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Folder Title:

Lithuania-Meeting with Deputy Foreign Minister Usackas, November 13, 2000

Staff Office-Individual:

European Affairs-Blinken, Anthony

Original OA/ID Number:

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Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Personal (Partial) DOB (Partial) (1 page)	11/06/2000	P6/b(6)
002. email	Richard Norland to Anthony Blinken re: Lithuanian Deputy FM Usackas (1 page)	11/13/2000	P1/b(1) KBH 11/10/2023
003. cable	re: Visit of Lithuanian Deputy Foreign Minister Usackas (2 pages)	10/04/2000	P1/b(1) KBH 11/10/2023
004. email	White House Situation Room to Antony Blinken et al. re: New Government Program in Lithuania (4 pages)	11/09/2000	P1/b(1) KBH 11/10/2023

COLLECTION:

Clinton Presidential Records
National Security Council
European Affairs (Anthony Blinken)
OA/Box Number: 3773

FOLDER TITLE:

Lithuania - Meeting with Deputy Foreign Minister Usackas, November 13, 2000

2011-1038-F
kh1042

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]
- 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]

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]
- 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]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- 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]

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LIETUVOS RESPUBLIKOS AMBASADA
VAŠINGTONAS

EMBASSY OF THE REPUBLIC OF LITHUANIA
WASHINGTON, D.C.

Attn. Ms. Nancy Maxfield
NSC
Fax: 202-456-9150

RE: meeting on November 13, 2000, at 3:00 p.m.

Mr Vygaudas Usackas will be accompanied by:

Dr. Stasys Sakalauskas, Ambassador
Embassy of Lithuania

(b)(6)

[001]

Mr. Kestutis Jankauskas, Minister-Counselor, Embassy of Lithuania

(b)(6)

If you will have any additional questions or concerns, please contact me at 202-234-5860 ext.11.

Thank you for all your assistance.

Sincerely,

Adrija Henley
Adrija Henley
Assistant to the Ambassador

Quinn, Mary E. (EUR)

From: Norland, Richard B. (EUR)
Sent: Monday, November 13, 2000 11:56 AM
To: @BLINKEN
Subject: Lithuanian Deputy FM Usackas [CONFIDENTIAL]

Tony, the attached cables are good value from John Tefft as background to our 3 pm meeting with Usackas.



VISIT OF
LITHUANIAN DEPUTY FOR...



A STEADY FOREIGN
POLICY AND TH...



LITHUANIA'S
PROGRESS IN THE FL...

Point to be Made

- Get Usackas' assessment of the new Government and of **PM Paksas' priorities**.
- Ask for his views on impact that change of Government is likely to have on Lithuania's preparations for **NATO membership**; reaffirm U.S. Open Door policy.
 - Pleased we were able to persuade Congress to restore **FMF funding** for Lithuania.
 - John Tefft has reported on Lithuania's progress in developing and implementing programs to control illegal export of strategic and dual-use goods.
- Confirm (and applaud) Paksas' evident determination to pursue **pragmatic line with Russia**.
- Get latest from him on **Williams deal**, including whether Russia/Lukoil are "behaving," and ask whether we should be concerned about the new Government's approach given fact that Paksas resigned last year rather than sign the contract. It would be a shame, given all the effort that went into the negotiations and the positive impact this deal could have for both of us, if it were allowed to founder.
- Congratulations on hosting successful October conference on **holocaust-era** looted cultural assets and continued efforts to prosecute war criminals.

DECLASSIFIED
PER E.O. 13526
2016-0384-M (1.36)
KBH 6/23/2023

DECLASSIFIED
PER E.O. 13526

2016-0387-m (1.37)

K8H 4/23/2023

(U) CLASSIFIED BY AMBASSADOR JOHN F. TEFFT FOR REASONS
1.5 B AND D.

1. (S) LITHUANIAN DEPUTY FOREIGN MINISTER VYGAUDAS USACKAS WILL BE VISITING WASHINGTON NOVEMBER 13-16 TO CONSULT WITH ADMINISTRATION OFFICIALS, MEMBERS OF CONGRESS, AND FOREIGN POLICY SPECIALISTS IN BOTH PARTIES. HE WILL THEN ATTEND A FOREIGN POLICY CONFERENCE IN PUERTO RICO AT THE INVITATION OF SENATORS DURBAN AND HEGEL.

