

Background Briefing Office of the Spokesman Moscow, Russia October 12, 2007

# **Background Briefing By Three Senior Administration Officials**

**MR. MCCORMACK**: We have three officials here to field any of your questions you might have about today's meetings. Ground rules are this is on background, senior Administration official, Department of State and Department of Defense officials, according to your particular flavor. Anyway, we'll turn it over to these guys and get to the questions.

SENIOR ADMINISTRATION OFFICIAL ONE: Thank you, and good evening. We have finished up an intensive day of work with the Russians, including Secretaries Rice and Gate's meeting with President Putin at his dacha outside Moscow, intensive sessions between the Defense and Foreign Ministers of Russia and the United States, side meetings of experts and ending with the press conference, as you saw. This follows two days of previous work by the senior experts represented by the three Administration officials who have been in Moscow for a couple of days already.

We came here, all of us, to do work on the strategic agenda between the United States and Russia. We have done some good work, as reflected in the remarks by the ministers at the press conference. On the agenda was missile defense, post-START and Treaty of Moscow issues, somewhat CFE. The ministers made progress. The United States in all areas put some new ideas on the table. This was a very useful set of discussions. The major agreement to come out is agreement that in six months the 2+2 ministers will meet again and will work on a strategic framework which brings together all of these issues.

In U.S.-Russia relations there are areas where we agree and are working well together, areas where we have disagreements and areas where we are seeking to broaden our areas of agreement. And the strategic issues that were on the table today constitute the latter two categories, where we are already working together or we're trying to broaden areas of agreement. It was a good day, a productive one. Tomorrow, Secretary Rice remains in the country, but the bulk of the work has been today. As I said, a good day. My colleague -- my more knowledgeable colleagues will follow and elaborate.

SENIOR ADMINISTRATION OFFICIAL TWO: In some of the areas that had prior to this meeting been of serious concern, we're pleased that we have managed to narrow some of those differences as a result of the 2+2 meeting. For example, in the area of missile defense, which has received a lot of attention, I think that we have put ourselves on a path, we hope, to a more constructive dialogue and hopefully an outcome that will be one of partnership between our countries.

As you know, there's been a longstanding interest of the Administration and the United States in pursuing missile defense cooperation with Russia. We have engaged in a number of so-called experts meetings to try to elaborate upon ideas that we've previously put on the table for missile defense cooperation with the Russians. And the reason for that is that we both -- we think that both of our countries face a common threat from the proliferation of weapons of mass destruction and ballistic missiles, and that we think that we can work together in addressing that threat and that over time that kind of cooperation would provide greater reassurance and assurance to our Russian colleagues than anything else we could do.

Our ministers put forward some new ideas and new proposals here today, and I think you saw that the Russians responded positively. I thought it was noteworthy that Foreign Minister Lavrov in his opening comments at the 2+2 session with the press in attendance welcomed the new American proposals on missile defense, and that that's where he started things with.

We, of course, start with -- against a backdrop where President Putin has put forward some proposals for use of a radar in Azerbaijan called Gabala, another one in southern Russia, with the intention of a joint monitoring of the threat evolution. And it would be a means through shared data centers to share the data and some joint method for our countries to evaluate the progress of the threat, according to the Putin proposal.

We in the United States have -- we have -- one, we have a threat assessment that concerns us in the missile area. Two, we've been engaged in discussions with the Russians about that. But thirdly, we wanted to bridge off of that threat assessment to then pursue missile defense in collaboration with the Russians. And the new proposal that our ministers brought was the idea for a joint regional missile defense architecture with the Russians. The thought that we both, again, face a strategic challenge and we should be partners in addressing it, that the objective of a joint regional architecture would be to defend not only Russia and the United States but also NATO allies against the missile threat. We would both contribute elements of a joint regional architecture like this and there would be a role, of course, for our NATO allies in that process. And we would conceptually develop this and elaborate upon it.

Again, our interest in missile defense is premised on our assessment of the threat principally from Iran in the Middle East. And that has led us to a timetable and an approach for dealing with that threat that we've talked about and I think a number of you have written about. Again, it's a threat-based decision, and so based on our perception of the threat we're going to continue with our negotiations with the Poles and the Czechs. And Secretary of State Rice made very clear that in the discussions of the 2+2 that the United States intended to conclude agreements with both countries to allow for the placement of missile defense facilities in those countries.

