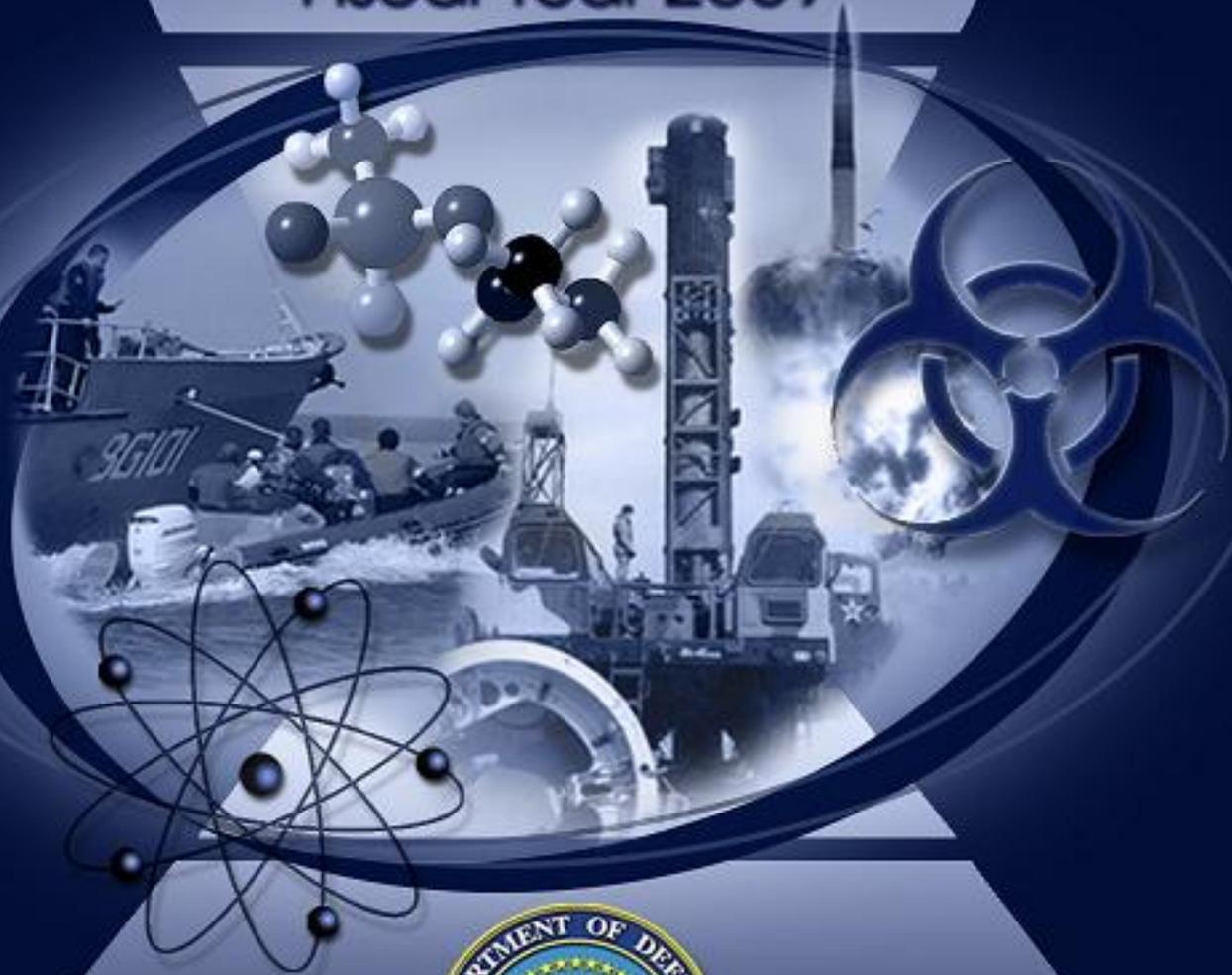




CIR

Cooperative Threat Reduction
Annual Report to Congress
Fiscal Year 2009



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INTRODUCTION

Recurring Requirements Addressed in This Report

The Annual Report to Congress on Cooperative Threat Reduction (CTR) activities (CTR Annual Report) for Fiscal Year (FY) 2009 is submitted in accordance with Section 1308 of the Floyd D. Spence National Defense Authorization Act (NDAA) for FY 2001, as amended. It addresses the “Five-Year CTR Program Implementation Plan” (FY 2009–FY 2013), the FY 2007 requirement for “Accounting for CTR Program Assistance to States of the Former Soviet Union (FSU),” and the Treaty on Strategic Offensive Reductions (Moscow Treaty) Report (Senate Executive Report 108-1, Section 2(1)), dated March 6, 2003 (Appendix E). It also addresses the annual certifications on use of facilities being constructed, as required by Section 1307 of the NDAA for FY 2004 (Appendix F) and the report on the Chemical Weapons Destruction Facility at Shchuch'ye, Russia as required by the FY 2008 NDAA Section 1307 (Appendix G).

CTR Program and United States National Security

In December 2002, the President issued a National Security Presidential Directive on the National Strategy to Combat Weapons of Mass Destruction. It cites weapons of mass destruction (WMD) in the possession of hostile states and terrorists as one of the greatest security challenges facing the United States and commits the United States to pursue a comprehensive strategy to counter this threat. The Strategy calls on United States (U.S.) agencies to take full advantage of opportunities to apply new technologies, increase emphasis on intelligence collection and analysis, strengthen alliances, and establish new partnerships with former adversaries. In April 2004, the President issued National Security Presidential Directive “Biodefense for the 21st Century” for efforts against biological weapons (BW) threats. The CTR Program supports these Presidential directives by pursuing five objectives:

Objective 1: Dismantle threat WMD and associated infrastructure,

Objective 2: Consolidate and secure threat WMD and related technology and materials at the source and in transit,

Objective 3: Increase transparency and encourage higher standards of conduct,

Objective 4: Support defense and military cooperation with the objective of preventing proliferation, and

Objective 5: Synchronize CTR activities with related U.S. Government and allied programs.

The Department of Defense (DoD) supports these objectives in Russia and other FSU states and will support them in additional states as authorized by Congress when the Secretary of Defense, with the concurrence of the Secretary of State, makes the determinations required by law. CTR activities help deny rogue states and terrorists access to WMD and related materials, technologies, and expertise and contribute to stability, cooperation, and expanding U.S. influence in FSU states. The Program dismantles strategic weapons delivery systems and infrastructure; enhances the security and safety of WMD and fissile material storage and transportation; monitors, consolidates, and secures dangerous pathogens at risk for theft, diversion, accidental release, or use by terrorists; provides an early warning system for bioterror attacks and potential pandemics; catalyzes strategic research partnerships; engages former BW scientists in mutually

beneficial research; helps prevent trafficking of WMD across non-Russian FSU states' borders; and facilitates defense and military contacts to encourage military reform.

CTR Assistance

CTR assistance consists of goods and services provided through U.S. Government contracts with U.S. and non-U.S. contractors. The contracts are executed, managed, and reviewed in accordance with DoD and Federal Acquisition Regulation requirements. In some cases (e.g., missile elimination), fixed-price contracts are negotiated with local enterprises in recipient states.

Funding for CTR assistance totals \$6,339.4 million in obligation authority through FY 2008. In FY 2007, \$375.9 million was obligated. The budget request for FY 2009 is \$414.1 million, and the estimated total amount required to achieve Program objectives through FY 2013 is \$8,257.5 million. A new concern that has affected, and is expected to continue to affect, the purchasing value of CTR Program funds and ultimately the timely ability to implement the CTR Program effectively is the erosion of the U.S. dollar against the European Union euro and the Russian ruble. The dollar lost value against both currencies in FY 2007, and this trend is expected to continue in FY 2008. Programs and projects that require funding beyond the Future Years Defense Plan (FY 2013) will be identified in future CTR Annual Reports.

Figure 1 lists some of the CTR Program accomplishments. Details of accomplishments are provided in the respective implementation plan and in the Accounting for Assistance section. Two programs were completed in 2007. The Weapons of Mass Destruction Elimination program in Ukraine eliminated infrastructure at three areas that formerly supported warhead storage and operations, and the Chemical Weapons Destruction program in Albania destroyed approximately 16 metric tons of bulk chemical agent. Additionally, the Biological Weapons Infrastructure Elimination project at Biokombinat in Tbilisi, Georgia was completed in 2007.

Figure 1: Program-assisted activities.

CATEGORY	Base-line	Goals	FY 2007 Reductions	Current Cumulative Reduction	Per-cent	CY 2012 Reduction Targets
Warheads Deactivated	13,300	9,222	267	7,260	79	9,222
ICBMs Destroyed	1,473	1,078	30	671	62	1,078
ICBM Silos Eliminated	831	645	0	496	77	645
ICBM Mobile Launchers Destroyed	442	267	31	119	45	267
Bombers Eliminated	233	155	0	155	100	155
Nuclear ASMs Destroyed	906	906	0	906	100	906
SLBM Launchers Eliminated	728	564	20	456	81	564
SLBMs Eliminated	936	691	20	622	90	691
SSBNs Destroyed	48	35	0	30	86	35
Nuclear Test Tunnels/Holes Sealed	194	194	0	194	100	194
CATEGORY	Base-line	Goals	FY 2007 Activities Completed	Current Activities Completed	Per-cent	CY 2012 Activities Targets
Nuclear Weapons Transport Train Shipments	N/A	620	47	374	60	620
Nuclear Weapons Storage Site Security Upgrades	N/A	24		16	67	24
BTRP Zonal Diagnostic Laboratories Built and Equipped	55	55	4	12	22	55
CWDF Design (percent complete)	100	100	3	99.7	99.7	100
CWDF Construction (percent complete)	100	100	4	52.5	52.5	100

Interagency Responsibilities

CTR umbrella agreements with Armenia, Azerbaijan, Georgia, Kazakhstan, Russia, Ukraine, and Uzbekistan establish comprehensive rights, exemptions, and protections for U.S. assistance, personnel, and the Program's activities. They designate DoD as the U.S. CTR Executive Agent to negotiate implementing agreements and arrangements to execute Program activities with the recipient state's designated Executive Agent. Appendix A lists the applicable agreement currently used for each program included in the five-year plan.

Other executive branch departments pursue related programs. The Department of State funds the International Science and Technology Center (ISTC) and the Science and Technology Center in Ukraine, which both employ FSU WMD scientists in peaceful research. DoD is an ISTC partner and manages Biological Threat Reduction Program (BTRP) projects in Russia through the ISTC because there is no BTRP implementing agreement with Russia. The Department of State also funds the Export Control and Related Border Security Program, which improves FSU states' export control capabilities to prevent proliferation of WMD and WMD components, technology, and delivery systems. The Department of Commerce, Department of Energy (DOE), U.S. Customs and Border Protection Service, and U.S. Coast Guard help implement the Export Control and Related Border Security Program. DOE's Second Line of Defense Program places radiation detection systems at ports of entry (POEs). The WMD Proliferation Prevention Initiative (WMD-PPI), designed to upgrade non-Russian FSU states' abilities to deter and interdict smuggling of WMD and related materials, coordinates with these and other DoD programs, including the International Counterproliferation Program, which conducts activities with the Federal Bureau of Investigation and the Department of Homeland Security's Bureau of Customs and Border Protection. Standard interagency coordination assisted by the National Security Council staff ensures that Program activities complement those of other agencies.

DoD Responsibilities

The Office of the Under Secretary of Defense for Policy, through its CTR Policy Office, provides strategic policy guidance defining the Program's objectives, scope, and direction. The CTR Policy Office conducts long-range planning, provides policy oversight, and negotiates implementing agreements and arrangements. The Under Secretary of Defense for Policy, through the Deputy Assistant Secretary of Defense for Counternarcotics, Counterproliferation & Global Threats and the CTR Policy Office, is responsible for interaction with Congress, the National Security Council staff, and other executive branch components and for public affairs. The Office of the Assistant to the Secretary of Defense (Nuclear and Chemical and Biological Defense Programs) provides acquisition guidance, implementation oversight, risk reduction, and resource sponsorship for the CTR Program to the Defense Threat Reduction Agency. The Defense Threat Reduction Agency is the Program's implementing agency and responsible for all aspects of program, contract, and funds management.

Accounting for Assistance

Key components of accounting for Program assistance include DoD representatives' and contractors' frequent on-site observation, application of the Federal Acquisition Regulation, DoD regulations, and disciplined acquisition procedures in contracting. The Defense Contract Audit

Agency performs contract audits and provides accounting services for administration of contracts to DoD components responsible for procurement. The Defense Contract Management Agency provides a wide range of services, including contract administration, invoice verification, and support for contract closeout. In accordance with umbrella and implementing agreements, the United States has the right to examine the use of any material, training, or service provided. For nuclear weapons storage sites in Russia, DoD is authorized to make three visits to each site where security upgrades are being installed. These visits occur at the beginning of the site upgrade to verify the vulnerability assessment, at approximately the 50 percent completion point, and following site acceptance to verify that security systems have been installed and are functioning as required. In addition to the site visits, DoD is allowed to audit equipment through alternative means, including data on locations (by site designator) of equipment, *in situ* photographs, documentation, letters from the Ministry of Defense (MOD) attesting to intended use, and examination of sample equipment. Results of the nine audits and examinations (A&Es) conducted in FY 2007 are included with the corresponding project narratives. Activities that help to provide and account for assistance include:

- Rigorous discussion of requirements and site access with recipient states, whenever possible before work is contracted, to ascertain the scope of the task and possible solutions to foreseeable implementation problems;
- Implementing agreements between the United States and recipient states to convert assumptions or responsibilities into firm, binding commitments;
- Periodically updated Joint Requirements and Implementation Plans that define mutually acknowledged and agreed upon requirements, assumptions, major milestones, contract approaches, risk assessments, and responsibilities;
- Standardized business processes for development of cost estimates, technical evaluations of contractor proposals, and proactive identification and mitigation of project risks;
- Online management tools for tracking the status of key cost, schedule, and technical performance parameters; key project risks; and contract data submissions by contractors;
- Prohibition of transferring assistance to entities not specifically designated in applicable agreements without written U.S. approval;
- In-house project management and business process training for all CTR Program U.S. Government employees and Advisory and Assistance contract personnel; and
- Enabling/encouraging all personnel to attend acquisition training offered through the Defense Acquisition University and to attain appropriate certifications in accordance with the Defense Acquisition Workforce Improvement Act.

