



Remarks With His Excellency Sergey Lavrov, Minister for Foreign Affairs of the Russian Federation After Their Meeting

Secretary Condoleezza Rice

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(11:00 a.m. EST)

SECRETARY RICE: Good morning. I'm delighted to welcome to the State Department Foreign Minister of the Russian Federation, Sergey Lavrov. We have had an opportunity to talk about a wide variety of issues: our global concerns, like Iran, the Middle East. We've had an opportunity to talk about what we sometimes refer to as frozen conflicts like Nagorno-Karabakh, the issues concerning South Ossetia and Abkhazia. We have talked also about our bilateral relations. And I want to say that we continue to enjoy good relations with the Russian Federation. We continue to work together on a number of global problems.



Russia will, of course, be in the presidency of the G-8 this year where we will go to St. Petersburg, or at least the presidents will go to St. Petersburg for those meetings, and so the G-8 agenda which will be very full, including issues of energy. We will continue to discuss and prepare the G-8 agenda.

We also have had an opportunity to talk about concerns that the United States has expressed to the Russian Government on a number of domestic developments in Russia, and I appreciate what we sometimes refer to as frozen conflicts like Nagorno-Karabakh, the issues concerning South Ossetia and Abkhazia. We have talked also about our bilateral relations. And I want to say that we continue to enjoy good relations with the Russian Federation. We continue to work together on a number of global problems.

FOREIGN MINISTER LAVROV: (*Via interpreter*) Thank you. I would like to fully share the evaluation of our extensive talks we have had yesterday night during the dinner as well as today, as very important for the promotion of our partnership.

I should also say that the list which has already been enumerated by the State Secretary is understood by us as an important set of matters for the resolution of those acute problems which exists in the modern world within the format of the G-8 and other interactions by Russia with the United States through peaceful ways so that we should be able to avoid the creation of new hotbeds in the world.

Despite the fact that our methods in achieving the goals are not usually -- not necessarily coincide or identical, however, the goals which there are in our cooperation are identical and are shared. We are unanimous in our aspirations towards the -- in acceptance of the proliferation of the WMDs in a country of international terrorism, organized crimes, the drug trafficking and also we believe it is necessary to develop our cooperation in the fields of trade and economic relations.

We have -- as it has been said by Ms. -- the Secretary discussed and responded to a number of questions which were raised by our American colleagues, and in our turn, we have expressed certain concerns of the Russian side with regards to the slow process of Russia's WTO accession since the United States is the only country of today which has not yet signed the protocol on Russia's WTO accession.

As we also said we have also raised our concerns with regards to the Jackson-Vanik Amendment, which is still on the agenda, despite the fact that everyone knows this as a notorious issue. And also we have been discussing the matter of competition on a nondiscriminatory basis in the international markets in the world markets between our companies.

We have also expressed our preparedness to develop our work in the fields of energy and nuclear security inline with those initiatives, which have been in parallel put forward by the presidents of the Russian Federation and the United States. And we have agreed that it is necessary to develop the cooperation on the level of experts so that we would be able to come to significant arrangements and agreements preferably before the G-8 summit in St. Petersburg.

We have also agreed that we need to actually cooperate with the United States in the field of the United Nations reform and especially in the field of increasing the role of the military and staff committee.

I'm grateful to the Secretary and all our colleagues for hospitality and very fruitful work we've had.

MODERATOR: The ministers have to go to meetings at the White House right now so we're going to limit it to two questions a side. The first question goes to Ann Gearan from the Associated Press.

QUESTION: Madame Secretary, Iran has reportedly told the Russians that it is willing to suspend large-scale uranium enrichment while preserving some small-scale enrichment. Did the Foreign Minister ask for U.S. support for such a compromise during your meetings? Could the U.S. accept any level of enrichment on Iranian soil at any time? And does this potential compromise represent a threat to the united international front that you hope to present at the Security Council?

And if I could just also ask one to the Foreign Minister.

SECRETARY RICE: Sure.

QUESTION: If the Iran case moves to the Security Council, is Russia prepared to support any form of economic penalty for Tehran at any time, either now or later in the Security Council review process?

SECRETARY RICE: Well, Anne, let me make a comment on both of your questions and then the Minister can do the same. First of all, we did discuss Iran in great detail and we are both operating from the February 4th resolution that the IAEA Board of Governors passed which has a number of requirements for Iran. The most important is to suspend the current activities that they began after they walked out of the Paris Accords and to return to a moratorium and then to begin negotiations.

I think the United States has been very clear that enrichment and reprocessing on Iranian soil is not acceptable because of the proliferation risk. And I will let the Minister speak for himself, but the Russians did not tell us of any new proposal that they have made to the Iranians concerning anything but the February 4th resolution. We still

hope that this can be resolved in a -- through negotiations, through the IAEA, but it's going to require the Iranians to suspend their activities, to reenter the moratorium and to do a number of other steps which are outlined in that February 4th resolution, which built on the London agreement.

As to what we do when we get to the Security Council, we've been very clear that we are -- we've now reported the February 4th resolution to the Security Council. We've reported -- we will report the March 6th through 8th proceedings to the Security Council and then we will see what is necessary to do in the Security Council. There is still time, of course, for the Iranians to react. But we have been very clear that we did not think that as a first matter, we would try to move to sanctions in the first step with the Security Council.

