

THE REPORT ON THE EXPANDED THREAT REDUCTION
INITIATIVE

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT ENTITLED, "EXPANDED THREAT REDUCTION INITIATIVE," AS REQUIRED BY SECTION 1309 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2000 (PUBLIC LAW 106-65)



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To the Congress of the United States:

Enclosed is a report to the Congress on the Expanded Threat Reduction Initiative, as required by section 1309 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 27, 2000.*

REPORT ON THE EXPANDED THREAT REDUCTION INITIATIVE

INTRODUCTION

The National Defense Authorization Act for Fiscal Year 2000, (P.L. 106–65), Section 1309, requires that:

Not later than March 31, 2000, the President shall submit to Congress a report on the Expanded Threat Reduction Initiative. Such report shall include a description of the plans for ensuring effective coordination between executive agencies in carrying out the Expanded Threat Reduction Initiative to minimize duplication of efforts.

The following responds to this requirement. Specifically, the report outlines the status of the Expanded Threat Reduction Initiative (ETRI) and the process and plans for carrying out programs under his Initiative to ensure effective coordination among executive agencies and to minimize possible areas of duplication.

BACKGROUND

The Expanded Threat Reduction Initiative was proposed in January 1999 to intensify cooperation with Russia, Ukraine, and other New Independent States (NIS) and prevent threats of proliferation of weapons of mass destruction. After almost a decade of close cooperation with the NIS, the August 1998 economic crisis in Russia and continuing regional economic turmoil jeopardized efforts to implement key arms control agreements, reduce weapons to desired levels, and reduce proliferation threats. Proliferation risks increased as deterioration threats. Proliferation risks increased as deteriorating economies exacerbated problems for weapons scientists, increased temptations for illicit trafficking, and created new obstacles to military downsizing. The ETRI has provided a solid framework over the past year for accelerating, expanding and coordinating bilateral and international threat reduction assistance efforts in Russia and the other NIS. While we have made progress under ETRI, the risk of weapons proliferation remains one of the most critical security challenges we face today.

Thus, threat reduction is among our top assistance priorities. Out of the \$1 billion requested for Fiscal Year (FY) 2000, there is an estimated \$888 million available for security programs under ETRI in four priority areas:

1. Nuclear Security Programs;
2. Non-Nuclear Weapons of Mass Destruction Programs;
3. Science and Technology Nonproliferation Programs; and
4. Military Relocation, Stabilization and Other Security Cooperation.

Congress provided nearly full funding for the Departments of Energy (\$239 million of \$265 million requested) and Defense (\$467

million of \$485 million) although critical Defense Department chemical weapons (CW) destruction assistance was prohibited. Congressional funding for State Department NIS assistance was reduced overall, forcing difficult tradeoffs between economic and technical assistance programs and the ETRI nonproliferation and security programs. Consequently, the State Department has allocated a total of \$182 million in FY 2000 funding under the Foreign Operations Appropriations Act for ETRI-related programs (vice a \$250 million request). This amount includes a total of \$175 million from the NIS Account and an estimated \$7 million from the Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR) account. The specific allocation of funds for individual threat reduction programs is based on preliminary program planning and is subject to change in subsequent congressional notifications. It has been difficult and time consuming to make the necessary tradeoffs among worthy programs in light of the reduction in State's funding request and the need to work closely with Congress on allocation decisions. As a result, nine months into FY 2000, State's ETRI related program funds remain obligated and delivery of assistance has been delayed.

In FY 2001, we are seeking further increases for programs under ETRI with a total request of \$974 million for: Defense (\$469 million), Energy (\$364 million) and State (\$141 million). Programs proposed under ETRI for FY 2001 include a significant increase—\$100 million—for Department of Energy nonproliferation programs in Russia to address the serious proliferation threat of nuclear materials. Defense Department and State Department programs continue to address nonproliferation priorities, but with increases over FY 2000 levels.

The Administration proposes to seek nearly \$4.9 billion over the five years from FY 2000–FY 2004—a significant increase over the planned assistance levels before the economic crisis—to address the high priority risks of weapons of mass destruction proliferation.

