

FOIA MARKER

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Folder Title:

Latvia, 1997-1998 [2]

Staff Office-Individual:

Central and Eastern European Affairs-Flanagan, Stephen

Original OA/ID Number:

1785

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Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	Stephen Flanagan to Samuel Berger, re: Memecon with Baltic Presidents on January 16, 1998 (1 page)	01/30/1998	P1/b(1) VZ 9/21/2023
001b. memo	Glyn Davies to William Burns, re: Memorandum of Conversation with Baltic Presidents (1 page)	ea. 01/1998	P1/b(1) VZ 9/21/2023
001c. memeon	Memorandum of Conversation re: Meeting with Baltic Presidents (6 pages)	01/16/1998	P1/b(1) VZ 9/21/2023
002a. memo	Susan Braden to Samuel Berger, re: Presidential Meeting with Baltic Presidents Meri, Brazauskas and Ulmanis on January 16, 1998 (1 page)	01/09/1998	P1/b(1) VZ 9/21/2023
002b. briefing paper	From Samuel Berger, re: Meeting with Baltic Presidents (6 pages)	01/16/1998	P1/b(1) VZ 9/21/2023
002c. talking points	Points to be Made for Meeting with Estonian President Meri, Latvian President Ulmanis and Lithuanian President Brazauskas (3 pages)	ea. 01/1998	P1/b(1) VZ 9/21/2023
002d. report	U.S. Government Report (2 pages)	01/06/1998	P1/b(1)
002e. report	U.S. Government Report (1 page)	01/12/1998	P1/b(1)
002f. report	U.S. Government Report (2 pages)	01/06/1998	P1/b(1)
002g. report	U.S. Government Report (2 pages)	01/06/1998	P1/b(1)
002h. report	U.S. Government Report (2 pages)	12/30/1997	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Central and Eastern European Affairs (Flanagan, Stephen)
OA/Box Number: 1785

FOLDER TITLE:

Latvia, 1997-1998 [2]

2011-1037-F
ke2182

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002i. report	U.S. Government Report (2 pages)	01/06/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Central and Eastern European Affairs (Flanagan, Stephen)
OA/Box Number: 1785

FOLDER TITLE:

Latvia, 1997-1998 [2]

2011-1037-F

ke2182

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

3572

May 27, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: STEPHEN J. FLANAGAN *SJF*
FROM: K.C. BROWN *KCB*
SUBJECT: Transmission to the Senate of the Convention
Between the United States and the Republic of
Latvia for the Avoidance of Double Taxation and
Prevention of Fiscal Evasion

Attached at Tab I is your memorandum to the President recommending that he transmit to the Senate the Convention between the United States and the Republic of Latvia for Avoidance of Double Taxation and Prevention of Fiscal Evasion.

Concurrences by: James E. Baker *JB* and Mara Rudman *MR*

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Memo to the President
Tab A Transmittal Letter to the Senate
Tab B Report from Department of State
Tab C Treaty

THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE EXECUTIVE CLERK

FROM: SAMUEL BERGER
LARRY STEIN

SUBJECT: Transmission to the Senate of the Convention
Between the United States and the Republic of
Latvia for the Avoidance of Double Taxation and
Prevention of Fiscal Evasion

Purpose

To transmit to the Senate the Convention between the United States and the Republic of Latvia for Avoidance of Double Taxation and Prevention of Fiscal Evasion.

Background

Attached at Tab A is your letter to the Senate transmitting the Convention between the United States and the Republic of Latvia, signed at Washington on January 15, 1998. Also transmitted is the report of the Department of State concerning the Convention.

This Convention will be the first taxation treaty between the United States and Latvia and is similar to the tax treaties between the United States and OECD nations.

RECOMMENDATION

That you sign the transmittal message to the Senate at Tab A.

Attachments

Tab A Transmittal Letter to the Senate
Tab B Report from Department of State
Tab C Treaty

cc: Vice President
Chief of Staff

TO THE SENATE OF THE UNITED STATES:

I transmit herewith for Senate advice and consent to ratification the Convention Between the United States of America and the Republic of Latvia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on January 15, 1998. Also transmitted is the report of the Department of State concerning the Convention.

This Convention, which is similar to tax treaties between the United States and OECD nations, provides maximum rates of tax to be applied to various types of income and protection from double taxation of income. The Convention also provides for resolution of disputes and sets forth rules making its benefits unavailable to residents that are engaged in treaty shopping.

I recommend that the Senate give early and favorable consideration to this Convention and that the Senate give its advice and consent to ratification.

THE WHITE HOUSE,

3572

S/S 9808362

DEPARTMENT OF STATE
WASHINGTON

May 15, 1998

The President:

I have the honor to submit to you, with a view to its transmission to the Senate for advice and consent to ratification, the Convention Between the United States of America and the Republic of Latvia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington on January 15, 1998 ("the Convention").

This Convention will be the first such Convention between the United States of America and the Republic of Latvia. This Convention is similar to the tax treaties between the United States and OECD nations. It provides for maximum rates of tax to be applied to various types of income, protection from double taxation of income, exchange of information, and contains rules making its benefits unavailable to persons that are engaged in treaty shopping. The proposed withholding rates, while in some respects higher than those in the U.S. model, are the same as those in many other Latvian tax treaties. Like other U.S. tax conventions, this Convention provides rules specifying when income that arises in one of the countries and is attributable to residents of the other country may be taxed by the country in which the income arises (the "source" country).

In many respects, the rates under the new Convention are the same as those in many recent U.S. tax treaties, including some with OECD countries. Pursuant to

The President,

The White House.

Article 10, dividends from direct investments are subject to tax by the source country at a rate of five percent. The threshold criterion for direct investment is ten percent, consistent with other modern U.S. treaties, in order to facilitate direct investment. Other dividends are generally taxable at 15 percent. Under Article 12, royalties for the use of industrial, commercial, or scientific equipment derived and beneficially owned by a resident of a Contracting State are subject to a five-percent tax by the source country; all other royalties are subject to tax at a maximum rate of ten percent.

Under Article 11 of the proposed Convention, interest arising in one Contracting State and owned by a resident of the other Contracting State is subject to taxation by the source country at a maximum rate of ten percent. However, interest earned on trade credits and on government debt, including debt guaranteed by government agencies, is exempt from taxation by the source country.

The reduced withholding rates described above do not apply if the beneficial owner of the income is a resident of one Contracting State who carries on business in the other Contracting State in which the income arises and the income is attributable to a permanent establishment or fixed base. If the income is attributable to a permanent establishment, it will be taxed as business profits, and, if the income is attributable to a fixed base, it will be taxed as independent personal services.

The maximum rates of withholding tax described in the preceding paragraphs are subject to the standard anti-abuse rules for certain classes of investment income found in other U.S. tax treaties and agreements.

The taxation of capital gains, described in Article 13 of the Convention, generally follows the rule of recent U.S. tax treaties, the U.S. model and the OECD model. Gains on real property are taxable in the country in which the property is located, and gains from the sale of personal property are taxed only in the State of residence of the seller, unless attributable to a permanent establishment or fixed base in the other State.

Article 7 of the proposed Convention generally follows the standard rules for taxation by one country of the business profits of a resident of the other. The non-residence country's right to tax such profits is generally limited to cases in which the profits are attributable to a permanent establishment located in that country. The source country may, however, tax sales or activities as though they were performed by a permanent establishment if it is ascertained that such activities were structured with the intent to avoid taxation in the State in which the permanent establishment is situated. As do all recent U.S. treaties, this Convention preserves the right of the United States to impose its branch taxes in addition to the basic corporate tax on a branch's business.

Consistent with U.S. treaty policy, Article 8 of the proposed Convention permits only the country of residence to tax profits from international carriage by ships or aircraft and income from the use, maintenance, or rental of containers used in international traffic. This reciprocal exemption also extends to income from the rental of ships and aircraft if the rental income is incidental to income from the operation of ships and aircraft in international traffic. However, income from the international rental of ships and aircraft that is

non-incidental to operation of ships and aircraft is taxed at the rate of five percent as a royalty paid for the use of the equipment.

Like several U.S. treaties, the proposed Convention with Latvia (at Article 21) provides that income derived from the offshore exploration for and exploitation of the seabed and sub-soil is taxable by the source State if the activities are carried on for more than 30 days in any 12-month period.

The taxation of income from the performance of personal services under Articles 14 through 17 of the new Convention is essentially the same as that under recent U.S. treaties with OECD countries.

Article 23 of the proposed Convention contains significant anti-treaty-shopping rules making its benefits unavailable to persons engaged in treaty-shopping.

The proposed Convention also contains rules necessary for its administration, including rules for the resolution of disputes under the Convention and for exchange of information (Article 27).

The Convention would permit the General Accounting Office and the tax-writing committees of Congress to obtain access to certain tax information exchanged under the Convention for use in their oversight of the administration of U.S. tax laws.

This Convention is subject to ratification. In accordance with the provisions of Article 29, it will enter into force when the Governments notify each other through diplomatic channels that their constitutional requirements for entry into force have been met. They will have effect for payments made or credited on or after the first day of January following entry into force with respect to taxes withheld by the source country; with

respect to other taxes, the Convention will take effect for taxable periods beginning on or after the first day of January following the date on which the Convention enters into force.

