DEFENSE.**—

(1) **THEATER MISSILE DEFENSE OPTIONS.**—The Secretary of Defense shall aggressively pursue the development of advanced theater missile defense systems, with the objective of downselecting and deploying such systems by the mid-1990s.

(2) **INITIAL DEPLOYMENT.**—The Secretary shall develop for deployment by the earliest date allowed by the availability of appropriate technology or by fiscal year 1996 a cost-effective, operationally-effective, and ABM Treaty-compliant anti-ballistic missile system at a single site as the initial step toward deployment of an anti-ballistic missile system described in section 232(a)(1) designed to protect the United States against limited ballistic missile threats, including accidental or unauthorized launches or Third World attacks. The system to be developed should include—

(A) 100 ground-based interceptors, the design of which is to be determined by competition and downselection for the most capable interceptor or interceptors;

(B) fixed, ground-based, anti-ballistic missile battle management radars; and

(C) optimum utilization of space-based sensors, including sensors capable of cueing ground-based anti-ballistic missile interceptors and providing initial targeting vectors, and other sensor systems that also are not prohibited by the ABM Treaty, such as a ground-based sub-orbital surveillance and tracking system.

(3) **DEPLOYMENT PLAN.**—Within 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a plan for the deployment of theater missile defense systems and an anti-ballistic missile system which meet the guidelines established in paragraphs (1) and (2).

(c) **PRESIDENTIAL ACTIONS.**—

(1) **NEGOTIATIONS REGARDING THE ABM TREATY.**—Congress recognizes the President's call on September 27, 1991, for "immediate concrete steps" to permit the deployment of defenses against limited ballistic missile strikes and the response of the President of the Soviet Union undertaking to consider such proposals from the United States on nonnuclear ABM systems.

(2) In this regard, Congress urges the President to pursue immediate discussions with the Soviet Union on the feasibility and mutual interests of amendments to the ABM Treaty to permit the following:

(A) Construction of anti-ballistic missile sites and deployment of ground-based anti-ballistic missile interceptors in addition to those currently permitted under the ABM Treaty.

(B) Increased use of space-based sensors for direct battle management.

Union of
Soviet Socialist
Republics.

(C) Clarification of what development and testing of space-based missile defenses is permissible under the ABM Treaty.

(D) Increased flexibility for technology development of advanced ballistic missile defenses.

(E) Clarification of the distinctions for the purposes of the ABM Treaty between theater missile defenses and anti-ballistic missile defenses, including interceptors and radars.

SEC. 234. FOLLOW-ON TECHNOLOGY RESEARCH.

(a) **FOLLOW-ON ANTI-BALLISTIC MISSILE TECHNOLOGIES.**—To effectively develop technologies relating to achieving the goal specified in section 232(a) and to provide future options for protecting the security of the United States and the allies and friends of the United States, robust funding for research and development for promising follow-on anti-ballistic missile technologies, including Brilliant Pebbles, is required.

(b) **EXCLUSION FROM INITIAL PLAN.**—Deployment of Brilliant Pebbles is not included in the initial plan for the limited defense system architecture described in section 232(a).

(c) **REPORT AND LIMITATION.**—The Secretary of Defense shall submit to the congressional defense committees a report on conceptual and burden sharing issues associated with the option of deploying space-based interceptors (including Brilliant Pebbles) for the purpose of providing global defenses against ballistic missile attacks. Not more than 50 percent of the funds made available for the purposes described in section 237(b)(3) for the Space-Based Interceptors program element for fiscal year 1992 may be obligated for the Brilliant Pebbles program until 45 days after submission of the report.

SEC. 235. PROGRAM ELEMENTS FOR STRATEGIC DEFENSE INITIATIVE.

(a) **EXCLUSIVE ELEMENTS.**—The following program elements shall be the exclusive program elements for the Strategic Defense Initiative:

(1) Limited Defense System.

(2) Theater Missile Defenses.

(3) Space-Based Interceptors.

(4) Other Follow-On Systems.

(5) Research and Support Activities.

(b) **APPLICABILITY TO BUDGETS.**—The program elements specified in subsection (a) shall be the only program elements used in the program and budget provided concerning the Strategic Defense Initiative submitted to Congress by the Secretary of Defense in support of the budget submitted to Congress by the President under section 1105 of title 31, United States Code, for any fiscal year.

SEC. 236. RESEARCH, DEVELOPMENT, TEST, AND EVALUATION OBJECTIVES FOR SDI PROGRAM ELEMENTS.

(a) **LIMITED DEFENSE SYSTEM PROGRAM ELEMENT.**—The Limited Defense System program element shall include programs, projects, and activities (and supporting programs, projects, and activities) which have as a primary objective the development of systems, components, and architectures for a deployable anti-ballistic missile system as described in section 232(a)(1) capable of providing a highly effective defense of the United States against limited ballistic missile threats, including accidental or unauthorized launches or Third

World attacks, but below a threshold that would bring into question strategic stability. Such activities shall include those activities necessary to develop and test systems, components, and architectures capable of deployment by fiscal year 1996 as part of an ABM Treaty-compliant initial site defensive system. For purposes of planning, evaluation, design, and effectiveness studies, such programs, projects, and activities may take into consideration both the current limitations of the ABM Treaty and modest changes to its numerical limitations and its limitations on the use of space-based sensors.

(b) **THEATER MISSILE DEFENSES PROGRAM ELEMENT.**—The Theater Missile Defenses program element shall include programs, projects, and activities (including those associated before the date of the enactment of this Act with the Tactical Missile Defense Initiative) that have as primary objectives either of the following:

(1) The development of deployable and rapidly relocatable advanced theater missile defenses capable of defending forward-deployed and expeditionary elements of the Armed Forces of the United States, to be carried out with the objective of selecting and deploying more capable theater missile defense systems by the mid-1990s.

(2) Cooperation with friendly and allied nations in the development of theater defenses against tactical or theater ballistic missiles.

(c) **SPACE-BASED INTERCEPTORS PROGRAM ELEMENT.**—The Space-Based Interceptors program element shall include programs, projects, and activities (and supporting programs, projects, and activities) that have as a primary objective the conduct of research on space-based kinetic-kill interceptors and associated sensors that could provide an overlay to ground-based anti-ballistic missile interceptors.

(d) **OTHER FOLLOW-ON SYSTEMS PROGRAM ELEMENT.**—The Other Follow-On Systems program element shall include programs, projects, and activities that have as a primary objective the development of technologies capable of supporting systems, components, and architectures that could produce highly effective defenses for the future.

(e) **RESEARCH AND SUPPORT ACTIVITIES PROGRAM ELEMENT.**—The Research and Support Activities program element shall include programs, projects, and activities that have as primary objectives the following:

(1) The provision of basic research and technical, engineering, and managerial support to the programs, projects, and activities within the program elements referred to in subsection (a) through (d).

(2) Innovative science and technology projects.

(3) The provision of necessary test and evaluation services other than those required for a specific program element.

(4) Program management.

SEC. 237. STRATEGIC DEFENSE INITIATIVE FUNDING.

(a) **TOTAL AMOUNT.**—Of the amounts appropriated pursuant to section 201 for fiscal year 1992 or otherwise made available to the Department of Defense for research, development, test, and evaluation for fiscal year 1992, not more than \$4,150,000,000 may be obligated for the Strategic Defense Initiative.

(b) **SPECIFIC AMOUNTS FOR THE PROGRAM ELEMENTS.**—Of the amount described in subsection (a)—

(1) not more than \$1,521,780,000 shall be available for programs, projects, and activities within the Limited Defense System program element;

(2) not more than \$828,710,000 shall be available for programs, projects, and activities within the Theater Missile Defenses program element;

(3) not more than \$465,000,000 shall be available for programs, projects, and activities within the Space-Based Interceptors program element, of which not more than \$390,000,000 shall be available for the Brilliant Pebbles program account;

(4) not more than \$629,550,500 shall be available for programs, projects, and activities within the Other Follow-On Systems program element; and

(5) not more than \$704,959,500 shall be available for programs, projects, and activities within the Research and Support Activities program element.

(c) **ENVIRONMENTAL IMPACT STATEMENT.**—Of the amount described in paragraph (b)(1)—

(1) not more than \$5,000,000 may be used to carry out an expeditious site-specific environmental impact statement in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(2) not more than \$40,000,000 may be used to conduct studies, site surveys, technical assessments, analysis, and refurbishments to remove the Grand Forks anti-ballistic missile site from its deactivated status.

The Congress hereby expressly waives any and all requirements to evaluate alternative sites to the site at Grand Forks.

(d) **REPORTING REQUIREMENT.**—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the allocation of funds appropriated for the Strategic Defense Initiative for fiscal year 1992. The report shall specify the amount of such funds allocated for each program, project, and activity of the Strategic Defense Initiative and shall list each Strategic Defense Initiative program, project, and activity under the appropriate program element.

(e) **TRANSFER AUTHORITIES.**—

(1) **IN GENERAL.**—Before the submission of the report required under subsection (d) and notwithstanding the limitations set forth in subsection (b), the Secretary of Defense may transfer funds among the program elements named in subsection (b).

(2) **LIMITATION.**—The total amount that may be transferred to or from any program element named in subsection (b)—

(A) may not exceed 10 percent of the amount provided in such subsection for the program element from which the transfer is made; and

(B) may not result in an increase of more than 10 percent of the amount provided in such subsection for the program element to which the transfer is made.

(3) **EXCEPTION.**—Transfer authority may not be used for a decrease in funds identified in subsection (b)(2) for Theater Missile Defenses.

(4) **MERGER AND AVAILABILITY.**—Amounts transferred pursuant to paragraph (1) shall be merged with and be available for the same purposes as the amounts to which transferred.

(f) **LAND TRANSFER, NORTH DAKOTA.**—The Administrator of the General Services Administration shall, without reimbursement and no later than 90 days after the date of the enactment of this Act, transfer accountability of the real property and improvements thereon, comprising approximately 473 acres (fee and easements) located within and contiguous to the Grand Forks SAFEGUARD-MSR site at Nekoma, North Dakota, to the Secretary of the Army.

SEC. 238. REVIEW OF FOLLOW-ON DEPLOYMENT OPTIONS.

As deployment at the anti-ballistic missile site described in section 233(b)(2) draws near to the deployment date of fiscal year 1996, the President and the Congress shall assess the progress in the ABM Treaty amendments negotiation called for under section 233(c) and shall consider the options available to the United States as now exist under the ABM Treaty. To assist in this review process, the President shall submit to the Congress not later than May 1, 1994, an interim report on the progress of the negotiations.

SEC. 239. ABM TREATY DEFINED.

For purposes of this part, the term "ABM Treaty" means the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missiles, signed in Moscow on May 26, 1972.

SEC. 240. INTERPRETATION.

Nothing in this part may be construed to imply—

- (1) congressional authorization for development, testing, or deployment of anti-ballistic missile systems in violation of the ABM Treaty, including any protocol or amendment to that treaty; or
- (2) final congressional authorization for deployment of anti-ballistic missile systems in compliance with the ABM Treaty.

PART D—OTHER MISSILE DEFENSE MATTERS

SEC. 241. ARROW TACTICAL ANTI-MISSILE PROGRAM.

(a) **COOPERATIVE RESEARCH AND DEVELOPMENT.**—Congress endorses a continuing program of cooperative research and development, jointly funded by the United States and the government of Israel, on the Arrow Tactical Anti-Missile program with a view to proving out (through such cooperative research and development) the feasibility and practicality of the system.

(b) **ARROW DEPLOYABILITY INITIATIVE.**—(1) Subject to paragraphs (2) and (3), the Secretary of Defense may obligate from funds appropriated pursuant to section 201 for fiscal year 1992 up to \$54,400,000 for the purpose of initiating research and development of systems to deploy the Arrow missile in the future, such as battle management, lethality, system integration, test bed, and fire control radar. Funds for such purpose may not be derived from funds available for the Strategic Defense Initiative.

(2) The authority under paragraph (1) is in addition to any other authority provided in this Act regarding the Arrow Tactical Anti-Missile program.

(3) Funds may not be obligated for the purpose described in paragraph (1) unless—

(A) the United States and the government of Israel enter into a Memorandum of Understanding governing the conduct and funding of such an effort;

(B) the Secretary of Defense certifies to the congressional defense committees that the Arrow missile has successfully completed the current four-test proof-of-principle flight test program; and

(C) the President has certified to Congress—

(i) with respect to any waiver of activities sanctionable under the laws described in paragraph (4) granted on or before the date of the enactment of this Act to any firm involved in the Arrow program at the time of such certification, that such activities have been terminated and the government of the nation in which such firm is located has given assurances to the United States that such activities by such firm will not be repeated; and

(ii) that the government of Israel has undertaken to adopt export controls pursuant to the Guidelines and Annex of the Missile Technology Control Regime (MTCR).

(4) The laws referred to in paragraph (3)(C)(i) are section 73(a)(1) of the Arms Export Control Act, section 11B(b)(1) of the Export Administration Act of 1979, and sections 1702 and 1703 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510).

SEC. 242. DEVELOPMENT AND TESTING OF ANTI-BALLISTIC MISSILE SYSTEMS OR COMPONENTS.

(a) **USE OF FUNDS.**—

(1) **LIMITATION.**—Funds appropriated to the Department of Defense for fiscal year 1992, or otherwise made available to the Department of Defense from any funds appropriated for fiscal year 1992 or for any fiscal year before 1992, may not be obligated or expended—

(A) for any development or testing of anti-ballistic missile systems or components except for development and testing consistent with the development and testing described in the May 1991 SDIO Report; or

(B) for the acquisition of any material or equipment (including any long lead materials, components, piece parts, test equipment, or any modified space launch vehicle) required or to be used for the development or testing of anti-ballistic missile systems or components, except for material or equipment required for development or testing consistent with the development and testing described in the May 1991 SDIO Report.

(2) **EXCEPTION.**—The limitation under paragraph (1) shall not apply to funds transferred to or for the use of the Strategic Defense Initiative for fiscal year 1992 if the transfer is made in accordance with section 1001 of this Act.

(b) **DEFINITION.**—In this section, the term "May 1991 SDIO Report" means the report entitled, "1991 Report to Congress on the Strategic Defense Initiative," dated May 16, 1991, prepared by the Strategic Defense Initiative Organization and submitted to certain committees of the Senate and House of Representatives by the Secretary of Defense pursuant to section 224 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1398; 10 U.S.C. 2431).

President.
Reports.

Israel.

President.
Israel.

PART E—OTHER MATTERS

SEC. 251. MEDICAL COUNTERMEASURES AGAINST BIOWARFARE THREATS.

(a) **FUNDING.**—Of the amounts appropriated pursuant to section 201 for fiscal year 1992, not more than \$53,800,000 shall be available for the medical component of the Biological Defense Research Program (BDRP) of the Department of Defense.

(b) **LIMITATIONS.**—(1) No funds appropriated or otherwise made available for the Department of Defense for fiscal year 1992 may be obligated or expended for product development, or for research, development, testing, or evaluation, of medical countermeasures against a biowarfare threat except for medical countermeasures against a validated biowarfare threat agent or a potential (far-term) biowarfare threat agent.

(2) Of the funds made available pursuant to subsection (a), not more than \$10,000,000 may be obligated or expended for research, development, testing, and evaluation of medical countermeasures against potential (far-term) biowarfare threats.

(c) **DEFINITIONS.**—In this section:

(1) The term “biowarfare threat agent” means a biological agent that—

(A) is named in the biological warfare threat list published jointly by the Defense Intelligence Agency (DIA) and the Armed Forces Medical Intelligence Center (AFMIC); or

(B) is identified as a biowarfare agent by the Deputy Chief of Staff of the Army for Intelligence in accordance with Army regulations applicable to intelligence support for the medical component of the Biological Defense Research Program.

(2) The term “validated biowarfare threat agent” means a biowarfare threat agent that is being or has been developed or produced for weaponization within 10 years, as assessed and determined jointly by the Defense Intelligence Agency and the Armed Forces Medical Intelligence Center.

(3) The term “potential (far-term) biowarfare threat agent” means a biowarfare threat agent that is an emerging or future biowarfare threat, is the object of research by a foreign threat country, and will be ready for weaponization in more than 10 years and less than 20 years, as assessed and determined jointly by the Defense Intelligence Agency and the Armed Forces Medical Intelligence Center.

(4) The term “weaponization” means incorporation into usable ordnance or other militarily useful means of delivery.

SEC. 252. UNIVERSITY RESEARCH INITIATIVE.

Of the amounts authorized to be appropriated for fiscal year 1992 pursuant to section 201, \$182,373,000 shall be available for research and development under the University Research Initiative program of the Department of Defense, of which \$30,000,000 shall be available only for research in advanced manufacturing technologies and industrial processes.

SEC. 253. GRANT FOR THE INSTITUTE FOR ADVANCED SCIENCE AND TECHNOLOGY.

(a) **AUTHORITY TO MAKE GRANT.**—Of the amount authorized to be appropriated pursuant to section 201 for the Defense Agencies, and

as previously authorized in Public Law 101-510 and appropriated in Public Law 101-511 for the establishment of an Institute for Advanced Science and Technology (IAST), an additional \$25,000,000 shall be made available until expended as a grant. The grant shall be made to the institution of higher education which has been selected as the site, through competitive procedures and based on the qualifications stipulated in section 243 of Public Law 101-510, of the Institute for Advanced Science and Technology for Phase II.