Where we think we've had a conceptual breakthrough of sorts is that the Russians have talked about a joint effort to monitor the threat and, if necessary, to take greater steps to deal with it. We've talked about assessing the threat and based on that pursuing missile defense. And so where we're going to try to merge these and we've narrowed our differences is experts will now get together to try to develop a means by which we can jointly evaluate the progression of the threat as we move forward with our negotiations with the Poles and the Czechs and with the idea of a joint regional missile defense architecture. And we'll see if we can't get to that destination where we're in a strategic partnership with the Russians in that area.

And if the threat should not materialize or materialize far slower, we can make adjustments in our (inaudible) as we go along. And so with that, I probably will turn to [Senior Administration Official Three].

SENIOR ADMINISTRATION OFFICIAL THREE: Thank you, [Senior Administration Official Two]. Thank you, [Senior Administration Official One]. I don't have a whole lot to add. I guess I would say that as John just said, the opening comments that I think many of you may have heard delivered by Foreign Minister Lavrov at the beginning of the 2+2, I believe, based on what our ministers have told the three of us, was a fairly faithful reflection of the tenor and tone and content of the discussion that the ministers had with President Putin earlier this morning.

I think Secretary Gates believed that when we came here we had essentially four areas where we needed to register some progress, or at least in most of those areas we needed to register some progress. Those would be the missile defense area that [Senior Administration Officials One and Two] have talked about a little bit. I do think that we made some progress here. As [Senior Administration Official Two] says, there was a previous existing presentation and proposal by President Putin at Kennebunkport about monitoring the development of the missile defense threat. We, of course, have been talking about developing capability for meeting the threat. We came here with some more specific ideas about how that capability might take advantage of the proposal that President Putin had made of the use of radars in (inaudible) and wrap them into a system that could provide a degree of protection of (inaudible) for Russia, for Europe and for the U.S.

I think the conceptual element which our ministers brought to bear was the one that [Senior Administration Official Two] just described, which basically would allow us to essentially modulate and synchronize the development of this operational capability as we look at the maturation of the actual threat and not on the basis necessarily of just of projections but what we actually -- what we and Russia see developing on the ground. And I think part of the work that our experts will be called upon to do by the ministers, have been called upon to do, will henceforth go out and work on, is to develop criteria by which we can both make a judgment about how that threat is maturing.

On CFE, I think [Senior Administration Official One] will be prepared to address in a bit more detail. But again, we brought new ideas to the table, recognizing that this is a multilateral discussion and we can advance some ideas that hopefully others will find useful, as Secretary Gates said at the press conference, in getting past the problem that we have, because we all share an interested in seeing an amended CFE treaty or adapted CFE treaty ratified and put into force.

On post-START, I think our ministers came as well with some additional ideas. We continue to have some differences, but also some areas of convergence and agreement with the Russian side as to how we might move forward on that. And there was agreement, as Dr. Rice announced at the press conference, that we are going to elaborate a strategic framework -- we'll be charged with working on that -- to be completed by the time the ministers meet at the next 2+2 that will help guide and manage the discussion of American relations with Russia bilaterally over the next period of a year and a half or so, during which both countries will be going through election cycles and political transition.

Finally, let me just make one point about the press conference. In case there was any confusion, I thought Secretary Gates was fairly clear in his statement that we do not believe that the proposed deployment of x-band radar in the Czech Republic and the ten interceptors in Poland represents a threat to Russia. I was a little concerned that Foreign Minister Lavrov's statement may have made it appear that the Secretary had agreed that it presents a threat to Russia. I don't think that's what he said. It was very clear that, as he said the last time we were here in April, we recognize that there are Russian concerns that in the future this system, because of the development of greater technical capabilities, might present an opportunity for breakout that would in some future time threaten Russian capabilities. But we are prepared, as the Secretary said, to address those concerns by providing various assurances or measures of transparency or arrangements to satisfy the Russians as to what, in fact, the capability is and at whom it is aimed.

Why don't I stop there, and I think we're happy to take questions.

QUESTION: While the Russians said they welcomed the proposals (inaudible), Minister Lavrov said that one of the problems they had with the proposals was that they wanted you to freeze negotiations with the Czechs and the Poles. (Inaudible) seems like there's no room for compromise there. Did you have -- did you negotiate any kind of way to get around that on both sides?