2. (S) USACKAS WILL CONTINUE TO BE LITHUANIA'S MOST INFLUENTIAL DIPLOMAT UNDER THE NEW FOREIGN MINISTER, ANTANAS VALIONIS, WHO WAS AMBASSADOR TO POLQ. ALTHOUGH USACKAS HAS BEEN KNOWN LOCALLY AS "MR. EU" SINCE HE WAS NAMED LITHUANIA'S TOP NEGOTIATOR WITH THE EUROPEAN UNION, HE IS ALSO LITHUANIA'S POINT MAN ON RELATIONS WITH RUSSIA AND BELARUS. HE HAS SUCCEEDED IN PERSUADING LITHUANIA'S POLITICAL ELITE THAT KALININGRAD SHOULD BE VIEWED AS A PLACE FOR POSITIVE ENGAGEMENT WITH RUSSIA, RATHER THAN AS AN OBSTACLE TO NATO AND EU ENLARGEMENT. USACKAS' FOCUS ON PRAGMATIC WAYS FOR THE EAST AND WEST TO COOPERATE ECONOMICALLY AND POLITICALLY IS VERY MUCH IN TUNE WITH THE FRESH BATCH OF POST-INDEPENDENCE MOVEMENT LEADERS NOW TAKING POSITIONS IN THE NEW LITHUANIAN GOVERNMENT. USACKAS WANTS TALK TO THE DEPUTY SECRETARY AND OTHER ADMINISTRATION OFFICIALS ABOUT THE NEW GOVERNMENT'S PLANS TO FOLLOW THROUGH WITH NATO PREPARATIONS AND TO INCREASE DEFENSE SPENDING. HE WOULD LIKE TO FOCUS ON MULTILATERAL AND REGIONAL ISSUES, AND HOPES TO HEAR VIEWS ON PROSPECTIVE U.S. POLICIES TOWARDS THE BALTIC STATES, NATO, AND THE EU.

3. (S) THE NEW LITHUANIAN GOVERNMENT TAKES OFFICE ONLY ON NOVEMBER 9, BUT HAS ALREADY EMPHASIZED THAT THE THREE MAIN GOALS OF LITHUANIA'S FOREIGN POLICY -- NATO MEMBERSHIP IN 2002, EU MEMBERSHIP IN 2004 AND GOOD RELATIONS WITH ITS NEIGHBORS -- REMAIN UNCHANGED. THE NEW GOVERNMENT STRESSES IMPROVING RELATIONS WITH RUSSIA IN ORDER TO CREATE BETTER CONDITIONS FOR LITHUANIAN TRADE WITH RUSSIA. THE NEW GOL PROGRAM SPECIFICALLY HIGHLIGHTS KALININGRAD, CALLING FOR CLOSER ECONOMIC TIES, AND WORKING WITH THE EU AND U.S. TO BRING KALININGRAD INTO WHAT IT CALLS THE "EUROPEAN PROCESSES". PM PAKSAS IS EXPECTED TO TAKE A MORE PRAGMATIC APPROACH TOWARDS RELATIONS WITH RUSSIA BECAUSE OF HIS CLOSE TIES WITH LITHUANIAN BUSINESS PEOPLE WHO WANT TO RECOUP RUSSIAN MARKETS LOST IN THE MELTDOWN TWO YEARS AGO. IN GENERAL, THE NEW RULING COALITION, UNLIKE THE OUTGOING CONSERVATIVES, IS MORE INTERESTED IN DOING BUSINESS WITH RUSSIA, THAN SETTLING OLD SCORES.

