

**Statement of
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**Before the
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Subcommittee on Emerging Threats and Capabilities**

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Introduction

Mr. Chairman, members of the Subcommittee, I am pleased to have the opportunity to discuss with you today the achievements of the Department of Defense's Cooperative Threat Reduction (CTR) program, and our plans for the future.

When the Soviet Union collapsed in 1991, it left behind an immense arsenal of weapons of mass destruction (WMD), the means to deliver them, and related nuclear, chemical, and biological infrastructure. The residual WMD capabilities in Russia, Ukraine, Kazakhstan, and Belarus posed a particularly grave threat to the U.S. The disintegration of the Soviet Union raised multiple dangers of proliferation of this arsenal, and called into question its effective control. Ukraine, Kazakhstan and Belarus had thousands of nuclear weapons on their soil. Reports of attempts to smuggle plutonium and highly enriched uranium out of the Former Soviet Union (FSU), and of deteriorating morale among troops with custody of nuclear weapons were becoming more frequent. Furthermore, it was increasingly doubtful that the FSU states could fulfill their current and prospective international arms control obligations in a timely manner in the face of uncertain conditions.

With legislation proposed by Senators Sam Nunn and Richard Lugar, Congress responded to these challenges by passing the Soviet Nuclear Threat Reduction Act of 1991. The Act charged DoD with the mission, among others, of assisting Ukraine, Kazakhstan, and Belarus to eliminate WMD on their territories, and of assisting Russia to reduce WMD and to secure its remaining weapons and material.

The first priority of the CTR program was to assist the denuclearization of Ukraine, Belarus and Kazakhstan. That effort was completed in 1996. The removal of all nuclear weapons from those three countries, their adherence to the Nuclear Nonproliferation Treaty as non-nuclear weapon states, and their commitment to START I and the Lisbon Protocol stand among the great achievements of nonproliferation and arms reduction. The current CTR program objectives reflect that victory, but also point out how much more remains to be done. The objectives now are:

- 1) Assist Russia in accelerating strategic arms reductions to START levels;

- 2) Enhance safety, security, control, accounting, and centralization of nuclear weapons and fissile material in the FSU to prevent their proliferation and encourage their reduction;
- 3) Assist Ukraine and Kazakhstan to eliminate START limited systems and WMD infrastructure;
- 4) Assist the FSU states to eliminate and prevent proliferation of biological and chemical weapons and associated capabilities; and
- 5) Encourage military reductions and reform, and reduce proliferation threats in the FSU.

The Return on the CTR Investment

From FY1992 through FY2000, Congress authorized a total of almost \$3.2 billion for CTR. That represents only about one tenth of one percent of the Department of Defense budget for those years (constant FY2000 dollars). In return, we have dramatically reduced the number of nuclear weapons and delivery systems once targeted at the United States, and helped to greatly stem the threat of their proliferation. A total of 3300 strategic nuclear warheads have been removed from Ukraine, Kazakhstan and Belarus. Kazakhstan and Belarus no longer have any strategic nuclear delivery vehicles on their soil. All SS-19 intercontinental ballistic missile (ICBM) silos and missiles in Ukraine have been destroyed, and we are well on the way to eliminating the remaining SS-24 ICBM silos and missiles, heavy bombers and air-launched cruise missiles there. Thus far, in Russia, Ukraine, Belarus and Kazakhstan, the CTR program has been critical to the deactivation of 4,918 warheads, and the elimination of:

- 380 ICBMs;
- 354 ICBM silos;
- 12 ballistic missile-carrying submarines (SSBNs);
- 224 submarine-launched ballistic missile (SLBM) launchers;
- 91 SLBMs; and
- 57 heavy bombers.

Without CTR assistance, most of these weapons would have continued to exist. CTR-assisted eliminations are permanent, irreversible and reduce the threat at the source. Thus the CTR program can rightfully claim credit for significant tangible contributions to reducing the most destructive physical threats to the security of the United States we have ever faced.

Impressive though those achievements are, they do not tell the entire story of CTR's contributions to nonproliferation and arms reduction. CTR is improving the safety, security and accountability of Russian nuclear warheads at 123 storage locations. The program is also doing much to facilitate the safe and secure transport of nuclear warheads in connection with their dismantlement. That effort includes the provision of physical help like weapon supercontainers and secure railcars, and has recently expanded to include direct support to weapons transport from deployment to storage and from storage to dismantlement. Without that assistance, more nuclear warheads would remain deployed, and those which were transported could be at risk. As a further important contribution to nuclear warhead dismantlement and nonproliferation, CTR is helping to build a facility at Mayak, Russia for the safe and secure storage of fissile material from 6,250 dismantled warheads; we plan to begin loading that facility in 2002.