Enhancing the Efficiency and Effectiveness of the Program

The NDAA for FY 2002 directs DoD to describe the means used to ensure that assistance is fully accounted for, is being used for its intended purpose, and is being used efficiently and effectively. In FY 2007, 124 management team trips were made to develop requirements; negotiate agreements, arrangements, and contracts; monitor contractor performance; resolve program concerns; and assess whether the assistance being provided was being used for its intended purpose in an efficient and effective manner. On-site managers, U.S. representatives,

and U.S. contractors reside in-country and regularly submit project status reports. Site visits by the CTR Integrated Services contractor, Raytheon Technical Services Company, LLC (RTSC), to maintain equipment and oversee the transfer of custody process provides an additional assessment. In FY 2007, CTR Integrated Services teams from a logistics support base in Russia made 121 visits to project locations and performed 645 maintenance actions. The teams reported that the equipment was available for use and did not report any misuse of assistance. Figure 8 details accountability actions. Other means include:

- Executive Reviews that enable joint evaluation of assistance, project assumptions, and objectives; clarification of each party's responsibilities; and adjustment of program plans to ensure that U.S. national security interests and resources are protected. Executive Reviews of major programs in Russia were conducted with the four Russian CTR Executive Agents: Federal Space Agency (FSA), MOD, Federal Atomic Energy Agency (FAEA), and the Federal Agency for Industry (FAI). Also, Executive Reviews were conducted with Executive Agents of WMD-PPI projects in Azerbaijan, Ukraine, and Uzbekistan; and of BTRP in Azerbaijan, Georgia, Ukraine, and Uzbekistan.
- Coordination with the Departments of State, Justice, Agriculture, Energy, Health and Human Services, and Homeland Security; ministries and, as appropriate, other agencies of Canada, the United Kingdom (UK), other Group of Eight countries, and donor nations of the Global Partnership; and the European Union to maximize leverage with FSU states and avoid duplication of effort.
- A rigorous requirements review process that translates initial policy guidance into acquisition requirements before a project's acquisition strategy is reviewed.
- Incremental development of WMD-PPI and BTRP projects that enables DoD to manage risks more effectively, implement projects in phases, field demonstrated capabilities in manageable pieces, and rapidly insert new technologies and capabilities.
- Integrated Product Teams to improve project management. They are the mechanism through which key project decisions are made, risks managed, issues resolved, and program briefings and documents created.
- Milestone Decision Authorities to provide senior-level oversight and management controls for each project. They approve acquisition and implementation strategies; resource allocation; program plans; and cost, schedule, and performance baselines.
- The NDAA for FY 2004's requirement of on-site managers at FSU project sites where investment is expected to exceed \$50 million. A major responsibility is to develop, monitor progress on, and revise a list of activities critical to achieving the project's goals. There are on-site managers for Strategic Offensive Arms Elimination (SOAE) projects, the nuclear weapons Automated Inventory Control and Management System (AICMS) project, and the Chemical Weapons Destruction Facility (CWDF) project in Russia and for BTRP projects in Azerbaijan, Georgia, Kazakhstan, Ukraine, and Uzbekistan.
- An Earned Value Management System to monitor contractor cost and schedule efficiency.

- A formal risk management program that provides guidance, processes, training, and supporting tools to plan, identify, assess, handle, monitor, and communicate risks throughout the Program and on cost, schedule, and performance of individual projects.
- A Key Performance Parameter Tracker Tool that captures each project’s key cost, schedule, and performance parameters, enabling managers at all levels to track project status.
- Increased emphasis on systems engineering to balance system solutions with a project’s cost, schedule, and performance throughout its life cycle. A systems engineering toolkit and training materials were developed to ensure consistent use of systems engineering.
- The CTR Program’s annual targets as performance measures.

CTR PROGRAM PERFORMANCE MEASURES ANNUAL TARGETS									
Calendar Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
WMD Means of Delivery Elimination	262	187	157	165	181	191	122	113	92
Cumulative Eliminations	3,190	3,377	3,534	3,699	3,880	4,071	4,193	4,306	4,398
Railcar Procurements to Transport Nuclear Weapons			10	18	18	18	18	18	
Cumulative Procurements			10	28	46	64	82	100	
Nuclear Weapons Site Security Upgrades	1	11	4	8					
Cumulative Upgrades	1	12	16	24					
Biological Zonal Diagnostic Laboratories Built and Equipped	6	3	4	10	15	7	4	6	9
Cumulative Built and Equipped	6	9	13	23	38	45	49	55	64

Compliance and Accounting Concerns

CTR assistance is fully accounted for and is being used efficiently and effectively for its intended purpose. Unresolved concerns reported in prior CTR Annual Reports are detailed in discussions of the Mayak Fissile Material Storage Facility (FMSF) Transparency Arrangements (2.3.1) and BTRP – FSU (2.4).

PROGRAM ACTIVITIES AND ASSISTANCE – INCLUDES FIVE-YEAR (FY 2009–FY 2013) IMPLEMENTATION PLAN AND FY 2007 ACCOUNTING ACTIVITIES

Section 1308 Requirements (as amended) Addressed

The Floyd D. Spence NDAA for FY 2001 requires the Secretary of Defense to submit an annual report to Congress on CTR activities. This report for FY 2009 is submitted in accordance with Section 1308 of that Act, as amended by Sections 1307 and 1309 of the NDAA for FY 2002, Section 1304 of the NDAA for FY 2003, and Section 1304 of the NDAA for FY 2005. It includes the “Five-Year CTR Program Implementation Plan” (FY 2009–FY 2013) and the FY 2007 requirement for “Accounting for CTR Program Assistance to States of the Former Soviet Union” and addresses the following legislative requirements:

“(1) An estimate of the total amount that will be required to be expended by the United States in order to achieve the objectives of the Cooperative Threat Reduction programs. (See Figure 7)

(2) A five-year plan setting forth the amount of funds and other resources proposed to be provided by the United States for Cooperative Threat Reduction programs over the term of the plan, including the purpose for which such funds and resources will be used, and to provide guidance for the preparation of annual budget submissions with respect to Cooperative Threat Reduction programs. (See project descriptions and Figures 2 through 7)

(3) A description of the Cooperative Threat Reduction activities carried out during the fiscal year ending in the year preceding the year of the report, including –

- (A) the amounts notified, obligated, and expended for such activities and the purposes for which such amounts were notified, obligated, and expended for such fiscal year and cumulatively for Cooperative Threat Reduction programs (See project descriptions that follow and Appendix B);*
- (B) a description of the participation, if any, of each department and agency of the United States Government in such activities (See project descriptions that follow);*
- (C) a description of such activities, including the forms of assistance provided (See project descriptions that follow);*
- (D) a description of the United States private sector participation in the portion of such activities that were supported by the obligation and expenditure of funds for Cooperative Threat Reduction programs (See project descriptions that follow);*
- (E) such other information as the Secretary of Defense considers appropriate to inform Congress fully of the operation of Cooperative Threat Reduction programs and activities, including with respect to proposed demilitarization or conversion projects, information on the progress toward demilitarization of facilities and the conversion of the demilitarized facilities to civilian activities (See project descriptions that follow);*
- (F) financial commitments for FY 2008 from the international community and from Russia for the Chemical Weapons Destruction Facility located at Shchuch’ye, Russia (See Appendix C);*
- (G) a description of how revenue generated by CTR activities in recipient states is being utilized, monitored, and accounted for (See SLBM Launcher Elimination/SSBN Dismantlement project narrative);*
- (H) a description of CTR defense and military contact activities carried out during the fiscal year preceding the year of the report (See Defense and Military Contacts project narrative and Appendix B);*
- (I) a descriptive summary, with respect to the appropriations requested for Cooperative Threat Reduction programs for the fiscal year after the fiscal year in which the summary is submitted, of the amounts requested for each project*

category under each Cooperative Threat Reduction program element (See project descriptions that follow); and

- (J) a descriptive summary, with respect to appropriations for Cooperative Threat Reduction programs for the fiscal year in which the list is submitted and the previous fiscal year, of the amounts obligated or expended, or planned to be obligated or expended, for each project category under each Cooperative Threat Reduction program element (See Appendix D).*
- (K) a current description of the tactical nuclear weapons arsenal of Russia (will be submitted under separate cover)."*

(4) "A description of the means (including program management, audits, examinations and other means) used by the United States during the fiscal year ending in the year preceding the year of the report to ensure that assistance provided under Cooperative Threat Reduction Programs is fully accounted for, that such assistance is being used for its intended purpose, and that such assistance is being used efficiently and effectively, including:

- (A) if such assistance consisted of equipment, a description of the current location of such equipment and the current condition of such equipment (If the current condition or use of DoD provided equipment is compromised, it is included as an item of concern. A list of locations and values of equipment is maintained at the Defense Threat Reduction Agency and is immediately available for review.);*
- (B) if such assistance consisted of contracts or other services, a description of the status of such contracts or services and the methods used to ensure that such contracts and services are being used for their intended purpose (See project narratives for descriptions of services and their status. Methods used to ensure contracts or services are used for their intended purpose are described in the Introduction, and specific actions are described throughout this report.);*
- (C) a determination whether the assistance described in subparagraphs (A) and (B) has been used for its intended purpose and an assessment of whether the assistance being provided is being used effectively and efficiently (See Compliance and Accounting Concerns in the Introduction and the follow-up to prior year concerns in the project narratives.); and*
- (D) description of the efforts planned to be carried out during the fiscal year beginning in the year of the report to ensure that Cooperative Threat Reduction assistance provided during such fiscal year is fully accounted for and is used for its intended purpose. (FY 2007 A&Es are detailed in the project narratives. A schedule of future audits is in the A&E project narrative. DoD also plans to continue the use of validation controls and actions to enhance the Effectiveness and Efficiency of the Program as detailed in the Introduction.)"*

Format

The Implementation Plan and Accounting for Assistance Report is organized according to the Program's four objectives. Project descriptions are listed by program area (e.g., the SOAE program area). Narratives include a summary of Executive Reviews; any significant concerns; the FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources (which includes resources and activities for FY 2008); a Description of Activities Carried Out in FY 2007; and information on A&Es. Figures 2-7 show funding through the Five-Year Plan. Figure 8 summarizes activities conducted to ensure that assistance is used effectively and efficiently for its intended purposes. In Figure 8, paragraph references to program and project narratives are included unless the activity was completed and is no longer a part of the Five-Year Plan. All activities and assistance are planned or provided for by DoD unless specified otherwise.

Objective 1: Dismantle Threat WMD and Associated Infrastructure

1.1 STRATEGIC OFFENSIVE ARMS ELIMINATION PROGRAM – RUSSIA

DoD supports destruction of strategic weapons delivery systems and associated infrastructure in accordance with applicable Strategic Arms Reduction Treaty (START) provisions, including the START Conversion or Elimination Protocol. This assistance remains an incentive for Russia to draw down its Soviet-legacy nuclear forces and reduces opportunities for their proliferation or use. Equipment and services are provided to destroy or dismantle intercontinental ballistic missiles (ICBMs), ICBM silo launchers, road-mobile launchers, submarine-launched ballistic missiles (SLBMs), SLBM launchers, reactor cores of strategic nuclear-powered ballistic missile submarines (SSBNs), and WMD infrastructure. See also the Report on CTR Moscow Treaty Assistance at Appendix E.

Executive Reviews: Executive Reviews held with FSA and FAEA in November 2006 and June 2007, in conjunction with Integrated Program Management Reviews (PMRs), considered project implementation issues. FSA is Russia's Executive Agent for destruction of strategic systems other than SSBNs, and FAEA is responsible for SSBN destruction.

Participants in the Executive Reviews with FSA focused on updating and reviewing the Joint Requirements and Implementation Plan and reviewed assumptions, responsibilities, risks, and schedules. Participants discussed using open detonation to eliminate ICBM solid fuel rocket motors, the anticipated drawdown of Russia's strategic forces, the criteria and scope for U.S. assistance at missile bases not being entirely eliminated, and requests for procurement of new missile- and rocket motor-carrying railcars and maintenance of older railcars. The participants also discussed the FSA request for U.S. assistance in eliminating silos at space-launch facilities.

The FAEA Executive Reviews included the dismantlement schedule for two *Typhoon*-class submarines, the release of *Delta III*-class submarines for elimination in the near future, and delineation of responsibilities for submarine elimination.

1.1.1 Solid Propellant ICBM/SLBM and Mobile Launcher Elimination

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: DoD will eliminate the remaining 6 SS-24 ICBMs and 27 SS-N-20 SLBMs, eliminate 184 SS-25 road-mobile launchers, and destroy the elements of 206 SS-25 ICBMs. Plans include demilitarizing 688 SS-25 launch-associated and special system-support vehicles and decommissioning 10 SS-25 Strategic Rocket Forces regiments at several bases.

Description of Activities Carried Out in FY 2007: Parsons Global Services, Inc. (Parsons) disassembled and eliminated eight SS-N-20 missiles. DoD and FSA repaired and equipped the Geodeziya facility to provide full operational capability to burn SS-25 solid rocket motors (SRMs) and established a new capability to burn more dangerous SS-24 and SS-25 SRMs with known anomalies. Washington Group International, Inc. (WGI) eliminated 18 SS-24 missiles and 4 SS-24 rail-mobile launchers. RTSC decommissioned two SS-25 regiments, including the final regiment at Kansk. RTSC also destroyed elements of 46 SS-25 missiles, eliminated 27 road-mobile launchers, and demilitarized 42 launch-associated and special system-support vehicles.

1.1.2 Liquid Propellant ICBM/SLBM Missile and Silo Elimination

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: This project decommissions and eliminates SS-18 and SS-19 ICBM silos and destroys SS-18 and SS-19 ICBMs and SS-N-18 SLBMs. DoD plans to eliminate 60 SS-18 and 100 SS-19 silos; decommission 3 SS-19 silos; and eliminate 26 SS-18 ICBMs, 116 SS-19 ICBMs, and 56 SS-N-18 SLBMs.

Description of Activities Carried Out in FY 2007: Two SS-18 and 8 SS-19 ICBMs were eliminated, and 22 SS-19 silos were decommissioned. In addition, Russia, using CTR-provided equipment, eliminated 2 SS-19 ICBMs, 1 SS-N-18 SLBM, and 11 SS-N-23 SLBMs.

1.1.3 SLBM Launcher Elimination/SSBN Dismantlement

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: DoD plans to eliminate 64 SLBM launchers from 4 *Delta III*-class SSBNs and 20 launchers from 1 *Typhoon*-class SSBN. Russia is responsible for completing dismantlement of the bow, sail, and stern sections and transport of spent nuclear fuel to interim storage. DoD provides SSBN towing, SLBM launcher elimination, launcher compartment dismantlement, spent naval fuel defueling, and sectioning and preparation of reactor-core compartments for storage afloat. As individual SSBNs are released, DoD will discuss with Canada whether it will support reactor defueling costs as it did for *Typhoon 724*. DoD also plans to eliminate 40 SLBM launchers aboard 2 additional *Typhoon* submarines but will not provide any additional assistance for SSBN dismantlement. FAEA will have to certify that the remains of the *Typhoons* will not be used for military purposes.

Description of Activities Carried Out in FY 2007: DoD eliminated 20 SLBM launchers from *Typhoon*-class SSBN 713 and completed sectioning and preparation of reactor-core compartments for storage afloat. The Zvezdochka shipyard received a contract to dismantle *Typhoon*-class SSBN 724 and has towed it to the shipyard.