FOREIGN MINISTER LAVROV: Thank you very much. I can reiterate what Dr. Rice said. There is no compromise, new Russian proposal. All our contacts with Iran, with European Trojka, with the United States, with China and with others, including the Director General of IAEA were about finding a way to implement the February decision by the Board of Governors of IAEA. It is only in that context that our well-known suggestion to have a joint venture to enrich uranium on Russian territory to provide for the fuel needs of Iran was made and we repeatedly stated that it's only in this context that this joint venture initiative is available. This initiative is not a new one. It was welcomed by all participants of the process and there is no compromise proposals and that could not be any compromise proposal. We will be discussing the situation on the basis of the report of IAEA. And this report would be made available to the Security Council as we agreed in February.

As for the question you addressed to me, we are members of the Security Council, not to support any proposal at any time as you have formulated your question. We will have to consider each situation at its merits. And in the issue of Iran, what is crucial is not who does what, and whether you elevate the level of discussion or keep it where it is. What is crucial is to make sure that the international community clarifies all questions related to the past problem of Iran, while at the same time not allowing the risk of violation of the nonproliferation regime. How to achieve this, I assume, would be discussed in the next few days.

In our view, any solution should take into account the desirability, very high desirability to continue to investigate into the past problem of Iran, so that all the questions, which the international community has could be answered by the experts.

QUESTION: The question to Secretary Rice is does the United States still consider the proposal by the Russian side to establish a joint venture with Iran as a possible solution to the Iranian problem?

SECRETARY RICE: We have been supportive of the Russian proposal, which would be a joint venture with enrichment and reprocessing on Russian soil, and in which there would be an effort, or we believe minimal proliferation risk because the enrichment and reprocessing would be on Russian soil with fuel provision to Iran and then a fuel take-back provision. This is, by the way, very comparable to what the President mentioned when he was at the National Defense University, which is the country should have civil nuclear power, that it's not an issue of Iran's right to civil nuclear power. It is that there needs to be a way to provide for civil nuclear power that does not have a proliferation risk. And we think that both in the way that Russia has structured the Bushehr reactor deal and in this new proposal that this could be achieved.

QUESTION: Do you think that other Quartet members should have direct contact with Hamas and what do you think you achieved in your meetings with Hamas? And also do you believe that funds should be given directly to Hamas after having your discussions with them on Monday?

FOREIGN MINISTER LAVROV: I cannot speak for other Quartet members. One of them is here, so you can address the question, not through me, but directly. We wanted to talk to Hamas in order to make sure that the Quartet position does not remain on paper because somebody should start imposing upon Hamas the need to listen to the international community. And we did so together with some Arab capitals where Hamas visited before coming to Moscow. We conveyed to them our commitment to the Quartet position and explained that this would be in the interest of the Palestinian people if the Quartet position is accepted by Hamas. We didn't happen the Hamas to do this overnight. I assume there would be more efforts to send the message to them. I hope this would not take too long. But we did hear from them that they would respect the authority and competencies of President Abbas.

We also heard from them that they would be ready to express their position on the roadmap and to hopefully endorse the roadmap, as drafted by the Quartet, without any reservations to be added to this roadmap. They also stated their readiness to consider joining the well-known Arab initiative, which was adopted at the proposal by Saudi Arabia at the Arab League Summit in Beirut. And they assured us that the assistance to Palestinians would be spent in a transparent manner for social infrastructural and other projects and even said that they would be prepared to receive and to install international monitoring mechanism to guarantee that there is no diversion of funds.

As for Russia, we intend to provide humanitarian assistance to Palestinian people in accordance with our past practice, using the channels existing under the United Nations and World Bank auspices.

QUESTION: The question I'm asking is whether we can have hope that finally in 2006 we'll see the arrangements between Russia and the United States with regards to Russia's WTO accession signed. Can we have some words of hope from Ms. Secretary?

SECRETARY RICE: Yeah. You did not plant that? All right. All right.

FOREIGN MINISTER LAVROV: This question. No, no, no. I swear.

SECRETARY RICE: You confirmed that you did not, right? We would like to see Russia accede to the WTO. The United States has been supportive of that. The President has spoken out about the importance of Russian accession to the WTO. Russia is a growing economy. We know that it wants to be a diversifying economy. And so it should be in the WTO. There are rules for accession to the WTO and we negotiate on the basis of those rules. I've mentioned to the Minister on a number of occasions that, of course, this agreement, the agreement -- accession agreement has to pass the scrutiny, not just of the administration, but also of the Congress. And so we want to be sure that it is an agreement that can meet that test. We have some issues that are outstanding in areas of agriculture and in the services. But our negotiators are working hard. I think that Mr. Gref and Mr. Portman worked very hard. The presidents have talked about this and it's our great hope that we can achieve accession of Russia into the WTO because it would be good for Russia and it would be good for the international economy, but it needs to be done on the basis of rules that are --WTO rules and that the United States must certify have been met, when we take any agreement to Congress. Thank you.

FOREIGN MINISTER LAVROV: I want fully to support the need to base our negotiations on WTO accession on the existing rules, not going beyond the existing rules. So I support this (inaudible) of the Secretary and hope this would be also reflected in the negotiator's position.

SECRETARY RICE: Thank you.

FOREIGN MINISTER LAVROV: Thank you.

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