



United States Department of State

Washington, D.C. 20520

NOV 20 2017

Case No.: F-2014-23140

Segment: WEP-0001



In response to your request dated December 26, 2014 under the Freedom of Information Act (Title 5 USC Section 552), we have initiated searches of the following Department of State record systems: the Central Foreign Policy Records (the principal record system of the Department of State).

The search of the records has been completed and has resulted in the retrieval of 46 documents responsive to your request. After reviewing these documents, we have determined that 19 may be released in full and 23 may be released with excisions. All released material is enclosed.

A decision on the remaining four documents requires intra-agency or interagency coordination: four originated in other government offices, which will review the documents and respond to you directly.

An enclosure explains Freedom of Information Act exemptions and other grounds for withholding material. Where we have made excisions, the applicable exemptions are marked on each document. In some cases, two or more exemptions may apply to the same document. All non-exempt material that is reasonably segregable from the exempt material has been released.

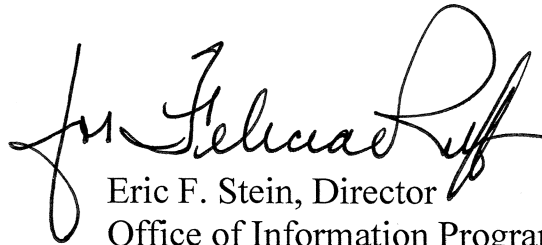
You have the right to appeal our determination by writing, within 60 days, to the Chairman, Appeals Review Panel, c/o Appeals Officer, A/GIS/IPS/PP/LA, U.S. Department of State, SA-2, Room 8100, Washington, D.C. 20522-8100.

The appeal letter should refer to the case number shown above, clearly identify the decision being appealed, and provide supporting arguments when possible. For further information, see the Code of Federal Regulations, 22 CFR 171.13.

Your request for a fee waiver has been granted; therefore, your request has been processed at no charge to you.

We have now completed the processing of your case. If you have any questions, you may write to the Office of Information Programs and Services, SA-2, Department of State, Washington, DC 20522-8100, or telephone us at (202) 261-8484. Please be sure to refer to the case number shown above in all correspondence about this case.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric F. Stein", is written over the printed name and title.

Eric F. Stein, Director
Office of Information Programs and Services

Enclosures:
As stated.

The Freedom of Information Act (5 USC 552)

FOIA Exemptions

- (b)(1) Information specifically authorized by an executive order to be kept secret in the interest of national defense or foreign policy. Executive Order 13526 includes the following classification categories:
- 1.4(a) Military plans, systems, or operations
 - 1.4(b) Foreign government information
 - 1.4(c) Intelligence activities, sources or methods, or cryptology
 - 1.4(d) Foreign relations or foreign activities of the US, including confidential sources
 - 1.4(e) Scientific, technological, or economic matters relating to national security, including defense against transnational terrorism
 - 1.4(f) U.S. Government programs for safeguarding nuclear materials or facilities
 - 1.4(g) Vulnerabilities or capabilities of systems, installations, infrastructures, projects, plans, or protection services relating to US national security, including defense against transnational terrorism
 - 1.4(h) Weapons of mass destruction
- (b)(2) Related solely to the internal personnel rules and practices of an agency
- (b)(3) Specifically exempted from disclosure by statute (other than 5 USC 552), for example:
- | | |
|----------------|---|
| ARMSEXP | Arms Export Control Act, 50a USC 2411(c) |
| CIA PERS/ORG | Central Intelligence Agency Act of 1949, 50 USC 403(g) |
| EXPORT CONTROL | Export Administration Act of 1979, 50 USC App. Sec. 2411(c) |
| FS ACT | Foreign Service Act of 1980, 22 USC 4004 |
| INA | Immigration and Nationality Act, 8 USC 1202(f), Sec. 222(f) |
| IRAN | Iran Claims Settlement Act, Public Law 99-99, Sec. 505 |
- (b)(4) Trade secrets and confidential commercial or financial information
- (b)(5) Interagency or intra-agency communications forming part of the deliberative process, attorney-client privilege, or attorney work product
- (b)(6) Personal privacy information
- (b)(7) Law enforcement information whose disclosure would:
- (A) interfere with enforcement proceedings
 - (B) deprive a person of a fair trial
 - (C) constitute an unwarranted invasion of personal privacy
 - (D) disclose confidential sources
 - (E) disclose investigation techniques
 - (F) endanger life or physical safety of an individual
- (b)(8) Prepared by or for a government agency regulating or supervising financial institutions
- (b)(9) Geological and geophysical information and data, including maps, concerning wells

Other Grounds for Withholding

- NR Material not responsive to a FOIA request excised with the agreement of the requester