Report of Use of Revenue Generated by Activities Carried Out under CTR Programs: SSBN *Delta*-class 311 was dismantled in November 2004. The Zvezdochka shipyard's report stated that 4,600 tons of metal scrap generated 23,149,863 rubles (approximately \$800,000). SSBN *Delta*-class 372 was dismantled in February 2006. The Zvezda shipyard's report stated that 5,652 tons of metal scrap generated \$2,436,311. FAEA's January 16, 2007, report stated that, "in accordance with Russian legislation, funds received from the sale of materials recovered from dismantled nuclear submarines are deposited into an account specifically for these proceeds" and "can be used only for tasks related to dismantling nuclear submarines." FAEA stated they use these funds to finance work not financed by DoD, including pre-sale preparation of scrap, formation of reactor blocks from nuclear submarines, towing of reactor blocks, handling of spent naval fuel, and related tasks.

1.2 CHEMICAL WEAPONS DESTRUCTION PROGRAM – RUSSIA

DoD is assisting Russia with safe, secure, and environmentally sound destruction of the most proliferable portion of its chemical weapons nerve-agent stockpile and related chemical weapons production facilities that present the greatest proliferation risk. The Shchuch'ye CWDF project supports this effort. The former Chemical Weapons Production Facility Demilitarization project at Novocheboksarsk was completed in FY 2007.

Executive Reviews: Executive Reviews with FAI were held in November 2006 and June 2007. In November, a trilateral arrangement, which transferred responsibility for the final construction projects at the CWDF to Russia, with U.S. oversight of the contracted activities,

was discussed. In June, the participants discussed the international cooperation necessary to complete the tasks remaining at Shchuch'ye and ensure sufficient site access to allow U.S. Government personnel and contractors to perform their oversight responsibilities.

A&E: In April 2007, an A&E of U.S. assistance provided to Russia's chemical weapons storage facilities at Kizner and Planovy and the former chemical weapons production facility at Novocheboksarsk was conducted. Overall, the U.S. team was satisfied with accounting for CTR equipment at Kizner and Planovy and with equipment accountability and usage at Novocheboksarsk. Due to a delayed response by FAI concerning the A&E team's objectives, the Kizner and Planovy inspections did not include operational demonstrations of the upgrades to plant security systems. An A&E is scheduled in FY 2008 to assess whether upgrades are operating as intended.

1.2.1 Chemical Weapons Destruction Facility

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: In May 2007, DoD and FAI agreed to a trilateral acquisition strategy by which prior year funds will be provided, through a contracted agent, to FAI to complete a facility capable of destroying organophosphorus (nerve) agent-filled munitions. DoD provides funding and oversight, but with decreased U.S. contractor costs. The Russian agent has a contract with Parsons, DoD's integrating contractor, for payment of invoices. Verification of work completed by the subcontractors remains the responsibility of DoD and Parsons. The arrangement is codified in the Joint Arrangement Concerning the Completion of CWDF Construction. FAI will use the funds to complete construction of unfinished work from previously awarded and un-awarded contracts and to support additional design activities and equipment procurement. Parsons will manage the invoicing and payment process through their designated agent, Vneshstrojimport, and continue limited equipment procurement. In-country personnel include individuals from the Defense Threat Reduction Agency, the U.S. Army Corps of Engineers, and Parsons. A U.S. on-site manager assigned to the Chelyabinsk office maintains regular contact with his Russian counterpart. DoD representatives will verify completed work during site visits coordinated through FAI.

Description of Activities Carried Out in FY 2007: DoD, Parsons, and its U.S. subcontractors, WGI and EG&G Technical Services, Inc., transferred all construction packages, minus the boiler house area, to FAI. Parsons also transferred most of the remaining design and some equipment procurement responsibility to FAI, enabling Parsons to reduce its personnel and close its Volgograd office. Parsons continued to manage the boiler house construction, and the Parsons Earned Value Management System was validated.

Update of Prior Year Concerns: Russia's requirement to update uncompleted construction projects every five years produced design changes that increased the project's cost and delayed construction. In addition, Parsons' inability to award two critical contracts for work remaining in the main production and bituminization buildings caused a schedule slip and put the budget in jeopardy. Development of the Joint Arrangement resolved both issues. Russia will be responsible for awarding contracts to complete the remaining CWDF construction and any subsequent design changes. The bankruptcy of Magnitostroy, a Russian subcontractor, no longer affects this project.

1.3 STRATEGIC NUCLEAR ARMS ELIMINATION PROGRAM – UKRAINE

One active project supports the safe storage of 160 SRMs from dismantled SS-24 ICBMs.

1.3.1 SS-24 Missile Disassembly, Storage, and Elimination

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: In 2006 and 2007, Ukraine used the pilot water-washout plant, previously provided by DoD, to remove propellant from one third-stage and two second-stage SRMs. The remaining 160 first-, second-, and third-stage SRMs require environmentally controlled storage. DoD will support safe storage of the remaining SRMs, movement of SRMs within and between storage areas, and elimination of empty motor cases if Ukraine requests such assistance. Ukraine has assumed responsibility for funding, constructing, and operating a full-scale water washout facility to remove the propellant from the 160 SRMs. DoD will provide fixed-fee payments to Ukraine for empty motor cases.

Description of Activities Carried Out in FY 2007: DoD, through WGI, supported storage of the remaining 160 SRMs.

A&E: DoD conducted an A&E of the SRM storage operations in Pavlograd, Ukraine in January 2007. The A&E team concluded that the SRMs are currently stored under reasonably safe conditions. A technical concern was water absorption by the propellant in the SRMs, which may cause a chemical reaction that increases shock and friction sensitivity and increases the risk of an incident during handling and transport associated with propellant removal. Ongoing low-level water intrusion into storage facilities is hastening this process by increasing humidity levels. Based on the recommendation of technical experts, DoD has taken steps to reduce humidity levels in storage buildings and to mitigate the absorption of water into the propellant through building repairs and enhanced environmental controls. DoD has also taken steps to ensure that all handling equipment is certified and maintained.

Figure 2: An estimate of the amount, in millions, which will be required by the United States to achieve Objective 1 of the Program.

<i>Program / Project</i>	<i>Prior Year</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY10-FY13</i>	<i>Total</i>
<i>Strategic Offensive Arms Elimination (Russia)</i>					
Solid Propellant ICBM/SLBM and Mobile Launcher Elimination	\$400.8	\$33.6	\$37.1	\$195.6	\$667.1
Liquid Propellant ICBM/SLBM and Silo Elimination	\$252.3	\$27.8	\$30.8	\$85.0	\$395.9
SLBM Launcher Elimination/SSBN Dismantlement	\$330.9	\$29.3	\$12.1	\$60.0	\$432.3
<i>Chemical Weapons Destruction (Russia)</i>					
Chemical Weapons Destruction Facility	\$1,039.2	\$1.0			\$1,040.2
<i>Strategic Nuclear Arms Elimination (Ukraine)</i>					
SS-24 Missile Disassembly, Storage, and Elimination	\$113.7	\$2.2	\$6.4		\$122.3
Estimated Budget for FYDP	\$2,136.9	\$93.9	\$86.4	\$340.6	\$2,657.8

Objective 2: Consolidate and Secure Threat WMD and Related Technology and Materials at the Source and in Transit

2.1 NUCLEAR WEAPONS STORAGE SECURITY PROGRAM – RUSSIA

This program supports proliferation prevention by enhancing the security systems of nuclear weapons storage sites using DoD nuclear security standards as a basis for design.

Executive Reviews: In November 2006 and June 2007, Executive Reviews in conjunction with PMRs were held with MOD, Russia's Executive Agent responsible for security of nuclear weapons in storage and during transport. Participants reviewed implementation issues and discussed assumptions and responsibilities for storage and transportation security programs. In November, discussions covered amendments to all implementing agreements, U.S. support for upgrading an MOD training facility in Khabarovsk to serve as the Far East Training Center, and the parameters of each project listed in the Joint Requirements and Implementation Plan. In June 2007, MOD presented its concept of how best to expand the AICMS. MOD also informed DoD that Russia had authorized limited access to sites under the control of the Navy and Strategic Rocket Forces and to temporary sites under control of the 12th Main Directorate, thus enabling sustainment work to proceed.

2.1.1 Site Security Enhancements

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: This project sustains the security enhancements at five MOD temporary nuclear weapons storage sites (rail transfer points) controlled by Russia's 12th Main Directorate and security enhancement capabilities, such as the personnel reliability program and the small arms training system previously provided to MOD. It also trains cadres of security systems operators, administrators, and maintenance technicians. Responding to MOD's request and President Bush's commitment at Bratislava, DoD and DOE are enhancing security systems at all requested permanent storage locations that contain strategic or tactical nuclear weapons. With prior-year funds, security systems and necessary infrastructure upgrades are provided based on vulnerability assessments. All site security work, including baseline designs, is coordinated with DOE, which is enhancing security at similar sites. Twelve sites have been upgraded, and 12 additional sites will be upgraded by the end of December 2008.

Description of Activities Carried Out in FY 2007: RTSC neared completion of upgrades at four sites and continued detailed design and technical and economic justification documentation, completed deforestation and grading, began technical territory perimeter construction, and obtained construction permits at the final eight sites. Forty armored transport vehicles were procured, with 15 delivered. Bechtel National, Inc. (BNI) completed failure analysis and trial operations at 11 upgraded sites.

A&E: In April 2007, an A&E was conducted using alternate means for sites West-17 and West-24. Photographic inspection of the equipment and paper audits of the requested equipment enhanced DoD's confidence that the equipment is in good working order and being used for its intended purpose. All physically examined equipment appeared to be in excellent condition. MOD officials had no questions concerning equipment serviceability and submitted all pertinent documentation, including the certificate confirming that the equipment is being used for its intended purpose.

A&E: In July 2007, an A&E was conducted using alternate means for sites West-21 and West-25. Photographic inspection of the equipment and a paper audit of the requested equipment enhanced DoD's confidence that the equipment is in good working order and being used for its intended purpose. All physically examined equipment appeared to be in excellent condition. MOD officials had no questions concerning equipment serviceability and submitted all pertinent documentation, including the certificate confirming that the equipment is being used for its intended purpose.

2.1.2 Far East Training Center

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: This project will establish a Far East Training Center with FY 2008 and prior year funds. It will support the operators, maintainers, and system administrators of physical security enhancement equipment and be a regional depot-level maintenance facility for security equipment.

Description of Activities Carried Out in FY 2007: The project completed final design, and initial site preparation began. Additionally, construction and outfitting began after conclusion of a construction contract between Oak Ridge National Laboratory and Eleron.

2.1.3 Automated Inventory Control and Management System II

FY 2009–FY 2013 Five Year Plan, Purpose, and Resources: Using FY 2008 and prior year funds, this project will enhance the previously established automated inventory system for the tracking and cataloging of nuclear weapons to be eliminated. It will construct new AICMS facilities at up to 13 additional sites and provide a technological refresh of the hardware and software for the existing 20 automated inventory sites, a one-year warranty for hardware and software at the 33 sites, and new system training.

Description of Activities Carried Out in FY 2007: The acquisition strategy was approved, and a contract was awarded to Black & Veatch Special Projects Corporation. Test, design, and engineering activities for software and hardware were completed, and procurement of items required to maintain the schedule's critical path began.

2.2 NUCLEAR WEAPONS TRANSPORTATION SECURITY PROGRAM – RUSSIA

This program supports proliferation prevention by enhancing the security and safety of nuclear weapons during shipment.

2.2.1 Nuclear Weapons Transportation

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: This project assists MOD in shipping nuclear warheads to dismantlement locations or more secure storage sites pending dismantlement. It complies with U.S. policy against assisting modernization of Russia's strategic forces and supports nonproliferation by ensuring that nuclear warheads are transported from operational sites to dismantlement facilities or storage sites and from storage sites to dismantlement facilities. Shipments average four per month and will continue through FY 2012.

Description of Activities Carried Out in FY 2007: RTSC supported 47 train shipments.

A&E: In December 2006, an A&E team inspected three Pomoshnik emergency response vehicles in Sergiev Posad and found them in acceptable working condition.

A&E: In May 2007, an A&E team inspected seven DoD-upgraded cargo railcars and three guard railcars and their associated equipment in Sergiev Posad and found them in acceptable

working condition. The team also reviewed transfer of custody, property control, and maintenance documents associated with this equipment. Accountability, serviceability, and usage of equipment were all within acceptable limits.

2.2.2 Railcar Maintenance and Procurement

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: This project will procure up to 100 heated cargo railcars to replace existing railcars at the end of their service life. MOD will destroy two old cargo railcars for each new railcar built. Oak Ridge National Laboratory will manage procurement of the railcars and the Railcar Consist Security System (RCSS). DoD will procure a satellite transmitter and antenna for 15 previously delivered guard escort railcars (Model 15T91) contingent upon MOD providing the RCSS interface processing and communications encryption equipment. The satellite communication supports a near real-time capability to monitor location and alarm-system status from a central MOD headquarters facility. This project also supports depot and capital-level maintenance for nuclear-weapons cargo railcars to ensure their compliance with Russian railway certification requirements.

Description of Activities Carried Out in FY 2007: RTSC provided scheduled maintenance on 29 cargo railcars. DoD selected the Torzhok Railcar Factory to produce a design variant of the heated cargo railcar and Eleron to design, test, and integrate the RCSS for DoD-provided guard and cargo railcars. Design reviews conducted with MOD resulted in approved designs for the cargo railcar and the RCSS. Production of the first 19 cargo railcars and prototype development of the RCSS began, and two-for-one destruction of old cargo railcars was initiated.

2.3 FISSILE MATERIAL STORAGE FACILITY PROGRAM – RUSSIA

The FMSF program has provided centralized, safe, secure, and ecologically sound storage for weapons-grade fissile material through the construction and equipping of the FMSF, which was turned over to Russia in December 2003.

2.3.1 Mayak Fissile Material Storage Facility Transparency Arrangements

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: Assuming successful completion of the proposed Framework Agreement Regarding Transparency at the Mayak Production Association FMSF and separate Liability Agreement, DoD will work with FAEA to enable U.S. Government representatives to monitor emissions of fissile material containers to increase confidence that only fissile material with agreed attributes of weapons-grade plutonium or enriched uranium is stored at the FMSF. DoD will reprogram funds to support this project only after successful conclusion of the bilateral negotiations.

Description of Activities Carried Out in FY 2007: In January 2007, the Department of State received Russia's comments on the U.S. Government's proposed FMSF transparency framework. The United States responded in February 2007 with its proposed text. Despite repeated requests for a response, Russia has said that the documents remain in interagency coordination. Senator Lugar and former Senator Nunn visited the FMSF during their 15th year CTR anniversary tour in August-September 2007 and were informed by FAEA officials that Russia thought negotiations could be concluded in 2007. However, no additional information was received from Russia following the Lugar visit.

Unresolved Prior Year Concern: Although significant progress has been made to finalize the Transparency Arrangement, negotiations continue.

