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U.S. Department of State
95/06/20 Fact Sheet: Gore-Chernomyrdin Commission
Bureau of Public Affairs

Fact Sheet

U.S.-Russian Joint Commission on Economic and Technological Cooperation (Gore-Chernomyrdin Commission)

Under the leadership of Vice President Gore and Russian Prime Minister Chernomyrdin, the U.S. and Russia advance their bilateral cooperation through eight working committees known formally as the U.S.-Russian Joint Commission on Economic and Technological Cooperation (Gore-Chernomyrdin Commission). Created by President Clinton and Russian President Yeltsin after their April 1993 summit meeting in Vancouver, the Commission's original mandate was to support cooperation in the areas of space and energy. Since then, the Commission has expanded its scope to include the six additional areas of U.S.-Russian cooperation in business development, defense conversion, the environment, science and technology, health, and agriculture. The Commission has met four times to date; sessions usually alternate between Russia and the United States. The next session will take place in Russia in June 1995. The agricultural committee will meet for the first time in June 1995.

December 1994--Moscow

Fifteen agreements and six joint statements were signed at the most recent Commission meeting, held December 14-16, 1994, in Moscow. At this meeting, the Health Committee, announced in June 1994 to promote cooperation in the area of public health, met for the first time.

Health. Priorities for future cooperation were agreed upon at the meeting: diabetes, health education and promotion, prevention and control of infectious diseases, primary care practice, tuberculosis treatment and control, maternal and child health, health reform and policy, and environmental health.

Technical cooperation in women's reproductive health includes a public information campaign in Russia on the health benefits of modern contraceptive methods and assistance in developing model family planning centers. In addition, a new program supports development of partnerships between U.S. and Russian pharmaceutical firms to alleviate shortages in Russia of urgently needed pharmaceuticals. Also, hospital equipment and supplies from a decommissioned U.S. military hospital, valued at \$6 million, will be donated to Hospital No. 2 in Vladivostok.

Space Cooperation. The Commission noted the significant progress made by the National Aeronautics and Space Administration (NASA) and the Russian Space Agency for the ongoing flight of a U.S. astronaut on the Russian Mir Space Station in March 1995 and the first Space Shuttle/Mir Space Docking Mission in June 1995. The two nations signed a customs agreement to provide duty-free clearance of goods shipped to Russia to support government-to-government cooperation in space.

Business and Investment Development. The Commission announced a dialogue on Russian commercial taxes which hinder and deter trade and investment by the U.S. private sector in the Russian Federation. In addition, the two nations agreed to further bilateral commercial ties, especially between the West Coast of the U.S. and the Russian Far East, by opening a third U.S. Department of Commerce American Business Center in the Russian Far East at Yuzhno-Sakhalinsk. The Commission also promoted a Russian Presidential Business Mission to the United States in early 1995.

Energy. Concerned with the full range of nuclear issues as well as fossil energy and energy efficiency, the Energy Policy Committee agreed to fund studies on viable energy alternatives, such as fossil-fired power, to replace plutonium production reactors. For the first time, the two countries will exchange unclassified technical information to enhance safety and security in the dismantlement of nuclear warheads in both countries.

Defense Conversion. The Overseas Private Investment Corporation (OPIC) will commit up to \$500 million in insurance and financial assistance to support defense conversion projects in Russia and other countries of the New Independent States undertaken by U.S. companies with local partners.

In addition, the U.S. Department of Commerce's Bureau of Special American Business Internship Training Program (SABIT) and Commerce's Bureau of Export Administration will develop and implement a specialized training program for up to 50 defense enterprise experts from Russia. Vice President Gore announced the award of four contracts totaling \$16.6 million to U.S. firms that have established cost-sharing joint ventures with Russian companies. The awards will assist four Russian defense enterprises that are converting to manufacturing products with commercial applications.

Science and Technology. Vice President Gore and Prime Minister Chernomyrdin witnessed the signing by two U.S. and Russian agencies of a statement of intent to establish a Space Biomedical Center for Training and Research at Moscow State University. The Center will promote U.S.- Russian cooperative medical exchanges in aerospace medicine, space biology and microgravity science, internal medicine, telemedicine, biotechnology, and public health issues. Russia and the U.S. also signed an agreement to jointly monitor global climate change through changes in ocean temperature and announced further cooperation in information technology.

