

## **On aid to the Palestinians:**

Q Could you -- I don't know if this is going to come up in your discussions with Chancellor Merkel and with French President Chirac, but now that the Israeli elections are over and now that Hamas has now assumed the leadership of the Palestinian legislature, where do things stand in terms of aid to the Palestinians? What sorts of decisions do you expect to make with the other leaders and in the United States Government on this issue?

SEC. RICE: Well, our review of Palestinian assistance programs is drawing to a close. I mean, we've done the work, we've got a few more consultations to do, but it's drawing to a close. And I would expect to be able to look at some decisions pretty soon. I'm going to be away for a little while so that may well delay it.

But the principle is very clear: We're not going to fund a Hamas- led government, provide funding to a Hamas-led government, but we are going to see what we can do to increase humanitarian assistance to the Palestinian people and what mechanisms we can use to do that to make certain that the money is not indeed supporting the Hamas-led government.

I know that others are making similar reviews and similar decisions. We probably will have a chance to talk. A lot of the assistance, of course, for Britain and for France and for Germany comes through the European Union and we'll continue to have discussions with them as well. But we've been very much on the same page that what Hamas needs to do is to accept the Quartet requirements so that it can govern effectively and so that the world can support it. So I think that's where we are.

Q Just a follow-up. Well, what sorts of decisions do you have to make? Is it in terms of the level of aid or the types of things?

SEC. RICE: Level of aid is one of the questions. Really trying to sort what is humanitarian and what can go through NGOs, what kinds of aid might in fact get diverted, and so you want to avoid that. But we're trying to be as generous as possible to the Palestinian people because we know they have severe humanitarian needs. And we said on the first day that we were not going to cut off food assistance or refugee assistance or medical assistance to Palestinians. You have to go through program by program because sometimes categorizing is not that simple and we've had long histories of how we've delivered these.

It's only recently that we delivered any direct aid to the Palestinian Authority in any case, but I think we just -- you know, it's taken some time to go through it, but those are the kinds of decisions that you have to make.

## **On the next step on Iran:**

Q What would you like the next steps to be on Iran? And Russia has made very clear that they would not be on board for sanctions or any sort of invasion. What are you looking at in this particular meeting, if you could just paint a scenario of what the possible options might be?

SEC. RICE: Well, of course, a lot depends on what the Iranians do in response to the presidential statement and their increasing isolation. But once you're in the Security Council, and we are indeed in the Security Council, you have a number of options at your disposal and it's not just sanctions of the kind that people have always thought about. I think that we'll look at politically how can strong messages be sent to the Iranian regime that it's the regime that's isolated, not the Iranian people.

We'll undoubtedly look at questions of what -- how Iran can be better convinced to return to the IAEA safeguards. Given that they claim they want a civil nuclear program, I've actually never understood why with a civil nuclear program you have to have certain kinds of capabilities. So I think we have to look at how those capabilities are being supported and what we might do about the support to those capabilities.

But this isn't the time to try and come to a conclusion about what the next step is. It's an opening discussion about those next steps and I think we'll have a better idea of what everybody is prepared to do. But a lot is going to depend on the Iranian reaction and I would not at this point carve in stone anybody's decisions about what next steps might be.

## **On Russian concerns over sanctions on Iran:**

Q Russia has been quite concerned that any next steps or sanctions, if it ever got to that point, could push Iran to kick out inspectors and essentially leave the whole IAEA framework completely. How much did that concern play a role in getting to this statement and how realistic do you think that scenario is? I mean, could Iran get pushed to the point where essentially you're in a worse position because there's no eyes and ears there than you are now?

SEC. RICE: Well, I don't know that it's necessarily worse to have Iran finally clarify for people that they don't intend to live under the international regime because what they're doing currently is a kind of salami tactic. First it was just going to be conversion. Then it was just going to be a small-scale R&D. Then it was going to be about centrifuge production. So I don't see Iran particularly constrained by the fact that the IAEA continues to operate in Iran right now. So if Iran makes that threat and carries through on it, then I think we'll have a better and clearer view of what Iran's intentions really are. And so that's not a cost-free move by the Iranians given that they continue to claim that they want peaceful nuclear uses.

### **On Russia's role in Iraq and on the agenda of the Berlin meeting:**

Q Iraq, for example?