2.4 BIOLOGICAL THREAT REDUCTION PROGRAM – FSU

The BTRP objectives are to prevent proliferation of BW-related materials, technologies, and expertise and combat bioterrorism. DoD consolidates and secures dangerous pathogen collections into Central Reference Laboratories (CRLs); improves the safety and security of biological facilities involved in threat agent detection and response; enhances recipient states' ability to detect, diagnose, and report bioterror attacks and potential pandemics; engages scientists with BW-related expertise in mutually beneficial research; and destroys former BW facilities and related infrastructure. This program promotes sustained transparency and the formation of strategic partnerships in the war on bioterrorism. The Biological Weapons Infrastructure Elimination project at Biokombinat in Tbilisi, Georgia was completed in May 2007. No new infrastructure elimination projects are anticipated. The current projects, Biosecurity and Biosafety/Threat Agent Detection and Response and Cooperative Biological Research (CBR), work together to support the BTRP objectives.

DoD has implementing agreements with Azerbaijan, Georgia, Kazakhstan, Ukraine, and Uzbekistan. All BTRP efforts in Russia are governed by the ISTC Agreement and the ISTC Funding Memorandum of Agreement. BNI and RTSC are the integrating contractors for all projects at institutes in FSU states. DoD contracts with BNI for work in Azerbaijan, Georgia, Kazakhstan, and Uzbekistan and with RTSC for work in Azerbaijan, Russia, and Ukraine. BTRP works with each recipient state to develop a Country Science Plan and Threat Agent Detection and Response concept of operations to harmonize BTRP's mission, existing projects, and research agenda with those of the recipient state. BTRP also assists each country in determining which elements of its plan are eligible for DoD funding and which must be funded by the recipient state or other sources. Country Science Plans are periodically updated to reflect changing research needs.

Executive Reviews: Executive Reviews were held in Azerbaijan, Georgia, Ukraine, and Uzbekistan. Each occurred in conjunction with a PMR where implementation issues were discussed. The July 2007 Executive Review in Azerbaijan addressed the status of an amendment to an implementing agreement to provide additional funding for the Baku CRL design and a need for additional consequence management and emergency response training. During the October 2006 Executive Review in Georgia, discussions centered on Georgia's proposal to make the CRL a joint U. S.-Georgia overseas laboratory. At the July 2007 Executive Review in Georgia, the major topics discussed were lessons learned regarding gaps in disease reporting procedures during the African swine fever outbreak and the introduction of biosafety laws and regulations. In the October 2006 meeting in Kyiv, topics included the pending extension of the U.S.-Ukraine Umbrella Agreement (subsequently concluded in December 2006), the procedure for naming additional government agencies as Executive Agents, and the need for consolidating especially dangerous pathogens in a safe, secure CRL. With the exception of the agreement extension, the same topics were discussed at the September 2007 Executive Review. The Uzbekistan Executive Review in November 2006 focused on the ongoing need to transfer to the United States copies of strains isolated during CBR projects.

Unresolved Prior Year Concern: There is no BTRP implementing agreement with Russia. Instead, projects are governed by a Memorandum of Agreement between the United States and the ISTC to provide the protections, exemptions, and A&E rights provided under an implementing agreement. The ISTC, an international body that funds scientific research grants,

is not well suited to implement engineering and construction projects. Thus, DoD has limited the projects it will support, absent significant policy changes by Russia.

Unresolved Prior Year Concern: In July 2005, DoD raised the concern that some funding provided to the ISTC for Russian projects was used to pay Value Added Tax (VAT). In April 2007, the promulgation of a joint decree by Russia's Ministries of Foreign Affairs and Finance listed legal entities, of which the ISTC is one, eligible for a zero VAT rate. The ISTC is assessing how to apply for retroactive reimbursements dating back to January 2001 and how to implement future procurements without paying VAT.

Unresolved Prior Year Concern: The CTR umbrella agreements provide exemptions for payment of taxes on goods and services. In Kazakhstan, administrative documents for tax and customs exemptions on equipment were not provided. In April 2007, Kazakhstan established a process to obtain VAT exemptions; however, to date the process has not proven to be reliable.

2.4.1 *Biosecurity and Biosafety/Threat Agent Detection and Response*

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: This project consolidates and secures especially dangerous pathogen (EDP) collections in safe, centralized facilities to prevent terrorists' acquisition of BW seed materials; improves biosafety and biosecurity; enhances recipient states' abilities to detect, diagnose, and report disease outbreaks; and ensures safe and secure storage and handling of EDPs used for beneficial research against accidental release, theft, and exposure. DoD and recipient states are developing a network of disease surveillance and diagnostic laboratories at the national, regional, and district levels that are linked with an Electronic Integrated Disease Surveillance System to facilitate rapid reporting of outbreak data to national authorities and U.S. Government counterparts. Another electronic database called the Pathogen Asset Control System inventories and controls access to select agents. Eventually, recipient states' networks will link with regional partners to enhance disease monitoring, reporting, and containment and ensure early warning of potential bioattacks and pandemics. DoD, working with the Centers for Disease Control and Prevention and DoD laboratories, created training modules to improve diagnostic and epidemiological capabilities of the scientific and technical staff; promote bioethics, biosafety, and biosecurity; and ensure sustainment, effectiveness, program investment, and strategic relevance.

In non-Russian FSU states, the BTRP develops national-level CRLs with state-of-the-art diagnostic capabilities, research resources, an information technology backbone, and modern communications. These labs support existing national response teams with enhanced diagnostic and epidemiological capacity for rapid response to potential incidents. The CRLs also support veterinarians and clinicians who do population-based surveillance in areas where EDP cases may occur. The regional-level Zonal Diagnostic Laboratories (ZDLs) have the capability to survey suspicious disease outbreaks, analyze epidemics, and collect disease reports from veterinarians, clinicians, and/or epidemiologists. Lacking an implementing agreement with Russia, DoD provides only safety and security upgrades at select former BW facilities still working with dangerous pathogens. In FY 2008, DoD intends to initiate the BTRP in Armenia and is considering additional expansion of this program outside the FSU.

Description of Activities Carried Out in FY 2007: In Russia, RTSC provided technical oversight, conducted assessments, and drafted Analyses of Alternatives for biosecurity and/or biosafety upgrades at Golitsino, Pokrov, Vector, and Vladimir. At Golitsino, biosafety upgrades at the laboratory space, site security upgrades, and greenhouse upgrades were completed.

Additional equipment and materials are being procured, and construction at Pokrov, Vector, and Vladimir has begun. A Pathogen Asset Control System was installed at Vladimir.

In Baku, Azerbaijan, RTSC and BNI completed biosecurity upgrades to secure the national pathogen repository at the Anti-Plague Station and completed renovation of the interim diagnostic laboratory at the Republican Veterinary Laboratory. Agreement was reached on the location, general design, and construction schedule for the CRL. In Ukraine, a project to establish a ZDL at the Central Sanitary-Epidemiologic Station in Kyiv continued, and plans for a ZDL at the Oblast Sanitary-Epidemiologic Station in Odessa commenced. Planning, design, and renovations began at the Ukrainian Research and Anti-Plague Institute in Odessa to establish the interim human CRL. In Tbilisi, Georgia, BNI completed construction of the ZDL at the Laboratory of the Ministry of Agriculture and initiated construction of the CRL. Construction was completed on the veterinary ZDL in Kutaisi. DoD continues to address the Georgian proposal to establish the CRL as a joint U.S.-Georgia laboratory. In Uzbekistan, renovation of a ZDL at the Sanitary-Epidemiology Station in Samarqand was completed, and construction of the first joint human-veterinary ZDL began in Karshi. In Kazakhstan, construction of the ZDL at the National Veterinary Center in Astana was completed, and construction of the ZDL at Uralsk commenced.

A&E: In May 2007, an A&E was conducted of the biosafety and security upgrades at the All-Russian Research Institute for Phytopathology in Golitsino, Russia. The A&E team concluded that the security system upgrades and Pathogen Asset Control System provided a more secure library of pathogens. The biosecurity equipment was in near pristine condition and not fully utilized. The overall assessment was that the facility's upgraded biosafety and biosecurity measures will benefit future operational capacity; however, the facility is not yet operating at capacity.

A&E: In September 2007, an A&E was conducted of the biosafety and security upgrades at the National Center for Disease Control in Tbilisi, Georgia. The A&E team conducted an operational demonstration of biosafety and security upgrades and accounted for the high-dollar value equipment at the facility. The team determined that the security system is well designed and provides the proper level of security, with personnel properly trained and capable of fulfilling their tasks. The biosafety program is robust and effective, laboratories and hallways have proper biosafety and security measures, and biosafety equipment is placed properly throughout the facility. Laboratory access procedures are in place and used as intended, and laboratory personnel are employing proper protocols for the handling of EDPs. All equipment requested to be inventoried was found in place and was being used for its intended purpose.

Figure 3: An estimate of the amount, in millions, which will be required by the United States to achieve Objective 2 of the Program.

<i>Program / Project</i>	Prior Year	FY 2008	FY 2009	FY10-FY13	Total
<i>Nuclear Weapons Storage Security (Russia)</i>					
Site Security Enhancements	\$561.6	\$16.7	\$24.1	\$40.0	\$642.4
Far East Training Center	\$18.4	\$2.9			\$21.3
Automated Inventory Control Management System	\$80.2	\$26.0			\$106.2
<i>Nuclear Weapons Transportation Security (Russia)</i>					
Nuclear Weapons Transportation	\$87.6	\$16.4	\$14.0	\$59.5	\$177.5
Railcar Maintenance and Procurement	\$57.0	\$21.3	\$26.8	\$63.9	\$169.0
<i>Fissile Material Storage Facility (Russia)</i>					
Fissile Material Storage Facility Transparency	\$23.0				\$23.0
<i>Biological Threat Reduction (FSU)</i>					
Biosecurity, Biosafety, Threat Agent Detection and Response	\$346.2	\$139.2	\$160.0	\$618.0	\$1,263.4
Estimated Budget for FYDP	\$1,174.0	\$222.5	\$224.9	\$781.4	\$2,402.8

Objective 3: Increase Transparency and Encourage Higher Standards of Conduct

3.1 BIOLOGICAL THREAT REDUCTION PROGRAM – FSU

(See paragraph 2.4 for BTRP information.)

3.1.1 Cooperative Biological Research

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: This project engages scientists with endemic threat-agent expertise to enhance epidemiological and diagnostic capacity and advance DoD’s and the recipient states’ understanding of endemic EDPs. It also transfers dangerous pathogens to the United States to improve diagnostics and therapeutics. CBR encourages higher standards of openness, ethics, and conduct by scientists and establishes strategic research partnerships that support the global fight against bioterrorism. U.S. Government interagency vetting of each project occurs prior to approval.

CBR Russia: The Magnetometric Immunosensor for Multi-Pathogen Continuous Monitoring project is ongoing at the Research Center of Molecular Diagnostics and Therapy in Moscow. Three projects with Vector concerning protection against smallpox were suspended due to the Russian Ministry of Health’s lack of approval of a permanent on-site U.S. scientist. DoD changed the visiting scientists requirement to use rotating visits by U.S. scientists for oversight. Work plans were revised and resubmitted to ISTC and the Ministry of Health and are awaiting Russia’s concurrence to start projects in 2008. The three projects are funded and managed jointly by DoD and the Department of Health and Human Services through the Department of State Bio-Chem Redirect Program.

CBR Non-Russia: Ten CBR projects are underway, and five proposals are in the final stages of development: Clinical, Epidemiologic, and Laboratory Based Assessment of Brucellosis in Georgia; Clinical, Epidemiologic, and Laboratory Based Assessment of Brucellosis in Azerbaijan; and Mapping Especially Dangerous Pathogens in Azerbaijan; Genetic Peculiarities of Strains of Especially Dangerous Zoonotic Pathogens in Kazakhstan; and Active Surveillance of Especially Dangerous Pathogens in the Southern Caucasus Region. Two are pending DoD approval: an Evaluation of Lice-borne Rickettsial and Other Arboviral Diseases and Justification of the Control Measures and Mapping of Especially Dangerous Pathogens in Ukraine. An additional project under consideration would research distribution of animal vectors of plague in previously uncharacterized regions of Uzbekistan. A list of ongoing projects by country follows:

Georgia: The Ecology, Genetic Clustering, and Virulence of *Yersinia pestis* Strains Isolated from Natural Foci of Plague; and Isolation, Distribution, and Biodiversity of Selected Vibrios and Their Bacteriophages from Aquatic Environments.

Kazakhstan: Ecological and Socio-Economic Factors of Anthrax Foci Activity and Improvement of its Diagnosis and Prophylaxis; The Epidemiological Surveillance of Crimean-Congo Hemorrhagic Fever Virus and Hemorrhagic Fever Viruses with Renal Syndrome; An Ecological Study of Various Biotypes of Brucella within Five Regions (South Kazakhstan, Almaty, Zhambyl, Kyzylorda, and east Kazakhstan Oblasts) Bordering on Central Asian Nations and China; and Epizootiological Monitoring and Biological Characterization of the Avian Influenza Virus.

Uzbekistan: Epizootiological and Epidemiological Mapping of Anthrax, Plague, and Tularemia; Development of a Viral Diagnostic Facility; Epidemiological Surveillance of Human and Animal Brucellosis; and Ecological and Virological Study of Arbovirus Infections in the South Aral Region of Uzbekistan.

Description of Activities Carried Out in FY 2007: Researchers on the one active project in Russia are preparing a manuscript titled “A simple method for production of randomized human tenth fibronectin domain III libraries for use in combinatorial screening procedures” for submission to international peer-reviewed journals.

In non-Russian states, an assessment of the Azerbaijani human and animal disease surveillance and diagnostic laboratory systems was conducted and a number of core training modules completed, including modules on disease surveillance baselines, regulatory reform, biosafety, and biosecurity. Plague-causing bacteria in Georgia were characterized, and their comparison with U.S. strains is continuing. In Kazakhstan, an assessment of the prevalence of avian influenza in wild bird populations found H5N1 virus among swans on the eastern shore of the Caspian Sea, and the outbreak was contained. Brucellosis, an important health and economic problem, is being studied in Kazakhstan and Uzbekistan. In Uzbekistan, an ecological and virological study of arbovirus infections in the South Aral region began. These projects engaged 569 scientists at 17 different institutes and are guiding the publication of one article in a peer-reviewed journal. Non-Russian FSU scientists, in collaboration with their U.S. colleagues, made seven presentations at international conferences.

The National Academy of Sciences provided general program support and scientific oversight and prepared the congressionally mandated study, “The Biological Threat Reduction Program of the Department of Defense: from Foreign Assistance to Sustainable Partnerships.” The Civilian Research and Development Foundation provided program management for projects in Kazakhstan and Uzbekistan. DoD and the University Strategic Partnership, led by the University of New Mexico and Pennsylvania State University, renewed their contract to recruit visiting scientists. The partnership also provides scientific reachback support, recommendations for follow-on projects to promote sustainability in the engaged FSU institutes, and runs a bio-immersion training course. The University Strategic Partnership has several active scientists.