ORIGIN EB-00

INFO LOG-00 AID-00 CIAE-00 DOTE-00 EAP-00 EUR-00 E-00
FAAE-00 UTED-00 VCI-00 TEDE-00 INR-00 IO-00 JUSE-00
LOC-01 L-00 VCIE-00 NSAE-00 ISN-00 OES-00 NIMA-00
PER-00 ISNE-00 SP-00 IRM-00 STR-00 TRSE-00 CRYE-00
FMP-00 DRL-00 NFAT-00 SAS-00 /001R

RELEASE IN FULL

066916

SOURCE: CBLEXCLS.006279

DRAFTED BY: EB/TPP/IPE:BPSOILA -- 04/27/2006 202-647-2324

APPROVED BY: EB/TPP/IPE:CGREEN

EUR/NB: IKOLLIST

AMEMBASSY STOCKHOLM: AHENNINGSFON

USTR: JBUNTIN

EB/TPP/IPE: JURBAN

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TO AMEMBASSY STOCKHOLM PRIORITY

INFO USDOC WASHINGTON DC PRIORITY 0000

REVIEW AUTHORITY: Clarke Ellis,
Senior Reviewer

UNCLAS STATE 066916

STATE PASS USTR

COMMERCE PASS USPTO

E.O. 12958: N/A

TAGS: ECON, ETRD, KIPR, SW

SUBJECT: SWEDEN 2006 SPECIAL 301 NOTIFICATION
(INTELLECTUAL PROPERTY)

REF: STATE 140937

1. SUMMARY AND ACTION REQUEST. The 2006 Special 301 Review of countries, intellectual property (IP) practices is concluded. The Office of the U.S. Trade Representative (USTR) will announce the results of the review on April 28, 2006. Post is requested to use the information in Paragraph 5 and the Talking Points in Paragraph 6 to provide host government with advance notice of its Special 301 designation prior to the USTR public announcement, if at all possible. If circumstances (i.e., holiday) make it impossible to deliver the notice on April 27 or 28, Post should deliver it as soon thereafter as possible. Washington prefers that points be delivered verbally/in person. END Summary and Action Request.

2. BACKGROUND. Pursuant to Section 182 of the Trade Act of 1974, as amended by the Omnibus Trade and Competitiveness Act of 1988 and the Uruguay Round Agreements Act (enacted in 1994), under Special 301 provisions, USTR must identify those countries that deny adequate and effective protection for IPR or deny fair and equitable market access for persons that rely on intellectual property protection. Countries that

have the most onerous or egregious acts, policies, or practices and whose acts, policies, or practices have the greatest adverse impact (actual or potential) on the relevant U.S. products must be designated as &Priority Foreign Countries8.

Priority Foreign Countries are potentially subject to an investigation under the Section 301 provisions of the Trade Act of 1974. USTR may not designate a country as a Priority Foreign Country if it is entering into good faith negotiations or making significant progress in bilateral or multilateral negotiations to provide adequate and effective protection of IPR.

Additionally, under Section 306, USTR monitors a country's compliance with bilateral intellectual property agreements that are the basis for resolving an investigation under Section 301. USTR may apply sanctions if a country fails to satisfactorily implement an agreement.

3. WATCH LISTING. For less serious situations, USTR can instead name countries to one of two lists that USTR has created through administrative practice: The Special 301 Priority Watch List (PWL) and the Watch List (WL). USTR uses these lists to signal to foreign governments, industry, and the public the seriousness with which the USG views IP problems in the listed countries. These categories are not/not statutory; they do not trigger formal investigations or lead to sanctions.

Placement of a trading partner on the Priority Watch List or Watch List indicates that particular problems exist in that country with respect to IPR protection, enforcement, or market access for persons relying on intellectual property. Countries placed on the Priority Watch List are the focus of increased bilateral attention concerning the problem areas.

4. 2006 SPECIAL 301 REPORT. This year's interagency Special 301 Committee considered 87 countries for which we received private sector, government, and other submissions and recommendations. The committee reviewed each country's standards of IP protection and the progress achieved by the host government in addressing our previously-identified IP concerns. No countries are listed as Priority Foreign Countries this year. Included on this year's list are: 1 country under Section 306 Monitoring; 13 Priority Watch List countries; and 34 Watch List countries.

The complete and final text of the 2006 Special 301 Report will be available on the website of the Office of the U.S. Trade Representative on April 28, 2006 (www.ustr.gov). Posts are strongly encouraged to read the report for information on key IP policy areas for the coming year. Washington agencies wish to acknowledge all Posts for their outstanding work throughout the year on IP issues, and, in particular, the assistance provided during this review. Overall, the level of

engagement and quality of reporting on intellectual property has improved dramatically. Congratulations and thank you.

5. 2006 SPECIAL 301 DECISION AND REPORT LANGUAGE.

Sweden will not be listed in the 2006 Special 301 report.

