AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

S. HRG. 108–675

SEA ISLAND AND BEYOND: STATUS REPORT ON THE GLOBAL PARTNERSHIP AGAINST WEAPONS OF MASS DESTRUCTION

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

JUNE 15, 2004

Printed for the use of the Committee on Foreign Relations

Available via the World Wide Web: http://www.access.gpo.gov/congress/senate

U.S. GOVERNMENT PRINTING OFFICE

96–631 PDF WASHINGTON : 2004

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001

COMMITTEE ON FOREIGN RELATIONS

RICHARD G. LUGAR, Indiana, *Chairman*

CHUCK HAGEL, Nebraska
LINCOLN CHAFEE, Rhode Island
GEORGE ALLEN, Virginia
SAM BROWNBACK, Kansas
MICHAEL B. ENZI, Wyoming
GEORGE V. VOINOVICH, Ohio
LAMAR ALEXANDER, Tennessee
NORM COLEMAN, Minnesota
JOHN E. SUNUNU, New Hampshire

JOSEPH R. BIDEN, JR., Delaware
PAUL S. SARBANES, Maryland
CHRISTOPHER J. DODD, Connecticut
JOHN F. KERRY, Massachusetts
RUSSELL D. FEINGOLD, Wisconsin
BARBARA BOXER, California
BILL NELSON, Florida
JOHN D. ROCKEFELLER IV, West Virginia
JON S. CORZINE, New Jersey

KENNETH A. MYERS, JR., *Staff Director*
ANTONY J. BLINKEN, *Democratic Staff Director*

CONTENTS

	Page
Biden, Hon. Joseph R., Jr., U.S. Senator from Delaware, opening statement	10
Bolton, Hon. John R., Under Secretary of State for Arms Control and International Security, U.S. Department of State, Washington, DC	12
Prepared statement	16
G-8 Action Plan on Nonproliferation	22
G8 Global Partnership Annual Report, G8 Senior Group, June 2004	25
Bronson, Ms. Lisa, Deputy Under Secretary of Defense for Technology Security Policy and Counterproliferation, U.S. Department of Defense, Washington, DC, statement submitted for the record	67
Brooks, Hon. Linton F., Administrator, National Nuclear Security Administration [NNSA], U.S. Department of Energy, Washington, DC	39
Prepared statement	41
Domenici, Hon. Pete V., U.S. Senator from New Mexico	1
Prepared statement	3
Lugar, Hon. Richard G., U.S. Senator from Indiana, opening statement	5

SEA ISLAND AND BEYOND: STATUS REPORT ON THE GLOBAL PARTNERSHIP AGAINST WEAPONS OF MASS DESTRUCTION

TUESDAY, JUNE 15, 2004

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 9:36 a.m. in room SD–419, Dirksen Senate Office Building, Hon. Richard G. Lugar (chairman of the committee), presiding.

Present: Senators Lugar, Biden, Feingold, and Bill Nelson.

The CHAIRMAN. This hearing of the Senate Foreign Relations Committee is called to order. The committee meets today to hear testimony on the G–8 summit recently concluded at Sea Island, Georgia, and the future of the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction.

We are blessed to have our dear colleague, Senator Pete Domenici, who has worked so hard in these areas, before us this morning. I conferred with the distinguished ranking member, Senator Biden. We will defer our opening statements until after Senator Domenici's testimony, because he has responsibilities to chair a committee of his own. We are delighted that you are here, and we would like for you to proceed with your testimony.

STATEMENT OF HON. PETE V. DOMENICI, U.S. SENATOR FROM NEW MEXICO

Senator DOMENICI. Well, let me say I am pleased to do that. But first let me say to you and Senator Biden, I am very hopeful that because you have taken this issue, and clearly have significant jurisdiction, that you will proceed and this will not be the last event by this committee. It is clear that things are not going right, and I will talk a little bit about why, but I think it is imperative that you insist that the executive branch continue to handle this matter with real dispatch.

So let me start. Senator Lugar and Senator Biden, I thank you for inviting me to provide the opening testimony at this hearing. The subject of your hearing is of great personal importance to me. I have valued your leadership and partnership in working against the threat of weapons. Together with Senator Biden, just a few weeks ago we authored a comprehensive amendment on Global Clean Out of Nuclear Materials. This legislation provides new authority in the global fight against terrorism and against the threat

that terrorism will use nuclear or radiological materials against us or anywhere in the world to destroy the foundations of freedom.

The events of September 11 demonstrate the lengths to which terrorists would go to attack our own soil. We need to constantly remember that an attack using even a crude nuclear weapon could lead to 100 times the casualties which were suffered on September 11. Nuclear nonproliferation is a deadly serious business and those who do not take it so are fools.

I was, as you also were, watching the information flowing out of the recent Sea Island G–8 summit meeting. Although positive agreements were announced, I have yet to hear that progress on nuclear proliferation was as dramatic as I had hoped or as dramatic as the world needs. I find the outcome quite disappointing. There has been progress in this vital area, but certainly not as rapid as we need.

Creation by Secretary Abraham of the Global Threat Reduction Initiative is one positive step. Another is the President's Proliferation Security Initiative. Progress in Libya has been dramatic. The HEU deal that, incidentally, I rescued in 1999 by endorsing a $325 million infusion of funds, continues to reduce stockpiles of HEU, a prime concern for proliferation.

But more needs to be done. Leading up to this summit, there was no shortage of calls for decisive action. I hope that recent Senate acceptance of the global cleanup package would add focus and emphasis on the importance of treating proliferation of nuclear weapons. Thirteen Senators joined in sponsoring it, including the chairman and ranking members of your committee, Armed Services, and Energy. If ever we had the right people to do something significant, we do have on this bill.

Of particular frustration to me is the very slow progress on plutonium disposition. After I began that program with an infusion of $200 million several years ago, the program has been blocked by disagreement over liability provisions. Why a program of this much global importance should be blocked by something as basic as liability remains beyond me. I have been amazed that the leadership of the United States and Russia cannot resolve this issue. Failure to resolve this issue is simply not consistent with the urgency that the administration has attached to nuclear proliferation. Good proposals for the resolution have been circulated, but not accepted so far.

This same liability dispute impacts other programs as well and has blocked progress on the Nuclear Cities program. If you like it or not, it would seem that it should not be blocked, as it has been. President Bush has emphasized the immense threat posed by weapons of mass destruction. I wonder if he has been advised that the liability issue is preventing destruction of enough plutonium for about 10,000 weapons. That is what the plutonium amount that we put the money in in an Appropriations Committee without any authorizing. We just went and told the Appropriations Committee what it would do, and you would not believe their response. They put in both the money for the HEU and the money for plutonium.

Perhaps your committee could discuss this liability issue with the Honorable John Bolton when he testifies in a few minutes. You might ask him why, after plutonium disposition was discussed in

previous G–8 summits, it was omitted from agreements at Sea Island. I submit that Mr. John Bolton, who has been assigned to negotiate this, has a very heavy responsibility and I hate to say that I am not sure to this point that he is up to it. I am not sure that he attaches the significance to this that the two of you and the Senators that I told you were on this bill—I do not think he attaches the significance that we do. Perhaps he can tell you how he does and why he has not been able to produce an agreement.

I regret saying that, but I recall vividly when we did not have enough power, enough so-called horsepower, to get this done, and all of a sudden it was indicated by the State Department that he was the man, that he had great authority, that they needed him because he was the right kind of person. Well, I submit he ought to tell you why he has been unable to do this.

You know what the liability issue is. It ought to be resolved. If he cannot do it, somebody ought to be put in his place that will do it. If he does not think it is important enough to solve this issue of liability, then I submit that you ought to get somebody that can. I regret saying this, but it is too long for plutonium to be sitting around after an agreement is made when 10,000 nuclear devices can be built by it. It is a giant step forward and in my opinion, Senators, it ought to be done. I hope that you will see to it that the right kind of emphasis will be given to this.

That is my testimony and I will leave a copy of it for you in the event you did not get my words.

[The prepared statement of Senator Domenici follows:]

PREPARED STATEMENT OF SENATOR PETE V. DOMENICI

Senator Lugar and Senator Biden, I thank you for inviting me to provide the opening testimony at this hearing. The subject of your hearing is of great personal interest to me.

Senator Lugar, even before our days working with Senator Nunn on the original Cooperative Threat Reduction legislation in 1991 and our work on the Defense Against Weapons of Mass Destruction Act in 1996, I've valued your leadership and partnership in working against the threat of these weapons.

Senator Biden, I have appreciated your leadership and assistance in jointly crafting vital pieces of legislation. Together with Senator Lugar, we introduced the Nuclear Nonproliferation Act in 2002. And just a few weeks ago, we authored a comprehensive amendment on Global Clean Out of Nuclear Materials.

These legislative approaches provide vital new authorities in the global fight against terrorism and against the threat that terrorists will use nuclear or radiological materials against us or anywhere in the world to destroy the foundations of freedom.

The events of September 11, 2001 demonstrated the lengths to which terrorists would go to attack us on our own soil. We need to constantly remember that an attack using even a crude nuclear weapon could lead to one hundred times the casualties we suffered on September 11. Nuclear nonproliferation is a deadly serious business.

I was, as you also were, watching the information flowing out of the recent Sea Island G-8 summit meeting. Although positive agreements were announced, I have yet to hear that progress on nuclear nonproliferation was as dramatic as I had hoped or as dramatic as the world needs. I find the outcome quite a disappointment.

But progress, albeit not as rapid as I wish, is happening and there have been significant developments in this vital area. The President highlighted the risk associated with a nuclear or radiological terrorist attack in his National Defense University speech in February. His action was followed by the May announcement by Secretary Abraham of the Global Threat Reduction Initiative. Progress in Libya has been dramatic.

The "10 plus 10 over 10" Global Partnership, championed by the President and announced at a previous summit, was an important step. It offers new hope for addressing weapons of mass destruction in the former Soviet Union.

The President's Proliferation Security Initiative, launched about a year ago, is another positive step. I welcome the news from Sea Island that more nation's have joined this initiative.

The HEU deal continues to reduce stockpiles of HEU, a prime concern for proliferation. Programs like the Initiatives for Proliferation Prevention, and the Materials Control program are advancing the fight against nuclear proliferation. But more needs to be done.

Leading up to this Summit, there was no shortage of calls for decisive action, including an excellent piece by Senator Nunn. New reports from Harvard, sponsored by the Nuclear Threat Initiative, emphasized the need for more comprehensive controls over nuclear materials. To date, we have fully secured only about a quarter of Russia's nuclear materials.

I hoped that Senate acceptance of the Global Clean Out package in mid-May would add focus and emphasis on the importance of treating proliferation of nuclear materials as one of the greatest threats to global peace and stability. That package identified removal and security of nuclear materials and equipment as a top national security issue. Thirteen Senators joined in sponsoring it, including the chairmen and ranking members of your committee, Armed Services and Energy.

Of particular frustration to me is the slow progress on plutonium disposition. After I began that program with an infusion of $200 million several years ago, the program has been blocked by disagreement over liability provisions. Why a program of this much global importance should be blocked by something as basic as liability remains beyond me.

I have been amazed that the leadership of the United States and Russia can not resolve this issue. Failure to resolve this issue is simply not consistent with the urgency that the administration has attached to nuclear nonproliferation. Good proposals for resolution have been circulated, but not accepted so far. This same liability dispute impacts other programs as well, and has blocked progress on the Nuclear Cities programs.

President Bush has clearly emphasized the immense threat posed by weapons of mass destruction. I wonder if he has been advised that liability issues are preventing destruction of enough plutonium for about 10,000 weapons. Perhaps your committee could discuss this liability issue with the Honorable John Bolton when he testifies in a few minutes. You might also ask him why, after plutonium disposition was discussed in previous G-8 summits, it was omitted from agreements at Sea Island.

Last December, I spoke at the Woodrow Wilson Center's conference celebrating the 50th Anniversary of President Eisenhower's Atoms for Peace speech. I included a list of major unmet challenges in nuclear nonproliferation, challenges that must be met if we are to realize the potential of nuclear energy for the good of mankind:

- the need for improved controls and reductions in tactical nuclear weapons,
- inadequate controls over Russian fissile materials,
- poor controls over radioactive sources around the world,
- reactors fueled with Highly Enriched Uranium, and
- our continued emphasis on Russia when we need a focus on global action.

That list remains valid today.

The recent initiatives, recent legislation, and the Sea Island agreements are steps in the right direction. But we need more than steps. I have to say with regret that Sea Island did not make the giant strides on nuclear nonproliferation that our nation and the world need.

The CHAIRMAN. Well, thank you very much, Senator. I think the message is loud and clear, and we appreciate your coming personally to deliver it. Likewise, we appreciate working with you in the larger partnership, which spans several committees, as you have acknowledged. We will be busy in this committee working on the agenda you have mentioned.

Senator DOMENICI. Senator Biden, I want to thank you also for your involvement in this. This makes this issue not a partisan issue. It is too vital, too important, for it to be partisan. It just must be done. Thank you.

Senator BIDEN. May I make one comment before you leave, Pete. First of all, thank you. Thank you for the passion you bring to this.

Quite frankly, there is a real unmet need here and there is a plan, there is a solution. You getting as deeply involved in it—you have always been deeply involved in it—but as vocal as you are now, is really worthwhile.

I have not discussed this with the chairman, but one of the things that I think maybe would be a useful thing, because I personally observed the effect the chairman had on President Bush on another matter relating to a threat reduction initiative, where the President actually changed the policy that the administration was following after listening to the chairman, because the President had an open mind about it. He has a thousand things on his mind and once the chairman focused him, within 2 weeks something that had been bottlenecked for some time changed.

I think it would be, quite frankly, useful because I found every time we have importuned the President on an important issue he has listened. It might be useful maybe for me not to be involved or be involved, but for you and the chairman and possibly me to ask to see the President. I think this is so important. This is one of those things that if we actually asked for a meeting with the President, 15 minutes of his time, because once he focuses, if he decides, he is the guy that can move those pieces. We cannot move the negotiating process, but he can.

So I just raise that for your consideration. Again, I would not ordinarily say that, except I watched him. I watched the chairman in a meeting with principals who did not have the same view, debate it openly in front of the President, and the President make a choice that changed things. So I just raise that for your consideration.

Senator DOMENICI. Thank you very much.

The CHAIRMAN. Thank you, sir.

Senator DOMENICI. I will try my best.

The CHAIRMAN. Let me indicate at this point, I will commence with my opening statement, and then I will recognize Senator Biden, and then we look forward to a panel of distinguished witnesses that will include the Honorable John R. Bolton, Under Secretary of State for Arms Control and International Security in the Department of State, and the Honorable Linton F. Brooks, Administrator of the National Nuclear Security Administration in the Department of Energy.

OPENING STATEMENT OF SENATOR RICHARD G. LUGAR, CHAIRMAN

As I mentioned earlier, today the committee meets to hear testimony on the G–8 summit recently concluded at Sea Island, Georgia, and the future of the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction. In June 2002 at Kananaskis, Canada, the G–8 announced the creation of the Global Partnership to confront the threat posed by the potential proliferation of nuclear, chemical, and biological weapons and materials emanating from the former Soviet Union.

The European Union, Canada, France, Germany, Italy, Japan, Russia, and the United Kingdom pledged to match United States funding of nonproliferation programs: $10 billion over the next 10 years. If all pledges are realized, the resources available to prevent proliferation from the former Soviet Union would effectively double.

This would allow for an acceleration of the work of the Nunn-Lugar program and related programs of the Departments of State and Energy which have been safeguarding and destroying weapons and materials of mass destruction in the former Soviet Union now for more than a decade.

To date the weapons systems deactivated or destroyed by the United States under these programs include: 6,312 nuclear warheads, 535 ICBMs, 459 ICBM silos, 11 ICBM mobile missile launchers, 128 bombers, 708 nuclear air-to-surface missiles, 408 submarine missile launchers, 496 submarine-launched missiles, 27 nuclear submarines, and 194 nuclear test tunnels.

In addition, 260 tons of fissile material have received either comprehensive or rapid security upgrades. Security upgrades have been made at some 60 nuclear warhead storage sites; 208 metric tons of highly enriched uranium [HEU] have been blended down to low enriched uranium [LEU]; 35 percent of Russia's chemical weapons have received security upgrades.

Joint United States-Russian research is being conducted at 49 former biological weapons facilities and security improvements are under way at four biological weapons sites. The International Science and Technology Center operated by the State Department has engaged 58,000 former weapons scientists at 765 institutes in peaceful work, and the International Proliferation Prevention Program has funded 750 projects involving 14,000 former weapons scientists and created some 580 new peaceful high-tech jobs.

Despite this impressive record of achievement, there is clearly much work to be done. For example, some 340 metric tons of fissile material are still awaiting security upgrades. Approximately 70 warhead storage facilities are awaiting security upgrades. Negotiations with Russia have not produced an agreement on the destruction of 68 metric tons of plutonium, the plutonium that Senator Domenici just mentioned, in the United States and Russia. Also, 5,400 metric tons of nerve agent await destruction; and 62 nuclear-powered submarines await destruction. Security upgrades are still needed in 20 sites housing dangerous biological pathogens. And in the future some 35,000 former nuclear weapons experts will be cut from the Russian nuclear program and will be seeking work.

We have a window of opportunity to address these threats. We must take advantage of this time in history to destroy these weapons that threaten not only the American people and the Russian people, but people throughout the world.

Unfortunately, recent pledges made by our G–8 partners are apparently about $3 billion below the commitments made at Kananaskis in 2002. Moreover, few of the funds pledged by other members of the G–8 have been allocated for actual Global Partnership projects. Our allies must turn their pledges into projects.

Funding shortfalls are not the only problem delaying progress by the Global Partnership. Russia has refused to provide the necessary access to partnership dismantlement sites. Moscow has not granted partnership participants tax-free status on their assistance. In addition, the lack of adequate liability protections plagues the Global Partnership, as it has the Plutonium Disposition Program.

If the Global Partnership is to be successful, Russia must be forthcoming with basic programmatic protections. Despite repeated requests from Moscow for dismantlement help, Russian leaders continue to erect roadblocks that complicate the delivery of assistance. In addition, President Putin has not yet submitted the Nunn-Lugar Umbrella Agreement to the Duma and Federation Council for approval. This agreement, if approved, would codify the tenets under which the Nunn-Lugar program operates in Russia.

Senator Biden and I have sent a letter to the Russian Minister of Defense and Foreign Affairs urging prompt action on the agreement. The Kremlin must understand that failure to approve this agreement places the United States-Russian cooperation at risk.

Despite these trouble spots, President Bush made important progress at Sea Island with respect to the Global Partnership. Australia, Belgium, the Czech Republic, Denmark, Ireland, New Zealand, and South Korea joined as donors. They joined Norway, Poland, Switzerland, Finland, and Sweden as non-G–8 nations participating in the Global Partnership. The G–8 agreed to coordinate activities in other states where there have been weapons of mass destruction programs, such as Libya and Iraq.

And G–8 leaders embraced President Bush's proposal on tightening the loopholes that currently exist in nonproliferation treaty regimes. Specifically, the leaders agreed to ban the transfer of civil nuclear technologies to countries that have not concluded an additional protocol with the IAEA and to create a special committee of the IAEA to study how to further tighten verification and safeguard measures.

The leaders also supported an effort to require countries under investigation by the IAEA to rescue themselves from IAEA board decisions. In addition, they agreed to a one-year freeze on new transfers of enrichment and reprocessing technology to states that do not currently possess it.

Just prior to Sea Island, Secretary of Energy Abraham announced the creation of the Global Threat Reduction Initiative in a speech in Vienna. It will secure high-risk nuclear materials around the world by consolidating and accelerating retrieval efforts and by completing an inventory of materials worldwide to rapidly identify any gaps in non-proliferation efforts. I applaud this initiative and look forward to working closely with the Secretary to ensure that it has sufficient funding.

Another important announcement was made in Moscow last month. Russia has agreed to join the Proliferation Security Initiative, the PSI. Last year President Bush established the PSI, a multilateral effort designed to interdict weapons and materials of mass destruction. Two weeks ago, more than 60 nations met to celebrate the first anniversary of the PSI and to underscore their commitments to preventing rogue states and non-state actors from acquiring weapons of mass destruction.

Today it is my pleasure to welcome two distinguished panels to discuss U.S. non-proliferation policy. We have heard from our good friend and colleague Senator Pete Domenici, long a key advocate in Congress for strong and innovative non-proliferation policies. We have enjoyed working closely with him for more than 10 years on these important matters. His leadership was crucial to the estab-

lishment of the Plutonium Disposition Program and numerous other initiatives. Just recently, his amendment lent congressional support to the Global Threat Reduction Initiative.

The second panel is now before us. From these gentlemen we will hear oversight on important aspects of our non-proliferation policies. We welcome John Bolton, Under Secretary of State for Arms Control and International Security, and Ambassador Linton Brooks, Administrator of the National Nuclear Security Administration. We thank all of our witnesses for coming here today for this important hearing. We look forward to hearing from the panel.

[The opening statement of Senator Lugar follows:]

OPENING STATEMENT OF SENATOR RICHARD G. LUGAR

Today the committee meets to hear testimony on the G-8 summit recently concluded at Sea Island, Georgia, and the future of the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction.

In June 2002, at Kananaskis, Canada, the G-8 announced the creation of the Global Partnership to confront the threat posed by the potential proliferation of nuclear, chemical, and biological weapons and materials emanating from the former Soviet Union. The European Union, Canada, France, Germany, Italy, Japan, Russia, and the United Kingdom pledged to match U.S. funding of non-proliferation programs—$10 billion over the next 10 years. If all pledges are realized, the resources available to prevent proliferation from the former Soviet Union would effectively double. This would allow for an acceleration of the work of the Nunn-Lugar program and related programs at the Departments of State and Energy, which have been safeguarding and destroying weapons and materials of mass destruction in the former Soviet Union for more than a decade.

To date, the weapons systems deactivated or destroyed by the United States under these programs include:

- 6,312 nuclear warheads;
- 535 ICBMs;
- 459 ICBM silos;
- 11 ICBM mobile missile launchers;
- 128 bombers;
- 708 nuclear air-to-surface missiles;
- 408 submarine missile launchers;
- 496 submarine launched missiles;
- 27 nuclear submarines; and
- 194 nuclear test tunnels.

In addition:

- 260 tons of fissile material have received either comprehensive or rapid security upgrades;
- Security upgrades have been made at some 60 nuclear warhead storage sites;
- 208 metric tons of Highly Enriched Uranium has been blended down to Low Enriched Uranium;
- 35 percent of Russia's chemical weapons have received security upgrades;
- Joint U.S.-Russian research is being conducted at 49 former biological weapons production facilities, and security improvements are underway at 4 biological weapons sites;
- The International Science and Technology Center operated by the State Department has engaged 58,000 former weapons scientists at 765 institutes in peaceful work; and
- The International Proliferation Prevention Program has funded 750 projects involving 14,000 former weapons scientists and created some 580 new peaceful high-tech jobs.

Despite this impressive record of achievement, there is much work left to be done. For example:

- Some 340 metric tons of fissile material are still awaiting security upgrades;

- Approximately 70 warhead storage facilities are awaiting security upgrades;
- Negotiations with Russia have not produced an agreement on the destruction of 68 metric tons of plutonium in the U.S. and Russia;
- 5,400 metric tons of nerve agent await destruction;
- 62 nuclear-powered submarines await destruction;
- Security upgrades are still needed at 20 sites housing dangerous biological pathogens; and
- In the future, some 35,000 former nuclear weapons experts will be cut from the Russian nuclear program and will be seeking work.

We have a window of opportunity to address these threats. We must take advantage of this time in history to destroy these weapons that threaten not only the American people, but people throughout the world.

Unfortunately, recent pledges made by our G-8 partners are about $3 billion below the commitments made at Kananaskis in 2002. Moreover, few of the funds pledged by other members of the G-8 have been allocated for actual Global Partnership projects. Our allies must turn their pledges into projects.

Funding shortfalls are not the only problem delaying progress by the Global Partnership. Russia has refused to provide the necessary access to Partnership dismantlement sites. Moscow has not granted Partnership participants tax-free status on their assistance. In addition, the lack of adequate liability protections plagues the Global Partnership, as it has the Plutonium Disposition Program.

