

Press Releases: Previewing the Imposition of Chemical and Biological Weapons Control and Warfare Elimination Sanctions on Russia

Special Briefing
Senior State Department Officials
Via Teleconference
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MODERATOR: Thank you so much. Good afternoon, everyone. And thanks so much for joining us for this background call, conference call on the imposition of Chemical and Biological Weapons Control and Warfare Elimination Act sanctions on Russia.

State Department officials joining us today are [Senior State Department Official Number One]. He will be referred to as Senior State Department Official Number One. Also, [Senior State Department Official Two] will be referred to as Senior State Department Official Number Two.

I'll turn it over to [Senior State Department Official One] who will open up our call, and then we'll take a few questions. [Senior State Department Official One], go right ahead.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Thanks, very much, [Moderator]. Thanks for joining us today, and we appreciate you listening. We've got some – we've got some things to announce as you will have probably already heard from [Moderator]'s official statement. We are today announcing that we've determined under something called the CBW Act, as [Moderator] mentioned, that the Government of the Russian Federation has used chemical or biological weapons against international law or against their own nationals. This is a triggering factor under the CBW Act for the imposition of mandatory sanctions.

We notified Congress today that pursuant to this act we intend to impose sanctions against the Russian Federation in a number of respects, the most significant of which is the imposition of a presumption of denial for all national security sensitive goods or technologies that are controlled by the Department of Commerce pursuant to the Export Administration Regulations. These goods are currently subject to a license – a case-by-case license determination, but we are – henceforth, when these sanctions go into effect, we will be presumptively denying such applications.

We are – in approximately the 22nd of August or so, we anticipate that a Federal Register notice will be put out that will make these official. The congressional notification has gone under the act today. So these things are being set in motion.

There are a number of carve-outs that we are making under the sanctions that are required by the act. Not everything that is mandatory under the act we will be proceeding with at this time. The carve-outs will include a – we will have a waiver for the provision of foreign assistance to Russia and to the Russian people. Our provision of foreign assistance is a tool of U.S. power and influence, and we're not going to foreswear that just because we have the obligation to impose some sanctions against Russia. So that is going to be a carve-out under this – under these new sanctions.

We are also waiving sanctions with respect to space flight activities, because of course there are space flight actions in which we are engaged with the Russian Federation upon which we depend in some regards. Those will be free to continue on a case-by-case licensing basis. And we are also having a carve-out for safety of commercial passenger aviation because some of these national security sensitive goods in question are ones that perhaps might be important for safety of flight issues, so we are allowing ourselves the ability to continue on a case-by-case basis with those items. And there are a couple of more things like purely commercial end users for civilian end uses will be on a case-by-case basis.

Rather than under that presumption of denial, an export license is also with respect to Russian nationals that work with these sorts of goods while employed by firms in the United States as opposed to elsewhere, as well as exports to wholly-owned subsidiaries of U.S. companies and other foreign companies in Russia.

So there are a few exceptions to this, but the basic rule we will be following the full scope of the mandatory sanctions required by the act. And we'd be happy to take any questions as you like. I should add also, for those of you familiar with the CBW Act, it – there – under its structure, if a series of criteria are not met within, I believe, 90 days from this point – if Russia does meet a series of criteria, it will be – we will have to be in a basis of considering whether or not to impose a second – or what sanctions to impose in a second tranche as specified by the structure of the statute. So hopefully we will not get to that point, but that's really a question for Russia than for us.

MODERATOR: Okay. And with that we'll take your questions. And a reminder, this is embargoed until the end of the call. We'll start with Nick Wadhams from Bloomberg. Hi, Nick.

QUESTION: Thanks for doing the call. [Senior State Department Official One], can you talk a little –

QUESTION: Hi. Can you hear me? Hello?

MODERATOR: Go right ahead, Nick.

QUESTION: Hey. Can you talk a little bit about what the second round of sanctions would look like? And can you also talk about why this is happening now as far as has been reported now by NBC in particular that there had been a two month deadline for the President to make this determination and then impose the sanctions, but that deadline expired a little while ago? So what accounted for the delay? Thank you.

SENIOR STATE DEPARTMENT OFFICIAL ONE: I'll take the first bit first, if I might. These things are just intrinsically complicated and hard. I think we have invoked these sanctions under the act on three – this is the third time over the years. In both previous occasions, both with Syria in 2013 and with the DPRK in connection – or resulting from North Korea's use of a VX nerve agent in the assassination in Kuala Lumpur. In both of those cases, the deadline was also not met. So unfortunately, it is more the norm than an unusual thing for us to be slightly late. These are complicated pieces of moving equipment, if you will, inside the U.S. bureaucracy, but we took our time to do our homework right, and we are – we have made the determination that you are hearing from us about today.