6. TALKING POINTS

-- In accordance with Section 182 of the U.S. Trade Act of 1974, as amended, (commonly known as "Special 301"), the Administration must conduct an annual review of the practices of our trading partners to determine if there is adequate and effective protection of intellectual property abroad and to determine if fair market access is provided to U.S. persons that depend on intellectual property protection.

-- On April 28, 2006, U.S. Trade Representative Rob Portman will announce in a press release the results of this year's Special 301 review.

-- We wish to inform you that Sweden will not appear on any Special 301 list for 2006.

-- However, the United States remains concerned about widespread Internet piracy and availability of decoders for encrypted satellite signals in Sweden.

-- Recent meetings in Washington, DC between GOS and U.S. law enforcement experts were very fruitful and we hope to continue to work with you to undertake a results-oriented effort to tackle IP enforcement problems, especially related to the Internet.

-- We understand that a specialized organization for enforcement against Internet piracy currently is under consideration) we would be interested in learning more, including GOS plans to continue addressing Internet piracy, which we understand will be finalized in June 2006.

-- We are encouraged by reports of ongoing efforts related to Internet piracy in Sweden; however, the increase in Pirate Bay peers, up 74 percent in just the last 7 months, demonstrates the urgent need to step up current efforts dramatically to address this issue in the near term.
RICE

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ACTION EB-00

RELEASE IN FULL

INFO LOG-00 AID-00 ACQ-00 CIAE-00 CTME-00 DODE-00 EUR-00
 E-00 UTE-00 VCI-00 FRB-00 TEDE-00 INR-00 L-00
 VCIE-00 NSAE-00 ISN-00 NSCE-00 OMB-00 PA-00 PM-00
 PRS-00 P-00 ISNE-00 SP-00 SSO-00 SS-00 STR-00
 TRSE-00 T-00 BBG-00 IIP-00 PMB-00 DRL-00 G-00
 SAS-00 /000W

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P 021426Z JUN 06
 FM AMEMBASSY STOCKHOLM
 TO SECSTATE WASHDC PRIORITY 0404
 INFO USDOC WASHDC PRIORITY 2467

UNCLAS STOCKHOLM 000804

REVIEW AUTHORITY: Clarke Ellis, Senior
Reviewer

STATE FOR JOELLEN URBAN

STATE PLEASE PASS USTR FOR JASON BUNTIN

COMMERCE FOR LEAH MARKOWITZ

SENSITIVE

E.O. 12958: N/A

TAGS: KIPR, ETRD, ECON, PREL, SW

SUBJECT: SWEDISH POLICE CLOSED IPR VIOLATOR PIRATE BAY SITE
 IN RAID; U.S. PRESSURE ON SWEDEN RECEIVES MEDIA ATTENTION

REF: A) 05 STOCKHOLM 1981, B) STOCKHOLM 106, C) STOCKHOLM
 124, D) STOCKHOLM 313

1. (U) Summary. In a well-coordinated raid on May 31, approximately 50 Swedish police officers seized servers and other materials related to file sharing in 10 different locations around Sweden. The site "thepiratebay.org" was closed down at 12:58 pm, and immediately thereafter a 20 percent decrease in internet traffic in Sweden could be observed. Three men, 22, 24, and 28 years old, were taken in for questioning under suspicion of copyright infringement or aiding copyright infringement. Media attention is turning from a focus on factual reporting of the action to a speculation regarding to what extent the USG exerted pressure on the GOS to move against Pirate Bay. End summary.

2. (SBU) Starting with the Motion Picture Association of America (MPAA) visit to post last fall, Embassy Stockholm has engaged intensely with our Swedish interlocutors in efforts to improve IPR enforcement, in particular with regard to Internet piracy. The actions on May 31 thus mark a significant victory for our IPR efforts. (Ref A-D)

3. (U) Pirate Bay, the world's largest BitTorrent tracker site, was closed down at 12:58 pm on May 31, in a raid

conducted by approximately 50 police officers at 10 different locations in Sweden. The police seized at least 200 servers and other material at the locations. In connection with the raids, three men were detained and questioned about their involvement in the site's activities. They are suspected of copyright infringement or aiding copyright infringement, crimes that could result in up to two years imprisonment. All three men were released later on the same day.

3. (SBU) Shortly after the raid, Embassy officials received e-mail messages and phone calls from interlocutors at the Swedish Anti-piracy Bureau and the Justice ministry, informing us about the raid. Henrik Pontn of the Swedish Anti-piracy Bureau told us that he was pleased with the raid and its outcome. Even though he believes that law enforcement officials have enough evidence to press charges, Pontn does not expect that such legal action will happen any time soon.

4. (SBU) Swedish media reports widely in news, comments, and speculation about USG pressure on the GOS to move against the BitTorrent tracker site Pirate Bay. At first, reference was primarily made to the Motion Picture Association of America (MPAA) May 31 Press Release which praised Swedish authorities' action against Pirate Bay.