The proposed Convention (like those with Estonia and Lithuania) provides at Article 29 that the appropriate authorities of the two Contracting States will meet within five years to discuss the application of the proposed Convention to income derived from new technologies.

The proposed Convention will remain in force indefinitely unless terminated by one of the Contracting States, pursuant to Article 30. That Article provides that either State may terminate the Convention by giving prior notice through diplomatic channels at least six months before the end of any calendar year.

The Department of the Treasury and the Department of State cooperated in the negotiation of the Convention. It has the full approval of both Departments.

Respectfully submitted,

Madeline Albright

~~SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

0709

January 30, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

FROM: STEPHEN J. FLANAGAN *SJF*

SUBJECT: Memcon with Baltic Presidents on January 16, 1998

Attached at Tab A is the Memorandum of Conversation between the President and Presidents Meri of Estonia, Ulmanis of Latvia and Brazauskas of Lithuania on January 16, 1998.

RECOMMENDATION

That you authorize Glyn Davies to transmit the Memorandum of Conversation at Tab A to State.

Approve _____ Disapprove _____

That the attached Memorandum of Conversation be filed for the record.

Approve _____ Disapprove _____

Attachments

Tab I Memorandum to State

Tab A Memorandum of Conversation

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By VL NARA, Date 6/6/23
7016-0314-M-1

~~SECRET~~

Reason: 1.5(b,d)

Declassify On: 1/30/08

~~SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

0709

MEMORANDUM FOR MR. WILLIAM J. BURNS
Executive Secretary
Department of State

SUBJECT: Memorandum of Conversation with Baltic Presidents
(U)

The attached Memorandum of Conversation between the President and Presidents Meri of Estonia, Ulmanis of Latvia and Brazauskas of Lithuania is provided for the information of the Secretary of State. It must be distributed via NODIS channels and not below the Deputy Assistant Secretary (DAS) level. It may also be sent to our embassies in Estonia, Latvia and Lithuania for the Ambassador and/or Deputy Chief of Mission (DCM) only. (S)

Glyn T. Davies
Executive Secretary

Attachment
Tab A

Memorandum of Telephone Conversation

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By VZ NARA, Date 6/6/23
2016-0314-M-1

~~SECRET~~

Classified by: Glyn T. Davies
Reason: 1.5(b,d)
Declassify On: 1/30/08

THE WHITE HOUSE

WASHINGTON

DECLASSIFIED

PER E.O. 13526

2016-0029-M (1.38)

6/12/2023 VZ

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Baltic Presidents

PARTICIPANTS: The President
The Vice President
Madeleine Albright, Secretary of State
Samuel R. Berger, Assistant to the President
for National Security Affairs
Strobe Talbott, Deputy Secretary of State
Leon Fuerth, Assistant to the Vice President
for National Security Affairs
Marc Grossman, Assistant Secretary of State
for European and Canadian Affairs
Larry Napper, U.S. Ambassador to Latvia
Keith Smith, U.S. Ambassador to Lithuania
Walter Andrusyszyn, U.S. Chargé to Estonia
Stephen Flanagan, Special Assistant to
the President and Senior Director for
Central and Eastern European Affairs, NSC
Staff (Notetaker)
Tiina Ets, Interpreter (Estonia)
Alvin Skipsna, Interpreter (Latvia)
Emilija Sakadolskas, Interpreter (Lithuania)

Estonia

Lenert Meri, President
Kalev Stoicescu, Ambassador to the U.S.
Indrek Tarand, Chancellor, Permanent Under
Secretary
Sven Jurgenson, Director, Political
Department, Ministry of Foreign Affairs
Kaja Tael, Interpreter

Latvia

Guntis Ulmanis, President
Valdis Birkavs, Minister of Foreign Affairs
Ojars Kalnins, Ambassador to the U.S.
Ivars Millers, Chief of Staff
Ieva Zalcburga, Interpreter

~~SECRET~~

Reason: 1.5(b,d)

Declassify On: 1/30/08

Lithuania

Algirdas Brazauskas, President

Algirdas Saudargas, Minister of Foreign
Affairs

Stasys Sakalauskas, Ambassador to the U.S.

Neris Germanas, Advisor to the President

Zita Makutiene, Interpreter

DATE, TIME

January 16, 1998, 1:40 - 2:25 p.m.

AND PLACE:

The Cabinet Room

The President: Today is an important day. I just want to make a few remarks and really listen to what you have to say. (U)

The Charter of Partnership is an historic document and a demonstration of our commitment to advance integration of your countries into Western institutions through concrete initiatives. We welcome your aspirations to join the Alliance and are committed to keeping NATO's door open. The first round of enlargement will not be the last, but we need to get the first round right. Welcome your help. (U)

I applaud your efforts to work together and with your neighbors, particularly with Russia. We welcome the recent Lithuanian-Russian border agreement and hope that Russia will sign agreements with Estonia and Latvia soon. (U)

We strongly support your accession to WTO, and I hope we can complete your three separate negotiations this year. I know you discussed this issue with Ambassador Barshefsky earlier in the week. She has since advised me that she discussed the problem on audiovisual with Sir Leon Brittan yesterday, and they agreed to work together expeditiously to find a solution. In fact, U.S. and EU officials will meet next week. But I want to underscore that I have made clear to Ambassador Barshefsky that this must be resolved this year. (U)

Now, I really want to hear what you all have to say. (U)

President Meri: Thank you very much for your comments and your support to make this day possible. The Charter is truly an historic document and we welcome it. We are committed to moving forward on implementation. On WTO, we are very grateful for your commitment and hope that this can be resolved very soon.

(U)

The President: Again, on WTO I just want to emphasize that we want this resolved this year. I truly believe that it is in the interest of the United States and the EU to work this out so that we don't stand in the way of your integration. (S)

President Meri: There is also the question of our membership in the OECD, which we hope can be resolved soon. At the same time, we are busy in Estonia developing our economy and building practical cooperation with all our neighbors, including Russia, as you mentioned. One of my favorite projects is the effort to get internet connections in every school in Estonia. I hope Mr. Vice President that when you arrive in the White House, sometime after the year 2000, that every school will be connected. (U)

President Brazauskas: I am most grateful for this opportunity to meet with you. A stable security system is important to Lithuania and to all of us. This Charter signing is the most important event on the political agenda of Lithuania this year and we look forward to its implementation. We desire NATO membership and are working through the development of our military forces and other actions to make this possible. We have, indeed, signed the Border Delimitation Treaty with Russia, and hope that this will spur others.

We are also working to put our relations with Belarus on a broader and more normal course. But still there are other problems that relate to the internal politics of Belarus.

I welcome your words on WTO. WTO and OECD membership are highly important to Lithuania. We recognize that we can't be members of these and other Western institutions unless we meet the criteria and clear up remaining problems. But I am grateful to all elements of the U.S. government, particularly on the military side, for your help in this regard. (S)

The President: Thank you for those words. I welcome the Estonian border cooperation and also Lithuania's border agreements. (S)

President Meri: Our border agreement is nearly ready. (S)

President Ulamanis: Mr. Napper, Ambassador Napper speaks such beautiful Latvian, I am going to follow his example and deliver my remarks in English. I'll do my best. (U)

The President: That's pretty good. Your English is a lot better than my Latvian. (U)

President Ulmanis: Mr. President, we have a common vision, economic, political and social. This is enshrined in the Charter of Partnership, which we fully embrace. We look forward to working actively on implementation. In fact, I would like to propose that we have the first quadrilateral meeting of the Partnership Council in Riga. ~~(S)~~

The 1994 NATO Summit has two formal objectives: to review progress of applicant countries towards membership and to set the agenda for the Alliance in the 21st Century. We want to be part of that vision. ~~(S)~~

Mr. President, thank you for your leadership and your support in our dealings with Russia. I have a vision of a new Russia that is a good neighbor. We are building practical cooperation with Russia to advance this goal. You can count on Latvia to do its part. I recently sent a letter to President Yeltsin expressing my hopes for further cooperation with Russia. I received a very cordial response that thanked me for my efforts to reconcile relations between Russia and Latvian society. ~~(S)~~

Finally, Mr. President, Latvia will be celebrating the 80th anniversary of its independence in November of this year. I would like to welcome you to Riga for this celebration. (U)

The President: I am encouraged by your vision of Russia and its relations with the Baltic states. I welcome your positive input and I think we have made some good progress. Now I know you have been concerned that Russia may delay its departure from the Skrunda radar facility. We expect Russia to abide fully by the terms of the agreement and have strong indications that Russia intends to do so. But we'll keep on top of this. I would like to ask Vice President Gore to say a few words. ~~(S)~~

The Vice President: This is an historic meeting. It will be looked back upon as important in the development of transatlantic and European relations. Your pleasures are matched by ours. I also look forward to working on the many practical areas of cooperation that we have outlined. (U)

Secretary Albright: We had a wonderful lunch at the State Department and really celebrated this day. We are delighted that Strobe will soon follow up as head of the Partnership Commission. One of the issues we discussed at lunch was our

guests' concerns about Ukraine, and I would invite them to mention some of these to you, Mr. President. (S)

President Meri: Thank you, Madame Secretary. It may seem inappropriate for such a small country to speak of helping such a large country as Ukraine, but I think we have common experiences that can be of value to our friends in Kiev. Estonia has been successful in building up its financial and the banking sector. President Kuchma knows how to get things done, but he might be able to use some of the lessons of our experience in certain sectors, as a post-Soviet society, to good effect. One thing is clear, it is important that all of us support Ukraine. Because Ukraine's success is also a way to ensure democracy in Russia. (S)