CURRENT ESTIMATE, EXPANDED THREAT REDUCTION INITIATIVE, FY 2001–2004, U.S. AGENCY PROGRAMS

[In millions of dollars]

Financial summary project	Request FY00 total	Total FY00 en- acted	Request FY01 total	Request FY02 total	Request FY03 total	Request FY04 total	Request FY00–04 total
DEPARTMENT OF DEFENSE							
SOAE/Russia	157.3	182.3	152.8	65.5	62.7	67.0	530.3
SNAE/Ukraine	33.0	35.0	29.1	11.5	0.0	0.0	75.6
Warhead dismantl pkg/process	9.3	9.3	9.3	53.2	53.6	86.0	211.4
Weapons storage security	40.0	84.0	89.7	56.0	75.0	102.7	407.4
Weapons transport security	15.2	15.2	14.0	9.5	9.5	9.5	57.7
Mayak fissile material storage	64.5	62.1	57.4	57.4	57.4	57.4	291.7
Core conversion/elimin wpns pu	20.0	32.2	32.1	39.7	15.2	0.0	119.2
CW destruction/CW site security	130.4	20.0	35.0	75.8	118.6	189.0	438.4
BW proliferation prevention	2.0	14.0	12.0	12.0	15.5	28.8	82.3
Defense & mil contacts	2.0	2.0	14.0	14.0	14.0	14.0	58.0
Other assessment/rel prog's	1.8	2.0	13.0	13.0	11.8	13.0	52.8
DOD/FBI/USCS COUNTERPROLIF	4.0	3.5	4.8	4.8	4.8	4.8	22.7
Arctic mil environ'm'tl	6.0	5.9	5.8	5.8	5.8	5.8	29.1
Cooperation (AMEC)							

CURRENT ESTIMATE, EXPANDED THREAT REDUCTION INITIATIVE, FY 2001–2004, U.S. AGENCY
PROGRAMS—Continued
[In millions of dollars]

Financial summary project	Request FY00 total	Total FY00 en- acted	Request FY01 total	Request FY02 total	Request FY03 total	Request FY04 total	Request FY00–04 total
DOD total	485.5	467.5	469.0	418.2	443.9	578.0	2,376.6
DEPARTMENT OF ENERGY							
Enhanced MPC&A ¹	145.4	144.6	149.9	149.9	149.9	149.9	744.2
Second line defense/export cont	2.5	2.5	3.0	3.0	3.0	3.0	14.5
Plutonium disposition	25.0	30.0	40.0	45.0	45.0	45.0	205.0
Nuclear cities initiative	30.0	7.5	17.5	17.5	17.5	17.5	77.5
Science collaboration (DOE/IPP) ¹	30.0	22.5	22.5	22.5	22.5	22.5	112.5
HEU agreement transparency	15.8	15.8	15.2	15.2	15.2	15.2	76.6
DOE augment BN–350 PU DIS/KAZ	16.0	16.0	16.0	16.0	16.0	16.0	80.0
DOE Russian initiative	0.0	0.0	100.0	100.0	100.0	100.0	400.0
DOE total	264.7	238.9	364.1	369.1	369.1	369.1	1,710.3
STATE DEPARTMENT ²							
Science collaborator/BW redirect	28.0	18.0	19.0	19.0	19.0	19.0	94.0
Export control/border security	61.0	47.0	45.0	45.0	45.0	45.0	227.0
(NIS account and NADR) ¹							
Science collaborator (ISTC/STCU) ¹	95.0	59.0	45.0	45.0	45.0	45.0	239.0
Science collaborator (CRDF) ¹	23.5	15.0	14.0	14.0	14.0	14.0	71.0
Military reloc/ammun disposal	43.0	43.0	18.0	18.0	18.0	18.0	115.0
State total	250.5	182.0	141.0	141.0	141.0	141.0	746.0
Total U.S.	1,000.7	888.4	974.1	928.3	954.0	1,088.1	4,832.9

¹Funding in prior years from CTR.

²State Department allocation of funds is based on preliminary program planning and is subject to change in subsequent congressional notifications.