SENIOR ADMINISTRATION OFFICIAL ONE: Well, Secretary Gates was quite clear that the negotiations with the Poles and the Czechs will continue. [Senior Administration Official Three] talked about conceptual progress we made in bringing together the Russian ideas about monitoring the threat and the fact that our missile defense program has always been threat-based; it's been in response to what we see as the direction and timeline of Iran's program on ballistic missiles and nuclear weapons. So we still have some work to do.

As you heard Minister Lavrov say during the press conference, the American proposals were constructive. And I think it's clear that the Russians are thinking very hard now about what our side brought to the table on a number of issues.

SENIOR ADMINISTRATION OFFICIAL TWO: And I think it'd be fair to say that they did reiterate, as Minister Lavrov did in the press conference, as we've heard over the past couple of days, that they continue to call upon us to freeze this activity. We were equally clear that we intend to proceed and they were clear that they would react to that. But what is, I think, of great interest is that the ideas that were brought to the table both in the experts talks and by the ministers in their discussion with President Putin and in the 2+2 are of sufficient interest that the experts talks are going to continue and that we are going to continue to work on whether we can narrow the differences even further and ultimately bring these positions together.

SENIOR ADMINISTRATION THREE: You're correct in saying not all differences have been resolved, but we do have some substantial things to work on ahead. This concept again that we've put forward and the strategic partnership on missile defense for a joint regional architecture is intended to take this to quite a new level in terms of potential cooperation, something that would really be substantial if you had American and Russian officials and defense planners working together in that kind of manner. That's a qualitatively new area for us in our relations.

**QUESTION:** Can you talk to us a little bit about the beginning of the day and the rather combative or (inaudible) combative comments by President Putin that really set the tone for today (inaudible)?

SENIOR ADMINISTRATION OFFICIAL ONE: Well, the -- I think the tone for the day was characterized by the opening -- by Minister Lavrov's opening of the press conference where he was --

QUESTION: (Inaudible) differences. He did say that you guys had brought proposals, but he didn't say anything about agreement.

SENIOR ADMINISTRATION OFFICIAL ONE: No, but he said they were constructive proposals. I think his whole -- his words and his body language suggested that it had been a constructive day. It certainly was not a combative one at the table between the ministers or in the side meetings. There were -- there are obviously differences, but it was not combative at all. We came with ideas. We spent the day discussing them and elaborating them. On missile defense, for some time we've been talking -- the Americans have been talking about a cooperative approach to missile defense with the Russians, with NATO for that matter, with the Poles and the Czechs, in bringing these systems together. But yesterday at -- day before yesterday at experts meetings and again today, we elaborated that the joint regional architecture is something much more specific, much more concrete, and frankly more far-reaching than what we've done before. And I think the Russians were aware of that.

SENIOR ADMINISTRATION OFFICIAL TWO: Let me add one thing if I might, [Senior Administration Official One], which is that I agree that we did not agree today on anything. However, I don't think we expected the Russians to agree to these proposals today. As I said, Secretary Gates thought we needed to make progress on the various areas I listed. I think we did make progress. The conceptual points that Secretaries Rice and Gates raised are just that; they are concepts and they need to be fleshed out. And what we now have is Russian agreement, if you will, that the concept is of sufficient interest that the experts ought to go forward and flesh them out. So while we don't have agreement on the proposals, I think the fact that we are going to continue to be working to elaborate these, both on our side first because we have a little bit of homework to do, but then working together with our Russian colleagues, I think is an indication of movement forward in this process.

SENIOR ADMINISTRATION OFFICIAL THREE: But I think you would agree that while we didn't agree on the outcome, we did agree on the way forward.

SENIOR ADMINISTRATION OFFICIAL TWO: Right.

SENIOR ADMINISTRATION OFFICIAL THREE: And I think on a much more constructive path forward. And that was agreed between the ministers explicitly.

QUESTION: You know, you guys and the Russians agree on the way forward, you know, all the time. You do it in the talks on Iran sanctions, and it never resulted in anything.

SENIOR ADMINISTRATION OFFICIAL THREE: It doesn't feel like we agree on it all the time to me, but you know, you're welcome to your own characterization.

QUESTION: Were you surprised by President Putin's remarks (inaudible) said when he came out (inaudible)?

QUESTION: (Inaudible.)

QUESTION: (Inaudible.)