CTR also plays a critical role in reducing FSU fissile material. In past efforts, CTR assistance facilitated removal of almost 600 kilograms of highly-enriched uranium from Kazakhstan and 5 kilograms from Georgia – material that was at great risk of theft or diversion, and represented enough highly-enriched uranium for about 20 nuclear weapons. An important current project is to end the production of weapons-grade plutonium from the three remaining Russian plutonium-producing reactors. Those reactors have not been shut down because, in addition to producing a combined 1.5 metric tons of plutonium a year, they also supply energy for the surrounding regions. Since receiving initial funding in FY98 we pursued an end to plutonium production through the conversion of the cores of the three reactors. The results of this design effort have raised significant questions in Russia and the U.S. regarding the benefits versus the risks of this approach; we are now assessing with Russia whether core conversion, or provision of fossil fuel energy sources, is the most efficient and cost-effective approach to end the production of weapons-grade plutonium.

In addition, CTR assistance is reducing the threat to the United States and the world from chemical and biological weapons. Early next month, we will inaugurate the Chemical Analytical Laboratory in Moscow, which will play an important part in Russia's implementation of the Chemical Weapons Convention. This year we are beginning work to improve safety and security at critical Russian chemical weapons storage sites. We have also been working with Russia to build a facility to destroy one-half of Russia's most modern artillery- and rocket-launched chemical weapons – those that pose the greatest threat if they found their way to terrorists or states of concern. In the FY2000 Defense Authorization Act, the Congress prohibited future CTR work on that facility; we hope that the Congress will agree this year to restore this project, whose importance to the national security is great and whose importance to demonstrating to the world that the two nations with the largest stockpiles are committed to eliminating these weapons is also critical. We are also implementing a project to assist Russia in meeting its obligation under the Chemical Weapons Convention to eliminate the chemical weapons production capabilities at Novocheboksarsk and Volgograd.

A relatively new area for CTR – prevention of the proliferation of biological weapons -- has already shown impressive results. We are working to destroy the former Soviet biological weapons production facility at Stepnogorsk in Kazakhstan. The equipment has been removed and demilitarized, and the final phase contract to include demolition of the production building will be awarded third quarter FY2000. Under CTR sponsorship, U.S. and Russian scientists are engaged in several collaborative research projects, which give us unprecedented access to former Soviet biological weapons facilities in Russia, support efforts to enhance protection for our forces, and help ensure that the scientists there will be engaged in peaceful work. These CTR efforts are closely coordinated with other U.S. Government activities to redirect former Soviet BW scientists to civilian research activities. Through CTR we also are finalizing contracts with four biological facilities in Russia and two in Kazakhstan to provide security for the dangerous pathogens located there and are in discussions to secure dangerous pathogen repositories at other biological facilities – pathogens which have an essential role in peaceful research, but which also represent a serious proliferation threat.

Finally, CTR supports a wide range of defense and military contacts between DoD and FSU defense establishments. In FY 2000, we expect to fund about 350 contacts, of which 80

will be with Russia. Overall, the objectives of these contacts are to encourage denuclearization and nonproliferation, to discuss issues of mutual concern, to encourage and assist the restructuring and downsizing of FSU defense establishments, and to encourage support for democratic reforms. In short, this component of the program helps to reduce the risk of weapons of mass destruction in a way that is less direct and less quantifiable than other CTR projects, yet at the same time is essential to addressing the larger threat.

Controls on CTR Assistance

DoD uses a broad range of means to ensure that CTR assistance is employed only for its intended purpose. Each project requires Audits and Examinations, to ensure that equipment provided is accounted for, in reasonable condition, and used for its intended purpose. We conduct over 20 Audits and Examinations per year. In addition, certain projects require special transparency measures. One example is the fissile material storage facility at Mayak, where transparency measures will provide confidence that the material is from dismantled weapons, is safely and securely stored, and, if removed, will be used only for peaceful purposes.

Probably the most important control on CTR assistance is that provided through the government-to-government agreements requiring compliance with U.S. laws and regulations in the awards of contracts, including the Federal Acquisition Regulations (FAR). The FAR, along with standard DoD acquisition practices, ensure that CTR program contracts comply with the following essential requirements:

- An agreed-upon statement of the equipment, services, and training to be provided;
- An independent U.S. Government cost estimate before beginning procurement, to ensure that cost of the project is the minimum necessary to accomplish its objectives;
- A prohibition against transferring assistance to a foreign government for project execution without explicit written approval;
- Free and open competition, with a preference for U.S. contractors;
- Close and regular monitoring by U.S. project managers of cost, schedule, and performance of the contractor and the project;
- Where recipient nation contractors are used, contracts are pre-negotiated, fixed price with payment for work only upon completion, after it has been inspected and accepted by a U.S. government representative.