President Brazauskas: I also want to say a word about Ukraine. Relations between all three Baltic states and Ukraine are good. Our security depends on stability and democracy being preserved in Ukraine. A month ago I had a meeting with President Kuchma and I feel that President Kuchma adheres to the same line. But his situation is very difficult. All the military factories are either closed down or at a standstill. Thousands of workers are affected. This common attention to Ukraine is helpful. (S)

President Ulmanis: I welcome this discussion. Ukraine's stability is critical to security in the region. Elections are coming up in Ukraine and the left-wing is active. I think that it is important that we engage Ukraine in our Hanseatic cooperation. (S)

By the way, I hope that the United States will play a role in the Council of the Baltic Sea States. (S)

The Vice President: We would welcome the opportunity to help advance regional cooperation and to include Ukraine. (S)

Secretary Albright: Also on Belarus, the three Presidents have some very interesting ideas on how to deal with this situation. We discussed this over lunch. (S)

President Brazauskas: Lukashenko has lost touch with reality and is only concerned with maintaining power. We need to appeal to the forces of reason in Belarus. Russia can play a constructive role here. We need to press ahead together with some of the ideas we discussed at lunch (NFI). (S)

Deputy Secretary Talbott: The Council of the Baltic Sea States can be a practical vehicle for our engagement in regional cooperation. In particular, we want to participate in the Operative Committee of the Working Group on Organized Crime.

(S)

President Ulmanis: We discussed this in the Justice Department earlier today. We are in agreement with this. (S)

President Meri: One last point with regard to Radio Free Europe/Radio Liberty. These can seem outdated now that the Cold War is over, but there are many tasks involved in building a democratic society, more than just having elections. Free media and the flow of ideas are also vitally important. (U)

Finally, let me say "I am delighted that Strobe Talbott will lead the "Joint Commission." It ensures solid implementation. (U)

The President: Well thank you all very, very much. I think we need to proceed to the signing ceremony. (U)

-- End of Conversation --

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

January 14, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: STEPHEN J. FLANAGAN *SJF*
FROM: SUSAN BRADEN *SB*
SUBJECT: Transmission to the Congress of the Agreement
Extending the Governing International Fishery
Agreement with the Republic of Latvia

Attached at Tab I is your memorandum to the President forwarding to the Congress the letters of transmittal for the Agreement extending the Governing International Fishery Agreement with the Republic of Latvia. Attached at Tab B is the text of the Agreement.

Concurrences by: Mara Rudman *MR* and James E. Baker *JB*

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Memorandum to the President
Tab A Transmittal letters
Tab B Agreement text
Tab II Incoming from State

THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE EXECUTIVE CLERK

FROM: SAMUEL BERGER
JOHN HILLEY

SUBJECT: Transmission to the Congress of the Agreement
Extending the Governing International Fishery
Agreement with the Republic of Latvia

Purpose

To transmit to the Congress the Agreement extending the
Governing International Fishery Agreement with the Republic of
Latvia.

Background

The Agreement between the Government of the United States and
the Republic of Latvia Concerning Fisheries Off the Coasts of
the United States, with Annex, was signed at Washington,
April 8, 1993. The present Agreement, which was effected by an
exchange of notes at Riga on February 13 and May 23, 1997.
extends the 1993 Agreement to December 31, 1999.

RECOMMENDATION

That you sign the transmittal letters at Tab A.

Attachments

Tab A Transmittal letters
Tab B Agreement text

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Mr. President:

In accordance with the Magnuson-Stevens Fisheries Conservation and Management Act (16 U.S.C. 1801 et seq.), I transmit herewith an Agreement between the Government of the United States of America and the Government of the Republic of Latvia extending the Agreement of April 8, 1993, Concerning Fisheries Off the Coasts of the United States, with annex, as extended (the 1993 Agreement). The present Agreement, which was effected by an exchange of notes at Riga on February 13 and May 23, 1997, extends the 1993 Agreement to December 31, 1999.

In light of the importance of our fisheries relationship with the Republic of Latvia, I urge that the Congress give favorable consideration to this Agreement at an early date.

Sincerely,

The Honorable Albert Gore, Jr.
President of the Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

Dear Mr. Speaker:

In accordance with the Magnuson-Stevens Fisheries Conservation and Management Act (16 U.S.C. 1801 et seq.), I transmit herewith an Agreement between the Government of the United States of America and the Government of the Republic of Latvia extending the Agreement of April 8, 1993, Concerning Fisheries Off the Coasts of the United States, with annex, as extended (the 1993 Agreement). The present Agreement, which was effected by an exchange of notes at Riga on February 13 and May 23, 1997, extends the 1993 Agreement to December 31, 1999.

In light of the importance of our fisheries relationship with the Republic of Latvia, I urge that the Congress give favorable consideration to this Agreement at an early date.

Sincerely,

The Honorable Newt Gingrich
Speaker of the
House of Representatives
Washington, D.C. 20515

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and refers to the Agreement between the Government of the United States of America and the Government of the Republic of Latvia Concerning Fisheries Off the Coasts of the United States, with Annex, signed at Washington, April 8, 1993, as extended (the Agreement).

The Embassy proposes, on behalf of the Government of the United States of America, that the Agreement, which is currently scheduled to expire on December 31, 1997, be extended for an additional two year period, until December 31, 1999. If this proposal is acceptable to the Government of the Republic of Latvia, the Embassy proposes that this note and the Government of the Republic of Latvia's favorable note in reply shall constitute an agreement between the two Governments, which shall enter into force on a date to be determined in a subsequent exchange of diplomatic notes following the completion of all necessary internal procedures of both parties.

The Embassy of the United States of America in Latvia avails itself of this opportunity to renew to the Ministry of Foreign Affairs the assurance of its highest consideration.



Embassy of the United States of America,
Riga, February 13, 1997.

MINISTRY OF FOREIGN AFFAIRS
REPUBLIC OF LATVIA

No. 41/358-736

The Ministry of Foreign Affairs of the Republic of Latvia presents its compliments to the Embassy of the United States of America and has the honour to refer to its Note No.03, dated February 13, 1997 concerning the Agreement between the Government of the Republic of Latvia and the Government of the United States of America Concerning Fisheries Off the Coasts of the United States, signed in Washington on April 8, 1993.

The Republic of Latvia agrees on proposed extension of the aforementioned Agreement until December 31, 1999 and informs that the legal requirements necessary for the entry into force of extension of the said Agreement have been fulfilled.

The Ministry of Foreign Affairs of the Republic of Latvia avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

Riga. May 23 . 1997



To the Embassy of
the United States of America
RIGA

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE REPUBLIC OF LATVIA
CONCERNING FISHERIES OFF THE COASTS
OF THE UNITED STATES

The Government of the United States of America and the Government of the Republic of Latvia (hereafter referred to as "the United States" and "Latvia", respectively, or "the Parties"),

Considering their common concern for the rational management, conservation and achievement of optimum yield of fish stocks off the coasts of the United States;

Recognizing that the United States has established by Presidential Proclamation of March 10, 1983 an exclusive economic zone within 200 nautical miles of its coasts within which the United States has sovereign rights to explore, exploit, conserve and manage all fish and that the United States also has such rights over the living resources of the continental shelf appertaining to the United States and anadromous species of fish of United States origin; and

Desirous of establishing reasonable terms and conditions pertaining to fisheries of mutual concern over which the United States has sovereign rights to explore, exploit, conserve and manage;

Have agreed as follows:

ARTICLE I

The purpose of this Agreement is to promote effective conservation, rational management and the achievement of optimum yield in the fisheries of mutual interest off the coasts of the United States, to facilitate the rapid and full development of the United States fishing industry and to establish a common understanding of the principles and procedures under which fishing may be conducted by nationals and vessels of Latvia for the living resources over which the United States has sovereign rights to explore, exploit, conserve and manage.

ARTICLE II

As used in this Agreement, the term

1. "living resources over which the United States has sovereign rights to explore, exploit, conserve and manage" means all fish within the exclusive economic zone of the United States, all anadromous species of fish that spawn in the fresh or estuarine waters of the United States and migrate to ocean waters while present in the United States exclusive economic zone and in areas beyond national fisheries jurisdictions recognized by the United States and all living resources of the continental shelf appertaining to the United States;

2. "fish" means all finfish, mollusks, crustaceans, and other forms of marine animal and plant life, other than marine mammals and birds;

3. "fishery" means

- a. one or more stocks of fish that can be treated as a unit for purposes of conservation and management and that are identified on the basis of geographical, scientific, technical, recreational and economic characteristics; and
- b. any fishing for such stocks;

4. "exclusive economic zone" means a zone contiguous to the territorial sea of the United States, the seaward boundary of which is a line drawn in such a manner that each point on it is 200 nautical miles from the baseline from which the breadth of the territorial sea of the United States is measured;

5. "fishing" means

- a. the catching, taking or harvesting of fish;
- b. the attempted catching, taking or harvesting of fish;
- c. any other activity that can reasonably be expected to result in the catching, taking or harvesting of fish;
- d. any operations at sea, including processing, directly in support of, or in preparation for, any activity described in subparagraphs a. through c. above, provided that such term does not include other legitimate uses of the high seas, including any scientific research activity;

6. "fishing vessel" means any vessel, boat, ship, or other craft that is used for, equipped to be used for, or of a

type that is normally used for

- a. fishing; or
- b. aiding or assisting one or more vessels at sea in the performance of any activity relating to fishing, including preparation, supply, storage, refrigeration, transportation or processing; and

7. "marine mammal" means any mammal that is morphologically adapted to the marine environment, including sea otters and members of the orders Sirenia, Finnipedia, and Cetacea, or primarily inhabits the marine environment such as polar bears.

