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APRIL 1, 1993

ROSE,

ATTACHED ARE SEVERAL PROPOSALS PASSED TO OSTP BY THE RUSSIAN SCIENCE COUNSELLOR HERE IN WASHINGTON. AT FIRST HE REPRESENTED THEM AS SUMMIT S&T PROPOSALS. OSTP SENT THEM TO STATE TO DETERMINE USG INTEREST AT THE DEPARTMENT/AGENCY LEVEL FOR COOPERATION IN THESE AREAS. I SUBSEQUENTLY SENT THEM TO NAVY FOR INFO.

TUESDAY, MARCH 30, THE SCIENCE COUNSELLOR WAS HERE AGAIN ON A DIFFERENT MATTER BUT HE BROUGHT UP THESE PROPOSALS AGAIN. HE SPECIFICALLY MENTIONED THE ONE ON THE BOTTOM OF PAGE 2, "THE STRATEGIC CONSEQUENCES OF APPLYING NEW AEROSPACE METHODS OF DETECTING SUBMARINES" AND MENTIONED USING THE ALMAZ SATELLITE.

WE UNDERSTOOD THESE TO BE A SERIES OF S&T PROPOSALS. THEY FIT A PATTERN OF RUSSIAN PROPOSALS OVER A NUMBER OF YEARS. TYPICALLY, THEY USE A SHOTGUN APPROACH AND LOOK FOR INTEREST EVERYWHERE. THEY ALSO TEND TO PROPOSE JOINT ORGANIZATIONS, IN THIS CASE A JOINT INSTITUTE, WHICH WE DO NOT ACCEPT, PREFERRING TO UNDERTAKE COOPERATION IN A CASE BY CASE BASIS.

TUESDAY WE TOLD THE SCIENCE COUNSELLOR THAT THESE PROPOSALS WOULD REQUIRE TIME TO STUDY AND THAT WOULD NOT BE ACCOMPLISHED BY THE SUMMIT. WE OFFERED THAT WE MIGHT BE ABLE TO DISCUSS THESE WHEN JACK GIBBONS MEETS WITH THE RUSSIAN SCIENCE MINISTER, BORIS SALTYKOV, ON APRIL 21, 1993.

STEVE ANDREASEN CALLED ME TODAY INQUIRING ABOUT THESE PROPOSALS, AND SPECIFICALLY THE PROPOSAL DEALING WITH SUBMARINE DETECTION. I HAVE GIVEN HIM THE SAME INFORMATION I AM GIVING YOU.

HE BROUGHT UP THE POSSIBILITY THAT THESE COULD BE PRESENTED AT THE SUMMIT. IF SO, OR IF OTHER S&T PROPOSALS SURFACE AS SURPRISES AT THE SUMMIT, I RECOMMEND THAT WE ACCEPT THE PROPOSALS FOR STUDY, EXPLAINING THAT SUCH TECHNICAL PROPOSALS REQUIRE DETAILED REVIEW BEFORE WE CAN ENTER INTO DISCUSSIONS ON THEM, AND THAT WE WILL GET BACK TO THEM AFTER REVIEW.

I HOPE THIS IS USEFUL INFORMATION. CALL IF YOU NEED MORE.

DEPARTMENT OF ENERGY
WASHINGTON, DC 20585

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

Lanier Fax 4200

FTS: 202-586-1180

Commercial: 202-586-1180

Date

3/25/93

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John Orvil

Telephone:

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BACKGROUND PAPER
BRIEFING FOR THE PRESIDENT ON RUSSIAN SUMMIT ENERGY INITIATIVES

Time and Place: March 25, 1993; 10-11 a.m., Oval Office

Attendees: President, Vice-President, Anthony Lake,
Sandy Berger, Robert Rubin, Bo Cutter,
Hazel O'Leary, Strobe Talbott

Briefers: Dana Marshall, Office of the Vice President;
Frank Cole, Deputy Assistant Secretary for
Nuclear Energy, Department of Energy;
Jim Bever, Energy Program Director for the
Newly Independent States Task Force, Agency for
International Development; Nick Burns, National
Security Council staff

Agenda: Talbott will introduce the topic. Bever will
give a brief overview of the Russian energy
situation. Bever, Cole and Marshall will
brief on initiatives for energy production and
efficiency, nuclear safety, and trade and
investment, respectively. Interactive
discussion throughout presentations.

Background: The President received a briefing on Russian
summit economic package on Tuesday evening. He
requested that new, bolder initiatives in energy
(and a few other topics) be explored. An
interagency group, chaired by Dana Marshall,
met at the Department of Energy on Wednesday and
developed several new proposals. The President
is being briefed on those proposals today in a
session characterized as "an informal discussion
of new ideas to get a sense of proposals
attracting enough interest to be refined."

The previous energy package had been severely
constrained by guidance of no new money and no
outyear commitments. The new proposals have
no constraints and identification of sources
of funding was not required. All of the
proposals could be undertaken for either
smaller or larger amounts of funding.

Discussion: The new proposals have been grouped into four
categories. The energy production and
efficiency package (\$990 million) proposes a
Commodity Import Program as grant financing
for oil/gas pipeline systems and power sector
efficiency and controls, an advance purchase of
Russian oil for Strategic Petroleum Reserve
with the money to be used to restore old oil

wells to produce 70,000 barrels per day, an oil and gas technical assistance program, a major energy efficiency program, and a loan preparation service for the multilateral development banks.

The nuclear safety package (\$355 million) focuses on near term risk reduction through fire protection and safety systems, a long term safety infrastructure of simulators and training centers, and an expanded regulatory support program.

The trade and investment package (\$284 million) incorporates new investment insurance and higher lending authority for the Overseas Private Investment Corporation as well as new Export-Import Bank loans for a gas pipeline system and four computer related transactions.

The environment package (\$79 million) will not be presented.

OPTIONS FOR EXPANDED ENERGY AND ENVIRONMENT INITIATIVE
FOR RUSSIA

I. ENERGY AND ENVIRONMENT BASE PROGRAM FOR FY 1993

The Vancouver proposal contains a base energy sector program comprised of four main components: 1) production and delivery systems improvement; 2) efficiency and performance improvement; 3) pricing, policy, and institutional reform; and 4) nuclear power plant safety and regulation. The total value of this base package is \$30 million in FY 1993.

In addition, the initial Vancouver proposal contained a base environmental package for FY 1993 consisting of: 1) policy and technology cooperation (\$5 million), and 2) an environmental NGO Consortium (\$1 million) to support joint US/Russian NGO programs.

Building on these base programs, the options presented in this paper are targeted specifically on expanding U.S. assistance in the areas of energy production and efficiency improvement, nuclear reactor safety, environmental cooperation, and trade and investment as linked to the "Oil and Gas Challenge."

II. ENHANCING ENERGY PRODUCTION AND EFFICIENCY

Russia's oil and gas sector account for over 80 percent of entire foreign exchange earnings. However, oil production is falling and gas production is stymied, due to a combination of policy and institutional bottlenecks (inadequate pricing, legislation, tax incentives, statistical management practices, regulatory inadequacies, lack of commercial law), lack of familiarity with and foreign exchange for Western technology, and shortfall of critical spare parts. Simultaneously, energy efficiency in production, conversion, transmission, distribution, and end-use consumption in Russia is the worst in the industrialized world. Finally, as a result of poor oil/gas/coal production and transport practices and lack of technology and other incentives in the power sector, methane gas leaks and power plant pollution make Russia perhaps the world's worst contributor to global warming and other environmental and health damages.

Ongoing U.S. assistance and cooperation efforts (some in collaboration with World Bank and EBRD) included in the base program have begun to address these problems and to identify critical technical and institutional constraints. These are necessary, but not sufficient for quick results. The objectives of this option are to reduce energy waste and methane emissions relatively quickly by providing U.S. equipment to address the most immediate and pressing needs, demonstrating the impact and benefit of U.S. technology and enhancing foreign exchange earning exports while supporting both the public and private sectors. This initiative proposes three mechanisms for enhancing energy production and efficiency: a commodity import program for energy equipment; an oil well restoration program; and expanded technical assistance.

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A. Commodity Import Program

A Commodity Import Program (CIP) provides U.S. grant financing to import specific equipment and related services from the U.S. private sector. Contracts to provide equipment are competitively awarded through streamlined bidding procedures. A CIP for Russia would have the following objectives: reduce methane gas emissions and enhance gas production; increase energy efficiency; enhance oil production; encourage demand management practices and alternate power supply choices to accelerate decommissioning of unsafe nuclear power plants; and facilitate expansion into these markets by U.S. industry.

A CIP is relatively fast disbursing and the quickest mechanism to provide U.S. equipment and transfer technology. Equipment can be competitively procured and delivered from within 4 to 9 months, depending upon whether the equipment is available off the shelf or has to be custom made. Both nascent private Russian companies and industry as well as the Russian energy institutions under government control would benefit under this program. This could include Gazprom, Transneft, producer associations, private companies, and industry.

Funding: \$300 Million for oil/gas pipeline systems improvement and gas efficiency and \$200 million for power reactor efficiency, clean coal, and power plant environmental control for a total of \$500 million over two years (FY 1993 and FY 1994). Source of funding has not been identified.

B. Oil Well Restoration Through the Strategic Petroleum Reserve

About 30,000 of Russia's 140,000 oil wells are shut down for lack of pumps and other equipment or lack of proper maintenance. The U.S. Strategic Petroleum Reserve (SPR) could be used to purchase oil from Russia, thereby providing funds to repair 1500-2000 of the potentially most productive shut-down wells, quickly producing up to \$400 million of restored oil production at an annual rate. The SPR will have an unused balance of \$406 million as of September 30, 1993. These funds could be used for the forward purchase of Russian oil by providing them to the Russians to buy U.S. oil equipment and services to bring wells back into production. Russia would in turn supply oil from existing and incremental production over an agreed-upon period.

This program could be started immediately. Within as little as one month, we could send a team of experts to Russia identifying wells for workover and for the equipment and technology needed. U.S. oil experts would train Russian oilmen and work with them to ensure successful and continued operation of the repaired wells. A consortium of U.S. oil and gas equipment and service suppliers could be formed under the Department of Commerce Export Trading Company Act programs and given antitrust protection for activities in Russia. It should be noted, however, that there could be serious concerns on the Hill and among U.S. oil companies relating to use of the SPR in this manner.

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Funding: \$406 million in FY 1993 from the Strategic Petroleum Reserve balance. There is a \$137 million limit in the SPR petroleum account outlays in the FY 1993 Interior Appropriations Act. Most of this limit has been used; legislative relief would therefore probably be required. \$400 million in SPR outlays to purchase oil from Russia could also push us above the FY 1993 Budget Enforcement Act domestic discretionary outlay cap, although the cap could be violated for "dire emergency" spending.