Conditions in Russia

The economic problems facing Russia are well known. A general breakdown of the previous economic system, widespread poverty and unemployment, loss of managerial controls, reduced enterprise productivity, and other serious market structural problems, predominate. The economic crisis in August 1998 renewed our concerns about increased proliferation risks. DoD as well as other U.S. Government agencies reassessed Newly Independent States (NIS) security assistance needs and responded with the Expanded Threat Reduction Initiative (ETRI), in which DoD's CTR plays a critical role. The Russian budget for defense, including weapons elimination and security, has been dramatically affected by the economic turmoil. We estimate that the Russian defense spending declined by 80 to 85 percent from 1991 to 1999. The authorized,

although not necessarily actual, military budget for 2000 represents a 20 percent increase over that for 1999, but the total would only be two percent of DoD's budget for FY2000.

It is clear that the Russian military has not received anywhere near the funding it has requested for downsizing, leading to an inability to upgrade security to meet future threats, deterioration of skills due to greatly reduced training and exercising; alienation, low morale, high suicide and desertion rates, attempted theft of military equipment and nuclear materials, and even reports of malnutrition among the troops. One clear indication of the severity is the fact that there is greatly reduced procurement of materiel and research and development for new capabilities. The nuclear weapons complex under the Ministry of Atomic Energy has also not received the funding it has requested from the Russian government.

The severity of Russia's economic conditions has, and probably will continue to have, several implications for the Cooperative Threat Reduction program. We must continue to devote great attention to ending the proliferation threat, whether from an insider theft or luring weapons expertise to a state that threatens international peace and security. We must also recognize that indigenous funds are not adequate for the substantial weapons destruction required by START I, and in the future by START II and START III, as well as by the Chemical Weapons Convention. Within the limits of its resources, Russia continues to make a substantial contribution to those efforts, as well as to weapons and fissile material safety and security. However, its economic conditions have meant that contribution is less than originally expected. The consequent increased role of the United States in Russian weapons destruction and nonproliferation is well worth the price.

That increased role has also created an opportunity for unprecedented cooperation between the United States and Russia in areas that once epitomized Cold War rivalries. For example, CTR's program to assist in the elimination of Russian SSBNs began with the provision of some equipment to the dismantlement shipyards, with U.S. access to those sites limited primarily to Audits and Examinations of that assistance. Now, DoD is contracting directly with four shipyards for the dismantlement of an average of eight SSBNs per year; the CTR project manager spends an average of 140 days per year in-country. CTR's assistance to ICBM silo elimination began in similar fashion, with the provision of needed equipment, whose use was verified primarily through Audits and Examinations. This year we will award the first contract for direct elimination of thirty ICBM silos in Russia -- five SS-18 regiments, followed by additional eliminations in subsequent years, for a total of 90 silos eliminated by 2007.

Future Directions

DoD's Fiscal Year 2001 budget request for CTR is \$458 million, roughly the same as the FY2000 budget. Our plan for FY2001 capitalizes on the momentum and success of the recent past and moves out aggressively on all fronts. The CTR Strategic Offensive Arms Elimination project in Russia will complete the elimination of nuclear delivery systems and missile launchers to START I limits. As part of this, we will eliminate roughly 100 SLBM launchers and dismantle the associated four Delta and two Typhoon SSBNs. We will procure 48 dry storage containers for spent naval nuclear fuel, reprocess or store nuclear fuel from 9 SSBNs, eliminate

roughly 100 SLBMs and defuel, transport, and convert the associated liquid fuel. We will also complete the elimination of at least 26 SS-18 ICBM silos.

We are planning to support a substantial increase in the number of liquid- and solid-propellant ICBMs and SLBMs eliminated each year, even beyond START I levels. Beginning this year, we plan to eliminate an average of 160 ICBMs and SLBMs per year, twice the average of 1994 to 1999.

In the Nuclear Weapons Storage Security project in Russia, we will continue procurement and deliveries of security enhancements to deter, detect, and deny threats to 123 storage locations comprised of 12th Main Directorate central storage sites, 12th Main Directorate sites formerly controlled by the Air Force and Navy, and Strategic Rocket Forces. This is a major expansion from the original 50 12th Main Directorate locations included in the program. We will provide assistance to install the equipment as well, if MoD will permit access to its sites. To facilitate warhead movements from alert systems to secure storage and then to dismantlement, our Nuclear Weapons Transportation Security project will continue to fund rail transport and security force protection training equipment, procure supplemental emergency response equipment and training, continue maintenance and railway certification for 212 Ministry of Defense weapons transport railcars, and consider the procurement of additional security-enhanced transport rail cars.