ARTICLE III

1. The United States is willing to allow access for fishing vessels of Latvia to harvest, in accordance with terms and conditions to be established in permits issued under Article VII, that portion of the total allowable catch for a specific fishery that will not be harvested by United States fishing vessels and is determined to be available to fishing vessels of Latvia in accordance with United States law.

2. The United States shall determine each year, subject to such adjustments as may be appropriate and in accordance with United States law:

- a. the total allowable catch for each fishery based on optimum yield, taking into account the best available scientific evidence, and social, economic and other relevant factors;

- b. the harvesting capacity of United States fishing vessels in respect of each fishery;
- c. the portion of the total allowable catch for a specific fishery to which access will be provided, on a periodic basis each year, to foreign fishing vessels; and
- d. the allocation of such portion that may be made available to Latvia.

3. The United States shall determine each year the measures necessary to prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery in accordance with United States law. Such measures may include, inter alia:

- a. designated areas where, and periods when, fishing shall be permitted, limited, or conducted only by specified types of fishing vessels or with specified types and quantities of fishing gear;
- b. limitations on the catch of fish based on area, species, size, number, weight, sex, incidental catch, total biomass or other factors;
- c. limitations on the number and types of fishing vessels that may engage in fishing and/or on the number of days each vessel of the total fleet may engage in a designated area for a specified fishery;

- d. requirements as to the types of gear that may, or may not, be employed; and
- e. requirements designed to facilitate enforcement of such conditions and restrictions, including the maintenance of appropriate position-fixing and identification equipment.

4. The United States shall notify Latvia of the determinations provided for by this Article on a timely basis.

ARTICLE IV

In determining the portion of the surplus that may be made available to Latvia and to other countries, the United States will decide on the basis of the factors identified in United States law, including:

1. whether, and to what extent, such nation imposes tariff barriers or nontariff barriers on the importation, or otherwise restricts the market access, of both United States fish and fishery products, particularly fish and fishery products for which the foreign nation has requested an allocation;

2. whether, and to what extent, such nation is cooperating with the United States in both the advancement of existing and new opportunities for fisheries exports from the United States through the purchase of fishery products from United States processors and the advancement of fisheries trade through purchase of fish and fishery products from United States

fishermen, particularly fish and fishery products for which the foreign nation has requested an allocation;

3. whether, and to what extent, such nation and the fishing fleets of such nation have cooperated with the United States in the enforcement of United States fishing regulations;

4. whether, and to what extent, such nation requires the fish harvested from the exclusive economic zone for its domestic consumption;

5. whether, and to what extent, such nation otherwise contributes to, or fosters the growth of, a sound and economic United States fishing industry, including minimizing gear conflicts with fishing operations of United States fishermen, and transferring harvesting or processing technology which will benefit the United States fishing industry;

6. whether, and to what extent, the fishing vessels of such nation have traditionally engaged in fishing in such fishery;

7. whether, and to what extent, such nation is cooperating with the United States in, and making substantial contributions to, fishery research and the identification of fishery resources;

8. whether, and to what extent, such nation is cooperating with the United States in matters pertaining to

- a. the implementation of United Nations General Assembly Resolution 46/215 of December, 1991 on Large-scale Pelagic Driftnet Fishing;

- b. the conservation and management of anadromous species; and
- c. the conservation of the pollock resource in the central Bering Sea; and

9. such other matters as the United States deems appropriate.

ARTICLE V

Latvia shall cooperate with and assist the United States in the development of the United States fishing industry and the increase of United States fishery exports by taking such measures as facilitating the importation and sale of United States fishery products, providing information concerning technical and administrative requirements for access of United States fishery products into Latvia, providing economic data, sharing expertise, facilitating the transfer of harvesting or processing technology to the United States fishing industry, facilitating appropriate joint venture and other arrangements, informing its industry of trade and joint venture opportunities with the United States, and taking other actions as may be appropriate.

ARTICLE VI

Latvia shall take all necessary measures to ensure:

- 1. that nationals and vessels of Latvia refrain from fishing for living resources over which the United

States has sovereign rights to explore, exploit, conserve and manage except as authorized pursuant to this Agreement;

2. that all such vessels so authorized comply with the provisions of permits issued pursuant to this Agreement and applicable laws of the United States; and

3. that the total allocation referred to in Article III, paragraph 2.d. of this Agreement is not exceeded for any fishery.

ARTICLE VII

Latvia may submit an application to the United States for a permit for each fishing vessel of Latvia that wishes to engage in fishing in the exclusive economic zone pursuant to this Agreement. Such application shall be prepared and processed in accordance with the Annex, which constitutes an integral part of this Agreement. The United States may require the payment of fees for such permits and for fishing in the exclusive economic zone. While such fees shall be applied without discrimination, the fee level may vary depending upon, inter alia, whether, in the judgement of the United States, vessels or nationals of Latvia are harvesting United States origin anadromous species at unacceptable levels, or whether Latvia is failing to take sufficient action to benefit the conservation and development of United States fisheries. Latvia undertakes to keep the number of applications to the minimum required, in order to aid in the efficient administration of the permit program.

ARTICLE VIII

Latvia shall ensure that nationals and vessels of Latvia refrain from harassing, hunting/capturing or killing, or attempting to harass, hunt, capture or kill, any marine mammal within the exclusive economic zone, except as may be otherwise provided by an international agreement respecting marine mammals to which the United States is a party, or in accordance with specific authorization for and controls on incidental taking of marine mammals established by the United States.

ARTICLE IX

Latvia shall ensure that in the conduct of the fisheries under this Agreement:

1. the authorizing permit for each vessel of Latvia is prominently displayed in the wheel house of such vessel;
2. appropriate position-fixing and identification equipment, as determined by the United States, is installed and maintained in working order on each vessel;
3. designated United States observers are permitted to board, upon request, any such fishing vessel, and shall be accorded the courtesies and accommodations provided to ship's officers while aboard such vessel, and owners, operators and crews of such vessel shall cooperate with observers in the conduct of their official duties, and, further, the United

States shall be reimbursed for the costs incurred in the utilization of observers;

4. agents are appointed and maintained within the United States possessing the authority to receive and respond to any legal process issued in the United States with respect to an owner or operator of a vessel of Latvia for any cause arising out of the conduct of fishing activities for the living resources over which the United States has sovereign rights to explore, exploit, conserve and manage; and

5. all necessary measures are taken to minimize fishing gear conflicts and to ensure the prompt and adequate compensation of United States citizens for any loss, or damage to, their fishing vessels, fishing gear or catch, and resultant economic loss, that is caused by any fishing vessel of Latvia as determined by applicable United States procedures.

ARTICLE X

Latvia shall take all appropriate measures to assist the United States in the enforcement of its laws pertaining to fishing in the exclusive economic zone and to ensure that each vessel of Latvia that engages in fishing for living resources over which the United States has sovereign rights to explore, exploit, conserve and manage shall allow and assist the boarding and inspection of such vessel by any duly authorized enforcement officer of the United States and shall cooperate in such enforcement action as may be undertaken pursuant to the laws of the United States.

ARTICLE XI

1. The United States will impose appropriate penalties, in accordance with the laws of the United States, on vessels of Latvia or their owners, operators, or crews that violate the requirements of this Agreement or of any permit issued hereunder.

2. Arrested vessels and their crews shall be promptly released, subject to such reasonable bond or other security as may be determined by the court.

3. In any case arising out of fishing activities under this Agreement, the penalty for violation of fishery regulations shall not include imprisonment except in the case of enforcement related offenses such as assault on an enforcement officer or refusal to permit boarding and inspection.

4. In cases of seizure and arrest of a vessel of Latvia by the authorities of the United States, notification shall be given promptly through diplomatic channels informing Latvia of the action taken and of any penalties subsequently imposed.

ARTICLE XII

1. The United States and Latvia shall cooperate in the conduct of scientific research required for the purpose of managing and conserving living resources over which the United States has sovereign rights to explore, exploit, conserve and manage, including the compilation of the best available

scientific information for management and conservation of stocks of mutual interest.

2. The Parties shall cooperate in the development of a periodic research plan on stocks of mutual concern through correspondence or meetings as appropriate, and may modify it from time to time by agreement. The agreed research plans may include, but are not limited to, the exchange of information and scientists, regularly scheduled meetings between scientists to prepare research plans and review progress, and jointly conducted research projects.

3. The conduct of agreed research during regular commercial fishing operations on board a fishing vessel of Latvia in the exclusive economic zone shall not be deemed to change the character of the vessel's activities from fishing to scientific research. Therefore, it will still be necessary to obtain a permit for the vessel in accordance with Article VII.

4. Latvia shall cooperate with the United States in the implementation of procedures for collecting and reporting biostatistical information and fisheries data, including catch and effort statistics, in accordance with procedures which will be stipulated by the United States. Latvia shall similarly provide such economic data as may be requested by the United States.