C. Expanded Technical Assistance

Several options exist for expanding the base technical assistance program in FY 1993 and FY 1994:

1. **Additional Support to Accelerate Energy Sector MDE Loans and Privatization:** An additional \$20 million for catalyzing multilateral development bank lending in the energy sector could accelerate World Bank and EBRD loan preparation and give the U.S. an inside track in downstream procurement of goods and services expected to total over \$3 billion in the next year. Moreover, \$5 million could be used to respond to the GOR's request for U.S. assistance for privatization of its electric power system and for modeling its oil and gas system after that of the U.S., including our commercial structure. These privatization initiatives could yield downstream dividends to Russia in terms of management efficiency and productivity, as well as linkages with U.S. companies. Total funding: \$25 Million in FY 1993 (source not identified).
2. **Expanded Oil and Gas Technology Program:** This initiative will provide long term in-country U.S. specialists to assist in the introduction of advanced technologies and the development of institutional structures that will accelerate the transformation of the oil and gas sectors. Specific elements include: 1) Establishment of oil and gas centers in regions of Russia to employ U.S. and Russian specialists to transfer information on technology, management practices, and services and equipment available from U.S. companies; 2) A team of U.S. experts to help establish legal and taxation regimes necessary to encourage western investment; 3) Development and implementation of planning and maintenance systems for oil fields to introduce Russian specialists to concepts appropriate in a market system; and 4) Development of a database on oil fields, equipment, and production to promote solid business decisions. **Funding:** \$15 million in FY 1993 or 1994 (source not identified).
3. **Expanded Energy Efficiency Initiative:** This initiative would be targeted on expanding significantly U.S. energy efficiency efforts in the following areas: 1) Moscow street relamping and school and hospital efficiency projects to provide highly visible demonstrations of U.S. technologies; 2) District heating demonstration projects in five additional Russian cities; 3) Emergency energy efficiency business support program, including matching

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U.S. and Russian enterprises and creation of a database of companies interested in forming energy conservation partnerships; and 4) Expanded support for the Moscow Center for Energy Efficiency (CENER) to conduct activities in areas such as policy research and development, private business venture development, training and demonstration projects, and public education and information services. Funding: \$50 million in FY 1993 or 1994 (source not identified).

III. EXPANSION OF NUCLEAR REACTOR SAFETY ASSISTANCE

U.S. support for nuclear reactor safety could be expanded in three specific areas: 1) enhancing our bilateral assistance program; 2) increasing the U.S. contribution to the G-7 Multilateral Nuclear Safety Fund; 3) encouraging the multilateral development banks to support financing of nuclear power safety projects; and/or 4) purchasing low enriched uranium from Russia.

A. Enhanced Bilateral Assistance

This initiative proposes a shift in emphasis of U.S. bilateral efforts to target urgent near-term plant improvements and risk reduction measures based on the G-7 action plan and the ongoing Lisbon Nuclear Safety Initiative. Proposed funding increases for the U.S. bilateral nuclear safety program are keyed to specific objectives outlined below:

Objective 1: Reduce near term risk from plant operations through targeted plant upgrades and interim fixes (\$275 million over two years FY 1993 and 1994). The following program provides emphasis on prompt, practical and effective action in areas of critical importance and applies to the high risk plants (RBMKs and VVER 440/230s):

- **Fire Protection/Material Condition:** Provide equipment and technical assistance in key fire safety and material condition areas at all Russian RBMKs and VVER 440/230s. Cost estimate: \$50 million over 1-2 years (23 plants); and
- **Safety Systems:** Provide plant specific equipment/improvements for such items as confinement, emergency water systems and instrumentation and control for the RBMKs and VVER 440/230s. Cost estimate: \$225 million (\$15 million per plant for 15 plants).

Objective 2: Strengthen Russian long term safety culture and infrastructure (\$75 million over two years FY 1993 and 1994). This component puts emphasis on expanding the operational safety initiatives already begun by providing:

- 3 more regional training centers for the VVER 440/213 reactors, the RBMK's and the VVER 440/230's and enhancement of the VVER 1000/320 training center currently underway. Cost estimate: \$25 million;

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- 3 new simulators for the VVER 440/213's, the RBMK's and the VVER 440/230's. Cost estimate: \$35 million, and
- Complete implementation of the emergency operating procedures (and associated training programs) being developed by DOE on all Russian nuclear power plants. Cost estimate: \$15 million.

Objective 3: Enhancement of regulatory regimes (\$4.9 million). An aggressive program carried out by the NRC would be targeted at assisting Russian regulators in carrying out their regulatory responsibilities, as well as contributing funds to various Russian technical institutes to support the Russian regulatory body.

Total Funding: \$350 million over two years (FY 1993 and FY 1994); all or parts of this initiative could be announced. Source of funding has not yet been identified. It should be noted that at the same time we are proposing expanded assistance to Russia in this area, U.S. domestic spending on nuclear energy is declining.

It also must be noted that unless the BOR accepts responsibility for compensating for any injuries/damages result from an accident at one of the reactors, the U.S. Government and U.S./foreign firms will likely be unwilling to undertake significant safety activities and risk lawsuits, possibly in the U.S. and third countries. We must continue to engage Russia on the short- and long-term steps it will need to take, including entering into an intergovernmental agreement with us, establishing a satisfactory law limiting liability and channeling it to the operator, and considering joining the international conventions on nuclear liability.

B. Increased U.S. Contribution to G-7 Multilateral Safety Fund

At the July, 1992 Munich G-7 Summit, heads of state agreed to establish a multilateral fund to supplement bilateral safety assistance programs. In February 1993, the G-7 agreed on a three-year multilateral fund for nuclear reactor safety assistance to the NIS to be administered by the European Bank for Reconstruction and Development (EBRD) and capitalized at a minimum 60 million ECU (\$72 million). France has announced it will pledge \$54 million, Japan \$12 million, Italy \$12 million and the EC \$24 million; Germany is expected to contribute at least \$18 million.

The current U.S. plan is to pledge 1.5 million ECU (\$1.8 million). Although we continue to believe bilateral assistance is a more effective means of improving the security of Soviet-designed reactors, we believe that for reasons of political equivalency and to protect U.S. companies, we could raise this pledge to 15 million ECU (\$18 million).

Funding: \$18 million in FY 1993 or FY 1994 (source not identified).

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C. Encourage World Bank Financing of Nuclear Power Safety Projects

Together with the International Energy Agency (IEA), the G-7 tasked the World Bank to prepare nuclear energy sector evaluations, including replacement sources of energy and cost implications of plant upgrades. These studies will provide the analytical point of departure for the World Bank and the EBRD to identify potential financing requirements in this area. The U.S. could join with its G-7 partners to urge the World Bank and IEA to accelerate the completion of their work.

If the World Bank accelerates a program to finance safety enhancements or decommission Russian nuclear power plants, Eximbank could provide additional resources for the program through cofinancing with the World Bank. Adding Eximbank and other government export credit agency funding would leverage a larger program. It also would coordinate export credit from various sources to projects of highest priority and with appropriate conditions for Russian action as identified by the World Bank. An essential element would be to include appropriate cross-default clauses to ensure security to permit large commitments by export credit agencies.

D. Purchase of Low Enriched Uranium

Under the Department of Commerce's suspension agreement with Russia to settle an anti-dumping case on uranium trade, the Department of Energy will make a one-time purchase of 4.1 million pounds of low enriched uranium. The purchase can be increased to 5.0 million pounds for the first purchase and an annual purchase of 1.0-1.5 million pounds per year can be added to the arrangement. The measure will have the effect of negating the impact on Russia of the suspension agreement and could help stabilize the international uranium market.

Funding: Absorbed as part of the DOE cost for supply of enriched uranium; approximate \$¹⁵ million/year hard currency for Russia.

IV. EXPANSION OF ENVIRONMENTAL COOPERATION

Five new options are presented for consideration in expanding the environmental initiatives for Russia:

1. Phase Out the Use of CFCs and Halons: The objective is to reduce Russia's production and use of CFCs and Halons, which are the most powerful chemicals destroying the ozone layer. The program has three components: 1) Technical assistance through a U.S. industrial consortium (the Industry Cooperative for Ozone Layer Protection) to identify options to convert to less harmful solvents; 2) technical assistance through DOD and EPA to train fire fighters and develop strategies to reduce the use of halons; and 3) research and testing of CFC alternatives through the Russian Institute of Applied Chemistry, working in coordination with Dupont. Note: The World Bank will field a project preparation team in late summer to design

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a \$25 million grant-financed project to control ozone-depleting substances, and the U.S. studies should leverage this proposed effort. Funding: \$4 million in FY 1993 or 1994 (source not identified).

2. Radiological Health and Remediation: This initiative would monitor and assess the health effects of people exposed to radioactive and hazardous wastes, and possibly to demonstrate and apply existing remediation technologies. The project would establish a Radiological Health and Remediation Center staffed with Western and Russian experts. Overall program cost would depend on the level of actual treatment and remediation efforts. Other donors could contribute. Funding: \$5 million FY 1993; up to \$40 million LOP (source not identified).
3. Volgograd Air Quality Management: This proposed program would build on our base program of environmental demonstration activities planned in conjunction with the World Bank. \$20 million in additional funding would allow rapid identification and implementation of significant plant improvements and finance procurement of U.S. private sector air pollution control and monitoring technologies. At present, these items could not be financed until early 1994 through a World Bank loan. Funding: \$20 million in FY 1993 (source not determined).
4. National Environment Action Program: The objective of this program is to help the Russian government develop a clearer set of national environmental policies and a corresponding action program. At the request of the GOR and in cooperation with the World Bank, U.S. expertise would be applied to help incorporate environmental considerations into the national economic reform strategy. This would include attention to environmental liabilities in privatization and the role of key natural resource sectors. Funding: \$2 million FY 1993, \$10 million LOP (source not identified).
5. Sustainable Development of the Lake Baikal Region: The objective of this activity is to support the preservation of a unique biological resource, to encourage the firm establishment of the Lake Baikal Commission as a key democratic institution, and to apply U.S. know-how regarding the conservation of biological diversity through community-based approaches. The program would provide assistance to the Lake Baikal Commission with its start-up phase as well as U.S. NGO assistance to construct and implement an environmentally sound development program for the region. Funding: \$1 million FY 1993, \$5 million LOP (source not determined).

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IV. EXPANSION OF TRADE AND INVESTMENT INITIATIVE

The proposed Oil and Gas Challenge could be expanded with the following additional components:

- As part of the larger investment ombudsman initiative, we should ask the Russian government to appoint a full-time senior energy official to work with a U.S. counterpart on issues focused specifically on oil and gas investment.
- OPIC announcements: In addition to the other OPIC initiatives for Russia, the President could announce:
 - Authorization for OPIC to make available up to \$5 billion in investment insurance to encourage and mobilize U.S. private sector investment in Russia's oil and gas sector. (New legislative authority would be sought for this proposal);
 - Request to OPIC to raise its maximum lending authority per project from \$50 million to \$100 million. This would allow OPIC to support the larger pending oil projects in Russia. (New legislative authority would be necessary for long-term impact);
 - Two major investment promotion events with FY 1993 funding: 1) Reverse mission/teleconference to bring major oil/gas officials to U.S. for conference led by satellite to U.S. cities with concentration of U.S. oil/gas producers, focusing on medium-size firms; and 2) Investment mission to Russia of 25-50 U.S. oil/gas producers to meet Russian counterparts; and
 - \$10 million feasibility fund for small and medium size oil/gas firms seeking investments in Russia, with emphasis on enhanced recovery, pipeline safety, and environmental technologies.
- EXIM Announcement: In addition to a strong statement on the benefits of the Oil and Gas Facility, the President could announce:
 - An \$82 million Eximbank loan to finance the sale of Caterpillar equipment to be used in the construction of a gas pipeline system in the Yamal Peninsula region; and
 - Four Eximbank-financed transactions totaling about \$52 million for U.S.-supplied (Control Data; General Physics and Simulation; Systems and Service Technology Cooperation) computers, simulators, software, and training services now being implemented.