SEC. RICE: Well, I'm awaiting the Russian Government's response so I don't know if it will be at this meeting or not.

But let me just say one other thing about the P-5 + 1. I really want to emphasize that the text work is done, so this is not to go and write another statement. We've just finished that. This is really to have an open discussion about how we move forward.

### **On Iran:**

Q Madame Secretary, when you speak about broadening out the discussion to take into account the whole list of Iranian concerns, are you looking for the Security Council or the broader international community to deal with the long list of concerns of Iran such as not only terrorism but in recent months you've announced a new policy towards Iran to increase your work on democracy, to try and change at least the nature of the regime or the behavior of the regime. You've set up a new office really dealing with Iran in a much deeper and more comprehensive way. Is this what you're looking for from the P-5 + 1 or the international community? You've called Iran one of the greatest foreign policy challenges of this time.

SEC. RICE: Well, it's clearly a great foreign policy challenge. And no, I'm not suggesting that this is something the Security Council needs to take up, but obviously it is something that puts the Iranian nuclear program into context for dealing with it in the Security Council. I suspect that this is going to continue to be about the nuclear program of Iran in the Security Council. But when you are looking at a state that has threatened or says that it will indeed wipe another member of the UN off the map, when you are looking at a state that supports terrorists in the Middle East, that supports Hezbollah in Lebanon despite the UN Security Council resolutions that declare that there shouldn't be the foreign interference of Syria in Lebanon, you have to put in context that state with the technology to build a nuclear weapon. And so I think it's more of an issue of the context in which we understand Iran's nuclear ambitions.

### **On U.S. talks with Iran on Iraq:**

Q Madame Secretary, can you bring us up to date on what Zal is doing, if anything, with the Iranians, either directly -- has he met yet -- or has the staff of the Embassy working it? Where does that stand?

SEC. RICE: Zal has not met with his counterpart and, you know, it'll happen at some point in time. Look, everybody is very busy right now in Iraq. They're trying to facilitate and help the Iraqis to form a government and that's a full-time occupation right now, but at an appropriate time he'll meet with them. I keep reminding people that people should not put so much weight on -- I'm not saying you're doing that, Charlie -- but shouldn't put so much weight on these talks because this has been an authority that has been there for a long time and it only, I think, reached some prominence because really of the comments of the Iraqis saying that they would like this to take place. But the authority is there and sooner or later they'll take place.

Q (Inaudible.)

SEC. RICE: I don't know what to think of the reason so, you know, it's fine.

## **On Mahmoud Abbas:**

Q Back to the Middle East. Madame Secretary, now that Hamas has taken control of the government there, what becomes of the U.S. relationship with President Abbas? Do you still think that he has some leverage over there or is it something that you're going to have to move on and find another partner?

SEC. RICE: Well, President Abbas is still the duly elected President of the Palestinian Authority. He was elected by 63 or 64 percent last January and that is a statutory position -- January of last year. Sorry, when, in April? January of last year. So he is still the duly elected President of the Palestinian Authority.

He has been the principal contact with the Quartet, for instance. I talked to him myself about six or seven days ago. So I think that he still is someone who stands for the aspirations of the Palestinian people for a peaceful resolution of the Palestinian-Israeli conflict, someone who still stands for a rejection of terrorism and violence as a way to end that conflict, and therefore someone who obviously because of the way that the Palestinians elected him also stands for many of the aspirations of his people. And so I think there is considerable value in that.

## **On Chapter 7 and binding authority in the presidential statement:**

Q Madame Secretary, the Russians and the Chinese seemed intent on making sure that the presidential statement did not have in it any sort of hook that could be used later to say the Security Council must do something if Iran doesn't act and they seem to have succeeded at that. Do you believe that if you agree on some further step that the statement gives the United States and its allies the authority to say the Security Council must move forward in any particular way?

SEC. RICE: We were not trying to hide a Chapter 7 resolution in a presidential statement. You know, when we get to the status -- to the state of affairs that we want to seek a resolution, we'll seek a resolution. This presidential statement had one purpose and one purpose only: It was to, in effect, restate what had been in the IAEA Board of Governors resolution and to put the weight of the Security Council behind that resolution and to give the IAEA the weight of the Security Council.

