

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 27, 1992

FACT SHEET

TRADE WITH FORMER SOVIET UNION

The Press Secretary's announcement today called for expanding and normalizing trade relations with the republics of the former Soviet Union, especially in areas of high technology. The following actions demonstrate the Administration's commitment to foster such trade:

Topaz Space Power Unit. The Administration will approve the purchase by the Department of Defense of an unfueled Topaz space nuclear reactor for experimental use at the University of New Mexico. The reactor, which does not contain nuclear fuel, is not intended to be launched and will only be used to understand better its unique technology. This purchase will give us access to new technology at a significantly lower cost than if we were to try to develop it ourselves.

Hall Thrusters. The Administration has approved a license application for a private U.S. firm to proceed toward the purchase of Hall Thrusters, and we have authorized the Department of Defense to purchase four of these same devices. These provide a means for using electric current for propelling objects in space and have broad potential applications in space, including efficient orbital transfers of satellites.

Plutonium-238. The Department of Energy has been authorized to enter into discussions with the Russian Federation concerning that government's offer to sell plutonium-238 to the U.S. Plutonium-238 is used as the fuel in radioisotope thermoelectric generators, which supply electricity on NASA deep-space missions, and on certain Department of Defense terrestrial applications. The material purchased would come either from existing Russian inventories or from reactors currently in operation. Any sale would be conditioned on a commitment by Russia not to use the proceeds to support its nuclear weapons production.

In addition, the Administration has taken several additional steps to expand trade with the republics in ways consistent with our economic, national security and foreign policy interests:

Imports from the former Soviet Union. Imports by both government and private entities in the U.S. are generally

not controlled unless they meet certain criteria related to military systems, including space-related technologies. For that reason, there are few governmental barriers to imports into the U.S. from the republics of the former Soviet Union.

However, where barriers exist to imports, either by private or governmental entities, the U.S. will seek to remove those barriers or expeditiously review the transactions. Import licenses will be considered on a case-by-case basis with a presumption of approval unless such imports (or other activities by the exporting entity) would contribute to the maintenance of a threatening military capability.

We also are reviewing on an expedited basis our policies with respect to space-related goods and technologies.

Exports to the former Soviet Union. For over forty years the U.S. and its allies have controlled the export of goods and technologies to the former Soviet Union through the Coordinating Committee on Export Controls (COCOM). Recent actions by COCOM have reduced by over two-thirds items on the COCOM list, and we will work with our allies to continue adapting the COCOM controls to the changed strategic situation.

In light of these new circumstances, whenever export licenses are required, the Administration will:

- review license applications promptly;
- consider with a presumption of approval all export licenses for dual-use items to civilian end-users in the republics of the former Soviet Union; and
- deny such applications only if the export would jeopardize the security interests of the U.S. and its allies.

The Administration will also intensify efforts already underway to improve the timeliness of export license processing.

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STATEMENT BY THE PRESS SECRETARY

The remarkable changes occurring in Russia and the other new states of the former Soviet Union offer the United States government and the private sector unique opportunities to expand trade with these countries, especially in high technology areas that have not before been readily available to us.

The Administration's policy is to actively seek opportunities to acquire goods, services, and technologies from the new republics that benefit our economic and other security interests, and to encourage private business to expand their search for new opportunities. We are particularly interested in access to new technologies that can be acquired economically. To facilitate this process we are moving to eliminate restrictions that prevented normal trade during the Cold War. We are therefore announcing today several steps to promote greater levels of trade with these countries consistent with our firm support for democratic and market economic reforms.

First, the Administration will promote a greater exchange of technology between our countries in an area once closed by both sides. Specifically,

- We will authorize the procurement by the Department of Defense of the Russian Topaz space power unit that will give us access to new technology at a significantly lower cost than if we were to try to develop it ourselves.
- We will also authorize the purchase by the Department of Defense of four Hall Thrusters which have possible applications for efficient orbital transfers of satellites, and we have approved a license application for a private U.S. firm to proceed towards the purchase of these devices.
- We will authorize a purchase of plutonium-238 from Russia, an isotope of plutonium not used in nuclear explosives. This purchase will allow us to meet NASA schedules for needed space power supplies economically and without the need to restart a nuclear reactor to do so.

Second, we are also working to remove remaining barriers to commercial imports of non-military items involving the private sector. In those few instances where import licenses may be required, we will review such licenses expeditiously.

Third, I would also note that the U.S., and our allies, have reduced COCOM controls by over two-thirds, and will continue to work to ensure that we maintain only those controls on high

technology trade that are needed to protect our most vital security interests. In that regard, the American business community should be assured that export licenses for civilian transactions will be processed expeditiously.

These transactions clearly signal our desire to normalize trade with the new states.

Additional details are available in a separate fact sheet.

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