The FY2001 request includes the final funds required for completion of the first wing of the Fissile Material Storage Facility at Mayak in Russia. We also hope to undertake a Fissile Material Processing and Packaging project, which would facilitate nuclear warhead dismantlement by preparing the resulting fissile materials for long-term safe and secure storage at the Mayak facility.

In Ukraine, the WMD infrastructure elimination project will complete the elimination of infrastructure at Khmel'nitski and Pervomaysk that supported the deployment and operation of SS-19 ICBMs. The Strategic Nuclear Arms Elimination project will complete the elimination of all SS-24 ICBM silos and launch control silos, continue to store SS-24 missiles and rocket motors in preparation for their elimination, disassemble SS-24 missiles, and operate a facility to remove solid propellant from SS-24 rocket motors and eliminate the accountable components of SS-24 missiles in accordance with provisions of the START treaty. The project will also eliminate heavy bombers and long range cruise missiles. In February, we initiated discussions with Ukraine regarding the elimination of their SS-18 and SS-24 ICBM production capabilities.

The Department of Defense has requested the repeal of Sec. 1305 of the National Defense Authorization Act for FY2000, to allow restoration of funding for the Chemical Weapons Destruction Facility (CWDF) at Shchuch'ye. Recently, the Russian Government has been making substantial progress in creating the required social infrastructure necessary to support the CWDF. Allowing this project to go forward will enable the destruction of a nerve agent stockpile of 5,450 metric tons in nearly two million highly portable artillery and rocket munitions. If Russia lifts the current legal prohibition on movement of chemical weapons, the Shchuch'ye facility could also be used to destroy the rest of Russia's stockpile of ground-launched nerve agent, now stored at Kizner. Furthermore, U.S. resumption of the Shchuch'ye

project will provide an opportunity for more international assistance. The Administration has strongly encouraged other nations to contribute to NIS security requirements under the ETRI, and President Clinton recently encouraged the other G-7 nations to assist specifically with the Shchuch'ye effort. To date, Canada has agreed to provide \$70,000 for infrastructure design, with additional support under consideration. The United Kingdom proposes approximately \$5 million towards social infrastructure projects, available mid-2000 (subject to final Ministerial approval). Italy has agreed to provide approximately \$8 million to support infrastructure improvements, with Shchuch'ye as a possible recipient. These offers are contingent upon resumption of the project by the U.S. We are continuing to urge our Allies and others to contribute more to the project.

In our Biological Weapons Proliferation Prevention program, we will continue to work to stem the flow of BW trained researchers to rogue nations by supporting 11 collaborative research projects annually and to provide increased transparency into Russian BW capabilities. We plan to support the dismantlement of former BW production facilities and related equipment, and help to secure research pathogen repositories and provide biological safety training to Russian scientists.

The CTR program provides funding for a wide range of defense and military contacts between DoD and FSU defense establishments. Our Defense and Military Contacts program with Russia focuses on three types of activities: 1) those that help to reduce the risk of residual nuclear weapons; 2) those that prevent the proliferation of nuclear and other weapons of mass destruction; and 3) those that assist in building the kind of institutional relationships between U.S. and Russian military officials that are necessary to support the full range of our security-related goals in Russia. The Defense and Military Contacts portion of the CTR appropriation is critical to implementing our military contacts with Russia.

We expect to request continued Congressional funding for the CTR program, over the FYDP, at about the current level. Although much has been accomplished, much more remains to be done. For example:

- We plan between now and 2007 to assist the elimination of 24 more SSBNs, 126 more ICBM silos, 312 more SLBM launchers, and 535 more SLBMs;
- We will complete safety, security and accounting improvements for Russian nuclear warhead storage, vastly improving the security of those sites;
- We may build a second wing for the Mayak facility, to store plutonium fissile material from an additional 6,250 dismantled warheads, as well as support more directly the actual warhead dismantlement;
- We hope to complete the chemical weapons destruction facility at Shchuch'ye, to destroy 500 metric tons of nerve agent a year;
- We plan to expand significantly our biological weapons proliferation prevention program, especially through securing dangerous pathogens at a number of additional facilities and dismantling capacity that is not needed for peaceful work.