MODERATOR: Okay. Next question goes to Carol Morello with *The Washington Post*. Oh, sorry.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Forgive me, I forgot to answer the question about the second round of sanctions. My mistake.

Obviously, we don't forecast sanctions in advance, but simply by virtue of what the statute sets out, you will be able to see in the U.S. code that if the executive branch cannot certify that Russia has met a series of conditions within three months of the initial round of sanctions, the second round must be imposed. Those conditions are pretty demanding, but you can see them for yourself in the statute. They include, for example, that Russia is no longer using chemical or biological weapons in violation of international law, or using lethal chemical or biological weapons against its own nationals; secondly, that Russia has provided reliable assurances that it will not in the future engage in such activities; and also that Russia is willing to allow on-site inspections by United Nations observers or other internationally recognized impartial observers, or other reliable means exist to ensure that the government is not using chemical or biological weapons in violation of international law, et cetera.

So that – those are the criteria. If those criteria are not met – and as I said before, this is not something that we're in a position to forecast, but certainly is really up to Russia to make that decision, whether they meet this criteria. The second round of sanctions under the CBW Act will require three of a number of sanctions – at least three of a number of sanctions to be imposed. They are in general more draconian than the first round. It's designed to be a sliding scale of pressure, as I understand the creation of the law. And you can find those in Section 307(B) of the act if you're curious.

MODERATOR: Okay. Next question goes to Carol Morello from *The Washington Post*.

QUESTION: Hi. Could you give us some idea about the money, the dollar value of the exports and imports that this will affect? And also can you tell us if you have notified the Kremlin of this already? Thank you.

SENIOR STATE DEPARTMENT OFFICIAL ONE: The last question – last bit first. Yes, we have notified the Russians. The items affected, the technologies going to – in fact, we also mentioned to our allies as well; I should make sure that's also clear. We've been doing a good deal of diplomatic engagement before we talk to you today, and don't take it personally.

The – we're interpreting these – we are applying these sanctions against essentially all state – Russian state-owned or state-funded enterprises. That's potentially a very great sweep of the Russian economy in terms of the potentially affected end users. I would – not sure the entire numbers, but you – the specific numbers, but it may be that – something on the order of 70 percent of their economy and maybe 40 percent of their workforce falls within those enterprises. So to the degree that they wish to acquire national security controlled goods that fall within the ambit of our prescription here, those are potentially affected. It is possible that this trade – the trade it affected could reach potentially hundreds of millions of dollars, but it also depends upon what Russia – Russian entities in fact apply to purchase. So if they don't apply for exports of these goods, of course, we don't have to presume – we don't have to use the presumption of denial to deny it.

So really, it's up to Russia how dramatic the impact is. But let me say that overall, historically something upwards of 50 percent of Commerce Department licenses for Russia have included at least one national security controlled item. So this is a non-trivial set of stuff. By dollar value, the top categories of items historically tend to be things like aero gas turbine engines, electric – electronic devices and components, integrated circuits, test and calibration equipment of various sorts, materials, production, equipment, and various things like that. The list is enormously elaborate.

MODERATOR: Okay. Next question goes to Gardiner Harris with *The New York Times*.

QUESTION: Hi, thanks for doing the call. Two questions. One is: Is there any new information that you have about the poisoning that led to this? What intelligence are you basing your decision on, or was it the original finding back in March that the Russians were to blame for this poisoning? And second: There has of course been this puzzling disconnect seemingly between the Trump administration writ large, the government, and President Trump himself, who keeps repeating that he wants to make ties with Russia better and that that would be a good thing. And doesn't this action once again seem to contradict the President's own stated desire to improve relations with Russia? Thanks.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Sorry, remind me again the first bit.

QUESTION: Oh, the first bit was, is there – what was the intelligence that you used to determine that Russia –

SENIOR STATE DEPARTMENT OFFICIAL ONE: Ah, right.

QUESTION: – was guilty of providing this nerve agent? Is there new information? Is this old information? Where are you getting the conclusion that Russia is behind this Skripol poisoning?

SENIOR STATE DEPARTMENT OFFICIAL ONE: Certainly. I will leave it to others to characterize the current state of our understanding of the Skripol affair. We've been very clear that we agree with the assessment that it was a Novichok agent and that the perpetrator was ultimately the Russian Federation. I'll leave it to others to give those kinds of details of what we currently understand. Obviously, from reading the press, it appears that their investigation is ongoing in terms of the scope and nature of the details and of its implications. But I'll leave that to others.