Late on June 1, the major TV news program quoted "sources" claiming that Justice Minister Bodstrom and/or his State Secretary Dan Eliasson ordered the police to raid Pirate Bay after intense pressure from the White House/USG/Hollywood (all variants exist in the press).

5. (SBU) Justice Minister Bodstrom has been reported to the Standing Committee on the Constitution by a Member of Parliament (MP) from Sweden's Center Party, who wants the Committee to investigate whether Bodstrom went beyond his powers by directly ordering the move against Pirate Bay, after "giving in" to U.S. pressure. The U.S. pressure on Sweden is reported to have taken place in what is characterized as "secret meetings" in the U.S. in April, involving Swedish Justice Ministry officials and USG officials. Both Bodstrom and Eliasson deny any direct Justice Ministry interference into the work of Swedish police and prosecutors on this issue, but they both confirm that Swedish officials visited the U.S. in April 2006. Eliasson reported that Swedish officials met with U.S. counterparts to discuss illegal file sharing and Internet piracy in general, and how countries can work to combat such crimes.

6. (SBU) The press is now also focusing its attention on the fact that many of the seized servers apparently have no connection to the activities of Pirate Bay. Several SME's and the Piracybureau, a political lobby group that strives to elevate attention around the copyright issue, also had

their sites closed down as a result of the seizure. Widespread criticism is being directed at the police for striking too widely, thus affecting innocent and totally unrelated entities.

7. (SBU) Statistics show that internet traffic in Sweden decreased by around 20 percent following the closing down of thepiratebay.org. Weekly figures from Netnod (which establishes and operates national internet exchange points in Sweden) shows that internet traffic, normally around 30 Gigabit per second, dropped to less than 22 Gigabit per second after the closure. A spokesperson for Pirate Bay, "Brokep" stated that the site will come back into operation soon, but perhaps will operate out of another country. Press reports on June 2 suggest that the site may once again be operational within 1-2 days, hosted on servers based in the Netherlands.

8. (SBU) Comment. This is a major, very significant step in Swedish efforts to step up enforcement of Internet piracy. While we had some sense from speaking to our Swedish interlocutors that the ante was being upped vis--vis Pirate Bay, the raid went beyond our expectations. From the wide range of comments available on the Internet here, it is clear that many Swedes were surprised by the move. From our perspective, it was also a welcome move. End comment. (drafted:AHenningsson)

CHRISTENSEN

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ACTION EB-00

RELEASE IN FULL

INFO LOG-00 COR-00 EUR-00 UTED-00 TEDE-00 IO-00 STR-00
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TO SECSTATE WASHDC PRIORITY 0500

INFO USDOC WASHDC PRIORITY 2473

UNCLAS STOCKHOLM 000903

C O R R E C T E D COPY (ADDED PARAGRAPH MARKINGS)

STATE FOR JOELLEN URBAN

STATE PLEASE PASS USTR FOR JASON BUNTIN

COMMERCE FOR LEAH MARKOWITZ

REVIEW AUTHORITY: Clarke Ellis,
Senior Reviewer

SENSITIVE

E.O. 12958: N/A

TAGS: KIPR, ETRD, ECON, PREL, SW

SUBJECT: INTERNET PIRACY UPDATE

REF: A) 05 STOCKHOLM 1981, B) STOCKHOLM 106, C) STOCKHOLM
124, D) STOCKHOLM 313, E) STOCKHOLM 634, F) STOCKHOLM 804

1. (U) Operators of Pirate Bay claim that its operations are again running on servers in Sweden. Hakan Roswall, the Prosecutor who heads the investigation, and who was behind the raid on the site on May 30, claims that he has no knowledge about the return to Sweden, saying that it may be "propaganda" from the file sharers. Fredrik Neij, one of the operators of Pirate Bay said that they decided to leave the Netherlands after "pressure" from the Dutch Justice Ministry.

2. (SBU) Henrik Ponten, legal advisor at the Swedish Anti-Piracy Bureau, told us on June 19 (and we again verified it this morning) that according to their technicians the server which operates the actual Pirate Bay website is running out of Sweden. The tracker servers, however, are still physically located in the Netherlands. What this means in terms of legal implications is not clear, according to Ponten, who said that it is the actual tracker that is "creating" the crime aiding copyright infringement, not the Pirate Bay website itself.

3. (SBU) Ponten also told us that MPA's Legal Counsel in Sweden formally requested that the Prosecutor ask for Dutch international legal assistance to have the servers seized. Roswall, the prosecutor, denied the request. According to Pontn, Roswall believes that the Dutch can and should rely on their domestic legislation to deal with the infringing activities.