If the Global Partnership is to be successful, Russia must be forthcoming with basic programmatic protections. Despite repeated requests from Moscow for dismantlement help, Russian leaders continue to erect roadblocks that complicate the delivery of assistance.

In addition, President Putin has not yet submitted the Nunn-Lugar Umbrella Agreement to the Duma and Federation Council for approval. This agreement, if approved, would codify the tenants under which the Nunn-Lugar Program operates in Russia. Senator Biden and I sent a letter to the Russian Ministers of Defense and Foreign Affairs urging prompt action on the agreement. The Kremlin must understand that failure to approve this agreement places U.S.-Russian cooperation at risk.

Despite these trouble spots, President Bush made important progress at Sea Island with respect to the Global Partnership:

- Australia, Belgium, the Czech Republic, Denmark, Ireland, New Zealand, and South Korea joined as donors; They join Norway, Poland, Switzerland, Finland, and Sweden as non-G-8 nations participating in the Global Partnership;
- The G-8 agreed to coordinate activities in other states where there have been weapons of mass destruction programs, such as Libya and Iraq; and
- G-8 leaders embraced President Bush's proposals on tightening the loopholes that currently exist in non-proliferation treaty regimes.

Specifically, the leaders agreed to ban the transfer of civil nuclear technologies to countries that have not concluded an Additional Protocol with the IAEA and to create a special committee of the IAEA to study how to further tighten verification and safeguards measures. The leaders also supported an effort to require countries under investigation by the IAEA to recuse themselves from IAEA board decisions. In addition, they agreed to a one-year freeze on new transfers of enrichment and reprocessing technology to states that do not currently possess it.

Just prior to Sea Island, Secretary of Energy Abraham announced the creation of the Global Threat Reduction Initiative in a speech in Vienna. It will secure high-risk nuclear materials around the world by consolidating and accelerating retrieval efforts and by completing an inventory of materials worldwide to rapidly identify any gaps in non-proliferation efforts. I applaud this initiative and look forward to working closely with Secretary Abraham to ensure that it has sufficient funding.

Another important announcement was made in Moscow late last month. Russia has agreed to join the Proliferation Security Initiative (PSI). Last year, President Bush established the PSI, a multilateral effort designed to interdict weapons and materials of mass destruction. Two weeks ago, more than sixty nations met to celebrate the first anniversary of the PSI and to underscore their commitment to preventing rogue states and non-state actors from acquiring weapons of mass destruction.

Today it is my pleasure to welcome two distinguished panels to discuss U.S. non-proliferation policy and the events at Sea Island. First, we will hear from our good friend and colleague Senator Pete Domenici of New Mexico. Senator Domenici has long been a key advocate in Congress for strong and innovative non-proliferation

policies. I have enjoyed working closely with him for more than 10 years on these important matters. His leadership was crucial to the establishment of the Plutonium Disposition Program and numerous other initiatives. Just recently, his amendment lent congressional support to the Global Threat Reduction Initiative.

On our second panel, we will hear from two administration officials with oversight of important aspects of our non-proliferation policies. We welcome John Bolton, Under Secretary of State for Arms Control and International Security and Ambassador Linton Brooks, Administrator of the National Nuclear Security Administration. I thank all our witnesses for coming today to share their insights on recent non-proliferation developments and the events at the G-8 summit.

The CHAIRMAN. I would like to call upon the distinguished ranking member, Senator Joseph Biden, for his opening statement.

OPENING STATEMENT OF SENATOR JOSEPH R. BIDEN, JR., RANKING MEMBER

Senator BIDEN. Thank you very much, Mr. Chairman. I appreciate your holding this hearing. With the possible exception of the situations in Iraq and Afghanistan, I cannot think of anything short-term that is more urgent, and long-term I cannot think of, even including Iraq and Afghanistan, anything more urgent than this topic. That is, the risk posed by the proliferation of weapons of mass destruction.

To the extent that we have had disagreement or, not disagreement, a dissonance with the administration, it has been about the degree of urgency and how high on the agenda this issue should be. Over 3 years ago we held a hearing when the report filed by now-Ambassador Baker, then Howard Baker, the former Senator from Tennessee, the majority leader, and Lloyd Cutler, and they wrote that "The most urgent"—and I am quoting: "The most urgent unmet national security threat to the United States today is the danger that the weapons of mass destruction or weapons-usable material in Russia could be stolen and sold to terrorists or hostile nation states and used against American troops abroad or citizens at home."

At that time, which we all know, they proposed that the world devote $3 billion per year to securing former Soviet nuclear materials. That is just Soviet nuclear materials, and we are not there yet. Given the nonproliferation initiatives at last week's G–8 summit, this week's review by the International Atomic Energy Agency of Iran's nuclear program,and next week's resumption of six-party talks in North Korea, this is a particularly appropriate time to review our nonproliferation efforts.

The Senate has added to the Defense bill an amendment that was just discussed by Senator Domenici, a significant amendment that you and I co-sponsored, called the Global Clean Out of Fissile and Radiological Material. I am especially pleased that Senator Domenici was our lead witness today and, as you can see by his passion, how strongly he feels about this. He has been a tower of strength on nonproliferation issues and he has led the efforts to accelerate DOE programs.

The Senator's amendment complements the Global Threat Reduction Initiative that Secretary Abraham announced in Vienna on May 26 to repatriate Russian and U.S. highly enriched uranium, so-called HEU, to convert civilian research reactors that use HEU to use low-enriched uranium fuel instead.

I do not want to appear ungrateful, but I am not convinced that even this initiative goes far enough or fast enough. It is great that we are accelerating some efforts by as much as 2 years and others by up to 50 percent. But the real question is how long is this going to take to recover and secure all at-risk fissile material? Will this be done by 2008 or will we be still talking about it in 2015?

I welcome also the initiative that came out of the G–8 summit, but I would like to hear from Secretary Bolton about whether and how these promises are going to achieve tangible progress. The action plan on nonproliferation contains some new initiatives and reiterates others. It adopts or supports several ideas that the President has set forth in his February 11 speech.

G–8 members also agreed to expand the Global Partnership that works to secure and dismantle Russian WMD materials. All these agreements and initiatives sound like progress, but will significant new resources be devoted to them by our G–8 partners, by Global Partnership members, and by our own OMB in our own budget, in our process? Too often, bright new initiatives turn out to be largely repackaging funds that already are in the budget. Too often, bureaucratic disputes over issues like access and liability starve programs.

I wonder whether these disputes can be resolved without engaging the President of the United States and President Putin to give them the sustained attention that they need. Too often, promises are not implemented when tough action, such as export control laws, sanctions, and actual enforcement, are called for.

I would like to hear from our witnesses today how these fine words will translate into real action and what the administration will do at the highest levels to make nonproliferation initiatives work.

As we confront the problems of a nuclear-armed North Korea, an increasingly armed North Korea, of a potentially nuclear Iran, and terrorists seeking weapons of mass destruction, real and effective action could not be more urgent. I literally cannot think of a single thing, speaking for myself, that would warrant more allocation of American resources at this moment than this issue. I cannot fathom anything approaching this.

I mean, look. We all talk so much about terror, we all talk so much about terrorism. I remind you what you all know. I remind all of us in the Senate as well. Back over a year and a half ago, as the chairman will recall, at the time when before the last election and I was sitting in the chairman's seat, actually I asked the heads of the national laboratories whether they could produce a home-made nuclear weapon off the shelf, and they said they would go back and they would think about it. They came back with a home-made nuclear weapon.

They physically—as they say, it was bigger than a breadbox and smaller than a dump truck. They physically showed it to us. The only thing it lacked was the fissile material needed for it to function. The materials were literally purchased and put together without violating any law in the United States of America. Thank God the fissile material is the hard part to get.

So I cannot think of anything, anything at all, more urgent than this. My my primary disagreement with the administration is the

apparent—speaking only for myself—the apparent lack of a sense of urgency. I am anxious to hear from our witnesses today, and I thank the chairman again and I thank Senator Domenici for his being so fully engaged in this.

The CHAIRMAN. Thank you very much, Senator Biden.

I will call upon the witnesses in the order that I have introduced them. That will be first of all Mr. Bolton, then Mr. Brooks. Secretary Bolton, we are pleased to have you. Would you please proceed with your testimony.

Let me make the point at the outset that the statements that both of you have prepared have been comprehensive. They will be placed in the record in full, so you may proceed in any way that you wish.

STATEMENT OF HON. JOHN R. BOLTON, UNDER SECRETARY OF STATE FOR ARMS CONTROL AND INTERNATIONAL SECURITY, U.S. DEPARTMENT OF STATE

Mr. BOLTON. Thank you very much, Mr. Chairman, Senator Biden. It is a pleasure to be here today to discuss the achievements that President Bush made at the Sea Island summit last week and in particular the future of the Global Partnership.

Mr. Chairman, you and this committee of course have been in the forefront of international efforts designed to reduce the risk that such a horrific event of terrorism use of nuclear weapons might ever occur. It is a testimony to the vision of this committee's leadership that the Nunn-Lugar cooperative threat reduction legislation dates to 1991, when the collapse of the Soviet Union left weapons at the mercy of chaotic events and vulnerable to loss, theft, or misuse.

A lot of work has been accomplished under the Nunn-Lugar program, but I think it is also a credit to the vision of your leadership, Mr. Chairman, that we cannot rest on the accomplishments of these programs thus far. Significant though they are, there is still a great deal of work to be done to move forward on the task that was begun over a decade ago.

Let me describe what the Sea Island summit committed to accomplishing over the next decade. On February 11, the President recalled that he had proposed during his address to the General Assembly last fall that the Security Council adopt a new resolution requiring all states to criminalize proliferation, enact strict export controls, and secure all sensitive materials within their borders. As you know, the Security Council unanimously passed this resolution on April 28. The G–8 partners commended Resolution 1540 as follows in the Sea Island action plan on nonproliferation. Basically, I will not read the whole thing, but they strongly supported the resolution that President Bush had called for, by calling "on all states to implement this resolution promptly and fully," and said "we are prepared to assist them in so doing, thereby helping to fight the nexus between terrorism and proliferation, and black markets in these weapons and related materials."

I might say, Mr. Chairman, I have attached a copy of the G–8 action plan to my testimony,[1] which as you noted would be included in the record.

The Proliferation Security Initiative passed its first anniversary last month, as you noted, and the Government of Poland hosted in Cracow a meeting of 62 countries that supported the Proliferation Security Initiative. Others would have been there had they been able. So this is a demonstration of the global reach of PSI and the global support that it has gathered.

You also noted that Russia joined the core group of PSI. We think this is a very substantial decision by the Government of Russia. It means that now all G–8 countries are members of the PSI core group and it should contribute substantially to the operational capabilities that PSI represents.

We like to say that PSI is an activity, not an organization. We believe that spirit and flexibility are among the keys to PSI's success. In developing PSI, our main goal has been a simple one: to create the basis for practical cooperation among states to help navigate the increasingly challenged arena of proliferation.

Our G–8 partners backed us at Sea Island. All eight participants reiterated their commitment to PSI and its statement of interdiction principles as a global response to a global problem. Moreover, the G–8 action plan endorsed the President's February proposals to expand PSI from interdiction activities in international commerce, to strengthen law enforcement efforts, including stopping illicit financial flows, and shutting down illicit plants, laboratories, and brokers. This is a substantial step forward and we think it will strengthen PSI very, very much.

President Bush also in February made a bold and sweeping proposal to address the problem of proliferant states seeking nuclear weapons under false pretenses. Several countries have pursued programs to produce weapons-grade nuclear material under cover of civilian nuclear programs while asserting a right under NPT article 4 to pursue sensitive nuclear technologies such as enrichment and reprocessing. President Bush proposed closing that loophole in a manner that allows for the safe development of peaceful nuclear power programs without adding to the dangers of weapons proliferation.

The President called on all members of the nuclear suppliers group to refuse to sell enrichment and reprocessing technologies to any state that does not already possess full-scale functioning enrichment and reprocessing plants. At Sea Island the G–8 leaders recognized the danger of the spread of enrichment and reprocessing technologies and made a commitment to put into place by the time of the next G–8 summit next year specific measures to close this loophole while allowing the world to safely enjoy the benefits of peaceful nuclear energy.

For the next year, the G–8 leaders agreed to refrain from new initiatives involving transferring enrichment and reprocessing technologies to additional states and called on other states to adopt the same approach. Over the next year we will work to achieve the President's objective of stanching the indiscriminate spread of

[1] See page 22.

these sensitive technologies. I spoke to the NSG's annual plenary session in Goteborg, Sweden, last month, where I urged the other members to work with us to close this loophole in the nuclear nonproliferation regime. The endorsement of the G–8 leaders is an important step in this effort.

The Sea Island summit also gave strong support to the President's proposals concerning the IAEA additional protocol. The President proposed that by next year only states that have signed the additional protocol would be allowed to import equipment for their civilian nuclear programs. We have introduced that proposal into the NSG, urging amendment of the nuclear suppliers guidelines to make the additional protocol a condition of supply for all trigger list items. In the G–8 action plan, the leaders urged all states to ratify and implement the additional protocol as soon as possible and said that the additional protocol, quote, "must become an essential new standard in the field of nuclear supply arrangements. We will work to strengthen the NSG guidelines accordingly. We aim to achieve this by the end of 2005." Implementing this agreement we believe will achieve the President's goal.

The President also affirmed that we must ensure that the International Atomic Energy Agency is organized to take action when action is required. To this end, he suggested two steps to strengthen IAEA governance: creation of a special committee of the IAEA Board of Governors to focus intensively on safeguards and verification; and second, that countries under investigation for violating nuclear nonproliferation obligations should be precluded from serving on the IAEA board or the new special committee.

These proposals drew close interest from our G–8 partners. We found much agreement with the idea that safeguards and verification need more concerted attention. At Sea Island the G–8 leaders endorsed this approach, and I quote: "To enhance the IAEA's integrity and effectiveness and strengthen its ability to ensure that nations comply with their NPT obligations and safeguards agreements, we will work together to establish a new special committee of the IAEA Board of Governors. This committee would be responsible for preparing a comprehensive plan for strengthened safeguards and verification. We believe this committee should be made up of member states in compliance with their NPT and IAEA commitments."

The G–8 partners also agreed with the principle, as the President expressed it, that those actively breaking the rules should not be entrusted with enforcing the rules. To this end, we sought to limit the opportunity of IAEA board members who are in violation of their nonproliferation obligations to act on board business that addresses those violations. At Sea Island the G–8 leaders endorsed the recusal of countries under investigation from decisions regarding their own cases. This is a step forward, although more needs to be done on this point.

These issues will be addressed at the IAEA Board of Governors meeting that began yesterday, June 14. We will be raising the question of the special committee and the question of denying board and Special Committee memberships to those in violation of their nonproliferation obligations. We will describe terms of reference for the special committee with attention to how we can bet-

ter understand and respond to trade in black market equipment and technology. We will urge the IAEA to use the full breadth of its authorities to verify declared activities and to ferret out undeclared nuclear activities.

Each and every one of the foregoing initiatives reinforces the Global Partnership, to which I now turn. As you mentioned, Mr. Chairman, the G–8 created the Global Partnership in Kananaskis 2 years ago, where the leaders pledged up to $20 billion over a 10-year period on projects in the former Soviet Union. The Global Partnership accomplished a great deal in the past 2 years, making progress toward its commitment to raise up to $20 billion, expanding participation, laying solid groundwork for cooperation, advancing current programs, and launching new projects. This United States initiative attempts to leverage our G–8 partners to match our own billion dollar a year program.

So far, the seven other G–8 states have pledged approximately $6.5 billion, Russia will spend $2 billion of its own funds, and, as you have mentioned, seven new countries joined this year and six joined at the Evian summit last year. This is an important political step as well as an important economic step we think in strengthening the Global Partnership.

President Bush also proposed expanding the Global Partnership to new recipient countries. We have substantial nonproliferation projects under way in several former Soviet states, which counts toward our Global Partnership pledge, as have some other G–8 countries, and we plan to work for the remainder of this year to see about bringing these other former Soviet states formally into the Global Partnership.

You have also noted I think a very significant development and that is the commitment of the G–8 to use the Global Partnership for programs such as retraining nuclear and other WMD scientists and technicians in countries like Libya and Iraq.

Through the launch of the Global Partnership initiative, the leading industrialized countries of the G–8 committed to greatly expanding nonproliferation cooperation that far exceeds their engagement in the preceding 10 years. Some have criticized the progress made to date in implementing these commitments. However, many donor countries started from scratch to negotiate implementing agreements with Russia that include essential sound business practices such as tax exemption, access to work sites, and transparency in financial transactions.

For example, Canada and Russia signed at Sea Island last week a bilateral agreement that will allow Canada's projects in Russia to go forward. I might say the Canadian pledge is $750 million U.S. This welcome step required negotiations that began shortly after Kananaskis and took 2 years to complete. Unfortunately, the work of putting in place the necessary agreements, which requires close coordination and support from the recipient countries, has taken longer than we would like, as does the development of sound project designs that will ensure that the taxpayer money does not go to waste. I can assure you that donor countries are readily pressing for timely conclusion of these arrangements.

Since the United States already had implementing frameworks in place, we have forged ahead. The United States is on track in

fulfilling its $10 billion pledge with annual funding commitments at about $1 billion. The planned United States activities will represent a substantial increase over the preceding 10 years effort. The $10 billion pledged from June 2002 through 2012 will be some $3 billion greater than the United States spent on non-proliferation efforts from 1992 to 2002. Our funding commitments are being translated into concrete actions as considerable amounts of funds are flowing to Global Partnership projects.

Global Partnership cooperation spans the full range of non-proliferation and nuclear safety cooperation. I have attached for the record to my testimony the G–8 Global Partnership's annual report and its annex, the Consolidated Report of Global Partnership Projects, which provides a record of Global Partnership activities and project commitments to date. This is also posted on the Sea Island Web site.[2]

The broad level of support for the Global Partnership goals is reflected in the wide degree of participation in the Global Partnership projects. My colleagues from the Departments of Energy and Defense will elaborate on their agencies' significant work and accomplishments, including in the areas of nuclear and radioactive materials security, chemical weapons destruction, biosecurity, and biosafety, and redirection of former weapons scientists. It is worth noting that these efforts enjoy a substantial degree of support from other Global Partnership participants.

While a great deal remains to be done, the Global Partnership is making good, steady, financially sound progress toward the goal of implementing projects that will keep weapons and materials of mass destruction out of the hands of those who would do us harm.

Mr. Chairman, we believe that the Sea Island summit and the G–8 action plan on non-proliferation will be important milestones in the fight against the spread of weapons of mass destruction. We look forward to working with you and other members of this committee. Thank you again for the opportunity to testify here today and I look forward to answering your questions.

[The prepared statement of Mr. Bolton follows:]

PREPARED STATEMENT OF HON. JOHN R. BOLTON

Mr. Chairman and members of the committee, thank you for the opportunity to appear before the committee today to discuss our progress on the United States' nonproliferation agenda. I will report in some detail on the significant achievements at the G-8 summit at Sea Island last week.

President Bush set out the next steps in the administration's nonproliferation agenda in a comprehensive speech on February 11 of this year at the National Defense University. He made a number of specific proposals that formed the core of the United States approach at the Sea Island summit. The President clearly highlighted the nightmare scenario presented by the possibility of terrorists or their state sponsors acquiring weapons of mass destruction ("WMD"), which would have no hesitation in using against civilian targets.

The danger the President addressed is not new, and this committee and its chairman have been in the forefront of international efforts designed to reduce the risk that such a horrific event might ever occur. It is a testimony to the vision of this committee's leadership that the Nunn-Lugar Cooperative Threat Reduction legislation dates to 1991, when the collapse of the Soviet Union left a legacy of awesome weapons at the mercy of chaotic events and vulnerable to loss, theft or misuse. The work that has been accomplished under that legislation has gone a long way towards preventing hostile states and terrorists from acquiring such weapons. It has

[2] www.g8usa.gov/documents.htm

helped transform a relationship of mutual hostility into one of cooperation. Rising to the occasion of an emergency response to crisis, our CTR programs have expanded in scope and enlisted the cooperation of friends and allies from around the world. Indeed, it is impossible to conceive of the Global Partnership as it now stands, without a clear line of paternity leading back to Nunn-Lugar over a decade ago.

It is also a credit to the vision of your leadership, Mr. Chairman, that we cannot rest on the accomplishments of these programs thus far. Significant though they are, there is still a great deal of work to be done to move forward on the task that was begun over a decade ago. Let me describe what the Sea Island summit committed us to accomplishing over the next decade.

THE PRESIDENT'S SPEECH AND THE SEA ISLAND SUMMIT

1. On February 11, the President recalled that he had proposed during his address to the UN General Assembly that the United Nations Security Council adopt a new resolution requiring all states to criminalize proliferation, enact strict export controls, and secure all sensitive materials within their borders. As you know, the Security Council unanimously passed this resolution on April 28. The G-8 Partners commended Resolution 1540 as follows in the Sea Island Action Plan on Nonproliferation:

> We strongly support UN Security Council Resolution 1540, calling on all states to establish effective national export controls, to adopt and enforce effected laws to criminalize proliferation, to take cooperation action to prevent non-state actors from acquiring weapons of mass destruction, and to end illicit trafficking in such weapons, their means of delivery, and related materials. We call on all states to implement this resolution promptly and fully, and we are prepared to assist them in so doing, thereby helping to fight the nexus between terrorism and proliferation, and black markets in these weapons and related materials.

A copy of the Sea Island G-8 Action Plan on Nonproliferation is attached to this testimony.

2. The Proliferation Security Initiative ("PSI") passed its first anniversary last month. On May 31-June 1, the Government of Poland hosted an important conference of nations supporting PSI in Krakow, Poland, where the President first announced the initiative to address the growing challenge of weapons of mass destruction proliferation. It was gratifying to see so many countries—sixty-two in all—represented at this anniversary, and we know of other supporters who could not attend. We like to say that "PSI is an activity, not an organization," and we believe this spirit and flexibility are among the keys to PSI's success. In developing PSI, our main goal has been a simple one—to create the basis for practical cooperation among states to help navigate the increasingly challenging arena of proliferation. Our goal is based on an equally simple tenet—that the impact of states working together in a deliberately cooperative manner would be greater than states acting alone in an ad hoc fashion.

This past year, we learned just how far proliferation networks had advanced. PSI addresses that threat. And President Bush proposed in February that the work of PSI be broadened beyond interdicting shipments and transfers, to include greater cooperation in law enforcement.

Our G-8 partners backed us at Sea Island. All eight participants reiterated their commitment to PSI and its Statement of Interdiction Principles as a global response to a global problem. The G-8 Nonproliferation Action Plan spoke in detail to PSI activities:

> We will further cooperate to defeat proliferation networks and coordinate, where appropriate, enforcement efforts, including by stopping illicit financial flows and shutting down illicit plants, laboratories, and brokers, in accordance with national legal authorities and legislation and consistent with international law. Several of us are already developing mechanisms to deny access to our ports and airports for companies and impose visa bans on individuals involved in illicit trade.

3. President Bush also made a bold and sweeping proposal to address the problem of proliferant states seeking nuclear weapons under false pretenses. Several countries have pursued programs to produce weapons-grade nuclear material under cover of civilian nuclear programs, while asserting a right under NPT Article IV to pursue sensitive nuclear technologies, such as enrichment and reprocessing. President Bush proposed closing that loophole in a manner that allows for the safe devel-

opment of peaceful nuclear power programs without adding to the danger of weapons proliferation.

The President called on all members of the Nuclear Suppliers Group ("NSG") to refuse to sell enrichment and reprocessing technologies to any state that does not already possess full-scale, functioning enrichment and reprocessing plants. At Sea Island, the G-8 leaders recognized the danger of the spread of enrichment and reprocessing technologies and made a commitment to put in place by the time of the G-8 summit next year specific measures to close this loophole while allowing the world to safely enjoy the benefits of peaceful nuclear energy. For the next year, the G-8 leaders agreed to refrain from new initiatives involving transferring enrichment and reprocessing technologies to additional states, and called on other states to adopt the same approach. Over the next year we will work to achieve the President's objective of staunching the indiscriminate spread of these sensitive technologies. I spoke to the NSG's annual plenary session in Goteborg, Sweden last month, where I urged the other members to work with us to close this loophole in the nuclear nonproliferation regime. The endorsement of the G-8 leaders is an important step in this effort.