5. Latvia shall cooperate with the United States in matters pertaining to the implementation of United Nations General Assembly Resolution 46/215 of December, 1991 on Large-scale Pelagic Driftnet Fishing, the conservation and management of anadromous species, and the conservation of the pollock resource in the central Bering Sea.

ARTICLE XIII

1.. The United States and Latvia shall carry out periodic bilateral consultations regarding the implementation of this Agreement and the development of further cooperation in the field of fisheries of mutual concern, including cooperation within the framework of appropriate multilateral organizations for the collection and analysis of scientific data respecting such fisheries.

2. At the request of either Party any dispute concerning the interpretation or application of this Agreement shall be the subject of consultations between them.

ARTICLE XIV

The United States undertakes to authorize fishing vessels of Latvia allowed to fish pursuant to this Agreement to enter ports in accordance with United States laws for the purpose of purchasing bait, supplies, or outfits, or effecting repairs, changing crews, or for such other purposes as may be authorized.

ARTICLE XV

Should the United States indicate to Latvia that nationals and vessels of the United States wish to engage in fishing in areas within the fisheries jurisdiction of Latvia, Latvia shall allow such fishing on terms not more restrictive than those established in accordance with this Agreement.

ARTICLE XVI

Nothing contained in the present Agreement shall prejudice:

1. the views of either Party with respect to the existing territorial or other jurisdiction of the coastal State for all purposes other than the conservation and management of fisheries; or,
2. any other international rights and obligations of either Party.

ARTICLE XVII

The Agreement shall apply to the territories of Latvia, and to the United States, its territories and its possessions.

ARTICLE XVIII

1. This Agreement shall enter into force on a date to be agreed upon by exchange of notes, following the completion of

internal procedures of both Parties, and shall remain in force until June 1, 1995 unless extended by exchange of notes between the Parties. Notwithstanding the foregoing, either Party may terminate this Agreement after giving written notice of such termination to the other Party six months in advance.

2. At the request of either Party, this Agreement shall be subject to review by the two Parties two years after its entry into force.

IN WITNESS WHEREOF, the undersigned, being duly authorized for this purpose, have signed this Agreement.

DONE at Washington, in duplicate, this eighth day of April, 1993 in the English and Latvian languages, each text being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

A handwritten signature in dark ink, appearing to read "David A. Keiser". The signature is fluid and cursive, with the first name "David" being more prominent.

FOR THE GOVERNMENT OF THE
REPUBLIC OF LATVIA:

A handwritten signature in dark ink, appearing to read "A. Stedrejs". The signature is cursive and somewhat stylized, with a large, sweeping flourish at the end.

ANNEX

Application and Permit Procedures

The following procedures shall govern the application for and issuance of annual permits authorizing vessels of Latvia to engage in fishing for living resources over which the United States has sovereign rights to explore, exploit, conserve and manage:

1. Latvia may submit an application to the competent authorities of the United States for each fishing vessel of Latvia that wishes to engage in fishing pursuant to this Agreement. Such application shall be made on forms provided by the United States for that purpose.

2. Any such application shall specify

- a. the name and official number or other identification of each fishing vessel for which a permit is sought, together with the name and address of the owner and operator thereof;
- b. the tonnage, capacity, speed, processing equipment, type and quantity of fishing gear, and such other information relating to the fishing characteristics of the vessel may be requested;
- c. a specification of each fishery in which each vessel wishes to fish;

- d. the amount of fish or tonnage of catch by species contemplated for each vessel during the time such permit is in force;
- e. the ocean area in which, and the season or period during which, such fishing would be conducted; and
- f. such other relevant information as may be requested, including desired transshipping areas.

3. The United States shall review each application, shall determine what conditions and restrictions may be needed, and what fee will be required, and shall inform Latvia of such determinations. The United States reserves the right not to approve applications. If permit applications are disapproved, the United States authorities will inform Latvia of the reasons for such disapproval.

4. Latvia shall thereupon notify the United States of its acceptance or rejection of such conditions and restrictions and, in the case of a rejection, of its objections thereto.

5. Upon acceptance of the conditions and restrictions by Latvia and the payment of any fees, the United States shall approve the application and issue a permit for each fishing vessel of Latvia, which fishing vessel shall thereupon be authorized to fish in accordance with this Agreement and the terms and conditions set forth in the permit. Such permits shall be issued for a specific vessel and shall not be transferred.

6. In the event Latvia notifies the United States of its objections to specific conditions and restrictions, the Parties may consult with respect thereto and Latvia may thereupon submit a revised application.

7. The procedures in this Annex may be amended by agreement through an exchange of notes between the Parties.



United States Department of State

Washington, D.C. 20520

January 8, 1998

MEMORANDUM FOR GLYN T. DAVIES
EXECUTIVE SECRETARY
NATIONAL SECURITY COUNCIL

0139

SUBJECT: Transmission to the Congress of the Agreement
Extending the Governing International Fishery
Agreement with the Republic of Latvia

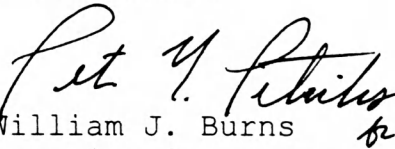
Attached for signature by the President are letters to the President of the Senate and the Speaker of the House of Representatives, transmitting the Agreement extending the 1993 Agreement between the Government of the United States of America and the Government of the Republic of Latvia Concerning Fisheries Off the Coasts of the United States, with annex, as extended (the 1993 Agreement). The Agreement was effected by an exchange of notes at Riga on February 13 and May 23, 1997. This exchange of notes together with the 1993 Agreement constitute a governing international fishery agreement (GIFA) within the requirements of Section 201(c) of the Magnuson-Stevens Fishery Conservation and Management Act (MSFCMA) (16 USC 1801 et seq.). This agreement extends the 1993 Agreement to December 31, 1999.

This agreement will further the objectives of the MSFCMA by permitting the United States and Latvia to maintain their long-standing cooperative fishery arrangements.

Section 203(a) of the MSFCMA provides as follows with respect to transmission to the Congress:

(a) IN GENERAL -- No governing international fishery agreement, bycatch reduction agreement, or Pacific Insular Area fishery agreement shall become effective with respect to the United States before the close of the first 120 days (excluding any days in a period for which the Congress is adjourned sine die) after the date on which the President transmits to the House of Representatives and to the Senate a document setting forth the text of such governing international fishery agreement, bycatch reduction agreement, or Pacific Insular Area fishery agreement. A copy of the document shall be delivered to each House of Congress on the same day and shall be delivered to the Clerk of the House of Representatives, if the House is not in session, and to the Secretary of the Senate, if the Senate is not in session.

The 1993 Agreement lapsed on December 31, 1997. In order to extend the Agreement and to ensure continued cooperation by the Republic of Latvia on bilateral and multilateral fisheries issues, we request prompt transmittal of the Agreement to the House of Representatives and to the Senate.


William J. Burns
Executive Secretary

Attachments:

1. Draft letters for the House and Senate
2. Diplomatic Notes of February 13 and May 23, 1997
3. Agreement of April 8, 1993

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.), I transmit herewith an Agreement between the Government of the United States of America and the Government of the Republic of Latvia extending the Agreement of April 8, 1993, Concerning Fisheries Off the Coasts of the United States, with annex, as extended (the 1993 Agreement). The present Agreement, which was effected by an exchange of notes at Riga on February 13 and May 23, 1997, extends the 1993 Agreement to December 31, 1999.

In light of the importance of our fisheries relationship with the Republic of Latvia, I urge that the Congress give favorable consideration to this Agreement at an early date.

THE WHITE HOUSE,

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.), I transmit herewith an Agreement between the Government of the United States of America and the Government of the Republic of Latvia extending the Agreement of April 8, 1993, Concerning Fisheries Off the Coasts of the United States, with annex, as extended (the 1993 Agreement). The present Agreement, which was effected by an exchange of notes at Riga on February 13 and May 23, 1997, extends the 1993 Agreement to December 31, 1999.

In light of the importance of our fisheries relationship with the Republic of Latvia, I urge that the Congress give favorable consideration to this Agreement at an early date.

THE WHITE HOUSE,

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

0131 Redo

~~W/SECRET ATTACHMENTS~~

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20504

January 9, 1998

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: STEPHEN J. FLANAGAN *sf*

FROM: SUSAN R. BRADEN *SB*

SUBJECT: Presidential Meeting with **Baltic Presidents Meri, Brazauskas and Ulmanis on January 16, 1998**

Attached at Tab I is your memorandum to the President forwarding briefing material and talking points for his meeting with Baltic Presidents Lennert Meri, Guntis Ulmanis and Algirdas Brazauskas on January 16, 1998.

Concurrences by: *KE* Ki Fort *UHF sf* and Nancy McEldowney *sf*

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Memo to the President

Tab A Points to be Made

Tab B Scenario

Tab C Biographies

Tab D Secretary of State Memo to the President

Tab E Partnership Charter

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By VZ NARA, Date 6/6/2023
2018-0314-M-1

~~CONFIDENTIAL W/SECRET ATTACHMENTS~~

Reason: 1.5 (b,d)

Declassify On: 1/9/08

~~CONFIDENTIAL~~

TAB I

THE WHITE HOUSE

WASHINGTON

MEETING WITH BALTIC PRESIDENTS

DATE: January 16, 1998

LOCATION: Cabinet Room

TIME: 1:40 p.m.