SENIOR ADMINISTRATION OFFICIAL ONE: Well, the meeting at the dacha was very close -- was a very small one. I don't want to characterize that. But we made -you know, we made some progress today in the substantive talks. Now, the way you structured the question -- you know, does progress guarantee a result -- well, no. I'm not going to sit here -- none of us is going to claim that we can guarantee a good result. What we are saying is that we put ideas on the table. The Russians are thinking about those. We agreed that the 2+2 formula is a useful one. We agreed that we need to have a strategic framework to put -- of cooperation to put these -- to manage all of these issues, especially in the next year to 15 months as both countries go through different types of political transitions.

These issues all individually require a lot of work, but we -- and we're prepared to do it. But we had a good day in terms of putting forward ideas, exchanging ideas with the Russians, and we'll see, but we take this a day at a time and we're fairly realistic about the differences but we are approaching all of this in a constructive spirit.

**QUESTION:** Can you give us some concrete details on the missile defense proposals? The Secretary touched on the idea of individuals being at different sites. How would you characterize these individuals? Would they be inspectors, monitors, observers? How many? What's the idea behind that?

SENIOR ADMINISTRATION OFFICIAL TWO: Well, we have some work yet ahead of us to elaborate on those particulars and see if we can't reach agreement with our Russian colleagues about what those could be. But that being said, I think in the area of cooperation, as I said, you start with the objective, which would be to defend Russia, the United States and NATO from missile attack. And I think for us, an obvious starting point is what countries currently possess and can build upon. And so that'll give you some sense of the constituent elements that could be a part of an architecture like that.

With respect to confidence-building and transparency measures, there's a number of things that can and we think should be done in that area. And again, we don't -- we inherently -- (inaudible) -- we don't think that the facilities we've proposed to place in Poland and the Czech Republic in any way undermine Russian security or their strategic offensive forces. But part of this is providing confidence and predictability to the relationship, and so we'll look at the potential for exchanges of personnel and the manner in which it could operate. The specific tasks and things they could do that would build confidence.

But at this point, as I said: one, there's more work to be done to elaborate on this; two, we need to agree upon them; and three, I think some things need to be left in private for us to discuss with our Russian colleagues.

**QUESTION:** Can I ask a question?

## QUESTION: Go ahead. I'll --

**QUESTION:** I just -- the first bit of your answer seems to suggest that the system as a whole was composed of both Russian and East European parts, and knowing what the evaluation of the Russian (inaudible) would be, it sounds like Gabala would be (inaudible) early warning radar and would then need to be tracked by the x-band in the Czech Republic so there would be some (inaudible) systems (inaudible) by Russian and American personnel. I wonder if that's the direction you're going in.

And also, this (inaudible) assurances for the Russians (inaudible) or convert it into some anti-Russian system. I mean, is that treaty language? Is that an MOU? What kind of format are you looking for that -- is there some sort of signature (inaudible) document where you say you will never convert this into something that is offensive in nature or how would that work?

SENIOR ADMINISTRATION OFFICIAL TWO: No, I don't think that's what we're looking at right now. I think what we are -- we really are talking about is, first of all, [Senior Administration Official Three] was talking about an architecture that involves the linkage of early warning data but also potentially, depending on how far our Russian colleagues are willing to go with command-and-control links because Russia has not only radars but they actually have a missile defense system active around Moscow. They have other missile defense assets comparable to our Patriot and (inaudible) that could be tied into a broader system that linked European and Russian as well as American security.

The notion that I think we are talking about, the kinds of assurance we're talking about, are arrangements that will allow for the transparency of the whole functioning of the system for them to be able to see essentially the common operating picture that all of us will be drawing on and potentially the presence of liaison officers and others at various sites, potentially in Russia, potentially in places like Gabala, perhaps in the United States and perhaps elsewhere. In the case of elsewhere, that might require - in Gabala and elsewhere would require the host government as well to agree. So it's not just an issue to be decided between Russians and the Americans.

But I think it's our understanding from what the Secretaries have told us about their discussions with President Putin was he was quite taken with those ideas, quite interested. And I think, you know, there's no doubt that Foreign Minister Lavrov's comments reflected that interest.

QUESTION: On the INF issue, did the U.S. agree that other countries should be invited to join that -- open up that treaty, as Minister Lavrov seemed to indicate?

SENIOR ADMINISTRATION OFFICIAL THREE: Well, the United States and Russia are parties to the INF Treaty and we therefore don't have intermediate-range missiles. What was talked about and what we plan to do is encourage other countries to have similar restraint on their own in an effort like that. That is to say, not to develop intermediate-range missiles, not to --

QUESTION: It doesn't sound like a treaty, expansion of the treaty (inaudible).