END

JFO -
your copy

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

April 7, 1993

MEMORANDUM FOR JOHN H. GIBBONS

THROUGH: J. THOMAS RATCHFORD

FROM: JOHN F. O'NEIL 

SUBJECT: SUMMIT UPDATE - S&T ISSUES

Preliminary analysis suggests two S&T initiatives were developed at the Summit:

ENERGY AND ENVIRONMENT INITIATIVE. To assist in the transformation of the Russian energy economy into a market-oriented, end-use efficient, and environmentally protected system. (Tab 1)

COMMISSION ON TECHNOLOGY COOPERATION. To deal with energy and space issues, the Vice President will co-chair the Commission with Russian Premier Chernomyrdin under the Trade and Investment Assistance Package. No details are yet available from the Office of the Vice President. (Tab 2)

The Summit Joint Statement contains an intention to expand and improve joint work in the area of environmental protection and the possibility to proceed to new forms of cooperation in S&T, including space. (Tab 3)

cc: Skip Johns
Tom Ratchford
Karl Erb
Holly Gwin
Rich DalBello
Nancy Maynard
Gerald Musarra
Jeff Schweitzer

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 4, 1993

FACT SHEET

Energy and Environment Initiative

Purpose: This initiative will assist in the transformation of the Russian energy economy into a market-oriented, end-use efficient, and environmentally protected system. Reform of the energy sector is essential to the viability of the overall reform program, particularly enterprise restructuring and the overall macroeconomic balance. Structural reform of this sector should help remove some of the worst environmental excesses, by eliminating obsolescent production techniques and encouraging energy efficiency.

Program: This initiative represents a balanced approach targeted on several critical leverage points:

Gas/Oil/Coal Production and Delivery Systems Improvement: U.S. assistance will promote efficient use of gas and oil. Reform in these areas will increase hard currency exports and, in the long run, provide alternative fuel sources needed to decommission unsafe nuclear reactors. In addition, our programs will promote coal mine safety, productivity, and cleaner coal technologies. Funding will include engineering and financial analyses to help catalyze and accelerate substantial World Bank and EBRD loans to revamp production, transmissions, and distribution systems. (\$10 million)

Efficiency and Performance Improvement: This program will focus on improving energy efficiency in electric power, refineries, industries, and residential buildings. Funding also will support the Moscow Energy Efficiency Center which provides information on technology available from U.S. companies as well as training. (\$2 million)

Pricing, Policy, and Institutional Reform: Market-driven approaches for energy supply and demand balance in Russia will be introduced. The program will focus on privatizing energy supply entities, supporting reform of the price and tariff structure, and improving institutions to raise efficiency standards and introduce a regulatory framework. (\$5 million)

Nuclear Power Plant Safety and Regulation: The U.S. will fund short-term operational safety improvements, risk reduction measures, and regulatory assistance for nuclear power plants. (\$15 million)

Environmental Policy and Technology Cooperation: This program will assist in the development of clearer national environmental policies and programs. The U.S. will implement high-impact

demonstration projects to reduce severe pollution problems, including minimizing use of ozone-depleting substances. The first activity will focus on air pollution control in the Volgograd region. (\$5 million)

Environmental Non-Governmental-Organization Consortium: The U.S. will mobilize a consortium of public and private sector actors to strengthen collaboration between American and Russian NGOs. The consortium will finance joint U.S.-Russian NGO projects that promote community environmental quality initiative, resource conservation, public awareness, and training. (\$1 million)

Total Energy and Environment Initiative: \$38 million in 1993.

SUMMARY OF U.S. ASSISTANCE PACKAGE

Total Value of Package: \$1.6 billion for 1993; includes \$690 million in grant assistance, \$700 million in concessional food sales and \$230 million in other credits.

1. Humanitarian Food and Medical Assistance

- \$194 million in grant food; \$30 million in grant medical.

2. Concessional Food Sales

- \$700 million - concessional terms; interim measure to restore Russian access to U.S. grains.

3. Private Sector Support

- Russian-American Enterprise Fund - \$50 million.
- Privatization support - \$95 million.
- Eurasia Foundation - \$4 million.

4. Democratization

- Democracy Corps;
- Other programs to support democratization such as rule of law and exchanges. Total: \$48 million.

5. Russian Officer Resettlement

- Demonstration Program to construct 450 housing units over next 12-16 months and provide job training for military officers. Total: \$6 million.

6. Energy and Environment

- Projects to enhance energy production efficiency and reduce pollution of pipeline systems. Total \$38 million.

7. Trade and Investment

- A priority issue in relationship.
- Vice President Gore to co-chair Commission on Technological Cooperation (Energy and Space) with Chernomyrdin.
- Secretary Brown to co-chair Business Development Committee on other trade issues with Deputy Foreign Minister Shokhin.
- Appoint full-time investment ombudsman.
- Support Russia in GATT; and access to GSP.
- Extension of \$82 million Exim credit for Caterpillar; \$150 million OPIC guarantee for Conoco oil project.
- Push for completion by April 14 of \$2 billion Exim oil and gas deal.

8. Security Assistance

- Nunn-Lugar funding in denuclearization.
Total: \$215 million
 - Strategic Nuclear Delivery Vehicle Dismantlement - \$130 million.
 - Nuclear Warhead Storage Facility - \$75 million.
 - Nuclear Materials Accountability and Control - \$10 million.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 4, 1993

Joint Statement of the Presidents
of the United States and the Russian
Federation

Vancouver Declaration

Having met in Vancouver, Canada on April 3-4, President Bill Clinton of the United States of America and President Boris Yeltsin of the Russian Federation declared their firm commitment to a dynamic and effective U.S.-Russian partnership that strengthens international stability. The two presidents approved a comprehensive strategy of cooperation to promote democracy, security, and peace. President Yeltsin stressed his firm commitment to fostering democratization, the rule of law, and a market economy. As the United States moves to reinvigorate its own economy, President Clinton assured President Yeltsin of active American support for the Russian people as they pursue their own chosen course of political and economic reform.

The Presidents agreed on a new package of bilateral economic programs and measures to address Russia's immediate human needs and contribute to the building of necessary structures for successful transition to a market economy. They recognized the critical importance of creating favorable external conditions in which the Russian economy can realize its maximum potential. In this connection, the Presidents expressed their determination to promote access to each other's markets, cooperation in defense conversion, removal of impediments to trade and investment, and resumption of U.S. food exports to Russia on a stable long-term basis.

President Yeltsin informed President Clinton about the Russian program of economic reforms. In particular, President Yeltsin stressed such key questions of the Russian reform as the necessity of combatting inflation and achieving financial stabilization by improvement of the banking system. He also emphasized the importance of privatization, encouragement of entrepreneurship, structural policy, and social support. In this context, the Presidents discussed the role of the international community in supporting specific elements of the reform program.

The Presidents agreed that Russia's harmonious integration into the community of democratic nations and the world economy is essential. They therefore called for accelerated G-7 development of substantial and effective new economic initiatives to support political and economic reform in Russia. In this connection, the Presidents welcomed the extraordinary meeting of the foreign and finance ministers of the G-7 countries and the Russian Federation

scheduled for April 14-15 in Tokyo. Presidents Clinton and Yeltsin also expressed their satisfaction with the successful conclusion of negotiations in Paris on the rescheduling of the international debt of the former USSR. The United States announced its support for Russia's intention to become a full member of GATT and to begin, in the near future, official talks on the conditions of Russia's accession to GATT.

The Presidents agreed to give fresh impetus to development of the U.S.-Russian relationship in all its dimensions. To coordinate and direct this effort and to activate a comprehensive and intensive dialogue, they agreed on measures to improve the mechanism for mutual consultations. In particular, working groups will be set up involving high-level officials of both governments with broad authority in the areas of economic and scientific and technological cooperation. The Presidents agreed to establish a United States-Russian Commission on technological cooperation in the fields of energy and space. They intend to designate Prime Minister Chernomyrdin and Vice President Gore to head this commission.

The leaders of the United States and Russia attached great importance to the prevention of the proliferation of weapons of mass destruction and their delivery systems. They reaffirmed their determination to strengthen the Nuclear Non-Proliferation Treaty (NPT), make it universal, and give it an unlimited duration. The Presidents stressed their expectation that all countries of the former USSR which are not already NPT members will promptly confirm their adherence to the treaty as non-nuclear weapon states. They urged the Democratic Peoples Republic of Korea to comply fully with its IAEA safeguards obligations, which remain in force, and to retract its announcement of withdrawal from the NPT.

The Presidents agreed that efforts of the United States and Russia will be directed toward the entry into force of the START I Treaty and the ratification of the START II Treaty as soon as possible. They affirmed that the United States and Russia intend to cooperate, on the basis of their mutual interest, in environmentally safe elimination of nuclear forces pursuant to relevant arms control agreements, in construction of a storage facility for nuclear materials and in the controlling, accounting, and physical protection of nuclear materials. The United States reiterated its readiness to provide assistance to Russia for these purposes. The Presidents called for prompt conclusion, on mutually acceptable terms, of the negotiations on an agreement on the conversion and sale for peaceful purposes of nuclear materials removed from nuclear weapons.

The Presidents underscored their determination to broaden interaction and consultations between Russia and the United States in the areas of defense and security. They instructed their Ministers of Defense to explore further possibilities in that direction.

The Presidents noted the progress achieved at the recent United States-Russian talks on chemical weapons in Geneva. They welcomed the progress made in preparing the protocols necessary

to submit the "Agreement on Destruction and Non-Production of Chemical Weapons" of June 1, 1990 for approval by the

legislative bodies of the Russian Federation and the United States. They also welcomed progress achieved in developing agreement on the preparation and implementation of the second phase of the Wyoming Memorandum of Understanding of September 23, 1989 regarding a bilateral verification experiment and data exchange related to prohibition of chemical weapons.

The Presidents agreed that it is necessary to achieve the earliest possible resolution of questions about cooperation in non-proliferation of missiles and missile technology in all its aspects, in accordance with the principles of existing international agreements. They also decided to work together to remove obstacles impeding Russia's access to the global market in high technology and related services. The Presidents agreed that negotiations on a multilateral nuclear test ban should commence at an early date, and that their governments would consult with each other accordingly.