4. (SBU) Ponten further told us that the Pirate Bay operations have received their own IP-number span on a rogue-ISP in the Netherlands. The operators appear to have some technical difficulties, since the site is running with rather frequent interruptions. Also, Ponten noted that total Internet traffic in the Stockholm area continues to be down some 15-20 percent compared to the time-period before the May 31 raid.

5. (U) On June 15, the National Police Board and the Prosecutor General presented their proposal to the GOS regarding measures to improve enforcement of Internet piracy (Ref D). The main features are to centralize efforts to investigate and prosecute Internet piracy crimes to Stockholm, Gothenburg and Malmo, and to provide specialist training to police and prosecutors. The authorities further propose a change in current law, with the effect that all notifications of copyright infringement crimes be coordinated by the National Criminal Police. The Anti-Piracy Bureau welcomes these steps.

6. (U) Ten companies have filed for compensation for incurred losses due to seized equipment, ranging from SEK 10,000 to 200,000, during the May 31 Pirate Bay raid.

7. (SBU) Comment. Embassy Stockholm is working behind the scenes, together with our GOS interlocutors. It is very difficult to predict the next moves on the part of the prosecutors. The negative sentiments expressed in media should not impact these -- but our guess is that the prosecutors will not take further action until after the September general elections. End comment.
(drafted:AHenningsson)

WOOD

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ACTION INR-00

INFO LOG-00 AID-00 AMAD-00 ACQ-00 CIAE-00 INL-00 DNI-00
 DODE-00 DOTE-00 PDI-00 DS-00 EAP-00 EB-00 EUR-00
 FAAE-00 FBIE-00 UTED-00 VCI-00 H-00 TEDE-00 IO-00
 LAB-01 VCIE-00 DCP-00 NRRC-00 NSAE-00 ISN-00 NSCE-00
 NIMA-00 PA-00 PM-00 GIWI-00 ISNE-00 DOHS-00 SP-00
 NCTC-00 FMP-00 BBG-00 R-00 ECA-00 IIP-00 SCRS-00
 SSD-00 PMB-00 DSCC-00 PRM-00 DRL-00 SAS-00 SWCI-00
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 TO SECSTATE WASHDC IMMEDIATE 0512

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SECSTATE FOR INR/R/MR, EUR/PPD, EUR/NB, EUR/PA, EUR/FO

E.O. 12958: N/A

TAGS: EUN, KPAO, KMDR, PINS, PHUM, PREF, PARM, MOPS, SW

SUBJECT: Media Reaction - U.S. Public Image

On June 22 the conservative Stockholm morning daily "Svenska Dagbladet" in the editorial page ran a column by editorial writer Claes Arvidsson who commented on the indignation by some Green and Leftist MPs after Swedish TV reported that "the U.S. threatened Sweden with sanctions prior to the crack-down on the file-sharing website 'The Pirate Bay.'"

It was headlined "The U.S. is Losing the Battle Over Public Opinion," and said:

REVIEW AUTHORITY:
Clarke Ellis, Senior
Reviewer

"It is like pushing a button. Say 'USA' and anti-Americanism is triggered. But the U.S. has adhered to multinational rules. Sweden has violated them. Sweden is committed to take action against illegal file sharing, and the U.S. has every right to 'threaten' to report Sweden to the WTO. This is normal procedure - a kind of early warning - in trade disputes and an example that, unlike the UN, the WTO has efficient and legitimate tools for solving conflicts....

"Although there is no evidence of any U.S. wrongdoing, there is an apparent risk that the Swedish TV slant in the reporting and follow-up by those who do not like the U.S. will stick.

"Sweden is not included in 'The Pew Global Attitudes Project,' but a guess is that we would be closer to the attitude in Spain than in Great Britain on the views toward the U.S. (23 percent compared to 56 percent who have a positive view of the U.S.)....

"The main reason for this is the war against terrorism and the Iraq War. And now one may add another thing - at least in Sweden - the crackdown on net piracy.

"A separate survey on confidence in President George W. Bush's leadership, i.e. the administration's policy, would show even lower figures. Unfortunately yesterday's meeting in Vienna between President Bush and the EU leaders probably will not change this (despite the fact that transatlantic relations have improved). There are matters that President Bush ought to change. Not to conciliate anti-American opinions in Europe but because they are wrong, and are of political importance. Guantanamo, for example."
NOBLE

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ACTION H-00

INFO LOG-00 INL-00 DOTE-00 EAP-00 EB-00 EUR-00 FAAE-00
 UTE-00 FRB-00 TEDE-00 INR-00 IO-00 LAB-01 L-00
 DCP-00 OMB-00 NIMA-00 EPAU-00 GIWI-00 SCT-00 DOHS-00
 SP-00 IRM-00 SSO-00 SS-00 NCTC-00 FMP-00 BBG-00
 EPAE-00 PRM-00 DRL-00 G-00 NFAT-00 SAS-00 SWCI-00
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RELEASE IN FULL