4. The Sea Island summit also gave strong support to the President's proposals concerning the IAEA Additional Protocol. The President proposed that, by next year, only states that have signed the IAEA Additional Protocol be allowed to import equipment for their civilian nuclear program. We have introduced that proposal into the NSG, urging amendment of the Nuclear Suppliers Guidelines to make the Additional Protocol a condition of supply for all "trigger list" items. In the G-8 Action Plan on Nonproliferation, the leaders urged all states to ratify and implement the Additional Protocol as soon as possible and said that the Additional Protocol "must become an essential new standard in the field of nuclear supply arrangements. We will work to strengthen NSG guidelines accordingly. We aim to achieve this by the end of 2005." Implementing this agreement, we believe, would achieve the President's goal.

5. The President also affirmed that we must ensure that the International Atomic Energy Agency ("IAEA") is organized to take action when action is required. To this end, he suggested two steps to strengthen IAEA governance: the creation of a Special Committee of the IAEA Board of Governors to focus intensively on safeguards and verification, and second, that countries under investigation for violating nuclear nonproliferation obligations should be precluded from serving on the IAEA Board or the new Special Committee.

These proposals drew close interest from our G-8 partners. We found much agreement with the idea that safeguards and verification need more concerted attention. At Sea Island, the G-8 leaders endorsed this approach:

> To enhance the IAEA's integrity and effectiveness, and strengthen its ability to ensure that nations comply with their NPT obligations and safeguards agreements, we will work together to establish a new Special Committee of the IAEA Board of Governors. This committee would be responsible for preparing a comprehensive plan for strengthened safeguards and verification. We believe this committee should be made up of member states in compliance with their NPT and IAEA commitments.

G-8 partners also agreed with the principle, as the President expressed it, that those actively breaking the rules should not be entrusted with enforcing the rules. To this end, we sought to limit the opportunity for IAEA Board members, which are in violation of their nonproliferation obligations, to act on Board business that addresses their own violations. At Sea Island the G-8 leaders endorsed recusal of countries under investigation from decisions regarding their own cases. This is a step forward, although more needs to be done on this point.

These issues will be addressed at the IAEA Board of Governors meeting that began yesterday, June 14. We will be raising the question of the Special Committee, and the question of denying Board and Special Committee membership to those in violation of their nonproliferation obligations. We will describe terms of reference for the Special Committee, with attention to how we can better understand, and respond to, trade in black market equipment and technology. We will urge the IAEA to use the full breadth of its authorities to verify declared activities, and to ferret out undeclared nuclear activities.

Each and every one of the foregoing initiatives reinforces the Global Partnership, to which I now turn.

GLOBAL PARTNERSHIP

At their June, 2002, Summit in Kananaskis, G-8 leaders pledged to raise up to $20 billion to be spent over ten years for nonproliferation, disarmament, counterterrorism, and nuclear safety projects in the states of the former Soviet Union. This commitment attempts to prevent terrorists or states that support them from acquiring or developing weapons of mass destruction ("WMD"), missiles, and related materials, equipment and technology.

The Global Partnership accomplished a great deal in the past two years, making progress towards its commitment to raise up to $20 billion, expanding participation, laying solid groundwork for cooperation, advancing current programs, and launching new projects. This United States initiative attempts to leverage our G-8 partners to match our own billion-dollar-per-year programs.

To date, the seven other G-8 states and the European Union have pledged about $6.5 billion. In addition, Russia plans to spend $2 billion of its own funds. Six new donors that joined in 2003—Finland, the Netherlands, Norway, Poland, Switzerland, and Sweden—have committed about $210 million. Concrete results are now appearing in projects underway or about to begin with funding mobilized from the Partnership. The United States considers the $20 billion goal of the Global Partnership to be a floor and not a ceiling. We made this position quite clear at Kananaskis and subsequently, and more recently in the President's February NDU speech. We hope to persuade our G-8 colleagues to consider it the same.

Another component of President Bush's initiative was to expand the Global Partnership to involve additional donor countries. Last week, at the Sea Island summit, G-8 leaders welcomed seven new donor countries: Australia, Belgium, the Czech Republic, Denmark, Ireland, the Republic of Korea, and New Zealand. While many of these new donors are in the early stages of the process of designating funds and considering projects, they nonetheless increase the Global Partnership's political impact, and broaden its capability, to make it a truly global effort to prevent the proliferation of weapons and materials of mass destruction.

President Bush also proposed expanding the Global Partnership to new recipient countries. The United States has substantial nonproliferation projects underway in several former Soviet states, which count toward our Global Partnership pledge, as have some other G-8 countries. We are actively encouraging the G-8 to accept new recipient countries such as Ukraine, Kazakhstan, Uzbekistan, and Georgia, and will continue to do so. We discussed participation with Ukraine, and will do so with other former Soviet states.

At Sea Island, the G-8 took an important step to make the Global Partnership truly global, agreeing to use the Global Partnership to coordinate efforts to address proliferation challenges worldwide. For example, we will pursue the retraining of Iraqi and Libyan scientists involved in past WMD programs.

Through the launch of the Global Partnership initiative the leading industrialized countries of the G-8 committed to greatly expanded nonproliferation cooperation, that far exceeds their engagement in the preceding ten years. Some have criticized the progress made to date in implementing these commitments. However, many donor countries started from scratch to negotiate implementing agreements with Russia that include essential sound business practices such as tax exemption, access to work sites, and transparency in financial transactions. For example, Canada and Russia signed at Sea Island last week a bilateral agreement that will allow Canada's projects in Russia to go forward; this welcome step required negotiations that began shortly after Kananaskis and took two years to complete. Unfortunately, the work of putting in place the necessary agreements, which requires close coordination and support from the recipient countries, has taken longer than we would like, as does the development of sound project designs that will ensure that taxpayer money does not go to waste. I can assure you that donor countries are readily pressing for timely conclusions of these arrangements.

Since the U.S. already had implementing frameworks in place, we have forged ahead. The United States is on track in fulfilling its $10 billion pledge, with annual funding commitments at about $1 billion. The planned United States activities will represent a substantial increase over the preceding 10 years' efforts. The $10 billion pledged from June 2002 through 2012 will be some $3 billion greater than the United States spent on nonproliferation efforts from 1992 to June 2002. Our funding commitments are being translated into concrete actions as considerable amounts of funds are flowing to Global Partnership projects.

Global Partnership cooperation spans the full range of nonproliferation and nuclear safety cooperation. I am submitting for the record the G-8 Global Partnership's *Annual Report* and annex, the *Consolidated Report of Global Partnership Projects,* which provide a record of Global Partnership activities and project commitments to

date. These reports were released by the G-8 leaders last week at the Sea Island summit, and are available on the Sea Island Web site *www.g8usa.gov/documents.htm*. The reports reflect funding since the establishment of the Global Partnership in 2002. Thus, U.S. FY 1992-2002 funding of almost $7.2 billion for nonproliferation and threat reduction programs in the former Soviet Union are not included therein.

The broad level of support for the Global Partnership goals is reflected in the wide degree of participation in the Global Partnership projects. My colleagues from the Departments of Energy and Defense will elaborate on their agencies' significant work and accomplishments, including in the areas of nuclear and radioactive materials security, chemical weapons destruction, bio-security and bio-safety, and redirection of former weapons scientists. It is worth noting that these efforts enjoy a substantial degree of support from other Global Partnership participants.

Chemical weapons (CW) destruction. Russia's stockpile of 40,000 metric tons of chemical weapons—the largest in the world by far—is a substantial security concern. We need only think back to the 1995 attack by the Japanese cult Aum Shinrikyo on the Tokyo subway system to recall the consequences of terrorist use of chemical weapons. Canada, the European Union, Finland, France, Germany, Italy, the Netherlands, Norway, Poland, Russia, Switzerland, and the United Kingdom are committed to projects assisting Russia at sites including Gorny, Shchuch'ye, Pochep, and Kambarka.

Russia is responsible for fulfilling its obligations under the Chemical Weapons Convention to destroy its CW stockpiles, but assistance provided by Global Partnership partners will substantially facilitate and accelerate the destruction of CW in Russia. The U.S, is by far the largest donor in this project, with funding over $830 million since 1992, mostly for the nerve agent destruction facility at Shchuch'ye.

Nuclear submarine dismantlement. The United States is completing a multiyear effort to dismantle Russian decommissioned strategic nuclear submarines, with $372 million funded to date. In addition, to assist our Global Partnership colleagues, we have authorized the use of equipment belonging to the U.S. program by other countries to dismantle Russia's general-purpose nuclear-powered submarines. Under the Global Partnership, Canada, the European Union, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, Sweden, and the United Kingdom are or will soon be providing substantial contributions for nuclear submarine dismantlement and related activities for the safe handling and storage of their associated nuclear and radioactive waste.

Securing nuclear materials. Disposing, securing and preventing the further production of fissile materials is key to our global efforts to keep terrorists or threatening states from acquiring or manufacturing a nuclear weapon. This area is a priority for the United States, Canada, the European Union, Finland, Germany, Norway, Sweden, and the United Kingdom.

DOE has for some time been engaged in a high-priority effort to increase the protection of nuclear material in Russia. To date, with U.S. assistance, approximately forty-five percent of fissile material in Russian is secure. By 2008, Russia and the U.S. plan to have all fissile material facilities secure. Funding for these programs has increased 50% over the last four years from $622 million (for FY 96-00) to $928 million (for FY 01-04).

DOD has recently completed the construction and certification of the fissile material storage facility at Mayak in Russia. This modern and highly secure facility will allow Russia to consolidate and safely store more than 25 tons of Russian plutonium from their nuclear weapons program.

In addition, Secretary Abraham announced the Global Threat Reduction Initiative ("GTRI") on May 26. We are committing over $450 million to GTRI. Its overall objective is to secure, remove or dispose of a broad range of nuclear and radiological materials around the world that are vulnerable to theft. Important components of the program are to repatriate U.S. and Russian-origin research reactor fuel, and to convert research reactors from HEU to LEU. In his announcement Secretary Abraham committed the United States to return all fresh Russian-origin HEU material to Russia by the end of 2005, and to complete the repatriation of all Russian-origin spent fuel by 2010. On the following day the United States and Russia signed an implementing agreement that will permit this program to move forward with accelerated fuel shipments from Russian-origin research reactors in at least 12 countries.

Increasing the Security of Russian Nuclear Warheads. There are also ongoing efforts by the Departments of Defense and Energy to increase the security of Russian nuclear warhead facilities. Considerable effort has been devoted to difficult access issues for these sensitive facilities and work is now ongoing in order to increase the security of warhead storage sites throughout Russia. My DOE colleagues will have more to say about these programs.

Securing Dangerous Pathogens. Cooperative bio-security and bio-safety projects in the former Soviet Union, including securing dangerous pathogens, are being pursued not only by the U.S. but also by France and Sweden. The DOD biosecurity programs are aimed at increasing the safety and security of dangerous pathogen collections in Russia, Kazakhstan, Uzbekistan, and Georgia. Meanwhile, we are working with these countries to become partners in global efforts to prevent biological terrorism. Funding for this program is $54 million for FY 2003 and FY 2004.

Redirection of former weapons scientists. One of the biggest proliferation challenges we face today is preventing the spread of the knowledge and expertise necessary to make weapons of mass destruction. A key priority for the United States is to redirect former weapons scientists to productive civilian employment so they do not leave to work for terrorist groups or dangerous states. These programs share a common strategy: to access high-risk former weapon institutes and to help them "graduate" into self-supporting, transparent civilian endeavors. Besides the United States, the European Union, individual European states, the United Kingdom, and Canada are working to implement several programs to engage WMD scientists.

The United States is engaged in the permanent redirection of former weapon scientists worldwide through long-standing programs such as the Science Centers and Bio-Chem Redirection programs. Newer efforts are underway, such as the scientist redirection initiatives in Iraq and Libya and the Bio Industry Initiative in Eurasia.

Improving Export Control. Working with other governments to ensure that they have the necessary awareness, authorities, and capabilities to prevent transfers of proliferation concern is a critical component of nonproliferation objectives. We are continuing to expand our efforts to help other countries to bring their export control systems up to international standards. These efforts are what the president urged in his September 2003 speech to the UN General Assembly, and as now embodied in Security Council Resolution 1540, through our Export Control and Border Security ("EXBS") program.

While the EXBS program initially focused on the former Soviet Union, the program has adapted to meet the changing proliferation threat. It is now active in over 30 countries, including potential WMD "source countries" in South Asia and in regions that are producers of weapons-related items and key transit and transshipment states in regions such as Southeast Asia, the Middle East, the Mediterranean and Central Europe. The EXBS program draws on expertise from a number of U.S. agencies and private contractors to provide training and equipment to address all areas of a comprehensive export control system.

For example, through the EXBS program we have helped other countries draft and pass new export control laws, establish special customs enforcement teams, improve inspection/detection capabilities that have led to seizures of suspect shipments at border crossings, and screen license applications and cargo shipments for transfers of proliferation concern. We have also placed EXBS program advisors at our Embassies in a number of countries to help implement the program and coordinate with the efforts of other programs and governments.

Stopping Nuclear Material Smuggling. We are working closely with our allies to detect, track, and prevent nuclear material smuggling. Furthermore, we encourage governments to prosecute those involved and to take steps to protect WMD material. The IAEA Illicit Trafficking Database Program, in which we participate, contributes to our efforts to combat smuggling by having governments confirm illicit trafficking. This program will help member countries verify sometimes incomplete press reporting of illicit trafficking as well as allow better follow up on nuclear and radiological material that is not appropriately controlled.

Access. Access to sensitive Russian facilities has been a significant issue. Indeed, at the time of the Kananaskis Summit, several of our G-8 partners reported that lack of access was a major factor preventing the implementation of significant programs in the Russian Federation. One of our major objectives in implementing the Global Partnership was to break through these barriers. Today, we conclude substantial progress has been made toward this major objective. For the vast majority of facilities where cooperative work is ongoing, we have sufficient access to perform both security upgrades and audit such work after completion. There are, however, a few nuclear facilities that are so sensitive to the Russians that they have been reluctant to provide the access necessary to pursue cooperative projects to increase their security.

NDF. The State Department's Nonproliferation and Disarmament Fund ("NDF") continues to take advantage of unanticipated opportunities to tackle unusually difficult and high priority projects. The NDF is particularly useful in our efforts in both Libya and Iraq. Most recently, NDF assisted State and Energy officers with the packaging and shipping of more than 1,500 tons of centrifuge parts, nuclear material and related items from Libya, completely removing its uranium enrichment

program. NDF has also supported the redirection of former Iraqi WMD scientists, technicians and engineers to civilian employment. This redirection effort is a critical program that prevents the global spread of weapons expertise and helps rebuild Iraq. Other less high profile, but significant projects, that benefit from NDF funds and guidance are the ongoing dismantling of the BN-350 reactor in Kazakhstan and security upgrades of sensitive WMD sites in the Balkans. Faced with persistent areas of concern, we will continue to deploy NDF as a critical tool to halt the proliferation of nuclear, biological, chemical and advanced conventional weapons.

CONCLUSION

As you see, the Global Partnership encompasses a wide variety of projects. These projects are funded by 21 countries and carried out in Russia and a number of other states. The Global Partnership. oversees coordination of these projects in order to take advantage of each other's experience, avoid duplication and overlap, and steer donor countries towards uncovered priority needs. As the pace of project activities increases and the number of participating countries grows, the importance of this coordinating function will increase.

While a great deal remains to be done, the Global Partnership is making good, steady, financially sound progress toward the goal of implementing projects that will keep weapons and materials of mass destruction out of the hands of those who would do us harm.

Mr. Chairman, we believe that the Sea Island summit, and the G-8 Action Plan on Nonproliferation will be important milestones in the fight against the spread of weapons of mass destruction. We look forward to working with you and other members of this committee. Thank you again for the opportunity to testify here today, and I look forward to answering your questions.

[Attachments]

the White House
President George W. Bush

For Immediate Release
Office of the Press Secretary
June 9, 2004

G-8 ACTION PLAN ON NONPROLIFERATION

At Evian, we recognized the proliferation of weapons of mass destruction and their delivery systems, together with international terrorism, as the pre-eminent threat to international peace and security. This challenge requires a long-term strategy and multi-faceted approaches.

Determined to prevent, contain, and roll back proliferation, today, at Sea Island, we announce an action plan to reinforce the global nonproliferation regime. We will work together with other concerned states to realize this plan.

All states must fulfill their arms control, disarmament, and nonproliferation commitments, which we reaffirm, and we strongly support universal adherence to and compliance with these commitments under the relevant multilateral treaties. We will help and encourage states in effectively implementing their obligations under the multilateral treaty regimes, in particular implementing domestically their obligations under such treaties, building law enforcement capacity, and establishing effective export controls. We call on all states that have not already done so to subscribe to the Hague Code of Conduct against Ballistic Missile Proliferation.

We strongly support UN Security Council Resolution 1540, calling on all states to establish effective national export controls, to adopt and enforce effective laws to criminalize proliferation, to take cooperative action to prevent non-state actors from acquiring weapons of mass destruction, and to end illicit trafficking in such weapons, their means of delivery, and related materials. We call on all states to implement this resolution promptly and fully, and we are prepared to assist them in so doing, thereby helping to fight the nexus between terrorism and proliferation, and black markets in these weapons and related materials.

1. NUCLEAR NONPROLIFERATION

The trafficking and indiscriminate spread of sensitive nuclear materials, equipment, and technology that may be used for weapons purposes are a threat to us all.

Some states seek uranium enrichment and plutonium reprocessing capabilities for weapons programs contrary to their commitments under the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). We reaffirm our commitment to the NPT and to the declarations made at Kananaskis and Evian, and we will work to prevent the illicit diversion of nuclear materials and technology. We announce the following new actions to reduce the risk of nuclear weapons proliferation and the acquisition of nuclear materials and technology by terrorists, while allowing the world to enjoy safely the benefits of peaceful nuclear technology.

- To allow the world to safely enjoy the benefits of peaceful nuclear energy without adding to the danger of weapons proliferation, we have agreed to work to establish new measures so that sensitive nuclear items with proliferation potential will not be exported to states that may seek to use them for weapons purposes, or allow them to fall into terrorist hands. The export of such items should only occur pursuant to criteria consistent with global nonproliferation norms and to states rigorously committed to those norms. We shall work to amend appropriately the Nuclear Suppliers Group (NSG) guidelines, and to gain the widest possible support for such measures in the future. We aim to have appropriate measures in place by the next G-8 Summit. In aid of this process, for the intervening year, we agree that it would be prudent not to inaugurate new initiatives involving transfer of enrichment and reprocessing equipment and technologies to additional states. We call on all states to adopt this strategy of prudence. We will also develop new measures to ensure reliable access to nuclear materials, equipment, and technology, including nuclear fuel and related services, at market conditions, for all states, consistent with maintaining nonproliferation commitments and standards.
- We seek universal adherence to IAEA comprehensive safeguards and the Additional Protocol and urge all states to ratify and implement these agreements promptly. We are actively engaged in outreach efforts toward this goal, and ready to offer necessary support.
- The Additional Protocol must become an essential new standard in the field of nuclear supply arrangements. We will work to strengthen NSG guidelines accordingly. We aim to achieve this by the end of 2005.
- We support the suspension of nuclear fuel cycle cooperation with states that violate their nuclear nonproliferation and safeguards obligations, recognizing that the responsibility and authority for such decisions rests with national governments or the Security Council.
- To enhance the IAEA's integrity and effectiveness, and strengthen its ability to ensure that nations comply with their NPT obligations and safeguards agreements, we will work together to establish a new Special Committee of the IAEA Board of Governors. This committee would be responsible for preparing a comprehensive plan for strengthened safeguards and verification. We believe this committee should be made up of member states in compliance with their NPT and IAEA commitments.
- Likewise, we believe that countries under investigation for non-technical violations of their nuclear nonproliferation and safeguards obligations should elect not to participate in decisions by the IAEA Board of Governors or the Special Committee regarding their own cases.

2. PROLIFERATION SECURITY INITIATIVE

We reiterate our strong commitment to and support for the Proliferation Security Initiative (PSI) and the Statement of Interdiction Principles, which is a global response to a global problem. We will continue our efforts to build effective PSI partnerships to interdict trafficking in weapons of mass destruction, their delivery systems, and related materials. We also will prevent those that facilitate proliferation from engaging in such trafficking and work to broaden and strengthen domestic and international laws supporting PSI. We welcome the increasing level of support worldwide for PSI, which now includes all G-8 members. The Krakow meeting commemorating PSI's first anniversary, attended by 62 countries, evidences growing global support.

We will further cooperate to defeat proliferation networks and coordinate, where appropriate, enforcement efforts, including by stopping illicit financial flows and shutting down illicit plants, laboratories, and brokers, in accordance with national legal authorities and legislation and consistent with international law. Several of us are already developing mechanisms to deny access to our ports and airports for companies and impose visa bans on individuals involved in illicit trade.

We encourage all states to strengthen and expand national and international measures to respond to clandestine procurement activities. Directly, and through the relevant international mechanisms, we will work actively with states requiring assistance in improving their national capabilities to meet international norms.

3. THE GLOBAL PARTNERSHIP AGAINST WEAPONS AND MATERIALS OF MASS DESTRUCTION

Since its launch by G-8 Leaders two years ago at Kananaskis, the Global Partnership has become a significant force worldwide to enhance international safety and security. Global Partnership member states, including the six new donors that joined at Evian, have in the past year launched new cooperative projects in Russia and accelerated progress on those already underway. While much has been accomplished, significant challenges remain. We recommit ourselves to our Kananaskis Statement, Principles, and Guidelines as the basis for Global Partnership cooperation.

- We recommit ourselves to raising up to $20 billion for the Global Partnership through 2012.
- Expanding the Partnership to include additional donor countries is essential to raise the necessary resources and to ensure the effort is truly global. Today we welcome the decisions of Australia, Belgium, the Czech Republic, Denmark, Ireland, the Republic of Korea, and New Zealand to join.
- We will continue to work with other former Soviet states to discuss their participation in the Partnership. We reaffirm that Partnership states will participate in projects according to their national interests and resources.
- We reaffirm that we will address proliferation challenges worldwide. We will, for example, pursue the retraining of Iraqi and Libyan scientists involved in past WMD programs. We also support projects to eliminate over time the use of highly-enriched uranium fuel in research reactors worldwide, secure and remove fresh and spent HEU fuel, control and secure radiation sources, strengthen export control and border security, and reinforce biosecurity. We will use the Global Partnership to coordinate our efforts in these areas.

4. NONPROLIFERATION CHALLENGES

- The DPRK's announced withdrawal from the NPT, which is unprecedented; its continued pursuit of nuclear weapons, including through both its plutonium reprocessing and its uranium enrichment programs, in violation of its international obligations; and its established history of missile proliferation are serious concerns to us all. We strongly support the Six-Party Process, and strongly urge the DPRK to dismantle all of its nuclear weapons-related programs in a complete, verifiable, and irreversible manner, a fundamental step to facilitate a comprehensive and peaceful solution.
- We remain united in our determination to see the proliferation implications of Iran's advanced nuclear program resolved. Iran must be in full compliance with its NPT obligations and safeguards agreement. To this end, we reaffirm our support for the IAEA Board of Governors' three Iran resolutions. We note that since Evian, Iran has signed the Additional Protocol and has committed itself to cooperate with the Agency, and to suspend its enrichment and reprocessing related activities. While we acknowledge the areas of progress reported by the Director General, we are, however, deeply concerned that Iran's suspension of enrichment-related activity is not yet comprehensive. We deplore Iran's delays, deficiencies in cooperation, and inadequate disclosures, as detailed in IAEA Director General reports. We therefore urge Iran promptly and fully to comply with its commitments and all IAEA Board requirements, including ratification and full implementation of the Additional Protocol, leading to resolution of all outstanding issues related to its nuclear program.
- We welcome Libya's strategic decision to rid itself of its weapons of mass destruction and longer-range missiles, to fully comply with the NPT, the Additional Protocol, the Biological and Toxin Weapons Convention (BWC), and the Chemical Weapons Convention (CWC), and to commit not to possess missiles subject to the Missile Technology Control Regime. We note Libya has cooperated in the removal of nuclear equipment and materials and taken steps to eliminate chemical weapons. We call on Libya to continue to cooperate fully with the IAEA and the Organization for the Prohibition of Chemical Weapons.