(b) **COST-SHARING REQUIREMENT.**—The grant under subsection (a) shall be available for construction of the facility for the institute. In making the grant, the Secretary of Defense shall ensure that the Federal share of the cost of the construction project does not exceed 50 percent of the total cost of the project.

(c) **PURPOSE OF GRANTS.**—The grant shall be used to support development of critical technologies as identified by the Department of Defense in its Critical Technologies Plan as required by Public Law 100-456.

SEC. 254. ADVANCED APPLIED TECHNOLOGY DEMONSTRATION FACILITY FOR ENVIRONMENTAL TECHNOLOGY.

(a) **AUTHORITY TO MAKE GRANT.**—Of the amount authorized to be appropriated for research, development, test, and evaluation for fiscal year 1992 for the Defense Agencies, \$20,000,000 shall be available for a grant to a nonprofit organization or an institution of higher education to establish an advanced applied technology demonstration facility for environmental technology. Such grant shall be awarded through the use of competitive procedures.

(b) **QUALIFICATIONS.**—A grant under subsection (a) may be awarded only to an organization or institution that—

(1) has nationally recognized expertise in environmental technology and business administration; and

(2) proposes a clear plan (as determined by the Secretary of Defense) showing how its management of such a facility will be usable by the Department of Defense in resolving environmental cleanup problems of the Department.

(c) **COST SHARING.**—In evaluating proposals for a grant under subsection (a), the Secretary of Defense shall consider as favorable evaluation factors for the award of the grant provisions of such a proposal under which the organization or institution submitting the proposal—

(1) proposes that, if awarded the grant, it will agree to have available all equipment necessary to conduct environmental cleanup demonstration projects at the facility; and

(2) demonstrates that it has, or upon receipt of the grant will obtain, secure sources of funding such that—

(A) the Federal share of the administrative costs of the facility established with the grant will not exceed one-half of the total administrative costs of the facility for the first two years of the operation of the facility; and

(B) no Department of Defense assistance for the operation of the facility will be required after the first three years of the operation of the facility.

SEC. 255. CONTINUED COOPERATION WITH JAPAN ON TECHNOLOGY RESEARCH AND DEVELOPMENT.

Of the funds authorized to be appropriated pursuant to section 201 for research, development, test, and evaluation for fiscal year 1992, and made available for basic research, exploratory development, and advanced technology, \$10,000,000 shall be available for such fiscal year for research and development projects conducted jointly by the United States and Japan in accordance with section 1454(d) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1695).

SEC. 256. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

(a) **WORKLOAD LEVELS TO BE SPECIFIED IN BUDGET DOCUMENTS.**—(1) Section 2367 of title 10, United States Code, is amended by adding at the end the following:

“(d) **IDENTIFICATION TO CONGRESS OF FFRDC WORKLOAD EFFORT.**—

(1) In the documents provided to Congress by the Secretary of Defense in support of the budget submitted by the President under section 1105 of title 31 for any fiscal year, the Secretary shall set forth the proposed amount of the man-years of effort to be funded by the Department of Defense for each federally funded research and development center for the fiscal year covered by that budget.

“(2) After the close of a fiscal year, and not later than January 1 of the next year, the Secretary shall submit to the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives a report setting forth the actual obligations and the actual man-years of effort expended at each federally funded research and development center during that fiscal year.”

(2)(A) Paragraph (1) of subsection (d) of section 2367 of title 10, United States Code, as added by paragraph (1), shall take effect with respect to the budget submitted for fiscal year 1994.

(B) Paragraph (2) of such subsection shall take effect with respect to fiscal year 1992.

(b) **MAN-YEAR LIMITATIONS.**—Funds appropriated or otherwise made available for the Department of Defense for fiscal years 1992 and 1993 may not be obligated at any of the following federally funded research and development centers in order to obtain work in excess of the number of man-years specified for that center as follows:

- (1) For the Center for Naval Analysis, 270.
- (2) For the Institute for Defense Analysis—
 - (A) for studies and analysis, 320;
 - (B) for systems and engineering in connection with operational test and evaluation, 75; and
 - (C) for research and development in connection with command, control, communications, and intelligence, 150.
- (3) For the Rand Project Air Force, 150.
- (4) For the National Defense Research Institute, 160.
- (5) For the Arroyo Center, 150.
- (6) For the Logistics Management Institute, 140.
- (7) For the Aerospace Corporation, 2,500.
- (8) For the MIT Lincoln Laboratory, 1,150.
- (9) For the Software Engineering Institute, 160.
- (10) For the Institute for Advanced Technology, 40.

(c) **FUNDING LIMITATION.**—Of the funds appropriated or otherwise made available for the Department of Defense for fiscal years 1992

and 1993, not more than \$446,000,000 may be obligated for the federally funded research and development center of MITRE.

(d) **AUTHORITY TO WAIVE LIMITATIONS.**—The Secretary of Defense may waive a limitation in subsection (b) or (c) in the case of any federally funded research and development center. Such a waiver may not be implemented until the Secretary notifies the congressional defense committees of the proposed waiver and the reasons for the waiver and a period of 60 days elapses after the date on which the notification is made. However, in a case in which the Secretary determines that it is essential to the national security that funds be obligated for work in excess of that limitation before the end of such 60-day period, the Secretary may waive such 60-day period upon notification to the congressional defense committees of that determination and the reasons for the determination.

SEC. 257. REVISION IN MEMBERSHIP OF STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM COUNCIL: MEMBERSHIP ON COUNCIL AND ON SCIENTIFIC ADVISORY BOARD.

(a) **REVISION IN MEMBERSHIP OF COUNCIL.**—Section 2902(b) of title 10, United States Code, is amended—

(1) by striking out “nine members” and inserting in lieu thereof “thirteen members”;

(2) by redesignating paragraph (9) as paragraph (10); and

(3) by inserting after paragraph (8) the following new paragraph:

“(9) One representative from each of the Army, Navy, Air Force, and Coast Guard, who shall be non-voting members.”.

(b) **REVISION IN MEMBERSHIP OF ADVISORY BOARD.**—Section 2904 of such title is amended—

(1) in subsection (a), by striking out “13 members” and inserting in lieu thereof “14 members”; and

(2) in subsection (b), by striking out paragraph (1) and inserting in lieu thereof the following:

“(1) The following persons shall be permanent members of the Advisory Board:

“(A) The Science Advisor to the President, or his designee.

“(B) The Administrator of the National Oceanic and Atmospheric Administration, or his designee.”.

TITLE III—OPERATION AND MAINTENANCE

PART A—AUTHORIZATIONS OF APPROPRIATIONS

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated for fiscal year 1992 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance in amounts as follows:

- (1) For the Army, \$21,155,854,000.
- (2) For the Navy, \$23,185,380,000.
- (3) For the Marine Corps, \$1,845,500,000.
- (4) For the Air Force, \$19,657,010,000.
- (5) For the Defense Agencies, \$8,652,716,000.
- (6) For the Army Reserve, \$968,200,000.
- (7) For the Naval Reserve, \$824,600,000.
- (8) For the Marine Corps Reserve, \$80,900,000.

Reports.

10 USC 2367
note.

→ Jeff, v

This may be useful
in writing the
think piece on the
Brown Foundation

John

US-FSU JOINT S&T FOUNDATION

The 102nd Congress has authorized and appropriated \$25 million to the Department of Defense that could be used to establish an endowment for the operation of a joint U.S.-Former Soviet Union research and development foundation. Additional legislation has been passed that authorizes the National Science Foundation, in consultation with the National Institute of Standards and Technology to establish this foundation. In signing this legislation, the President has directed the NSF Director to consider whether such a nongovernmental foundation can be publicly accountable. The legislation, while including the funding in the Nunn-Lugar component of the DOD appropriation, only allows DOD to provide it for the foundation rather than mandating it.

BACKGROUND

In March, 1992, Rep. George Brown introduced legislation (HR 4550) to establish an endowed, nongovernmental, non-profit foundation to encourage and fund collaborative research and development projects between the U.S. and democratic republics emerging from the former Soviet Union.

A version of this joint U.S.-former Soviet Union research and development foundation was subsequently included in the final version of the Freedom Support Act. The Freedom Support Act, which was passed in October and has been signed into law, provides support for a variety of programs that would assist the independent states of the former Soviet Union to become stable, market-oriented democracies.

Specifically, Section 511 of the Freedom Support Act authorizes the Director of NSF, in consultation with the Director of NIST, to establish an endowed, nongovernmental, non-profit foundation. The purposes of this research and development foundation are:

- 1) To provide productive research and development opportunities with the independent states of the former Soviet Union that offer scientists and engineers alternatives to emigration and help prevent the dissolution of the technological infrastructure of the independent states;
- 2) To advance defense conversion by funding civilian collaborative research and development projects between scientists and engineers in the U.S. and in the independent states of the former Soviet Union;
- 3) To assist in the establishment of a market economy in the independent

states of the former Soviet Union by promoting, identifying, and partially funding joint research, development and demonstration ventures between U.S. businesses, and scientists, engineers, and entrepreneurs in those independent states;

4) To provide a mechanism for scientists, engineers, and entrepreneurs in the independent states to develop an understanding of commercial business practices by establishing linkages to U.S. scientists, engineers, and businesses; and

5) To provide access for U.S. businesses to sophisticated new technologies, talented researchers, and potential new markets within the independent states of the former Soviet Union.

This foundation, once established would have the following functions:

1) It would promote and support joint research and development projects for peaceful purposes between scientists and engineers in the U.S. and independent states on subjects of mutual interest; and

2) It would seek to establish joint nondefense industrial research, development and demonstration activities through private sector linkages which may involve participation by scientists and engineers in the university or academic sectors, and which would include some contribution from industrial participants.

The FY 1993 DOD Authorization Act includes a specific authorization of \$25 million for DOD for this research and development foundation. The Freedom Support Act permits the Secretary of Defense to make these authorized funds available to NSI² for the establishment of the endowment for the foundation and otherwise carry out this program. The FY 1993 DOD Appropriations Act contains permission for DOD to use up to \$25 million of appropriated DOD funds to support the establishment of the endowment for this foundation. The DOD funds targeted by this legislation are the so-called Nunn-Lugar funds established to assist the FSU with disarmament and economic transition, now totalling some \$800 million. Access to the Nunn-Lugar funds, however, is controlled by a Policy Coordinating Committee chaired by the National Security Council.

IMPORTANCE OF THIS FOUNDATION

The proposed Foundation would have a major impact on cooperation in civilian science and technology between the United States and the former Soviet Union. It would provide, for the first time, a significant civilian S&T complement to the otherwise substantial efforts being made by the U.S. government to provide humanitarian and other forms of assistance to the FSU, to encourage the growth

of a strong market economy and democratic institutions. Specifically, the Foundation would ensure that civilian S&T cooperation with the FSU is not neglected in deference to cooperation with the FSU military S&T sector, which thus far has received almost exclusive attention in terms of new funding for such efforts. Through the Foundation the U.S. would also be assured of a strong presence and major role in future contacts with FSU science vis-a-vis other countries, especially the EC, which are mounting their own assistance efforts in S&T with the region. Beyond its financial impact, the Foundation would serve as a catalyst to promote new institutional forms in FSU science, such the development of competitive grants mechanisms, that could profoundly contribute to the long-term health of FSU science and to a more compatible institutional basis for international S&T cooperation with the FSU. The equal emphasis to be given to nondefense industrial research cooperation offers particularly interesting opportunities to experiment with new forms of cooperation and of partnerships between basic and applied research in both the U.S. and the FSU.

CONCLUSION

The legislation and the subsequent appropriations are permissive with respect to the actions DOD may take and funds that may be made available. The establishment and oversight of the foundation will entail a major commitment of effort. However, the creation of this foundation represents a unique and important opportunity through which the U.S. can provide significant, carefully targeted assistance to FSU science and technology while contributing to reform and democratization in the FSU by promoting the principles of excellence and competition civilian research.

FAXED from

House Armed Services Committee

RETRANSMISSION

Attention

John O'Neill

OF FIRST 3
~~2000~~ PAGES.

Fax #

395-1572

Sent by

Lon Bartels

Phone #

225-7224

Fax contains 3 pages
(including cover sheet)

Note:

John,
As promised. The letter
is a preliminary draft and has
not yet been proposed to Strobe
Salbott's office. Hope this is helpful.
Lon

2340 Rayburn Building
Washington, D.C. 20515
(202) 225-4151

Draft

Dear Les,

Congratulations on your full recovery and prompt return to the important tasks before you. I look forward to active and fruitful collaboration with you and your staff on a full range of issues dealing with our national security and foreign policy interests, especially regarding our relations with the former Soviet Union. I note, in fact, that those relations have significant impact on each of the four primary dangers that you have identified as the foundation for our emerging defense policies.

One of the areas of our collaboration that I would like to get off the ground right away involves our efforts to facilitate mutually beneficial, joint efforts between the scientific communities of the United States and the countries of the former Soviet Union. I understand, for example, that you co-sponsored legislation last year designed to establish and fund a joint research and development foundation drawing on the scientific talents and technologies of these communities. I congratulate you on those efforts and am eager to begin our work together to ensure that they bear full fruit.

This joint research and development foundation was described in sec. 1441 of the National Defense Authorization Act for Fiscal Year 1993, and in sec. 511 of the FREEDOM Support Act of 1992. In sec. 1421(C) of the National Defense Authorization Act of 1993, and sec. 9110(b)(6) of the Department of Defense Appropriations Act of 1993, the Secretary of Defense is provided with up to \$25 million that he can make available to this foundation. These Acts also spell out important purposes for the foundation that address defense conversion, development of a market economy in the former Soviet Union, economic and technological benefits for the United States as well as the countries of the former Soviet Union, and counter-proliferation measures.

I would like to move forward quickly to establish this foundation. I will be working with the Directors of the National Science Foundation (NSF) and the National Institute of Standards and Technology (NIST), as well as their counterparts from the former Soviet Union, to get the foundation organized. I would welcome the participation of your staff in these efforts, and will certainly keep them informed of progress. If you could let me know when the Department of Defense funds for this program are likely to be available for release, I will coordinate with the NSF and NIST Directors accordingly.

Again, I look forward to working closely with you and your staff on advancing our foreign and security policy interests as they pertain to the countries of the former Soviet Union.

Strobe Talbott

such investment may be used only for the purpose for which the assistance was provided. ✓

(6) Other funds from government and nongovernmental sources.--The Foundation may accept such other funds as may be provided to it by Government agencies or nongovernmental entities.

House Committee Report 102-569, Part 1

Summary

H.R. 4547, as amended, sets forth general policies for assistance to the independent states of the former Soviet Union, establishes criteria toward which progress must be made in order to provide assistance to governmental entities, and authorizes the provision of assistance for broad categories of activities. H.R. 4547, as amended, authorizes funding for the U.S. contribution to the quota increase of the International Monetary Fund (IMF) and calls on the United States to take the lead in facilitating participation by the former republics in international economic organizations and in arranging multilateral efforts for currency stabilization and debt reduction. H.R. 4547, as amended, authorizes additional funding for activities in the independent states of the former Soviet Union by the Department of State and the United States Information Agency (USIA). H.R. 4547, as amended, also authorizes various nonproliferation and disarmament activities; encourages trade in space technologies; authorizes the establishment of a Democracy Corps to maintain a technical assistance presence to support democratic and economic reform efforts in the independent states; and directs the establishment of a foundation under the authority of the director of the National Science Foundation to fund joint research projects between the United States and the independent states.

Committee Action

SECTION 504--ESTABLISHMENT OF FOUNDATION

Section 504(a) authorizes the Director of the National Science Foundation to establish an endowed, nongovernmental, nonprofit foundation in consultation with the Director of the National Institute of Standards and Technology. In establishing the Foundation, the committee expects that the Director will use as models already-established binational research and development foundations, such as those with Israel. The Foundation's by-laws should contain provisions for selection of a Board of Directors and an Executive Director. The Foundation should seek to have the independent states waive customs and excise duties for goods and travel in connection with Foundation projects, and should require reimbursement of up to 150 percent of its contribution from any royalty revenues resulting from Foundation assistance. The committee expects that the representation on the Board of Directors will reflect the level of participation by member countries in the Foundation's programs, and that U.S. members of the Board would be representative of both the industrial and academic sectors.

Section 504(b) establishes the purposes of the Foundation. Essentially, the purposes of the Foundation are to help prevent the collapse of technological infrastructure in the independent states of the former Soviet Union, which is critical to economic stability in the region, and to assist scientists and engineers in both the defense and civilian sectors to redirect their talents and energies to the development of an open market-oriented economy. Foundation programs should be designed to maximize opportunities for Eurasian participants to develop an understanding of commercial business practices and open economic systems, and to gain access for U.S. businesses to sophisticated new technologies, talented researcher, and potential new markets within the new states. Foundation support should provide alternatives to emigration for engineers and scientists in the new states.

Section 504(c) sets forth two functions for the Foundation. The Foundation must support joint research and development projects between scientists and engineers in the United States and the independent states; and must also establish joint research, development, and demonstration activities between high technology entrepreneurs in the new states and U.S. industrial participants. The committee intends that the Foundation give equal emphasis to both functions.

Section 504(d) authorizes the Foundation to accept funding from a variety of sources. Assets realized as a result of government-to-government debt conversions, to the extent that appropriations are made in advance for this purpose, and local currencies generated by U.S. assistance programs, may be made available to the Foundation. The Foundation is authorized to invest U.S. assistance provided to it, and to retain any interest earned on the investment. A minimum contribution to the endowment is required by any independent state seeking to participate in the Foundation, with the amount of the contribution to be determined by the Director of the National Science Foundation. Available to the Foundation will be the \$25 million authorized by subtitle D of title II of the National Defense Authorization Act for Fiscal Year 1993 to be transferred by the Secretary of Defense to such an entity. In addition, the Foundation is authorized to receive such funds as may be provided by other U.S. Government agencies and nongovernmental entities.

NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEARS 1992 AND 1993

(4) the reasons for selecting the force structure provided for in the plan.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

PART A—AUTHORIZATIONS

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1992 for the use of the Armed Forces for research, development, test, and evaluation as follows:

- (1) For the Army, \$6,686,600,000.
- (2) For the Navy, \$8,633,875,000.
- (3) For the Air Force, \$14,467,094,000.
- (4) For the Defense Agencies, \$10,269,034,000, of which—
 - (A) \$228,495,000 is authorized for the activities of the Deputy Director, Defense Research and Engineering (Test and Evaluation); and
 - (B) \$14,200,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNTS FOR BASIC RESEARCH AND EXPLORATORY DEVELOPMENT.

(a) **FISCAL YEAR 1992.**—Of the amounts authorized to be appropriated by section 201, \$4,179,933,000 shall be available for basic research and exploratory development projects.

(b) **BASIC RESEARCH AND EXPLORATORY DEVELOPMENT DEFINED.**—For purposes of this section, the term “basic research and exploratory development” means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

SEC. 203. MANUFACTURING TECHNOLOGY.

(a) **FUNDING.**—Of the amounts authorized to be appropriated by section 201, \$280,000,000 shall be available for, and may be obligated only for, manufacturing technology as follows:

- (1) For the Army Industrial Preparedness program, \$28,058,000.
- (2) For the Navy Industrial Preparedness program, \$74,407,000.
- (3) For the Air Force Industrial Preparedness program, \$60,535,000.
- (4) For the Defense Agencies, \$117,000,000, of which—
 - (A) \$17,000,000 is authorized for the Defense Logistic Agency Industrial Preparedness program; and
 - (B) \$100,000,000 is authorized for Advanced Manufacturing Technology.

(b) **DEFINITION.**—For the purposes of this section, the term “industrial preparedness” means the Manufacturing Technology (MANTECH) program.

(c) **SUBMISSION OF ANNUAL PLAN TO CONGRESS.**—Section 2513 of title 10, United States Code, is amended—

- (1) in subsection (a), by striking out “a National” and inserting in lieu thereof “an annual National”; and
- (2) by adding at the end the following new subsection:

“(e) The Secretary shall submit the annual Plan to Congress not later than March 15 of each year. The Plan may be submitted in classified and unclassified versions.”.

(d) **LIMITATION.**—No funds appropriated for fiscal year 1992 or 1993 may be obligated for a manufacturing technology-related research and development activity unless that particular activity—

(1) is specifically included in the National Defense Manufacturing Technology Plan submitted to Congress during the preceding fiscal year pursuant to section 2513(a) of title 10, United States Code (as amended by subsection (c));

(2) is required by law; or

(3) is specifically approved by the Secretary of Defense.

SEC. 204. AUTHORIZATION TO MAKE CERTAIN FISCAL YEAR 1991 NAVY FUNDS AVAILABLE FOR OTHER PURPOSES.

(a) **AUTHORITY.**—The Secretary of the Navy may use fiscal year 1991 Sea Lance funds (1) for program termination costs related to the termination of the Sea Lance weapon system, and (2) for other authorized programs, projects, and activities of the Navy for research, development, test, and evaluation for fiscal year 1991 or for fiscal year 1992. The authority provided in the preceding sentence is available only to the extent provided in appropriations Acts, not to exceed \$71,000,000.

(b) **DESCRIPTION OF FUNDS.**—The funds referred to in subsection (a) as fiscal year 1991 Sea Lance funds are amounts appropriated for fiscal year 1991 for the Navy for research, development, test, and evaluation that were provided for the Sea Lance weapon system and that remain available for obligation and (due to the termination of that system) are no longer required for that system (other than for program termination costs).

(c) **AVAILABILITY OF FUNDS.**—This section does not extend the period of the availability for obligation of the funds described in subsection (b).

PART B—PROGRAM REQUIREMENTS, RESTRICTIONS, AND LIMITATIONS

SEC. 211. V-22 OSPREY AIRCRAFT PROGRAM.

(a) **FUNDING.**—Of the funds authorized to be appropriated pursuant to section 201 or otherwise made available for research, development, test, and evaluation for the Navy for fiscal year 1992, the sum of \$790,000,000 shall be used only for development, manufacture, and operational test of three production representative V-22 Osprey aircraft, of which the amount of \$165,000,000 is derived by transfer pursuant to subsection (b). The authority under the preceding sentence is available only to the extent provided in appropriation Acts.

(b) **TRANSFER OF UNOBLIGATED FISCAL YEAR 1991 FUNDS.**—To the extent provided in appropriations Acts, the Secretary of the Navy shall transfer, out of any funds appropriated to the Navy for fiscal year 1991 for procurement of aircraft that remain available for obligation, \$165,000,000 for research, development, test, and evaluation in connection with the V-22 Osprey aircraft program. The preceding sentence does not extend the period of the availability for obligation of amounts transferred under that sentence.

(c) **AVAILABILITY OF FUNDS FOR THE SPECIAL OPERATIONS VARIANT.**—Of the amounts authorized to be appropriated pursuant to section 201(4) for the Defense Agencies for fiscal year 1992, \$15,000,000 shall be available for research, development, test, and

evaluation in connection with the special operations variant of the V-22 Osprey aircraft.

SEC. 212. EXTENSION OF PROHIBITION ON TESTING MID-INFRARED ADVANCED CHEMICAL LASER AGAINST AN OBJECT IN SPACE.

The Secretary of Defense may not carry out a test of the Mid-Infrared Advanced Chemical Laser (MIRACL) transmitter and associated optics against an object in space during 1992 unless such testing is specifically authorized by law.

SEC. 213. A-(X) ADVANCED TACTICAL AIRCRAFT, NAVY.

The Secretary of Defense may not classify the total acquisition cost and the acquisition schedule for the A-(X) (next-generation naval attack aircraft) program at the level of special access classification.

SEC. 214. F-22 ADVANCED TACTICAL FIGHTER AIRCRAFT PROGRAM, AIR FORCE.

(a) FINDINGS.—Congress finds—

(1) that the emphasis placed on manufacturing in the next phase of the F-22 Advanced Tactical Fighter (ATF) aircraft program is a correct and significant step toward an appropriate acquisition system for the 1990s and beyond;

(2) that the objective of the next phase of the ATF program, known as the Engineering and Manufacturing Development Phase, should be to complete a production representative design (verified by testing production prototypes) with known cost and minimal risk for the Production Phase; and

(3) that the Air Force, having demonstrated satisfactory ATF system performance in the Demonstration Validation Phase, should give priority in the Engineering and Manufacturing Development Phase to investing in ATF manufacturing technologies over improving ATF performance.

(b) MANUFACTURING AND AFFORDABILITY.—The Secretary of the Air Force shall elevate manufacturing considerations during the Engineering and Manufacturing Development Phase of the ATF program—

(1) by accepting small reductions in aircraft performance, if necessary, to achieve a more producible and affordable production design;

(2) by directing the contractor to evaluate a wide selection of alternative production processes and technologies (including use of commercial standards or practices of manufacturing technology) for production of the aircraft; and

(3) by investing funds in those processes and technologies evaluated pursuant to paragraph (2) which have the highest cost or quality return on investment, with the objective of further lowering production costs and improving supportability.

(c) REPORT.—The Secretary of the Air Force shall submit to the congressional defense committees a report covering the production processes evaluated under subsection (b)(2) and the analysis supporting those processes which are ultimately selected under subsection (b)(3) for use in production. The report shall be submitted before fabrication of the first production prototype airframe is begun.

SEC. 215. SUPERCOMPUTER MODERNIZATION PROGRAM.

(a) PLAN.—(1) The Secretary of Defense, acting through the Director, Defense Research and Engineering (DDR&E), shall develop a plan by which the Department of Defense, beginning in fiscal year 1993, will modernize the supercomputer capability of Department of Defense laboratories. The plan shall include determinations of the equipment and software to be procured or leased and a schedule for the funding required to carry out the plan.

(2) The plan shall be developed by April 1, 1992. The Secretary shall submit the plan to the Committees on Armed Services of the Senate and the House of Representatives not later than that date.

(b) PROHIBITION OF NON-DOMESTIC ALTERNATIVES.—None of the equipment planned to be procured or leased under the plan may be obtained from a non-United States computer manufacturer unless the Secretary of Defense certifies to Congress that no United States computer manufacturer can meet the requirement being met by that procurement.

SEC. 216. MANAGEMENT OF NAVY MINE COUNTERMEASURES PROGRAMS.

(a) RESPONSIBILITY.—Subject to the authority, direction, and control of the Secretary of Defense, the Director, Defense Research and Engineering shall have the primary responsibility for developing and testing naval mine countermeasures systems during fiscal years 1993 through 1997.

(b) WAIVER AUTHORITY.—The Secretary of Defense may waive the requirement in subsection (a) with respect to any fiscal year if, not later than June 1 of the calendar year in which that fiscal year begins, the Secretary certifies to the congressional defense committees that—

(1) the Secretary of the Navy, in consultation with the Chief of Naval Operations and the Commandant of the Marine Corps, has submitted to the Secretary of Defense an updated mine countermeasures master plan that identifies—

(A) technologies having promising potential for use for improving mine countermeasures; and

(B) programs for advancing those technologies into production;

(2) the budget submitted to Congress pursuant to section 1105(a) of title 31, United States Code, for that fiscal year and the multiyear defense program submitted to Congress in connection with that budget pursuant to section 114a of title 10, United States Code, propose sufficient resources for executing the updated mine countermeasures master plan; and

(3) the Chairman of the Joint Chiefs of Staff has determined that the budget resources for mine countermeasures and the updated mine countermeasures master plan are sufficient.

SEC. 217. NON-ACOUSTIC ANTI-SUBMARINE WARFARE PROGRAM.

After December 31, 1991, funds appropriated or otherwise made available to the Department of the Navy for fiscal years 1992 and 1993 may not be obligated for research, development, test, and evaluation for non-acoustic anti-submarine warfare unless the Secretary of Defense has certified to the congressional defense committees, before any such obligation, that—

(1) the Department of Defense is conducting two viable, independent non-acoustic anti-submarine warfare programs within the Department; and

(2) at least one such program is not managed within the Department of the Navy.

SEC. 218. ANTI-SUBMARINE WARFARE WEAPON SYSTEM REQUIREMENTS.

(a) **REPORT.**—The Secretary of the Navy shall submit to the congressional defense committees a report containing an analysis of the requirements of the Navy for antisubmarine weapons systems and the program and plans of the Navy for meeting those requirements.

(b) **CONTENT OF REPORT.**—The report shall include the following:

(1) A description of the operational requirements of the Navy for antisubmarine weapons for launch from submarines, for launch from surface ships, and for launch from aircraft.

(2) A description of weapons and alternative candidate weapons systems, concepts, and technologies that could satisfy those operational requirements, to include heavyweight torpedoes, lightweight torpedoes, quick-reaction weapons for surface ships, long-range weapons for surface ships, long-range weapons for submarines, and any other weapons concept considered for meeting the requirements stated in paragraph (1).

(3) An estimate of the costs associated with developing, acquiring, operating, and maintaining each of the weapons and alternatives described under paragraph (2).

(4) A detailed description of the programs and plans of the Navy for meeting its antisubmarine weapons systems requirements and for developing, acquiring, and operating antisubmarine weapons, including identification of funding requested for those programs and plans for fiscal year 1993.

(c) **DEADLINE FOR SUBMISSION OF REPORT.**—The report under subsection (a) shall be submitted not later than May 15, 1992.

SEC. 219. SHIP-TO-SHORE FIRE SUPPORT.

(a) **R&D PROGRAM.**—The Secretary of the Navy shall establish a naval surface fire support research and development program. The Secretary shall, with the budget request for fiscal year 1993, submit to the congressional defense committees a review of the fiscal year 1992 program for investigation, demonstration, and evaluation of potential technologies and weapons systems for improving ship-to-shore fire support.

(b) **INITIAL REPORT.**—Not later than six months after the date of the enactment of this Act, the Secretary of the Navy shall submit to the congressional defense committees a comprehensive report on naval ship-to-shore fire support requirements. The report shall be prepared in consultation with the Chief of Naval Operations and the Commandant of the Marine Corps and shall include the following:

(1) A description of operational requirements of the Navy and of the Marine Corps for naval surface fire support of amphibious and strike operations and a summary of the analysis supporting these requirements.

(2) A survey of the alternative technologies and other options which could be useful in meeting the requirements described under paragraph (1), including specifically—

(A) options based on guns, multiple-launch rockets, or missiles; and

(B) references to relevant activities being pursued by other military departments and Defense agencies and in private industry.

(3) Identification of the funds requested for fiscal year 1993 for ship-to-shore fire support, identification of plans and programs for ship-to-shore fire support programs in future years, and a description of the plan of the Navy for improving ship-to-shore fire support in the near term (with improvements that are capable of being introduced into the fleet within five years).

(c) **SECOND REPORT.**—No later than one year after the date of the enactment of this Act, the Secretary of the Navy shall submit to the congressional defense committees a second report on ship-to-shore fire support. That report shall include the following:

(1) A cost and operational effectiveness analysis (COEA) based on the requirements and technologies identified in the report under subsection (b), to include evaluation of the effectiveness and use of gun, multiple-launch rocket, and missile systems for surface fire support, both independently and in conjunction with fires from attack helicopter and fixed-wing aircraft.

(2) The near-term plans and the long-term plans of the Navy for meeting its ship-to-shore fire support requirements and a description of the research, development, test, and evaluation programs and of the procurement programs to be carried out in support of those plans.

(d) **INDEPENDENT STUDY AND ANALYSIS.**—(1) The Secretary of Defense shall provide for an independent study of naval ship-to-shore fire support requirements to be conducted by the Institute for Defense Analysis, a Federal contract research center. The study shall include (A) an assessment of the operational requirements of the Navy and of the Marine Corps for naval surface fire support of amphibious and strike operations and an independent review and analysis of alternative candidates for meeting both near-term requirements and long-term requirements for ship-to-shore fire support, and (B) an evaluation of the use and cost effectiveness of gun, multiple-launch rocket, and missile systems for ship-to-shore fire support. The Institute shall submit interim and final reports to the Secretary on such study at such times as the Secretary may require.

(2) The Secretary shall submit an interim report on the results of the study under paragraph (1) to the congressional defense committees within six months after the date of the enactment of this Act. The interim report shall focus on near-term systems and concepts that can be introduced into the fleet within five years and shall identify the preferred technologies for development in the near term.

(3) The Secretary shall submit a final report on the results of the study to the congressional defense committees within one year after the date of the enactment of this Act. The final report shall include a more thorough survey of the available and projected technologies that may be relevant to the mission requirements of the Navy for surface ship-to-shore fire support during the period ten-to-fifteen years after the date of the enactment of this Act.

(e) **RESTRICTION ON USE OF FUNDS.**—Of the funds appropriated pursuant to authorizations of appropriations in this Act for the Navy ship-to-shore fire support program—

(1) up to \$2,500,000 may be used for the study required by subsection (b) and for the cost and operational effectiveness analysis required under subsection (c); and

(2) up to \$1,500,000 may be used for the study required under subsection (d).

Reports.

Establishment.

SEC. 220. SUPERCONDUCTING MAGNETIC ENERGY STORAGE PROJECT.

Establishment.

(a) **PROJECT OFFICE.**—The Secretary of Defense shall establish or designate an office within the Department of Defense to have responsibility for the Superconducting Magnetic Energy Storage Project. The project shall be carried out in coordination with the Secretary of Energy.

(b) **PLAN.**—(1) The Secretary of Defense shall develop a plan for the project. The plan shall be developed in cooperation with the Secretary of Energy and shall include provisions for sharing of the costs of the project by each Department.

(2) The plan shall be designed so as to lead to the demonstration of an engineering test model of the superconducting magnetic storage system.

(3) The plan shall be submitted to the Congress not later than April 1, 1992.

(c) **FUNDING FOR FISCAL YEAR 1992.**—Of the amounts authorized to be appropriated pursuant to section 201 for fiscal year 1992, \$20,000,000 shall be available to conduct planning and initial design activities for the project.

SEC. 221. SEALIFT RESEARCH AND DEVELOPMENT.

The Secretary of the Navy may transfer not to exceed \$25,000,000 from unobligated funds appropriated for the Navy for fiscal year 1991 for shipbuilding and conversion and made available for sealift to amounts appropriated for the Navy for fiscal year 1992 for research, development, test, and evaluation, to be available for the sealift program established pursuant to section 1424 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1683; 10 U.S.C. 7291 note). The authority under the preceding sentence is available only to the extent provided in appropriations Acts.

SEC. 222. ICBM MODERNIZATION PROGRAM.

(a) **FUNDING.**—Of the amounts appropriated pursuant to section 201 for fiscal year 1992, not more than \$566,444,000 shall be available for the intercontinental ballistic missile (ICBM) modernization program, of which—

(1) not more than \$548,838,000 shall be available for the small ICBM (SICBM) program; and

(2) none shall be available for the rail garrison MX (RGMX) program.