FROM: SAMUEL BERGER

DECLASSIFIED

PER E.O. 13526

2014-0656-11 (1.51)

4/27/2022 v2

I. PURPOSE

- Underscore our commitment to advancing the integration of Estonia, Latvia and Lithuania's into Western institutions and to strengthening our bilateral relations.
- As a symbol of this commitment, sign the Charter of Partnership, which codifies the terms of the relationship and maps out the road ahead.
- Reaffirm our commitment to keep NATO's door open and support their efforts to become members of NATO. Also note our support for their accession, on appropriate terms, to the EU and WTO.
- Applaud Baltic efforts to develop friendly relations with their neighbors, particularly Russia, and offer support for expanded cooperation between Russia and northeastern Europe in areas where there is common ground.

II. BACKGROUND

The Baltic Presidents see this visit as a **truly historic occasion** both because of the Charter signing and because it will be the last time they, as key figures in their countries' post-communist transformations, will be together with you in the White House. Valdas Adamkus, a Lithuanian-American former EPA official in Chicago, will replace Brazauskas, who chose not to seek reelection, next month. Meri, nearly 70, is unlikely to stand for another term, and Ulmanis, whose second term expires next year, probably won't run again.

These very different men -- the urbane and intellectual Meri, the earthy, former Communist Brazauskas, and the

~~CONFIDENTIAL W/SECRET ATTACHMENTS~~

Reason: 1.5(b,d)

Declassify on: 1/9/08

centrist, business-like Ulmanis -- have succeeded in putting their states at the forefront of the reform movement in Central Europe. Over the past four years, they have successfully used their positions to forward democratic reform, continue the transition to market-oriented economies, move closer to Western institutions, and enhance relations with their neighbors, including Russia.

All three leaders believe that **the United States is key to their full reintegration into the West.** For over fifty years, successive U.S. Administrations maintained a strong policy of non-recognition of their forcible incorporation into the Soviet Union. We then played a critical role in helping them implement democratic and free market reforms and strengthen their security and sovereignty. The Charter of Partnership you will sign during this visit symbolizes how far they have come since 1991 and expresses our commitment to help them complete this journey.

The Charter is a political statement of common principles and a framework for the expansion of our relations. Most importantly to the Baltics, it affirms that they are part of our vision for a new Europe and will not be left out or discriminated against due to history or geography.

- On NATO, it builds on the Madrid Summit, stating that **the United States welcomes Baltic aspirations and supports their efforts to join NATO.** It also recalls Madrid's caveat that aspirants must be able to assume the responsibilities of membership and that Allies must agree inclusion of any new members would serve overall European stability. **It does not pre-commit us to Baltic membership or extend any surrogate security guarantees.**
- The Baltic states reaffirm their commitment to continue market-oriented reforms. The four governments pledge to enhance joint efforts to promote cooperative relations throughout the Baltic region, including with Russia.
- The Charter notes the progress of existing bilateral working groups on defense and establishes a new working group on trade, investment, and related fields. It also establishes a Partnership Commission of senior officials, who will hold annual stock-taking meetings.

Moving Ahead Along. As evidence of our commitment to pursuing Charter goals, you will announce at the signing ceremony the establishment of a **Baltic-American Partnership Fund** -- using \$7.5 million of our assistance money and **matching funds from George Soros** -- whose charter will be to foster the development on non-governmental organizations in these states. Also during their visit here, Charlene Barshefsky will sign a bilateral investment treaty with Lithuania (Estonia and Latvia have accords already), Bob Rubin will sign **treaties against double taxation** with all three states, and Attorney General Reno and FBI Director Freeh will announce enhanced **cooperation** among the three in administration of **justice and combating organized crime**.

Likely Topics

NATO Membership. The Baltic Presidents will raise their aspirations for NATO membership. They all hope there will be a second tranche of new members in 1999, and at least Lithuania believes it is well on the way to qualifying. Lithuania, with the largest population, has, in fact, devoted the most resources and made the greatest progress of the three in building its armed forces. But even they have very limited capabilities to work with NATO in defense of their territory or in peacekeeping missions elsewhere.

While continuing to advance the public line that all Baltic states belong in NATO, both Tallinn and Riga realize that they won't be ready militarily to join soon and that most Allies have serious reservations about their membership because of Russian objections. Thus, they have focused their efforts on joining the EU. In their meeting with you, the presidents will accept the view that it is premature to discuss the "next tranche" and that the Charter does not commit the United States to support their bid. However, **they will seek reaffirmation that NATO's door remains open, and, as Strobe has put it, that we are working seriously to help them walk through that door.**

- You should urge them to focus on taking advantage of the many programs we and the Allies are offering, including \$18 million in military assistance next year, to help them enhance their security, ability to work with NATO, and preparations for membership. You might remind them that the Charter is neither a security guarantee nor a firm commitment to support their membership.

Investment, EU and WTO. The Baltic economies are all still in transition, but Estonia and Latvia are the furthest along. U.S. investment in the region has been slow to develop, now totaling about \$550 million, only 19 percent of all their foreign investment.

- **Estonia** has made steady progress across the board and in 1996 became the first Central European country to "graduate" from our assistance program Support for East European Democracy (SEED). In December, it was the only Baltic state invited to commence EU accession talks.
- **Latvia** is close to getting an offer from the EU to begin accession talks. Its strong progress was slowed by lagging privatization and a 1995 banking crisis.
- **Lithuania** has made steady progress in privatization but has suffered from very slow growth (linked to taxation policies and a lagging financial sector).

Regarding the WTO, Latvia has been the most aggressive of the three in pursuing this goal. Its bid, however, **is being held up over the issue of audiovisual services, which pits us against the EU and puts Latvia and the other two Baltic EU aspirants in between.** The EU is insisting that Latvia make no commitment to open its market to audiovisual services. While ready to accept Latvia's adoption of current (51 percent foreign) EU content restrictions, we want Riga to go no further and believe this is a significant concession.

- You should tell the Presidents that we are very supportive of their accession to the EU and the WTO -- on defensible terms -- and hope the audiovisual issue with the EU can be resolved soon. You might also note our interest in expanding trade and investment.

Russians & Hansa. The Baltic leaders cooperate well with each other and most of their neighbors. **The Nordics and the United States** have supported several initiatives that promote regional security and compatibility with NATO, including the Baltic Peacekeeping Battalion (Baltbat). The Nordics have extensive trade and investment in the region.

Lithuanian-Russian relations are the best of the three, in large part because Russian speakers account for only 8 percent of the population. In October, Presidents Yeltsin

and Brazauskas signed a demarcation agreement of the land border with Kaliningrad. Vilnius remains concerned, however, about transit through Lithuania from this heavily-militarized Russian province to its west.

Latvia and Estonia, which have much larger ethnic Russian communities, maintain normal but cool relations with Russia. Estonia and Latvia have not reached border agreements, primarily because of Moscow's linkage of conditions on the treatment of the Russian-speaking minorities (29 and 33 percent respectively). They have, however, begun practical cooperation with Russia on such problems as border controls and countering crime.

In August 1994, with your intervention, Russia withdrew its troops from Latvia **except for about 800 technicians who stayed to operate the Skrunda missile early-warning radar facility** until it shuts down this August. Russia has allowed agreed inspections of this facility. But Latvia is concerned that departure of the technicians and the commencement of dismantlement may be slowed due to construction delays in the essential replacement facility in Belarus. Based on political signs and available intelligence, **we expect Russia to abide fully by the terms of the agreement with Latvia, which Yeltsin has previously affirmed to you.**

In December, as part of an emerging "charm offensive," **President Yeltsin** floated the notion of enhanced economic cooperation with the Baltic states, but linked it to Baltic neutrality and offers of **joint security guarantees**. The Balts promptly rejected the latter notions, making clear that they aspire to be members of NATO.

- Rather than fight Moscow on Baltic membership in NATO, we have sought to focus on areas where there is a common ground. Madeleine and Strobe have told their Russian interlocutors, that we must agree to disagree on NATO, but we want to help promote expanded cooperation between northeastern Europe and northern Russia (as existed in **Hanseatic period**) in trade, energy development, the environment, and combating transnational problems such as organized crime. You should encourage the Baltic Presidents to pursue a similar tack as a way to show Moscow that Baltic integration will create opportunities.

III. PARTICIPANTS

See Scenario at Tab B.

IV. PRESS PLAN

See Scenario at Tab B.

V. SEQUENCE

See Scenario at Tab B.

Attachments

Tab A	Points to be Made
Tab B	Scenario
Tab C	Biographies
Tab D	Secretary of State Memo to the President
Tab E	Summary of The Charter of Partnership

POINTS TO BE MADE FOR MEETING WITH
ESTONIAN PRESIDENT MERI, LATVIAN PRESIDENT ULMANIS AND
LITHUANIAN PRESIDENT BRAZAUSKAS

Partnership Charter

- Charter important for United States, Estonia, Latvia and Lithuania because it marks how far we have come toward our shared goal of building a new Europe and advancing your integration into West. Also maps out clear directions for road ahead.
- Charter makes clear our "real, profound and enduring interest" in independence, sovereignty, and territorial integrity and security of your countries.
- Can be very proud of your individual and collective efforts to advance goals of Charter even before it was completed. Need to keep working to promote respect for rights of all citizens and deal with legacy of past.
- Together, you are creating facts of integration on ground through your participation in PFP, IFOR, and host of regional initiatives.
- Charter gives us many opportunities to expand and improve relations in both security and economic fields. Events of last few days -- signing of double tax treaties, initiatives on justice and organized crime, and creation of Baltic-American Partnership Fund - show that we are already moving to build on this framework.