5. DEFENDING AGAINST BIOTERRORISM

Bioterrorism poses unique, grave threats to the security of all nations, and could endanger public health and disrupt economies. We commit to concrete national and international steps to: expand or, where necessary, initiate new biosurveillance capabilities to detect bioterror attacks against humans, animals, and crops; improve our prevention and response capabilities; increase protection of the global food supply; and respond to, investigate, and mitigate the effects of alleged uses of biological weapons or suspicious outbreaks of disease. In this context, we seek concrete realization of our commitments at the fifth Review Conference of the BWC. The BWC is a critical foundation against biological weapons' proliferation, including to terrorists. Its prohibitions should be fully implemented, including enactment of penal legislation. We strongly urge all non-parties to join the BWC promptly.

6. CHEMICAL WEAPONS PROLIFERATION

We support full implementation of the CWC, including its nonproliferation aspects. We strongly urge all non-parties to join the CWC promptly, and will work with them to this end. We also urge CWC States Parties to undertake national legislative and administrative measures for its full implementation. We support the use of all fact-finding, verification, and compliance measures, including, if necessary, challenge inspections, as provided in the CWC.

7. IMPLEMENTATION OF THE EVIAN INITIATIVE ON RADIOACTIVE SOURCE SECURITY

At Evian we agreed to improve controls on radioactive sources to prevent their use by terrorists, and we have made substantial progress toward that goal. We are pleased that the IAEA approved a revised Code of Conduct on the Safety and Security of Radioactive Sources in September 2003. We urge all states to implement the Code and recognize it as a global standard.

We have agreed to export and import control guidance for high-risk radioactive sources, which should only be supplied to authorized end-users in states that can control them. States should ensure that no sources are diverted for illicit use. We seek prompt IAEA approval of this guidance to ensure that effective controls are operational by the end of 2005 and applied in a harmonized and consistent manner. We support the IAEA's program for assistance to ensure that all countries can meet the new standards.

8. NUCLEAR SAFETY AND SECURITY

Since the horrific 1986 accident at Chernobyl, we have worked with Ukraine to improve the safety and security of the site. We have already made a large financial contribution to build a safe confinement over the remnants of the Chernobyl reactor. We are grateful for the participation and contributions made by 21 other states in this effort. Today, we endorse international efforts to raise the remaining funds necessary to complete the project. We urge Ukraine to support and work closely with us to complete the confinement's construction by 2008 in a way that contributes to radiological safety, in particular in Ukraine and neighboring regions.

An effective, efficient nuclear regulatory system is essential for our safety and security. We affirm the importance for national regulators to have sufficient authority, independence, and competence.

G8 GLOBAL PARTNERSHIP ANNUAL REPORT

G8 SENIOR GROUP, JUNE 2004

1. Introduction

At the Kananaskis Summit in June 2002, G8 Leaders launched the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction, committing to support projects to address nonproliferation, disarmament, counter-terrorism and nuclear safety issues. Building on the efforts of the first year of the Partnership, G8 members have taken important steps forward in the past twelve months, guided by the Global Partnership Action goals approved by Leaders at the Evian Summit in June 2003, and can report that progress has been made in implementing projects in Russia. This report evaluates progress on those goals and other Global Partnership activities.

The French Presidency led work on this initiative in the Global Partnership Senior Officials Group (GPSOG). The new Senior Group undertook responsibilities for the Global Partnership among other nonproliferation issues at the beginning of the U.S. Presidency in January 2004. The new Global Partnership Working Group

(GPWG) is responsible for expert-level implementation of the initiative, under the guidance of the Senior Group, which has taken an active interest in the Global Partnership.

2. Progress on Global Partnership Action Plan Goals

- Reaching the Kananaskis funding target

Evian Action Plan Goal:

To reach our Kananaskis commitment of raising up to $20 billion over ten years through contributions from new donors or additional pledges from partners.

The national pledges of G8 members include commitments of up to: Canada—Can$1 billion; France—euro 750 million; Germany—$1.5 billion; Japan—$200 million; Italy—euro 1 billion; United Kingdom—$750 million; United States—$10 billion. The European Union has pledged euro 1 billion and Russia $2 billion. Members to date have concentrated on establishing program frameworks, implementing programs, and ensuring budgetary allocations to realize their pledges. A number of members have emphasized that additional progress on implementation of current projects in Russia, with corresponding expenditure of funds, is necessary before parliaments will approve increased pledges. Some countries have also emphasized the importance of increased Russian funding.

Six new countries that joined the Global Partnership last year—Finland, the Netherlands, Norway, Poland, Sweden and Switzerland—have committed about $200 million to specific projects. Recently, Finland announced an increase in its commitment to euro 15 million.

The G8 members have reaffirmed their commitment to raise up to $20 billion over ten years. Under its Strategy Against the Proliferation of Weapons of Mass Destruction, the European Union intends to reinforce its cooperative threat reduction programs by increasing funding after 2006, for which the creation of a new European Community budget line is being considered.

- Expand project activities

Evian Action Plan goal:

To significantly expand project activities, building upon preparatory work to establish implementing frameworks and to develop plans for project activities, as well as to sustain steady progress in projects already under way. We will continue to review progress in initiation and implementation of projects over the coming year, as well as oversee coordination of projects, in order to review priorities, avoid gaps and overlaps, and assess consistency of projects with international security objectives, in accordance with our priorities.

The GPSOG and the GPWG regularly reviewed project implementation over the past year. Such cooperation has resulted in strong progress.

Implementing frameworks. Some G8 members have in place long-standing implementation frameworks for Global Partnership projects. Others, building upon the work of the previous year, have now successfully established the legal basis for specific Global Partnership cooperation with Russia. For example, both Germany and Italy signed agreements with the Russian Federation for cooperation in the areas of nuclear submarine dismantlement and chemical weapons destruction. The United Kingdom and the Russia Federation signed an agreement for cooperation in the nuclear area. Germany concluded an agreement with the Russian Federation on cooperation in the area of physical protection of nuclear materials. New EU Joint Action projects are implemented under the umbrella of bilateral agreements between European Union member states and the Russian Federation. Japan and Russia concluded an implementing agreement for a pilot project to dismantle a Victor III class nuclear submarine. Canadian and Russian officials have completed the text of a framework agreement for Global Partnership cooperation.

The United Kingdom and Canada signed a memorandum of understanding allowing the construction of a railway line at the chemical weapon destruction facility at Shchuch'ye, to be funded by Canada and implemented with the United Kingdom's assistance. This partnership in action may serve as the model for future cooperation for countries that lack a bilateral agreement with the Russian Federation.

A number of members have used the Multilateral Nuclear Environmental Program in the Russian Federation (MNEPR) framework agreement as a model for new bilateral agreements, or have referred to the MNEPR framework in their agreements. On the other hand, some implementing frameworks have expired and negotiations for others have not been concluded because of differences among the parties.

Initiation and implementation of projects. With implementing agreements in place and other groundwork prepared in the first year of the Partnership, momentum on project implementation increased significantly in the Global Partnership's second year. Highlights of major areas are summarized below. In Northwest Russia, the United Kingdom has funded the dismantlement of two Oscar class submarines and projects to ensure safe and secure spent nuclear fuel management at Andreeva Bay. In November 2003, Germany initiated a project to support the dismantlement of submarines, including the refurbishment of the Nerpa shipyard for that purpose and construction of a long-term intermediate storage facility for 120 reactor compartments at Saida Bay. France is considering the support of nuclear general-purpose submarine dismantlement and remediation in Gremikha. Canada is poised to sponsor dismantlement projects. Italy plans to assist with dismantlement following ratification of the negotiated agreement by the parliaments of Italy and the Russian Federation. Norway is funding the dismantlement of two Victor I class nuclear submarines. A number of members, including Canada, the European Union, Finland, France, Germany, the Netherlands, Norway, Russia, Sweden, and the United Kingdom are providing substantial contributions for work to be initiated through the Northern Dimension Environmental Partnership (NDEP). In the Pacific Far East, Japan's pilot project, dismantlement of one Victor III class nuclear submarine, will be completed by autumn 2004, with further work to dismantle other submarines to follow. In the past year, the United States has funded the dismantlement of one strategic nuclear submarine and 109 strategic sea-launched ballistic missiles. Russia has committed to provide about US $65 million annually for submarine dismantlement, rehabilitation of shore-bases and decommissioning of nuclear-powered service vessels.

The European Union, Finland, Germany, Norway, Russia, Sweden, the United Kingdom, and the United States are engaged in cooperation to increase the security of fissile and/or radioactive materials in Russia. Canada is poised to do so following completion of the Canadian-Russian bilateral framework agreement.

Canada, France, Japan, Italy, the United Kingdom, and the United States have made substantial commitments, totaling $800 million, to the plutonium disposition program in the Russian Federation. Initiation of this project awaits completion of the multilateral agreement for support for this program. In the meanwhile, the United States, France, the European Union and Japan are financing initial steps supporting the design, costing, and licensing of plutonium disposition facilities. The United States has begun implementation of its cooperation with the Russian Federation to replace plutonium production reactors by alternative energy sources.

Many Global Partnership countries are supporting projects related to chemical weapons destruction. Cooperation projects begun in previous years have led to the destruction of over 640 tons of chemical weapons. Canada, the European Union, Finland, Germany, Italy, the Netherlands, Norway, Poland, Russia, Switzerland, the United Kingdom, and the United States are making contributions to chemical weapons destruction at sites including Gorny, Shchuch'ye, and Kambarka. France has made commitments in this area. Norway, the EU, Czech Republic and Canada are channeling funding through the UK programme for projects at Shchuch'ye. Italy has further committed to contributions for work at Pochep. The Russian Federation has strongly requested that the Global Partnership members, including new donor countries, allocate more resources to the field of chemical weapons destruction.

Cooperative bio-safety and bio-security projects are being undertaken, including engagements by France, Sweden, and the United States.

A number of Global Partnership members are actively engaged in support of employment and redirection of former weapons scientists for work in peaceful civilian projects. Focus of these efforts is increasingly turning toward facilitating the transition of institutes and scientists to sustainable income-producing activities. The International Science and Technology Center (ISTC) is a primary channel for these programs. In addition, some countries, including the United Kingdom and the United States, are working bilaterally in closed nuclear cities and in other engagement programs. Canada joined the ISTC this year and is already contributing substantially to ISTC activities.

G8 members have noted that much work remains to be done, and that sustained and broadened efforts are needed to achieve timely and effective project implementation. Some Global Partnership participants have expressed the view that a wider range of projects should be pursued, consistent with the areas identified by Leaders at Kananaskis.

Project coordination. The GPSOG and the GPWG have actively considered coordination of projects under the Global Partnership to ensure exchange of information among interested countries for the purposes described in the action plan goal. The guiding principle has been to rely on existing coordination mechanisms, wherever

available, rather than create additional expert consultative groups within the G8. In the chemical area, interested experts have been meeting on the margins of the Executive Council of the Organization for the Prohibition of Chemical Weapons (OPCW). Where there are no existing bodies for a program area, an effort has been made to identify an effective arrangement. The GPSOG and subsequently the GPWG considered coordination needs with respect to nuclear submarine dismantlement and physical protection of nuclear materials.

With respect to nuclear submarine dismantlement, some members identified a need for more effective coordination of activities and made proposals in this regard. Members have discussed the roles of several organizations where such information can be exchanged, including the Northern Dimension Environmental Partnership (NDEP) under the European Bank for Reconstruction and Development (EBRD), the IAEA Contact Experts Group, and the Council of the Multilateral Environmental Nuclear Program in the Russian Federation (MNEPR). The GPWG will continue to review this matter and ensure effective coordination is undertaken.

With increased Global Partnership activities in the area of nuclear physical protection, consideration is being given to how to facilitate coordination and exchange of information, taking into account the sensitive nature of the sites where projects are undertaken.

Some G8 members have stated that master plans developed for specific areas of cooperation would provide a sound basis for coordination of project activities, as well as for subsequent reporting. These members noted that some plans currently exist, but that others could be developed. It was also noted that the Russian Federation has a major role to play in developing and maintaining these master plans.

Information-sharing on projects. The French Presidency initiated and developed a *Consolidated Report of Global Partnership Projects,* a comprehensive listing of Global Partnership commitments. The U.S. Presidency has maintained and updated this document, including adding project information from the six new Global Partnership donors. (See Annex.) Members have agreed this report should be made available to the general public and to other interested governments. The GPWG is currently addressing how the Consolidated Report might be improved by providing additional data and considering proposals for more detailed data-sharing among participating governments. G8 members agree that it is important to explain to the general public and parliaments concrete results achieved with Global Partnership funding and highlight the benefits in terms of enhanced security.

- Resolve outstanding implementation challenges

  Evian Action Plan goal:

  To resolve all outstanding implementation challenges and to review the implementation of all guidelines in practice, keeping in mind the need for uniform treatment of Partners, reflecting our cooperative approach.

The Kananaskis statement defined a set of guidelines that would form the basis for negotiation of specific agreements. The GPSOG and the GPWG have given careful attention to review of guideline implementation in practice. A number of members have expressed a positive assessment of Russia's efforts to implement the Kananaskis guidelines and welcomed progress in that area. Members have also affirmed the importance of continued review by the GPWG of guideline implementation and facilitation of resolution of any problems that might arise.

Since the Evian Summit, GP participants have concluded negotiation of additional bilateral implementing agreements for cooperation, as noted above. Some agreements remain under negotiation, pending resolution of outstanding issues with respect to guidelines, such as adequate liability protections. There is a difference of views on liability protections, related to respective national requirements. Some G8 members believe that the issue could be resolved on the basis of the terms of the liability protocol to the MNEPR framework agreement that has been signed by some MNEPR members, while others do not agree. Negotiations continue in order to reach a satisfactory resolution.

Most G8 members have reported good progress on implementation of guidelines as projects moved into the concrete phase, noting that in practice many detailed matters arise which are worked out among the implementing entities. A number of countries noted that transparency in implementation and well-organized cooperation among the Russian authorities is a key concern and important to effective program implementation. Countries supporting cooperation projects in Russia continue to emphasize the importance of monitoring, especially access to work sites, while recognizing that appropriate procedures are required regarding access to sensitive sites. Transparent contractor selection processes, financial accounting and auditing are

also important to assure taxpayers that funds are spent for the intended purposes. Following the recent reorganization of Russian Federation ministries responsible for implementation of nuclear and chemical weapons destruction projects, the Russian Federation has worked with G8 countries in the GPWG to review effects of the reorganization on implementation progress, and to address their questions regarding ensuring effective implementation of projects during the transition period.

- Expand participation to other countries

Evian Action Plan goal:

To expand participation in the Global partnership to interested non-G8 donor countries that are willing to adopt the Kananaskis documents. While still focusing on projects in Russia, we mandate the Chair to enter into preliminary discussions with new or current recipient countries including those of the former Soviet Union that are prepared to adopt the Kananaskis documents, as the Ukraine has already done.

In the Kananaskis statement, Leaders invited other countries prepared to adopt the Kananaskis documents (statement, principles, and guidelines) to enter into discussions with Partners on participating in and contributing to this initiative. The Senior Group and the Global Partnership Working Group have focused on this goal.

Additional donors. As a result of outreach efforts under the Canadian and French Presidencies, last June the G8 welcomed the participation of Finland, the Netherlands, Norway, Poland, Sweden, and Switzerland to the Global Partnership as donors. The new donors participated in meetings of the Global Partnership Senior Officials Group in 2003 and of the Global Partnership Working Group in 2004. With initial commitments totaling about $200 million, these donors are cooperating with Russia to implement a number of projects, including some already under way.

In 2004, the U.S. Presidency, with the support of other G8 and the non-G8 donors, has led outreach efforts to invite additional countries to participate in and contribute to the Global Partnership, with the objective of widening both political and financial support. The outreach efforts began with extending an invitation to eight potential new donor participants to attend the Global Partnership Working Group meeting held in London in March 2004, where information was provided on the content, aims, and work of the Global Partnership. As a result of this meeting, the Chair engaged in further informal discussions with some of these countries. Subsequently, at the end of March, the Chair of the Senior Group sent a formal letter of invitation to those countries. The letter conveyed that a formal announcement of their interest and intention to pledge, accompanied by endorsement of the Kananaskis documents, would be welcomed, and encouraged a response in time for recognition by Leaders at the June Sea Island Summit. Other G8 countries have reinforced the Chair's invitation through various contacts. A number of invitee countries have been giving serious consideration to participation in the Global Partnership. Australia, Belgium, the Czech Republic, Denmark, Ireland, the Republic of Korea, and New Zealand have communicated that they would like to participate as Global Partnership donors and that they are committed to the Kananaskis principles and guidelines. After being welcomed by Leaders, the Chair of the Global Partnership Working Group will invite their participation at future GPWG meetings.

Recognition of recipients. Recognizing that the spread of weapons and materials of mass destruction is a global threat, the Kananaskis statement expressed the Leaders' intent that the Partnership extend to other recipient countries prepared to adopt the Kananaskis documents, including in particular those of the former Soviet Union. Although the Leaders agreed to an initial focus on projects in Russia, they also announced G8 willingness to enter into negotiations with other countries. At Evian, Leaders made a positive response in principle to the January 2003 official application presented by Ukraine, while recalling that the Partnership was still in its initial phase. Following the Evian Summit, the Chair of the GPSOG engaged in further discussions with the Government of Ukraine, and a further assurance of Ukraine's commitment to the Kananaskis principles and guidelines was received in December 2003. The U.S. Presidency has held further consultations with Ukraine and other countries of the former Soviet Union that have expressed interest in participation in the Partnership.

In their 2004 meetings, the Senior Group and Global Partnership Working Group have given careful consideration to expansion of participation to other recipient countries, including to a proposal to recognize Ukraine formally and a proposal that certain other former Soviet states be invited to seek participation as recipients. All members have stated their support in principle for such expansion and have noted

that, regardless of expansion, projects in the Russian Federation will remain the principal focus. It was recognized that Partnership states will participate in projects according to their national interests and resources. The Senior Group and the GPWG will continue to work with other former Soviet states to discuss their participation in the Partnership.

A further proposal has been made that the Global Partnership include cooperation projects with countries in other regions. A number of members expressed positive views toward inclusion of countries where recent developments have led to new opportunities for disarmament and nonproliferation cooperative activities, with Iraq, Libya, Albania and others mentioned as examples. Some members expressed the view that cooperation with these countries should be funded over and above the $20 billion Global Partnership target. Others have suggested that these programs should be funded outside the Global Partnership. It was agreed that the GPWG and the Senior Group will discuss this matter further, while providing a forum for interested Global Partnership members to review and coordinate activities to be implemented in such countries.

- Informing others about the Global Partnership

Evian Action Goal:

To inform other organizations, parliamentary representatives and publics of the importance of the Global Partnership.

G8 members sponsor and participate in ongoing outreach efforts to ensure that other organizations, parliamentary representatives, and publics are informed about the importance and progress of the Global Partnership. The European Commission organized an Inter-Parliamentary Conference on the Global Partnership at the European Parliament in Strasbourg in November 2003, with attendance by members of parliaments, governmental representatives, international organizations and nongovernmental organizations. Under the umbrella of the EU's Nonproliferation and Disarmament Cooperation Initiative, the United Kingdom hosted an expert-level conference in London in March 2004. Senior and expert level officials have addressed the Global Partnership in a number of forums sponsored by nongovernmental organizations. In addition, the GPWG Consolidated Report of Global Partnership Projects is to be posted on the Internet for the information of interested organizations and publics. Some members have published specific reports of their national efforts under the Global Partnership; others include information on Global Partnership activities in published reports with a larger scope. Such reports can be an important element in providing greater public visibility of the Global Partnership.

3. The Way Forward

- Action goals for the coming year

The Global Partnership Working Group, under the guidance of the Senior Group, will take as its agenda the Global Partnership elements of the Leaders Action Plan on Nonproliferation. The GPWG carry forward the work of the past two years, including encouraging initiation and implementation of cooperation projects; review of implementation guidelines, including facilitating resolution of problems; ensuring necessary project coordination; and expanding participation to other donor and recipient countries.

- Organizational arrangements

The Senior Group and the Global Partnership Working Group have reviewed the current structures for supporting implementation of the Global Partnership. As part of this review, G8 and non-G8 Global Partnership participating members discussed whether the GPWG should be spun-off from the G8 framework, considering that its expanded membership includes a number of non-G8 countries. Global Partnership members reached consensus that the current affiliation with the G8 framework is important to continue. Benefits include the political support of the G8 countries, including their support for translating financial commitments into budgetary allocations, as well as the advantages of secretariat functions for the G8 Presidency. Participating countries that are not G8 members will continue to attend meetings of the GPWG. Meetings in the G8 format will also continue, including for consideration of G8 decisions.