(b) **LIMITATION.**—(1) The funds described in subsection (a)(1) may not be obligated until the Secretary of Defense certifies to the congressional defense committees that a sufficient amount of such funds will be obligated to conduct a viable program of research and development of mobile basing options for the SICBM program consistent with the sense of Congress set forth in section 231(b)(4) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1516).

(2) Not later than 90 days after the date on which the Secretary makes a certification under paragraph (1), the Secretary shall submit to the congressional defense committees a report describing—

(A) the revised research and development program for SICBM mobile basing options;

(B) the amount of the funds that the Secretary intends to obligate in each of fiscal years 1992 through 1997 for such program; and

(C) the earliest date on which a SICBM mobile basing option will be available in the event that conditions warrant a rebasing of the missile from existing Minuteman ICBM silos.

(c) **REPORT.**—Not later than March 1, 1992, the Secretary of Defense shall submit to the congressional defense committees a report on the cost and practicality of extending the service life of existing Minuteman III ICBMs beyond the year 2010.

(d) **AVAILABILITY OF UNOBLIGATED FISCAL YEAR 1991 FUNDS.**—(1) Of the balance of the amount appropriated for the Air Force for fiscal year 1991 for research, development, test, and evaluation for ICBM modernization that remains available for obligation, \$17,500,000 may, to the extent provided in appropriations Acts, be used during fiscal year 1992 for obligation for the procurement of MX missiles.

(2) The authority provided in paragraph (1) does not extend the period of the availability for obligation of the funds referred to in that paragraph.

(3) The authority provided in paragraph (1) is in addition to any other transfer authority provided in this or any other Act.

PART C—MISSILE DEFENSE PROGRAM

SEC. 231. SHORT TITLE.

This part may be cited as the “Missile Defense Act of 1991”.

SEC. 232. MISSILE DEFENSE GOAL OF THE UNITED STATES.

(a) **MISSILE DEFENSE GOAL.**—It is a goal of the United States to—

(1) deploy an anti-ballistic missile system, including one or an adequate additional number of anti-ballistic missile sites and space-based sensors, that is capable of providing a highly effective defense of the United States against limited attacks of ballistic missiles;

(2) maintain strategic stability; and

(3) provide highly effective theater missile defenses (TMDs) to forward-deployed and expeditionary elements of the Armed Forces of the United States and to friends and allies of the United States.

(b) **ENDORSEMENT OF ADDITIONAL MEASURES.**—As an additional component of the overall goal of protecting the United States against the threat posed by ballistic missiles, Congress endorses such additional measures as—

(1) joint discussions between the United States and the Soviet Union on strengthening nuclear command and control, to include discussions concerning the use of permissive action links and post-launch destruct mechanisms on all intercontinental-range ballistic missiles of the two nations;

(2) reductions that enhance stability in strategic weapons of the United States and Soviet Union to levels below the limitations of the Strategic Arms Reduction Talks (START) Treaty, to include the down-loading of multiple warhead ballistic missiles; and

(3) reinvigorated efforts to halt the proliferation of ballistic missiles and weapons of mass destruction.

Missile Defense
Act of 1991.
10 USC 2431
note.

Reports.

SEC. 233. IMPLEMENTATION OF GOAL.

(a) **IN GENERAL.**—To implement the goal specified in section 232(a), the Congress—

- (1) directs the Secretary of Defense to take the actions specified in subsection (b); and
- (2) urges the President to take the actions described in subsection (c).

(b) **ACTIONS OF THE SECRETARY OF DEFENSE.**—

(1) **THEATER MISSILE DEFENSE OPTIONS.**—The Secretary of Defense shall aggressively pursue the development of advanced theater missile defense systems, with the objective of downselecting and deploying such systems by the mid-1990s.

(2) **INITIAL DEPLOYMENT.**—The Secretary shall develop for deployment by the earliest date allowed by the availability of appropriate technology or by fiscal year 1996 a cost-effective, operationally-effective, and ABM Treaty-compliant anti-ballistic missile system at a single site as the initial step toward deployment of an anti-ballistic missile system described in section 232(a)(1) designed to protect the United States against limited ballistic missile threats, including accidental or unauthorized launches or Third World attacks. The system to be developed should include—

(A) 100 ground-based interceptors, the design of which is to be determined by competition and downselection for the most capable interceptor or interceptors;

(B) fixed, ground-based, anti-ballistic missile battle management radars; and

(C) optimum utilization of space-based sensors, including sensors capable of cueing ground-based anti-ballistic missile interceptors and providing initial targeting vectors, and other sensor systems that also are not prohibited by the ABM Treaty, such as a ground-based sub-orbital surveillance and tracking system.

(3) **DEPLOYMENT PLAN.**—Within 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a plan for the deployment of theater missile defense systems and an anti-ballistic missile system which meet the guidelines established in paragraphs (1) and (2).

(c) **PRESIDENTIAL ACTIONS.**—

(1) **NEGOTIATIONS REGARDING THE ABM TREATY.**—Congress recognizes the President's call on September 27, 1991, for "immediate concrete steps" to permit the deployment of defenses against limited ballistic missile strikes and the response of the President of the Soviet Union undertaking to consider such proposals from the United States on nonnuclear ABM systems.

(2) In this regard, Congress urges the President to pursue immediate discussions with the Soviet Union on the feasibility and mutual interests of amendments to the ABM Treaty to permit the following:

(A) Construction of anti-ballistic missile sites and deployment of ground-based anti-ballistic missile interceptors in addition to those currently permitted under the ABM Treaty.

(B) Increased use of space-based sensors for direct battle management.

President.

Union of
Soviet Socialist
Republics.

(C) Clarification of what development and testing of space-based missile defenses is permissible under the ABM Treaty.

(D) Increased flexibility for technology development of advanced ballistic missile defenses.

(E) Clarification of the distinctions for the purposes of the ABM Treaty between theater missile defenses and anti-ballistic missile defenses, including interceptors and radars.

SEC. 234. FOLLOW-ON TECHNOLOGY RESEARCH.

(a) **FOLLOW-ON ANTI-BALLISTIC MISSILE TECHNOLOGIES.**—To effectively develop technologies relating to achieving the goal specified in section 232(a) and to provide future options for protecting the security of the United States and the allies and friends of the United States, robust funding for research and development for promising follow-on anti-ballistic missile technologies, including Brilliant Pebbles, is required.

(b) **EXCLUSION FROM INITIAL PLAN.**—Deployment of Brilliant Pebbles is not included in the initial plan for the limited defense system architecture described in section 232(a).

(c) **REPORT AND LIMITATION.**—The Secretary of Defense shall submit to the congressional defense committees a report on conceptual and burden sharing issues associated with the option of deploying space-based interceptors (including Brilliant Pebbles) for the purpose of providing global defenses against ballistic missile attacks. Not more than 50 percent of the funds made available for the purposes described in section 237(b)(3) for the Space-Based Interceptors program element for fiscal year 1992 may be obligated for the Brilliant Pebbles program until 45 days after submission of the report.

SEC. 235. PROGRAM ELEMENTS FOR STRATEGIC DEFENSE INITIATIVE.

(a) **EXCLUSIVE ELEMENTS.**—The following program elements shall be the exclusive program elements for the Strategic Defense Initiative:

- (1) Limited Defense System.
- (2) Theater Missile Defenses.
- (3) Space-Based Interceptors.
- (4) Other Follow-On Systems.
- (5) Research and Support Activities.

(b) **APPLICABILITY TO BUDGETS.**—The program elements specified in subsection (a) shall be the only program elements used in the program and budget provided concerning the Strategic Defense Initiative submitted to Congress by the Secretary of Defense in support of the budget submitted to Congress by the President under section 1105 of title 31, United States Code, for any fiscal year.

SEC. 236. RESEARCH, DEVELOPMENT, TEST, AND EVALUATION OBJECTIVES FOR SDI PROGRAM ELEMENTS.

(a) **LIMITED DEFENSE SYSTEM PROGRAM ELEMENT.**—The Limited Defense System program element shall include programs, projects, and activities (and supporting programs, projects, and activities) which have as a primary objective the development of systems, components, and architectures for a deployable anti-ballistic missile system as described in section 232(a)(1) capable of providing a highly effective defense of the United States against limited ballistic missile threats, including accidental or unauthorized launches or Third

World attacks, but below a threshold that would bring into question strategic stability. Such activities shall include those activities necessary to develop and test systems, components, and architectures capable of deployment by fiscal year 1996 as part of an ABM Treaty-compliant initial site defensive system. For purposes of planning, evaluation, design, and effectiveness studies, such programs, projects, and activities may take into consideration both the current limitations of the ABM Treaty and modest changes to its numerical limitations and its limitations on the use of space-based sensors.

(b) **THEATER MISSILE DEFENSES PROGRAM ELEMENT.**—The Theater Missile Defenses program element shall include programs, projects, and activities (including those associated before the date of the enactment of this Act with the Tactical Missile Defense Initiative) that have as primary objectives either of the following:

(1) The development of deployable and rapidly relocatable advanced theater missile defenses capable of defending forward-deployed and expeditionary elements of the Armed Forces of the United States, to be carried out with the objective of selecting and deploying more capable theater missile defense systems by the mid-1990s.

(2) Cooperation with friendly and allied nations in the development of theater defenses against tactical or theater ballistic missiles.

(c) **SPACE-BASED INTERCEPTORS PROGRAM ELEMENT.**—The Space-Based Interceptors program element shall include programs, projects, and activities (and supporting programs, projects, and activities) that have as a primary objective the conduct of research on space-based kinetic-kill interceptors and associated sensors that could provide an overlay to ground-based anti-ballistic missile interceptors.

(d) **OTHER FOLLOW-ON SYSTEMS PROGRAM ELEMENT.**—The Other Follow-On Systems program element shall include programs, projects, and activities that have as a primary objective the development of technologies capable of supporting systems, components, and architectures that could produce highly effective defenses for the future.

(e) **RESEARCH AND SUPPORT ACTIVITIES PROGRAM ELEMENT.**—The Research and Support Activities program element shall include programs, projects, and activities that have as primary objectives the following:

(1) The provision of basic research and technical, engineering, and managerial support to the programs, projects, and activities within the program elements referred to in subsection (a) through (d).

(2) Innovative science and technology projects.

(3) The provision of necessary test and evaluation services other than those required for a specific program element.

(4) Program management.

SEC. 237. STRATEGIC DEFENSE INITIATIVE FUNDING.

(a) **TOTAL AMOUNT.**—Of the amounts appropriated pursuant to section 201 for fiscal year 1992 or otherwise made available to the Department of Defense for research, development, test, and evaluation for fiscal year 1992, not more than \$4,150,000,000 may be obligated for the Strategic Defense Initiative.

(b) **SPECIFIC AMOUNTS FOR THE PROGRAM ELEMENTS.**—Of the amount described in subsection (a)—

(1) not more than \$1,521,780,000 shall be available for programs, projects, and activities within the Limited Defense System program element;

(2) not more than \$828,710,000 shall be available for programs, projects, and activities within the Theater Missile Defenses program element;

(3) not more than \$465,000,000 shall be available for programs, projects, and activities within the Space-Based Interceptors program element, of which not more than \$390,000,000 shall be available for the Brilliant Pebbles program account;

(4) not more than \$629,550,500 shall be available for programs, projects, and activities within the Other Follow-On Systems program element; and

(5) not more than \$704,959,500 shall be available for programs, projects, and activities within the Research and Support Activities program element.

(c) **ENVIRONMENTAL IMPACT STATEMENT.**—Of the amount described in paragraph (b)(1)—

(1) not more than \$5,000,000 may be used to carry out an expeditious site-specific environmental impact statement in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(2) not more than \$40,000,000 may be used to conduct studies, site surveys, technical assessments, analysis, and refurbishments to remove the Grand Forks anti-ballistic missile site from its deactivated status.

The Congress hereby expressly waives any and all requirements to evaluate alternative sites to the site at Grand Forks.

(d) **REPORTING REQUIREMENT.**—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the allocation of funds appropriated for the Strategic Defense Initiative for fiscal year 1992. The report shall specify the amount of such funds allocated for each program, project, and activity of the Strategic Defense Initiative and shall list each Strategic Defense Initiative program, project, and activity under the appropriate program element.

(e) **TRANSFER AUTHORITIES.**—

(1) **IN GENERAL.**—Before the submission of the report required under subsection (d) and notwithstanding the limitations set forth in subsection (b), the Secretary of Defense may transfer funds among the program elements named in subsection (b).

(2) **LIMITATION.**—The total amount that may be transferred to or from any program element named in subsection (b)—

(A) may not exceed 10 percent of the amount provided in such subsection for the program element from which the transfer is made; and

(B) may not result in an increase of more than 10 percent of the amount provided in such subsection for the program element to which the transfer is made.

(3) **EXCEPTION.**—Transfer authority may not be used for a decrease in funds identified in subsection (b)(2) for Theater Missile Defenses.

(4) **MERGER AND AVAILABILITY.**—Amounts transferred pursuant to paragraph (1) shall be merged with and be available for the same purposes as the amounts to which transferred.

(f) **LAND TRANSFER, NORTH DAKOTA.**—The Administrator of the General Services Administration shall, without reimbursement and no later than 90 days after the date of the enactment of this Act, transfer accountability of the real property and improvements thereon, comprising approximately 473 acres (fee and easements) located within and contiguous to the Grand Forks SAFEGUARD-MSR site at Nekoma, North Dakota, to the Secretary of the Army.

SEC. 238. REVIEW OF FOLLOW-ON DEPLOYMENT OPTIONS.

As deployment at the anti-ballistic missile site described in section 233(b)(2) draws near to the deployment date of fiscal year 1996, the President and the Congress shall assess the progress in the ABM Treaty amendments negotiation called for under section 233(c) and shall consider the options available to the United States as now exist under the ABM Treaty. To assist in this review process, the President shall submit to the Congress not later than May 1, 1994, an interim report on the progress of the negotiations.

SEC. 239. ABM TREATY DEFINED.

For purposes of this part, the term "ABM Treaty" means the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missiles, signed in Moscow on May 26, 1972.

SEC. 240. INTERPRETATION.

Nothing in this part may be construed to imply—

- (1) congressional authorization for development, testing, or deployment of anti-ballistic missile systems in violation of the ABM Treaty, including any protocol or amendment to that treaty; or
- (2) final congressional authorization for deployment of anti-ballistic missile systems in compliance with the ABM Treaty.

PART D—OTHER MISSILE DEFENSE MATTERS

SEC. 241. ARROW TACTICAL ANTI-MISSILE PROGRAM.

(a) **COOPERATIVE RESEARCH AND DEVELOPMENT.**—Congress endorses a continuing program of cooperative research and development, jointly funded by the United States and the government of Israel, on the Arrow Tactical Anti-Missile program with a view to proving out (through such cooperative research and development) the feasibility and practicality of the system.

(b) **ARROW DEPLOYABILITY INITIATIVE.**—(1) Subject to paragraphs (2) and (3), the Secretary of Defense may obligate from funds appropriated pursuant to section 201 for fiscal year 1992 up to \$54,400,000 for the purpose of initiating research and development of systems to deploy the Arrow missile in the future, such as battle management, lethality, system integration, test bed, and fire control radar. Funds for such purpose may not be derived from funds available for the Strategic Defense Initiative.

(2) The authority under paragraph (1) is in addition to any other authority provided in this Act regarding the Arrow Tactical Anti-Missile program.

(3) Funds may not be obligated for the purpose described in paragraph (1) un

(A) the United States and the government of Israel enter into a Memorandum of Understanding governing the conduct and funding of such an effort;

(B) the Secretary of Defense certifies to the congressional defense committees that the Arrow missile has successfully completed the current four-test proof-of-principle flight test program; and

(C) the President has certified to Congress—

(i) with respect to any waiver of activities sanctionable under the laws described in paragraph (4) granted on or before the date of the enactment of this Act to any firm involved in the Arrow program at the time of such certification, that such activities have been terminated and the government of the nation in which such firm is located has given assurances to the United States that such activities by such firm will not be repeated; and

(ii) that the government of Israel has undertaken to adopt export controls pursuant to the Guidelines and Annex of the Missile Technology Control Regime (MTCR).

(4) The laws referred to in paragraph (3)(C)(i) are section 73(a)(1) of the Arms Export Control Act, section 11B(b)(1) of the Export Administration Act of 1979, and sections 1702 and 1703 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510).

SEC. 242. DEVELOPMENT AND TESTING OF ANTI-BALLISTIC MISSILE SYSTEMS OR COMPONENTS.

(a) **USE OF FUNDS.**—

(1) **LIMITATION.**—Funds appropriated to the Department of Defense for fiscal year 1992, or otherwise made available to the Department of Defense from any funds appropriated for fiscal year 1992 or for any fiscal year before 1992, may not be obligated or expended—

(A) for any development or testing of anti-ballistic missile systems or components except for development and testing consistent with the development and testing described in the May 1991 SDIO Report; or

(B) for the acquisition of any material or equipment (including any long lead materials, components, piece parts, test equipment, or any modified space launch vehicle) required or to be used for the development or testing of anti-ballistic missile systems or components, except for material or equipment required for development or testing consistent with the development and testing described in the May 1991 SDIO Report.

(2) **EXCEPTION.**—The limitation under paragraph (1) shall not apply to funds transferred to or for the use of the Strategic Defense Initiative for fiscal year 1992 if the transfer is made in accordance with section 1001 of this Act.