4. (S) THE NEW COALITION GOVERNMENT IS BRINGING IN MANY PEOPLE WHO ARE NEW TO POLITICS AND GOVERNMENT. THEY TEND TO BE YOUNGER AND SEE THEMSELVES AS BRIDGING THE GAP BETWEEN THE OLD LEFT/RIGHT SCHISM IN LITHUANIAN POLITICS. NEARLY ALL THE MINISTERS IN THE

NEW CABINET ARE IN THEIR 30S AND 40S. PAKSAS' CENTER-RIGHT, FREE MARKET LIBERAL UNION CLEARLY HAS THE UPPER HAND IN THE NEW GOVERNMENT'S PROGRAM AND THEY SAY THEY WANT TO CUT DOWN THE OBSTACLES TO BUSINESS AND CUT TAXES. HOWEVER, UNLESS AND UNTIL THE LITHUANIAN ECONOMIC RECOVERY BEGINS TO PICK UP SPEED, THE GOVERNMENT WILL HAVE LITTLE ROOM TO MANEUVER AND WILL HAVE TO FOLLOW A VERY TIGHT-MONEY POLICY.

5. (C) DURING THE ELECTIONS, BOTH THE LIBERALS AND THEIR MAIN COALITION PARTNER, THE NEW UNION, EXPRESSED DOUBTS THAT LITHUANIA COULD AFFORD TO INCREASE DEFENSE SPENDING TO 2% OF GDP WITH THE ECONOMY STILL IN THE DUMPS. HOWEVER, SINCE TAKING OFFICE THE TWO MAIN PARTIES HAVE AFFIRMED LITHUANIA'S INTENTION TO RAISE SPENDING TO 1.95% THIS YEAR AND 2% IN 2001 OR 2002 IF THE ECONOMY CONTINUES TO BE FLAT. THE OUTGOING CONSERVATIVE GOVERNMENTS NEVER QUITE REACHED THE PERCENTAGE THEY HAD PROMISED TO SPEND. ALTHOUGH THE NEW GOVERNMENT WILL ALSO HAVE A HARD TIME FULFILLING ITS PLEDGE, WE EXPECT DEFENSE SPENDING TO KEEP RISING OVER THE NEXT TWO YEARS.

6. (C) THE LITHUANIANS HAVE BEEN CLOSELY FOLLOWING THE U.S. PRESIDENTIAL CAMPAIGN AND WHAT THE CANDIDATES AND THEIR FOREIGN POLICY ADVISORS SAY ABOUT NATO AND NATO ENLARGEMENT. USACKAS WILL BE LOOKING SPECIFICALLY FOR INDICATIONS OF THE NEW ADMINISTRATION'S APPROACH, IN PART, TO ALLAY CONTINUING FEARS THAT NATO WILL SACRIFICE BALTIC MEMBERSHIP IN NATO IN FAVOR OF BETTER RELATIONS WITH RUSSIA.

7. (C) IN ADDITION TO PROVIDING USACKAS WITH AN UPDATE ON NATO PLANNING AND U.S. POLICY TOWARD THE BALTICS, WE RECOMMEND DEPARTMENT OFFICIALS RAISE THE WILLIAMS ISSUE. ALTHOUGH THE NEW GOVERNMENT HAS PUBLICLY SAID IT WILL CONTINUE TO SUPPORT THE MAZEIKIU NAFTA CONTRACT, LOCAL WILLIAMS REPRESENTATIVES REMAIN NERVOUS ABOUT THE INTENTIONS OF PM PAKSAS AND HIS KEY MINISTERS WHO RESIGNED IN OCTOBER, 1999 RATHER THAN SIGN THE CONTRACT. MOREOVER, WILLIAMS' REPRESENTATIVES HERE TOLD US THAT LUKOIL CEO ALEKPEROV WILL VISIT LITHUANIA NOVEMBER 15, AND THEY ARE CONCERNED ABOUT NEW PRESSURES TO RENEGOTIATE THE EXISTING CONTRACT.

TEFFT

Quinn, Mary E. (EUR)

From: WHSR
Sent: Thursday, November 09, 2000 10:10 AM
To: Blinken, Antony J. (EUR); Cables; Davidson, Leslie K. (VP); Norland, Richard B. (EUR)
Subject: A STEADY FOREIGN POLICY AND THE PROMISE OF REFORMS MARK THE NEW GOVERNMENT PROGRAM IN LITHUANIA (U) CLASSIFIED BY AMBASSADOR JOHN F. TEFFT FOR