Mindful of their countries' responsibilities as permanent members of the UN Security Council, the Presidents affirmed that U.S.-Russian cooperation is essential to the peaceful resolution of international conflicts and the promotion of democratic values, the protection of human rights, and the solution of global problems, such as environmental pollution, terrorism, and narcotics trafficking. The United States and Russia stressed their determination to improve the effectiveness of peacemaking and peacekeeping capabilities of the United Nations, the CSCE, and other appropriate regional organizations.

Recognizing that the problem of mistreatment of minorities and ethnic communities is increasingly a source of international instability, the Presidents stressed the critical importance of full protection for individual human rights, including those of ethnic Russian and all other minorities on the territory of the former Soviet Union. They affirmed their commitment to the peaceful resolution of conflicts in that region on the basis of respect for the independence, territorial integrity, and security of all member states of the UN and the CSCE.

The Presidents announced their intention to expand and improve their joint work in the area of environmental protection. They agreed to coordinate on joint ecological measures to be taken and research to be done, and on support for financing agreed programs. The Presidents agreed that the level of mutual openness achieved makes it possible to proceed with new forms of cooperation in science and technology, including programs in the field of outer space. The two countries will further develop bilateral cooperation in fisheries in the Bering Sea, the North Pacific, and the Sea of Okhotsk, including for the purpose of preservation and reproduction of living marine resources and of monitoring the ecosystem in the Northern Pacific. The Presidents further agreed to expand significantly their contacts, exchanges, and cooperation in the areas of culture, education, the humanities, and the mass media.

The joint efforts of both countries have succeeded in establishing a new character for Russian-American relations. The Presidents reaffirmed the principles and provisions of the Camp David Declaration of February 1, 1992 and the Charter of U.S.-Russian Partnership and Friendship of June 17, 1992 as a basis for relations between the two countries.

Presidents Clinton and Yeltsin expressed their deep appreciation to Prime Minister Mulroney and the people of Canada for hosting their meeting in Vancouver. With a view to accelerating the development of U.S.-Russian partnership, the Presidents agreed to meet regularly at the summit level. President Yeltsin invited President Clinton to visit Russia. President Clinton accepted the invitation with appreciation.

Talkers

- This summit is focused on politics and economics but I want to confirm my desire to increase science cooperation.
- Russia is a superpower in science but I also want the U.S. to help your country develop civilian technology.
- I will ask my Assistant for Science and Technology Affairs, Dr. John Gibbons, to meet with his Russian counterpart to discuss expanding S&T cooperation.
- These talks could be incorporated into the broader Department of State and MFA consultations on S&T collaboration which your side has suggested.

S and T Talkers
Sunday Bilateral Issues Discussion

- This summit is focused on politics and economics but I want to confirm my desire to increase science cooperation.
- Russia is a superpower in science but I also want the US to help your country develop civilian technology.
- I will ask Tim Wirth, Under Secretary of State for Global Issues to open talks on expanded cooperation at an early date.

DRAFTED: EUR/ISCA, RLHarnish
SESOVRR 2079 x76731

original



United States Department of State

*Bureau of Oceans and International
Environmental and Scientific Affairs*

Washington, D.C. 20520

DATE:

3/23

NUMBER OF PAGES:

67

(Excluding Cover Sheet)

TO:

John O'Neil

AGENCY/ROOM NO.:

OSTEP

OFFICE PHONE:

FAX NO.:

[70]

FROM:

Cathy Campbell

AGENCY/ROOM NO.:

OES/SCT

Room 4330

OFFICE PHONE:

(202) 647-4662

FAX NO.:

647-0773

MESSAGE:

John,

Here is a copy of the non-paper Foreign Minister Kozyrev handed Secretary Christopher in Geneva last month. You'll recognize the attachment -- it's the same document the Ministry of Science sent to Tom Ratchford in November in advance of the December meetings.

The final page is the response I drafted late last week -- my understanding is that it went up to Secretary Christopher over the weekend. No feedback received!

A copy of this package is being sent to Rose Gottemoeller by the desk.

Cathy

NON-PAPER GIVEN BY
RF FOREIGN MINISTER
KOZYREV TO SECRETARY
CHRISTOPHER IN GENEVA
2/93

ISSUES REGARDING S&T COOPERATION BETWEEN
THE RUSSIAN FEDERATION AND THE UNITED STATES OF AMERICA

At the end of January of this year we received a letter from Lawrence S. Eagleburger regarding the development and deepening of scientific and technical cooperation between our countries. We believe that the letter contains many true assessments of the significance of steps taken by organizations of our countries towards comprehensive broadening of interaction in this area, and of the progress attained.

We believe that proceeding from the political basis put in place in the course of contacts at the highest level for further development of our cooperation in the field of science and technology, above all, the June 17, 1992 Joint Statement on this issue, we can and should take ever larger steps in the future. A large role in these issues is allocated to the foreign policy organizations in both countries. General coordination of the development of cooperation (is allocated) to them. We believe it useful that a survey of cooperation, including problems that arise and issues requiring political intervention of both countries become, along with other major problems in Russian American relations, an independent and permanent topic of our dialogue.

We are counting on holding a meeting between the Russian Minister of Science, Higher Education and Technology Policy and the Science Adviser to the President of the U.S. in the next few months. In this format -- discussions between the leaders responsible for government science and technical policy of our countries -- we should formulate new horizons for our cooperation, perfect the interaction of the scientific potential of Russia and the U.S., and work out appropriate mechanisms.

Thus, we attach the thoughts of the Ministry of Science, Higher Education and Technology Policy which are a kind of additional preliminary development of the ideas which the sides already exchanged at the end of last year and (and) which, we hope, can help provide an energetic and dynamic start from the beginning of our contacts on these issues with the new U.S. administration. We hope that they will be studied by the American side.

We propose to arrange that the appropriate subdivisions of the Ministry of Foreign Affairs of Russia and the State Department establish permanent communications for realizing all possible assistance for interaction of the Russian and American scientific communities to ensure political and necessary legal support for mutual beneficial cooperation.

SESCTA 8565

Thoughts of the Russian Ministry of Science on
Developing and Deepening Scientific and Technical
Cooperation between the Russian Federation and the U.S.

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

The existing intergovernmental agreements on cooperation in science and technology between our countries embrace a sufficiently wide circle of fundamental and applied disciplines.

In the statement by the Presidents of Russia and the USA from June 16 of this year on science and technology issues, the areas of scientific cooperation of mutual interest to our countries were confirmed and extended.

In our view, the critical and important directions are those for which scientific technical cooperation is foreseen in the Freedom Support Act recently adopted in the U.S.A.

In our opinion, favorable conditions for stable and steady cooperation between our countries in science and technology are currently being created.

The problems of the selection of priorities, and the clarification of the directions and expansion of fields of already agreed upon directions of cooperation probably should be decided by groups of high level specialists of our countries under the coordination of the appropriate governmental organizations of Russia and the U.S.

(2) The possibilities for a new or revised mechanism of cooperation.

-2-

In the new stage of Russia American relations, great significance should be given to issues of improving the mechanism for effective cooperation in science and technology.

We would think it is timely to examine possible approaches to establishing a joint mechanism for the selection and preparation of proposals to be recommended for scientific-technical cooperation.

AS we see it, at the national level it would be useful to create joint coordinating structures for tracking scientific-technical cooperation based on the principles of observing the relevant legal, tax and other laws of both countries, including intellectual property rights.

With the support of national agencies and organizations, joint scientific technical centers and programs for especially important directions and problems, including defense conversion, could be established.

It would be useful to improve the system of the effective exchange of scientific technical information, enabling the stepping up of the division of intellectual activity of the sides and directed to the resolution of mutually beneficial tasks.

We also consider that at the current stage, the integration of economic and scientific technical cooperation providing for the creation of favorable conditions for the wide attraction of investment by the private sector in Russian-American scientific cooperation is necessary.

(3) Discussion of factors which might affect Russian American cooperation in science and technology

Within the framework of the wide-ranging reforms being implemented and the difficulties associated with these processes, a sharp reduction in budget allocations for science and also a contraction of options for seeking alternative sources of financing, has occurred in Russia.

In the current transition period to a market economy, the government policy of Russia in science and technology is directed at the simultaneous resolution of two main tasks: the short term -- the preservation of the scientific potential; and the long term -- is oriented to the creation of a full-fledged innovation system in Russia.

-3-

Regarding issues of cooperation with the U.S.A., we would like to note that any assistance in carrying out these tasks and, in particular, through financing, would provide essential help in the preservation of the potential of Russian science which is a part of world science. We should also bear in mind the traditionally important role of the Russian scientific intelligentsia in socio-political life, and its influence on the process of democratization in Russia.

It would be useful to create certain favorable conditions (legal, taxes, etc) in Russia and the US for stimulating various American foundations, scientific societies, universities and also government organizations to contribute and give help to Russian scientists which could be used for subscriptions to periodical scientific technical publications in the U.S. for Russian scientists, for paying for their membership in various scientific societies, for organizing scientific technical conferences and exhibitions, including those in the US, for acquiring needed laboratory equipment, etc.

In this regard, we are struck by the usefulness of examining the question of the creation of a Central Special Purpose Russian-American Foundation for scientific technical cooperation, on the basis of which one could create a network of foundations for various directions in which scientific technical cooperation between our countries is conducted. Jointly controlled and coordinated by appropriate government agencies -- for example, the Ministry of Science of Russia and the US National Science Foundation -- the Central Russian American Foundation could, in particular, stimulate the flow of investment from various sources, including the private sectors of our countries.

Of significant interest is the experience of the USA in government regulation of the mechanism for attracting small business to accelerate scientific technical progress and commercialization of its results. Towards this objective, it would be useful to think about a program of joint activity including the appropriate financing of cooperation in this area.

It would also be important to adjust cooperation and exchange of experience, in particular methodological, in the area of preparing and implementing legislation related to issues of science and technology, and in the area of planning and preparing proposals for financing from the budget for science and technology development.

-4-

As before, a number of organizational and technical issues related to improving communications between government and scientific organizations, improving the process for issuing visas, granting favorable conditions for acquiring plane tickets, for example, for scientists participating in joint scientific programs of particular importance to our countries, etc., are critical.

We hope that the above remarks will be considered by the American side in subsequent consultations and negotiations between Russia and the U.S. on science and technology issues.

US-RUSSIA SCIENCE AND TECHNOLOGY COOPERATION

The U.S. remains committed to expanding science and technology cooperation with Russia. Given the vast S&T resources and expertise of both countries, there are many possible cooperation topics of mutual benefit. Collaboration in these topics will not only contribute to economic and social development in both countries, but also help to address urgent problems of global significance.

While our governments have achieved progress in expanding S&T cooperation by building upon our long-standing S&T relationship, there is considerably more that can be done. We agree that it is important to resume the bilateral dialogue, and specifically to reschedule the bilateral science meetings postponed from last December. We propose that the Assistant to the U.S. President for Science and Technology and the Russian Minister of Science, Higher Education and Technology Policy co-chair a session of the US-Russia Basic Sciences Joint Commission meeting in Washington in late April. A key agenda item for that meeting should be a discussion of renewal of the Basic Sciences Agreement, which expires in January 1994.