Environment. Russia and the U.S. signed a landmark agreement on co-operation in the prevention of pollution of the environment in the Arctic. The agreement calls for the two countries to cooperate in assessing levels of hazardous contaminants and authorizes consultation on technical measures to eliminate them. A joint statement to support legislative action to allow both countries to ratify the convention on

biodiversity also was signed.

June 1994--Washington, DC

The Commission met in Washington, DC, June 22-23, 1994, and registered further progress in all areas of the Commission's work. In particular, the session emphasized the implementation of U.S.-Russian cooperative ventures and programs. In addition, Vice President Gore and Prime Minister Chernomyrdin agreed to establish a seventh committee to deal with health issues.

Space Cooperation. NASA and the Russian Space Agency signed an interim agreement covering initial Russian participation in the international space station program, as well as a \$400-million contract to provide Russian space hardware, services, and data in support of the "Shuttle- Mir" project--a joint flight program leading to the development of the international space station. Key elements of the contract include support of U.S. astronauts on board the Mir space station for approximately two years, the possibility of 10 shuttle docking missions with Mir, provision of hardware, joint technology development, and support for science and technology research to be conducted on board Mir.

Business and Investment Development. A consortium of U.S. and other Western oil companies signed an agreement with the Russians which launched the largest single U.S. investment in Russia--a joint contract to develop the oil fields of Sakhalin Island. The project, worth about \$10 billion, is the first major development of a Russian energy field involving foreign direct investment. Two OPIC funds--expected to leverage more than \$4 billion of private-sector investment in Russia and the other New Independent States (NIS) and known as the Major Projects Fund and the Russia Partners Fund--were signed at this session of the Commission. The initial OPIC fund was signed at the Commission's inaugural meeting and was expected to leverage \$1 billion. The fund has already exceeded its target capitalization and is investing in the NIS economies.

Energy. The Vice President and the Prime Minister signed an agreement obligating the U.S. and the Russian Federation to end the operation of plutonium production reactors by the year 2000. The agreement also prohibits the restarting of any reactors already closed and bars both countries from using in nuclear weapons any plutonium produced by the production reactors after the agreement enters into force. A committee also is developing a joint study on alternative energy sources and is establishing an Oil and Gas Technology Center in Russia.

Defense Conversion. The U.S. announced the first awards made under a March 1994 Nunn-Lugar defense conversion agreement which provides up to \$20 million in assistance to U.S. firms to establish joint ventures with Russian defense firms converting to civilian production. It also announced the incorporation of the Defense Conversion Enterprise Fund with a grant of \$7.7 million to assist in the conversion of defense industries in Russia and the other NIS states. The sides agreed to expedite the construction of a long-term storage facility at Mayak for the safe, secure storage of fissile materials from dismantled nuclear weapons for which \$90 million has been set aside under the Nunn-Lugar program.

Science and Technology. The two countries signed a statement of principles on data exchange and five

new memoranda of understanding, dealing with:

- Transportation--to develop and modernize Russian air traffic control systems and other aspects of civil aviation, highways, public transit, railroads, and maritime transportation;
- Health--to enable joint efforts in cancer research, molecular biology, genetics, immunology and AIDS, neurobiology, clinical research, and scientific information exchange;
- Geosciences--to foster research in global climate change, water resources, petroleum geology, seismic and volcano hazards, and storage and disposal of toxic or radioactive wastes;
- Basic science and engineering--to promote cooperative research between U.S. and Russian scientists and allow joint activities in materials research, lasers, optics, and ecology;
- Offshore energy development--to clarify the technical regulations for the exploration and development of offshore oil, gas, and mineral resources.

Environment. A new agreement on the environment provides for broader cooperation on global issues, such as biodiversity, environmental management, and public participation in environmental decision-making. It also calls for joint formulation of policy on environmental problems of bilateral, regional, and global significance, increased data sharing, and more vigorous efforts to protect intellectual property rights. Other cooperative efforts include a U.S. Agency for International Development (USAID) grant of \$1 million to support the operations of two world-class Russian research facilities, the Komarov and Vavilov Institutes in St. Petersburg, whose collections and capabilities are critical to biological diversity, and a U.S. Environmental Protection Agency (EPA) grant of \$50,000 to help Russia phase out the use of substances that deplete the stratospheric ozone layer.

December 1993--Moscow

The Gore-Chernomyrdin Commission held its second meeting December 15-16, 1993, in Moscow. Major accomplishments were achieved in five broad areas.