SENIOR ADMINISTRATION OFFICIAL TWO: I think our understanding of at least at this stage what our Russian colleagues were proposing was rather that the norm established by the INF Treaty in which we, the United States and Russia, abandon one category of weapon which were essentially aimed at each other and our allies, that that norm ought to become universalized and that in the first committee we ought to take that proposition forward. And they're right; it is anomalous that in today's world when the United States and Russia are not adversaries or locked in an adversarial relationship, that they're the only two countries in the world banned from having this kind of weapon.

QUESTION: (Inaudible) abandoning it somehow (inaudible) reestablishing their mid-range missiles?

SENIOR ADMINISTRATION OFFICIAL TWO: That was not part of the discussion.

QUESTION: Putin certainly said that this morning. He said if we can't expand this, we need to get out of this. And it seemed to be part of -- yet again, with CFE (inaudible) another treaty that (inaudible) pull out of (inaudible).

SENIOR ADMINISTRATION OFFICIAL THREE: We didn't talk about --

SENIOR ADMINISRTRATION OFFICIAL TWO: That was not -- withdrawal from the INF Treaty was not discussed at all in the discussions that we were a part of.

QUESTION: In past months on missile defense, senior officials such as yourselves have said that the debate on missile defense shouldn't be used by the Russians to

make threats about CFE, INF, anything else. Yet today, you all are talking about "a strategic framework" on all of these issues. Have you all moved toward the Russian position that there are linkages between missile defense and these other treaty issues? If not, what do you mean by the strategic framework on all of these issues?

SENIOR ADMINISTRATION OFFICIAL ONE: I wouldn't say that we've moved closer to that definition of the Russian position. I'd say that we recognize that there are a number of strategic issues on the plate right now and it may be easier to resolve them or make progress on them if we seem to be working together on all of them in tandem. Rather than have a kind of negative linkage where problems in one area create and stimulate problems in another, we're trying to create a virtuous cycle of cooperation on all of these issues to try to make progress.

Obviously, we're concerned about Russian talk of suspending their obligations under the CFE Treaty. A lot of Europeans are concerned about that. The CFE Treaty has done a lot of good in Europe. In fact, it's been so successful that it was largely forgotten and its achievement taken for granted. We want to avoid this kind of breakdown of the CFE regime so we came with some ideas based on consultations we've had with our allies to try to avoid it. And the Russians are going to listen to that. I expect we will have some back and forth. But in all of these areas, we did not expect to make a breakthrough right away. We expected to get into a very serious dialogue and make progress.

SENIOR ADMINISTRATION OFFICIAL THREE: Let me just add, if I could, which is in the discussions that we had in the two days before the arrival of the ministers, I don't believe there was any linkage made by the Russian side at all on these two issues. And the presidential decree and now subsequently Russian legislation mandating the December 12th suspension date are not in any way contingent on anything in the missile defense area. They are largely actions taken on their own and we addressed the concerns that they have expressed on the CFE part of it in a completely separate discussion.

QUESTION: But in public statements the Russians have routinely said you're doing missile defense, look at what we can do in CFE (inaudible).

SENIOR ADMINISTRATION OFFICIAL ONE: You know, it's interesting. I keep hearing that, but when I read Russian statements they complain about missile defense on its own terms, they complain about CFE on its own terms. I think it's sometimes Russian media commentators have made the linkage and a lot of European journalists have made the linkage. Russian Government officials, I don't believe, have made that linkage. Hard to prove a negative. I don't want to get out there and say absolutely not, but they've not done so to us. Quite the opposite, they've been at pains to complain about CFE issues in that channel, complain about missile defense in that channel. And we didn't offer those kinds of linkages. We were working in parallel on all of these.

SENIOR ADMINISTRATION OFFICIAL TWO: And I think our approach to CFE has been to try and approach it with a kind of empathetic understanding of some of the problems that CFE presents to them in the sense that CFE was an agreement that was reached in a different era. You know, it was -- the original CFE Treaty was a bloc-to-bloc treaty. There are no blocs anymore.

QUESTION: I had two questions about the Putin meeting today, just two factual things. First of all, when President Putin raises concerns about the INF Treaty, were those new concerns? Had those been concerns that people at a lower level had raised with you or was he kind of opening up a new issue?