We agree, too, that S&T collaboration should become a regular component of our bilateral dialogue. We concur with the proposal that the State Department and Ministry of Foreign Affairs establish a mechanism for regular consultations. As you suggest, such a mechanism might consist of annual consultations chaired at an appropriately high level by State and the MFA. Recommendations and agendas for these consultations would be developed by one or more joint working groups focused on specific topics. Some examples which have been cited by the Russian Ministry of Science include; tax law, intellectual property rights, and improved communications. The working group mechanism would be a critical component of our ongoing S&T coordination. The annual high level consultation would ensure coordination of collaborative programs. The working groups, meeting more often and less formally, would provide a mechanism for quick resolution of problems affecting cooperation.

Drafted: OES/SCT: CCampbell
03/19/93 x7-6770 SESOVEX 3589

Cleared: EUR/ISCA/CAST: CABarkley
EUR/ISCA/CAST: RHarnish
OES: JBright
EUR/ISCA:LNapper



Bureau of Oceans and International
Environmental and Scientific Affairs

Washington, D.C. 20520

DATE: 3/24
NUMBER OF PAGES: 1
(Excluding Cover Sheet)

TO: <u>John O'Neil</u>	
AGENCY/ROOM NO.: <u>OSTP</u>	
OFFICE PHONE: _____	FAX NO.: <u>7107</u>
FROM: <u>Cathy Campbell</u>	
AGENCY/ROOM NO.: <u>OES/SCT</u> Room <u>4330</u>	
OFFICE PHONE: <u>(202) 647-4662</u>	FAX NO.: <u>647-0773</u>

MESSAGE:

John,
Attached is a proposed rewrite of
the ^{summit} fact sheet on the Basic
Sciences JCM — the
fourth ~~to~~ agrees to a
proposal made in the Kozzher
non-paper.
The desk is awaiting ^{Cathy} clearance by OS

take note of the late April meeting between
on basic sciences, and direct
them to

-- We are eager to use the summit to give new impetus to our science and technology cooperation with the Russians. There are, in fact, some rough parallels between what the Russians need to do and the Technology Initiative that you announced on February 22.

- You could emphasize how both countries must capitalize on our strengths in science and technology to promote economic stability and growth.
- A key goal for the Russians is preserving their scientific and technological brainpower against stagnation and flight abroad. Our stress on nonproliferation leads us to share this goal.
- To respond to this shared goal, you could announce the formation of a nonprofit, nongovernmental foundation to support joint research and development projects between American scientists and their counterparts in Russia and the other CIS states.

- Finally, you and Yeltsin could ~~direct~~ Presidential Science Advisor John Gibbons and his counterpart to meet ~~within one month~~ ^{the next two} for a comprehensive session ~~meeting~~ to flesh out issues that ~~must be resolved~~ ^{could be resolved} so that U.S.-Russian S&T relations can flourish in both the government and private sectors. This would be expected to ~~that~~ identify new avenues of cooperation and may well lead to a regular consulting mechanism between the two nations on ~~the entire range of~~ ^{the entire} S&T relationships.

SUMMIT FACT SHEET
April 3-4, 1993

BASIC SCIENCES JOINT COMMISSION

- The Presidents reaffirmed their commitment to continue cooperation in basic sciences and recognized the importance of regular consultations to coordinate and expand the broad range of science and technology cooperation.

You could also

the spring / late April

- ~~The Presidents agreed to convene in late April a session of the US-Russia Basic Sciences Joint Commission, chaired by the Assistant to the U.S. President for Science and Technology Policy and the Minister of Science, Higher Education and Technology Policy of the Russian Federation.~~

- ~~The Commission will review cooperation implemented under the Basic Sciences Agreement and consider recommendations for expanded activities. A key agenda item for the meeting should be a discussion of renewal of the Agreement, which expires in January 1994.~~

- ~~*This may well lead* The Presidents also agreed that it is important to establish a mechanism for regular consultations on the broad range of science and technology collaboration, and directed the Secretary of State of the United States and the Minister of Foreign Affairs of the Russian Federation to initiate annual consultations on expanding and improving science and technology collaboration.~~

ment 7

See other

SUMMIT FACT SHEET
April 3-4, 1993

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UNCLASSIFIED

OES/SCT:C CAMPBELL:CC
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EUR/ISCA:L C NAPPER

OES/S:M PROCHNIK, ACTING, OSTP:J O'NEIL, NSF:G SHER, USGS:P HEARN,
USGS:A STEVENS, NIST:K GORDON, NIH:A STEPANIAN,
EUR/ISCA/CAST:R L HARNISH, EUR/ISCA/CAST:A BARKLEY

*Tom, This is a
draft cable for Bob
Clarke. It looks
OK to me. We
should clear on this
today if at all possible.
John*

PRIORITY MOSCOW

FOR S&T COUNSELLOR

E.O. 12356: N/A

TAGS: TSPL, RS

SUBJECT: US PLANS TO HOST BASIC SCIENCES JOINT COMMISSION
MEETING IN WASHINGTON ON APRIL 21

REF: {A} 93 MOSCOW 07328

1. EMBASSY IS REQUESTED TO INFORM MINSCI {VLADIMIR
TYSCHENKO} THAT THE U.S. IS PREPARED TO TO HOST A MEETING
OF THE BASIC SCIENCES JOINT COMMISSION {BSA JCM} THE WEEK
OF APRIL 19, 1993, WHEN RUSSIAN SCIENCE MINISTER SALTYKOV
IS IN WASHINGTON, D.C. FOR THE GEORGETOWN UNIVERSITY
CONFERENCE. AT THIS TIME, WE PREFER TO HOST THE MEETING
ON WEDNESDAY, APRIL 21, BUT WILL CONSIDER THE 19TH IF THAT
DATE IS MORE SUITABLE FOR THE RUSSIAN DELEGATION AND THE
U.S. PARTICIPANTS {WE ARE CONSULTING WITH THE GEORGETOWN
CONFERENCE ORGANIZERS TO ENSURE PROPER COORDINATION}.

2. FOR EMBASSY INFORMATION, WE HAVE NOT YET IDENTIFIED
U.S. PARTICIPANTS, BUT WE ANTICIPATE THAT THE JCM WILL BE
SMALLER SCALE THAN THE ONE WE HAD PLANNED FOR LAST
DECEMBER. WE EXPECT TO INVOLVE ONLY THOSE AGENCIES WITH
ACTIVE MOU'S UNDER THE BASIC SCIENCES AGREEMENT {I.E.,
NSF, USGS, AND NIST}, AS WELL AS NIH, WHICH HAS AN MOU

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UNDER CONSIDERATION WITH THE RUSSIANS. STATE AND OSTP.

3. ADDITIONAL DETAILS, AS WELL AS FORMAL INVITATION FROM DR. GIBBONS, WILL FOLLOW SEPTEL. IT IS POSSIBLE THAT AN ANNOUNCEMENT OF THE BSA JCM WILL BE MADE AT THE APRIL 3-4 SUMMIT; IN THAT CASE, WE WILL WITHHOLD SENDING A FORMAL INVITATION UNTIL AFTER THE SUMMIT.

YY

UNCLASSIFIED

US-Russia Basic Sciences Agreement
Joint Commission Meeting

December 15, 1992
Washington, D.C.

Agenda

9:00 Coffee

9:30 Opening Remarks

Dr. D. Allan Bromley
Deputy Prime Minister Saltykov

10:00 Overview Presentation by Dr. Bromley on U.S. S&T
Developments:
Possible topics include:

- New Approaches to Supporting S&T; and
- U.S. R&D Priorities

10:30 Overview Presentation by Minister Saltykov on
Developments in Russian S&T Policy:
Possible topics include:

- New Organization Structures;
- New Approaches to Supporting S&T;
- R&D Priorities.

11:00 Coffee Break

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

11:30 MOU in Basic Scientific Research (NSF-Russian
Academy of Sciences)

11:40 MOU in Geosciences

11:50 MOU in Physical Sciences, Chemistry and
Engineering Sciences

12:00 MOU in Mapping Sciences

12:10 MOU in Biomedical Research (possible)

12:25 Lunch

14:00 Chairmen's Summary/New Areas of Cooperation/Plans
for Next Meeting

15:15 Adjourn

3/10/93

To: JHG

From: HGwin *HGwin*

Subject: Russia

3/10/93 Tom

Rotchford

DHG asks that
you review;
advise.

Thanks Sue

Energy efficiency assistance must be a focal point of the April summit. Congress gave high priority to efficiency in the Freedom Support legislation, but AID has hijacked the FY '93 technical assistance funds for Russia and is allocating 5/6 of the money to nuclear and most of the rest to coal and other supply side interests.

Wirth has been trying to reorient AID but has been frustrated. He proposed to target 1/3 of the \$300 million that was to have been available in FY '94 on energy efficiency, but now it looks as if no new money will be available (because of the extra spending cuts).

It's all the more important, therefore, to reprogram the '93 money toward efficiency. The priorities are:

- support for local experts working on policy reform;
- reducing the risks for U.S. companies to do business in Russia;
- converting Russia's military capabilities in aeroderivative gas turbines to civilian uses, which will help replace a lot of the nuclear capacity;
- district heating projects (with companies like Honeywell);
- upgrading their refinery technologies, for they have little catalytic cracking or distillation power.

If you have a chance to bring this up with the President or others in a position to influence summit proceedings, please do. If you want more detail, I can provide it or refer you to a good source.

*John -
I suggest we
add Energy Efficiency
Assistance to the laundry
list in the memo*

Chen

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

March 18, 1993

MEMORANDUM FOR JOHN H. GIBBONS

THROUGH: J. THOMAS RATCHFORD

FROM: JOHN F. O'NEIL 

SUBJECT: S&T AND RUSSIA

UPDATE - VANCOUVER SUMMIT. Rose Gottemoeller has informed me that current plans for the Summit do not envision an S&T meeting simultaneous with the Summit. Therefore, they prefer the alternative identified in your March 11, 1993, memo to Tony Lake that the summit statement briefly address S&T policy issues and commission you and Saltykov to hold a more comprehensive meeting within two months. She also supports the idea of funding the endowed, non-governmental foundation advanced by George Brown at the \$25 million level using Nunn-Lugar funds. She will bring together lawyers from DOD and State to resolve the legalities of using Nunn-Lugar funds for this purpose. If it is legal, OSTP most likely will have to weigh in with Defense, Ash Carter or Bill Perry, to influence the DOD position on this issue.

Your offer to coordinate S&T content for the Summit remains on the table unanswered. /

UPDATE - GEORGETOWN CONFERENCE APRIL 20, 1993. Harley Balzer yesterday indicated in a telephone conversation that Boris Saltykov will arrive on April 17, 1993, (Saturday) for the April 20 conference. This means Saltykov will have April 19 and 21 available to meet with you, something Saltykov would very much like to do on this trip. You have already accepted Harley's invitation to address the conference on April 20, 1993, from 9:40 AM to 10:15 AM. Harley also extends to you an invitation to dinner that evening at 7:00 PM for a small group of participants, including you and Saltykov. A reception will precede dinner starting at 5:30 PM.