(b) **DEFINITION.**—In this section, the term "May 1991 SDIO Report" means the report entitled, "1991 Report to Congress on the Strategic Defense Initiative," dated May 16, 1991, prepared by the Strategic Defense Initiative Organization and submitted to certain committees of the Senate and House of Representatives by the Secretary of Defense pursuant to section 224 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1398; 10 U.S.C. 2431).

President.
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PART E—OTHER MATTERS

SEC. 251. MEDICAL COUNTERMEASURES AGAINST BIOWARFARE THREATS.

(a) **FUNDING.**—Of the amounts appropriated pursuant to section 201 for fiscal year 1992, not more than \$53,800,000 shall be available for the medical component of the Biological Defense Research Program (BDRP) of the Department of Defense.

(b) **LIMITATIONS.**—(1) No funds appropriated or otherwise made available for the Department of Defense for fiscal year 1992 may be obligated or expended for product development, or for research, development, testing, or evaluation, of medical countermeasures against a biowarfare threat except for medical countermeasures against a validated biowarfare threat agent or a potential (far-term) biowarfare threat agent.

(2) Of the funds made available pursuant to subsection (a), not more than \$10,000,000 may be obligated or expended for research, development, testing, and evaluation of medical countermeasures against potential (far-term) biowarfare threats.

(c) **DEFINITIONS.**—In this section:

(1) The term “biowarfare threat agent” means a biological agent that—

(A) is named in the biological warfare threat list published jointly by the Defense Intelligence Agency (DIA) and the Armed Forces Medical Intelligence Center (AFMIC); or

(B) is identified as a biowarfare agent by the Deputy Chief of Staff of the Army for Intelligence in accordance with Army regulations applicable to intelligence support for the medical component of the Biological Defense Research Program.

(2) The term “validated biowarfare threat agent” means a biowarfare threat agent that is being or has been developed or produced for weaponization within 10 years, as assessed and determined jointly by the Defense Intelligence Agency and the Armed Forces Medical Intelligence Center.

(3) The term “potential (far-term) biowarfare threat agent” means a biowarfare threat agent that is an emerging or future biowarfare threat, is the object of research by a foreign threat country, and will be ready for weaponization in more than 10 years and less than 20 years, as assessed and determined jointly by the Defense Intelligence Agency and the Armed Forces Medical Intelligence Center.

(4) The term “weaponization” means incorporation into usable ordnance or other militarily useful means of delivery.

SEC. 252. UNIVERSITY RESEARCH INITIATIVE.

Of the amounts authorized to be appropriated for fiscal year 1992 pursuant to section 201, \$182,373,000 shall be available for research and development under the University Research Initiative program of the Department of Defense, of which \$30,000,000 shall be available only for research in advanced manufacturing technologies and industrial processes.

SEC. 253. GRANT FOR THE INSTITUTE FOR ADVANCED SCIENCE AND TECHNOLOGY.

(a) **AUTHORITY TO MAKE GRANT.**—Of the amount authorized to be appropriated pursuant to section 201 for the Defense Agencies, and

as previously authorized in Public Law 101-510 and appropriated in Public Law 101-511 for the establishment of an Institute for Advanced Science and Technology (IAST), an additional \$25,000,000 shall be made available until expended as a grant. The grant shall be made to the institution of higher education which has been selected as the site, through competitive procedures and based on the qualifications stipulated in section 243 of Public Law 101-510, of the Institute for Advanced Science and Technology for Phase II.

(b) **COST-SHARING REQUIREMENT.**—The grant under subsection (a) shall be available for construction of the facility for the institute. In making the grant, the Secretary of Defense shall ensure that the Federal share of the cost of the construction project does not exceed 50 percent of the total cost of the project.

(c) **PURPOSE OF GRANTS.**—The grant shall be used to support development of critical technologies as identified by the Department of Defense in its Critical Technologies Plan as required by Public Law 100-456.

SEC. 254. ADVANCED APPLIED TECHNOLOGY DEMONSTRATION FACILITY FOR ENVIRONMENTAL TECHNOLOGY.

(a) **AUTHORITY TO MAKE GRANT.**—Of the amount authorized to be appropriated for research, development, test, and evaluation for fiscal year 1992 for the Defense Agencies, \$20,000,000 shall be available for a grant to a nonprofit organization or an institution of higher education to establish an advanced applied technology demonstration facility for environmental technology. Such grant shall be awarded through the use of competitive procedures.

(b) **QUALIFICATIONS.**—A grant under subsection (a) may be awarded only to an organization or institution that—

(1) has nationally recognized expertise in environmental technology and business administration; and

(2) proposes a clear plan (as determined by the Secretary of Defense) showing how its management of such a facility will be usable by the Department of Defense in resolving environmental cleanup problems of the Department.

(c) **COST SHARING.**—In evaluating proposals for a grant under subsection (a), the Secretary of Defense shall consider as favorable evaluation factors for the award of the grant provisions of such a proposal under which the organization or institution submitting the proposal—

(1) proposes that, if awarded the grant, it will agree to have available all equipment necessary to conduct environmental cleanup demonstration projects at the facility; and

(2) demonstrates that it has, or upon receipt of the grant will obtain, secure sources of funding such that—

(A) the Federal share of the administrative costs of the facility established with the grant will not exceed one-half of the total administrative costs of the facility for the first two years of the operation of the facility; and

(B) no Department of Defense assistance for the operation of the facility will be required after the first three years of the operation of the facility.

SEC. 255. CONTINUED COOPERATION WITH JAPAN ON TECHNOLOGY RESEARCH AND DEVELOPMENT.

Of the funds authorized to be appropriated pursuant to section 201 for research, development, test, and evaluation for fiscal year 1992, and made available for basic research, exploratory development, and advanced technology, \$10,000,000 shall be available for such fiscal year for research and development projects conducted jointly by the United States and Japan in accordance with section 1454(d) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1695).

SEC. 256. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS.

(a) **WORKLOAD LEVELS TO BE SPECIFIED IN BUDGET DOCUMENTS.**—(1) Section 2367 of title 10, United States Code, is amended by adding at the end the following:

“(d) **IDENTIFICATION TO CONGRESS OF FFRDC WORKLOAD EFFORT.**—

(1) In the documents provided to Congress by the Secretary of Defense in support of the budget submitted by the President under section 1105 of title 31 for any fiscal year, the Secretary shall set forth the proposed amount of the man-years of effort to be funded by the Department of Defense for each federally funded research and development center for the fiscal year covered by that budget.

“(2) After the close of a fiscal year, and not later than January 1 of the next year, the Secretary shall submit to the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives a report setting forth the actual obligations and the actual man-years of effort expended at each federally funded research and development center during that fiscal year.”

(2)(A) Paragraph (1) of subsection (d) of section 2367 of title 10, United States Code, as added by paragraph (1), shall take effect with respect to the budget submitted for fiscal year 1994.

(B) Paragraph (2) of such subsection shall take effect with respect to fiscal year 1992.

(b) **MAN-YEAR LIMITATIONS.**—Funds appropriated or otherwise made available for the Department of Defense for fiscal years 1992 and 1993 may not be obligated at any of the following federally funded research and development centers in order to obtain work in excess of the number of man-years specified for that center as follows:

- (1) For the Center for Naval Analysis, 270.
- (2) For the Institute for Defense Analysis—
 - (A) for studies and analysis, 320;
 - (B) for systems and engineering in connection with operational test and evaluation, 75; and
 - (C) for research and development in connection with command, control, communications, and intelligence, 150.
- (3) For the Rand Project Air Force, 150.
- (4) For the National Defense Research Institute, 160.
- (5) For the Arroyo Center, 150.
- (6) For the Logistics Management Institute, 140.
- (7) For the Aerospace Corporation, 2,500.
- (8) For the MIT Lincoln Laboratory, 1,150.
- (9) For the Software Engineering Institute, 160.
- (10) For the Institute for Advanced Technology, 40.

(c) **FUNDING LIMITATION.**—Of the funds appropriated or otherwise made available for the Department of Defense for fiscal years 1992

and 1993, not more than \$446,000,000 may be obligated for the federally funded research and development center of MITRE.

(d) **AUTHORITY TO WAIVE LIMITATIONS.**—The Secretary of Defense may waive a limitation in subsection (b) or (c) in the case of any federally funded research and development center. Such a waiver may not be implemented until the Secretary notifies the congressional defense committees of the proposed waiver and the reasons for the waiver and a period of 60 days elapses after the date on which the notification is made. However, in a case in which the Secretary determines that it is essential to the national security that funds be obligated for work in excess of that limitation before the end of such 60-day period, the Secretary may waive such 60-day period upon notification to the congressional defense committees of that determination and the reasons for the determination.

SEC. 257. REVISION IN MEMBERSHIP OF STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM COUNCIL: MEMBERSHIP ON COUNCIL AND ON SCIENTIFIC ADVISORY BOARD.

(a) **REVISION IN MEMBERSHIP OF COUNCIL.**—Section 2902(b) of title 10, United States Code, is amended—

- (1) by striking out “nine members” and inserting in lieu thereof “thirteen members”;
- (2) by redesignating paragraph (9) as paragraph (10); and
- (3) by inserting after paragraph (8) the following new paragraph:

“(9) One representative from each of the Army, Navy, Air Force, and Coast Guard, who shall be non-voting members.”

(b) **REVISION IN MEMBERSHIP OF ADVISORY BOARD.**—Section 2904 of such title is amended—

- (1) in subsection (a), by striking out “13 members” and inserting in lieu thereof “14 members”; and
- (2) in subsection (b), by striking out paragraph (1) and inserting in lieu thereof the following:

“(1) The following persons shall be permanent members of the Advisory Board:

- “(A) The Science Advisor to the President, or his designee.
- “(B) The Administrator of the National Oceanic and Atmospheric Administration, or his designee.”

TITLE III—OPERATION AND MAINTENANCE

PART A—AUTHORIZATIONS OF APPROPRIATIONS

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated for fiscal year 1992 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance in amounts as follows:

- (1) For the Army, \$21,155,854,000.
- (2) For the Navy, \$23,185,380,000.
- (3) For the Marine Corps, \$1,845,500,000.
- (4) For the Air Force, \$19,657,010,000.
- (5) For the Defense Agencies, \$8,652,716,000.
- (6) For the Army Reserve, \$968,200,000.
- (7) For the Naval Reserve, \$824,600,000.
- (8) For the Marine Corps Reserve, \$80,900,000.

Reports.

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note.

THE WHITE HOUSE

WASHINGTON

March 11, 1993

MEMORANDUM FOR ANTHONY LAKE

ASSISTANT TO THE PRESIDENT FOR NATIONAL
SECURITY AFFAIRS

FROM:

JOHN H. GIBBOY 
ASSISTANT TO THE PRESIDENT FOR SCIENCE AND
TECHNOLOGY

SUBJECT:

S&T AND THE VANCOUVER SUMMIT

Pursuant to our conversation, several members of my staff and I met with Rose Gottenmoeller and Dan Poneman to discuss the S&T content of the Vancouver Summit. I offered to develop a proposal for consideration in summit preparations. I am pleased to provide that proposal at this time.

I propose a concurrent meeting on S&T policy issues at the Vancouver Summit. The results of this meeting would form the basis for a more comprehensive session, chaired by myself and Russian Vice Premier and Minister of Science, Higher Education and Technology Policy Boris Saltykov, approximately a month later. The site of the comprehensive session could be either Washington or Moscow.

The Vancouver S&T meeting would last approximately three hours. President Clinton and President Yeltsin would spend approximately 10 minutes at the beginning of the meeting to kick it off and then 10 minutes at the end to charge the two chairmen to conduct the follow-on meeting. Saltykov and I would chair the meeting.

If this proves impossible because of time considerations, the summit statement could briefly address S&T policy issues and commission the more comprehensive session chaired by me and Saltykov.

Clearly technology is crucial to the long-term stability and growth of the Russian economy. There are, in fact, some very rough parallels between what the Russians need to do and the Technology Initiative announced on February 22. The discussions at the meeting would focus on how Russia harnesses its technological capabilities to support economic growth and what the U.S. can do to support Russian efforts. I am attaching some material to flesh out this concept.

It seems to me that there needs to be effective coordination of S&T summit issues since they tend to be included in the range of summit initiatives from both sides and the President should be advised on the overall S&T content. I would be pleased to take responsibility for that coordination, working closely with you and your staff.

Attachment

bcc: Skip Johns
Rich Dalbello
Tom Ratchford
Karl Erb
Jeff Schweitzer
Nancy Maynard
D.A. Henderson

OBJECTIVE OF THE MEETING:

To address the question of what is needed for Russia to effectively capitalize on its science and technological strengths for economic stability and growth.

The desired outcome would be a set of agreed upon broad principles that would be considered in detail at a more comprehensive meeting a month or so later.

DISCUSSION. Clearly technology is crucial to the long-term stability and growth of the Russian economy. There are, in fact, some very rough parallels between what the Russians need to do and the Technology Initiative announced on February 22. The discussions at the meeting would focus on how Russia harnesses its technological capabilities to support economic growth and what the U.S. can do to support Russian efforts.

A selective list of issues that need resolution in order for US-Russian S&T relations to flourish in both government and the private sector would be agreed upon in advance of the meeting. Representative candidates for this list include:

- Dealing with immediate crisis in Russian S&T
- Defense Conversion
- Energy Efficiency Assistance
- Non-proliferation and related issues
- Reform of Russian S&T system: merit review, individual investigators
- Problems facing commercial S&T interactions: IPR, banking, customs, taxation, ownership, legal system, communications, etc.
- U.S. export controls
- U.S. policies with respect to defense contractors
- U.S. Governmental assistance: financial and technical

Initiatives have been proffered to the Russians by U.S. Government over time, and these may surface unexpectedly during the Summit. The Russians also may raise other S&T issues at the Summit. We must be prepared to address such issues should they surface during the Summit.

PARTICIPANTS. Participants in the meeting would be drawn from government and the private sector (industry, non-profits, and academia). Approximately eight to ten participants would be optimal. Candidate representation, based on a series of meetings held last year on related issues, could include:

GOVERNMENT*

Dr. Gibbons
Secretary O'Leary
Ambassador Strobe Talbott
Dr. William Perry

INDUSTRY OFFICIALS

Texaco or other energy company
Honeywell or other energy efficiency company
Sun Microsystems or other electronics/computer company
Fancy Electronics or other small business
Pittman-Moore or other agricultural company

NON-PROFIT ORGANIZATIONS

David Hamburg, Carnegie Corporation
Ernest Henley, American Physical Society
MacArthur Foundation

ACADEMIA

Frank Press, NAS
Don Langenberg, U. Maryland System
Princeton University

In addition, observers would be invited to hear the discussions firsthand. A representative of each principal participant could be invited plus additional government representatives from technical agencies such as Agriculture, DOC/NIST, HHS/NIH, and NSF. Selected representatives from other companies, non-profit organizations (including the Soros Foundation) and academia would also be invited.

* Government representation is dependent upon availability of newly nominated principals.

DRAFT AGENDA

I Welcome

A. President Clinton

B. President Yeltsin

II Remarks

A. Dr. Gibbons

1. Introduction

2. S&T and Economic Growth under the Clinton Administration

3. US-Russia S&T Activities

a. Government

b. Private Sector (Non-profit/For-profit)

c. Academia

4. What's needed in the future

B. Minister Saltykov

III Discussion

A. U.S. Technology Initiative

B. What's needed to harness technology for Russia's economic growth

C. What the U. S. can do to facilitate

IV Clinton-Yeltsin charge to Dr. Gibbons and Minister Saltykov for further work

The meeting would last approximately three hours: Presidents Clinton and Yeltsin would participate for the first 10 minutes and the last 10 minutes.

THE WHITE HOUSE

WASHINGTON

March 11, 1993

MEMORANDUM FOR ANTHONY LAKE

ASSISTANT TO THE PRESIDENT FOR NATIONAL
SECURITY AFFAIRS

FROM:

JOHN H. GIBBOY 
ASSISTANT TO THE PRESIDENT FOR SCIENCE AND
TECHNOLOGY

SUBJECT:

S&T AND THE VANCOUVER SUMMIT

Pursuant to our conversation, several members of my staff and I met with Rose Gottemoeller and Dan Poneman to discuss the S&T content of the Vancouver Summit. I offered to develop a proposal for consideration in summit preparations. I am pleased to provide that proposal at this time.

I propose a concurrent meeting on S&T policy issues at the Vancouver Summit. The results of this meeting would form the basis for a more comprehensive session, chaired by myself and Russian Vice Premier and Minister of Science, Higher Education and Technology Policy Boris Saltykov, approximately a month later. The site of the comprehensive session could be either Washington or Moscow.

The Vancouver S&T meeting would last approximately three hours. President Clinton and President Yeltsin would spend approximately 10 minutes at the beginning of the meeting to kick it off and then 10 minutes at the end to charge the two chairmen to conduct the follow-on meeting. Saltykov and I would chair the meeting.

If this proves impossible because of time considerations, the summit statement could briefly address S&T policy issues and commission the more comprehensive session chaired by me and Saltykov.

Clearly technology is crucial to the long-term stability and growth of the Russian economy. There are, in fact, some very rough parallels between what the Russians need to do and the Technology Initiative announced on February 22. The discussions at the meeting would focus on how Russia harnesses its technological capabilities to support economic growth and what the U.S. can do to support Russian efforts. I am attaching some material to flesh out this concept.

It seems to me that there needs to be effective coordination of S&T summit issues since they tend to be included in the range of summit initiatives from both sides and the President should be advised on the overall S&T content. I would be pleased to take responsibility for that coordination, working closely with you and your staff.