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 FM AMEMBASSY STOCKHOLM
 TO SECSTATE WASHDC IMMEDIATE 0855

UNCLAS STOCKHOLM 001267

FOR H/MARK SMITH
 FOR EUR/NB

E.O. 12958: N/A
 TAGS: PGOV, PREL, SW
 SUBJECT: Sweden Scenesetter for Codel Duncan

REVIEW AUTHORITY: Clarke
 Ellis, Senior Reviewer

1. The U.S. Mission in Stockholm extends a warm welcome to Codel Duncan. The United States and Sweden share a strong and abiding relationship built on a foundation of cultural and family ties, many shared values, a common commitment to moral leadership in international relations, and trade and investment. The United States constitutes Sweden's largest external market. As a mid-sized nation that has sought for two centuries to avoid armed conflicts, Sweden believes its interests are best protected through multilateral agreements in international institutions, and thus focuses its foreign policy efforts within the frameworks of the European Union (EU), the United Nations (UN), and other multilateral institutions. In comparison to the U.S., the entire Swedish political spectrum is shifted to the left.

Next Month's General Elections; A Very Close Race...

2. Sweden will hold parliamentary elections September 17. Election season has already begun, but the campaign does not hit full throttle until later this month, after the traditional summer break. The opposition alliance (whose constituent parties are, in order of strength: Moderates, Liberals, Center, and Christian Democrats) held a lead in the opinion polls from January 2005 until May 2006. The governing Social Democrats, supported by the Left (formerly Communist) party and Greens steadily closed the gap in 2006, and the race is now neck-and-neck.

3. The Social Democrats have governed 64 of the past 73 years, and have proven to be consistently strong election closers. Their campaign largely focuses on their track record as builder and guarantor of the welfare state. The opposition-leading Moderates, guided by shadow Prime Minister Fredrick Reinfeldt, have tried to portray themselves as kinder, gentler conservatives who will offer

more jobs while preserving most of the social welfare security net. The election campaign is focused almost exclusively on the domestic issues of employment, the environment, and the preservation and enhancement of Sweden's welfare state programs.

Non-alignment in Peace; Neutrality in War

4. Sweden's official security policy adheres to non-alignment in peacetime and neutrality in wartime. Its active participation in the NATO Partnership for Peace program (PfP) and the EU's Common Foreign and Security Policy (CFSP), however, constitutes de-facto military alignment. A majority of Swedes consider non-alignment inextricably linked to Sweden's prosperity and exceptionalism; most political parties still doubt they would gain by stating otherwise. Stockholm is thus unlikely to seek NATO membership for the foreseeable future, but can be expected to play a continued active role in PfP, CFSP, and UN peacekeeping operations. Sweden provides over 780 troops to international UN-sanctioned operations, with significant contributions in Afghanistan, the Balkans, and Liberia, and the Middle East.

5. Hand-in-hand with non-alignment goes Sweden's high esteem for the United Nations. Swedes see the UN as the primary source of legitimacy for international interventions, and the guarantor of international legal standards. Sweden's Foreign Minister, Jan Eliasson, concomitantly serves as President of the General Assembly. Sweden shares many of our concerns about and interest in reforming the administration of the UN. Its reform advocacy has focused in particular on the Security Council and the expansion thereof.

Active Participation in EU Foreign & Security Policy

6. The Armed Forces are in the midst of transformation from a large Cold War conscription-based defensive structure to a much smaller force capable of national and international operations. The primary catalyst driving transformation is the requirement to have a 1,500-strong Battle Group on-call for EU missions by January 2008. Sweden volunteered to be the Framework Nation for this "Nordic Battle Group" (NBG), and to provide the bulk of the forces, with additional contributions from Finland, Norway, and Estonia. The Swedish Armed Forces are conducting superb, thorough preparations that are forcing them to address key capabilities such as interoperability, strategic lift, and the ability to recruit and contract personnel for international missions. Sweden is considering buying two heavy-lift C-17 aircraft, produced by Boeing and costing about \$220 million each, to be used in support of the EU Nordic Battle Group and future strategic lift requirements.

Economic Overview

7. Sweden remains a society committed to social values and a welfare system where everything from health to labor to education has a large government imprint. Sweden's tax rates are amongst the highest in the world and most citizens want to keep it that way.

Nevertheless, Sweden has been an economic success story in an increasingly globalized world. Like the U.S., it has a highly advanced IT sector and remains on the cutting edge in technological innovation across the board. The Swedish economy (like the U.S.

economy) has outperformed both the EU and the OECD average during the past ten years. Sweden's relative success will keep its citizens committed, for the most part, to the "Swedish way of life."