Subcontractor teams support development and execution of projects with recipient states’ institutes. U.S. contractors visit the projects’ institute sites approximately 10 days per month to assess the scientific relevance and credibility of work and assist project management with environmental analysis, design, safety procedures, and implementation.

Figure 4: An estimate of the amount, in millions, which will be required by the United States to achieve Objective 3 of the Program.

Program / Project	Prior Year	FY 2008	FY 2009	FY10-FY13	Total
<i>Biological Threat Reduction (FSU)</i>					
Cooperative Biological Research	\$71.4	\$19.2	\$24.4	\$58.9	\$173.9
Estimated Budget for FYDP	\$71.4	\$19.2	\$24.4	\$58.9	\$173.9

Objective 4: Support Defense and Military Cooperation with the Objective of Preventing Proliferation

4.1 WEAPONS OF MASS DESTRUCTION – PROLIFERATION PREVENTION INITIATIVE PROGRAM – FSU, EXCEPT RUSSIA

WMD-PPI addresses the vulnerability of selected non-Russian FSU states' borders to smuggling of WMD and related components. WMD-PPI expands the Program's traditional focus, WMD at its source, to address WMD on the move. Currently, WMD-PPI assists Azerbaijan, Kazakhstan, Ukraine, and Uzbekistan to develop functional, self-sustaining, multi-agency capabilities to prevent the proliferation of WMD-related materials, components, and technologies across their borders. Additionally, DoD works with recipient states to include commitments in CTR governing agreements for reporting WMD detections made with U. S. Government-provided assistance to the U.S. embassies in country.

WMD-PPI projects are implemented incrementally; projects do not proceed until successful implementation of a previous stage is ensured. This approach provides flexibility and management control while minimizing program risk. These projects are coordinated with other U.S. and international programs to leverage their assistance and avoid duplication of effort.

Executive Reviews: Executive Reviews were conducted in Baku, Azerbaijan in July 2007; in Kyiv, Ukraine in September 2007; and in Tashkent, Uzbekistan in November 2006. All of the reviews were held in conjunction with a PMR, where implementation issues were discussed. The Executive Review in Azerbaijan focused on planned installation of surveillance equipment on Azerbaijan Navy property for use by both the Navy and Coast Guard and the need for a joint concept of operations between the two services. The September 2007 meeting in Kyiv focused on the requirement to report any significant WMD alarms and Ukraine's request for assistance along the Ukraine-Belarus border. In November in Tashkent, participants discussed the requirement to report any significant WMD alarms obtained using DoD-provided equipment and a Protocol on Protection of Sensitive Information.

4.1.1 Land Border and Maritime Proliferation Prevention (Ukraine)

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: The Land Border Proliferation Prevention project assists Ukraine to develop a comprehensive WMD detection and interdiction capability for its border with Moldova, including land areas between POEs and waterways forming parts of the border. It is closely coordinated with DOE at common sites where the Second Line of Defense Program is installing portal monitors and with other U.S. Government and international donors, including the European Union, engaged in border security and WMD detection and interdiction activities.

The Maritime Proliferation Prevention project supports Ukraine's development of a comprehensive capability to detect and interdict WMD and related materials along its maritime border and adjacent Black Sea waters, including the Sea of Azov. The project enhances maritime surveillance; upgrades infrastructure and selected vessels; provides detection and vessel-boarding equipment; and enhances command and control, communications, and data-storage capabilities.

Description of Activities Carried Out in FY 2007: The land border project continued planning, implementation, and construction of a land border system surveillance architecture and

conducted a successful operational exercise that employed realistic proliferation threat scenarios that may be encountered. RTSC commenced construction of radar tower foundations as part of a comprehensive command and control systems architecture.

In the maritime project, enhancements proven viable within the project test area, such as radiological detection equipment and training, were provided to Customs and Border Guard units operating in POEs outside the test area. DoD continued patrol vessel repairs and upgrades, including installation of rigid hull inflatable boats and surveillance, communications, and navigation equipment. Design and construction of a shore-based maritime surveillance system and command and control network linking critical communication facilities began.

A&E: In June 2007, an A&E was conducted of the Land Border Proliferation Prevention project in the Kuchurgan Test Bed Corridor on the Ukraine/Moldovan border. The A&E team acted in concert with an internally led operational assessment team that conducted multiple border violation exercises and concluded that the test bed corridor is effectively achieving the intended goals. The executing team was satisfied with the reaction of the Ukraine Border Guard and Customs Committee elements. The A&E team concurred with this finding. After equipment accountability reviews, the team was satisfied with equipment maintenance and usage.

4.1.2 Caspian Sea Maritime Proliferation Prevention (Kazakhstan)

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: Assistance using FY 2008 and prior year funds will help Kazakhstan develop a WMD detection and interdiction capability for its Caspian Sea maritime border and adjacent waters as a companion to the Azerbaijan Caspian Sea Maritime Proliferation Prevention project. However, due to the less than full commitment of the maritime services to the proliferation prevention mission, restrictive legal framework, and VAT exemption concerns, the future of this project is uncertain.

Description of Activities Carried Out in FY 2007: A draft concept of operations was provided to Kazakhstan representatives. RTSC provided basic boarding team gear, radiological detection equipment, and training modules. Unitech delivered a training needs analysis and conducted several training sessions with Kazakhstani students.

4.1.3 Portal Monitoring (Uzbekistan)

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: DoD intended to use FY 2008 and prior year funds to provide a capability for nuclear detection and interdiction at key POEs via equipment, training, and logistics support to agencies with authority to monitor its borders, including MOD, which is the Executive Agent; the State Customs Committee and the State Border Protection Committee, which are implementing agents; and the Institute for Nuclear Physics. The lack of cooperation from the Government of Uzbekistan influenced DoD's decision to end the program in FY 2008. Installation of the final portal monitors and associated communications equipment for which access was allowed provides 81 percent coverage of all incoming and outgoing international traffic through Uzbekistan's POEs. DoD-provided maintenance has ended, and DOE has assumed maintenance for three years, assuming the Government of Uzbekistan permits site access by the Uzbekistan-based maintenance contractor and occasional visits by U.S. Government personnel. The State Customs Committee and Border Guard have assumed responsibility for training.

Description of Activities Carried Out in FY 2007: WGI finished installation of portal monitors, including communications upgrades, at 27 POEs and transitioned operation of the

monitors to the Uzbekistan State Customs Committee. WGI also implemented an Employee Fitness for Duty Program for Uzbekistan's State Customs Committee to increase the effectiveness of equipment installed for the detection and interdiction of WMD smuggling.

4.1.4 Caspian Sea Maritime Proliferation Prevention (Azerbaijan)

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: This project will develop a comprehensive capability for WMD surveillance and interdiction on Azerbaijan's Caspian Sea border. It will improve maritime surveillance equipment and procedures; repair and upgrade selected vessels; provide equipment for boarding crews, including WMD-detection devices; construct, repair, or upgrade command and control, maintenance, and logistics facilities; and provide related training systems. DoD will continue supporting repair of a total of five patrol vessels (one was completed in FY 2006), boarding team and small boat training, and an improved shipboard maintenance capability of the State Border Service-Coast Guard.

Description of Activities Carried Out in FY 2007: Two patrol vessels were repaired and tested at sea, and support for ship repair and maintenance capabilities continued. Repairs to the final two patrol vessels were planned and approved. The State Border Service-Coast Guard received comprehensive small-boat and boarding-team training, including an instructor-trainer curriculum designed to strengthen the indigenous capability to self-train and sustain mission capability. Initial design and site surveys were completed for a new maritime surveillance radar site on Chilov Island. This site will be operated by the Navy with a data feed being sent to the State Border Service-Coast Guard and will significantly enhance the surveillance of this Caspian Sea sector.

4.1.5 Fissile and Radioactive Material Proliferation Prevention (Kazakhstan)

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: A summary of this project is provided in a supplemental letter.

Description of Activities Carried Out in FY 2007: A description of activities is provided in a supplemental letter.

4.1.6 Expanded WMD-PPI Project Areas

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: DoD can implement new WMD-PPI projects following a U.S. Government-coordinated approval decision. Factors influencing development of a new initiative include the proliferation threat, political considerations, evolving relations with recipient states, signing of necessary agreements, and the impact of complementary DoD, related U.S., and international efforts. WMD-PPI projects will continue incremental implementation to provide maximum flexibility, optimize the use of funds, respond quickly to evolving requirements, and reduce program risk.

Description of Activities Carried Out in FY 2007: None.

4.2 DEFENSE AND MILITARY CONTACTS

Created in 1993 as a part of the larger CTR Program, the Defense and Military Contacts (DMC) program is a policy tool to promote U.S. and DoD-specific objectives in eligible FSU states through conferences, information exchanges, familiarization visits, traveling contact teams, and combined military exercises. These bilateral activities are designed to engage military and defense officials in activities that promote demilitarization, regional stability, counterproliferation, and defense reform; build security cooperation with the Eurasian states; and

promote exchanges that enhance interoperability with U.S. and NATO forces for multinational operations.

DMC activities in Russia seek to stem proliferation of its chemical, biological, and nuclear weapons and related technology. In other Eurasian states, including Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Ukraine, and Uzbekistan, DMC activities also seek to increase U.S. access to, and cooperation with, the region by strengthening defense partnerships. The development of these partnerships directly supports DoD's security cooperation goal of building defense relationships that promote specific U.S. security interests.

DMC activities are approved by the Office of the Assistant Secretary of Defense for International Security Affairs and the Office of the Assistant Secretary of Defense for Asian and Pacific Security Affairs, in coordination with the Joint Staff, the Combatant Commands, and U.S. Military Departments, to ensure that scheduled events support the Secretary of Defense's Security Cooperation Guidance and regional Combatant Commands' country and regional campaign plans.

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: Events will include Bilateral Defense Consultations between the Office of the Secretary of Defense and partner Ministers of Defense, exchange visits between the Chairman of the Joint Chiefs of Staff and his Eurasian-states counterparts, and consultative staff talks between U.S. Combatant Commanders and Eurasian military leaders. To support counterproliferation goals, the DMC program will sponsor exercises and traveling contact teams. In support of counterterrorism objectives, the program sponsors events such as military police familiarization exchanges and anti-terror traveling contact teams. The multi-year personnel reform effort to assist and encourage Eurasian nations to build on their progress in reforming Soviet-legacy defense institutions will continue.

Description of Activities Carried Out in FY 2007: More than 126 events were conducted. These events included: three bilateral defense consultations; a counterproliferation and counterterrorism exercise with Kazakhstan, Kyrgyzstan, and Tajikistan; a military/civil cooperation traveling contact team visit to Georgia; a mobility operations traveling contact team visit to Moldova; a disaster preparedness/consequence management traveling contact team visit to Russia; and National Guard State Partnership Program familiarizations and contact visits between eligible nations and partner states. The DMC program also supported key DoD and U.S. Combatant Command regional security initiatives in the Black Sea, Caucasus, Caspian Sea, and Central Asia regions.

4.3 WMD PROLIFERATION PREVENTION – NON-FSU

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: Using FY 2008 funds, projects authorized under this new program area may include the following activities: facilitate the elimination and safe and secure transportation and storage of nuclear, biological, or chemical weapons, materials, weapons components, or weapons-related materials; prevent the proliferation of nuclear, chemical, or biological weapons, weapons components, and weapons-related military technology and expertise; and facilitate detection and reporting of highly pathogenic diseases or other diseases that are associated with or that could be utilized as an early warning mechanism for disease outbreaks that could impact the homeland, Armed Forces, or allies of the United States.

Description of Activities Carried Out in FY 2007: None.

4.4 CHEMICAL WEAPONS DESTRUCTION – LIBYA

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: DoD continues to coordinate with the Department of State regarding a U.S. role to eliminate Libya’s weapons stockpile of 24.6 metric tons of mustard agent and approximately 864 metric tons of chemical weapons precursors in a safe, secure, and environmentally sound manner.

Description of Activities Carried Out in FY 2007: None

Figure 5: An estimate of the amount, in millions, which will be required by the United States to achieve Objective 4 of the Program.

<i>Program / Project</i>	<i>Prior Year</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY10-FY13</i>	<i>Total</i>
<i>WMD Proliferation Prevention Initiative (FSU)</i>					
Land Border and Maritime Proliferation Prevention (Ukraine)	\$49.3	\$25.4	\$17.8	\$40.2	\$132.7
Caspian Sea Maritime Proliferation Prevention (Kazakhstan)	\$5.9	\$0.2			\$6.1
Portal Monitoring (Uzbekistan)	\$34.6	\$0.1			\$34.7
Caspian Sea Maritime Proliferation Prevention (Azerbaijan)	\$58.3	\$9.5	\$9.7	\$23.3	\$100.8
Fissile and Radioactive Material Proliferation Prevention (Kazakhstan)	\$25.7	\$12.8	\$22.8	\$39.8	\$101.1
Expanded WMD-PPI Project Areas				\$101.2	\$101.2
<i>Defense and Military Contacts (FSU)</i>					
Defense and Military Contacts	\$72.5	\$8.0	\$8.0	\$32.0	\$120.5
<i>WMD Proliferation Prevention Initiative (FSU)</i>					
New Initiatives		\$10.0			\$10.0
<i>Chemical Weapons Destruction (Libya)</i>					
Chemical Weapons Destruction		\$5.0			\$5.0
Estimated Budget for FYDP	\$246.2	\$71.0	\$58.3	\$236.5	\$612.1

Objective 5: Synchronize CTR Activities with Related U.S. Government and Allied Programs

The Program makes every effort to coordinate project planning and implementation with recipient states and avoid duplication of effort by assistance program donors. Standard interagency coordination assisted by the National Security Council staff ensures that Program activities complement those of other agencies. As projects are planned and executed, DoD coordinates with the Office of the Secretary of Defense, the Joint Staff, the Combatant Commands, and U.S. Military Departments; with other U.S. Government departments and agencies such as the departments of State, Justice, Agriculture, Energy, Health and Human Services, and Homeland Security; with ministries and, as appropriate, other agencies of Canada, the United Kingdom, other Group of Eight countries, and donor nations of the Global Partnership; with the European Union; and with the agencies and departments of the recipient state.

OTHER PROGRAM SUPPORT

Other Program Support assists the overall implementation of the Program in areas not unique to established projects, such as negotiations on an implementing agreement. It includes the A&E program and overall program management and administration.

Audits and Examinations

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: A&Es are one means used to ensure that assistance provided is accounted for and used efficiently and effectively for its intended purpose. In accordance with umbrella and implementing agreements, the United States has the right to examine the use of any material, training, or other services provided under these agreements. A&Es may be performed during the three years following expiration of the umbrella agreements with Albania, Armenia, Azerbaijan, Georgia, Kazakhstan, Moldova, Russia, and Uzbekistan. In Ukraine, A&Es may be performed until expiration of the U.S.-Ukraine CTR Umbrella Agreement. Through FY 2007, the United States has conducted 179 A&Es in the recipient states.