Attachment

bcc: Skip Johns
Rich Dalbello
Tom Ratchford
Karl Erb
Jeff Schweitzer
Nancy Maynard
D.A. Henderson

OBJECTIVE OF THE MEETING:

To address the question of what is needed for Russia to effectively capitalize on its science and technological strengths for economic stability and growth.

The desired outcome would be a set of agreed upon broad principles that would be considered in detail at a more comprehensive meeting a month or so later.

DISCUSSION. Clearly technology is crucial to the long-term stability and growth of the Russian economy. There are, in fact, some very rough parallels between what the Russians need to do and the Technology Initiative announced on February 22. The discussions at the meeting would focus on how Russia harnesses its technological capabilities to support economic growth and what the U.S. can do to support Russian efforts.

A selective list of issues that need resolution in order for US-Russian S&T relations to flourish in both government and the private sector would be agreed upon in advance of the meeting. Representative candidates for this list include:

- Dealing with immediate crisis in Russian S&T
- Defense Conversion
- Energy Efficiency Assistance
- Non-proliferation and related issues
- Reform of Russian S&T system: merit review, individual investigators
- Problems facing commercial S&T interactions: IPR, banking, customs, taxation, ownership, legal system, communications, etc.
- U.S. export controls
- U.S. policies with respect to defense contractors
- U.S. Governmental assistance: financial and technical

Initiatives have been proffered to the Russians by U.S. Government over time, and these may surface unexpectedly during the Summit. The Russians also may raise other S&T issues at the Summit. We must be prepared to address such issues should they surface during the Summit.

PARTICIPANTS. Participants in the meeting would be drawn from government and the private sector (industry, non-profits, and academia). Approximately eight to ten participants would be optimal. Candidate representation, based on a series of meetings held last year on related issues, could include:

GOVERNMENT*

Dr. Gibbons
Secretary O'Leary
Ambassador Strobe Talbott
Dr. William Perry

INDUSTRY OFFICIALS

Texaco or other energy company
Honeywell or other energy efficiency company
Sun Microsystems or other electronics/computer company
Fancy Electronics or other small business
Pittman-Moore or other agricultural company

NON-PROFIT ORGANIZATIONS

David Hamburg, Carnegie Corporation
Ernest Henley, American Physical Society
MacArthur Foundation

ACADEMIA

Frank Press, NAS
Don Langenberg, U. Maryland System
Princeton University

In addition, observers would be invited to hear the discussions firsthand. A representative of each principal participant could be invited plus additional government representatives from technical agencies such as Agriculture, DOC/NIST, HHS/NIH, and NSF. Selected representatives from other companies, non-profit organizations (including the Soros Foundation) and academia would also be invited.

* Government representation is dependent upon availability of newly nominated principals.

DRAFT AGENDA

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PREC: IMMEDIATE CLASS: UNCLASSIFIED SSN: 3443 MSGID:
M0013467

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TO: RUEHKB/AMEMBASSY BAKU IMMEDIATE 1422
RUEHYE/AMEMBASSY YEREVAN IMMEDIATE 1721
RUEHMO/AMEMBASSY MOSCOW IMMEDIATE 9358
RUEHAH/AMEMBASSY ASHGABAT IMMEDIATE 1234
RUDKHD/AMEMBASSY DUSHANBE IMMEDIATE 2063
RUEHNT/AMEMBASSY TASHKENT 1619
RUEHEK/AMEMBASSY BISHKEK 1117
RUEHTA/AMEMBASSY ALMA ATA 2272
RUEHCH/AMEMBASSY CHISINAU 1247
RUEHKS/AMEMBASSY MINSK 1910
RUEHKV/AMEMBASSY KIEV 5457
RUEHSI/AMEMBASSY TBILISI 0258
RUEHLN/AMCONSUL ST PETERSBURG 3939
RUEHKO/AMEMBASSY TOKYO 3425
RUEHBS/USEC BRUSSELS
RUFHNA/USMISSION USNATO 1619
RUEAIIA/CIA WASHDC 8036
RUEKJCS/SECDEF WASHDC 5354
RHEHAAA/WHITE HOUSE 5780

INFO:

UNCLAS SECTION 01 OF 08 STATE 343443 EMBASSY MOSCOW FOR BOB WATTERS
E.O. 12356: N/A

TAGS: CIS

SUBJECT: FREEDOM SUPPORT ACT AND OTHER LEGISLATION

RE: EMBASSY MOSCOW 030798

1. REFERENCE REQUESTS LATEST INFORMATION ON ASPECTS OF FREEDOM SUPPORT ACT THAT MAY BE OF INTEREST TO AUDIENCES IN NIS. FOLLOWING IS A SUMMARY OF LEGISLATIVE AUTHORITIES AND REQUIREMENTS FOR AID IN THE NIS WHICH INCLUDES LANGUAGE IN THE FREEDOM SUPPORT ACT, THE FOREIGN OPERATIONS APPROPRIATIONS ACT, AND DEFENSE AUTHORIZATION AND APPROPRIATIONS ACTS. POSTS SHOULD BE ADVISED THAT THIS CABLE IS AN ATTEMPT TO BE RESPONSIVE, YET REPRESENTS AN INITIAL, PRELIMINARY ASSESSMENT BY D/CISA, AND THAT THERE MAY BE SOME FUTURE INSTANCES WHERE EXACT, FORMAL AND LEGAL INTERPRETATIONS MAY DIFFER SLIGHTLY FROM THIS ASSESSMENT.

A. POSTS SHOULD BE AWARE THAT PROVISIONS OF ALL FOUR OF THESE BILLS AFFECT ASSISTANCE PROGRAMS FOR THE NIS. BROADLY SPEAKING, THE AUTHORITY TO PROVIDE HUMANITARIAN AND TECHNICAL ASSISTANCE IS CONTAINED IN THE FREEDOM SUPPORT ACT. FUNDING FOR THESE PROGRAMS IS PROVIDED IN THE FOREIGN OPERATIONS APPROPRIATIONS ACT. AUTHORITIES AND FUNDING FOR THE SO-CALLED "NUNN-LUGAR" PROGRAMS ARE CONTAINED IN THE DOD BILLS.

&. PLEASE NOTE THE DIFFERENCE BETWEEN AUTHORIZING AND APPROPRIATING LANGUAGE. ONLY THOSE AMOUNTS THAT HAVE

BEEN APPROPRIATED CAN BE ALLOCATED TOWARD SPECIFIC PROGRAMS. THE FACT THAT THE FREEDOM SUPPORT ACT CREATES THE AUTHORITY FOR CERTAIN PROGRAMS DOES NOT NECESSARILY MEAN THEY WILL BE FUNDED.

C. CONTENTS INCLUDE THE FOLLOWING AREAS: BROAD STRATEGY, GENERAL PROVISIONS, SPECIFIC PROJECTS, AGRICULTURE PROGRAMS, CAPITAL PROJECTS, ENVIRONMENTAL PROGRAMS, EXCHANGES, COUNTRY-SPECIFIC PROVISIONS, FINANCIAL PROVISIONS, ADMINISTRATIVE DIRECTION, LEGISLATIVE REPORTS, RESTRICTIONS, AND NUNN-LUGAR-RELATED PROVISIONS.

BROAD STRATEGY

2. UNDER THE FREEDOM SUPPORT ACT AND OTHER RELATED ASSISTANCE, OUR STRATEGY IS TO PROMPT -- AND REWARD -- REFORM. THE U.S. CANNOT PROVIDE TECHNICAL ASSISTANCE TO NATIONAL GOVERNMENTS, MUNICIPALITIES, AND GROUPS WHICH SEEK TO TURN BACK THE CLOCK OR OTHERWISE OBSTRUCT DEMOCRATIZATION AND ECONOMIC REFORM. REFORM IS THE KEY. FOR EXAMPLE, THE U.S. AND ITS INDUSTRIAL DEMOCRATIC ALLIES RECOGNIZE THAT SOME OF THE NEW STATES MAY REQUIRE BILLIONS OF DOLLARS IN LOANS OVER THE NEXT SEVERAL YEARS. YET UNLESS THESE STATES REACH AGREEMENTS WITH THE INTERNATIONAL MONETARY FUND ON ECONOMIC REFORM MATTERS, THIS ASSISTANCE WILL NOT BE FORTHCOMING. OUR ASSISTANCE WILL BE DIRECTED TO REWARD THOSE ENTITIES WHICH ENCOURAGE REFORM AND PRODUCE RESULTS. LEVELS OF OUR ASSISTANCE WILL NOT BE DICTATED BY THE SIZE OF ANY PARTICULAR POPULATION OR LAND AREA.

FREEDOM SUPPORT ACT/FOREIGN OPERATIONS APPROPRIATIONS: 3. THE FREEDOM SUPPORT ACT AUTHORIZED \$460 MILLION IN TECHNICAL AND HUMANITARIAN ASSISTANCE. THE SUM OF 417 MILLION DOLLARS WAS APPROPRIATED IN THE FOREIGN OPERATIONS ACT.

4. UNDER THE FREEDOM SUPPORT ACT, THE PRESIDENT IS AUTHORIZED TO PROVIDE ASSISTANCE FOR THE FOLLOWING ACTIVITIES:

URGENT HUMANITARIAN NEEDS

UNCLAS SECTION 02 OF 08 STATE 343443

EMBASSY MOSCOW FOR BOB WATTERS

E.O. 12356: N/A

TAGS: CIS

SUBJECT: FREEDOM SUPPORT ACT AND OTHER LEGISLATION
DEMOCRACY

FREE MARKET SYSTEMS

TRADE AND INVESTMENT

FOOD DISTRIBUTION AND PRODUCTION

HEALTH AND HUMAN SERVICES

EDUCATION AND EDUCATIONAL TELEVISION

ENERGY EFFICIENCY AND PRODUCTION

CIVILIAN NUCLEAR REACTOR SAFETY

ENVIRONMENT

TRANSPORTATION AND TELECOMMUNICATIONS

DRUG EDUCATION INTERDICTION AND ERADICATION

MIGRATION

5. IN THEIR STATEMENT OF MANAGERS, CONGRESSIONAL REPRESENTATIVES WHO WERE CONFEREES ON THE FREEDOM SUPPORT ACT URGED THAT "THE ASSISTANCE FOR THE NIS BE DISTRIBUTED EQUITABLY WITHIN EACH STATE, INCLUDING THE AUTONOMOUS REGIONS OF RUSSIA." CERTAIN SECTORS SHOULD RECEIVE AID (E.G., LEGAL SYSTEMS, BANKING AND FINANCIAL SYSTEMS, AGRICULTURE ENERGY, ETC.). IN PURSUING EDUCATIONAL PROGRAMS THE CONFEREES URGE THE USE OF EXISTING U.S. EDUCATIONAL FACILITIES IN EUROPE. THEY MENTION CHILDREN'S TELEVISION WORKSHOP AND JUNIOR ACHIEVEMENT, FOR EXAMPLE. THE CONFEREES "EXPRESS THEIR

CONCERN ABOUT THE MORE THAN 50 NUCLEAR POWER PLANTS IN OPERATION OR UNDER CONSTRUCTION IN THE NIS." THEY ALSO LIST A SERIES OF ENVIRONMENTAL OBJECTIVES (CONTROL POLLUTANTS, CONTAIN CONTAMINANTS IN ARCTIC/SUBARCTIC ECOSYSTEMS, ETC). THEY ENDORSE THE RECOMMENDATIONS OF THE BLUE RIBBON PANEL OF THE DEPARTMENT OF STATE ON INTERNATIONAL COMMUNICATIONS AND INFORMATION POLICY, INCLUDING THE RECOMMENDATION THAT 8.5 MILLION DOLLARS IS NEEDED FOR TECHNICAL ASSISTANCE IN THIS AREA. THE CONFEREES DO NOT PRECLUDE THE USE OF FSA FUNDS FOR DEFENSE CONVERSION.

6. THE CONFEREES ON THE FOREIGN OPERATIONS APPROPRIATION MENTION A RANGE OF SPECIFIC INSTITUTIONS THAT SHOULD RECEIVE CONSIDERATION FOR FUNDING, INCLUDING WASHINGTON STATE UNIVERSITY AND THE BIOLOGICAL RESEARCH CENTER IN PUSHCHINO; JUNIOR ACHIEVEMENT-RUSSIA IN FREE ENTERPRISE EDUCATION; AND CLOSE-UP FOUNDATION; THE INTERNATIONAL RESEARCH AND EXCHANGES BOARD AND THE ACADEMY FOR INTERCULTURAL TRAINING AT GEORGETOWN UNIVERSITY FOR EXCHANGES. THE CONFEREES SUGGEST THAT NOT LESS THAN 40 PERCENT OF THE EXCHANGES GO TO WOMEN.

7. ASSISTANCE MAY BE PROVIDED TO GOVERNMENTS OR THROUGH NONGOVERNMENT ORGANIZATIONS (NGOS).

8. THE CREATION OF ENTERPRISE FUNDS IS AUTHORIZED IN THE FREEDOM SUPPORT ACT.

9. AGENCIES WITH SEED AUTHORITIES AND FUNDS IN EASTERN EUROPE MAY USE THE AUTHORITIES AND FUNDS IN THE NIS.

10. THE PRESIDENT IS ENCOURAGED IN THE FREEDOM SUPPORT ACT TO USE A PORTION OF THE FUNDS FOR EXPORT PROMOTION AND CAPITAL PROJECTS. THE CONFEREES ENCOURAGE THE SECRETARY OF COMMERCE TO INCREASE U.S. FOREIGN COMMERCIAL SERVICE PRESENCE IN VLADIVOSTOK AND Khabarovsk.

11. ALSO UNDER THE FREEDOM SUPPORT ACT, MUSKIE FELLOWSHIPS ARE DESIGNATED; THE AMOUNT OF 25 MILLION DOLLARS FOR NEW DIPLOMATIC POSTS IS AUTHORIZED; RESTRICTIONS ON OCCUPATION OF THE NEW CHANCERY BUILDING ARE REMOVED; AND OTHER ADMINISTRATIVE CHANGES ARE MADE. SPECIFIC PROJECTS

12. THE PRESIDENT IS AUTHORIZED TO ESTABLISH AMERICAN BUSINESS CENTERS (INCLUDING ENVIRONMENTAL AND AGRIBUSINESS CENTERS) WITH UP TO 12 MILLION DOLLARS
UNCLAS SECTION 03 OF 08 STATE 343443 EMBASSY MOSCOW FOR BOB WATTERS
E.O. 12356: N/A

TAGS: CIS

SUBJECT: FREEDOM SUPPORT ACT AND OTHER LEGISLATION AUTHORIZED AND APPROPRIATED. THE FREEDOM SUPPORT ACT CONFEREES EMPHASIZE SERVICE TO SMALL AND MEDIUM SIZED BUSINESSES ON A USER-FEE BASIS. THE AID ADMINISTRATOR SHALL ENTER INTO A REIMBURSEMENT AGREEMENT WITH THE SECRETARY OF COMMERCE FOR OPERATING THE AMERICAN BUSINESS CENTERS.

13. THE PRESIDENT IS AUTHORIZED TO ESTABLISH THE INDEPENDENT STATES BUSINESS AND AGRICULTURE ADVISORY COUNCIL.

14. THE TRADE PROMOTION COORDINATING COMMITTEE SHOULD ASSIST U.S. ENERGY SECTOR COMPANIES TO DEVELOP A STRATEGY FOR PENETRATING THE ENERGY MARKET IN THE NIS.

15. THE AMOUNT OF 2 MILLION DOLLARS IS AUTHORIZED TO PROVIDE TECHNICAL ASSISTANCE TO THE RUSSIAN FAR EAST THROUGH AN AMERICAN UNIVERSITY IN ALASKA.

16. OPIC FUNDS ARE AUTHORIZED. IF THE OPIC BILL IS NOT ENACTED, FUNDS CAN BE USED TO COVER SUBSIDY COSTS OF THE OPIC CREDIT PROGRAMS.

17. THE PRESIDENT IS AUTHORIZED TO ESTABLISH THE DEMOCRACY CORPS, AND 15 MILLION DOLLARS IS AUTHORIZED FOR THIS PURPOSE. THE CONFEREES MENTION THE NATIONAL ENDOWMENT FOR DEMOCRACY AS AN EXAMPLE OF AN ORGANIZATION WITH RELEVANT EXPERIENCE.

18. THE OFFICE OF SPACE COMMERCE IN THE COMMERCE DEPARTMENT IS AUTHORIZED TO CONDUCT ONE OR MORE TRADE MISSIONS TO THE NIS.

19. THE DIRECTOR OF THE NATIONAL SCIENCE FOUNDATION IS AUTHORIZED TO ESTABLISH A FOUNDATION TO EMPLOY SCIENTISTS AND ENGINEERS FROM THE NIS.

20. THE FOREIGN OPERATIONS APPROPRIATION LANGUAGE STATES THAT THE AMOUNT OF 50 MILLION DOLLARS IS EARMARKED FOR THE PROVISION OF U.S. AGRICULTURAL COMMODITIES TO PEOPLES OF THE NIS, WITH SPECIAL EMPHASIS ON MOTHERS AND CHILDREN; UP TO 20 MILLION DOLLARS CAN COME FROM OTHER FUNDING EXCEPT COMMODITY CREDIT CORPORATION PURCHASES.