And the second question is (inaudible). When Secretary Gates and Rice -- they showed up at 10:30 this morning and they didn't go into the meeting for about 45 minutes. Was there another private meeting going on between the two sides or not?

SENIOR ADMINISTRATION OFFICIAL ONE: Another private meeting?

QUESTION: Well, they showed up at the dacha at 10:30 and then the meeting with Putin didn't start until like 11:15, so did he keep them waiting?

SENIOR ADMINISTRATION OFFICIAL ONE: Oh, I just don't -- I personally don't know.

SENIOR ADMINISTRATION OFFICIAL THREE: On the INF question, my other colleagues may want to comment on this, but this has been raised at ministerial levels for several years. This is not a new issue. Russian discomfort with the fact that only we and they are banned from having this category of missiles is something that has been a source of concern and agitation for some time for them, and was raised by Sergei Ivanov with Secretary Rumsfeld and Secretary Gates.

SENIOR ADMINISTRATION OFFICIAL TWO: And it's -- the Russians have spoken on the record about this. For instance, Sergei Ivanov gave a lengthy interview to the Financial Times in which he laid out in some detail their views on the INF Treaty.

QUESTION: But you hadn't heard it from the President himself (inaudible)?

QUESTION: Can you discuss how you would feel if Russia moved to withdraw from INF? Are they allowed to by the treaty language?

SENIOR ADMINISTRATION OFFICIAL TWO: Russia has the right if it chooses to get out of the treaty to withdraw. We would not encourage them to do so.

QUESTION: Was Kosovo discussed?

SENIOR ADMINISTRATION OFFICIAL ONE: I don't believe so. I don't think it came up. Obviously, we discuss Kosovo a lot. It came up in one of my meetings with the Russian -- with one of the Russian Deputy Foreign Ministers, as it often has in the past. But I don't believe it came up at all with the ministers or at the dacha. Obviously, we've said a lot on Kosovo, but not this time at that level.

QUESTION: With regard to missile defense, the issue of sort of regional architecture or the -- the concept of integrating Russian radar and having this mutual monitoring and so forth has really been kicked around for months. And I'm just wondering about what is new specifically about the new ideas that were brought to the table this time that differs from conceptually how it's been discussed for, you know, six months --

SENIOR ADMINISTRATION OFFICIAL TWO: This is a -- this is a larger and I think -- this is just a larger and more substantial discussion of a joint regional architecture. And when -- I hate to do this, but just sort of think about the meaning of the word "joint", that it would surely be a partnership regionally that would cover that entire region and it would really be a full architecture, not a single radar or something of that nature or perhaps the means to pass data. But something where we could be partners in addressing the threat from missiles through missile defense, as well as a joint monitoring and evaluation of the threat in a substantial way and all the constituent parts of that endeavor could be done in a partnership.

QUESTION: They've not been satisfied with those offerings to date. So is there something new this time that --

SENIOR ADMINISTRATION OFFICIAL TWO: I think there was a degree --

SENIOR ADMINISTRATION OFFICIAL THREE: You'll know tomorrow that there was a little something new. There's been some movement of the positions to be less divergent.

SENIOR ADMINISTRATION OFFICIAL TWO: And I think there was a degree of specificity about the manner in which systems could be connected -- the types of systems that we had in mind, above and beyond radars, but showing how specific assets that are common, or not common necessarily, but that each side has --

Europeans, Americans, Russians -- how it could be fitted together -- how the pieces can be fitted together in a graphic way.

SENIOR ADMINISTRATION OFFICIAL ONE: That's quite right. We've been talking, as you said, in very general terms about this. But this was the first time it was laid out in a systematic, programmatic way. What it would mean, how it would work, what the effects would be.

SENIOR ADMINISTRATION OFFICIAL THREE: What the phases might look like.

SENIOR ADMINISTRATION OFFICIAL ONE: I've been in all of the experts meetings so far and this was the most advanced, most elaborate spelling out of an idea that's just been talked about. So it was substantive and it was new.

QUESTION: During the press conference Lavrov said that if the missile defense system is deployed Russia will have to take some measure to neutralize it. Do you take that seriously?

### SENIOR ADMINISTRATION OFFICIAL THREE: Yes.

QUESTION: So do you think it's possible to deploy (inaudible)?

SENIOR ADMINISTRATION OFFICIAL THREE: Yes. I mean, there's just probably not too much more elaboration required.

QUESTION: What do you think they mean? Why do you take them seriously?