With respect to our position on this, this is a question not of Russia policy per se but of implementing laws that Congress has put in place. The criteria for running the clock under the CBW Act began when we made the call back in March that we agreed that the use of chemical weapons had occurred.

This is not about different bits of the administration going in different directions. We are all one administration and we're all on the same page here. The State Department is part of the administration, and this is all part of an overall approach that's quite consistent. We are tough on Russia and at the same time we're quite committed to working to maintain relations because there are important things at stake here. We work on cooperative things where it is possible to do so, and we cry foul when it's necessary to do so. That's been a part of our strategy all along and it's nothing new here.

MODERATOR: Our next question goes to Nick from PBS. Sir? Okay. Well, I'll head over to Susannah George from AP.

QUESTION: Can you hear me?

MODERATOR: Yes, we can. Go right ahead.

QUESTION: Hi, Heather, sorry, sorry. Sorry, guys. Thanks for doing this. I just had a question – just had a question about the effect of this or what you want the effect to be and what you want the goal to be. So you said that this list – engines, circuits, materials, production equipment – it's elaborate. To sum it up, what do you expect the effect of trying to cut all of those things off from Russia to be? And what's the goal? Is the goal to deter Russia from doing this again, or how would you put what the goal of this action is today?

SENIOR STATE DEPARTMENT OFFICIAL ONE: Well I think it was pretty clear when Congress passed this that the objective was to punish egregious acts as defined in the statute. We are trying to faithfully implement that. Hopefully it will have a deterrent effect in the future. You can see from the structure of the act that it is – that the second tranche of sanctions is designed to come into play unless and until Russia has done things that go to issues of

remedial behavior, right, allowing – giving reliable assurances that nothing like this will happen again; allowing inspectors to verify that that is, in fact, the case. I believe there are criteria in the act with regard to restitution for victims.

So this is about partly making sure this doesn't happen again and partly making good in response to the problem that has – to the perpetration of this act in the first place.

MODERATOR: Okay. Next question is Susannah George from AP.

QUESTION: Hey there, thanks for doing this call. Two questions. You said that you notified the Kremlin about this. In your talks with Russia, does Russia express any willingness to allow inspections to show compliance? And then if you could just describe how these sanctions are different from the other sanctions that are already in place against Russia. Thanks.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Well, it's not my place to describe the content of diplomatic encounters, so if they wish to characterize what they think, they're probably pretty good at doing that themselves. With respect to these particular sanctions, I mean just by way of example, I mean, the current framework for export of the goods – some of the change with respect to these technology control items, the current approach is that these are on a case-by-case basis under normal licensing procedures. That will no longer be the case for these items. They'll be under what we call a presumption of denial. That's a significant change, so that is a difference from where the status quo was before.

There are a number of sanctions that are in place under a variety of statutes against Russia right now and executive orders, but I will let others characterize most of those. I mean, certainly the Global Magnitsky human rights sanctions have been in place here. That's not really my lane in the road here at the State Department, so I'm not so expert on all the other bits and pieces. But this is only one of a number of pieces, a number of instances in which we are faithfully implementing sanctions against Russia as required by U.S. law.

MODERATOR: Next question, Lesley Wroughton from Reuters. Lesley, are you there?

QUESTION: I am – I'm here, sorry. Hello. I'm looking at the actual act, and – which contains the provision for sanctions, and I'm wondering if the President has approved an exemption for Russia's RD-180 rocket engines which NASA depends on for its Atlas rockets. Do you know – I guess the Russians are the sole supplier of those.

SENIOR STATE DEPARTMENT OFFICIAL ONE: (Inaudible) national security-controlled item under the EAR. However, we do have a general carve-out in these sanctions for space flight activities, government space cooperation and commercial space launch. It may be, however, that that particular engine is under a different framework.

MODERATOR: Last question goes to Laura Rozen.

QUESTION: Thank you so much for doing this. Following up on Carol Morello's question, can you how it was communicated to the Kremlin that you are going to impose these sanctions? Who talked to who or met with who?

SENIOR STATE DEPARTMENT OFFICIAL ONE: We informed them this afternoon. That's about as much as I can say right now.

QUESTION: They often tell us on these backgrounders that the – who met with whom at the embassy or whatever.

SENIOR STATE DEPARTMENT OFFICIAL ONE: I don't know what's normal. I would just leave it at that.

QUESTION: Thanks.

MODERATOR: Okay, thanks, everybody, for joining the call. As a reminder, this is on background to a senior State Department official. The embargo has now been lifted. Have a great day; hope you're all well.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Thanks very much, everyone.

MODERATOR: Thanks.

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