ActionAddres: RUEHC/SECSTATE WASHDC IMMEDIATE 2384
Classification: ~~CONFIDENTIAL~~
DateTime: 091557Z NOV 00
Distribution: SIT: Blinken NSC Davidson Norland
Identifier: M4724760
InfoAddres: RUEHZL/EUROPEAN POLITICAL COLLECTIVE
Line1: OAACZYUW RUEHVL3167 3141557-CCCC--RHEHAAX.
Line2: ZNY CCCCC ZZH
Line3: O 091557Z NOV 00
Line4: FM AMEMBASSY VILNIUS
Originator: AMEMBASSY VILNIUS
Precedence: IMMEDIATE
Profiles: BLINKENA
CABLES
DAVIDSOL
NORLANDR
StationRoutingIndicator: RUEHVL
StationSerialNumber: 3167
TimeOfReceipt: 11/09/2000 11:08:41 ET

**DECLASSIFIED
PER E.O. 13526**
2016-0324-M (1.32)
KGM 4/23/2023

~~CONFIDENTIAL~~ VILNIUS 003167

DEPT FOR EUR/NB
USNATO FOR AMB. VERSHBOW

E.O. 12958: DECL: 10/4/2010
TAGS: PREL, PGOV, NATO, ECON, EFIN, LH
SUBJECT: A STEADY FOREIGN POLICY AND THE PROMISE OF REFORMS MARK THE NEW GOVERNMENT PROGRAM IN LITHUANIA

(U) CLASSIFIED BY AMBASSADOR JOHN F. TEFFT FOR REASONS 1.5 B AND D.

1. (U) SUMMARY: THE PROGRAM OF LITHUANIA'S NEW GOVERNMENT UNDERSCORES ITS COMMITMENT TO NATO AND EU MEMBERSHIP AND TO INCREASED DEFENSE SPENDING. THE PROGRAM ALSO RECOGNIZES THAT, DESPITE A DECADE OF CHANGE AND REFORM, LITHUANIA STILL FACES ENORMOUS PROBLEMS WHICH REQUIRE SIGNIFICANT STRUCTURAL CHANGES. IN ITS NEW PROGRAM, THE INCOMING GOVERNMENT HAS HIGHLIGHTED SOME POPULAR POLICIES WHICH HELPED GET THEM ELECTED -- CUTTING TAXES AND SPENDING MORE ON SCHOOLS -- BUT HAS AVOIDED SPELLING OUT SPECIFIC REMEDIES FOR MAJOR STRUCTURAL PROBLEMS IN SENSITIVE AREAS, SUCH AS AGRICULTURE, SOCIAL SECURITY, AND HEALTH CARE. THE NEW GOVERNMENT SHOWS THAT IT IS AWARE OF THE ISSUES, BUT, WITH A SHAKY COALITION, MAY NOT BE ABLE TO MAKE PROGRESS ON ALL FRONTS AS URGENTLY AS IS NECESSARY. EMBASSY BELIEVES THAT IF THE NEW GOVERNMENT CAN TACKLE SOME OF THE FUNDAMENTALS, I.E., PRIVATIZE THE LAST BIG STATE ENTERPRISES, AND DELIVER ON ITS PLEDGE TO LIBERALIZE

THE BUSINESS ENVIRONMENT, ALL WITHOUT DRIVING UP THE GOVERNMENT DEFICIT, LITHUANIA COULD MAKE SUBSTANTIAL PROGRESS ON THE ROAD TO BUILDING A MODERN ECONOMY.
END SUMMARY

2. (U) PRIME MINISTER PAKSAS' PROGRAM EMPHASIZES THREE TOP PRIORITIES:

- 1) EDUCATION AND PROMOTING AN "INFORMATION SOCIETY;"
- 2) RESTRUCTURING STATE SYSTEMS AND THE ECONOMY; AND
- 3) INTEGRATION WITH THE WEST AND PRAGMATIC RELATIONS WITH NEIGHBORS

3. (U) THE FOLLOWING ARE THE KEY POINTS IN THE NEW GOVERNMENT PROGRAM:

FUNDAMENTAL NATIONAL SECURITY AND FOREIGN POLICY GOALS REMAIN UNCHANGED

- RECEIVE INVITATION TO JOIN NATO IN 2002
- JOIN EU IN 2004
- GOOD RELATIONS WITH NEIGHBORS, FOCUSING ON EXPANDING MARKETS FOR LITHUANIAN GOODS
- INCREASE DEFENSE SPENDING TO 2% OF GDP BY 2002 (VICE 2001 IN THE LAST GOVERNMENT'S PLANS)
- SHIFT TO A PROFESSIONAL ARMY
- JOIN OECD
- STRATEGIC PARTNERSHIP WITH POLAND; CLOSE TIES AMONG BALTIC STATES
- CLOSER ECONOMIC RELATIONS WITH KALININGRAD AND GOOD RELATIONS WITH RUSSIA, FOCUSING ON ACCESS TO RUSSIAN MARKET

FISCAL AND MONETARY RESTRAINT

- KEEP THE BUDGET DEFICIT TO 2-3% OF GDP IN 2001 WITH A GOAL OF A BALANCED BUDGET
- KEEP A CURRENCY BOARD AFTER REPEGGING LITAS TO THE EURO (NO DATE GIVEN)
- RAISE REVENUES BY LEGALIZING CASINOS

REDUCE TAXES

- LOWER PERSONAL INCOME TAX; ELIMINATE CORPORATE INCOME TAX; ELIMINATE EXCISE TAXES NOT REQUIRED BY INTERNATIONAL OBLIGATIONS
- REDUCE VAT ON HEATING (TO HELP AVERAGE PERSON) AND ON CONSTRUCTION (TO ENCOURAGE NEW BUILDING)

LIBERALIZE BUSINESS ENVIRONMENT

- LIBERALIZE LAND USE AND LABOR LAWS
- REDUCE THE NUMBER OF REGULATIONS, INSPECTIONS AND LICENSES; SIMPLIFY TRANSIT PROCEDURES

CONTINUE PRIVATIZATION, BUT MAKE PROCESS MORE TRANSPARENT

- PRIVATIZE REMAINING STATE-OWNED ENTERPRISES USING NATIONAL STOCK EXCHANGE OR CAPITAL MARKETS
- "NATURAL MONOPOLIES" AND "STRATEGIC OBJECTS TO BE PRIVATIZED IN PART OR IN FULL

GOVERNMENT REFORM

- REDUCE THE NUMBER OF MINISTRIES AND CIVIL SERVANTS
- SEPARATE EXECUTIVE AND REGULATORY FUNCTIONS
- DECENTRALIZE GOVERNMENT ADMINISTRATION

- GIVE LOCAL GOVERNMENTS INDEPENDENT BUDGETS WHICH RELY ON LOCAL RESOURCES; DIRECT ELECTION OF MAYORS AND COUNCILS
- MAKE CIVIL SERVANTS MORE ACCOUNTABLE

AGRICULTURAL REFORM

- AGRICULTURE AND RURAL DEVELOPMENT TO RECEIVE UP 10% OF STATE BUDGET
- SHIFT FROM SUBSIDIES TO DIRECT PAYMENTS
- COMPLETE LAND RESTITUTION
- SEPARATE SOCIAL SUPPORTS FROM PRODUCTION INCENTIVES

SOCIAL SECURITY REFORM

- INTRODUCE PRIVATE PENSION FUNDS

INCREASE SPENDING ON EDUCATION TO 1.5% OF GDP

IMPROVE THE HEALTH CARE SYSTEM

4. ~~(C)~~ COMMENT: ON FOREIGN AND SECURITY POLICY, LITHUANIA'S COURSE IS STEADY. THE NEW PM AND CHAIRMEN OF THE PARLIAMENT HAVE PROMISED, WITH EVEN MORE VIGOR THAN EXPECTED, TO INCREASE DEFENSE SPENDING TO 2% IN 2002, VICE 2001. THIS IS A MINOR, THOUGH REALISTIC, COURSE CORRECTION. FEW PEOPLE BELIEVED THAT THE LITHUANIANS WOULD HAVE BEEN ABLE TO REACH THE 2% MARK NEXT YEAR, CONSIDERING THE FACT THAT THEY HAVE MISSED THEIR TARGETS FOR THE LAST TWO YEARS. THE PRAGMATIC FOCUS ON BETTER RELATIONS AND INCREASED TRADE WITH RUSSIA AND KALININGRAD IS BOTH REALISTIC AND AMBITIOUS.