G8 Consolidated Report of Global Partnership Projects
June 2004

Country/ General Funding Commitments	Country Funding Interests/Detailed Project Funding Commitments	Comments
Canada **CD$1 billion**	*Nuclear:* • Nuclear window of the Northern Dimension Environmental Partnership (NDEP): CD$ 32 million • Bilateral cooperation with Russia on submarine dismantlement (pending bilateral agreement) • Russia's Plutonium Disposition Program: CD$ 65 million. Contribution to international financing plan to help Russia dispose of 34 tonnes of plutonium • IAEA projects to strengthen nuclear and radiological security in former Soviet Union: CD$ 4 million • Physical Protection of Russian nuclear material and nuclear facilities of up to CD$ 10-20 million • Recovering Russian radioactive thermoelectric generators in lighthouses: CD$ 3-5 million *Chemical:* • Shchuch'ye chemical weapons destruction site: CD$ 30 million in FY 2004-05; additional cooperation under consideration *Employment of Former Weapon Scientists:* • International Science and Technology Center: CD$ 18	• Currently negotiating bilateral agreement • Multilateral agreement governing program still being negotiated • IAEA Nuclear Security Fund • In 2004 and 2005 • Replacing in Northern Russia • Construction of an 18 km rail link between storage and destruction facilities • Canada has formalized its accession to the ISTC. Will make first annual contribution in 2004
E.C. **€1 billion**	*Nuclear:* • Submarine dismantlement and nuclear security in Northwest Russia: €40 million committed between 2003 and 2006 - spending not yet started • Fissile Material Disposition (in particular Plutonium): €6 million committed between 2000 and 2003 - implementation ongoing - first spending occurred in 2002 • Fissile Material Safeguards: – €10 million committed between 1994 and 1997 – implementation finished by 2002 – €8 million committed between 1998 and 2000 – implementation started in 2002 – €5 million committed between 2001 and 2003 – implementation not yet started – €10 million to be committed between 2004 and 2006 – implementation not yet started	• TACIS programme contribution to the NDEP Support Fund managed by EBRD • EU Joint Action in Russia (under bilateral F-RF Agreement) • TACIS Programme

G8 Consolidated Report of Global Partnership Projects
June 2004

Country/ General Funding Commitments	Country Funding Interests/Detailed Project Funding Commitments	Comments
	• Physical Protection of Nuclear Installations: €5 million to be committed in 2004 • Nuclear Safety of Nuclear Installations: Russia, Ukraine, Kazakhstan and Armenia: – €722 million committed between 1992 and 1999 – implementation finished by 2002 – €315 million committed between 2000 and 2003 – implementation started in 2002 – €334 to be committed between 2004 and 2006 – implementation not yet started	• EU Joint Action in Russia (under bilateral D-RF Agreement) • TACIS Programme
	Chemical: • Chemical Destruction site at Gornyy, Shchuch'ye and Kambarka: – Gornyy €6 million committed in 2000 – spent in 2002/2003 – Shchuch'ye €2 million committed in 2001 – spending not yet started – Kambarka €4 million committed in 2003 – spending not yet started – €2 million to be committed for one more project in 2004 • CW Facilities Decontamination and environment monitoring: – Environmental monitoring Saratov Region: €3 million – completed in 2002 – Preparation for decontamination at Dzerzinsk: €4 million – completed in 2003 – Environmental monitoring Novocheboksarsk: €2 million – implementation on-going	• EU Joint Action in Russia (under bilateral D-RF Agreement for G and K; under bilateral UK-RF Agreement for S) • TACIS Programme
	Employment of Former Weapon Scientists: • Contribution to ISTC and STCU: – €173 million committed between 1994 and 2001 – implementation finished by 2002 – €125 million committed between 2002 and 2006 – implementation started in 2002	• TACIS Programme
	Export Control and Border Security: • Export Control of Dual Use goods: €3 million to be committed in 2004 for spending in 2005 • Border Management improvements in Russia, Ukraine, Moldova Georgia, Central Asia: €62 million committed between 2000 and 2003 – implementation started in 2004 • Customs administrations in Russia, Ukraine, Moldova, Central Asia: €13 million committed between 1999 and 2002 – implementation started in 2003	• TACIS Programme • TACIS Programme • TACIS Programme
France **€750 million**	*Nuclear:* • Contribution to the nuclear window of the NDEP Support Fund: €40 million • Submarine dismantlement: up to €17 million in 2003-2004 • Plutonium disposition: €70 million	• Northwest Russia • Contribution to G8 group helping Russia dispose of 34 tonnes of plutonium

G8 Consolidated Report of Global Partnership Projects
June 2004

Country/ General Funding Commitments	Country Funding Interests/Detailed Project Funding Commitments	Comments
	• Dismantling of strontium thermoelectric generators: up to €3 million in 2003-2004 • Chernobyl Shelter Fund: €11.6 million • Ignalina International Decommissioning Support Fund: €1.5 million *Chemical:* • Chemical weapons destruction: up to €9 million in 2003-2004	• Contribution to the EBRD's Chernobyl Shelter Fund
	Biological: • Biosecurity and biosafety in Russian biological facilities: up to €5 million in 2003-2004	
Germany **Up to $1.5 billion**	*Nuclear:* • Submarine dismantlement: €300 million from year 2002 to 2008; €4.6 million in 2003, €59 million in 2004 • Physical Protection of storage sites for fissile material: €170 million from 2002-2009 • Contribution to the nuclear window of the NDEP Support Fund managed by the EBRD: €10 million from 2004-2007 *Chemical:* • Support for chemical weapons destruction plants in Russia (Kambarka): €300 million from year 2002 to 2006 (max. 2012); €48 million in 2004	• Agreement signed in Fall 2003. • Safe long term intermediate storage of 120 reactor compartments of general purpose SSNs in Sayda Bay, Russia • 17 locations in Russia, especially in Mayak, Tomsk and research institutes. • Contribution to the IAEA Nuclear Security Fund. €1 million for 2004/5 • Kambarka is "successor" of CW destruction at Gornyy; destroyed 622 tons of blister agent at Gornyy
Italy **€1 billion**	*Nuclear:* • Dismantling of Russian decommissioned submarines and safe management of radioactive waste and spent nuclear fuel. Funding Commitment: €360 million in 10 years, from the year 2004 to 2013*	• Bilateral Agreement between Italy and Russia signed on 5 November 2003 • Ratification procedures currently under way **based on the assumption that the agreements enter into force in due time before the end of 2004*

G8 Consolidated Report of Global Partnership Projects
June 2004

Country/ General Funding Commitments	Country Funding Interests/Detailed Project Funding Commitments	Comments
	Chemical: • Chemical weapons destruction facility in Pochep. Funding Commitment: €360 million in 5 years, from the year 2004 to 2008* • Construction of one portion of the gas pipeline in Schuch'ye. Funding Commitment: €7.7 million from the year 2001 to 2003 • Completion of the gas pipeline in Schuch'ye. Funding Commitment: €5 million for the years 2003 / 2004	• Bilateral Agreement between Italy and Russian Federation signed on 5 November 2003 • Ratification procedures currently under way • Program completed • Bilateral Agreement between Italy and Russian Federation signed on 17 April 2003 • Ratification procedures currently under way
Japan **A little more than $200 million**	*Nuclear:* • Dismantlement of nuclear submarines; a little more than $100 million; out of which pilot project cost amounts to approximately $7 million • Plutonium disposition: $100 million; (Commencement of its disbursement depends on the progress of the negotiations among the G8+ countries)	• Pilot project dismantling Victor-III class nuclear submarine and improvement of related infrastructure at Zvezda Shipyard • Signed contracts in December 2003; work is now in progress and scheduled to be completed in Fall 2004
United Kingdom **$750 million**	*Nuclear:* • Submarine dismantlement, dealing with spent nuclear fuel, remediation of onshore storage sites: at least £10 million per annum; from 2003 – 2013 • Plutonium disposition: £70 million over ten years; from 2003 to 2013 • Physical Protection of Nuclear Materials: up to £5 million per annum; from 2004 to 2013 • Nuclear Safety Programme: around £5.5 million per annum; from 2003 to 2013 (but programme has run from 1995) • Chernobyl Shelter: £4 million per annum up to 2004. £5 million contributions in 2003/2004 and 2004/2005 • Decommissioning in Kazakhstan: around £700.000 per annum; from 2003 to 2013	• Various locations in Russia including a SNF storage site in Andreeva Bay • Contribution to G8 group helping Russia dispose of 34 tonnes of plutonium • Including the UK's contribution to the IAEA's Nuclear Security Fund • Some 50 projects across FSU • Contribution to the EBRD's Chernobyl Shelter Fund • Participation in a multilateral project to safely decommission the reactor in Aktau

G8 Consolidated Report of Global Partnership Projects
June 2004

Country/ General Funding Commitments	Country Funding Interests/Detailed Project Funding Commitments	Comments
	Chemical: • Chemical weapons destruction: up to $100 million during the Partnership; from 2004 to 2012 *Employment of Former Weapon Scientists:* • Closed Nuclear Cities Partnership: 2003/4 – £3.2 million, 2004/5 £4.5, rising to £5 million per annum by 2007/8, envisaged until 2013 • Social Consequences of Nuclear Power Plant closures: around £1.000.000 per annum; from 2003 to 2007/8	• Industrial infrastructure projects at the CWD facility in Shchuch'ye • 12 projects for Sarov, Seversk and Snezhinsk • Focused on Ukrainian town of Slavutych
United States **$10 billion**	The United States continues to provide approximately $1billion per year for Global Partnership programs. FY 2004 estimated funding by program is shown below. *Nuclear:* • Strategic Delivery Vehicles – Strategic Offensive Arms Elimination in Russia — DOD: $66.6M – Strategic Nuclear Arms Elimination in Ukraine — DOD: $4.9M • Reducing Risk of Theft or Loss of Nuclear Weapons-Usable Materials: – Elimination of Weapons Grade Plutonium Production — DOE: $65.0M – Fissile Materials Disposition — DOE: $47.0M – HEU Transparency — DOE: $17.9M – Material Protection, Controls & Accounting — DOE: $221.7M – Nuclear Weapons Storage Security in Russia — DOD: $48.0M – Nuclear Weapons Transportation Security in Russia — DOD: $23.2M – Nonproliferation & International Security — DOE: $47.4M • Other: – Nuclear Reactor Safety — DOE/State: $31.2M – Arctic Military Environmental Cooperation — DOD: $4.5M – Program Support — DOD: $13.1M *Chemical:* • Chemical Weapons Destruction — DOD: $200.3M *Biological:* • Biological Weapons Proliferation Prevention — DOD: $54.2M	• Improved safety/security of dangerous pathogen collections in Russia, Kazakhstan, Uzbekistan, Georgia

G8 Consolidated Report of Global Partnership Projects
June 2004

Country/ General Funding Commitments	Country Funding Interests/Detailed Project Funding Commitments	Comments
	*Employment of Former Weapon Scientists:**	* Some funding for chemical programs and former weapons scientist redirection programs are included in WMD Infrastructure Elimination (Nuclear) and Biological Weapons Proliferation Prevention, respectively
	• Russian Transition Initiatives — DOE: $39.8M • Civilian R&D Foundation • Biological-Chemical Redirect/Science Centers — State:$61.1M	
	*Export Control and Border Security:**	*Some DOE Export Control under Nonproliferation & International Security budget
	• DOD/FBI Counterproliferation — DOD: $1.0M • DOD/USCS Border Security / Counterproliferation — DOD: $1.4M • DOD/Destruction/Dismantlement – WMD Initiative - Export Control — DOD: $39.4M • Export Control & Border Security — State: $34.4M	
Russia **$2 billion**	Overall Russia is spending $709.5 million during 2002-2004 as follows: *Nuclear:* • Submarine dismantlement: $59.6 million obligated in 2002; $69.2 million obligated in 2003; $64.7 planned in 2004 *Chemical:* • Chemical Weapons Destruction: $186,8million obligated in 2002; $ 190.7 million obligated in 2003; 189.4 million planned in 2004	• 193 nuclear subs to be decommissioned. 94 already dismantled; 99 remain. 37 are being dismantled, 7 of them with foreign assistance • Rehabilitation of shore bases, 2 in Northern Fleet and 2 in Pacific Fleet • Dismantling of 41 nuclear support ships, many with LRW on board; 7 in Russian FE • 330,024 unfilled CW munitions and burster charges destroyed (Category 3 CW completely destroyed) • 3,844 CW munitions filled with phosgene destroyed (10,6 tons by agent weight; destruction of Category 2 CW completed) • 1 CWDF commissioned. Construction of remaining chemical weapon destruction facilities launched (6 total) • As of March 1, 2004, 643 agent tons of Category I chemical weapons destroyed; approximately 39,300 tons still awaiting destruction • Out of 24 former CWPF 6 CWPF physically destroyed, 2 chemical weapon production facilities (CWPF) are to be destroyed by April 29, 2007; 16 former CWPFs converted for non-prohibited purposes

G8 Consolidated Report of Global Partnership Projects
June 2004

Country/ General Funding Commitments	Country Funding Interests/Detailed Project Funding Commitments	Comments
Finland **€15 million**	*Nuclear:* • Contribution to the nuclear window of the NDEP Support Fund: €2 million over the years 2002-2006 • Nuclear Material Safeguards (2003) €200.000 o Waste Management €100.000 • Nuclear Safety o The Leningrad Nuclear Power Plant €713.000 o Tha Kola Nuclear Power Plant €392.000 Total 2003 €1.405.000 • Chernobyl Shelter €500.000 in 2003 • Nuclear Material Safeguards (2004) €115.000 o Waste management €80.000 • Nuclear Safety (2004): o The Leningrad Nuclear Power Plant €680.000 o The Kola Nuclear Power Plant €440.000 o Regulatory cooperation €100.000 o Emergency preparedness €150.000 o Other non-specified international projects €315.000 Total 2004 €1.880.000 *Chemical:* • Planned contribution (2004-2006) up to €850.000 for projects to be identified with the RMA • 2003 completed projects: Detection Network, Kambarka and Gornyy, total €1 million	• Out of the total €10 million contribution to the fund €2 million is earmarked to the nuclear window • Out of total average annual funding of €3 -3.5 million for bilateral and multilateral activities (mainly in NW Russia and Ukraine) in the field of nuclear safety most programs located in RF and conducted mainly with LNPP, KNPP and GAN; programs include also physical protection of nuclear materials as well as nuclear waste management projects • Last remaining annual contribution to the EBRD´s Chernobyl Shelter Fund. Futher contributions are being considered • Financial support, subject to parliamentary approval, for cooperation in the field of nuclear safety, security and safeguards is expected to remain at the current level over the course of the next ten years
Netherlands	*Nuclear:* • Contribution to the nuclear window of the NDEP Support Fund: €10 million over the years 2003-2007 • Planned contribution for spent fuel management and/or plutonium disposition €2.7 million *Chemical:* • Contribution of €11.4 million for destruction of chemical weapons	• €4 million during 2003-2004 for electrical substation at Kambarka

G8 Consolidated Report of Global Partnership Projects
June 2004

Country/ General Funding Commitments	Country Funding Interests/Detailed Project Funding Commitments	Comments
Norway **€100 million**	Norwegian contribution was approximately €10.5 million in 2003. Overall Norway plans to spend approximately € 11.2 million in 2004 as follows: • Submarine dismantlement: €5.5 million • Dismantling of strontium thermoelectric generators: €1.4 million • Arctic Military Environmental Cooperation: €1.5 million • Nuclear Safety Programme: €1.3 million • Contribution to the nuclear window of the NDEP Support Fund: € 1.5 million	• Dismantling of two Victor II-class nuclear submarines to be completed by June 2004 • Dismantling of 45 RTG's in Murmansk District completed – about 20 more in 2004 • Implementation of infrastructure projects in Andreeva Bay. Safety improvements at the Kola Nuclear Power Plant
Poland	*Chemical:* • Chemical Weapons Destruction: $10k per year *Employment of Former Weapon Scientists:* • Polish-Russian Technological Park	• Initiated a bilateral program with Russia to dispose of the chemical lewisite
Sweden **€10 million and $ 20 million**	*Nuclear:* • Contribution to the nuclear and environmental window of the EBRD NDEP: €10 million • Nuclear security 2003-2004: SEK 31 million, approximately $4.25 million • Nuclear safety 2003-2004: SEK 113 million, approximately $15.50 million *Chemical:* • Possible future activities under consideration *Biological:* • Bio-safety and bio-security projects, SEK 950 000, approximately $130130	• Nuclear security: Physical protection, safeguards, illicit trafficking and export control in Russia, Ukraine, Kazakhstan et al • Nuclear safety: Reactor safety, safe disposal of nuclear waste and spent fuel, nuclear emergency preparedness and radiation protection primarily in Northwest Russia and Lithuania • Co-operation between institutes in Sweden and Russia/Ukraine including ISTC and STCU
Switzerland **CHF 15 million**	*Chemical:* • Framework credit 2003-2008: CHF 15 million; approximately $12 million	• For 2004: Electrical substation in Kambarka, Sanitary and Hygiene Monitoring System in Shchuch'ye

The CHAIRMAN. Thank you very much, Secretary Bolton, for your testimony and for the additional material that you have inserted in the record. That will help complete our record at this juncture.

Under Secretary Brooks.

STATEMENT OF HON. LINTON F. BROOKS, ADMINISTRATOR, NATIONAL NUCLEAR SECURITY ADMINISTRATION, U.S. DEPARTMENT OF ENERGY

Mr. BROOKS. Thank you, Mr. Chairman, Senator Biden. Like Secretary Bolton, I am pleased to be here to discuss a subject on which this committee has consistently provided leadership over the past decade. Your commitment to stopping the proliferation of weapons of mass destruction and your leadership in that area is well known. The administration of course shares that commitment.

The Department of Energy portion focuses almost exclusively on the proliferation of nuclear weapons and I would like to discuss some progress we have made in implementing the Global Partnership. Our progress has been considerable. We have expanded security upgrades of Russian navy sites and by the end of this fiscal year we will have 90 percent of the 39 sites fully secured. We will have upgraded the security of almost half of the materials in the custody of the Russian Atomic Energy Agency.

I share Senator Biden's view that the knowledge of how to construct crude nuclear weapons is frighteningly easy and therefore the only sure guarantee is to prevent fissionable material from falling in the wrong hands.

We have built on the work, previous work by the Department of Defense, and we are working to upgrade security at 28 sites of the Russian Strategic Rocket Forces. We plan to complete all of these by 2008. We are also working to consolidate and secure fissionable materials internationally. We have upgraded security at 13 nuclear facilities in Eurasia, primarily in the former Soviet Union. These hold 3.5 metric tons of weapons-grade nuclear materials.

We are working to redirect WMD scientists, engineers, and technicians through the Russian transition initiative [RTI]. We have engaged over 14,000 weapons scientists at over 200 institutions. We have attracted $162 million in private sector matching funds and over $140 million in venture capital, created 25 new businesses in the closed cities, and thereby facilitated the downsizing of the weapons complex in Russia.

We have worked very closely with the Department of State's International Science and Technology Centers in carrying out this effort. We have also focused heavily, working with both the Departments of State and Defense, in bolstering border security as a so-called second line of defense. Our portion is to develop and employ nuclear detection equipment at key border crossings. We have installed radiation detection equipment at 39 sites in Russia. We also maintain radiation detection equipment in more than 20 countries in the Baltics, Central and Eastern Europe, Central Asia, and the Mediterranean.

We are working with our Russian counterparts to shut down the three reactors in Russia that are still producing weapons-grade plutonium, and we are coordinating with them to return Russian origin fresh and spent fuel to Russia. Although delayed by disputes

over liability, we continue to work toward the elimination of 34 metric tons of Russian plutonium.

I understand that this committee wants to focus today primarily on the Global Partnership. It is important to recognize that our efforts are not limited to the former Soviet Union. The Department of Energy is currently working with over 20 countries on a variety of nonproliferation activities ranging from export controls to material security.

Two specific examples are the Megaports Initiative and the Global Threat Reduction Initiative announced by the Secretary of Energy in Vienna last month. The Megaports Initiative is a good example of the administration's policy of working cooperatively among Departments. It is a partnership between the Homeland Security Bureau of Customs and Border Protection, the Department of State, and our own Department to install radiation detection equipment at major ports. It builds on the work in Russia and is an example of how our G–8 Global Partnership work is leveraged to provide improved worldwide security.

We have installed the first portal monitors in Rotterdam. We will be installing monitors at Piraeus, Greece, by next month and we are currently engaged with a number of other countries for additional installations.

As both of you mentioned, in May, Secretary Abraham announced the Global Threat Reduction Initiative to expedite removal and security of worldwide nuclear and radiological materials. Here, as with Megaports, we are building on experience within the former Soviet Union.

We face some challenges. Because our non-proliferation programs are cooperative, the progress we make depends on complex negotiations with Russia and other countries. Some of our challenges include liability. That has perhaps been the most frustrating area. We seek nothing more than what the Russians have agreed to many times in the past. This issue is being dealt with at very senior levels and I am hopeful it will be resolved in the near future.

We also continue to work on questions of transparency and access, where our problems are balancing Russian desire to preserve secrets with our need to ensure that taxpayer money is being spent for the purposes appropriated. In Russia we have had remarkable access to sensitive sites and we are now engaged in a pilot project that will test new procedures that will allow access to even more sensitive sites, the so-called serial production facilities.

Finally, contracting is a time-consuming and complex process. Even after we have agreement in principle on a non-proliferation program, actually implementing that program requires time to develop agreed statements of work. As Secretary Bolton mentioned, sound business practices require that we do more than just ship money.

To meet these challenges, we are taking a number of steps. First and foremost is the close cooperation between the Secretary of Energy and his Russian counterpart. Overcoming these challenges has been a priority for both of them.

Second, our experts, working with experts from the Departments of State and Defense, are leveraging our decade of experience to try and find resolution to these issues through day to day negotiations.

Finally, we continue to work on creative approaches such as new contracting mechanisms, revised procedures, expanded use of the International Science and Technology Centers to do work previously done under the Nuclear Cities initiative, and a number of other work-around procedures.

I am proud of the progress our program has made in moving toward the vision of the Global Partnership. I am proud of the manner in which we have expanded our activities to meet the complex threat of our time. We will continue working with our colleagues in State and Defense to try to have a comprehensive, effective capability.

Mr. Chairman, Senator Biden, this concludes my prepared remarks and I look forward to your questions.

[The prepared statement of Mr. Brooks follows:]

PREPARED STATEMENT OF HON. LINTON F. BROOKS

INTRODUCTION

Thank you, Mr. Chairman and members of this committee, for the opportunity to appear before you today to discuss the nonproliferation efforts of the National Nuclear Security Administration (NNSA). Before discussing our specific activities, I want to express how critically important I consider your contributions, both past, present and future, to the United States' efforts to prevent the spread of weapons of mass destruction (WMD). Your continued support and interest in stopping the proliferation of WMD demonstrates the committee's long-standing commitment to the national security of this country. I appreciate your strong support and I look forward to our continued work together.

In his speech at the National Defense University (NDU) in February, President Bush stated, "The greatest threat before humanity today is the possibility of secret and sudden attack with chemical or biological or radiological or nuclear weapons . . . America, and the entire civilized world, will face this threat for decades to come." To meet this challenge, the President asked that we confront it "with open eyes, and unbending purpose."

The proliferation of nuclear weapons poses a grave threat to the United States and our allies. The demand for nuclear weapons is on the rise as both states of concern and terrorists are actively seeking the materials, expertise and technology to develop nuclear weapons. The Bush administration has made nonproliferation one of its top priorities and I believe we are making real progress to reduce this threat.

The amorphous nature of this threat commands that our nonproliferation programs have the capability to evolve and adapt to thwart the efforts of our adversaries. Our acceleration of current programs and new initiatives in recent years demonstrates our commitment to prevent a nuclear or radiological event against the United States or our allies. The focus of my statement will be on just how we are adapting our programs, in concert with our international partners and the International Atomic Energy Agency (IAEA), to meet the challenges posed by the nuclear ambitions of states of concern and terrorists.

NNSA NONPROLIFERATION ACTIVITIES

The Department of Energy's nonproliferation programs, now under the NNSA, have long been associated with reducing the proliferation threat posed by the former Soviet Union's (FSU) weapons complex. In the immediate aftermath of the end of the cold war, the nexus of deteriorating economic conditions and an expansive nuclear complex in the former Soviet Union justified aggressive programs to upgrade the security of the materials, expertise and weapons of the FSU; permanently dispose of surplus fissile materials; and end the production of plutonium. Our accomplishments, which I will be reviewing in detail shortly, support the progress that is being made in the FSU.

While the FSU has been and remains a focus, the NNSA's programs have always been engaged in working with other countries and international organizations to address the global dimension of the nonproliferation challenge. The increased commitment to nonproliferation in both a strategic sense, outlined in the February NDU speech and dollars—a 60% increase since FY 01—has resulted in an invigorated sense of urgency and determination to reduce the threat rapidly. We have expanded efforts to gain international participation; accelerated existing programs; and identi-

fied and addressed emerging and existing threats not yet covered by our nonproliferation programs.

The facts are we are faced with a number of proliferators, states of concern and terrorist networks that threaten United States and international security by actively pursuing nuclear weapons capabilities, technologies, and expertise. The NNSA plays a prominent role in responding to these WMD proliferation threats. We recognize the broad scope and complex nature of this threat, and understand that our programs must identify and address potential vulnerabilities within the nonproliferation regime before terrorists or rogue states exploit them.

Our mission is to detect, prevent, and reverse the proliferation of WMD, while mitigating the risks associated with peaceful nuclear energy operations. We implement this mission by:

- Conducting cutting-edge nonproliferation and national security research and development;
- Securing nuclear weapons and nuclear and radiological materials at potentially vulnerable sites in Russia and across the globe;
- Reducing overall quantities of nuclear and radiological materials;
- Bolstering border security domestically and overseas;
- Supporting international nonproliferation and export control regimes;
- Downsizing the nuclear weapons infrastructure of the former Soviet Union; and
- Mitigating risks at nuclear facilities worldwide.

By addressing key elements of the proliferation spectrum, these activities play an essential role in strengthening United States and international security. Our efforts are making the world more secure.

All of these developments support the need for a flexible suite of nonproliferation programs capable of rapidly addressing threats when they appear. There are many examples of such flexibility, but the verification of the dismantlement of the Libyan weapon of mass destruction and longer-range missile programs is a prominent example of where I see one of our nonproliferation activities heading in the future with a rapid response capability to remove and/or secure at-risk materials worldwide.

EVOLVING TO MEET THE THREAT

The NNSA mission is focused on a single objective: denying states of concern and terrorists access to the materials, technology and expertise they would need to build or acquire a nuclear weapon, and to reduce their incentives to acquire such capabilities in the first place. As I mentioned the convergence of international and domestic events have resulted in the acceleration and expansion of nonproliferation initiatives worldwide.