SENIOR ADMINISTRATION OFFICIAL THREE: Well, I think we regard the statements by the Russians as something that's noteworthy and that we -- it's something that clearly the ministers have discussed and we have to pay attention to that. That's why we want to intensively work in an area of cooperation as a means to instead of being an area of concern between our countries it would be an area of cooperation.

QUESTION: So (inaudible) deploy the system right now? You have to wait for --

SENIOR ADMINISTRATION OFFICIAL TWO: Well, there are -- first of all, we are engaged in discussions with Poles and Czechs. In the first instance, to reach agreement with them to deploy a radar and ten interceptors respectively on the territory of the Czech Republic and Poland. Once those agreements are reached, there could be a period of time over which those capabilities are brought to bear and fielded, and then at a point later on at which they become operational. So some of this I suppose depends on what your definition of the word "deploy" is. But right now the state of play is that we have said we're going to continue with these discussions. The Russians have said they would like us to freeze the negotiations. We have told them we're going to continue. They have said they will have to react and we took due note of that. Exactly how they're going to react we don't know and we take their comments seriously, but it's hard to react in advance because we don't know exactly what it is that the two.

QUESTION: But you can't speak about what Putin actually said because you weren't there at the dacha. Can you tell us, at least, if when they set out from this hotel this morning, the Secretary expected to get a ten minute lecture from the President and talking about don't go forward with the Eastern Europeans --

SENIOR ADMINISTRATION OFFICIAL ONE: I would put it this way. The Russian position is known to us and the Secretary -- both secretaries have worked with President Putin.

QUESTION: Well, the reason I asked is because it did seem -- that neither Gates nor Rice were -- seemed to be ready with any prepared remarks to read in front of the assembled media who were out there. And I was standing directly behind President Putin who had pages of notes that he was reading from, so he was clearly --

SENIOR ADMINISTRATION OFFICIAL ONE: I would say this, it takes a great deal more than that to surprise Secretary Rice about things Russian. She's done this and more --

QUESTION: Well, as I was standing behind President Putin, I was staring directly at Secretary Rice, who almost blanched when he started going into this.

SENIOR ADMINISTRATION OFFICIAL THREE: I can only tell you what the Secretary has told us about their meeting. I wasn't there, you were. They came back and I think felt very good about the tenor, the tone of the discussion, and how much progress they had made. So that's the only thing I can tell about the meeting.

QUESTION: Do you know if they had prepared remarks to make in public before going out there? Were they expecting to speak?

SENIOR ADMINISTRATION OFFICIAL THREE: I don't know.

SENIOR ADMINISTRATION OFFICIAL ONE: I don't know --

SENIOR ADMINISTRATION OFFICIAL TWO: (inaudible)?

QUESTION: She was writing them down, as Putin was speaking.

SENIOR ADMINISTRATION OFFICIAL ONE: In my experience, Secretary Rice does far better without prepared notes. And whether she has them or not seems to make little difference. She does a better job actually responding at the moment.

QUESTION: At the press conference today the Foreign Minister seem to lay special emphasis on the differences of the perception of a threat. Was he -- in your private discussions was he talking specifically about Iran? Is that where the difference is?

### SENIOR ADMINISTRATION OFFICIAL ONE: Yes.

#### QUESTION: If it's was on Iran --

SENIOR ADMINISTRATION OFFICIAL THREE: But I think that it's worth noting, I think, that over the course of the last three months in the three expert sessions that -three now, actually -- we have had four -- three and a half. We had one before Kennebunkport. We have had the most thorough intelligence exchange on the issue of the Iranian military threat that I believe has ever -- or missile threat that I believe has ever gone on between the U.S. and the Russian Governments. And I think both sides have benefited from that exchange and a great deal of information has been shared. And I think the net effect of it, although we still have a differing assessment of the imminence of the threat, I think the net effect of the exchange has been positive and beneficial for both sides.

SENIOR ADMINISTRATION OFFICIAL TWO: I think it's been interesting -- I'm sorry -- in those discussions that there are as many areas of convergence on the

elements of the threat because we started with the outcome, how did -- what are our bottom line assessments. And then when we started to pick this apart piece by piece, I personally was a little bit surprised that the number of areas we agreed, but still different on the outcome, but we've narrowed those. It's been an interesting exchange.

SENIOR ADMINISTRATION OFFICIAL ONE: The Russians recognize that although we differ on the pace and extent of Iran's military -- ballistic missile defense and nuclear programs, the Russians have acknowledged that the range of Iran's missiles keeps growing. They have noticed that. And they -- I can't characterize how they take that, but they appear to take that rather seriously.