5. ~~(C)~~ IN GENERAL, THE NEW GOVERNMENT PROGRAM AS WRITTEN IS ON THE RIGHT TRACK, THOUGH IS RATHER SKETCHY IN MANY AREAS. THE NEW GOVERNMENT WILL HAVE TROUBLE CARRYING OUT ITS PLEDGES, FIRSTLY, BECAUSE OF A RELATIVELY WEAK COALITION IN THE PARLIAMENT; AND, MORE FUNDAMENTALLY, BECAUSE A WEAK ECONOMY WILL NOT ALLOW THE GOVERNMENT TO CUT TAXES, RAISE SPENDING, AND MAINTAIN A LOW BUDGET DEFICIT ALL AT THE SAME TIME. THE PRIME MINISTER HAS HINTED THAT MANY OF THE TAX REDUCTIONS WILL HAVE TO WAIT UNTIL THE ECONOMY REVIVES AND GOVERNMENT REVENUES RECOVER. LACK OF REVENUES WILL ALSO FORCE THE NEW GOVERNMENT TO PUT OFF NEW INITIATIVES THAT COST MORE MONEY. WHEN PAKSAS RESIGNED AS PM IN OCTOBER, 1999, THE BUDGET DEFICIT HAD SOARED TO 11.6%. THE OUTGOING KUBILIUS GOVERNMENT REDUCED THE DEFICIT TO 2.8% THIS YEAR. ACCORDING TO THE LATEST IMF AGREEMENT, THE BUDGET DEFICIT CEILING IS 1.4% FOR NEXT YEAR, BUT THE NEW FINANCE MINISTER SAID THAT THEY WILL ASK THE IMF TO RAISE IT TO 2-3%, BUT THERE'S NO INDICATION THAT THE IMF WILL AGREE.

6. (C) DESPITE THE FISCAL BIND, THE NEW GOVERNMENT IS UNDOUBTEDLY GRATEFUL THE OUTGOING GOVERNMENT HAD TO MAKE THE MOST PAINFUL CUTS IN GOVERNMENT SPENDING LAST YEAR. ONE OF THE NEW GOVERNMENT'S MOST IMPORTANT OBJECTIVES SHOULD BE NOT TO FRITTER AWAY THE FISCAL AND FINANCIAL STABILITY THAT WAS ACHIEVED OVER THE LAST YEAR WITH CONSIDERABLE SOCIAL PAIN AND A MASSIVE LOSS BY THE CONSERVATIVE PARTY IN LAST MONTH'S ELECTIONS.



TEFFT

Quinn, Mary E. (EUR)

From: WHSR
Sent: Monday, November 13, 2000 2:47 AM
To: Bolan, Christopher J. (VP); Bruns, Judson L. (Jay) (INTECON); Cables; Davidson, Leslie K. (VP); Duncan, John D. (INTECON); Norland, Richard B. (EUR); Samans, Richard (INTECON); Yee, Hoyt B. (EUR)
Subject: LITHUANIA'S PROGRESS IN THE FIELD OF EXPORT CONTROLS

ActionAddrees: RUEHC/SECSTATE WASHDC 2388
RUCPDC/USDOC WASHDC
RUEADOC/USDOE WASHDC
RHFJUSC/US CUSTOMS WASHDC
RUCNFB/DIRFBI WASHDC
RUEKJCS/SECDEF WASHDC

Classification: UNCLASSIFIED
DateTime: 130830Z NOV 00
Distribution: SIT: BOLAN BRUNS NSC DAVIDSON DUNCAN NORLAND SAMANS YEE
PRT: USTR{P\\SOCKS\GRD-2PS,O6}
Identifier: M4727718
InfoAddrees: RUEHTL/AMEMBASSY TALLINN 5415
RUEHRA/AMEMBASSY RIGA 1687
Line1: RAAUZYUW RUEHVL3174 3180830-UUUU--RHEHAAX.
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Line4: FM AMEMBASSY VILNIUS
Originator: AMEMBASSY VILNIUS
Precedence: ROUTINE
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CABLES
DAVIDSOL
DUNCANJ
NORLANDR
SAMANSR
YEEH