8. Sweden's economic growth in the second quarter of 2006 (5.6 percent) was its fastest in six years. Growth for year 2006 is expected to average 4.1 percent and 3.3 percent in 2007. The budget surplus for 2006 is expected to approach 3 percent of GDP. The central bank is expected to raise interest rates this year to dampen any inflationary pressure. Inflation, however, remains at a relatively modest rate of 1.5 percent. Swedish voters rejected a referendum in 2003 to join the European Monetary Union.

Intellectual Property Rights

9. Sweden has emerged as one of the world's center for Internet piracy. The country's IT-maturity with excellent broadband penetration, combined with lack of enforcement of Internet piracy, has made it home for some of the world's largest Internet sites spreading illegal copyrighted material. (Note: the largest bit-torrent tracker (PirateBay) has been located in Sweden). We have been working closely with Swedish authorities to highlight the concern and to look for more practical opportunities to cooperate in enforcement. A group of Swedish officials from the Justice Ministry, the police and the prosecutor's office traveled to the U.S. in early April to meet with U.S. counterparts. Swedish law enforcement authorities raided Pirate Bay offices in late May and shut its operation down. (Note: PirateBay is up and running again with some of the servers located in Sweden.) The prosecutor's case continues.

Terrorist Financing

10. The U.S. is concerned that Sweden lacks independent national authority to freeze assets. Efforts to address this matter are currently underway, but Swedish officials have argued that creating the type of national authority that exists in the U.S. would be a virtual impossibility for both constitutional and political reasons.

11. The inclusion in 2001 of three Somali-Swedes on the UN Sanctions list led to a major bilateral irritant. After lengthy consultations, the U.S. requested the UN Sanctions Committee to de-list two of the Somali-Swedes. The third Somali-Swede, who the U.S. did not initially recommend de-listing, is still a source of discussion between the U.S. and Sweden and gets Swedish media attention from time to time. The Department of Treasury (Office of Foreign Assets Control) is reviewing the case and a decision is

expected imminently.

Container Security Initiative and Port Security

12. Commissioner of Customs and Border Protection (CBP) Robert C. Bonner announced the Container Security Initiative (CSI) in January 2002. Through CSI, maritime containers that pose a risk for terrorism are identified and examined at foreign ports before they are shipped to the United States. Swedish support for this program led to an agreement, signed in January 2003, establishing a CSI program at the port of Gothenburg. Gothenburg thus became CSI-operational before several of the world's so-called Mega-ports.

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ACTION H-00

INFO LOG-00 INL-00 DOTE-00 EAP-00 EB-00 EUR-00 FAAE-00
 UTE-00 FRB-00 TEDE-00 INR-00 IO-00 LAB-01 L-00
 DCP-00 OMB-00 NIMA-00 EPAU-00 GIWI-00 SCT-00 DOHS-00
 SP-00 IRM-00 SSO-00 SS-00 NCTC-00 FMP-00 BBG-00
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RELEASE IN FULL

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 FM AMEMBASSY STOCKHOLM
 TO SECSTATE WASHDC IMMEDIATE 0848
 INFO AMCONSUL ST PETERSBURG PRIORITY
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UNCLAS STOCKHOLM 001264

REVIEW AUTHORITY: Clarke Ellis,
 Senior Reviewer

ST PETERSBURG FOR CODEL ROGERS

E.O. 12958: N/A
 TAGS: PGOV, PREL, SW
 SUBJECT: Sweden Scen setter for Codel Rogers

1. The U.S. Mission in Stockholm extends a warm welcome to Codel Rogers. The United States and Sweden share a strong and abiding relationship built on a foundation of cultural and family ties, many shared values, a common commitment to moral leadership in international relations, and trade and investment. The United States constitutes Sweden's largest external market. As a mid-sized nation that has sought for two centuries to avoid armed conflicts, Sweden believes its interests are best protected through multilateral agreements in international institutions, and thus focuses its foreign policy efforts within the frameworks of the European Union (EU), the United Nations (UN), and other multilateral institutions. In comparison to the U.S., the entire Swedish political spectrum is shifted to the left.

Next Month's General Elections; A Very Close Race...

2. Sweden will hold parliamentary elections September 17. Election season has already begun, but the campaign does not hit full throttle until later this month, after the traditional summer break. The opposition alliance (whose constituent parties are, in order of strength: Moderates, Liberals, Center, and Christian Democrats) held a lead in the opinion polls from January 2005 until May 2006. The governing Social Democrats, supported by the Left (formerly Communist) party and Greens steadily closed the gap in 2006, and the race is now neck-and-neck.