Description of Activities Carried Out in FY 2007: DoD conducted nine A&Es: two in Ukraine, one in Georgia, and six in Russia. Dual-country A&Es planned for BTRP and WMD-PPI were cancelled or postponed because projects had not developed sufficiently to warrant auditing.

Accounting Activities for FY 2008: DoD plans to conduct 12 A&Es in FY 2008. In Russia, the teams will review assistance to the SOAE program and security enhancements in the Chemical Weapons Elimination program and will conduct up to three inspections of the Nuclear Weapons Storage Security program. Teams will also conduct inspections of the WMD-PPI assistance in Azerbaijan, Ukraine, and Uzbekistan. Finally, teams will review BTRP assistance in Georgia, Kazakhstan, Russia, and Uzbekistan.

Program Management/Administration

FY 2009–FY 2013 Five-Year Plan, Purpose, and Resources: Program management and administration funding supports activity not unique to established projects such as development of technical requirements during a project's initial stage before implementing agreements are signed. It also supports team travel expenses, translation and interpretation, a contract for Advisory and Assistance Services and Intergovernmental Personnel Act employees, and Defense Threat Reduction Offices at U.S. embassies in recipient states.

Description of Activities Carried Out in FY 2007: Advisory and Assistance Services were provided by the Threat Reduction Support Center team of more than 15 contractors through an incrementally funded contract, with Science Applications International Corporation as the prime contractor. Assistance included scientific, engineering, and technical expertise; development of Independent Government Cost Estimates; logistics, transportation, and export control expertise; drafting of issue papers, briefings, and reports for senior management; financial management and Planning, Programming, Budgeting, and Execution expertise; and technical and analytical support for source selection boards.

Figure 6: An estimate of the amount, in millions, which will be required by the United States to achieve Other Program Support for the Program.

<i>Program / Project</i>	<i>Prior Year</i>	<i>FY 2008</i>	<i>FY 2009</i>	<i>FY10-FY13</i>	<i>Total</i>
<i>Other Program Support</i>					
Audits and Examinations	\$4.8	\$0.5	\$0.5	\$2.0	\$7.8
Program Management/Administration	\$176.0	\$18.8	\$19.6	\$84.5	\$298.9
Estimated Budget for FYDP	\$180.8	\$19.3	\$20.1	\$86.5	\$306.7

Figure 7: Program Five-Year Plan funding by Objective in millions.

Objective	Prior Year	FY 2008	FY 2009	FY10-FY13	Total
1. Dismantle threat WMD and associated infrastructure	\$2,136.9	\$93.9	\$86.4	\$340.6	\$2,657.8
2. Consolidate and secure threat WMD and related technology and materials at the source and in transit	\$1,174.0	\$222.5	\$224.9	\$781.4	\$2,402.8
3. Increase transparency and encourage higher standards of conduct	\$71.4	\$19.2	\$24.4	\$58.9	\$173.9
4. Support defense and military cooperation with objective of preventing proliferation	\$246.2	\$71.0	\$58.3	\$236.5	\$612.1
Other Program Support	\$180.8	\$19.3	\$20.1	\$86.5	\$306.7
Completed Programs/Projects	\$2,104.2				\$2,104.2
Estimated Budget for FYDP	\$5,913.5	\$425.9	\$414.1	\$1,503.9	\$8,257.5

Figure 8: Program accountability actions for FY 2007.

Paragraph Reference	Program/Project	A&Es	DoD Trips	CIS Visits	Maint. Actions	On-Site Support
1.1	Strategic Offensive Arms Elimination - Russia		4			
1.1.1	Solid Propellant ICBM/SLBM and Mobile Launcher Elimination		3	58	257	Y
1.1.2	Liquid Propellant ICBM/SLBM Missile and Silo Elimination		4	33	168	Y
1.1.3	SLBM Launcher Elimination/SSBN Dismantlement		4	9	75	Y
2.1	Nuclear Weapons Storage Security - Russia					
2.1.1	Site Security Enhancements	2	15	6	145	
2.2	Nuclear Weapons Transportation Security - Russia		6			
2.2.1	Nuclear Weapons Transportation	2				
2.2.2	Railcar Maintenance and Procurement		3	4		
1.2	Chemical Weapons Destruction - Russia	1				
1.2.1	Chemical Weapons Destruction Facility			1		Y
	Chemical Weapons Production Facility Demilitarization		6			
1.3	Strategic Nuclear Arms Elimination - Ukraine					
1.3.1	SS-24 Missile Disassembly, Storage, and Elimination	1	2			Y
	Chemical Weapons Elimination - Albania		8			Y
2.4, 3.1	Biological Threat Reduction - Former Soviet Union		16			
2.4.1	Biosecurity, Biosafety, Threat Agent Detection and Response	2	23	6		Y
3.1.1	Cooperative Biological Research		7			Y
4.1	WMD Proliferation Prevention Initiative - FSU					
4.1.1	Land Border/Maritime Proliferation Prevention (Ukraine)	1	6			
4.1.2	Caspian Sea Maritime PP (Kazakhstan)		6	4		
4.1.3	Portal Monitoring (Uzbekistan)	1	2			
4.1.4	Caspian Sea Maritime PP (Azerbaijan)	1	6			
4.1.5	Fissile and Radioactive Materials PP (Kazakhstan)		2			
	CTR Integrated Services Program		1			
	Grand Totals	11	124	121	645	

APPENDIX A: CTR PROGRAM UMBRELLA AGREEMENTS AND IMPLEMENTING AGREEMENTS

This Appendix lists all umbrella agreements, implementing agreements, and memoranda of understanding concluded with FSU states for programs that are included in the five-year plan. Short titles used in the main body of this report are in parentheses. The official Department of State country codes are in parentheses after each recipient state name.

ARMENIA (AM)

Agreement between the Government of the United States of America and the Government of the Republic of Armenia Concerning Cooperation in the Area of Counterproliferation of Weapons of Mass Destruction, dated July 24, 2000 (U.S.-Armenia CTR Umbrella Agreement)

AZERBAIJAN (AJ)

Agreement between the Government of the United States of America and the Government of the Republic of Azerbaijan Concerning Cooperation in the Area of Counterproliferation of Weapons of Mass Destruction and Defense Activities, dated September 28, 1999 (U.S.-Azerbaijan CTR Umbrella Agreement)

Agreement Between the Department of Defense of the United States of America and the Cabinet of Ministers of the Republic of Azerbaijan Concerning Cooperation in Preventing the Proliferation of Weapons of Mass Destruction, dated January 2, 2004, as amended October 28, 2004, August 26, 2005, July 11, 2006, and April 24, 2007 (WMD-PPI Implementing Agreement)

Agreement Between the Department of Defense of the United States of America and the Cabinet of Ministers of the Republic of Azerbaijan Concerning Cooperation in the Area of Prevention of Proliferation of Technology, Pathogens and Expertise that Could Be Used in the Development of Biological Weapons, dated June 6, 2005, as amended June 23, 2006, March 6, 2007, and October 5, 2007 (Biological Threat Reduction Implementing Agreement - Azerbaijan)

GEORGIA (GG)

Agreement Between the United States of America and Georgia Concerning Cooperation in the Area of the Prevention of Proliferation of Weapons of Mass Destruction, and the Promotion of Defense and Military Relations, dated July 17, 1997, and as extended May 17, 2002 (U.S.-Georgia CTR Umbrella Agreement)

Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of Georgia Concerning Cooperation in the Area of Prevention of Proliferation of Technology, Pathogens and Expertise Related to the Development of Biological Weapons, dated December 30, 2002, as amended March 23, 2004, August 30, 2004, November 3, 2005, June 23, 2006, and March 6, 2007 (Biological Threat Reduction Implementing Agreement - Georgia)

KAZAKHSTAN (KZ)

Agreement Between the United States of America and the Republic of Kazakhstan Concerning the Destruction of Silo Launchers of Intercontinental Ballistic Missiles, Emergency Response, and the Prevention of Proliferation of Nuclear Weapons, dated December 13, 1993, as extended December 5, 2000, and as amended and extended December 13, 2007 (U.S.-Kazakhstan CTR Umbrella Agreement)

Memorandum of Understanding and Cooperation on Defense and Military Relations Between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Kazakhstan, dated February 14, 1994 (Defense and Military Contacts Memorandum of Understanding (MOU))

Agreement Between the Department of Defense of the United States of America and the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan Concerning the Elimination of Infrastructure for Weapons of Mass Destruction, dated October 3, 1995, as amended June 10, 1996, September 9, 1998, December 17, 1999, July 29, 2000, May 31, 2002, April 2, 2003, June 28, 2004, December 7, 2004, August 23, 2005, and May 2, 2006 (WMDIE Implementing Agreement)

MOLDOVA (MD)

Memorandum on Cooperation on Defense and Military Relations Between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Moldova, dated December 4, 1995 (Defense and Military Contacts MOU)

RUSSIA (RS)

Agreement Between the United States of America and the Russian Federation Concerning the Safe and Secure Transportation, Storage and Destruction of Weapons and the Prevention of Weapons Proliferation, dated June 17, 1992, as amended February 3, 2005, and as amended and extended June 15/16, 1999 and June 16, 2006 (U.S.-Russia CTR Umbrella Agreement)

Agreement Between the Department of Defense of the United States of America and the Federal Agency for Industry Concerning the Safe, Secure and Ecologically Sound Destruction of Chemical Weapons, dated July 30, 1992, as amended March 18, 1994, May 28, 1996, April 10, 1997, December 29, 1997, January 14, 1999, November 14, 2000, August 29, 2002, October 23, 2002, March 17, 2003, March 18, 2003, September 23, 2003, July 28, 2004, October 6, 2005, September 8, 2006, and May 21, 2007 (Chemical Weapons Destruction Implementing Agreement)

Agreement Establishing an International Science and Technology Center, dated November 27, 1992 (ISTC Agreement)

Agreement Between the Department of Defense of the United States of America and the Federal Space Agency Concerning Cooperation in the Elimination of Strategic Offensive Arms, dated August 26, 1993, as amended April 3, 1995, June 19, 1995, May 27, 1996, April 11, 1997, February 11, 1998, June 9, 1998, August 16, 1999, August 8, 2000, June 9, 2003, September 25,

2003, January 14, 2005, May 25, 2006, and April 27, 2007, and as amended and extended August 30, 2002 and September 5, 2006 (**SOAE Implementing Agreement**)

Memorandum of Understanding and Cooperation on Defense and Military Relations Between the Department of Defense of the United States of America and the Ministry of Defense of the Russian Federation, dated September 8, 1993 (**Defense and Military Contacts MOU**)

Agreement Between the Government of the United States of America and the Government of the Russian Federation on Science and Technology Cooperation, dated December 16, 1993 (**Science and Technology Cooperation Russia Implementing Agreement**)

Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of the Russian Federation Concerning Cooperation in Nuclear Weapons Storage Security through Provision of Material, Services, and Related Training, dated April 3, 1995, as amended June 21, 1995, May 27, 1996, April 8, 1997, January 14, 1999, November 1, 1999, June 12, 2000, September 19, 2002, July 12, 2004, May 5, 2005, March 22, 2006, February 21, 2007, and November 15, 2007 and as extended January 14, 1999, January 25, 2000, and June 17, 2006 (**NWSS Implementing Agreement**)

Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of the Russian Federation Concerning Cooperation in Nuclear Weapons Transportation Security through Provision of Material, Services, and Related Training, dated April 3, 1995, as amended June 21, 1995, May 27, 1996, June 12, 2000, February 28, 2002, September 19, 2002, March 26, 2003, March 5, 2004, July 12, 2004, May 23, 2005, August 26, 2005, March 22, 2006, and February 21, 2007, and as extended January 14, 1999, January 25, 2000, and June 17, 2006 (**NWTS Implementing Agreement**)

Memorandum of Agreement Between the Government of the United States of America and the International Science and Technology Center Concerning the Contribution of Funds for Approved Projects to Facilitate the Nonproliferation of Weapons and Weapons Expertise, dated April 15, 1996, as amended by annexes May 23, 1997, May 21, 1998, and January 26, 1999, and by amendments to the annex of January 26, 1999, June 29, 1999, and September 18, 2000 (**ISTC Funding Memorandum of Agreement**)

UKRAINE (UP)

Agreement Between the United States of America and Ukraine Concerning Assistance to Ukraine in the Elimination of Strategic Nuclear Arms, and the Prevention of Proliferation of Weapons of Mass Destruction, dated October 25, 1993, as amended August 27, 2002 and September 18, 2003, and as extended July 29, 1999 and December 15, 2006 (**U.S. - Ukraine CTR Umbrella Agreement**)

Memorandum of Understanding and Cooperation on Defense and Military Relations Between the Department of Defense of the United States of America and the Ministry of Defense of Ukraine, dated July 27, 1993 (**Defense and Military Contacts MOU**)

Agreement to Establish a Science and Technology Center in Ukraine, dated October 25, 1993 (**Science and Technology Center Ukraine Agreement**)

Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of Ukraine Concerning the Provision of Material, Services, and Related Training to Ukraine in Connection with the Elimination of Strategic Nuclear Arms, dated December 5, 1993, as amended December 18, 1993, March 21, 1994, April 1, 1995, June 27, 1995, June 4, 1996, May 1, 1997, June 12, 1998, July 10, 1999, July 28, 2000, December 4, 2000, and September 9, 2002, and as extended January 31, 2001 and January 5, 2007 (SNAE Implementing Agreement)

Agreement Between the Department of Defense of the United States of America and the Ministry of Economy of Ukraine on the Provision of Assistance to Ukraine in Establishing an Export Control System in Order to Prevent the Proliferation from Ukraine of Weapons of Mass Destruction, dated October 22, 2001, as amended March 26, 2004, June 27, 2005, September 12, 2006, and August 17, 2007 (Export Control Implementing Agreement)

Agreement between the Department of Defense of the United States of America and the Ministry of Health of Ukraine Concerning Cooperation in the Area of Prevention of Proliferation of Technology, Pathogens and Expertise that Could Be Used in the Development of Biological Weapons, dated August 29, 2005 (Biological Threat Reduction Implementing Agreement - Ukraine)

UZBEKISTAN (UZ)

Agreement Between the Government of the United States of America and the Government of the Republic of Uzbekistan Concerning Cooperation in the Area of the Promotion of Defense Relations and the Prevention of Proliferation of Weapons of Mass Destruction, dated June 5, 2001 (U.S.-Uzbekistan CTR Umbrella Agreement)

Implementing Agreement on Border Security Assistance Between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Uzbekistan Under the Agreement Concerning Cooperation in the Area of the Dismantlement of Weapons of Mass Destruction, the Prevention of Proliferation of Weapons of Mass Destruction, and the Promotion of Defense and Military Relations, dated June 2, 2000, as amended March 26, 2002, October 17, 2003, May 23, 2005, October 11, 2006, and January 5, 2007, and as amended and extended October 22, 2004 (Border Security Assistance Implementing Agreement)

Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Uzbekistan Concerning Cooperation in the Area of Demilitarization of Biological Weapons Associated Facilities and the Prevention of Proliferation of Biological Weapons Technology, dated October 22, 2001, as amended July 29, 2003, May 17, 2004, September 10, 2004, December 19, 2005, October 11, 2006, and January 5, 2007 (Biological Threat Reduction Implementing Agreement - Uzbekistan)

APPENDIX B: PROGRAM NOTIFICATIONS, OBLIGATIONS, AND EXPENDITURES IN MILLIONS

Program Name	Notified in FY 2007	Cumulative Notified	Obligated in FY 2007	Cumulative Obligations	Expended in FY 2007	Cumulative Expenditures
Biological Threat Reduction Program (FSU)	\$72.36	\$436.04	\$87.78	\$433.97	\$80.15	\$333.52
Nuclear Weapons Storage Security (RS)	\$92.85	\$746.45	\$81.61	\$729.24	\$122.96	\$533.10
Nuclear Weapons Transportation Security (RS)	\$32.75	\$190.83	\$36.07	\$189.74	\$22.02	\$146.34
Chemical Weapons Destruction (RS)	\$42.70	\$1,134.75	\$38.08	\$1,117.09	\$105.73	\$763.25
Chemical Weapons Destruction (Albania)	\$10.00	\$48.40	\$13.14	\$47.61	\$27.30	\$42.51
WMD Proliferation Prevention Initiative (FSU)	\$27.22	\$173.72	\$28.51	\$163.28	\$45.58	\$128.73
Strategic Offensive Arms Elimination (RS)	\$63.74	\$1,246.44	\$66.74	\$1,239.93	\$76.50	\$1,161.77
Strategic Nuclear Arms Elimination (UP)	\$3.00	\$499.88	\$2.24	\$495.17	\$2.03	\$484.18
Other Assessments/Administration Costs	\$18.25	\$180.75	\$19.01	\$177.80	\$10.05	\$157.18
Defense and Military Contacts (FSU)	\$7.75	\$72.52	\$4.44	\$58.78	\$4.62	\$48.31
Strategic Offensive Arms Elimination (KZ)	\$0.00	\$59.49	\$0.00	\$59.47	\$0.03	\$58.85
WMD Infrastructure Elimination (KZ)	\$0.00	\$42.00	(\$0.01)	\$41.90	(\$0.01)	\$41.71
Industrial Partnering Program (FSU)	\$0.00	\$10.00	\$0.00	\$10.00	(\$0.00)	\$9.87
Fissile Material Storage Facility (RS)	\$0.00	\$331.88	(\$1.73)	\$321.34	\$0.03	\$319.65
WMD Infrastructure Elimination (UP)	\$0.00	\$25.10	\$0.00	\$24.98	\$1.26	\$23.94
Nukus Chemical Research (UZ)	\$0.00	\$8.36	\$0.00	\$8.35	(\$0.00)	\$8.33
Programs with no financial activity in FY 2007	\$0.00	\$706.88	\$0.00	\$701.90	\$0.00	\$693.81
Total CTR Program	\$370.62	\$5,913.50	\$375.89	\$5,820.54	\$498.25	\$4,955.07

APPENDIX C: FINANCIAL COMMITMENTS FOR FY 2008 FROM THE INTERNATIONAL COMMUNITY AND RUSSIA FOR THE CHEMICAL WEAPONS DESTRUCTION FACILITY AT SHCHUCH'YE, RUSSIA

FY 2008 Financial Commitment from the International Community

The international community has committed more than \$210 million* for infrastructure and other support to construct the nerve-agent destruction facility at Shchuch'ye. As agreed by Group of Eight leaders at the Kananaskis Summit in June 2002, Chemical Weapons Destruction in Russia is a high priority for the Group of Eight Global Partnership against the Spread of Weapons and Materials of Mass Destruction. Since that summit, several countries have announced commitments under the Global Partnership to support Russian Chemical Weapons Destruction, including Shchuch'ye. Specific international commitments for Shchuch'ye include:

- Belgium: Provided €235,000 (≈ \$333,700) for an electrical infrastructure project at Shchuch'ye through the UK Global Partnership program of assistance to Russia.
- Canada: Signed an MOU with the UK in November 2003 to provide C\$33 million (≈ \$33.4 million) for construction of an 18 kilometer railway linking the Planovy storage facility to the Shchuch'ye CWDF through the UK-Russia bilateral agreement. In January 2005, Canada signed an MOU with the UK for additional contributions to Shchuch'ye CWDF construction. Canada committed C\$10 million (≈ \$10.3 million) for key infrastructure projects at Shchuch'ye, including a local warning system to broadcast chemical contamination threat information, and up to C\$55 million (≈ \$56.7 million) for the procurement of equipment for the second destruction building.
- Czech Republic: Provided CZK6 million (Czech crowns) (≈ \$310,000) for electrical infrastructure projects at Shchuch'ye through the UK Global Partnership program. A further contribution of CZK2 million (≈ \$106,000) expected at the end of 2007 has been delayed.
- Denmark: Provided €225,000 (≈ \$319,500) to support the Green Cross Chemical Weapons Destruction public outreach program in Russia. It is unclear if this will directly support Shchuch'ye CWDF public outreach efforts.
- European Union: Provided €2.1 million (≈ \$2.98 million) for the electrical infrastructure at Shchuch'ye through the UK Global Partnership program. In March 2007, the European Union approved a joint action committing an additional €3.145 million (≈ \$4.47 million) to the electrical infrastructure project.
- Finland: Provided €325,000 (≈ \$462,000) of a total commitment of €665,000 (≈ \$944,000) to support the Green Cross Chemical Weapons Destruction public outreach program in Russia. It is unclear if this will support Shchuch'ye CWDF public outreach efforts.
- France: Provided €8.377 million (≈ \$11.9 million) for equipment for a second destruction line at Shchuch'ye through the UK Global Partnership program and €6.1 million (≈ \$8.66

* Amounts stated in U.S. dollars are approximate because of the fluctuation of currency exchange rates. The total international commitment includes non-U.S. and non-Russia commitments.

million) for an environmental survey of the Shchuch'ye CWDF through a direct bilateral agreement with Russia.

- Ireland: Provided €80,000 (≈ \$114,000) toward procurement of a key item of equipment for the destruction process at Shchuch'ye through the UK Global Partnership program. Ireland plans to further contribute €30,000 (≈ 42,600) in 2008.
- Italy: Provided €7.7 million (≈ \$10.3 million) for one section of gas pipeline in Shchuch'ye and committed €5 million (≈ \$7.1 million) for an additional section of gas pipeline.
- Netherlands: Provided €1.5 million (≈ \$2.13 million) for the manufacture of a metal parts furnace for the Shchuch'ye CWDF through the UK Global Partnership program. Provided €48,700 (≈ \$61,150) for an assessment of social infrastructure investment and community development needs in the Shchuch'ye area and committed €43,300 (≈ \$61,500) through Green Cross for public outreach. The Netherlands has also approved a commitment of €4.13 million (≈ \$5.9 million) toward the shipment of the furnace and installation of an electrical power project at Shchuch'ye.
- New Zealand: Provided NZD1.9 million (New Zealand dollars) (≈ \$1.4 million) for an electrical infrastructure project at Shchuch'ye through the UK Global Partnership program.
- Norway: Provided 9.5 million NK (Norwegian kroner) (≈ \$1.8 million) for electrical infrastructure projects at Shchuch'ye through the UK Global Partnership program.
- Sweden: Provide 5.5 million SEK (Swedish kronor) (≈ \$880,000) for an electrical infrastructure project at Shchuch'ye through the UK Global Partnership program and provided 500,000 SEK (≈ \$80,000) to the Green Cross.
- Switzerland: Committed CHF\$500,000 (Swiss francs) (≈ \$425,000) for a sanitary and hygiene monitoring system in Shchuch'ye through the UK Global Partnership program.
- United Kingdom: Spent £14 million (≈ \$28.6 million) at Shchuch'ye on water and electricity infrastructure projects and equipment for the destruction process. A further £10 million (\$20.4 million) is expected to be spent at Shchuch'ye. The UK also is implementing projects on behalf of other international donors, as detailed in this list. The UK will continue to provide assistance, in cooperation with Canada, at a similar CWDF at Kizner.
- The Nuclear Threat Initiative, a non-governmental organization: Provided \$1.0 million to the Canadian railway project at Shchuch'ye to construct a railway bridge. The Initiative's contribution was implemented through the UK Global Partnership program.

FY 2008 Financial Commitment from the Russian Federation

The Russian Federation spent a total of 19.28 billion rubles (≈ \$774.3 million) on chemical weapons elimination in 2007 and subsequently reported that 1.316 billion rubles (≈ \$52.9 million) of that was spent on Shchuch'ye. Total Russian funding for Shchuch'ye to date is ≈ \$254.2 million.

**APPENDIX D: SECTION 1307 OF THE NDAA FOR FY 1999 SUMMARY
OF AMOUNT, IN THOUSANDS, REQUESTED BY PROJECT
CATEGORY**

Program	Project	FY 2007	FY 2008	FY 2009
Strategic	Offensive Arms Elimination - Russia	\$63,735	\$90,652	\$79,985
	Solid Propellant ICBM/SLBM and Mobile Launcher Elimination	\$45,380	\$33,550	\$37,149
	Liquid Propellant ICBM/SLBM and Silo Elimination	\$12,400	\$27,842	\$30,750
	SLBM Launcher Elimination/SSBN Dismantlement	\$5,955	\$29,260	\$12,086
Nuclear Weapons Storage Security - Russia		\$92,850	\$45,516	\$24,101
	Site Security Enhancements	\$60,911	\$16,662	\$24,101
	Far East Training Center	\$9,461	\$2,856	
	Automated Inventory Control Management System	\$22,478	\$25,998	
Nuclear Weapons Transportation Security - Russia		\$32,750	\$37,700	\$40,800
	Nuclear Weapons Transportation	\$10,718	\$16,417	\$13,990
	Railcar Maintenance and Procurement	\$22,032	\$21,283	\$26,810
Chemical Weapons Destruction - Russia		\$42,700	\$1,000	
	Chemical Weapons Destruction Facility	\$42,700	\$1,000	
Biological Threat Reduction - FSU		\$72,357	\$158,489	\$184,463
	BW Infrastructure Elimination	\$541		
	Biosecurity, Biosafety, Threat Agent Detection and Response	\$66,064	\$139,249	\$160,049
	Cooperative Biological Research	\$5,752	\$19,240	\$24,414
WMD Proliferation Prevention Initiative - FSU		\$32,223	\$47,986	\$50,286
	Land Border and Maritime Proliferation Prevention (Ukraine)	\$7,231	\$25,382	\$17,766
	Caspian Sea Maritime Proliferation Prevention (Kazakhstan)	\$603	\$153	
	Portal Monitoring (Uzbekistan)	\$1,892	\$92	
	Caspian Sea Maritime Proliferation Prevention (Azerbaijan)	\$11,519	\$9,526	\$9,733
	Fissile and Radioactive Material Proliferation Prevention (Kazakhstan)	\$10,978	\$12,833	\$22,787
Defense and Military Contacts - FSU		\$7,750	\$8,000	\$8,000
	Defense and Military Contacts	\$7,750	\$8,000	\$8,000
Other Assessments/Administrative Costs		\$18,250	\$19,348	\$20,100
	Audits and Examinations	\$500	\$500	\$500
	Program Management/Administration	\$17,750	\$18,848	\$19,600
Chemical Weapons Elimination - Albania		\$5,000		
	Chemical Weapons Elimination	\$5,000		
Strategic Nuclear Arms Elimination - Ukraine		\$3,000	\$2,233	\$6,400
	SS-24 Missile Disassembly, Storage, and Elimination	\$3,000	\$2,233	\$6,400
WMD Proliferation Prevention - Non-FSU			\$10,000	
	New Initiatives		\$10,000	
Chemical Weapons Elimination - Libya			\$5,000	
	Chemical Weapons Elimination		\$5,000	
Total		\$370,615	\$425,924	\$414,135

APPENDIX E: REPORT ON COOPERATIVE THREAT REDUCTION MOSCOW TREATY ASSISTANCE PURSUANT TO S. EXEC. RPT. 108-1, SECTION 2(1)

This Senate Report, dated March 6, 2003, regarding advice and consent to ratification of the Moscow Treaty states: “Recognizing that implementation of the Moscow Treaty is the sole responsibility of each party, not later than 60 days after the exchange of instruments of ratification of the Treaty, and annually thereafter on February 15, the President shall submit to the Committee on Foreign Relations and the Committee on Armed Services of the Senate a report and recommendations on how United States Cooperative Threat Reduction assistance to the Russian Federation can best contribute to enabling the Russian Federation to implement the Treaty efficiently and maintain the security and accurate accounting of its nuclear weapons and weapons-usable components and material in the current year. The report shall be submitted in both unclassified and, as necessary, classified form.” (S. Exec. Rpt. 108-1, 2 (1)).

Overview

The Moscow Treaty, effective June 1, 2003, obligates each party to reduce and limit its aggregate number of operationally deployed strategic nuclear warheads to between 1,700 and 2,200 by December 31, 2012. Russia has announced plans to reduce warheads by removing from service and eliminating missile systems, submarines, and heavy bombers that have reached the end of their service life. Russia also announced plans to reduce warheads by converting silo launchers of ICBMs, launchers of SLBMs, and heavy bombers to newer types or variants of strategic offensive arms with reduced numbers of warheads.

Program activities that address Russia’s strategic nuclear systems and infrastructure directly support implementation of the Moscow Treaty. Some projects dismantle ICBMs; silo launchers and road-mobile ICBM launchers; SLBMs, SLBM launchers, and the reactor cores of associated submarines; and related strategic infrastructure. Other projects support consolidation, securing, and accounting for nuclear weapons and fissile material removed from nuclear weapons.

Current Year (FY 2008) Planned Activities

Strategic Offensive Arms Elimination: DoD is assisting Russia by contracting for and overseeing the destruction of strategic weapons delivery systems and associated infrastructure in accordance with all relevant START provisions and agreements, including the START Conversion or Elimination Protocol. The following work is expected to be completed in FY 2008:

Solid Propellant ICBM/SLBM and Mobile Launcher Elimination. DoD plans to eliminate the remaining 6 SS-24 ICBMs, 46 SS-25 ICBMs, 10 SS-N-20 SLBMs, and 27 SS-25 road-mobile launchers. DoD will also decommission two SS-25 regiments.

Liquid Propellant ICBM/SLBM Missile and Silo Elimination. DoD plans to eliminate 22 SS-19 silos and decommission 10 SS-18 silos and 10 SS-19 silos. DoD also will eliminate 13 SS-18 ICBMs and 24 SS-19 ICBMs.