UPDATE - MEETINGS WITH MINISTER BORIS SALTYSKOV. As you may recall, there are two meetings with Minister Saltykov still pending: the Joint Commission Meeting (JCM) for the Agreement on Cooperation in the Fields of Basic Scientific Research (Basic Sciences Agreement); and Talks on Avenues for Expanding S&T Cooperation called for in the June Summit. Requirements for both of these meetings can be met in the comprehensive meeting you will hold with Saltykov within two months of the Summit. Given that there will be no meeting between you and Saltykov in Vancouver, we should begin planning for the Basic Sciences JCM and the Summit-related discussions. Coincidentally, we received a telephone call from Saltykov's ministry yesterday confirming his travel plans for April and requesting that at least one meeting be held while he is in Washington for the Georgetown conference.

DISCUSSION. Since these meetings will be the initial high level S&T contacts between the Clinton Administration and the Government of Russia, it might be more manageable to schedule these meetings in stages instead of trying to accomplish everything at once. This would provide sufficient time to develop the issues within the USG and to prepare properly for ministerial level meetings. Since you and Saltykov have not met in the past, perhaps the first encounter could be arranged to establish a rapport and to conduct a more routine meeting, followed approximately one month later by a second meeting on more difficult and complex issues.

With this in mind, you could conduct the Basic Sciences JCM in conjunction with Saltykov's trip to Washington for the Georgetown conference in April. This would reduce the potential problem of financing international travel on the Russian side since Harley will be paying for Saltykov's travel to the conference. The Georgetown conference also allows you to meet him in a less formal environment and to establish a relationship before launching into government business. This concept would argue for scheduling the Basic Sciences JCM on either April 19 or 21, 1993, preferably on April 21, the day following the Georgetown conference. Harley has offered to hold a dinner on Sunday, April 18, 1993, involving you and Saltykov, if you find that convenient. His offer might alleviate part of the government hosting (i.e. funding) responsibility. If you are planning to attend the dinner on April 20, 1993, it would be convenient to hold the JCM the next day, as discussed above. This might further reduce the representational responsibilities of the government and save some time.

If the summit S&T statement calls for talks between you and Saltykov within two months, that means that they must be held during April or May. Since these talks are potentially complicated, the more time devoted to preparations for these talks the more we can expect to accomplish. Given that Saltykov will have been in the U.S. in April and the turmoil in Russia, you might want to consider offering to travel to Moscow for the May talks. The OSTP travel budget can support this trip and May is the best month to travel to Moscow, at least from the perspective of the weather. These talks should require one, or two days at the most. You then have the option of visiting S&T facilities in Russia if you desire to do so.

Alternatively, if large-scale involvement of the U.S. private sector is crucial to these talks, then we might be able to persuade Saltykov to return to Washington, but the U.S., either government or the private sector, might be required to pick up the expenses for the Russian delegation. This option presupposes that a suitable venue is available to accommodate a large audience for a meeting that requires interpreter services.

PREPARATIONS. As part of the preparations for these two meeting with Minister Saltykov, I propose to set up a series of briefings on the general political and economic situations in Russia. This would be followed by specific briefings on Russian S&T, including space, and defense conversion in Russia. At the same time we would be establishing the agendas and staffing issues in the interagency forum. We would also need to give careful attention to selection of delegations for the two meetings.

RECOMMENDATION. That we meet with you to review these issues and to receive your guidance and decisions.

cc: Skip Johns
Rich Dalbello
Nancy Maynard
D.A. Henderson
Karl Erb
Jeff Schweitzer

SUMMIT FACT SHEET
April 3-4, 1993

BASIC SCIENCES JOINT COMMISSION

- The Presidents reaffirmed their commitment to continue cooperation in basic sciences and recognized the importance of regular consultations to coordinate and expand that cooperation.
 - The Presidents agreed to convene in late April a session of the US-Russia Basic Sciences Joint Commission, chaired by the Assistant to the U.S. President for Science and Technology Policy and the Minister of Science, Higher Education and Technology Policy of the Russian Federation.
 - The Commission will review cooperation implemented under the Basic Sciences Agreement and consider recommendations for expanded activities. A key agenda item for the meeting should be a discussion of renewal of the Agreement, which expires in January 1994.
-

- We are eager to use the summit to give new impetus to our science and technology cooperation with the Russians. There are, in fact, some rough parallels between what the Russians need to do and the Technology Initiative that you announced on February 22.
- You could emphasize how both countries must capitalize on our strengths in science and technology to promote economic stability and growth.
 - A key goal for the Russians is preserving their scientific and technological brainpower against stagnation and flight abroad. Our stress on nonproliferation leads us to share this goal.
 - To respond to this shared goal, you could announce the formation of a nonprofit, nongovernmental foundation to support joint research and development projects between American scientists and their counterparts in Russia and the other CIS states.
 - Finally, you and Yeltsin could direct Presidential Science Advisor John Gibbons and his counterpart to meet within ~~one~~^{two} months, for a comprehensive meeting to flesh out issues that must be resolved so that U.S.-Russian S&T relations can flourish in both the government and private sector.

Pres's response to this
10.11 SHG. be included in
Summary

John: — 3:30 Tues.
Attached are the points to
go into the memo to the
President. It's mostly your
language - PLS let me know
ASAP if you have comments
Thanks - Rose

X
505
X

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

March 18, 1993

MEMORANDUM FOR JOHN GIBBONS

FROM: TOM RATCHFORD

SUBJECT: ASH CARTER'S COMMENTS ON S&T AND RUSSIA



I spoke with Ash Carter today on S&T preparations for the Vancouver Summit and related matters. He had seen your memorandum to Tony Lake and is very supportive of your position. He will emphasize to Strobe Talbott the importance of S&T in the U.S.-Russian relationship.

Ash also asked me to tell you that a report from an internal DOD Task Force on Nunn-Lugar funding is ready for the Secretary. It recommends that the funds be subject to a broader "charter," permitting transfer to NSF and other agencies when appropriate, and that in the future a separate appropriation would be sought in order to avoid possible legal impediments.

REPRESENTATIVES OF THE U.S.-RUSSIAN BUSINESS COMMUNITY

- ✓ John L Hagaman (317 876-5888)
President and Chief Executive Officer
DowElanco
3939 Vincennes Road
Indianapolis, Indiana 46268
*Food prices inc. too fast, food stamps a good idea
let's prices fluct*
- ✓ Dwayne O. Andreas (217 424-5507)
Archer Daniels Midland Company
Chairman and Chief Executive Officer
4666 Faries Parkway
P.O. Box 1470
Decatur, Illinois 62526
*what's needed - 40 mil Tons of grain
prob. of default $\frac{1}{2}$ on R. loan. basket price
DoD pays for reconstructions time
not a popular idea*
- Michelle Godfrey (212 720-6174)
Assistant to the President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045-0001
- ✓ Eugene K. Lawson (202 956-7670)
President
U.S.-Russia Business Council
1701 Pennsylvania Avenue, NW
Suite 650
Washington D.C. 20006
- ✓ C.S. Nicandros (713 293-1080)
President and Chief Executive Officer
Conoco Inc.
600 North Dairy Ashford Road
Houston, Texas 77079-1121
*Gas is Russia's largest export, lose 2.5% in
prod. & system
large demand for US eg = US jobs
rec. a degrading mil ind to produce this in Russia*
- ✓ Mr. John Murphy (214 740-6701)
Chairman and Chief Executive Officer
Dresser Industries Inc.
1600 Pacific Avenue
P.O. Box 718
Dallas, Texas 75221
*\$1B. in sales there
next step is production and distribution
are right to do this*
- ✓ Robert S. Strauss (202 887-4190)
Senior Partner
Akin, Gump, Strauss, Hauer, & Feld
1313 Now Hampshire Avenue, NW Suite 400
Washington, D.C. 20036
*Short Term strategy - needs to be big on
there will be someone
else in power there*
- ✓ John R. Smart (908 221-7111)
Senior Vice President
International Public Affairs
AT&T
295 North Maple Avenue, Room 5305A3
Basking Ridge, New Jersey 07920
- ✓ Michael R. Bonsignore (612 951-2297)
Executive Vice President and COO
Honeywell Inc.
Honeywell Plaza
P.O. Box 524
Minneapolis, Minnesota 55440-0524

✓ Robert Hefner III (405 948-9800)
Chairman, GHK Company
3030 Northwest Expressway
18th Floor
Oklahoma City, Oklahoma 73112-5467

*Small Bus. - 35% unemployment - need to
Teach them how to rec. aid
Enterprise Zones away from Moscow*

✓ Mr. Lane Kirkland (713 853-6161)
AFL-CIO Headquarters
815 16th Street N.W.
Washington, D.C.

*C-Rev. underway, help Dem,
need grain & jobs*

✓ Ms. Piper Cole (415 336-7633)
Associate General Council
Sun Microsystems
2550 Garcia Avenue
Mountainview, California 94943

*Export control laws, need to solve def. conversion
issues, can't w/ VP cited as non-prof.*

✓ Mr. Shelley M. Zeiger (609 394-1000)
Chief Executive Officer
Zeiger Entreprises
625 Prospect Street
Trenton, New Jersey 08618

*Small Bus Restaurant joint venture
10 per^{cent} city - for joint venture w/ small govt. set*

ADMINISTRATION OFFICIALS

Dr. John H. Gibbons (202 456-7116)
Assistant to the President
for Science and Technology
Office of Science and Technology Policy
Room 424, Old Executive Office Building
Washington, D.C. 20500

Mrs. Joan Spero (202 736-4555)
Undersecretary-Designate for Economics,
Business, and Agriculture
Department of State
Washington, D.C. 20520

1-100% Hong Kong, Singapore, etc.

Ms. Lynn E. Davis (202 736-4555)
Undersecretary-Designee for
Arms Control and International Security
Department of State
Washington D.C. 20520

Mr. Strobe N. Talbott (202 736-4555)
President's Ambassador-at-Large and
Special Adviser to the Secretary of State
on the New Independent States
Department of State
Washington, D.C. 20520

*Just gathering ideas - lots of complications
US 4th in auditors → Russia*

The Honorable Timothy E. Wirth (202 736-4555) *Old Gas best for quick fix*
Counselor-Designee to the
Department of State
Washington, D.C. 20520

The Honorable Mike Espy (202 720-3631)
Secretary of Agriculture
Room 200A Administration Building
14th and Independence Avenue S.W.
Washington, D.C. 20250

Mr. Frank G. Wisner (703 695-4351)
Undersecretary of Defense for
Policy - Designate
Room 4E808; The Pentagon
Washington, D.C. 20301

Mr. Patrick V. Murphy, Jr. (202 366-4551)
Acting Assistant Secretary for
Policy and International Affairs
Department of Transportation
400 7th Street S.W.
Washington, D.C. 20590

The Honorable Michael Kantor (202 395-3204)
The U.S. Trade Representative
600 17th Street N.W.
Washington, D.C. 20506

Mr. John A. Rollwagen (202 482-4625)
Deputy Secretary - Designate
Department of Commerce
14th and Constitution Avenue N.W.
Room 5838
Washington, D.C. 20230

Toby T. Gati (202 395-3912)
Special Assistant to the President
and Senior Director for Russian,
Ukrainian, and Eurasian Affairs
National Security Council Staff
Room 374, Old Executive Office Bldg
The White House
Washington, D.C. 20500

STand
Closing - several said must do all
reg'd, or there will be others
we don't want to look up

Charles J. O'Mara (202 720-3111)
Acting Undersecretary of Commerce
for International Affairs and
Commodity Programs
U.S. Department of Agriculture
Washington, D.C. 20250

Eugene Moos (202 720-3111)
Undersecretary-Designate for International
Affairs and Commodity Programs
Dept of Agriculture
Room 200A Administration Building
14th & Independence Avenue S.W.
Washington, D.C. 20250

Thomas Ratchford (202 456-2894)
Associate Director for Policy and
International Affairs
Office of Science and Technology Policy
Room 424, Old Executive Office Building
The White House
Washington, D.C. 20500

40 ^{grain} million → 1

revitalize their oil & gas

there is $\$$ for strategic oil reserves

money - buy Russian oil w/ grain, ^{oil field} ~~expensive~~ _{oil management services}

Suggestions - Hagerman potential grant for inc of production

- Sun need for defense conversion
frustration w/ export control

build on sister city relations

THE WHITE HOUSE

WASHINGTON

March 11, 1993

MEMORANDUM FOR ANTHONY LAKE

ASSISTANT TO THE PRESIDENT FOR NATIONAL
SECURITY AFFAIRS

FROM:

JOHN H. GIBBONS 
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

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.