21. TITLE VII AMENDS THE FOOD SECURITY ACT OF 1985; THE FOOD, AGRICULTURE, CONSERVATION AND TRADE ACT OF 1990; THE AGRICULTURAL TRADE ACT OF 1978; AND THE AGRICULTURAL DEVELOPMENT AND TRADE ACT OF 1990 -- TO ALLOW AND ENCOURAGE AGRICULTURAL TRADE WITH, AND ASSISTANCE TO THE NIS.

CAPITAL PROJECTS

22. OF THE FUNDS APPROPRIATED TO ESF UNDER THE FOREIGN OPERATIONS APPROPRIATIONS LANGUAGE, FOR USE IN EASTERN EUROPE, THE BALTICS, AND THE NIS, AN AMOUNT SUBSTANTIALLY EQUAL TO 10 PERCENT SHALL BE MADE AVAILABLE FOR DEVELOPMENTALLY-SOUND AND SUSTAINABLE CAPITAL PROJECTS AND INVESTMENT PROJECTS.

ENVIRONMENTAL PROGRAMS

23. FUNDS APPROPRIATED SHALL BE USED FOR THE ESTABLISHMENT OF A COMPREHENSIVE PROGRAM FOR ENHANCING ENVIRONMENTAL MANAGEMENT AND SUSTAINABLE ECONOMIC DEVELOPMENT IN THE NIS, INCLUDING ENVIRONMENTAL MONITORING AND PROTECTION, ESTABLISHMENT OF ENVIRONMENTAL INSTITUTIONS AND INFRASTRUCTURE PROGRAMS TO ENHANCE ENERGY EFFICIENCY AND CONSERVATION AND NUCLEAR SAFETY.

EXCHANGES

24. THE SUM OF 50 MILLION DOLLARS (OF THE 417 MILLION UNCLAS SECTION 04 OF 08 STATE 343443 EMBASSY MOSCOW FOR BOB WATTERS E.O. 12356: N/A

TAGS: CIS

SUBJECT: FREEDOM SUPPORT ACT AND OTHER LEGISLATION (DOLLARS) IS EARMARKED FOR EXCHANGE PROGRAMS: 20 MILLION DOLLARS FOR SECONDARY SCHOOL STUDENTS AND 30 MILLION DOLLARS FOR OTHERS (INCLUDING UNDERGRADUATE AND GRADUATE STUDENTS, FARMERS, LOCAL AND REGIONAL GOVERNMENT OFFICIALS).

25. A BROAD SPECTRUM OF EXCHANGES (TO BE ADMINISTERED BY USIA), TRAINING AND SIMILAR PROGRAMS (TO BE ADMINISTERED BY AID OR SUCH OTHER AGENCY WITH EXPERIENCE AND EXPERTISE) ARE AUTHORIZED. THE CONFEREES INVOLVED IN THE FREEDOM SUPPORT ACT "SUGGEST THAT NOT MORE THAN 35 PERCENT OF THE 20 MILLION FOR SECONDARY SCHOOL STUDENTS BE USED FOR SHORT-TERM VISITS AND NOT MORE THAN 15 PERCENT BE USED FOR U.S. STUDENTS." THE CONFEREES ALSO LIST A RANGE OF ORGANIZATIONS DEEMED COMPETENT IN THE AREA OF SECONDARY SCHOOL EXCHANGES. THE CONFEREES LIST ORGANIZATIONS DEEMED COMPETENT IN THE AREAS OF LOCAL AND REGIONAL GOVERNMENT EXCHANGES. THE PRESIDENT IS AUTHORIZED TO ESTABLISH REGIONAL AGRIBUSINESS OFFICES

AT U.S. STATE UNIVERSITIES AND LAND GRANT COLLEGES FOR THE PURPOSE OF EXPANDING EXCHANGES WITH AGRIBUSINESS PRACTITIONERS IN THE NIS. THE CONFEREES SUGGEST CRITERIA FOR SELECTION OF UNIVERSITIES TO RECEIVE AGRIBUSINESS OFFICES.

THE APPROPRIATIONS ACT IS MORE EXACT: IT EARMARKS \$50 MILLION "FOR BRINGING PEOPLE OF THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION TO THE UNITED STATES." COUNTRY-SPECIFIC PROVISIONS

26. AN AMOUNT NOT LESS THAN 5 MILLION DOLLARS (OF DEVELOPMENT ASSISTANCE FUNDS, NOT THE 417 MILLION DOLLARS) SHALL BE MADE AVAILABLE FOR REFUGEE ASSISTANCE TO ARMENIA, NOTWITHSTANDING ANY PROVISION OF LAW WHICH RESTRICTS ASSISTANCE TO FOREIGN COUNTRIES. THE ADMINISTRATION SHOULD ENCOURAGE OTHER NATIONS TO PROVIDE ASSISTANCE TO ARMENIA.

27. THE SUM OF 10 MILLION DOLLARS OF DEVELOPMENT ASSISTANCE FUNDS (NOT THE 417 MILLION DOLLARS) ARE APPROPRIATED FOR COOPERATIVE PROJECTS BETWEEN THE UNITED STATES AND ISRAEL -- OF WHICH NOT LESS THAN 2.5 MILLION DOLLARS SHALL GO TO COOPERATIVE PROJECTS AMONG THE U.S. ISRAEL AND THE BALTIC STATES, EASTERN EUROPE AND THE NIS.

28. COOPERATIVE DEVELOPMENT AND RESEARCH PROJECTS AND ADMINISTRATION OF JUSTICE PROGRAMS ARE AUTHORIZED UNDER THE FREEDOM SUPPORT ACT. THE CONFEREES EXPRESS SUPPORT FOR THE COOPERATIVE PROJECTS ALREADY BEING CONSIDERED WITH ISRAEL AND TURKEY

29. THE BALTICS ARE MADE ELIGIBLE TO RECEIVE NONLETHAL DEFENSE ARTICLES.

INTERNATIONAL FINANCIAL PROVISIONS

30. THE FREEDOM SUPPORT ACT AUTHORIZES AND THE FOREIGN OPERATIONS APPROPRIATIONS BILL APPROPRIATES THE IMF QUOTA INCREASE OF 12 BILLION DOLLARS AND GIVES GUIDANCE TO THE U.S. EXECUTIVE DIRECTOR OF THE FUND (INCLUDING REPORTS). THIS AUTHORIZATION AND APPROPRIATION SUPPORT U.S. PARTICIPATION IN A RUBLE STABILIZATION FUND FOR RUSSIA.

ADMINISTRATIVE DIRECTION

31. THE PRESIDENT SHALL DESIGNATE A COORDINATOR RESPONSIBLE FOR DESIGNING AN OVERALL ASSISTANCE AND ECONOMIC STRATEGY FOR THE NIS.

- EXPORT PROMOTION SHALL CONTINUE TO BE PRIMARILY THE RESPONSIBILITY OF THE SECRETARY OF COMMERCE.

- COORDINATION OF US ACTIVITIES IN INTERNATIONAL

UNCLAS SECTION 05 OF 08 STATE 343443 EMBASSY MOSCOW FOR BOB WATTERS
E.O. 12356: N/A

TAGS: CIS

SUBJECT: FREEDOM SUPPORT ACT AND OTHER LEGISLATION
FINANCIAL INSTITUTIONS SHALL CONTINUE TO BE PRIMARILY THE RESPONSIBILITY OF THE SECRETARY OF THE TREASURY.

32. ANY REQUEST TO PURCHASE SPACE HARDWARE OR TECHNOLOGY SHALL BE CONSIDERED ON AN EXPEDITED BASIS AND CONGRESS SHALL BE NOTIFIED IF SUCH A REQUEST IS DENIED.
REPORTS

33. THE FREEDOM SUPPORT ACT STIPULATES THAT, AS SOON AS PRACTICABLE, THE COORDINATOR SHALL SUBMIT A REPORT ON THE OVERALL ASSISTANCE AND ECONOMIC COOPERATION STRATEGY, INCLUDING AMOUNTS OF FUNDS ALLOCATED BY CATEGORIES OF ASSISTANCE AND BY AGENCY.

34. NO LATER THAN 1 JANUARY 1993, THE PRESIDENT SHALL SUBMIT A REPORT TO THE APPROPRIATIONS COMMITTEES ON THE AMOUNTS OBLIGATED AND EXPENDED FOR EACH PROJECT AND SUBPROJECT. THE REPORT WILL BE UPDATED BY 1 JULY 1993.

35. NO LATER THAN 31 JANUARY OF EACH YEAR THE PRESIDENT

SHALL SUBMIT A REPORT ON U.S. ASSISTANCE, INCLUDING PAST, PRESENT AND FUTURE ASSISTANCE AND USE OF THE MANNER IN WHICH THE "NOTWITHSTANDING" AUTHORITY HAS BEEN USED.

36. BEGINNING 120 DAYS AFTER ENACTMENT AND 180 DAYS THEREAFTER THE PRESIDENT SHALL REPORT THAT THE U.S. HAS ENTERED INTO SERIOUS AND SUBSTANTIVE DISCUSSIONS WITH RUSSIA TO REDUCE EXPORTS OF SOPHISTICATED CONVENTIONAL WEAPONS TO IRAN.

37. NINE MONTHS FROM ENACTMENT THE SECRETARY OF STATE SHALL REPORT ON STATUS OF SCHNEERSON MANUSCRIPTS.

38. NOT LATER THAN 31 JANUARY OF EACH YEAR BEGINNING IN 1994 THE SECRETARY OF COMMERCE SHALL REPORT ON THE AMERICAN BUSINESS CENTERS, THE BUSINESS AND AGRICULTURE ADVISORY COUNCIL, EXPORT PROMOTION AND THE TPCC.

39. CONGRESSIONAL NOTIFICATION THROUGH "CNS" IS REQUIRED FOR DISARMAMENT AND NONPROLIFERATION EXPENDITURES; FURTHER, SEMIANNUALLY THE PRESIDENT SHALL REPORT ON SUCH EXPENDITURES.

40. NOT LATER THAN 15 JULY 1993, THE SECRETARY OF DEFENSE IN CONSULTATION AND COORDINATION WITH THE COORDINATOR, SHALL REPORT ON A PLAN TO IMPLEMENT PROJECT PEACE.

41. THE SECRETARY OF DEFENSE SHALL REPORT QUARTERLY ON ACTIVITIES TO REDUCE THE PROLIFERATION THREAT.

42. WITHIN 180 DAYS, THE SECRETARY OF STATE, IN CONSULTATION WITH THE SECRETARIES OF DEFENSE AND ENERGY, SHALL REPORT ON ALTERNATIVES FOR THE ULTIMATE DISPOSITION OF SPECIAL NUCLEAR MATERIALS OF THE NIS.

43. WITHIN ONE YEAR THE PRESIDENT SHALL REPORT ON OPPORTUNITIES FOR INCREASED SPACE-RELATED TRADE.

44. WITHIN 45 DAYS OF ENACTMENT, THE COORDINATOR SHALL REPORT ON THE ALLOCATION OF FUNDS FOR THE EXCHANGE PROGRAMS.

RESTRICTIONS

45. THE TWO MAIN RESTRICTIONS IN THE FREEDOM SUPPORT ACT AND THE APPROPRIATIONS BILLS DEAL WITH ASSISTANCE TO AZERBAIJAN AND WITHDRAWAL OF RUSSIAN TROOPS FROM THE BALTICS. HOWEVER, SOME GENERAL RESTRICTIONS APPLY, SUCH AS:

A. ANY GOVERNMENT ENGAGED IN A CONSISTENT PATTERN OF UNCLAS SECTION 06 OF 08 STATE 343443 EMBASSY MOSCOW FOR BOB WATTERS
E.O. 12356: N/A

TAGS: CIS

SUBJECT: FREEDOM SUPPORT ACT AND OTHER LEGISLATION
HUMAN RIGHTS VIOLATIONS WOULD BE INELIGIBLE.

B. ANY GOVERNMENT THAT FAILS TO IMPLEMENT ARMS CONTROL OBLIGATIONS, OR TRANSFERS MISSILES OR MISSILE TECHNOLOGY, CHEMICAL OR BIOLOGICAL WEAPONS OR ANYTHING SUPPORTING MANUFACTURE OF WEAPONS OF MASS DESTRUCTION WOULD BE INELIGIBLE. (THESE ARE WAIVABLE.)

C. RUSSIAN GOVERNMENT AGENCIES THAT REFUSE TO RETURN THE SCHNEERSON MANUSCRIPTS TO THE LUBAVITCHERS WOULD BE INELIGIBLE TO RECEIVE ASSISTANCE SUBJECT TO CERTAIN EXCEPTIONS.

AZERBAIJAN

46. BRIEFLY, THE FREEDOM SUPPORT ACT STATES THAT U.S. ASSISTANCE MAY NOT BE PROVIDED TO THE GOVERNMENT OF AZERBAIJAN UNTIL THE PRESIDENT DETERMINES, AND SO REPORTS TO THE CONGRESS, THAT THE GOVERNMENT OF AZERBAIJAN IS TAKING DEMONSTRABLE STEPS TO CEASE ALL BLOCKADES AND OTHER OFFENSIVE USES OF FORCE AGAINST ARMENIA AND NAGORNO-KARABAKH.
WITHDRAWAL OF RUSSIAN TROOPS FROM THE BALTICS

47. THE FOREIGN OPERATIONS APPROPRIATION STATES THAT NONE OF THE FUNDS APPROPRIATED OR OTHERWISE MADE AVAILABLE BY THIS ACT FOR RUSSIA (OTHER THAN FUNDS TO CARRY OUT HUMANITARIAN ASSISTANCE) UNDER THE HEADING "ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION" MAY BE PROVIDED BY THE GOVERNMENT OF THE UNITED STATES FOR THE GOVERNMENT OF RUSSIA UNTIL THE PRESIDENT OF THE UNITED STATES PROVIDES TO THE CONGRESS A REPORT ON THE PROGRESS BEING MADE TOWARD THE WITHDRAWAL OF THE ARMED FORCES OF RUSSIA AND THE COMMONWEALTH OF INDEPENDENT STATES FROM THE TERRITORIES OF LITHUANIA, LATVIA AND ESTONIA AND ON THE STATUS OF NEGOTIATIONS REGARDING THE ESTABLISHMENT OF A TIMETABLE FOR TOTAL WITHDRAWAL. THERE IS A FOLLOWING CAVEAT THAT NO MORE THAN FIFTY PERCENT OF ASSISTANCE TO RUSSIA (OTHER THAN HUMANITARIAN ASSISTANCE) CAN BE MADE AVAILABLE UNLESS THE PRESIDENT CERTIFIES BY JUNE 1, 1993 THAT RUSSIA AND THE THREE BALTIC STATES HAVE MADE SUBSTANTIAL PROGRESS TOWARDS ESTABLISHING SUCH A TIMETABLE. PARAGRAPH ALSO STATES THAT "IF THE PRESIDENT HAS BEEN UNABLE TO MAKE THE CERTIFICATION REQUIRED BY JUNE 1, 1993, THEN NO SUCH ASSISTANCE UNDER THIS HEADING MAY BE OBLIGATED UNTIL SUCH TIME AS THE PRESIDENT MAKES THE REQUIRED CERTIFICATION, AFTER WHICH DATE ANY ASSISTANCE REMAINING UNOBLIGATED MAY BE MADE AVAILABLE: PROVIDED FURTHER. THAT NOTWITHSTANDING THE PREVIOUS PROVISIO, IF AFTER ONE YEAR FROM THE DATE OF ENACTMENT OF THIS ACT, THE GOVERNMENT OF RUSSIA HAS NOT WITHDRAWN ALL OF THE ARMED FORCES OF RUSSIA AND THE COMMONWEALTH OF INDEPENDENT STATES FROM LITHUANIA, LATVIA, AND ESTONIA, OR HAS NOT COMPLETED NEGOTIATED AGREEMENTS INCLUDING A TIMETABLE FOR WITHDRAWAL WITH EACH OF THOSE GOVERNMENTS, NO FURTHER OBLIGATION OF FUNDS PROVIDED IN THIS ACT FOR RUSSIA UNDER THE HEADING 'ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION' SHALL OCCUR."

NUNN-LUGAR-RELATED PROVISIONS

48. THE PRESIDENT IS AUTHORIZED TO: SUPPORT DISMANTLEMENT AND DESTRUCTION OF NBC WEAPONS. SUPPORT EFFORTS TO HALT PROLIFERATION OF NBC WEAPONS (INCLUDING THE PURCHASE OF SUCH WEAPONS). ESTABLISH PROGRAMS TO PREVENT PROLIFERATION OF NBC Weapons. PREVENT DIVERSION OF WEAPONS-RELATED EXPERTISE. ESTABLISH SCIENCE AND TECHNOLOGY CENTERS. FACILITATE DEFENSE CONVERSION. PRIORITY SHALL BE GIVEN TO THE FIRST FIVE OF THE SIX ACTIVITIES LISTED ABOVE. NUNN-LUGAR FUNDS AND 100 UNCLAS SECTION 07 OF 08 STATE 343443 EMBASSY MOSCOW FOR BOB WATTERS
E.O. 12356: N/A
TAGS: CIS

SUBJECT: FREEDOM SUPPORT ACT AND OTHER LEGISLATION
MILLION DOLLARS OF SECURITY ASSISTANCE FUNDS (ESF OR FMF) MAY BE USED FOR THESE PURPOSES.