COORDINATION PROCESS AND PLANS

The level of cooperation and coordination among executive agencies was extraordinary during development of the ETRI. The same interagency coordination process has largely continued and is planned to continue through the FY 2000 program implementation process and Congressional review of the FY 2001 President's Budget Request.

The ETRI was developed under Presidential and Vice Presidential leadership. Coordination among executive agencies was led by NSC staff in conjunction with the Special Advisor to the Secretary of State, Coordinator of U.S. Assistance to the New Independent States of the former Soviet Union. NSC staff and the U.S. Assistance Coordinator worked closely with an ETRI Interagency Working Group (IWG) with representatives of a wide range of agencies involved in security and nonproliferation issues. Included were representatives from the Departments of State, Defense, Energy, Treasury, Health and Human Services, Agriculture, the Central Intelligence Agency, the Office of Management and Budget, and others as needed.

The need for interagency coordination to prevent or minimize duplication of efforts varies by program. Where different agencies' programs are complementary and even supplementary, the impact of carefully coordinated U.S. assistance resources is maximized. Thus, every effort is made to ensure agencies exchange information

on their programs and activities on a regular basis. This information exchange is accomplished through interagency working groups that meet regularly or special interagency teams for specific project activities.

An interagency team from the NSC staff, State, Defense, Energy, and the Intelligence Community provided joint, coordinated briefings to congressional staff to outline the elements of the ETRI. Senior-level officials from the NSC staff or agencies involved in elements of ETRI coordinate their efforts in specific IWGs for projects as necessary. These working groups coordinate and oversee programs where there is potential for overlap or duplication such as: the IWG on Plutonium Disposition; the biweekly IWG on Export Control and Border Security; and the IWG on Biotechnology Engagement Programs. IWG's generally are chaired by NSC staff or by the agency primarily responsible for funding and carrying out the project. IWG members then meet with, or provide input as needed to, the NSC and the U.S. Assistance Coordinator.

This close executive agency coordination process ensured consistency with presidential direction and for the development and overall coordination of the ETRI. Moreover, this coordination process continues and is planned to continue to ensure coherent, integrated programs and prevent overlap or duplication in implementation of programs and agency responsibilities under ETRI.

INTERNATIONAL COORDINATION

We are strongly urging other nations to increase security and nonproliferation assistance and to improve coordination of assistance efforts. The G8 committed to seek increased threat reduction assistance for Russia and other NIS at the G8 June 1999 Summit in Cologne. Japan also announced that it has committed an additional \$200 million for ETRI-related efforts.

A June 1999 U.S.-hosted ETRI Experts Meeting in Brussels and a Dutch-hosted ETRI Conference in The Hague in November 1999, helped focus over 30 participating nations on the increasing threats, urgent needs for assistance and existing program coordination and implementation issues. Common assistance implementation problems were discussed and areas of potential assistance collaboration were identified. We were encouraged at these meetings as several participating nations indicated that they are seeking new resources to advance nonproliferation goals.

We were particularly encouraged by the European Union (EU) approval on December 17, 1999, of the "Cooperation Program for Nonproliferation and Disarmament in the Russian Federation" under the Common Strategy on Russia. Initial assistance projects include funding for a chemical weapons destruction facility at Gornyy, Russia and plutonium disposition studies. Initial funding is modest (about \$9 million), but the EU has indicated its intention to increase funding for this effort in future budgets. The EU has also offered to host a follow-on multilateral meeting on threat reduction assistance this year to help maintain international momentum for these efforts.

Other nations have also made new funding commitments, or are seeking additional resources, including:

- Germany: considering additional Russia chemical weapons (CW) destruction assistance; and added Ukraine missile destruction assistance (estimated at \$3.7 million);
- United Kingdom: considering \$5 million to support CW destruction at Shchuch'ye, Russia (if U.S. DOD/Cooperative Threat Reduction funding for CW destruction is restored);
- Italy: approved about \$8 million in new CW destruction aid;
- Netherlands: providing new nuclear security assistance and considering use of \$10 million for CW destruction aid;
- Sweden: considering aid for security at former biological weapons (BW) facilities; and
- Canada: approved \$70,000 for CW destruction assistance and is considering additional funds.

International support for ETRI related activities has increased and looks promising over the next year.