Jim Fennell

1 CO 1 G
TELEGRAM

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 CIP-10 COME-00 C-01 OASY-00 DINT-05 DODE-00 DOEE-00
 CISA-02 EB-00 EUR-00 HA-09 H-01 INR-00 IO-19
 ITC-01 L-00 MCC-00 ADS-00 MOFM-04 MOF-03 M-01
 NASA-01 NAS-01 NRC-03 NRRC-00 NSAE-00 NSF-01 OIC-02
 OMB-01 PA-01 PM-00 PRS-01 P-01 RPCS-01 SCT-03
 SDEL-00 SIL-00 SNP-00 SP-00 SS-00 STR-17 TRSE-00
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DEPT. FOR EUR/ISCA/CAST (BARKLEY/HARMISH),
 OES/SC (CAMPBELL)

WHITEHOUSE FOR OSTP (GIBBONS/D'NEIL)

E.O. 12356: N/A
 TAGS: TSPL, TRCY, PGOV, RS, US
 SUBJECT: U.S.-RUSSIA SCIENCE COOPERATION AND THE
 YELTSIN/CLINTON SUMMIT: CAN THIS JUMP-START THE
 POSTPONED BASIC SCIENCES JOINT COMMISSION MEETINGS?

REF: STATE 49641

1. S&TCONS MET RECENTLY WITH ZURAB YAKOBASHVILI,
 MINISTRY OF SCIENCE, HIGHER EDUCATION AND TECHNOLOGY
 POLICY (MINSOI) DEPUTY MINISTER FOR INTERNATIONAL
 COOPERATION TO DISCUSS POSSIBLE SCIENCE TOPICS FOR
 THE UPCOMING YELTSIN/CLINTON SUMMIT. ADDITIONAL
 TOPICS DISCUSSED INCLUDED THE RELATIVE ROLES OF THE
 SUMMIT AND BILATERAL MEETINGS, SUCH AS THE
 U.S.-RUSSIA BASIC SCIENCES JOINT COMMISSION MEETING
 AND SUMMIT FOLLOW-ON DISCUSSIONS.

SUMMIT: NO SUBSTITUTE FOR BILATERAL SCIENCE MEETINGS

2. YAKOBASHVILI STATED THAT THE UPCOMING
 YELTSIN/CLINTON SUMMIT WOULD PROVIDE AN EXCELLENT
 OPPORTUNITY FOR STRENGTHENING U.S.-RUSSIA SCIENTIFIC
 COOPERATION. HE CONCEDED THAT SUMMIT DISCUSSIONS ON
 THESE ISSUES WOULD PROBABLY BE BETWEEN STATE AND
 RUSSIAN MFA OFFICIALS, ALTHOUGH MINSOI WOULD PLAY A
 MAJOR ROLE IN PREPARING THE RUSSIAN POSITION PAPERS.
 FOR EXAMPLE, HE STATED THAT THE PARAGRAPH ON
 SCIENTIFIC COOPERATION CONTAINED IN THE RECENT
 CHRISTOPHER/KOZYREV STATEMENT (ISSUED FOLLOWING THEIR
 RECENT GENEVA MEETINGS) WAS DRAFTED BY MINSOI.

3. YAKOBASHVILI STRESSED, HOWEVER, THAT FUNDAMENTAL
 QUESTIONS ON SCIENTIFIC COOPERATION ARE "TOO
 IMPORTANT TO BE LEFT TO DIPLOMATS." USING

INTERMEDIARIES - STATE AND MFA OFFICIALS - WOULD BE
 LESS PRODUCTIVE THAN DIRECT MEETINGS BETWEEN OUR TWO
 COUNTRIES' SCIENTIFIC ESTABLISHMENTS. BY WAY OF
 ANALOGY, HE SAID THAT IT WOULD BE UNREALISTIC TO ASK
 SOMEONE TO PERFORM AN APPENDECTOMY FOLLOWING A BRIEF
 EXPLANATION OF THE PROCEDURE. THE SUMMIT DISCUSSIONS
 WILL BE USEFUL, YAKOBASHVILI NOTED, BUT THEY NEED TO

BE DOUBLE-TRACKED ALONG THE LINES OF THE BASIC
 SCIENCES JOINT COMMISSION MEETING. (COMMENT: HE
 STRESSED THAT THE PARTICIPATION OF DEPUTY PRIME
 MINISTER SALTUKOV, WHO IS ALSO MINSOI MINISTER, WOULD
 BE CRITICAL TO THE SUCCESS OF ANY BILATERAL SCIENCE
 MEETINGS. YAKOBASHVILI ADDED THAT HE BELIEVES A
 SALTUKOV MEETING WITH HIS APPROPRIATE U.S.
 COUNTERPART IS "ABSOLUTELY NECESSARY" TO PROMOTE S&T
 COOPERATION. END COMMENT.)

4. PARALLEL TRACKING, YAKOBASHVILI NOTED, IS
 NECESSARY TO ENSURE THAT THE ESSENCE OF SCIENCE
 POLICY AND COOPERATION IS HANDLED CORRECTLY. BOTH
 RUSSIAN AND AMERICAN SCIENTISTS (INCLUDING THEIR
 GOVERNMENT REPRESENTATIVES) NEED TO BE DIRECTLY
 INVOLVED TO EVALUATE THE TYPES OF SCIENTIFIC AND
 TECHNOLOGY ISSUES PROPOSED. YAKOBASHVILI STATED
 THAT, IN THIS WAY, SCIENTIFIC PROPOSALS PUT FORWARD
 BY DIPLOMATS WILL BE REALISTIC AND NOT BE REJECTED
 OUT OF HAND BY SCIENTISTS OF THE OTHER COUNTRY.

5. THE PREPARATION OF A SUMMIT AGREEMENT FOR
 U.S.-RUSSIAN SCIENTIFIC COOPERATION WILL BE, IN
 YAKOBASHVILI'S OPINION, "A DELICATE PROCESS." HE

STATED THAT IT WOULD BE IMPORTANT FOR PRESIDENT
 CLINTON TO DO MORE THAN MERELY REPEAT THE DECLARATION
 MADE AT LAST YEAR'S BUSH/YELTSIN SUMMIT FOR FOLLOW-UP
 MEETINGS ON EXPANDING AVENUES FOR S&T COOPERATION.
 AT THE SAME TIME, HE BELIEVES THAT IT IS CRUCIAL THAT
 THIS PREVIOUS COMMITMENT BE RECOGNIZED AND
 CONFIRMED. THIS COULD BE DONE, YAKOBASHVILI
 SUGGESTED, WITH SHORT REMARKS BY THE PRESIDENTS AT
 THE SUMMIT.

6. S&TCONS ASKED YAKOBASHVILI WHETHER A FIXED DATE
 FOR THE BASIC SCIENCES JOINT COMMISSION MEETING -
 PERHAPS THE END OF APRIL - SHOULD BE CONTAINED IN THE
 SUMMIT STATEMENT. YAKOBASHVILI DID NOT THINK THAT
 WOULD BE NECESSARY. HE SAID IT WOULD BE SUFFICIENT
 TO STATE THAT "THE TWO COUNTRIES WILL CONTINUE
 CONSULTATIONS ON CONCLUDING AN AGREEMENT ON IMPROVING
 S&T COOPERATION." (COMMENT: SUBSEQUENTLY MINSOI
 OFFICIALS CONTACTED US TO SUGGEST THAT WE RESCHEDULE
 THE POSTPONED DECEMBER BASIC SCIENCES AND SUMMIT
 FOLLOW-ON MEETINGS TO THE END OF APRIL TO COINCIDE
 WITH SALTUKOV'S PRESENCE IN WASHINGTON FOR HARLEY
 BALZER'S GEORGETOWN RUSSIAN SCIENCE SEMINAR. END

COMMENT.)

THE BILATERAL S&T RELATIONSHIP: WHERE IS IT HEADED?

7. YAKOBASHVILI DISCUSSED AT SOME LENGTH HIS VIEWS ON

THE BILATERAL GOVERNMENT-TO-GOVERNMENT S&T
 RELATIONSHIP. THIS RELATIONSHIP CAN BE DISTILLED
 INTO TWO BASIC ASPECTS: (1) THE CREATION OF GOOD
 CONDITIONS FOR FACILITATING COOPERATION IN S&T, AND
 (2) PROMOTING EACH COUNTRY'S S&T INTERESTS WITHIN THE
 FRAMEWORK OF THE JOINT U.S.-RUSSIA RELATIONSHIP. THE
 PRIMARY TASKS FOR EACH GOVERNMENT, HE EXPLAINED, WERE
 TO DEVELOP A FRAMEWORK AND MECHANISM FOR IMPLEMENTING
 THE VARIOUS PROJECTS THAT COMPRISE S&T COOPERATION.

8. YAKOBASHVILI STATED THAT CREATING FERTILE
 CONDITIONS FOR S&T COOPERATION BETWEEN GOVERNMENTS IS
 THE MAIN FUNCTION OF HIS DEPARTMENT. HE SAID THAT

INCOMING
TELEGRAM

Department of State

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OTHER TYPES OF S&T COOPERATION, FOR EXAMPLE BETWEEN
EDUCATIONAL INSTITUTIONS, ARE DIFFERENT ISSUES.
THESE KINDS OF COOPERATIVE EFFORTS ARE AN INTERNAL
PROBLEM FOR MINSOI, ONE WHICH YAKOBASHVILI DOES NOT
BELIEVE REQUIRES THE SAME DEGREE OF
INTER-GOVERNMENTAL COOPERATION.