StationRoutingIndicator: RUEHVL
StationSerialNumber: 3174
TimeOfReceipt: 11/13/2000 03:46:37 ET

UNCLAS SECTION 01 OF 02 VILNIUS 003174

STATE FOR NP, EUR
TALLINN FOR LEGATT
DOD FOR DTSA
USDOC FOR BXA
CUSTOMS FOR OIA

E.O. 12958: N/A
TAGS: PREL, PARM, MASS, ETRD, ETTT, LH
SUBJECT: LITHUANIA'S PROGRESS IN THE FIELD OF EXPORT CONTROLS

REF: VILNIUS 2881

1. THE FOLLOWING IS AN UPDATE ON LITHUANIAN CUSTOMS PROCEDURES PERTAINING TO THE IMPORT, EXPORT, AND TRANSIT CONTROL OF STRATEGIC AND DUAL-USE GOODS AND TECHNOLOGIES, WHICH WAS PROVIDED BY THE LITHUANIAN CUSTOMS DEPARTMENT.

2. (BEGIN TEXT) THE LITHUANIAN CUSTOMS ORDER OF 1 AUGUST 1997 "ON THE PROCEDURE FOR CUSTOMS CLEARANCE OF THE CONTROLLED GOODS AND ISSUANCE AND COMPLETION OF THE DELIVERY ACKNOWLEDGEMENT CERTIFICATES" OBLIGATES EACH TERRITORIAL CUSTOMS OFFICE TO DESIGNATE OFFICER(S) WHO WOULD BE DIRECTLY RESPONSIBLE FOR THE CUSTOMS CONTROL OF STRATEGIC GOODS AND THE DELIVERY ACKNOWLEDGEMENT CERTIFICATES. SINCE THEN, IN TOTAL 20-25 CUSTOMS OFFICERS ARE RESPONSIBLE FOR IMPORT-EXPORT CONTROL OF STRATEGIC GOODS AND TECHNOLOGIES AT TERRITORIAL CUSTOMS OFFICES AND THE DEPARTMENT ON A DAILY BASIS.
3. ON 29 FEBRUARY 2000, THE MINISTRY OF FINANCE APPROVED A NEW STRUCTURE OF THE CUSTOMS DEPARTMENT. THE FUNCTION OF STRATEGIC GOODS AND TECHNOLOGIES CONTROL WAS TRANSFERRED TO THE ANTI-SMUGGLING, INTELLIGENCE, ANALYSIS AND INVESTIGATION DIVISION OF THE VIOLATIONS PREVENTION AND INVESTIGATION SERVICE. A SPECIAL POSITION WAS ESTABLISHED IN THE INTELLIGENCE AND ANALYSIS SUBDIVISION TO COMPILE DATA ON THE ENTERPRISES, WHICH EXPORT AND IMPORT STRATEGIC GOODS, TO OVERSEE THEIR FUNCTIONS, AND SERVE AS COMMUNICATOR BETWEEN THE ISSUE-RELATED STATE INSTITUTIONS AND PRIVATE SECTOR REPRESENTATIVES.
4. BETWEEN 1997 AND 2000, LITHUANIAN CUSTOMS DEPARTMENT HELD A NUMBER OF SEMINARS ON THE IDENTIFICATION AND DETECTION OF DUAL-USE GOODS AND THE CONTROL OF CROSS BORDER MOVEMENTS OF STRATEGIC GOODS. BOTH LOCAL AND FOREIGN SPECIALIST CONDUCTED THESE SEMINARS.
5. IN 1997, A NEW TRAINING COURSE WAS INTRODUCED AT THE LITHUANIAN CUSTOMS SCHOOL TO TEACH CUSTOMS INSPECTORS AND INSPECTORS ON PROBATION HOW TO CONTROL IMPORT-EXPORT OF STRATEGIC GOODS AND TECHNOLOGIES AT THE LITHUANIAN BORDERS. THE COURSE IS BASED ON A NEW TEXTBOOK "EXPORT CONTROL". IN 1997-1998, THE LITHUANIAN CUSTOMS OFFICIALS AND OFFICIALS FROM OTHER STATE INSTITUTIONS ATTENDED A NUMBER OF SEMINARS IN THE U.S. ON THE ISSUANCE OF LICENSES FOR STRATEGIC GOODS. IN FEBRUARY 2000, THE REPRESENTATIVES OF THE CUSTOMS DEPARTMENT ATTENDED THE SEMINAR ON THE CONTROL OF STRATEGIC GOODS IN BUDAPEST.
6. IN JUNE 2000, IN VILNIUS, AND IN SEPTEMBER 2000, IN THE U.S., SPECIAL TRAINING COURSES WERE ORGANIZED FOR THE OFFICERS OF THE VIOLATIONS PREVENTION SERVICE ON THE IDENTIFICATION OF STRATEGIC GOODS, PREVENTION, INVESTIGATION, INQUIRY, ETC. COOPERATION WAS ESTABLISHED IN THE FIELD OF STRATEGIC GOODS CONTROL BETWEEN THE CUSTOMS OFFICIALS OF THE LITHUANIAN VIOLATIONS PREVENTION SERVICE WITH THE OFFICIALS OF ANTI-SMUGGLING AND INTELLIGENCE DEPARTMENTS IN RUSSIA, POLAND, LATVIA, BELARUS, AND ESTONIA.
7. EVERY YEAR, LITHUANIAN CUSTOMS REGISTERS ABOUT 200 VIOLATIONS RELATED TO THE IMPORT, EXPORT OR TRANSIT OF STRATEGIC GOODS. IN JUNE 1999, THE CUSTOMS DEPARTMENT SUSPENDED THE EXPORT LICENSE OF THE CLOSED STOCK COMPANY "AVIABALTICA" AND DID NOT ALLOW IT TO EXPORT DUAL-USE GOODS UNTIL THE INVESTIGATION WAS COMPLETED. AT THE ROAD, RAILWAY,