ACCELERATING AND EXPANDING NONPROLIFERATION EFFORTS

The NNSA currently works with over 70 countries on a variety of nonproliferation activities ranging from export control to the security of fissile material. There are many efforts worth discussing, but I will focus on three of our accelerated and expanded nonproliferation efforts since 2001: the international Mega-ports Initiative deploying radiation detection capabilities at major overseas ports; the new effort to provide security upgrades for the Russian Strategic Rocket Forces; and, finally, the Global Threat Reduction Initiative recently announced by the Secretary of Energy in Vienna, Austria, on May 26.

THE MEGAPORTS INITIATIVE

Utilizing expertise and lessons learned from the Second Line of Defense (SLD) Program's installation of radiation detection equipment in Russia, NNSA in cooperation with the Department of Homeland Security's Bureau of Customs and Border Protection is working to make technical resources available to complement Customs' Container Security Initiative (CSI) efforts in working with international ports. This provides law enforcement officials with an opportunity to pre-screen the bulk of the container cargo in the world trade system for weapons of mass destruction and nuclear and other radioactive materials that could be used in a nuclear weapon or a radiological dispersal device.

As part of this process, and with the concurrence of the foreign government, SLD teams are available to evaluate seaport vulnerability to illegal shipments of nuclear and other radioactive materials that present a proliferation concern and to rec-

ommend and/or potentially deploy radiation detection equipment to facilitate the pre-screening of cargo bound for the U.S.

DOE has installed the first radiation portal monitors at the Port of Rotterdam, ECT Delta Terminal that processes about 5% of all containers shipped to the U.S. The final phase of installation of radiation detection monitors at the Port of Piraeus, Greece is underway and is due to be operational in July 2004. The NNSA is currently engaged in negotiations with numerous countries in Asia, Europe and South America.

MATERIAL AND WEAPON SECURITY ACCELERATION ACTIVITIES

Another new and accelerated nonproliferation effort is to upgrade security at 25 sites of the Russian Strategic Rocket Forces. This work has commenced on an accelerated timetable. Ten years ago I would have never imagined we would have access to these facilities. We plan to complete security upgrades at all of the sites by 2008.

We have also accelerated existing programs to provide security upgrades at Russian Navy nuclear facilities and the 600 metric tons of fissile material in the FSU. The completion date for the Russian Navy nuclear warheads was moved from 2008 to 2006. This includes 39 sites that house both nuclear fuel for submarines and nuclear warheads. We have also accelerated our existing work to secure the 600 metric tons of fissile material identified throughout the FSU. The completion date was moved up by two years to 2008. We fully expect to meet these aggressive, timetables, given the necessary access and resources.

GLOBAL THREAT REDUCTION INITIATIVE

On May 26, in Vienna, Austria, Energy Secretary Abraham announced the Global Threat Reduction Initiative to expedite the removal and/or security of vulnerable nuclear and radiological materials worldwide. To carry out the Initiative, the Secretary has directed the NNSA to consolidate and accelerate the Department's nuclear materials removal efforts, and complete a comprehensive inventory of research reactors and vulnerable nuclear materials worldwide to rapidly identify and address any gaps in current security coverage and recovery or removal efforts.

We intend to accelerate existing removal and security timelines by as much as fifty percent, focusing on the highest risk materials as immediate priority recoveries. In addition to accelerating our removal timelines, we intend to: Develop a combined diplomatic and operational action plan to identify specific materials and sites in prioritized fashion; Establish a capability to respond to emerging and unanticipated threats requiring rapid removal of nuclear or radiological materials or equipment—similar to our recent efforts in Libya; and provide security enhancements to vulnerable nuclear and radiological materials of proliferation concern either as an interim measure until materials are removed or as a long-term mitigation action to secure the materials in-place.

I would now like to detail our core mission activities and highlight some of our most recent accomplishments in each of these areas.

ACCOMPLISHMENTS

The President's recent speech at the National Defense University included several nonproliferation measures designed to strengthen U.S. national security. Among his proposals, the President underscored the need to address the demand for the most critical elements of the nuclear fuel-cycle, enrichment and reprocessing, as well as a renewed, stronger approach towards the implementation of safeguards.

The United States is working directly with the members of the Nuclear Suppliers Group and with the Zangger Committee to strengthen the nuclear export control regime, that includes making the adoption of IAEA's Additional Protocol a condition of supply and banning the spread of enrichment and reprocessing technologies. Recognizing the need to work with emerging nuclear technology suppliers and transshipment states, NNSA increased our work in the area of export controls by $6 million.

Our work to secure nuclear materials, nuclear weapons, and radiological materials at potentially vulnerable sites in Russia and elsewhere is one of our most important missions. We are promoting the further safeguarding and physical protection of nuclear materials at nuclear sites worldwide, including the states of the former Soviet Union and in over 40 countries with U.S.-origin material. The United States and Russia continue to accelerate cooperative nonproliferation efforts, and we are making progress.

For example, we have accelerated the timeline for securing 600 metric tons of weapons-usable nuclear material at 55 sites in Russia and Eurasia by 2008. By the end of FY 04, we have upgraded the security of 46% of the material and compared

to 2002, we tripled the amount of new material placed under comprehensive upgrades in 2003.

We are also working internationally to consolidate and secure fissile materials and at-risk radioactive sources. We have upgraded security at thirteen nuclear facilities in Eurasian states outside Russia, holding 3.5 metric tons of weapons grade nuclear material, to meet international physical protection guidelines. Although our work continues to expand beyond the FSU, we are still working in the region to improve security at Russian Navy and Strategic Rocket Forces facilities—among the most sensitive facilities in Russia. We have expanded security upgrades of Russian Navy and Strategic Rocket Forces nuclear weapons sites and by the end of FY 04 will have secured 90% of the 39 Russian Navy warhead sites and initiated security upgrades at two Russian Strategic Rocket Forces sites.

Downsizing the nuclear weapons infrastructure of the FSU remains an important activity. Since the fall of the Soviet Union, we have worked hard to reduce the potential for diversion of WMD expertise, materials and technologies to terrorists and proliferant states. To meet this objective, we are working to redirect WMD scientists, engineers and technicians to peaceful work and reduce WMD complexes by downsizing facilities and creating sustainable civilian alternatives. Through the Russian Transition Initiatives Program, we have engaged over 14,000 former weapons scientists at over 200 institutes across the FSU in peaceful and sustainable commercial pursuits, attracting $162M in private-sector matching funds and over $140M in venture capital and other investments, created 25 new businesses in the closed cities, and facilitated the downsizing of Russia's nuclear weapons complex.

Late last year, Secretary Abraham established the Nuclear and Radiological Threat Reduction Task Force, which represents another important step in combating the threats posed by radiological dispersion devices or "dirty bombs." We created this Task Force to identify, secure, store on an interim basis, and facilitate the permanent disposition of high-risk radiological materials that could be used as a radiological dispersal device, both in the United States and overseas; and identify the most vulnerable research reactors worldwide and develop an action plan to mitigate these vulnerabilities. Working in close concert with foreign countries and the International Atomic Energy Agency, or IAEA, this Task Force will ensure that the NNSA has the capability to address the full spectrum of radiological threats, including locating and securing vulnerable radiological materials overseas, and recovering and securing unwanted and abandoned radioactive materials within the United States that pose security and health risks. The activities of the Nuclear and Radiological Task Force will now be under the GTRI Initiative.

Bolstering border security as a second line of defense is another important component of our strategy. To implement this core mission, we develop and employ nuclear detection equipment at key border crossings, airports, and ports, including major seaports or "megaports," worldwide. We also work hard to assist and train customs officials at home and abroad to detect the illicit trafficking of nuclear and radiological materials as well as identify dual-use commodities that might be used in WMD programs. Our hard work and cooperative efforts are paying dividends. For example, we have installed radiation detection equipment at 39 sites in Russia to detect, deter and interdict the trafficking of nuclear and radioactive materials. Russia has also supplemented our cooperative border security efforts by upgrading and installing similar radiation detection equipment at many more of their prioritized border checkpoints. We maintain radiation detection equipment in more than 20 countries in the Baltics, Central and Eastern Europe, Central Asia, and the Mediterranean. As mentioned, the Megaports Initiative is currently working at the Port of Rotterdam in The Netherlands and the Port of Piraeus in Greece.

We are not alone in our efforts, as Under Secretary Bolton has noted. The international community and recipient countries have responded with strong support to advance our mutual nonproliferation interests. The G-8 Global Partnership has committed $20 billion dollars over the next 10 years to work on nonproliferation issues in Eurasia. We are working cooperatively with our G-8 partners to leverage the funding that we have committed to Russia and the work in which we are involved. In another program, we are working with India and Pakistan to help them cooperatively work to reduce regional tension and find means to stop cross-border infiltration and avoid conflict.

Our cutting-edge research and development program improves the United States' ability to detect and deter WMD proliferation and strengthen treaty regimes such as the Nuclear Non-Proliferation Treaty. Our R&D programs serve as the technical base that provides operational agencies—including the Department of Defense and the Intelligence Community—with innovative systems and technologies to meet their nonproliferation missions. For example, we have tested laser-based remote sensing systems to detect and characterize effluents from suspect WMD production

facilities, and are designing miniature synthetic aperture radar sensors to fly on board unmanned aerial vehicles.

Our technology-base programs yielded several radiation detection systems now being used by the Department of Homeland Security, and evaluated at the test bed that we established at the Port Authority of New York and New Jersey. And we have developed and produced nuclear explosion monitoring sensor payloads for deployment on Global Positioning System and Defense Support System satellites, began designing the next-generation of space-based sensors, and are developing new tools to lower the threshold for detecting the yield of any nuclear explosion by two orders of magnitude. We continue to seek out improved solutions to emerging proliferation problems, and to coordinate our efforts with our U.S. Government partners.

Strengthening international nonproliferation and export control regimes is another essential cornerstone of our efforts. We support U.S. nonproliferation treaties, initiatives, and agreements and work to strengthen international safeguards to detect clandestine nuclear programs and diversion of nuclear material from declared programs. By working with our international partners, we have accomplished a great deal to further the world's nonproliferation regime. Some of our recent accomplishments include Secretary Abraham's signing of the Statement of Intent on Peaceful Uses of Nuclear Energy and Nuclear Nonproliferation and Counterterrorism with Chairman Zhang Huazhu of the China Atomic Energy Authority this January in Beijing. In addition, we opened a Cooperative Monitoring Center in Amman, Jordan that will serve as a regional forum to discuss technical solutions to proliferation and other regional security problems. And we are spearheading changes to Nuclear Supplier Group Guidelines to make the prevention of nuclear terrorism an explicit export control objective.

To reduce stockpiles and available quantities of nuclear materials, the United States is working with Russia to irreversibly blend-down at least 500 metric tons of highly enriched uranium (HEU) from dismantled warheads. Over 200MT has been eliminated. We are also working with our Russian counterparts to shut down the three reactors in Russia that are still producing weapons-grade plutonium, and we are coordinating with them to return Russian-origin fresh and spent HEU fuel to Russia. We further reduce quantities of weapons-usable HEU by converting research reactors in the United States and abroad to use low-enriched uranium (LEU) and working to eliminate 174 metric tons of HEU in the United States.

The NNSA has also worked on a number of international operations to remove at-risk materials from vulnerable sites worldwide. We worked proactively with our colleagues at the Departments of State and Defense and international partners to dismantle Libya's WMD infrastructure. Currently, we are playing a leading technical role in the support of the operation to verify the dismantlement of Libya's nuclear program, and are playing a similar role in preparing for the complete, verifiable, and irreversible dismantlement of North Korea's nuclear programs, in the event of a major breakthrough. In 2003, we helped remove 17 kilograms of Russian-origin HEU from Bulgaria and returned it to Russia for safe storage. We also worked with Russia and the IAEA to return approximately 14 kilograms of fresh Russian-origin HEU from Romania to Russia to be down-blended and used for civil nuclear purposes.

Our final core mission objective is to mitigate risks at nuclear facilities worldwide. To reach this goal, we are providing assistance to Russia and Eurasian countries to establish enhanced emergency response programs, and we are working cooperatively with Russia to improve the safety and security of its nuclear weapons during transportation and storage in connection with dismantlement. We are focused on improving nuclear emergency management practices worldwide by working with the IAEA and other western countries. For example, we worked to strengthen the IAEA's notification capability in the event of a nuclear emergency and are assisting Ukraine, Russia and Japan in establishing emergency management training programs.

CHALLENGES

Preventing the proliferation of WMD materials, technology, and expertise is a major undertaking, and developing a multi-layered approach to address these threats has not been without its challenges. In implementing our nonproliferation programs, we continue to face formidable obstacles.

Looking back at what our program has accomplished on a number of nonproliferation fronts in Russia and other former Soviet states in the short amount of time that has elapsed since the breakup of the Soviet Union is really quite remarkable. At the same time, given the scope of our work and need for our programs to address

the complexities of today's proliferation threat, we do face challenges including liability issues, transparency and assurances, access, and concluding contracts and agreements.

Since our nonproliferation programs are cooperative in nature, the progress we make is largely dependent on complex negotiations with Russia and other countries. Consequently, we will continue to face challenges in our work, particularly in Russia. I will now discuss these challenges in more detail.

LIABILITY

United States and Russian nonproliferation programs must have adequate liability protection for contractors performing work in Russia. Currently, the two sides disagree on the form of liability protection and this disagreement has resulted in the interruption of a few of our programs, including Plutonium Disposition and Nuclear Cities Initiative. We regret we have not made as much progress as we had hoped. While differences over liability have held up our efforts relating to disposal of surplus weapon-grade plutonium both here and in Russia, the administration is committed to this important nonproliferation program and has been addressing this issue at the highest levels. The administration decided in early May to continue its support of the program by pursuing measures to allow cooperation to proceed on the design and licensing phase for Russia's plutonium disposition fuel fabrication facility pending resolution of liability for the construction and operations phases.

TRANSPARENCY AND ASSURANCES

Achieving adequate transparency is an ongoing problem for many U.S. nonproliferation initiatives with the Russian Federation. Assuring that we are, in fact, securing the materials and facilities we think we are will always be a challenge. The NNSA will continue to work both bilaterally and multilaterally to ensure that our mutual goals are met and that cooperative programs remain accountable, are preventing the proliferation of WMD, and promote long-term self-sustainability.

ACCESS

Nonproliferation programs often require access to other countries' most sensitive nuclear facilities. In Russia we have remarkable access to less sensitive sites. While we have had success, we must continue to work to gain access to Russia's more sensitive sites and facilities. Secretary Abraham and Russian Director Rumyantsev of the Federal Atomic Energy Agency have established a working group to address these issues. We are testing new procedures for access to more sensitive Minatom facilities in a pilot project. Reaching agreement on access to these sites is a major challenge, but is one of the final steps to secure the large amounts of nuclear material remaining. After access agreement is reached, we will assure that its terms are honored.

CONTRACTS AND AGREEMENTS

Finally, concluding contracts and agreements is a complex process. Even after there is agreement in principle to undertake a given nonproliferation program, actually implementing such a program requires time to bear fruit. Achieving concurrence on written agreements to move forward is often the first challenge to overcome. After the requisite agreements are in place and agreed to by both parties, objective and realistic milestones have to be developed before any contract can be awarded, and performance metrics established to address how those milestones will be met. Overall program success is incumbent on sound fiscal stewardship, and we believe that we are taking the necessary steps to effectively maximize program success rates.

There are a number of steps we have undertaken to meet these challenges. First, the Secretary of Energy has developed a close relationship with the Director of the Federal Atomic Energy Agency and overcoming these challenges in the nonproliferation arena has been a priority. Secretary Abraham intends to continue to work constructively with Director Rumyantsev. Second, at the working level, experts from our programs leverage over a decade of experience and relationships with their Russian counterparts to resolve contentious issues through sustained negotiations.

CONCLUSION

To summarize, I would again draw your attention to the progress our program has made in recent years and the acceleration with which we have expanded our activities to meet the complex and unpredictable security threats of our time. In doing so, we have strengthened the security of our nation and are making the world

a safer place. Working in concert with other U.S. Government agencies, the NNSA will continue to promote high-level political commitment among our cooperative country counterparts to establish an effective, comprehensive capability that can proactively react to an evolving threat environment. Our focus is on stemming the proliferation of WMD materials, technology, and expertise, and we will continue to work diligently and responsibly to counter that threat.

Mr. Chairman and members of this committee, this concludes my prepared statement. I would be pleased to answer any questions that you and members of this committee may have.

The CHAIRMAN. Thank you very much, Secretary Brooks.

We will have a first round of questions limited to 10 minutes. I will commence the questions. The action plan adopted at Sea Island again calls on Russia to cooperate with the Global Partnership, but as we have heard from our colleague Pete Domenici, such issues as access, military, other bureaucratic hurdles continue to frustrate progress for Nunn-Lugar, plutonium disposition, and similar partnership projects. Could you inform us exactly on what the status of the Cooperative Threat Reduction Umbrella Agreement is? Do you have any information on when President Putin plans to submit it to the Duma for ratification?

Now, I say parenthetically, prompted by my colleague, that when Senator Biden and I had an opportunity to visit with the President recently, the subject was principally Iraq, but I took advantage of that opportunity to ask the President directly, what about this liability business? He directed Condoleezza Rice, who was sitting there in the Oval Office: "Take this up." She took it up, but she has not made headway.

This is very serious. I just wonder what it takes to move it. Having been in this business—and both of you have been in it about as long as I have—we understand there are bureaucratic procedures in Russia. At the highest level, is President Putin aware of this dilemma? I ask this not only in the context of Cooperative Threat Reduction, which has been going on like the brook for some years, but with regard to all of the other nations that are involved in this. We are getting Russians coming in from conferences, pointing out how little is being done in Russia, how the money is not being spent, how countries are making commitments, but nothing is happening.

The irony of this situation is profound. So please illuminate, if you can, what is the status, and what is going to happen?

Mr. BOLTON. Mr. Chairman, one of the reasons that we felt 2 years ago that the Global Partnership would be a good initiative to press with the Russians was precisely the feeling that there were not only opportunities for additional funding that we could get from our close friends and allies to increase the resources available, but that it might also be through getting more nations than the United States, to put it precisely, involved that we could help clear up some of the problems that we and other countries had encountered.

Let me just give you one example if I might. Japan has a substantial interest in the dismantling of nuclear attack submarines, many of which are stationed at Vladivostok and places proximate to the Japanese home islands. Some number of years ago, the Japanese Diet had appropriated $200 million for Japanese programs in Russia for the dismantlement of these attack submarines. But the

time of our discussions in 2002, essentially none of that money had been expended because the Japanese could not get cooperation with the pertinent Russian agencies.

We have been working with the Japanese. We think—they have largely taken the lead, of course. We think they have begun to make progress in breaking through some of the bureaucratic obstacles that they met in Russia. That is critical politically, and I am sure this committee can understand that, in Japan, for the Government of Japan to go back to the Diet and say: Now we are actually spending the $200 million that you have appropriated, our fair share of the $10 billion pledge under the Global Partnership is really about $1.5 billion more than we have pledged and, now that we have begun to solve our problems with Russia, could the Diet appropriate that money.

That is one example that I think is illustrative of some of the problems that Linton Brooks was explaining in the operational aspects of how to get these tasks under way. But there have been other difficulties as well, as you have indicated. For example, we have had recurring problems with Russian desires to tax CTR and other American funds. The idea is Congress appropriates money, expenditures need to be made in Russia for the purchase of equipment, the rental of facilities, using the tax dollars you had appropriated, and from time to time various Russian governmental agencies propose to tax that money, so that not only do we get the privilege of spending our taxpayers' dollars, we get the privilege of paying, having our taxpayers' dollars pay Russian taxes, which we have consistently refused.

I think that principle is now more or less established, but that has been—some of our G–8 partners have found in the past year that that was an obstacle that needed to be overcome.

The issue of liability is another such question. The original Nunn-Lugar program operated in the Russian Federation from 1992 to 1999 under an umbrella agreement that was negotiated back in 1991 and 1992. That agreement was submitted to the State Duma and was approved and therefore carried the force of law. The umbrella agreement had excellent provisions on access, on financial transparency, on prohibition of taxation, and on military.

The provision on military, which essentially was a blanket exemption from liability for all activities funded under the Nunn-Lugar program, was patterned on the precise language used extensively around the world in USAID bilateral development assistance programs, that taxpayers' funds, whether expended directly from the government or through contractors, were exempt from liability. The Nunn-Lugar program functioned quite well under that for 7 years.

In 1999, the umbrella agreement expired of its own terms and was signed again by the Governments of the United States and the Russian Federation. Since 1999, the Russian Federation has not submitted the umbrella agreement to the Duma for ratification. It has been applied on a de facto basis. But despite efforts both in the prior administration and in this administration, as I say, the government has not yet submitted it.

Now, we continue to press them because we think it is very important that the liability provisions that have been enshrined in

the Nunn-Lugar program and have worked quite well for the past 12 years be given the full force of Russian law. Being applied de facto, we are at risk. We are at risk that the provisions, because they do not carry Diet approval, could be ignored, thus exposing the United States and its contractors to substantial risks of liability.

Now, the issue of how to deal with the liability disagreement on plutonium disposition, which is still in negotiation between us, is really the most important liability question that remains outstanding. I would defer to Linton Brooks on how we are handling this operationally to reduce delays in the program by proceeding with design and regulatory approval while we continue to negotiate the liability question.

But the issue that divides Russia and the United States at this point is whether we are going to get liability protection equivalent to that which we have operated under for the past 12 years or whether we are prepared to accept a lesser liability protection. We have asked and, as I say, we have pressed the Russian Government on numerous occasions to submit the CTR umbrella agreement for Diet ratification, because we fear if we accept lesser liability protection on another program we may lose the excellent liability protection that we have under CTR, thus jeopardizing that program.

Now, I will close with just one further remark and I think it is important to understand this context, that is not immediately apparent until you dig into these liability questions. The Russian Federation fundamentally does not have a doctrine of sovereign immunity, as the United States does. I do not want to say there is no sovereign immunity protection in Russia. That would be an overstatement. But fundamentally they do not have a doctrine of sovereign immunity.

The reason for that is not hard to understand. Back in the days of the Soviet Union, there was not a lot of money to be made suing the Soviet state, so they did not have to elaborate the kind of doctrines that we have and that are spelled out in the Federal Tort Claims Act.

The consequence is that the Russian Government has feared that liability might be imposed on it in the case of an incident of liability involving these programs, and their response has been fundamentally, not to develop an adequate doctrine to protect the Russian fisc, but to shift liability to the United States. I think you can understand on behalf of our taxpayers why that is not a shifting of the risk of liability that we are prepared to accept.

Nonetheless, I think that we are addressing this issue in negotiations. We have attempted to move into design and regulatory approval activity in the plutonium disposition program while we continue to negotiate the liability issue. And it is something that we are committed to resolving at the highest level of our government.

The CHAIRMAN. Well, thank you very much, Secretary. You have certainly illuminated the problems, each one of them, explicitly, but not really the solution. I appreciate the fact that you say you are proceeding to negotiate with the Russians regarding and these profound problems in terms of their law.

Where do we need to take this? This is the question Senator Domenici was asking. At your level, can you get the job done? If

not you, can Secretary Powell do it? If not Secretary Powell, can the President do it with Putin?

This is very, very serious. I can think of no other set of issues involving the G–8 partnership, plutonium, and the continuation of the Nunn-Lugar efforts, that requires more concerted activity. To illuminate the whole problem again is helpful for Americans who seek to understand the disputes we have been involved in for 10 years. What we need is some idea of who is going to do what, and at what level, and whether Senator Biden and I and the committee should approach the President, as he has suggested.

This is very serious. It is not occurring. My time has expired for the moment, but please respond if you will.

Mr. BOLTON. If I could, yes. This has been addressed at the Presidential level and the Russians have committed to us, had committed to us, they would submit the CTR umbrella agreement for ratification by the state Duma immediately on the conclusion of their recent elections. And it still has not happened.

We feel that the ratification of the CTR umbrella agreement is critical, because whatever liability provisions are worked out on other programs—and it is not inevitable that the CTR liability provisions would apply, but it is critical that we not undercut or weaken the liability provisions we have under CTR.