NATO Enlargement

- Welcome your desire and support your efforts to become members of NATO. Want to underscore that NATO's door will remain open.
- Your membership will depend on satisfaction of NATO principles, including your ability to contribute to overall security.
- First round of enlargement will not be last. But it's too soon to talk about next steps. We must all focus on getting first round "right" and securing Senate ratification. Welcome your help in this regard. The

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4/27/2022 v2

stronger our success in integrating Poland, Hungary, and Czech Republic, easier next steps will be.

- This is good time to make use of intensified dialogue, Partnership for Peace enhancements and Euro-Atlantic Partnership Council to deepen your engagement with Alliance.
- We are committed to helping you advance these goals in more systematic ways. Fully support work of our military experts to assess needs of your countries' armed forces and help you develop realistic defense plans. We will increase our security assistance next year and work closely with other donor states.

EU/WTO Accession

- Support each of your efforts to join EU, but recognize decisions will be made by Europeans.
- We support your accession to WTO on appropriate terms. Will be as flexible as can; hope EU will do same.
- As Ambassador Barshevsky explained, we will continue to work with EU on what we think is reasonable compromise on audiovisual content that is consistent with goals of EU Broadcast Directive and protects our interest in maintaining an open market.

Relations with Neighbors

- Applaud effort to develop cooperative relationship with each other, Nordics, and Russia.
- Especially pleased with your joint effort to promote regional security and interoperability with NATO through participation in Baltic Peacekeeping Battalion (Batlbat), Baltic Sea Squadron (Baltron), and regional airspace initiative (Baltnet).
- Now it's time to explore in detail opportunities for building economic and other non-security cooperation throughout Baltic region. Am fully committed to enhancing our involvement in Nordic/Baltic and Baltic/Russian cooperative ventures.

Russia

- Encouraged by recent signature of Kaliningrad border agreement between Presidents Brazauskas and Yeltsin in Moscow.
- Agreement meets one of fundamental responsibilities in relationship between neighboring states, establishment of common borders in mutually satisfactory manner. With border agreements in place, Lithuania and Russia can move on to other areas of cooperation.
- Hope Russia will sign similar agreements with Estonia and Latvia soon. Pleased that Estonia and Latvia are committed to expanding practical cooperation with Russia on common concerns.
- Know Latvia concerned that Russia may delay departure from Skrunda radar facility. We expect Russia to abide fully by terms of agreement with Latvia. Have strong indications that Russia intends to do so.
- Note Russia has proposed security guarantees to you. As we stated publicly, agree sovereign states have right to choose their own security orientation, including whether or not to become member of an Alliance. Your choice is clear.
- Want to work with you and Nordics to expand cooperation between northern Europe and Russia in areas where we all have common interests. Charter notes increased cooperation in economic development, trade, environmental arena as well as in fight against organized crime. As you have heard in meetings earlier this week, we are ready to move on this agenda in practical ways.

TAB B

SCENARIO TO BE PROVIDED

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002d. report	U.S. Government Report (2 pages)	01/06/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Central and Eastern European Affairs (Flanagan, Stephen)
OA/Box Number: 1785

FOLDER TITLE:

Latvia, 1997-1998 [2]

2011-1037-F
ke2182

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002e. report	U.S. Government Report (1 page)	01/12/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Central and Eastern European Affairs (Flanagan, Stephen)
OA/Box Number: 1785

FOLDER TITLE:

Latvia, 1997-1998 [2]

2011-1037-F
ke2182

RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002f. report	U.S. Government Report (2 pages)	01/06/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Central and Eastern European Affairs (Flanagan, Stephen)
OA/Box Number: 1785

FOLDER TITLE:

Latvia, 1997-1998 [2]

2011-1037-F
ke2182

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002g. report	U.S. Government Report (2 pages)	01/06/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Central and Eastern European Affairs (Flanagan, Stephen)
OA/Box Number: 1785

FOLDER TITLE:

Latvia, 1997-1998 [2]

2011-1037-F
ke2182

RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002h. report	U.S. Government Report (2 pages)	12/30/1997	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Central and Eastern European Affairs (Flanagan, Stephen)
OA/Box Number: 1785

FOLDER TITLE:

Latvia, 1997-1998 [2]

2011-1037-F
ke2182

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002i. report	U.S. Government Report (2 pages)	01/06/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Central and Eastern European Affairs (Flanagan, Stephen)
OA/Box Number: 1785

FOLDER TITLE:

Latvia, 1997-1998 [2]

2011-1037-F
ke2182

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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SECRETARY OF STATE MEMO
TO PRESIDENT TO BE PROVIDED

BALTIC CHARTER SUMMARY

The Charter of Partnership is a political statement of common principles that will guide the deepening of mutual cooperation and advance common objectives, including Baltic integration into the European and transatlantic communities. It makes clear the Baltic states are part of the U.S. vision for a new Europe and that they will not be left out or discriminated against due to factors of history or geography.

- It notes that the United States has a "real, profound, and enduring" interest in their security and independence of the three Baltic states.

The Charter begins with expression of commitments by the four governments to shared principles and a common vision for a secure, prosperous, and undivided Europe. It notes how U.S.-Baltic cooperation can contribute to the integration of the Baltic states.

- In that context, the Charter notes the goal of Baltic integration into European and transatlantic institutions, such as the European Union, OSCE, the World Trade Organization and NATO.
- On NATO, the Charter recalls the Madrid Summit Communique language recognizing the Baltic states as aspiring members, and notes that the United States welcomes Baltic aspirations and supports their efforts to join NATO. It also reaffirms U.S. policy that NATO's partners can become members as each aspirant proves itself able and willing to assume the responsibilities and obligations of membership, and as NATO determines that the inclusion of these nations would serve European stability and the strategic interests of the Alliance.

The Charter affirms a shared commitment to promotion of harmonious and equitable relations among individuals belonging to diverse ethnic and religious groups. The Charter stresses the promotion of close cooperative relationships throughout the Baltic region, in particular to the enhancement of bilateral relations among the Baltic states and neighboring states.

The Charter takes note of the progress of existing bilateral working groups on security and military affairs, and establish a new working group on economic reform, trade, investment and

related fields. Each year these groups will review progress on our bilateral objectives and set the agenda for the year ahead.

- The Charter also establishes a "Partnership Commission," headed by a senior State Department official, to review annually the activities of the independent military and economic bilateral working groups.

What the Charter Isn't.

While the Charter welcomes Baltics aspirations for NATO membership, it in no way pre-commits the United States to Baltic membership. The Baltic states will have to meet the same criteria and standards expected of other states.

Neither does the Charter offer "back-door" security guarantees. The Baltic governments understand, and have said so publicly, that such guarantees can only come through NATO membership. The Charter is not an alternative to NATO membership, nor is it an effort to regionalize the security of the Baltic states.

**A CHARTER OF PARTNERSHIP
AMONG THE UNITED STATES OF AMERICA
AND THE REPUBLIC OF ESTONIA, REPUBLIC OF LATVIA, AND
REPUBLIC OF LITHUANIA**

Preamble

The United States of America, the Republic of Estonia, the Republic of Latvia, and the Republic of Lithuania, hereafter referred to as Partners.

Sharing a common vision of a peaceful and increasingly integrated Europe, free of divisions, dedicated to democracy, the rule of law, free markets, and respect for the human rights and fundamental freedoms of all people;

Recognizing the historic opportunity to build a new Europe, in which each state is secure in its internationally-recognized borders and respects the independence and territorial integrity of all members of the transatlantic community;

Determined to strengthen their bilateral relations as a contribution to building this new Europe, and to enhance the security of all states through the adaptation and enlargement of European and transatlantic institutions;

Committed to the full development of human potential within just and inclusive societies attentive to the promotion of harmonious and equitable relations among individuals belonging to diverse ethnic and religious groups;

Avowing a common interest in developing cooperative, mutually respectful relations with all other states in the region;

Recalling the friendly relations that have been continuously maintained between the United States of America and the Republic of Estonia, the Republic of Latvia, and the Republic of Lithuania since 1922;

Further recalling that the United States of America never recognized the forcible incorporation of Estonia, Latvia, and Lithuania into the USSR in 1940 but rather regards their statehood as uninterrupted since the establishment of their independence, a policy which the United States has restated continuously for five decades;

Celebrating the rich contributions that immigrants from Estonia, Latvia, and Lithuania have made to the multi-ethnic culture of the United States of America, as well as the European heritage enjoyed by the United States as a beneficiary of the contributions of intellectuals, artists, and Hanseatic traders from the Baltic states to the development of Europe; praising the contributions of U.S. citizens to the liberation and rebuilding of Estonia, Latvia and Lithuania.

Affirm as a political commitment declared at the highest level, the following principles and procedures to guide their individual and joint efforts to achieve the goals of this Charter.

Principles of Partnership

The United States of America has a real, profound and enduring interest in the independence, sovereignty, and territorial integrity, and security of Estonia, Latvia, and Lithuania.