You know, we all had views of how this ought to turn out. The Russians also didn't want the simultaneous reporting to the Security Council and the IAEA. There is simultaneous reporting to the Security Council and the IAEA. So we came to a common position by working out our differences and everybody, I think, is now comfortable that this resolution does what it needs to do. But I want to be very clear. When you are taking a first step, the unity of the P-5 in particular, but the unity of the Security Council, is extremely important and we were willing to deal with the Russians on their concern and clearly they were willing to deal with us on our concern.

## **On unilateral disengagement from the West Bank:**

Q Madame Secretary, to return to the Middle East for a second, the Israeli elections this week were won by Kadima and obviously on a platform of even if they have to unilaterally setting Israel's borders by 2010. The United States has always made its preference known for a negotiated settlement. You have problems with Hamas, but there's President Abbas there. Are you comfortable with this unilateral approach there and will you be pressing for negotiations at some point down the track?

SEC. RICE: Well, first of all, I think we'll have to let the Israeli Government be formed so that we then have a means or we have interlocutors with which to have a discussion about how Israel sees the future. Of course everyone would like to see a negotiated solution. That's what the road map is all about. I would note that the unilateral withdrawal from Gaza was supported by the United States and ultimately by the international community. So I think it depends on what is being discussed here and that turned out to be a coordinated unilateral withdrawal. So I wouldn't on the face of it just say absolutely we don't think there's any value in what the Israelis are talking about, but I also can't -- we can't support it because we don't know. We haven't had a chance to talk with them about what they have in mind.

I would note that if you're going to have a negotiation though, you have to have partners. And the Palestinian Government that has just been sworn in does not accept the concept of a negotiated solution. What they say is that they retain the right to violence, they do not accept that the other party is actually legitimate or even has the right to exist. On that basis with that government, it's going to be hard to imagine a negotiation.

So that's the reason that I think you're getting so much from both the Quartet and from many of the Arab states that there needs to be a recognition by the new Palestinian Government that negotiation requires two parties and it usually requires you to recognize the right to exist of the other party as well as the primacy of negotiation and not to support violence.

Q (Inaudible.)

SEC. RICE: I think, look, you have a Palestinian Government. President Abbas retains certain authority as president, but we can't ignore the fact that there is also a Palestinian Government that does not recognize the requirements of the Quartet and of the road map and indeed the requirements that are necessary for negotiation.

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## **FULL TEXT:**

SEC. RICE: Good evening. The overnight flight to Europe is now underway. Sorry, I had to be on a panel for the American Society of International Law.

Q (Inaudible.)

SEC. RICE: Actually, it was. It was very interesting. Sandra Day O'Connor was on it and this wonderful woman, Judge Higgins, from Great Britain, so it was fun.

I am, as you know, off to Europe, and so are you, and I just wanted to talk a little bit about the meetings in Berlin, in particular the meetings of the P-5 + 1. The first point I would make is that we've increasingly found this a useful forum in which to address one of the most important issues in the international system at this time, and that is the Iranian nuclear program and the behavior of Iran. And in this session we'll have a chance to look ahead. We have the presidential statement. The presidential statement is an international voice to the Iranians that they need to suspend their activities, return to negotiations and that they continue to be isolated by what is the unanimous view of the Security Council that they must take the steps that the IAEA has demanded.

Given that we don't now have to negotiate text, we will really have an opportunity to sit and look ahead to what next steps we might wish to take. We'll also have a chance to look ahead and talk not just about the nuclear program but about the broader concerns about Iran on terrorism, given the issues in Syria and Lebanon, on which, by the way, this same group has associated in Security Council resolutions. We can talk about the situation with Iran in the Palestinian territories and of course we can talk about the nature of the Iranian regime and the kinds of comments that are coming out of Iran that show that this regime is really -- is a troublesome regime for peace and stability in the Middle East.

And so I think this conversation will be broader, but the best thing is that we won't be going in to negotiate text, as we did on January 30th. We'll really be looking ahead.

I also will have an opportunity to meet with Chancellor Merkel and with President Chirac. I'm looking forward to those discussions also on broad issues, but again not just concerning the Iranian nuclear issue but Iran more broadly and the challenge that Iran poses, and I suspect that we'll also have a chance to talk about other issues like Syria and Lebanon, the Middle East peace process and Iraq.