It has been a matter that the Russians have addressed with other governments, which have accepted lesser liability protections. Of course, that is their sovereign decision to make. I think the European countries do not have the tort liability problems that we are only too painfully aware of in this country and perhaps they are willing to accept that.

We are prepared to see what we can negotiate with the Russian Government, but we feel, after waiting for close to 5 years now, that they really ought to submit the CTR liability agreement to the Duma. We do not have much doubt, especially after the recent Duma elections, that if it were submitted the Duma would approve it. But without Duma action, we remain at risk on CTR.

The CHAIRMAN. Thank you.

Senator Biden.

Senator BIDEN. If you know, did the President raise the failure to keep the commitment with Putin, to submit the CTR at Sea Island?

Mr. BOLTON. I do not have a readout of the bilateral discussion at Sea Island at this point, Senator. So I am afraid I cannot answer the question.

Senator BIDEN. The bottom line is there really is not much—I mean, I am not being a wise guy when I say this is kind of above your pay grade right now. I mean, there is nothing to negotiate. There is nothing to negotiate as it relates to CTR, anyway. We have a firm plan, we do not want to change from the original agreement under Nunn-Lugar, and you believe and the administration believes if submitted it would be ratified the same way as Nunn-Lugar has proceeded.

So you keep talking about negotiating. What are we negotiating?

Mr. BOLTON. The issue for plutonium disposition is whether we are prepared to accept a liability protection provision that is less comprehensive than in the CTR.

Senator BIDEN. No, I got that. But I thought you said to me sequentially, you are not going to do anything until CTR is submitted. In other words, you are not going to agree on the plutonium side to a lesser liability coverage that exists under Nunn-Lugar, is that correct?

Mr. BOLTON. I think our feeling has been as a negotiating matter that losing the leverage of the protection of CTR would put us in a vulnerable position.

Senator BIDEN. I am not taking issue with you. I just want to make sure I understand it.

Mr. BOLTON. I would be happy for some negotiating advice if there is another way around this.

Senator BIDEN. No, I am not suggesting. All I am trying to do is make sure I understand this in a very simple, straightforward way. It is a legitimate position you have taken. One is, we are not going to negotiate any lesser standard until we get the standard we have had in the past for CTR. Then we may or may not negotiate a lesser standard than the CTR standard as it relates to other initiatives, right? That is the bottom line?

Mr. BOLTON. Exactly correct.

Senator BIDEN. OK. So my point is you are out of business. Not a damn thing you can do. If you accept that position, there is nothing you can do. So it seems to me it is real simple.

Mr. BOLTON. Until the Russians——

Senator BIDEN. That is right.

Mr. BOLTON [continuing]. Throw in their commitment.

Senator BIDEN. Exactly. No, that is all I am saying. Again, I just want to make sure I fully understand this. So it is real simple. It is above your pay grade. You are out of the deal. There is no sense in you talking to anybody, and so we really should go to see the President. The President has got to pick up the phone, get on the line, and find out whether Putin is going to keep his commitments.

What I would suggest you be doing is figuring out whatever leverage points we have with Putin. There are a lot of things he wants and needs right now. So I suspect you should be doing something else other than talking about liability. You all should be figuring out what are the leverage points for Mr. President. Were the chairman the President and I in your position, I would be having my staff figure out what are the three or four things you can pick up the phone, Mr. President, and call Putin about and say: By the way, I need this now; now, you need A, B, C, and D; this is the deal I will make. That is the negotiation, not at your level.

You are at a very significant level. I am in no way diminishing your role, except that now I understand clearly, and I am not taking issue with it, that if you are not willing to accept a lesser standard as the Europeans have in some circumstances, and CTR is the place everything starts. Nothing else is going to happen until CTR is finished, which means we are in trouble unless something happens on CTR very quickly.

I just want to make sure that I got that straight. And again, I am not taking issue with it. I am just making sure I understand it.

Mr. BOLTON. Let me make one point, and again I think I should defer to Linton Brooks in terms of the scheduling. But we have

sought to in the plutonium disposition area, to try to resolve the liability question while other work continues, so that the plutonium disposition design and regulatory approval work, which is not as urgent in its requirement to have a liability issue since the likelihood of an incident of liability is remote, while that work proceeds.

Senator BIDEN. No, I got that. You are not in a standstill. Linton, you are working at this. You are trying to get everything in place so that when it comes time for the part that relates to where there could theoretically be exposure, no pun intended, liability, that hopefully by that time the rest of it will be done.

But you are not negotiating liability, are you?

Mr. BROOKS. No.

Senator BIDEN. No. So what the heck are we talking about here? There is no negotiation going on relative to liability. There is progress being made, attempting to be made, in every area that takes you up to the point where you cannot go any further unless the liability position is resolved, and that seems real simple. The President of the United States of America, beginning, middle and end. It is in his lap. It is a matter of how important it is to him and whether or not he can push, and I think we should try to find out, not in this hearing, what it is that he is willing to, if anything—I mean, if there is nothing he can offer in return beyond the significant offer we are making to secure this material, then I am not sure what else can be done.

Again, I am not taking issue. You are moving along. You are moving along as far as you can at this point.

Let me ask you a larger question. To either of you, and I would like either of you to respond as quickly as you could, if you could. Do our allies share the same sense of urgency regarding the nonproliferation programs? We recently—not recently. It has been a year now. We had a group of our counterparts over here—maybe it is a little longer than that, actually—from the NATO assembly, who focus specifically, as we do in this committee, on this issue of proliferation and particularly Russia. I sensed no sense of urgency in talking to them. I did not get any sense at the time that they thought they were in the game in a big enough way or should be in the game in a big enough way to secure these materials within Russia.

I got a sense that the perusal of projects on the part of our European friends related more to their industrial and environmental concerns than it did to concerns relating to these materials getting into the hands of bad guys to do serious damage to them in Western Europe. Could you give me as honest an assessment as you can as to whether or not my perception is correct or incorrect? I would appreciate that.

Mr. BOLTON. Well, I do not think you can make a blanket judgment about all of them.

Senator BIDEN. Let us start with France.

Mr. BOLTON. If you look at the extent of the projects that they have and the directions that they have been pursuing, I think they are struggling with many of the same difficulties in the states of the former Soviet Union that we are. I use the example of Canada, which took on the idea of the Global Partnership, made it its own initiative, was critical in getting this agreed by the G–8 at

Kananaskis. They did all of the things internally in the Canadian Government that one can do, I think, to gear up for this project. They got cabinet approval, they got parliamentary approval. It has taken them 2 years to negotiate an umbrella agreement with the Russians.

I do not fault the Canadians for lack of a sense of urgency. I think it is a hard thing to do. I suspect that the point you have made about some of the industrial and commercial incentives that some of the European countries have are exactly right. But I do not doubt that they understand this is a problem that needs to be addressed. The French specifically have plutonium disposition as one of their priorities. They have made that clear to us and that was one of the reasons at Kananaskis why they were strong supporters of the Global Partnership.

I can go through all of them one by one if you want.

Senator BIDEN. That is all right. Maybe in writing I will submit that question to you.

The G–8 agreed to, quote, "deplore" Iran's conduct and to, quote, "urge Iran promptly to comply with its commitments and all IAEA board requirements." But it stopped short of calling for the IAEA Board of Governors to report this issue to the U.N. Security Council.

Does this mean that the United States will not press for referral at this week's board meeting?

Mr. BOLTON. Senator, I can tell you, speaking personally as somebody who has been working to get the Iran matter referred to the Security Council for a year, that if I thought we could get it we would do it. That is where it deserves to be. One gets in these G–8 agreements the best one can get.

In terms of what we expect out of the IAEA Board of Governors in Vienna this week, I can say I think with some measure of confidence we will get a very strong resolution that deplores Iranian lack of cooperation with the IAEA, that stresses that Iran has to do more to meet its commitment to the three European countries to suspend——

Senator BIDEN. Will it deplore it enough to suspend the liquid natural gas investment agreement the Japanese and the French have reached?

Mr. BOLTON. I can speak with respect to the Japanese agreement for the exploitation of the field at Azadegan. They have got a clause in that that says that if the conclusion is the Iranians are continuing the pursuit of nuclear weapons that they have the ability to suspend that agreement. They have not yet reached that conclusion, although that is certainly our conclusion.

Senator BIDEN. Does that conclusion mean if the conclusion is that they reached it, or if the conclusion that the board reaches it, or a conclusion that the Security Council reaches it?

Mr. BOLTON. I do not know the specifics of the Azadegan deal, but that is the discussion we have had with the Government of Japan. I regard the situation in Iran as an extremely important one that we have been trying measurably with Russia, with the European countries and Japan—and I might say that what our diplomacy has aimed at is getting this matter to the Security Council.

Senator BIDEN. Thank you very much.

The CHAIRMAN. Thank you, Senator Biden.

Senator Nelson.

Senator NELSON. Well, picking right up there on Senator Biden's questions about Iran, does the strong statement that the G–8 issued about Iran not being cooperative, does this statement signal an intent by the G–8 to hold them accountable and support our efforts?

Mr. BOLTON. I think, Senator, what it represents is a ratcheting up of the level of G–8 agreement than what was achieved at the Evian summit last year, where for the first time the G–8 issued a statement on proliferation and specifically dealt with questions of North Korea and Iran. I think in the intervening year there has been a very substantial pattern of Iranian failure to comply with its obligations under its safeguards agreement, obstructing IAEA inspectors, withholding information, and generally not being cooperative.

I think Director General ElBaradei made that point in a low key but very clear way in his statement to the IAEA Board of Governors yesterday. We think that it is absolutely critical that the Iranian effort to achieve a nuclear weapons capability not succeed, and we have been in extensive diplomatic activity with all of the European countries involved, with Japan, and with Russia to do what we can do to get them to apply pressure to Iran.

I think the mixed cooperation, the limited cooperation, that Iran has provided to the IAEA in the past year is due almost entirely to the level of international pressure that has been applied.

Senator NELSON. Well, it looks like we were getting some progress going there with the international pressure, but now that seems to have evaporated.

Mr. BOLTON. I do not think it has evaporated. I think the Iranians are still on the defensive. I think they are feeling the pressure. You can see from their statements, their public statements, that they say quite regularly they have no intention of complying with the deal that they made with the United Kingdom, Germany, and France to suspend and then ultimately to cease uranium enrichment and reprocessing.

If they were to pull out of that deal, I think there would be almost no question but that we would be able to get this matter into the Security Council. The Europeans have taken a different tactical view of how to handle the Iranian matter and we have worked with them on that.

I think the combined pressure is reflected in the several resolutions, three to date, that the IAEA board has passed, have had their effect. It has not gone far enough. More work needs to be done. There is no question about that.

Senator NELSON. Does Iran have a rocket that will reach, with a range to Israel?

Mr. BOLTON. Senator, it does. It has a very extensive ballistic missile program.

Senator NELSON. The answer to that is yes?

Mr. BOLTON. The answer to that is yes.

Senator NELSON. Therefore, if you put a nuclear weapon on the top of that rocket, you have got a problem.

Mr. BOLTON. You are absolutely correct.

Senator NELSON. We have got our hands full.

Mr. Chairman, since I have a little time left, let me ask you about North Korea. The G–8 also issued a statement supporting the six-party talks. Now, is this working?

Mr. BOLTON. Well, as you know, Senator, the six-party talks will reconvene in Beijing next week for their third session. They begin with a meeting of the working group that was established in the second session the first couple days of the week and then the plenary will meet July 23 through 26.

We have been in preparatory discussions here in Washington this week with the Japanese and South Korean delegations and are preparing for the discussions next week in Beijing. We have made a very extensive effort to make the six-party talks work. We think this is the vehicle. We have recognized the enormous effort that China has made in organizing these talks and trying to see them through.

I think that the ball at this point is in North Korea's court. We have, as you see from the G–8 statement, which reflects three of the parties in the six-party talks—Russia, Japan, and the United States—agreement that we want the complete, verifiable, and irreversible dismantlement of North Korea's nuclear weapons programs. The North Koreans have not yet acknowledged that they are going to have to meet that.

But we continue to pursue this. We are gearing up for it, as I say, and we will make every effort to see if we cannot make progress on that next week.

Senator NELSON. Mr. Chairman, these are two countries of which the interests of world peace is enormously threatened. It seems to me that one of the major foreign policy goals of our country ought to be at the end of the day those two countries cannot have a nuclear weapons capability. That is how I feel, and whatever you and Senator Biden can add to that that we ought to suggest that would speed this process, because it is not—it does not seem like it is going forward and sometimes it seems like it is going backward in both of those countries.

Thank you, Mr. Chairman.

The CHAIRMAN. Well, thank you very much, Senator Nelson. I would respond to the Senator that clearly—and he has been active in these hearings—we are going to continue to talk about North Korea and Iran. These are extremely important situations. But today in a comprehensive context we are discussing the dilemma that Senator Biden mentioned, and that is that people were able to produce at least the basis for a nuclear weapon, but they could not produce the fissile material, thank goodness. One of the key factors, at least on the nuclear side, has been control of that. This is why there are categories of countries that may have fissile material, but others that we now have an opportunity to work with to relieve that issue.

I want to ask you, Secretary Brooks. Secretary Abraham's program announced in Vienna is a comprehensive program. As I understand it, he has tried to take a look at all of the laboratories and facilities in over two dozen countries that at some point or

other may have received nuclear technology, through various humanitarian efforts, such as the Atoms for Peace Program.

Why is the Secretary's program ranging over several years of time? I ask this knowing that budgets are difficult. But this is not like building college dormitories one at a time in a grand master plan. Here we have a sense of urgency with regard to al-Qaeda, or terrorists getting their hands on fissile material or even spent fuel, or dirty bombs, quite apart from nuclearization.

Why is the plan not one in which this happens in a fairly short timeframe? Can you explain, if it is not going to happen, why not? What can this committee do, and what can our colleagues do, to tighten that timeframe, to ensure that the world gets its hands on the material, secures it, makes as certain as possible that proliferation does not occur from all these remote regions?

Mr. BROOKS. Yes, sir. Well, first of all I want to stress that we do obviously have a sense of urgency, and that is why we took fuel back, fresh fuel back from Romania, Bulgaria, and Libya within the last year.

The research reactors that are at issue are reactors that serve legitimate research purposes, and at the time, they could only serve those purposes with fuel that is essentially highly-enriched uranium. For about one-third of the existing reactors, that is still true. The United States, for example, had 22 such reactors. We converted 11 of them. Six more are scheduled for conversion. There are five that do not have a design which will allow the research objectives to be met with LEU fuel, low enriched uranium fuel.

So the first reason why it is going to take some time is that for some subset of these reactors we have got an R&D challenge. This is not a situation where there is something in a warehouse somewhere and all we have to do is demonstrate the will to go get it. This is a case where we have to provide a technology to convert research reactors.

Second, there have been bureaucratic problems. To be fair, some of them have been here.

We just signed the agreement with the Russian Federation. Some of these research reactors originally came from Russian designs, some from U.S. design, and the fuel will go back to the country where it belongs. We have just signed the government to government umbrella agreement with the Russians. The Russians are completing their equivalent of the environmental impact statement process.

So we are pushing to expedite these things. Then obviously we have to target the most vulnerable and most dangerous material first. So we expect to have all fresh fuel back to Russia by 2005. We expect to have all Russian spent fuel back by 2010. Some of that is just practicality, and so the way we deal with the sense of urgency is to focus on the most vulnerable material first, sure.

The CHAIRMAN. That is important for us to understand. You are going to countries or facilities that presumably want to continue with their research. So what you are saying is that we really need to work with them to find a new design for their equipment that can somehow function on something other than highly enriched uranium in order to relieve the HEU from them.

Mr. BROOKS. Yes, sir.

The CHAIRMAN. That is a challenge. You say there are still five situations in our own country that require this kind of redesign.

The reason I asked the question is that there will be some close examination of that timetable. I appreciate 2005, 2010 is a reasonable time, but the reason that we are discussing this, and why the President has gone into the PSI program and other related programs, is the urgency in the war against terrorism. You know, we are very hopeful that the terrorists, and whoever is after these materials this, will have the same patience and timetable as we have. Yet we really cannot take that for granted.

Mr. BROOKS. That is why it is also important in the interim to continue our efforts to improve security. One of the reasons people focus on research reactors is that they are inherently in academic settings where security is not the first thing that people think of. I referred to, in my statement, our effort to secure those materials. Some of those materials are in fact materials that are stored at research reactors. So we have to approach this problem on a variety of fronts.

The CHAIRMAN. Precisely. Now, in your statement, you pointed out that a certain percentage of these have some degree of security. Granted we could not redesign the whole machine, but we could do the security more rapidly, could we not? What is the hangup there in terms of saying, if there are 24 of these places, by golly, by the end of 2004 we will have security around it so they cannot get out?

Mr. BROOKS. Well, most of them will have. And once again, the problem with this is we really have to look country by country. Some, for example, of the U.S.-designed research reactors are in countries which have perfectly adequate security, security comparable to what we would employ. That is why they tend to be at the end.

But I think we are trying very hard to expedite security, but more importantly we are trying to get the material back and the cores converted.

The CHAIRMAN. Are regular reports going to be made of this? People like ourselves are deeply interested in how the benchmarks are being met. Unless we have hearings of this variety from time to time and everybody comes up, why, somehow it gets lost in translation. This is so important. What kind of reporting will you have?

Mr. BROOKS. Well, we obviously have a good deal of internal reporting. I had not, until this moment, thought about the best way to make sure that the appropriate committees of Congress were informed. But obviously we want to do that. Let me take that away and figure out a good mechanism.

The CHAIRMAN. Yes, I think that both of our staffs would like to do that, to try to have a working relationship so that we will be cognizant of this and can commend it as it occurs. I say this because we have had some difficulty legislatively over the last 10 years as new Members come into the Congress. They do not understand what all this is about, and they wonder, why are we authorizing money and people and appropriations?

Until last year, as you know, because you were intimately involved for 10 years, the Cooperative Threat Reduction Act money could not be spent beyond the confines of the former Soviet Union,

almost as if spending it outside would be a disease that would spread. Now we have a situation in which $50 million of the sum could be hypothetically spent somewhere else, but this is hardly adequate, given the global reach the President is now talking about, and given what you have been discussing with the G–8.

Granted, there are different committee jurisdictions. While we are thinking of the benchmarks on what occurs with Secretary Abraham's problem, we also need to think together about the kind of financial requirements and the geographical requirements that we have to have in order to fight a global war against terrorism, not just something confined to the former Soviet Union.

Mr. BROOKS. Mr. Chairman, I can assure you that if we find that we are being inhibited from doing what is right because of outdated legislative provisions, we will be vigorous in seeking to have those provisions changed. In fact, the example of spending CTR funds outside the former Soviet Union is an excellent example that will, for reasons I prefer not to go into in an open hearing, benefit us.

The CHAIRMAN. Let me just say, having been critical of the administration, I would like to commend the fact that that change would not have occurred without calls that were initiated by the President, and executed by Condoleezza Rice, and the Secretaries of State and Defense. Something that may be a no-brainer, namely, that we ought to be able to spend money beyond the Soviet Union, took all of this horsepower with Members of Congress, who shall remain nameless and who finally did the right thing.

Senator Biden.

Senator BIDEN. Thank you.

I would like to pursue that if I may. And I realize I am a little pedantic here. If I could approach this like I think the average American, if focused on this, would approach it, I assume, Mr. Ambassador, you have somewhere within your office, your extended office, a list of all the places we know where there is material that, if it were absconded, sold, or stolen in some way, being repetitious here, and got into the hands of the wrong people could pose a danger to the United States. There must be some comprehensive list, a little bit like, if I can think about it, you know, in an election we go down every precinct, look at every single precinct in the State. We break it out into detail, and precincts are as small as 500, 700 voters, and we break it all out.

Then we go back and we prioritize and we say, a little bit like you suggested, we say that, well, in some countries where we the United States were part of, participating in the project, produced the material, there is more adequate security than other places. So I assume you rank them. You rank the most urgent threats. You know, there is—if I can vastly oversimplify it, it is a little bit like when General Abizaid said there is 820,000 tons of munitions lying around Iraq in munition dumps that are not guarded. I mean literally, no guards, no personnel, no anything; we fly a helicopter over it at night with night vision goggles to see who is going in and out.

So I am sure you have—I am not sure. You do have that kind of comprehensive list?

Mr. BROOKS. Yes.

Senator BIDEN. OK, No. 1. No. 2, are they ranked or rated in orders of the greatest danger that they pose in terms of the greatest risk?

Mr. BROOKS. Yes, but that is not as precise a science as——

Senator BIDEN. No, no. But you may—again, I am not questioning your judgment. You would know better than I. It may be a tossup. You rate all of them that there are these ten sites that are about the same risk. I am not suggesting that they have to be——

Mr. BROOKS. They are ranked in priority, but priority covers not just risk but ability. For example, I prefer not to get into specific countries, but there is a country that for a long time for a variety of reasons has ranked very high, but it is only recently that the political conditions have been—well, to take an obvious example, if we had been having this hearing a year ago, the research reactor fuel in Libya would rank very high on my priority list, but I would not have been able to do anything about it. Now we can and we have.

So it is a combination of the risk and the ability.

Senator BIDEN. And the access, OK.

Now, do you think, in addition to that, take these sites both inside of Russia and outside of Russia and do you have a sense of, purely from a security standpoint, what security measures, had you access to the sites, you would recommend to the host country that they employ? Do you do that? Is it that specific?

Mr. BROOKS. Yes, sir.

Senator BIDEN. OK. Now, then do you total up the amount of money it would require to do all the things that you would recommend be done to secure the material while we are working on whether or not we are able to gain access to it, convert it, destroy it, possess it?

Mr. BROOKS. Yes, but I am not sure we do it in quite the systematic approach that you are suggesting. We have been urged frequently to provide a metric which would allow us and you to decide how to balance a dollar spent on security in country x with a dollar spent on moving fuel back in country y. We have had, while recognizing the desirability of that, we have had extraordinary difficulty in convincing ourselves we know how to do that.

Senator BIDEN. Well, I am not asking that question. I am not even asking that question, which is obviously a more complicated question and a more complicated, to use you term, matrix, to figure out how that is. I just want to know—what I am driving at here is there is very little liability, although some liability, risk, attendant to an American dollar being spent by hiring an American contractor, which is usually the case, to go to a Russian facility or a Ukrainian facility and build a fence around the facility. We do things as simple as that, that people out here should know.

Mr. BROOKS. First of all, if I may, Senator, most of the actual work, in part because of urging by Congress and in part because of the host nation, is done by host nationals. But I must say I do not believe that my colleagues in business would necessarily accept the view that going and operating in some of these countries does not expose them to liability.

Senator BIDEN. Well, they may not, but I do not care what they think. Look, some of the things, which I will not go into detail in this open hearing, there are some facilities we have actually seen and photographed and you have discussed with us and the chairman has reported on, that literally lack the most rudimentary security, the most rudimentary security.

What I would like for the record is to ask the question, whether it is in a closed hearing or in an open hearing, within the next month for you to give us a listing of all the facilities worldwide that you think have security problems that you have identified; and to the extent that you have rated them, how you have rated them; and to the extent that you have a sense of—and you may not in all of them—what security would be required to enhance our sense of greater security, that it would be worth spending the money; and then us to know what the costs associated with that would be.

Because one of the things I have found—and it is no different in your agency than it was in the FBI when I was chairman of the Judiciary Committee. They would come up and tell us that they had targeted all of these—not targeted; wrong expression—they had observed the various—I will go back 20 years—the various Cosa Nostra families, and these are the families that they knew were doing what and how, until I literally got them to come up and lay out on a piece of paper what it was and what they would like to do and how many agents it required to focus, guess what, we were only able to focus on 9 percent of them.

After it was over, we helped them out. We helped them out once they identified it and we gave them all the money they needed, and they hired enough agents to focus on all of them, because we ought to be able to walk and chew gum at the same time.

One of the things, just so you know, a sense I get, maybe not fair, is you all are not as excited about telling us what it would—if you had a blank slate, if I said to you you have all the money you need, you have got unlimited dollars, and you go out now and start on the security side to reach agreements without any new liability agreement being reached, reach agreements with all those countries that have sites, what could you do if you had unlimited resources, unlimited manpower, to do that?