AIR, AND SEAPORT POSTS OF THE TERRITORIAL CUSTOMS OFFICES, CUSTOMS OFFICIALS ARE ON DUTY ON A DAILY BASIS. EVERY TERRITORIAL CUSTOMS OFFICE IS EQUIPPED WITH VISUAL-WRITTEN MATERIAL INTENDED TO HELP CUSTOMS OFFICERS TO IDENTIFY STRATEGIC GOODS. THE GOAL IS TO ENSURE THAT ALL SHIPMENTS OF STRATEGIC GOODS ARE HANDLED ACCORDING TO SPECIAL REGULATIONS.

8. ON 26 SEPTEMBER 2000, THE PARLIAMENT OF THE UNCLAS SECTION 02 OF 02 VILNIUS 003174

STATE FOR NP, EUR
TALLINN FOR LEGATT
DOD FOR DTSA
USDOC FOR BXA
CUSTOMS FOR OIA

E.O. 12958: N/A
TAGS: PREL, PARM, MASS, ETRD, ETTT, LH
SUBJECT: LITHUANIA'S PROGRESS IN THE FIELD OF EXPORT CONTROLS

REPUBLIC OF LITHUANIA RATIFIED THE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA AND THE GOVERNMENT OF THE UNITED STATES ON MUTUAL ASSISTANCE IN CUSTOMS MATTERS, SIGNED ON 17 MARCH 1997. THE AGREEMENT SHOULD EXPAND THE COOPERATION BETWEEN THE LITHUANIAN AND U.S. CUSTOMS DEPARTMENTS IN PREVENTING THE SMUGGLING OF STRATEGIC AND DUAL-USE GOODS.(END TEXT)

9. COMMENT: LITHUANIA HAS MADE SIGNIFICANT PROGRESS IN DEVELOPING AND IMPLEMENTING PROGRAMS TO CONTROL STRATEGIC AND DUAL-USE GOODS. IN ADDITION TO THE PROGRAMS NOTED ABOVE, THE GOL HAS MADE EXCELLENT USE OF THE U.S.-SUPPLIED TRACKER EXPORT CONTROL SYSTEM AND THE WISCONSIN PROJECT RISK REPORT DATABASE. LITHUANIA IS COMMITTED TO CONTROLLING ITS BORDERS, AND PREVENTING THE ILLEGAL IMPORT, TRANSIT, OR EXPORT OF STRATEGIC AND DUAL USE GOODS. END COMMENT.
TEFFT