The United States of America warmly welcomes the success of Estonia, Latvia, and Lithuania in regaining their freedom and resuming their rightful places in the community of nations.

The United States of America respects the sacrifices and hardships undertaken by the people of Estonia, Latvia, and Lithuania to re-establish their independence. It encourages efforts by these states to continue to expand their political, economic, security, and social ties with other nations as full members of the transatlantic community.

The Partners affirm their commitment to the rule of law as a foundation for a transatlantic community of free and democratic nations, and to the responsibility of all just societies to protect and respect the human rights and civil liberties of all individuals residing within their territories.

The Partners underscore their shared commitment to the principles and obligations contained in the United Nations Charter.

The Partners reaffirm their shared commitment to the purposes, principles, and provisions of the Helsinki Final Act and subsequent OSCE documents, including the Charter of Paris and the documents adopted at the Lisbon OSCE Summit.

The Partners will observe in good faith their commitments to promote and respect the standards for human rights embodied in the above-mentioned Organization for Security and Cooperation in Europe (OSCE) documents and in the Universal Declaration on Human Rights. They will implement their legislation protecting such human rights fully and equitably.

The United States of America commends the measures taken by Estonia, Latvia, and Lithuania to advance the integration of Europe by establishing close cooperative relations among themselves and with their neighbors, as well as their promotion of regional cooperation through their participation in fora such as the Baltic Assembly, Baltic Council of Ministers, and the Council of Baltic Sea States.

Viewing good neighborly relations as fundamental to overall security and stability in the transatlantic community, Estonia, Latvia, and Lithuania reaffirm their determination to further enhance bilateral relations between themselves and with other neighboring states.

- 3 -

The Partners will intensify their efforts to promote the security, prosperity, and stability of the region. The Partners will draw on the points noted below in focusing their efforts to deepen the integration of the Baltic states into transatlantic and European institutions, promote cooperation in security and defense, and develop the economies of Estonia, Latvia, and Lithuania.

A Commitment to Integration

As part of a common vision of a Europe whole and free, the Partners declare that their shared goal is the full integration of Estonia, Latvia, and Lithuania into European and transatlantic political, economic, security and defense institutions. Europe will not be fully secure unless Estonia, Latvia, and Lithuania each are secure.

The Partners reaffirm their commitment to the principle, established in the Helsinki Final Act, repeated in the Budapest and Lisbon OSCE summit declarations, and also contained in the OSCE Code of Conduct on Politico-Military Aspects of Security, that the security of all states in the Euro-Atlantic community is indivisible.

The Partners further share a commitment to the core principle, also articulated in the OSCE Code of Conduct and reiterated in subsequent OSCE summit declarations, that each state has the inherent right to individual and collective self-defense as well as the right freely to choose its own security arrangements, including treaties of alliance.

The Partners support the vital role being played by a number of complementary institutions and bodies -- including the OSCE, the European Union (EU), the West European Union (WEU) the North Atlantic Treaty Organization (NATO), the Euro-Atlantic Partnership Council (EAPC), the Council of Europe (COE), and the Council of Baltic Sea States (CBSS) -- in achieving the partners' shared goal of an integrated, secure, and undivided Europe.

They believe that, irrespective of factors related to history or geography, such institutions should be open to all European democracies willing and able to shoulder the responsibilities and obligations of membership, as determined by those institutions.

The Partners welcome a strong and vibrant OSCE dedicated to promoting democratic institutions, human rights, and fundamental freedoms. They strongly support the OSCE's role as a mechanism to prevent, manage, and resolve conflicts and crises.

Estonia, Latvia, and Lithuania each reaffirm their goal to become full members of all European and transatlantic institutions, including the European Union and NATO.

The United States of America recalls its longstanding support for the enlargement of the EU, affirming it as a core institution in the new Europe and declaring that a stronger, larger, and outward-looking European Union will further security and prosperity for all of Europe.

The Partners believe that the enlargement of NATO will enhance the security of the United States, Canada, and all the countries in Europe, including those states not immediately invited to membership or not currently interested in membership.

The United States of America welcomes the aspirations and supports the efforts of Estonia, Latvia, and Lithuania to join NATO. It affirms its view that NATO's partners can become members as each aspirant proves itself able and willing to assume the responsibilities and obligations of membership, and as NATO determines that the inclusion of these nations would serve European stability and the strategic interests of the Alliance.

The United States of America reiterates its view that the enlargement of NATO is an on-going process. It looks forward to future enlargements, and remains convinced that not only will NATO's door remain open to new members, but that the first countries invited to membership will not be the last. No non-NATO country has a veto over Alliance decisions. The United States notes the Alliance is prepared to strengthen its consultations with aspirant countries on the full range of issues related to possible NATO membership.

The Partners welcome the results of the Madrid Summit. They support the Alliance's commitment to an open door policy and welcome the Alliance's recognition of the Baltic states as aspiring members of NATO. Estonia, Latvia, and Lithuania pledge to deepen their close relations with the Alliance through the Euro-Atlantic Partnership Council, the Partnership for Peace, and the intensified dialogue process.

The Partners underscore their interest in Russia's democratic and stable development and support a strengthened NATO-Russia relationship as a core element of their shared vision of a new and peaceful Europe. They welcome the signing of the NATO-Russia Founding Act and the NATO-Ukraine Charter, both of which further improve European security.

Security Cooperation

The Partners will consult together, as well as with other countries, in the event that a Partner perceives that its territorial integrity, independence, or security is threatened or at risk. The Partners will use bilateral and multilateral mechanisms for such consultations.

The United States welcomes and appreciates the contributions that Estonia, Latvia, and Lithuania have already made to European security through the peaceful restoration of independence and their active participation in the Partnership for Peace. The United States also welcomes their contributions to IFOR, SFOR, and other international peacekeeping missions.

Building on the existing cooperation among their respective ministries of defense and armed forces, the United States of America supports the efforts of Estonia, Latvia, and Lithuania to provide for their legitimate defense needs, including development of appropriate and interoperable military forces.

The Partners welcome the establishment of the Baltic Security Assistance Group (BALTSEA) as an effective body for international coordination of security assistance to Estonia's, Latvia's and Lithuania's defense forces.

The Partners will cooperate further in the development and expansion of defense initiatives such as the Baltic Peacekeeping Battalion (BaltBat), the Baltic Squadron (Baltron), and the Baltic airspace management regime (BaltNet), which provide a tangible demonstration of practical cooperation enhancing the common security of Estonia, Latvia, and Lithuania, and the transatlantic community.

The Partners intend to continue mutually beneficial military cooperation and will maintain regular consultations, using the established Bilateral Working Group on Defense and Military Relations.

Economic Cooperation

The Partners affirm their commitment to free market mechanisms as the best means to meet the material needs of their people.

The United States of America commends the substantial progress its Baltic Partners have made to implement economic reform and development and their transition to free market economies.

Estonia, Latvia, and Lithuania emphasize their intention to deepen their economic integration with Europe and the global economy, based on the principles of free movement of people, goods, capital and services.

Estonia, Latvia, and Lithuania underscore their commitment to continue market-oriented economic reforms and to express their resolve to achieve full integration into global economic bodies, such as the World Trade Organization (WTO) while creating conditions for smoothly acceding to the European Union.

Noting this objective, the United States of America will work to facilitate the integration of Estonia, Latvia and Lithuania with the world economy and appropriate international economic organizations, in particular the WTO and the Organization for Economic Cooperation and Development (OECD), on appropriate commercial terms.

The Partners will work individually and together to develop legal and financial conditions in their countries conducive to international investment. Estonia, Latvia, and Lithuania welcome U.S. investment in their economies.

The Partners will continue to strive for mutually advantageous economic relations building on the principles of equality and non-discrimination to create the conditions necessary for such cooperation.

The Partners will commence regular consultations to further cooperation and provide for regular assessment of progress in the areas of economic development, trade, investment, and related fields. These consultations will be chaired at the appropriately high level.

Recognizing that combating international organized crime requires a multilateral effort, the partners agree to cooperate fully in the fight against this threat to the world economy and political stability. Estonia, Latvia, and Lithuania remain committed to developing sound legislation in this field and to enhance the implementation of this legislation through the strengthening of a fair and well-functioning judicial system.

The U.S.-Baltic Relationship

In all of these spheres of common endeavor, the Partners, building on their shared history of friendship and cooperation, solemnly reaffirm their commitment to a rich and dynamic Baltic-American partnership for the 21st century.

The Partners view their partnership in the areas of political, economic, security, defense, cultural, and environmental affairs as contributing to closer ties between their people and facilitating the full integration of Estonia, Latvia and Lithuania into European and transatlantic structures.

In order to further strengthen these ties, the Partners will establish a Partnership Commission chaired at the appropriately high level to evaluate common efforts. This Commission will meet once a year or as needed to take stock of the Partnership, assess results of bilateral consultations on economic, military and other areas, and review progress achieved towards meeting the goals of this Charter.

In order to better reflect changes in the European and transatlantic political and security environment, signing Partners are committed regularly at the highest level to review this agreement.

FOR THE UNITED STATES
OF AMERICA:

FOR THE REPUBLIC
OF ESTONIA:

FOR THE REPUBLIC
OF LATVIA:

FOR THE REPUBLIC
OF LITHUANIA

Washington D.C.

January 16, 1998