SLBM Launcher Elimination/SSBN Dismantlement. DoD will complete dismantlement of *Typhoon*-class SSBN 713 and will initiate elimination of 20 launchers from *Typhoon*-class SSBN 724.

Nuclear Weapons Storage Security: This program supports U.S. proliferation prevention objectives by enhancing the security, safety, and control of Russia's stored nuclear weapons destined for dismantlement.

Site Security Enhancements. This project enhances the safety and security of MOD's nuclear weapons storage sites, including national stockpile sites; operational base storage sites under the control of or supporting Russia's 12th Main Directorate, Air Force, and former Strategic Rocket Forces; and some temporary storage sites, such as rail transfer points. Security upgrades will be completed at nine sites during FY 2008 and at three sites in FY 2009.

Automated Inventory Control and Management System. This project enhances the safety and security of MOD's nuclear weapons. AICMS II will augment and enhance the AICMS I inventory and management system for MOD's nuclear weapons, expanding the system to include a total of up to 33 sites and providing a hardware and software upgrade of the existing system, training, and one year of warranty for the hardware and software.

Far East Training Center. This project will enhance the Site Security Enhancements project by providing a training center located in the Far East for all MOD forces that work with the various physical protection systems the U.S. Government procured. Work will continue on the construction of two new buildings and the refurbishment of the administration building.

Nuclear Weapons Transportation Security: This program supports U.S. proliferation prevention objectives by enhancing the security and safety of Russia's nuclear weapons during shipment to consolidated storage sites and dismantlement facilities.

Nuclear Weapons Transportation. This project assists MOD's shipment of nuclear warheads from deployment sites to central storage and dismantlement locations. DoD expects to support 48 train shipments.

Railcar Maintenance and Procurement. This project is intended to ensure that the 200 nuclear weapons cargo railcars and 15 guard railcars maintain the required Ministry of Railways certification. DoD will procure up to 100 cargo railcars to replace existing railcars at the end of their service life. MOD will destroy two old railcars for each new railcar built.

Fissile Material Storage Facility: The FMSF provides centralized, safe, secure, and ecologically sound storage for fissile material removed from nuclear weapons. The project supports U.S. proliferation prevention objectives through enhanced material control, accounting, and transparency. Enhanced transparency provides confidence that stored weapons-grade fissile material is safe and secure and that fissile material derived from the destruction of nuclear weapons has not been removed for any military purpose.

The FMSF was completed and commissioned on December 11, 2003, and FAEA announced that it had commenced loading in July 2006. A draft legal framework, separate Liability Agreement, and Transparency Protocol have been negotiated, but the agreements have not been finalized. Monitoring designed to measure certain attributes of the stored material should begin after the agreements are signed.

APPENDIX F: ANNUAL CERTIFICATION ON USE OF FACILITIES BEING CONSTRUCTED FOR COOPERATIVE THREAT REDUCTION PROJECTS OR ACTIVITIES

Section 1307 of the NDAA for FY 2004 requires the Secretary of Defense to submit to the congressional defense committees a certification for each facility where CTR-funded construction occurred during the preceding fiscal year. The certification must address the following three requirements:

“(1) Whether or not such facility will be used for its intended purpose by the government of the state of the former Soviet Union in which the facility is constructed;

(2) Whether or not the government of such state remains committed to the use of such facility for its intended purpose; and

(3) Whether those actions needed to ensure security at the facility, including secure transportation of any materials, substances, or weapons to, from, or within the facility, have been taken.”

The following activities have met the above three requirements:

Nuclear Weapons Storage Security - Russia

Site Security Enhancements: DoD is supporting the physical security upgrades at 24 permanent and temporary nuclear weapons storage sites. The upgrades include state-of-the-art security system technologies and security force response and access control facilities to enhance MOD’s capabilities to detect, assess, and respond to unauthorized entries. Construction necessary for security enhancements for 12 sites was completed by FY 2006. Twelve additional sites are under contract, with the first four scheduled for completion by end of the first quarter of FY 2008. The remaining eight sites are expected to be complete by December 2008.

Far East Training Center: In 2005, DoD began a three-phased approach to upgrading the Far East Training Center at Khabarovsk. It will be a training facility for all branches of MOD providing security for WMD, specifically supporting operators, maintainers, and system administrators of the approved “objective suite” of physical equipment. Phase I (Needs Assessment) was completed in March 2006. Phase II (Design), which includes completion of the design agreed upon in August 2007 and procurement, is scheduled for completion by August 2008. Phase III (Construction, Outfitting, and Transfer of Custody) began during August 2007 following signing of the construction contract with Eleron. The Far East Training Center is projected to be completed and custody transferred in December 2008.

Chemical Weapons Destruction - Russia

Chemical Weapons Destruction Facility: DoD is assisting FAI to design and construct a facility at Shchuch’ye, Russia to eliminate its most proliferable nerve-agent weapons. The facility will have the capacity to destroy nerve agent from the Planovy stockpile prior to 2012, in compliance with the Chemical Weapons Convention. Construction of the CWDF began in March 2003, with completion expected by July 2009.

Strategic Offensive Arms Elimination - Russia

SS-25 Solid Rocket Motor Burn Facility: In August 2005, DoD and FSA began a three-phase project to repair and equip a facility located at Krasnoarmeysk, Russia to support burning SS-25 SRMs through 2014. All work was completed in October 2007. This joint project provided a full operational capability to burn propellant from SS-25 SRMs. In addition, DoD and FSA created a new capability to eliminate more dangerous SS-24 and SS-25 SRMs with known anomalies. The burning of propellant from SS-25 SRMs has proceeded in parallel with the ongoing construction activities and is planned to continue for the foreseeable future.

Biological Threat Reduction – FSU

Biosecurity and Biosafety and Threat Agent Detection and Response Projects: There were 17 active BTRP construction projects. Five were completed, and twelve continue into FY 2008. They are:

Azerbaijan:

- Completed in September 2007: Interim Veterinary CRL at the Republican Veterinary Laboratory in Baku.
- Ongoing: Interim Human CRL at the Anti-Plague Station in Baku.

Georgia:

- Completed in March 2007: ZDL at the Regional Veterinary Laboratory in Kutaisi.
- Ongoing: CRL in Tbilisi.

Kazakhstan:

- Completed in April 2007: ZDL at the National Veterinary Center in Astana.
- Ongoing: ZDL at the Anti-Plague Station in Uralsk.

Ukraine:

- Ongoing: ZDLs at the Central Sanitary-Epidemiologic Station in Kyiv and Oblast Sanitary-Epidemiologic Station in Odessa; Interim CRL at the Ukrainian Research and Anti-Plague Institute in Odessa.

Uzbekistan:

- Completed in September 2007: ZDL at the Sanitary and Epidemiological Service in Samarqand.
- Ongoing: Human and Veterinary ZDLs in Karshi.

Russia:

- Completed in June 2007: Biosecurity and biosafety renovations at the All Russia Research Institute of Phytopathology in Golitsino.
- Ongoing: Biosecurity and biosafety renovations are underway at Pokrov Biologics plant in Pokrov, the All Russia Research Veterinary Institute at Kazan, the State Research Center of Virology and Biological Technology in Novosibirsk, and the All Russia Research Institute for Animal Health in Vladimir.

APPENDIX G: REPORT RELATING TO CHEMICAL WEAPONS DESTRUCTION AT SHCHUCH'YE, RUSSIA

This report is provided in compliance with P.L. 110-181 (NDAA for FY 2008), Section 1307, which provides that “not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the Shchuch’ye project” that includes a current and detailed cost estimate and a specific strategic and operating plan for completion of the project.

DoD is assisting Russia to destroy its stockpile of lethal chemical weapons through the creation of a safe and secure Chemical Weapons Destruction Facility at Shchuch’ye, Russia for the elimination of approximately 2 million rounds of man-portable organophosphorus (nerve) agent-filled projectile and rocket artillery munitions. The CWDF is designed with two chemical weapons processing buildings: one to be built by DoD with a destruction capacity of up to 500 metric tons per year, and one to be built by Russia’s Federal Agency for Industry with an additional destruction capacity of up to 700 metric tons per year. In addition, DoD assistance provides the entire industrial zone infrastructure required to support the full capacity (1200 metric tons per year) operation of the CWDF.

From 2005 to 2007, Parsons, DoD’s integrating contractor, was unable to obtain reasonable bids from Russian subcontractors for the two chemical weapons destruction process buildings critical to completion of the CWDF. To continue with the existing acquisition strategy would have compromised DoD’s objectives of avoiding further delays that would preclude Russia from destroying the agent in compliance with the Chemical Weapons Convention and completing the CWDF within the approved U.S. budget. As a result, DoD and FAI in May 2007 signed an amendment to the CTR Chemical Weapons Destruction Implementing Agreement that included a joint commitment to develop a reorganized management system for completion of the CWDF. On May 23, 2007, DoD and FAI signed the Joint Arrangement for Completion of CWDF Construction.

The arrangement established the joint management plan to control costs by outlining respective roles and responsibilities for the United States and Russia and instituting procedures for awarding, implementing, and paying contracts for completing construction and commissioning the CWDF. The arrangement provides a process for prior review and approval of funds to pay for Russian-awarded trilateral contracts, establishes Russia’s responsibility to manage and oversee these contracts, and establishes U.S. responsibility to verify work completed and pay associated invoices. The arrangement also provides a mechanism for dispute resolution; a means of transferring ongoing construction work to Russia from the DoD integrating contractor; a system for advance payments with security for such payments; and a process for invoice validation, verification, and payment.

The arrangement provides robust project management and oversight. DoD maintains oversight of the CWDF project through verification of completed work on FAI-awarded trilateral contracts and tracks project costs and the disbursement of payments against the Russian work plan. FAI negotiates, awards, and manages the daily construction activities and validates completed work accomplished by the Russian implementing organizations. FAI is also responsible for quality control, ensuring that construction meets specifications under Russian law

and construction codes, and completing CWDF construction if U.S. funds are insufficient for any reason. FAI collects invoices for the validated work from the implementing organizations and submits them to Vneshtroimport, Parsons' Russian subcontractor, for payment. Vneshtroimport, as the third party signatory to the trilateral contracts, reviews the invoices from FAI and forwards them to Parsons for payment. U. S. Government representatives verify that the work has been completed through visits to the CWDF worksite. If work cannot be verified, the value of that work is identified as "disputed," and payment is withheld until the work is verified.

DoD transferred all remaining CWDF construction work to FAI, and as of the end of December 2007, FAI had awarded trilateral contracts for all remaining major construction activity. Most significantly, these initiatives enabled FAI to take ownership of the CWDF project, accept responsibility for its completion, and state its intention to initiate operation of the facility in two phases. The first phase, using processing building 101A, is on contract to begin chemical weapons destruction in December 2008. The second phase, using processing building 101, is expected to begin chemical weapons destruction in July 2009. When the second processing building begins operation, DoD will consider the CWDF project at Shchuch'ye complete. Russia has accepted responsibility for funding, through other means, any budgetary requirements beyond the \$1.0392 billion that the United States has provided to complete the project.

The \$1.0392 billion in CTR funds that DoD has provided for the CWDF project has been allocated as follows:

- \$662.4 million was provided from project inception in 1993 to May 2007 when the trilateral contracting strategy was initiated. These funds were used to complete planning and process/facility design work; preconstruction preparation, including clearing, draining, and grading; equipment development/procurement; and approximately 52 percent of the construction on site.
- Since the implementation of the trilateral contracting strategy in May 2007, the remainder provides \$247.8 million for Russian trilateral government contracts; \$73 million for Parsons to verify completed work, process invoices, deliver equipment, and provide reports; \$17 million for U.S. Government program management, including contract management and support; and a risk reserve fund of \$39 million, of which \$30 million is earmarked to mitigate continued U.S. dollar devaluation and \$9 million is available to address increased costs from potential schedule delays.
- The \$1 million provided in the FY 2008 NDAA is available for the project.

The United States does not have insight into the final costs for which Russia has assumed responsibility, including costs for systemization, start up testing, and operations training at the CWDF. The United States has insight only into the cost of work performed on trilateral contracts under the Joint Arrangement. However, during monthly trilateral arrangement implementation meetings, FAI advised that DoD will have a role in the systemization, start up testing, and operations training. If the project is completed sooner than planned, funds currently programmed for Parsons and U.S. Government program management will be made available to FAI to support the CWD effort at Shchuch'ye.

DoD has developed appropriate performance measures to assess project progress. First, there is cost tracking of each contract that FAI awards. Second, there is detailed tracking of the

entire payment process (invoices, advance payments, progress payments, and disputed payments). Additionally, the joint U.S.-Russia signed verification reports document all construction items verified as complete.

The trilateral contracting strategy has led to closer cooperation between the United States and Russia, and it motivates FAI to complete this facility on schedule and within budget, because failure to do so would result in additional costs to Russia and the inability to meet its commitments under the Chemical Weapons Convention. Project risks have been mitigated to the extent possible, and such risks are greatly outweighed by the benefits of eliminating chemical weapons sooner than would have been possible under the previous acquisition and management plan. DoD is confident the CWDF will be completed through successful implementation of the Joint Arrangement for Completion of CWDF Construction.

ACRONYMS AND ABBREVIATIONS

A&E	Audit and Examination
AICMS	Automated Inventory Control and Management System
BNI	Bechtel National, Inc.
BTRP	Biological Threat Reduction Program
BW	Biological Weapons
CBR	Cooperative Biological Research
CRL	Central Reference Laboratory
CTR	Cooperative Threat Reduction
CWDF	Chemical Weapons Destruction Facility
DMC	Defense and Military Contacts
DoD	Department of Defense
DOE	Department of Energy
EDP	Especially Dangerous Pathogen
FAEA	Federal Atomic Energy Agency
FAI	Federal Agency for Industry
FMSF	Fissile Material Storage Facility
FSA	Federal Space Agency
FSU	former Soviet Union
FY	Fiscal Year
ICBM	Intercontinental Ballistic Missile
ISTC	International Science and Technology Center
MOD	Ministry of Defense
Moscow Treaty	Treaty on Strategic Offensive Reductions
MOU	Memorandum of Understanding
NDAA	National Defense Authorization Act
Parsons	Parsons Global Services, Inc.
PMR	Program Management Review
POE	Port of Entry
RCSS	Railcar Consist Security System
RTSC	Raytheon Technical Services Company LLC
SLBM	Submarine Launched Ballistic Missile
SOAE	Strategic Offensive Arms Elimination
SRM	Solid Rocket Motor
SSBN	Nuclear-Powered Ballistic Missile Submarine
START	Strategic Arms Reduction Treaty
UK	United Kingdom
U.S.	United States
VAT	Value Added Tax
WGI	Washington Group International, Inc.
WMD	Weapons of Mass Destruction
WMD-PPI	WMD Proliferation Prevention Initiative
ZDL	Zonal Diagnostic Laboratory