3. The Social Democrats have governed 64 of the past 73 years, and have proven to be consistently strong election closers. Their campaign largely focuses on their track record as builder and guarantor of the welfare state. The opposition-leading Moderates, guided by shadow Prime Minister Fredrick Reinfeldt, have tried to portray themselves as kinder, gentler conservatives who will offer

more jobs while preserving most of the social welfare security net. The election campaign is focused almost exclusively on the domestic issues of employment, the environment, and the preservation and enhancement of Sweden's welfare state programs.

Non-alignment in Peace; Neutrality in War

4. Sweden's official security policy adheres to non-alignment in peacetime and neutrality in wartime. Its active participation in the NATO Partnership for Peace program (PfP) and the EU's Common Foreign and Security Policy (CFSP), however, constitutes de-facto military alignment. A majority of Swedes consider non-alignment inextricably linked to Sweden's prosperity and exceptionalism; most political parties still doubt they would gain by stating otherwise. Stockholm is thus unlikely to seek NATO membership for the foreseeable future, but can be expected to play a continued active role in PfP, CFSP, and UN peacekeeping operations. Sweden provides over 780 troops to international UN-sanctioned operations, with significant contributions in Afghanistan, the Balkans, and Liberia, and the Middle East.

5. Hand-in-hand with non-alignment goes Sweden's high esteem for the United Nations. Swedes see the UN as the primary source of legitimacy for international interventions, and the guarantor of international legal standards. Sweden's Foreign Minister, Jan Eliasson, concomitantly serves as President of the General Assembly. Sweden shares many of our concerns about and interest in reforming the administration of the UN. Its reform advocacy has focused in particular on the Security Council and the expansion thereof.

Active Participation in EU Foreign & Security Policy

6. The Armed Forces are in the midst of transformation from a large Cold War conscription-based defensive structure to a much smaller force capable of national and international operations. The primary catalyst driving transformation is the requirement to have a 1,500-strong Battle Group on-call for EU missions by January 2008. Sweden volunteered to be the Framework Nation for this "Nordic Battle Group" (NBG), and to provide the bulk of the forces, with additional contributions from Finland, Norway, and Estonia. The Swedish Armed Forces are conducting superb, thorough preparations that are forcing them to address key capabilities such as interoperability, strategic lift, and the ability to recruit and contract personnel for international missions. Sweden is considering buying two heavy-lift C-17 aircraft, produced by Boeing and costing about \$220 million each, to be used in support of the EU Nordic Battle Group and future strategic lift requirements.

Economic Overview

7. Sweden remains a society committed to social values and a welfare system where everything from health to labor to education has a large government imprint. Sweden's tax rates are amongst the highest in the world and most citizens want to keep it that way.

Nevertheless, Sweden has been an economic success story in an increasingly globalized world. Like the U.S., it has a highly advanced IT sector and remains on the cutting edge in technological

innovation across the board. The Swedish economy (like the U.S. economy) has outperformed both the EU and the OECD average during the past ten years. Sweden's relative success will keep its citizens committed, for the most part, to the "Swedish way of life."

8. Sweden's economic growth in the second quarter of 2006 (5.6 percent) was its fastest in six years. Growth for year 2006 is expected to average 4.1 percent and 3.3 percent in 2007. The budget surplus for 2006 is expected to approach 3 percent of GDP. The central bank is expected to raise interest rates this year to dampen any inflationary pressure. Inflation, however, remains at a relatively modest rate of 1.5 percent. Swedish voters rejected a referendum in 2003 to join the European Monetary Union.

Intellectual Property Rights

9. Sweden has emerged as one of the world's center for Internet piracy. The country's IT-maturity with excellent broadband penetration, combined with lack of enforcement of Internet piracy, has made it home for some of the world's largest Internet sites spreading illegal copyrighted material. (Note: the largest bit-torrent tracker (PirateBay) has been located in Sweden). We have been working closely with Swedish authorities to highlight the concern and to look for more practical opportunities to cooperate in enforcement. A group of Swedish officials from the Justice Ministry, the police and the prosecutor's office traveled to the U.S. in early April to meet with U.S. counterparts. Swedish law enforcement authorities raided Pirate Bay offices in late May and shut its operation down. (Note: PirateBay is up and running again with some of the servers located in Sweden.) The prosecutor's case continues.

Terrorist Financing

10. The U.S. is concerned that Sweden lacks independent national authority to freeze assets. Efforts to address this matter are currently underway, but Swedish officials have argued that creating the type of national authority that exists in the U.S. would be a virtual impossibility for both constitutional and political reasons.

11. The inclusion in 2001 of three Somali-Swedes on the UN Sanctions list led to a major bilateral irritant. After lengthy consultations, the U.S. requested the UN Sanctions Committee to de-list two of the Somali-Swedes. The third Somali-Swede, who the U.S. did not initially recommend de-listing, is still a source of discussion between the U.S. and Sweden and gets Swedish media attention from time to time. The Department of Treasury (Office of Foreign Assets Control) is reviewing the case and a decision is

expected imminently.

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