Challenges

In general, the greatest challenge for CTR is to maintain a stable program in the face of continuous, major social, economic, and political upheavals in Russia. Conducting large scale, long term, cooperative programs abroad is always challenging. But when the partner faces severe evolutionary stress in transitioning from an authoritarian state with a command economy to a free and democratic one with free markets, it is made even more difficult. Differing views among Russian governmental agencies add to the challenge. Nevertheless, the CTR program enjoys the strong support of the Russian Government and the concerned ministries. Russia suspended most cooperative defense projects with the United States after the initiation of the NATO operation in Kosovo. CTR was a notable exception. Work continued unabated, and we successfully negotiated a seven-year extension to the CTR Umbrella Agreement during the Kosovo action. The critical protections for the CTR program under that Umbrella Agreement – including tax exemption; privileges and immunities; liability protection; and audits and examinations – remained unchanged.

At the program implementation level, our biggest challenges are transparency and access to facilities. Despite the Russian Government's sincere interest in achieving program objectives, it is understandably reluctant to give us wide access to sensitive military processes and facilities. The issue has become steadily more relevant as our cooperation has broadened and deepened in more sensitive areas, particularly involving the storage, transport and dismantlement of nuclear warheads. Visibility and access are critical, to ensure that our resources are employed for the intended purposes. Mindful of Russian sensitivity, we endeavor to work in ways that allow us to get the job done but that do not threaten legitimate Russian security concerns.

Relations with the Russian Federation

The cooperative nature of the CTR program directly supports the National Security Strategy's emphasis on engagement overseas and on shaping the international environment. Our continuous contact with senior military and civilian Russian officials has yielded rich dividends in terms of greatly increased mutual understanding and trust. This in turn leads to a deepening and expansion of cooperation in weapons elimination and safety and security projects to reduce the risk of proliferation.

The CTR Defense and Military Contacts program is also key to the overall U.S.-Russian relationship. Key engagement activities with Russia include programs that allow both sides to increase confidence in each other's early warning reliability, command and control procedures, nuclear safety and security, and professionalism of our strategic forces personnel. Other programs increase Russia's understandings of our ballistic missile defense programs.

DOD also engages in a number of programs with counterpart officials in Russia to help reduce the threat of chemical and biological weapons. These include exchanges on chemical and biological defense, and exchanges with Russia to reinforce the importance of adhering to internationally-recognized nonproliferation norms.

All manner of counterpart visits, interoperability exercises, information exchanges, and unit level exchanges between the United States European Command and its Russian counterparts increase our mutual understanding of each other's roles and intentions with regard to the

European security environment. Finally, multilateral exchanges and exercises involving the U.S., Russia and one or more of the other NIS countries increase Russia's understanding of our goals and programs in their near abroad, and help emphasize that both the United States and Russia can have strong, positive relations with these nations without threatening Russia's security.

Cooperation with Other U.S. Government Agencies

As noted, CTR is an important part of the U.S. Government's Expanded Threat Reduction Initiative, a multi-agency effort involving careful coordination and division of labor to ensure that the United States is addressing the major WMD destruction and nonproliferation tasks in the Former Soviet Union, in the most complete and efficient manner possible. An important case in point is the work of CTR and DoE programs concerning Russian nuclear weapons and fissile material.

To reduce the amount of Russian fissile material, the U.S. is purchasing low-enriched uranium blended down from Russian highly-enriched uranium from dismantled warheads, CTR is working to end the production of weapons-grade plutonium, DoE's Plutonium Disposition program will transform a minimum of 34 metric tons of plutonium from Russian nuclear weapons programs into forms unusable for weapons, and DoE's new proposed Nonproliferation Initiative will support a moratorium on civil reprocessing in Russia. To secure residual nuclear capability, CTR concentrates on safe and secure weapons transport and storage and the construction of the Mayak fissile material storage facility, while DoE concentrates on upgrading the security of existing fissile material storage sites. The DOD and DoE programs combined thus constitute an integrated approach to the proliferation threat from nuclear weapons and fissile material.

In addition, the two departments cooperate closely in implementing projects that can particularly benefit from each other's experience and expertise. Important examples are the CTR project to eliminate the production of weapons-grade plutonium, and DoE's activities to improve the protection and control of highly enriched uranium at Russian Navy sites.

Conclusion

We believe that the CTR program is a model of successful international cooperation that has achieved major contributions to the security of the United States, the Russian Federation, and the other FSU states. Excellent progress has been made in eliminating START-accountable nuclear weapon delivery systems and reducing the threat from the use or proliferation of chemical and biological weapons. There is much more to be done, and we are counting on Congressional support to allow us to do so.