49. IF INSUFFICIENT FUNDS ARE AVAILABLE FROM THE STATE DEPARTMENT'S "CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS" ACCOUNT, THE SECRETARY OF DEFENSE MAY PROVIDE ASSISTANCE TO SUPPORT INTERNATIONAL NONPROLIFERATION ACTIVITIES. SUCH ASSISTANCE MAY NOT EXCEED 40 MILLION DOLLARS; OF THAT NOT MORE THAN 20 MILLION DOLLARS MAY BE USED FOR THE ON-SITE INSPECTION AGENCY ACTIVITIES IN IRAQ, UNDER THE FREEDOM SUPPORT ACT.

50. NUNN LUGAR FUNDS TO BE AUTHORIZED ARE INCREASED FROM 400 MILLION DOLLARS TO 800 MILLION DOLLARS, AVAILABLE THROUGH FY93, AS CITED IN BOTH THE FREEDOM

SUPPORT ACT AND THE DEFENSE APPROPRIATIONS BILL.

51. OF THE NUNN-LUGAR FUNDS DESCRIBED IN THE DEFENSE APPROPRIATIONS LANGUAGE,

- NOT LESS THAN 10 MILLION DOLLARS SHALL BE AVAILABLE FOR CLEANUP OF NUCLEAR WASTE DISPOSAL BY THE FORMER SOVIET UNION IN THE ARCTIC;

- NOT LESS THAN 25 MILLION DOLLARS SHALL BE AVAILABLE ONLY for PROJECT PEACE ("PROGRAM FOR ECONOMIC ADJUSTMENT, COOPERATION, AND ENVIRONMENT");

- NOT MORE THAN 50 MILLION DOLLARS MAY BE MADE AVAILABLE FOR THE MULTINATIONAL NUCLEAR SAFETY INITIATIVE ANNOUNCED BY THE U.S. DELEGATION AT THE LISBON COORDINATING CONFERENCE IN MAY 1992;

- NOT MORE THAN 40 MILLION DOLLARS MAY BE MADE AVAILABLE FOR INDUSTRIAL DEFENSE CONVERSION;

- NOT MORE THAN 25 MILLION DOLLARS MAY BE MADE AVAILABLE FOR JOINT RESEARCH AND DEVELOPMENT PROGRAMS AND

- NOT MORE THAN 10 MILLION DOLLARS MAY BE MADE AVAILABLE FOR THE VOLUNTEERS INVESTING IN PEACE AND SECURITY PROGRAM.

52. THE DEFENSE APPROPRIATION CONFEREES EXPECT THAT 25 MILLION DOLLARS WILL BE TRANSFERRED TO PROJECT PEACE NO LATER THAN 60 DAYS FOLLOWING ENACTMENT OF THE DEFENSE APPROPRIATION. THE CONFEREES URGE THE SECRETARY OF DEFENSE TO SUPPORT DEFENSE CONVERSION PROJECTS NOW UNDERWAY IN EASTERN EUROPE AND THE NIS AND TO ESTABLISH, WHEREVER POSSIBLE, PROTOTYPE CONVERSION PROJECTS IN COOPERATION WITH THE U.S. PRIVATE SECTOR AND LOCAL GOVERNMENTS FROM THESE NEWLY INDEPENDENT COUNTRIES. THE CONFEREES CITE TWO PROJECTS IN THE CZECH REPUBLIC AND URGE THAT THEY BE PURSUED AS PROTOTYPE CONVERSION PROJECTS. THEY FURTHER URGE THE SECRETARY OF DEFENSE, IN CONJUNCTION WITH THE COORDINATOR TO ENCOURAGE ALLIES TO CONTRIBUTE TO THIS PROJECT. THE CONFEREES DIRECT THAT NO LATER THAN 30 APRIL 1993 THE COORDINATOR ESTABLISH A COMPREHENSIVE DATA BASE OF INVESTMENT OPPORTUNITIES AVAILABLE IN THE REGION AND THAT THE PROCESS FOR OBTAINING GRANTS SHOULD BE STREAMLINED AND EXPEDITED.

53. THE SENATE REPORT ON THE DEFENSE APPROPRIATIONS DESCRIBES PROJECT PEACE AS FACILITATING CONVERSION OF THE FORMER SOVIET DEFENSE SECTOR TO CIVILIAN ACTIVITIES, INCLUDING BUT NOT LIMITED TO:

TARIZATION

CONVENTIONAL AMMUNITI N oring, CLEANUP, COMPLIANCE

ENVIRONMENTAL AS, ISTANCE

HEALTH AND HUMAN R PREPAREDNESS AND

CIVIL DEFENSE AND DISASTER PREPAREDNESS AND TRAINING

DISMANTLEMENT, CONTROL AND DISPOSAL OF WEAPONS OF MASS

DESTRUCTION AND THE SAFETY-RELATED STABILIZATION OF

UNCLAS SECTION 08 OF 08 STATE 343443

EMBASSY MOSCOW FOR BOB WATTERS

E.O. 12356: N/A

TAGS: CIS

SUBJECT: FREEDOM SUPPORT ACT AND OTHER LEGISLATION

MILITARY AND NONMILITARY SOURCES OF NUCLEAR MATERIAL

OTHER ACTIVITIES WHICH SUPPORT THE DEFENSE CONVERSION

OBJECTIVES OF THE SECRETARY OF DEFENSE AND THE

COORDINATOR

54. THE SENATE REPORT EXPECTS THE SECRETARY OF DEFENSE AND THE COORDINATOR TO WORK CLOSELY AND WITH FULL CONSULTATION WITH THE APPROPRIATIONS COMMITTEE TO FASHION A TARGETED DEFENSE CONVERSION PROGRAM.

55. AN ADDITIONAL 15 MILLION DOLLARS OF DOD FUNDS MAY BE TRANSFERRED TO THE EXISTING HUMANITARIAN

TRANSPORTATION ACCOUNT (IN ADDITION TO THE ORIGINAL 100
MILLION DOLLARS UNDER THE DIRE EMERGENCY SUPPLEMENTAL OF
JANUARY 1992). EAGLEBURGER

BT
#3443
NNNN

DIST:

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SIT: VAX

US-FSU S&T FOUNDATION WORKING GROUP
November 13, 1992

1. BACKGROUND
 - o Legislative history
 - o Other cooperative activities
2. KEY REQUIREMENTS
 - o Civilian R&D
 - o Academic/industrial
 - o FSU
 - o Endowment
3. STATUS
 - o Funding
 - o Signing Statement
 - o Institutional Support
4. ISSUES
 - o DOD funding
 - o Fiscal strategy
 - o A "withering endowment"?
 - o Early startup
 - o What types of activity will be sponsored?
 - o Who is our partner?
 - o Structure of foundation
 - o How much government oversight?
 - o Where should it be located?
 - o Logistical support
 - o How to negotiate an agreement or charter?
5. ACTION ITEMS
6. NEXT MEETING

*maybe could pissy back on
Carnegie & McArthur offices
in Moscow*

ESTABLISHMENT OF AMERICAN-FSU R&D FOUNDATION

REQUIRED BY LEGISLATION

Establishment of endowed, independent, non-governmental, non-profit foundation

Responsibility of NSF with consultation with NIST

Functions of Foundation

Promote and support joint R&D for peaceful purposes

Establish joint non-defense industrial R&D activities through private sector linkages

-May include university or academic scientists

-Shall include some contribution from industrial participants

All FSU states are eligible to participate in Foundation activities

As condition of participation, FSU states must make (unstated) minimum contribution to endowment

Post FY 93 government funds cannot be over 50% from US defense budget function

ALLOWED OR ENCOURAGED BY LEGISLATION

Transfer of up to \$25 million by DOD to the Director of NSF for carrying out Act

Foundation may invest US funds and use interest for foundation purposes

Foundation may accept other funds from governmental and nongovernmental entities

Foundation may accept foreign currencies generated by US assistance programs

Foundation may accept assets resulting from government debt conversions

GUIDANCE FROM COMMITTEE REPORT

Use as models binational R&D Foundations with Israel (BIRD, BSF, and BARD)

By-laws should provide for Board of Directors and Executive Director

Require reimbursement up to 150% from revenues resulting from assistance

Expects Board of Directors be representative of both industrial and academic sectors

Purposes - Prevent collapse of technological infrastructure of FSU

Assist scientists redirect talents to market-oriented economy

Programs maximize opportunities-

Gain access for US business to technologies, talent, and markets

Provide alternatives to emigration from FSU

Develop understanding of US commercial business practices

Foundation give equal emphasis to both functions of joint R&D and industrial R&D

THE WHITE HOUSE

Office of the Press Secretary

(Billings, Montana)

For Immediate Release

October 25, 1992

STATEMENT BY THE PRESIDENT

Today I have signed into law S. 2532, the "FREEDOM Support Act." This historic legislation authorizes a range of programs to support free market and democratic reforms being undertaken in Russia, Ukraine, Armenia, and the other states of the former Soviet Union. In particular, the bill endorses the \$12 billion increase in the U.S. share of the International Monetary Fund (IMF) and authorizes \$410 million in U.S. bilateral assistance. In addition, the bill removes a number of outdated Cold War legislative restrictions on U.S. relations with the new independent states.

I am proud that the United States has this historic opportunity to support democracy and free markets in this crucially important part of the world. While it is clear to all that the future of the new independent states of the former Soviet Union is in their own hands, passage of the FREEDOM Support Act demonstrates the commitment of the United States to support this endeavor.

Once again, the American people have united to advance the cause of freedom, to win the peace, to help transform former enemies into peaceful partners. This democratic peace will be built on the solid foundations of political and economic freedom in Russia and the other independent states. We must continue to support reformers in Russia, Ukraine, Armenia, and the other new states.

I am pleased that the bill draws our private sector, as never before, into the delivery of technical assistance to Russia and the other new states. Various provisions of this bill will call upon the specialized skills and expertise of the U.S. private sector. S. 2532 will provide support for the trade and investment activities of U.S. companies to help lay the economic and commercial foundations upon which the new democracies will rest. This is an investment in our future as well as theirs.

The IMF quota increase will ensure that the IMF has adequate resources to promote free markets in the former Soviet Union and elsewhere throughout the world. By contributing to a more prosperous world economy, the IMF will expand markets for U.S. exporters and increase jobs for American workers.

This bill will allow us to provide humanitarian assistance during the upcoming winter; to support democratic reforms and free market systems; to encourage trade and investment; to support the development of food distribution systems; to assist in health and human services programs; to help overcome problems in energy, civilian nuclear reactor safety, transportation, and telecommunications; to assist in dealing with dire environmental problems in the region; and to establish a broad range of people-to-people exchanges designed to bury forever the distrust and misunderstanding that characterized our previous relations with the former Soviet Union.

more

(OVER)

The bill also provides additional resources and authorities to support efforts to destroy nuclear and other weapons, and to convert to peaceful purposes the facilities that produce these weapons.

We undertake these programs of assistance out of a commitment to increased security for ourselves, our allies, and the peoples of the new independent states. These programs will enhance our security through demilitarization and humanitarian and technical assistance.

A number of provisions in the bill, however, raise constitutional concerns. Some provisions purport to direct me or my delegates with respect to U.S. participation in international institutions. Under our constitutional system, the President alone is responsible for such matters. I therefore will treat such provisions as advisory.

Furthermore, the bill could interfere with my supervisory power over the executive branch by giving a subordinate official in the Department of State the authority to resolve certain interagency disputes and by regulating how other agencies handle license applications by the National Aeronautics and Space Administration. I will interpret these provisions in the light of my constitutional responsibilities.

The bill also authorizes the creation of supposedly nongovernmental entities -- the Democracy Corps and a foundation that will conduct scientific activities and exchanges -- that would be subject to Government direction, established to carry out Government policies, and largely dependent on Government funding. As I have said before, entities that are neither clearly governmental nor clearly private undermine the principles of separation of powers and political accountability. In determining whether to exercise the authority granted by this bill, I will consider, and I direct the Director of the National Science Foundation to consider, whether these entities can be established and operate in conformity with these principles.

I also note a concern with the provision under which Freedom of Information Act litigation involving the Democracy Corps would be the "responsibility" of the Agency for International Development. This responsibility should not be understood in any way to detract from the Attorney General's plenary litigating authority. Therefore, I direct the Agency for International Development to refer all such matters to the Attorney General consistent with his current authority.

GEORGE BUSH

THE WHITE HOUSE,
October 24, 1992.

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S & T Foundation

Joint R&D & Joint Civilian R&D w/FS4

Gessen will brief Walter Manny Mandy

- ^{Basic Science} ETO analog to ISRS
- for civilian and Industrial S&T

model is Binat 1 sci foundation w/ Israel

- should address all of FS4
- must include an endowment, but is not specific on this pt
- names both NSF and NIST to coordinate
- Amitage supports the concept

(gov't & appointed non-gov't bd)

What can this Foundation do - To make a difference?

reinforce peer review
help build infrastructure - e.g. e-mail

focus should be on cooperative work

for ~~thru~~ industrial side - may need some incentive e.g.
Rus. side in industrial cooperation would pay a percentage

Research and Development Foundation

the models are

US-Israel Binational Science Foundation

US-Israel Binational Industrial R&D Foundation

The foundation would dispense

grants for basic research, and

seed money for industrial cooperation

It would apply to all scientists and engineers, including those transitional from defense endeavors.

It would support the US Nunn-Lugar objectives of defense conversion and non-proliferation.

**Research and Development Foundation
An Integral Component of Defense Conversion**

U.S. Policy

The broad policy objective for U.S. programs supporting science and technology in the former Soviet Union (FSU) is to contribute to a stable transition to democratic ideals and market-based economies. Support for defense conversion is a critical means of achieving this objective, and an integral part of the U.S. efforts to address the transformation of science in the FSU. Effective weaning of scientists from weapons research and other defense-related activities will require the development of an open, merit-based S&T system into which they can be integrated. Strengthening civil science is the necessary complement to assistance for redirecting military scientists toward civilian applications. A viable civil science enterprise will be founded on a system of merit review, full and open communications, and financial disbursements to individual scientists or groups of scientists in place of centrally allocated funding to state institutes or institute leaders.

The United States therefore has two specific policy objectives for S&T assistance to and cooperation with the FSU. First, that all S&T efforts should contribute to reforming the current S&T system, with a primary emphasis on ensuring that science funding is based on merit; and second, that every effort should be made to prevent an exodus of qualified scientists from the former Soviet Union so that: a) the foundation for long-term growth and stability are maintained, and b) proliferation of know-how for technologies related to weapons of mass destruction is minimized.

The Research and Development Foundation

Given the predominance of military interests in support for science under the Soviet regime, defense conversion is perhaps the most important element in developing an open and transparent S&T infrastructure built on the foundation of merit-based review.

The FY93 DOD Appropriations Act includes a provision permitting DOD to obligate up to \$25 million for research and development from the so-called Nunn-Lugar funds established to assist the FSU with dismantlement (nuclear weapons destruction), reactor safety, non-proliferation, and defense conversion. The Freedom Support Act permits the Secretary of Defense to make the \$25 million authorized available to the National Science Foundation for the establishment of an endowed, non-governmental foundation. The legislation authorizing the establishment of the Foundation contains only the prescription that it be endowed and non-governmental. Therefore, there is considerable flexibility in creating a Foundation that is most effective in meeting identified needs.

The Foundation can support the policy objectives for S&T assistance to and cooperation with the FSU via three primary missions. Each is significantly related to defense conversion:

- o First, to reform the current system, primarily focusing on mechanisms of financing science and technology. This largely means introducing peer-review to the process and moving away from the top-down command approach. Due to high inflation and the weakness of the ruble, and the fragile state of the S&T enterprise, a relatively small dollar contribution can leverage huge changes.
- o Second, to strengthen the S&T infrastructure in selected areas, such as communications, empowering scientists to benefit from individual initiative and creativity. This includes supporting new structures that avoid the former command approach to S&T and that embrace open communications and funding based on merit review.
- o Third, the Foundation would facilitate U.S. private sector participation in technology and trade in the FSU, strengthening the S&T infrastructure while furthering U.S. free-market objectives.

The feasibility of realizing the objectives within these three missions is indicated by the success of an innovative program developed by American Physical Society (APS). The astronomers and mathematicians have similar but smaller programs. The APS has raised nearly \$1 million from members, foundations and other sources for a program to provide small grants to physicists in the former Soviet Union. Individuals are selected for support through joint peer-review, a process in which one of the most important aspects of reform, i.e. merit-based review, is introduced directly to FSU scientists. About 300 such grants will be in place shortly. These investments are leveraged by Russian matching funds and agreement to exempt from taxation funds for research. Given that a single professional society has disbursed \$1 million, a sum of \$25 million used wisely in the FSU to support scientists in a wider range of disciplines could leverage the kind of permanent reform in the funding system for S&T that would fulfill an important U.S. policy objective.

The APS "model" could serve as the operational basis for the Foundation. The Foundation would not create a new bureaucracy, but instead serve as a means of supporting initiatives of the academic and industrial communities. The Foundation could serve to translate government priorities and criteria for support into specific actions, but implementation would rely mostly on the private sector, building on successful on-going activities where possible. This approach would allow for immediate start-up, a critical consideration given the urgent needs of working scientists in the FSU.

DOD Support for the Foundation

The three missions of the Foundation are critical to the success of defense conversion efforts, an important goal of the Nunn-Lugar initiative. Scientists cannot be retrained

in a vacuum. For conversion to be sustainable, "converted" scientists must eventually be embedded in a strong, transparent, merit-based S&T system in which individual initiative is rewarded and creativity encouraged. Strengthening a reformed civil science infrastructure will provide the basis for successful defense conversion, and will contribute significantly to U.S. non-proliferation efforts.