Space Cooperation. One of the highlights of the meeting was a joint statement issued on space station cooperation. It covers activities involving the U.S. space shuttle and the Russian Mir space station, Russian participation in the International Space Station, and contractual arrangements to facilitate these programs.

The two sides signed a protocol calling for additional manned flights to the Russian Mir space station and extended time for U.S. astronauts there. They also signed a joint statement on aeronautics and space cooperation, noting potential cooperation in the areas of earth sciences and environmental monitoring and space science. The joint statement was accompanied by a memorandum of understanding describing eight areas of cooperation in fundamental aeronautical sciences.

Trade and Business Development. In this area, Vice President Gore and Prime Minister Chernomyrdin exchanged instruments of ratification for a double taxation treaty, effective January 1, 1994. OPIC agreements totaling \$135 million were signed, providing the financial muscle to stimulate significant U.S. private investment in the Russian economy. The two sides released a joint communique on conformity of product standards to facilitate trade in both directions. They also signed an interim memorandum for establishing American business centers in Russia and issued a joint statement on the future tasks of the Business Development Committee aimed at identifying opportunities, resolving problems, and expanding contracts leading to new trade and investment projects. Finally, they announced a joint energy project to create a model Russian retail gasoline corporation to determine the commercial and legal conditions needed to establish a privately owned and financed corporation.

Energy, Nuclear Safety, and Environment. The Vice President and the Prime Minister signed a milestone statement of principles for nuclear safety cooperation, with both governments committed to support and expand bilateral and multilateral efforts to promote nuclear safety. The two sides also signed a nuclear liability agreement providing a legal framework for U.S. corporations involved in improving the safety of Russian nuclear reactors. An agreement for the Commodity Import Program provides \$90 million in grants for importing U.S. technology and equipment to improve Russian energy production and efficiency, reduce environmental pollution, and improve performance. They also announced the formation of an oil and gas technology center in the city of Tyumen, a key Russian energy production site, to improve the recovery of oil and gas and reduce production costs. Finally, they signed a joint statement on environmental cooperation involving 15 technical assistance projects to begin immediately and another on alternative energy studies.

Defense Conversion. The Vice President and the Prime Minister signed a memorandum spelling out the principles guiding U.S. and Russian cooperation in the conversion and diversification of defense industries. The two sides followed this with a protocol to the existing Nunn-Lugar defense conversion implementation agreement that provides up to \$20 million for direct conversion assistance for the transition to civilian production of modular housing.

Science and Technology. Vice President Gore and Prime Minister Chernomyrdin signed a historic agreement providing, for the first time, a framework for cooperation in all fields of science and technology for a 10-year period. A major achievement of the agreement is a new bilateral framework to protect intellectual property resulting from cooperative research and development programs. The two sides also signed a related memorandum of understanding on cooperation in the fields of mining research and minerals information for a five-year period.

September 1993--Washington, DC

Vice President Gore and Prime Minister Chernomyrdin initiated the new cooperative venture on September 1-2, 1993, in Washington, DC. The Commission's broad agenda included economic and foreign policy issues, as well as the evolution of a commercial partnership for the future. They also accomplished a great deal in the fields of space and energy. Agreements signed during this round of successful meetings represent the leading edge of U.S.-Russian cooperation aimed at achieving broad

market access for Russian high-technology goods and efficient and low-cost cooperation on long-term, complex projects. They also agreed to establish additional subcommittees to focus specifically on environmental, scientific, and energy policy, as well as defense diversification issues.

Space Cooperation. The two sides signed three joint statements on:

-- Space cooperation--outlining a phased approach for cooperation on human space flight and development of a unified space station;

-- Cooperative environmental space monitoring--involving a joint study to determine the feasibility of such programs; and

-- Aeronautical sciences.

These agreements set a broad strategy for cooperation on global environmental change and in the design of future aircraft. They also signed a commercial launch agreement, giving Russia access to the international launch services market, and a memorandum of understanding on the Missile Technology Control Regime (MTCR), committing Russia to the MTCR guidelines on the sale of high-technology goods and services.

Energy and Investment Cooperation. The agreements signed in this area represent the joint intention of the parties to strengthen economic cooperation and to increase trade and investment significantly, especially in energy-related projects. OPIC announced two major projects for Russia to establish the first U.S.-Russian Investment Fund to support privatization and to assist in oil well restoration in western Siberia.