Because I have no sense of this now. I mean, I have a foreboding sense of the degree of the exposure we have to risk. I have a foreboding sense of how many sites are really left not guarded very well at all in Russia, let alone around the world. So I would like to get my hands around that.

Maybe what I should do, Mr. Chairman, in order for your consideration, is to more precisely formulate the question in writing, so you know what I am looking for here, so that we have a record, classified or otherwise, sitting here that we can look and say, OK, if in fact this—because, look, I see the yellow light is on and I will end. The reason I say this is there is not an appreciation on the part of very informed men and women in both political parties in the Congress or the public at large as to the extent of our, in my view, the extent of our vulnerability that we face.

There is a generic sense out there in the public that when the wall came down so did the threat of nuclear exchange, therefore the threat of a nuclear weapon being used or a nuclear material

being engaged has diminished precipitously. Nobody in our constituency out there—for example, when you helped get that weapon that I asked the laboratories to see if they could construct, you know how many Senators showed up for the briefing? Four out of 100.

And I raised at a caucus and it was raised at the Republican caucus, I think—I cannot guarantee that—that we have another meeting, secure meeting. I even considered whether we should call for, which you are allowed to do, any Senator can do, a closed hearing of the U.S. Senate for people to get a sense of this. A total of nine people showed up, nine, n-i-n-e. So this ain't just the administration—or not "just"; this is just not people outside the Congress.

Nine United States Senators actually took the time to come up, observe this weapon, and listen to the five leaders, including the Nuclear Regulatory Agency. The heads of every single one of those agencies sat there in that room. If I am not mistaken, I think maybe it was not even nine. It may have been only six or seven.

The Senators who showed there were stunned. Their jaws dropped. They actually did, for example, with this weapon—and they showed us; I will not go into it—exactly how much fissile material. They showed us—they did a mockup of the kind of fuel that would be needed and how much it weighed and how big in size it was and so on and so forth. They said, if you had this much fuel in this particular thing we have put together, you would have taken down the World Trade Towers, if I am not mistaken, in I think it was four, f-o-u-r, seconds and 100,000 some people would have been killed.

They put on a big screen, because of the prevailing winds, what would have happened with the fireball that would have followed, the storm, the firestorm that would have occurred, the rest of Manhattan that would have burned, and plus the number of people. They had this whole scenario.

I watched my colleagues, particularly the two Senators from New York who were there. They were agog. It was like, I watched the looks on their face.

What I am trying to get at here is there is not only not the level of urgency at the administration level, there is not a sense of urgency here either. So I think we need specifics. I think we need details to be able to say, look, this facility—and I would conclude with this, Mr. Chairman.

Until you lay it out for the President of the United States in graphic detail a particular facility, I think it is southwest of Moscow, that had 1,900,000 some artillery shells in that facility, until the chairman—and I guess I was a bit of an instigator—laid out in detail physically how they sat in a rack, how big they were, what damage they could do, what security rested around that facility—the President at one point looked up at Dr. Rice and said, looked around at the chairman who was sitting on the couch, and said: "Is that true?"

Let me be more precise. Without inflection, he said: "Is that true?" And Dr. Rice said: "Yes." And the Vice President said, well, that may be fungible money; you know, the argument that is made that if we do that and help the Russians build a facility to get rid of those artillery shells they may do other bad things or something.

The President sat and listened. You could see it register in his eyes. In 2 weeks, I think it was about 2 weeks, all of a sudden the money was made available.

We need a sense of urgency here because me personally, my family specifically, my grandchildren surely, they are really at risk, and it ain't going to be from an intercontinental ballistic missile fired from North Korea.

Mr. BROOKS. Senator, may I make some points in response?

Senator BIDEN. I will formulate a question. I yield the floor and I am happy to hear your response.

Mr. BROOKS. First, we do have such an assessment. We will be happy to provide it to you as long as you let me provide it in a classified forum. For fairly obvious reasons, we are not interested in an unclassified assessment of where it would be interesting to go look for poor security.

Senator BIDEN. With the chairman's permission, I wonder whether we might be able to in the next week set up something where any of the members of this committee who are—I am happy to do it all by myself, but others may be interested as well.

Mr. BROOKS. We are at the disposal of either you personally or the Chair and the committee.

Senator BIDEN. I thank you.

Mr. BROOKS. I do want to make a point about sense of urgency. In long, complex problems, the people who are working always think they are going faster than the people who are watching them think they are, and I recognize that and the truth is probably somewhere in the middle. But I want to say in the strongest possible terms that I detect within my colleagues in the administration, both at senior levels and particularly within my own Department, no lack of urgency.

I believe that we are seized with the problem for exactly the reason you mention. That is not to say there are not ways we can do it better, but I do not believe it is an accurate assessment that there is no sense of urgency.

Senator BIDEN. I take that at its face. In full disclosure, this Congress is not seized with the same sense of urgency, in my view, and we may need some help in seizing them. We may need some help, because apparently we share the same degree of the sense of urgency.

Mr. BROOKS. Your example of what can be done if you had the material is right and I can show you more examples and it would terrify you.

The CHAIRMAN. Thank you very much. Thank you, Senator Biden.

Let me just suggest that we try to formulate and have our staffs formulate the questions that we want Secretary Brooks and his colleagues to discuss with us, to frame these issues. Senator Biden has indicated one set of questions, a finite list of where problems may be and how we are addressing them.

We might also then include, as we finally get to those remote situations, precisely how we are dealing with the finite problems in countries where we now have dealings. It should be a classified briefing. I think if we structure the questions in a framework, we will have a very good congressional response. Therefore, I would

say, in the next few days or so, please anticipate some overture from our committee. We would very much appreciate the support of you and your colleagues in helping us in this respect.

I would just say parenthetically that over the years both the legislative and the executive branches have stimulated each other. If there were flagging spirits in these situations, this has been reciprocal.

Senator Nelson.

Senator NELSON. Well, Mr. Chairman, I want to be part of that stimulative process. Continuing on this theme of a sense of urgency or lack thereof, I am drawn in my memory to sitting here at this table with Senator Baker and Mr. Cutler and their testimony, imploring us and imploring the administration that there was no more single important issue to address than proliferation, and saying that it would cost in the range over a 10-year period of $24 to $30 billion.

Yet, as I read the statement coming out of the G–8, we recommend ourselves to raising up to $20 billion for the Global Partnership through 2012. Now, that is $10 billion from the United States and $10 billion from the rest of the world. The United States is already spending about a billion a year, so that is actually less than a billion a year when you consider inflation. And does anybody really believe that the rest of the world, of the G–8, is going to come up with $10 billion by 2012?

What sayeth you?

Mr. BOLTON. I think that is one of the reasons that we have sought to expand the number of contributing countries to the G–8 partnership. As I indicated earlier, for example, in the case of Japan, whose pledge toward the $20 billion target is not what we would consider to be appropriate, given its GNP, they have not made a pledge at that level because their Diet would not approve additional funding until they got their initial problems with the Russians overcome. We think we are moving in that direction and we are continuing to press for it.

I might say, the $20 billion figure was what the G–8 countries agreed to. When the President announced the initiative, he said $20 billion should be a floor and that was the position he reiterated as recently as his February speech at the National Defense University. So that has been our position from the beginning, not that $20 billion is a ceiling internationally, but the $20 billion is a floor.

Mr. BROOKS. I also would point out, going back to your reference to the Baker-Cutler report, that it is important to compare apples to apples. The G–8 numbers that we speak of are money that is spent in the countries of the former Soviet Union. That is not all the United States is doing to counter proliferation. Take my own agency for an example. Less than half of our total budget is scored against the $1 billion commitment the United States has.

So one reason for the apparent difference between a Baker-Cutler like analysis and where we are going in G–8 is that they are comparing different things. I invite your attention to the fact that when I mentioned the problems that were slowing us up I did not mention money. Historically, that has not been—and to be fair, because of the very strong support we have gotten from the Congress—that has not been the thing that has prevented or slowed

progress in our work in the Russian Federation. It has been these other issues.

Senator NELSON. So the agreement made in Canada in 2002, where the G–8 leaders agreed to establish a long-term program and it was 10 plus 10 over 10, that was only to be spent in Russia, is that what you said?

Mr. BOLTON. In the states of the former Soviet Union. So when we count on the $20 billion, we are looking only at the republics of the former Soviet Union. The agreement that was made at Sea Island to expand the reach of the Global Partnership activities would be money in addition to the $20 billion that is still targeted to the former Soviet Union, and that is consistent with the amendment that Senator Lugar mentioned a few minutes ago authorizing in that case CTR money to be spent in countries other than the former Soviet Union, which we intend to do.

Senator NELSON. Let me make sure I understand. What you just said is that the agreement just announced at Sea Island was in addition to the 10 plus 10 over 10?

Mr. BOLTON. The G–8 agreed at Sea Island to use the Global Partnership to coordinate these kinds of activities in states other than the former Soviet Union, but did not put a dollar figure on that. The agreement we have on the $20 billion is that is to be expended in programs in the states of the former Soviet Union, so addressing Iraq or Libya or Albania or other countries, that would be Global Partnership resources above the $20 billion.

Senator NELSON. So basically, according to Baker-Cutler then we have got a deficit in the other parts of the world outside of the old Soviet Union of a need over 10 years of $10 billion?

Mr. BOLTON. I do not calculate it that way, but I should defer to Linton on this because I think what he is saying is that of his budget roughly only half of it counts against the $20 billion for the former Soviet Union. I believe that is partially—I know that is true in part for the State Department programs, which are smaller; not necessarily true for Department of Defense programs.

Mr. BROOKS. For example, Senator, we spoke earlier of things like the Megaports Initiative, the work we are doing in Piraeus, Greece, the work we are doing in Rotterdam. Those are important things, but they do not count against the previous G–8 commitment. The work that we are doing to repatriate U.S.-origin fuel and to convert U.S.-origin reactors is important work, but it does not count against the G–8. The work we are doing to improve export control in some 70 countries, to improve security in a number of countries, is important work, but it does not count against this total.

All I am saying is that the Baker-Cutler report, which I keep in my office and read from time to time, was a call to action and it was an important call to action. I do not think that Senator Baker or Mr. Cutler would believe that it was intended to be a very detailed budget blueprint. I am simply urging that we do not—that the measure of merit ought not to be what we are spending; it is what we are accomplishing.

But if you evaluate urgency by how much we spend, we are spending more on the broad nonproliferation problem than the spe-

cific subject of this hearing, which is the Global Partnership. That was the only point I was trying to make, sir.

Senator NELSON. Then, Mr. Chairman, I will welcome that detail. That will be classified so that we can see exactly and determine for ourselves if the sense of urgency is there, as you as our leader certainly think it should be.

The CHAIRMAN. We will welcome, as always, your participation, Senator Nelson. I appreciate your raising these questions.

I have one other question. It relates to the Nuclear Suppliers Group action plan that was adopted at Sea Island. I believe it calls specifically for amendments to the Nuclear Suppliers Group guidelines, but only until such changes can be made to ensure that participating states stop the transfer of equipment, enrichment processing equipment and technologies, to additional states.

As I understand it, this applies for one year—or does the one year apply to only parts of this? The reason I ask is obviously it has some pertinence to the issue in Iran, but also to other situations. Could you explain, Secretary Bolton, more about the importance of this, as well as its limitations, and what we will have to do to followup with our allies?

Mr. BOLTON. Right. Mr. Chairman, the President's original proposal was that enrichment and reprocessing technology and equipment not be supplied in the future to any country that did not already have full-fledged enrichment and reprocessing capabilities.

The CHAIRMAN. Unlike the situation we are discussing where, for humanitarian purposes, in the past we sent highly enriched uranium to laboratories. But we would not do that now.

Mr. BOLTON. We would, with respect to enrichment and reprocessing, we would simply freeze it with the countries that had it. The idea there was that that was a clear black line distinction between the countries that currently possess the capability and everybody else.

Now, another part of that suggestion was to continue the possible benefit of the peaceful uses of nuclear energy, that we would through a market-based mechanism be able to supply fuel to countries that wanted it for civil nuclear programs, the reason being that it is the enrichment and reprocessing capability that allows states to pursue nuclear weapons under the guise of a peaceful use program. If they want to have nuclear power, that is fine, but there does not seem to be any need to expand beyond the number of countries we have now in enrichment and reprocessing capabilities.

That is a very far-reaching proposal, revolutionary in the business of nuclear energy. There are many states that still do have aspirations to have enrichment and reprocessing capabilities, that obviously would be precluded under that proposal. I think while people absorbed the implications and looked at whether the President's precise proposal or some variation of it might be acceptable, what we essentially got the G–8 to agree to was to freeze the status quo for a year, not to launch any new initiatives. That is a kind of do no harm proposition, and that in itself is a significant step forward.

The G–8 leaders also committed themselves to try and get agreement on what the final standards would be in a year, which, speaking of senses of urgency in these matters, is moving with lightning

speed. We have some confidence we will be able to do that in the G–8 because we are succeeded in the presidency by the United Kingdom, which also treats these matters quite seriously. So basically in the next year we hope to take the President's very dramatic proposal in February and see if we can reach agreement at least in the G–8, and we are committed to trying to do that.

But I think what we have achieved at Sea Island is that the leaders have said, for a year we are not going to do anything further that will exacerbate the situation, and that in and of itself is a substantial step forward.

The CHAIRMAN. Well, I wanted to raise the question to underline the importance, as you have certainly illustrated, of this. As I understand, we are saying to a country, to use your thought of a black line, the rest of the world on a commercial basis is prepared to provide fuel for reactors and for other humanitarian and laboratory purposes, but not enriched fuel, highly enriched uranium, or the equipment necessary to take it from low to high.

If you really have a legitimate problem of running your power plants for the country, or of providing research and so forth, you can do that on low enriched uranium, and that can be sold to you, as we are now selling low enriched uranium that has been the product of the highly enriched uranium that we took from Russia in the past, and we reconverted that. But if you are looking for the option of going into a nuclear weaponization program, we are going to say no, you cannot have that option.

In the past, we gave people a lot of options—low enriched, high enriched, somewhere in between, and help with processing to get to that point. In layman's terms I tediously go through this, because many Americans are wondering what is so significant about all of this. Well, as you say, it is significant, enough that countries want to weigh this for a little bit and say, hang on here, in terms of our commercial interests. Other countries may have aspirations and say, well, our sovereign destiny is to have reprocessing ability, not that we ever want to build a nuclear weapon, but, by golly, as a nation state we want to be there potentially, for our own defense or for our own prestige or for whatever reasons we want to do this.

As of this moment, in the G–8 we are saying no, that avenue is going to be closed. The leading countries of the world are saying, we will not help you. But the leading countries are also walking around this, with their parliaments and their experts, as they try to divine their interests and their foreign policies, even as they come together in G–8.

Is this a rough approximation of where we are?

Mr. BOLTON. That is exactly where we are, and the agreement in the G–8 itself was a step forward, but we need to translate this into the nuclear suppliers group. Frankly, even in the nuclear suppliers group we are less worried about what those countries do than some other countries that are outside the NSG.

What we are trying to do, though, is get agreement at the most important level and then translate it into various other organizations that have responsibility and get it accepted worldwide.

The CHAIRMAN. Do you have any further comment, Secretary Brooks?

Mr. BROOKS. No, sir.

The CHAIRMAN. Well, I thank both of you very much for your testimony, for your forthcoming responses. As we have related, we will be coming to you to try to formulate a constructive hearing that will be classified for members, so that we may all receive a more advanced education on the process, and be better informed as legislators.

Thank you both. The hearing is adjourned.

[Whereupon, at 11:42 a.m., the committee adjourned, to reconvene subject to the call of the Chair.]

ADDITIONAL STATEMENT SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF LISA BRONSON

Chairman Lugar, Senator Biden, Members of the Committee:

Thank you for inviting me to discuss how the Department of Defense (DOD) Cooperative Threat Reduction (CTR) Program supports the G-8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction.

COOPERATIVE THREAT REDUCTION

It has been almost two years since this committee received testimony on this important subject. I would like to review some of the significant work accomplished since then:

- In December 2003, the Fissile Material Storage Facility at Mayak, Russia—some 7 years in construction—was completed and certified by Russian regulators. The Mayak project will consolidate and securely store more than 25 metric tons of Russian weapons-grade plutonium.
- In March 2003, construction on the Chemical Weapons Destruction Facility (CWDF) at Shchuch'ye began after 11 years of planning and negotiation. This facility will destroy all of Russia's most proliferable nerve agent inventory. On March 18, 2003, Russia formally committed to complete the destruction of all of its nerve agent weapons at Shchuch'ye.
- As of December 31, 2003, six countries and the European Union have pledged $69 million to CWDF infrastructure, as a demonstration of their G-8 commitments, helping to ensure that this key project can begin operations on schedule.
- In February 2003, Russia signed the Nuclear Weapons Storage Site Security Protocol, granting CTR unprecedented access to help consolidate and secure decommissioned nuclear warheads.
- DOD completed vulnerability assessments for six of these sites and began designing comprehensive security upgrades for each. The Russian Ministry of Defense (MOD) shortly will designate the next ten sites for security enhancements. In addition, CTR has procured and transferred to the MOD 123 "Quick Fix" fencing and sensor sets for installation at nuclear weapons storage sites, including the six noted above. The Quick Fix sets are designed to provide interim security upgrades to individual weapons bunkers. In all, DOD expects to provide comprehensive security upgrades at more than 32 long-term nuclear weapons storage sites, including Quick Fix and more permanent measures. In coordination with DOD, DOE is enhancing security at Russian MOD nuclear storage sites and is installing the previously provided "Quick Fix" fencing as necessary.
- In 2003, Azerbaijan and Uzbekistan signed legal agreements with us to provide the foundation for our WMD-Proliferation Prevention Initiative (WMD-PPI). Ukraine recently signed its agreement and Kazakhstan is ready to sign a similar agreement; Georgia and Kazakhstan have supplied us with dangerous pathogen samples as our Biological Weapons Proliferation Prevention program moved forward.
- In May 2003, we began destroying rail-mobile ICBM launchers and missiles in Russia;
- In Autumn 2003, we delivered 60 small-arms training sets and 1200 hand-held radios to support nuclear weapons storage security forces at all 60 sites we believe to be active or used for training;
- In December 2003, we completed and commissioned systems to enhance security at the Kizner and Planovy chemical weapons storage sites in Russia.

Since October 2002, CTR has helped deactivate another 332 Russian nuclear warheads and eliminate 48 ballistic missile launchers, 31 heavy bombers, another 3 ballistic missile submarines and 239 ballistic missiles.

Our total threat reduction impact for strategic system eliminations since the founding of the program in 1992 now stands at:

- 534 ICBMs eliminated (47 percent of CTR's goal);
- 408 SLBM launchers eliminated (65 percent of CTR's goal);
- 6302 warheads deactivated (67 percent of CTR's goal);
- 27 ballistic missile strategic submarines (SSBNs) eliminated (68 percent of CTR's goal);
- 491 SLBMs eliminated (69 percent of CTR's goal);
- 128 strategic bombers eliminated (83 percent of CTR's goal);
- 702 nuclear-capable air-to-surface missiles eliminated (85 percent of CTR's goal);
- 495 ICBM launchers eliminated (95 percent of CTR's goal);
- 194 underground nuclear weapons test tunnels closed (100 percent of CTR's goal).

G-8 PROGRESS SINCE KANANASKIS

The period since October 2002 has also been productive for the Global Partnership. The Kananaskis Summit offered an opportunity for G-8 leaders to reinforce their long-term commitment to non-proliferation and launch a global partnership against the spread of WMD. The ten-year pledge of up to $20 billion for non-proliferation, disarmament, counter-terrorism and nuclear safety projects initially focused on Russia. Key priorities identified by Summit leaders were the destruction of chemical weapons; the dismantlement of decommissioned nuclear submarines; the disposition of fissile materials; and the employment of former weapons scientists. The CTR program is addressing the Kananaskis commitment in two key areas:

- DOD has worked with G-8 countries handling "general purpose" submarine dismantlement to make CTR-funded infrastructure available for their use at certain shipyards. CTR has maintained its focus on dismantling strategic submarines only, and has continued to plan for elimination of 42 decommissioned Russian strategic submarines, total. However, where there is excess capacity in the submarine dismantlement infrastructure CTR has created, we have worked to make it available to our Global Partners for non-strategic submarines.
- In March 2003, construction began on the U.S.-funded Chemical Weapons Destruction Facility for the elimination of nerve agent at Shchuch'ye, Russia. In accordance with statute, the President waived conditions limiting U.S. construction at the facility. Use of this waiver authority is not taken lightly by the Administration. Taking this action reflects the Administration's commitment to helping solve the proliferable nerve agent problem in Russia. We appreciate Congress's renewal of the waiver authority for fiscal year 2005 and urge that it be made permanent.

Of particular interest to our international partners is the continuing work to construct the $1 billion Chemical Weapons Destruction Facility (CWDF) for nerve-agent-filled munitions at Shchuch'ye. Our Russian partners have increased funding from a few million dollars in 1997 to over $170 million per year. When completed in 2008, Shchuch'ye's elimination capacity could be approximately 850 metric tons of nerve agent per year. With the addition of a second, Russian-built process building, a total of 1,700 metric tons of nerve agent could be destroyed per year.

Several nations have worked with us on the Shchuch'ye project or are committed to do so. In particular, the United Kingdom announced in May 2003 its commitment to fund some $100 million in chemical weapons destruction projects in Russia, including Shchuch'ye. Similarly, Canada committed last year up to $240 million (Canadian) for chemical weapons destruction projects in Russia, including Shchuch'ye, and allocated $24 million in 2003 for the Shchuch'ye rail infrastructure project. The Czech Republic, Italy, Norway, Switzerland and the European Union are also contributing to the Shchuch'ye project.

In November 2003, the United States, Russia, the United Kingdom, and Canada, agreed to establish the Shchuch'ye Coordinating Working Group (SCWG). The group's objectives are to exchange policy and programmatic information related to the facility's construction and to coordinate CWDF-related industrial infrastructure projects. The group meets regularly, including last month on the margins of the U.K.-hosted International Chemical Weapons Destruction Conference. We believe

that the working group is an excellent mechanism for turning the important international commitments into actual threat reduction, to avoid duplication of effort, clarify partner responsibilities, and generate outreach efforts for additional commitments.

ELIMINATING WMD AT THE SOURCE—AND BEYOND

DOD, through the CTR program, traditionally dealt with weapons of mass destruction at their sources in the former Soviet states. Since October 2002, we have made considerable progress implementing a new initiative to address potential smuggling of WMD through the porous borders of the non-Russian former Soviet states.

The threat of WMD smuggling is not speculative. Last month, Ukrainian security forces apprehended three men with two containers of highly radioactive material (cesium 137). Earlier this year, Ukrainian authorities arrested a man trying to take nearly a pound of uranium into neighboring Hungary. Previously, three Russians were apprehended in Ukraine for allegedly trying to sell strontium-90 and plutonium-239. We take these responses to such incidents, along with others in other countries, as evidence of the broad recognition that WMD security is something for which each state must be responsible. We have been encouraged by the commitment to improved WMD border security in Kazakhstan, Ukraine, Uzbekistan and Azerbaijan.

The Cooperative Threat Reduction Program's WMD-Proliferation Prevention Initiative is designed to help these states build self-sustaining capabilities to police their own borders against WMD smuggling. DOD has been coordinating closely with State, DOE, the U.S. Coast Guard and other USG agencies to plan for provision of equipment, logistics support and training to agencies in recipient governments that are specifically assigned border security or WMD enforcement missions. Necessary legal agreements to govern this assistance have been signed between DOD and executive agents in Azerbaijan, Uzbekistan and Ukraine, with Kazakhstan nearly complete.

CONCLUSION

At Sea Island, President Bush and his G-8 colleagues again "recognized the proliferation of weapons of mass destruction and their delivery systems, together with international terrorism as the pre-eminent threat to international peace and security." It is in this spirit that we are continuing to manage CTR's work to eliminate the strategic legacy of the cold war, as well as focusing the program's expertise on new threats. We will continue to pair CTR's decade of experience with our new partners in the effort to eliminate weapons of mass destruction and respond to new proliferation challenges.