9. YAKOBASHVILI STATED THAT A WHOLE SERIES OF
"HIGH-LEVEL JOINT SCIENTIFIC PROJECTS" EXIST WHICH
HAVE STRONG NATIONAL INTEREST FOR BOTH COUNTRIES.
INCREASING COOPERATION ON THESE PROJECTS SHOULD BE
ONE OF THE MAIN PRIORITIES. HE ADDED, IN
STRENGTHENING THE OVERALL U.S.-RUSSIA RELATIONSHIP.
HE PROPOSED CREATING A JOINT "BINATIONAL FUND" FOR
THESE PROJECTS. THE FUND WOULD INCLUDE GOVERNMENT
SUPPORT, AS WELL AS COMMERCIAL, DEPENDING ON THE
SPECIFIC PROJECTS. YAKOBASHVILI CONCLUDED THAT THE
DISTRIBUTION OF U.S. ASSISTANCE TO RUSSIAN SCIENCE

WOULD BE MORE PRODUCTIVE IF ALLOCATED THROUGH SUCH A
FUND THAN THROUGH OTHER METHODS. (COMMENT: THIS
BINATIONAL FUND IDEA IS EXTREMELY SIMILAR TO THAT
PROPOSED BY NIKOLAI MALYSHEV, YELTSIN'S ADVISOR ON
SCIENCE AND EDUCATION, DURING HIS JANUARY MEETING
WITH DES ASSISTANT SECRETARY BOMLEN (REFFEL).
DESPITE THIS COINCIDENCE OF VIEWS, MINSOI APPARENTLY
IS NOT COORDINATING THEIR PREPARATIONS FOR THE
SUMMIT, OR THE BILATERAL SCIENCE MEETINGS, WITH
MALYSHEV. AS WE HAVE PREVIOUSLY REPORTED, SALTYSKOV
HAS BEEN DESIGNATED AS THE RUSSIAN COUNTERPART FOR
THE BASIC SCIENCES JOINT COMMISSION AND SUMMIT
FOLLOW-ON MEETINGS. END COMMENT.)

10. S&T COUNS NOTED THAT THE U.S. WOULD TAKE THIS
PROPOSAL UNDER ADVISEMENT BUT THAT THE PROSPECTS FOR
ITS REALIZATION PROBABLY ARE NOT GOOD. YAKOBASHVILI
BACK-PEDALED SOMEWHAT AND SAID THAT CREATING THIS
FUND WAS NOT THE "MAIN IDEA." THE PROPOSED FUND, HE
SUGGESTED, WOULD NOT NECESSARILY REQUIRE GOVERNMENT
FUNDING. YAKOBASHVILI STATED THAT IT WAS MORE
IMPORTANT THAT OUR GOVERNMENTS HELP CREATE THE
CONDITIONS THAT WOULD HELP ESTABLISH AND SUSTAIN THIS
FUND.

COOPERATION AND ASSISTANCE: A ROLE FOR EACH

11. YAKOBASHVILI MENTIONED THAT IT WAS IMPORTANT TO
DISTINGUISH BETWEEN "SCIENTIFIC COOPERATION" AND

"TECHNICAL ASSISTANCE." COOPERATION, HE STRESSED,
WAS NECESSARY FOR POLITICAL REASONS BECAUSE IT
IMPLIED INTERACTION BETWEEN EQUALS. YAKOBASHVILI
STATED THAT THE CURRENT POLITICAL CLIMATE IN RUSSIA
MADE IT EVEN MORE CRITICAL THAT SCIENTIFIC
COOPERATION BETWEEN OUR COUNTRIES BE VIEWED IN THIS
LIGHT.

12. YAKOBASHVILI DID STATE, HOWEVER, THAT IN MANY
AREAS RUSSIA "NEEDED HELP." YAKOBASHVILI CITED
TELECOMMUNICATIONS, STANDARDIZATION, AND THE U.S.
PATENT SYSTEM AS EXAMPLES OF AREAS WHERE RUSSIA COULD
BENEFIT FROM U.S. TECHNICAL ASSISTANCE. NOTE

:
YAKOBASHVILI MENTIONED A SIMILAR DISCUSSION THAT HE
HAD WITH GEORGE SOROS, AND SOME TACTICAL MISTAKES

MADE IN CONNECTION WITH SETTING UP THE USD 100
MILLION SOROS FUND FOR RUSSIAN SCIENCE. END NOTE.)

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13. THE MAIN POINT, YAKOBASHVILI CONCLUDED, IS THAT
WE NEED TO UNDERSTAND THAT DIFFERENT PROBLEMS REQUIRE
DIFFERENT SOLUTIONS - SOME COOPERATION AND SOME
ASSISTANCE. IT WAS DEMEANING TO RUSSIA, HE STRESSED,
WHEN SMALL AMOUNTS OF FINANCIAL ASSISTANCE HE
MENTIONED USD 10,000 ARE CHARACTERIZED AS "HELP" TO
RUSSIA WHEN THIS MAY BE ONLY INCIDENTAL TO THE REAL
FUNCTION OF A SCIENTIFIC COOPERATIVE PROJECT.
COOPERATIVE EFFORTS OFTEN INVOLVE THE TRANSFER OF
SUCH SMALL AMOUNTS OF ASSISTANCE, BUT YAKOBASHVILI
SAYS THIS DOES NOT CHANGE THEIR TRUE "COOPERATIVE

NATURE" AND THE U.S. SHOULD BE SENSITIVE TO THIS
ISSUE.

14. COMMENT: DESPITE THEIR PREVIOUS LACK OF
ENTHUSIASM FOR EXPEDITING THE BASIC SCIENCES AND
SUMMIT FOLLOW-ON MEETINGS, MINSOI NOW SEES A FRESH
OPPORTUNITY (YELTSIN/CLINTON SUMMIT) TO ENGAGE THE
U.S. ADMINISTRATION ON S&T COOPERATION. MINSOI IS
OBVIOUSLY CONCERNED THAT THE MFA WILL TRY TO DEFINE
THE ROLE OF S&T ISSUES AT THE SUMMIT BUT IS WILLING
TO LET THE MFA TAKE A "POLICY AND COORDINATING"
LEAD. WE HAVE BEEN ENCOURAGED OF LATE TO LEARN OF
SEVERAL INTERAGENCY MEETINGS ON S&T COOPERATION
ISSUES, CHAIRED BY THE MFA (USUALLY SERGEI KISLYAKI)
AND ATTENDED BY YAKOBASHVILI.

15. COMMENT CONT: UNFORTUNATELY WE DO NOT BELIEVE
THE RUSSIANS HAVE A MORE SUBSTANTIVE SCIENCE AGENDA
FOR THE BILATERAL MEETINGS THAN THEY HAD LAST
DECEMBER. MINSOI HOWEVER, CLEARLY WISHES TO ENGAGE
THE CLINTON ADMINISTRATION ON SCIENCE ISSUES SOONER
RATHER THAN LATER. END COMMENT. COLLINS

ACTION

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	CIP-10	COME-00	C-01	OAS-00	DINT-05	DODE-00	DOEE-00
	CISA-02	EB-00	EUR-00	HA-09	H-01	INR-00	IO-19
	ITC-01	L-00	MCO-00	ADS-00	MOFM-04	MOF-03	M-01
	NASA-01	NAS-01	NRC-03	NRRC-00	NSAE-00	NSF-01	OIC-02
	OMB-01	PA-01	PM-00	PRS-01	P-01	RPCS-01	SCT-03
	SDEL-00	SIL-00	SNP-00	SP-00	SS-00	STR-17	TRSE-00
	TST-00	T-00	USIE-00	SA-00	EPAE-00	RPE-01	/129W

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R 121021Z MAR 93
FM AMEMBASSY MOSCOW
TO WHITEHOUSE WASHDC
SECSTATE WASHDC 6901

MOSCOW 007328

DEPT. FOR EUR/ISCA/CAST (BARKLEY/HARNISH);
OES/SCT (CAMPBELL)

WHITEHOUSE FOR OSTP (GIBBONS/G'NEIL)

E.O. 12356: N/A
TAGS: TSPL, TRGY, PGOV, RS, US
SUBJECT: U.S.-RUSSIA SCIENCE COOPERATION AND THE
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POSTPONED BASIC SCIENCES JOINT COMMISSION MEETINGS?

REF: STATE 49641

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SUMMIT: NO SUBSTITUTE FOR BILATERAL SCIENCE MEETINGS

2. YAKOBASHVILI STATED THAT THE UPCOMING YELTSIN/CLINTON SUMMIT WOULD PROVIDE AN EXCELLENT OPPORTUNITY FOR STRENGTHENING U.S.-RUSSIA SCIENTIFIC COOPERATION. HE CONCEDED THAT SUMMIT DISCUSSIONS ON THESE ISSUES WOULD PROBABLY BE BETWEEN STATE AND RUSSIAN MFA OFFICIALS, ALTHOUGH MINSCT WOULD PLAY A MAJOR ROLE IN PREPARING THE RUSSIAN POSITION PAPERS. FOR EXAMPLE, HE STATED THAT THE PARAGRAPH ON SCIENTIFIC COOPERATION CONTAINED IN THE RECENT CHRISTOPHER/KOZYREV STATEMENT (ISSUED FOLLOWING THEIR RECENT GENEVA MEETINGS) WAS DRAFTED BY MINSCT.

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ACTION

Department of State

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INFO	LOG-00	ACDA-17	AID-00	AMAD-01	BIB-01	CEQ-01	CIAC-00
	CIP-10	COME-00	C-01	OAS-00	DINT-05	DOOE-00	DOEE-00
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COOPERATION AND ASSISTANCE: A ROLE FOR EACH

11. YAKOBASHVILI MENTIONED THAT IT WAS IMPORTANT TO DISTINGUISH BETWEEN "SCIENTIFIC COOPERATION" AND

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$\frac{\$100 + \text{GovT}}{\text{BS}}$ / $\frac{\text{Applied}}{\$25\text{mil}}$

$\frac{\text{Bus}}{\text{GovT encouraging}}$

Tech Initiative

Tech for Russian eco-growth

What's needed to harness tech
for Rus eco-growth.

org - parallel to Tech initiative

given R. strength in BS & Tech
 agree system to use the model
 what is need for this
 what can US do to cooperate

3 hrs

9/9
 statement and mtg later

0930

9 March

JHG JTR JFO

Gerald Musana, Rich Dal Bello Dan Pinesman Rose
Goffmiller

20 Apr mtg - intervening Summit

S&T Component of Summit?

S&T Cooperative Component
non-proliferation (intersections)

Pres - emphasizes non-proliferation
aid for Russia - poss of disarmament
against Russia in Space
= looking into Def. Conversion issues

High level Def. Conversion
w/ 12 levels of effort

Rose - What would you like to see on the Senior Agenda

Summit Obj: push ahead non-prod
and bolster Yeltsin govt

Carrot & sticks - but tied together

Science & Tech

Def. Conversion

Growth of Civil Sector

new experience and know-how can be brought to bear

* 2 optus - symposium in Second
follow-on

* other S&T related issues

Pres. Book - 29 Mar

Space & non-proliferat reports

Pull together info - Reports in MTGs w/ materials
memos etc of last year