The two sides agreed that each government would name an ombudsman to work together to overcome obstacles to specific trade and investment projects. They also signed a memorandum to facilitate cooperation in fossil energy development and a memorandum of understanding that will lead to an expansion of exports to Russia currently financed by Exim- bank. Finally, they agreed to launch a joint study on nuclear reactor safety issues to determine the most potentially productive joint work in the area of nuclear safety. (###)

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Gore-Chernomyrdin Commission Members

Co-Chairmen

Vice President Al Gore

Prime Minister Victor Chernomyrdin

Business Development

Secretary of Commerce Ron Brown
Deputy Prime Minister and Minister of Foreign Economic Relations Oleg
Davydo

v

Energy Policy
Secretary of Energy Hazel O'Leary
Minister of Fuel and Energy Yuri Shafranik

Science and Technology
OSTP Director Jack Gibbons
Minister of Science Boris G. Saltykov

Defense Conversion
Secretary of Defense William J. Perry
First Deputy Minister of Defense Andrei Kokoshin
First Deputy Minister of the Economy Valeriy Makhailov

Space
NASA Administrator Daniel Goldin
General Director Russian Space Agency Yuri Koptev

Environment
EPA Administrator Carol Browner
Minister of Environmental Protection and Natural Resources Victor
Danilov-Danilyan

Health
Secretary of Health Donna Shalala
Minister of Health and Medical Industry Eduard Nechayev

Agriculture
Secretary of Agriculture Dan Glickman
(Russian co-chair to be determined)

U.S. Secretariat
Assistant to the Vice President for National Security Affairs Leon
Fuerth
Special Assistant to the President, National Security Council Coit
(Chip) Blacker
Senior Coordinator, Office of the U.S. Ambassador-at-Large for the
New Independent States, U.S. Department of State James Collins

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Recent Agreements of the Gore-Chernomyrdin Commission

December 1994 Signed by the Vice President and Prime Minister:

- Bilateral Agreement on Cooperation in the Prevention of Pollution of the Environment in the Arctic
- U.S.-Russian Agreement for Cooperation in the GLOBE Program
- Agreement Concerning Customs Registration of Goods Transported under Framework of RSA/NASA Cooperation

Signed Documents by Committee Chairs and Others:

- Statement of Intent on Space Biomedical Center for Training Research
- MOU on "Meteor-3M/SAGE III" and "Meteor-3M/TOMS" Projects
- Joint Statement on Commercial Tax Dialogue and Russian Far East and American West Coast
- Joint Statement on Russian Presidential Business Mission
- Agreement on the Exchange of Technical Information on Warhead Safety
- MOU on Acoustic Thermometry of Ocean Climate (ATOC)
- Declaration of OPIC Commitment of up to \$500 million in Financing/Insurance for Defense Conversion Projects in Russia and Other NIS
- MOU between the Government of the Russian Federation and OPIC Regarding the Support of Defense Conversion in Russia
- OPIC Project: Hamilton Standard-Nauka Joint Venture
- OPIC Project: Lockheed-Khrunishhev-Energiya Joint Venture
- TDA Grant Agreement on Study of Alternative Energy Sources To Replace Plutonium Production Reactor at Krasnoyarsk-26

-- TDA Grant Agreement on Study of Alternative Energy Sources To Replace Plutonium Production Reactor at Tomsk-7

June 1994

Signed by the Vice President and Prime Minister:

-- U.S.-Russian Environment Agreement

-- Statement of Principles on Data Exchange

-- Agreement on the Closure of Plutonium Production Reactors and the Cessation of Production of Weapons-Grade Plutonium

-- Joint Statement on Space Station Cooperation

Signed Documents by Committee Chairs and Others:

-- Space Station Interim Agreement

-- \$400 Million Contract for Joint Shuttle-Mir Program

-- Joint Statement on Geostationary Satellite-Aided Search and Rescue

-- Memorandum of Understanding (MOU) on Basic Science Cooperation

-- MOU on Transportation

-- MOU on Cooperation between Mineral Mining and Management Service and Roskomnedra (an offshore energy development firm)

-- MOU on Cooperation in the Field of Geoscience

-- MOU on Basic Biomedical Research

-- MOU on the Establishment of the Oil and Gas Technology Center

-- MOU on Wood, Pulp, and Paper Products

-- OPIC Letter of Commitment for the Lehman Brothers Major Projects Fund (OPIC)

-- OPIC Framework Agreement on Health Care Support

-- OPIC Protocol for MIR-Pharmaceutical

-- OPIC Letter of Commitment for the NIS Frontier Fund

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