SENIOR ADMINISTRATION OFFICIAL TWO: And that is explicitly one of the things that our ministers told us was discussed with President Putin and with which he did agree that the range of Iranian missile launches is getting further and further.

QUESTION: But I mean, isn't that just a factual thing? If a missile goes ten miles one day and then the next day it goes 20, you can't really say (inaudible). I mean, he's got to acknowledge that as something. That's a narrowing of differences?

SENIOR ADMINISTRATION OFFICIAL TWO: It's a recognition that we face a threat, that the question is the pace and the degree to which that threat is an imminent one to respective national interests.

QUESTION: You talked about the narrowing of differences. Does it mean -- the narrowing of differences and you seem to have given several examples of where the Russians seem to have moved towards what you've been thinking. Is there any example where you've moved towards the narrowing of differences happened in both directions where the U.S. has moved closer to the Russian understanding of any aspect of this?

SENIOR ADMINISTRATION OFFICIAL ONE: Well, the regional -- the joint regional architecture that we've proposed would not have been possible at all if it weren't for President Putin's putting the Gabala radar on the table, as it were, at Heiligendamm at the G-8 and elaborating at that at Kennebunkport. So what our missile defense experts and strategists did was take the Russian offer, think about its implications and then design a response, really building on that. So that's an example of how we took a Russian idea, President Putin's idea, and came back and said, well, this has opened up a whole new avenue of strategic cooperation. That's the biggest example and it's a pretty big one.

QUESTION: On Iran, Minister Lavrov seemed to go a little bit further than his usual comments. He suggested that U.S. and unilateral actions on sanctions were outside of the UN framework on Iran would not just -- it would actually be negative. It would make it easier for Iran not to address the international community's concerns.

SENIOR ADMINISTRATION OFFICIAL TWO: You think his comments were further than his previous statements? In what way?

QUESTION: He was (inaudible) criticized that (inaudible) unilateral measures taken by U.S. and Europe.

SENIOR ADMINISTRATION OFFICIAL TWO: If it's taken by --

SENIOR ADMINISTRATION OFFICIAL ONE: (Inaudible).

QUESTION: (Inaudible)?

SENIOR ADMINISTRATION OFFICIAL ONE: Multilateral means many and it is many.

We've had lengthy discussions with the Russians about an approach to Iran. We think that, by far, the best way to approach this is through combined diplomatic efforts. When we do this with the Russians, it attracts attention in Tehran. It focuses their attention. We want to work with the Europeans. We want to work with the Russians, it attracts attention in Tehran. It focuses their attention. We want to work with the Europeans. We want to work with the Russians it is to have to design, you know, military defensive measures against an Iranian threat, so we're pursuing all of these things at once. We're in much better shape if the Russians join us. We hope they do.

QUESTION: But you need them for the UN. They're saying to you directly what you're doing outside of that process is negative and you're saying we want their help and they're saying, well --

SENIOR ADMINISTRATION OFFICIAL ONE: Well, it's, you know, we have tried now over many months successfully on two major occasions to get Security Council resolutions. We want to get a third one. But in any event, we have to move ahead. And so we -- it is correct to say that the Security Council has advantages, it does. But we have -- as Secretary Rice, Under Secretary Nick Burns have made clear, we have to move ahead.

SENIOR ADMINISTRATION OFFICIAL TWO: But there has been some substantial effects on the Iranians from what Secretary Rice referred to in the press conferences, decisions that a series of businesses and others in the private sector have made and with respect to risk calculations about whether they can do business with Iran and still have the return on investment that they've predicted in this kind of climate. And so if that's acting outside the UN that these various, as you said, groups in (inaudible) and Europe and elsewhere have made these decisions. I think this is only a natural that as an outcome from the Iranian actions creating a certain risk and companies don't want their reputations to be harmed. They pay a lot of attention to things like their reputational risk, if you will. And they make business decisions based upon that, that as you've seen are having a significant effect on the Iranians.

SENIOR ADMINISTRATION OFFICIAL THREE: And these are less sanctions than they are measures to help protect the international banking system from misuse by people who would use them for the purposes of -- that violate UN Security Council resolutions with regard to either support of terrorism or a proliferation of WMD materials, including missiles.

MR. MCCORMACK: Thanks, guys.

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