So it's another round of consultation. It's my own view that these frequent consultations are really producing fruit because we have been able to hold this coalition together. We have the same strategy, we have the same goal, but obviously we've had tactical differences and this gives us a chance to stay together as we move forward.

Q Will you have an opportunity to talk to Foreign Minister Lavrov about other issues, bilateral issues, especially given today's comments by President Putin that you are actually now impeding their accession to WTO and basically that the relationship is not on a very good track?

SEC. RICE: Well, I haven't seen President Putin's comments but we've been very clear that we'd like to see Russia a member of the WTO. But the agreement has to conform to WTO rules and it has to be something that will pass congressional scrutiny that it indeed conforms to international rules. We have problems on poultry. We have problems on financial services. I don't think this is an issue of impeding. I think this is an issue of negotiation and trying to get to an outcome that I think both presidents would like to have, which is Russian accession to the WTO. But it has to be on the basis of openness and opening of the Russian economy.

Yes, I will talk -- I will -- I think we'll have a little time probably to talk about other issues.

Q (Inaudible.)

SEC. RICE: Pardon me?

Q Iraq, for example?

SEC. RICE: Well, I'm awaiting the Russian Government's response so I don't know if it will be at this meeting or not.

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SEC. RICE: Well, of course, a lot depends on what the Iranians do in response to the presidential statement and their increasing isolation. But once you're in the Security Council, and we are indeed in the Security Council, you have a number of options at your disposal and it's not just sanctions of the kind that people have always thought about. I think that we'll look at politically how can strong messages be sent to the Iranian regime that it's the regime that's isolated, not the Iranian people.

We'll undoubtedly look at questions of what -- how Iran can be better convinced to return to the IAEA safeguards. Given that they claim they want a civil nuclear program, I've actually never understood why with a civil nuclear program you have to have certain kinds of capabilities. So I think we have to look at how those capabilities are being supported and what we might do about the support to those capabilities.

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Q Madame Secretary, when you speak about broadening out the discussion to take into account the whole list of Iranian concerns, are you looking for the Security Council or the broader international community to deal with the long list of concerns of Iran such as not only terrorism but in recent months you've announced a new policy towards Iran to increase your work on democracy, to try and change at least the nature of the regime or the behavior of the regime. You've set up a new office really dealing with Iran in a much deeper and more comprehensive way. Is this what you're looking for from the P-5 + 1 or the international community? You've called Iran one of the greatest foreign policy challenges of this time.

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retain the right to violence, they do not accept that the other party is actually legitimate or even has the right to exist. On that basis with that government, it's going to be hard to imagine a negotiation.

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Q (Inaudible.)

SEC. RICE: I think, look, you have a Palestinian Government. President Abbas retains certain authority as president, but we can't ignore the fact that there is also a Palestinian Government that does not recognize the requirements of the Quartet and of the road map and indeed the requirements that are necessary for negotiation.

Q Madame Secretary, can you bring us up to date on what Zal is doing, if anything, with the Iranians, either directly -- has he met yet -- or has the staff of the Embassy working it? Where does that stand?

SEC. RICE: Zal has not met with his counterpart and, you know, it'll happen at some point in time. Look, everybody is very busy right now in Iraq. They're trying to facilitate and help the Iraqis to form a government and that's a full-time occupation right now, but at an appropriate time he'll meet with them. I keep reminding people that people should not put so much weight on -- I'm not saying you're doing that, Charlie -- but shouldn't put so much weight on these talks because this has been an authority that has been there for a long time and it only, I think, reached some prominence because really of the comments of the Iraqis saying that they would like this to take place. But the authority is there and sooner or later they'll take place.

Q (Inaudible.)

SEC. RICE: I don't know what to think of the reason so, you know, it's fine.

Q (Inaudible) -- the Afghan Christian getting asylum in Italy. Is that the resolution you were looking for, the positive solution, as I think you called it?

SEC. RICE: Well, it's favorable in the sense that this man's life has been spared and that the Afghans were able to create conditions in which he was able to leave the country. Look, this is a young democracy and I suspect that we're going to have to work through the evolution of a lot of these issues with the Afghans. But I just want to remind folks again that you're dealing with a young democracy but you're dealing with one that at least has a constitution that enshrines the Universal Declaration of Human Rights, that understands the international concern about this issue and is responsive to that. And that's a far cry from the Taliban.

END.