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Cooperative Threat Reduction Annual Report to Congress Fiscal Year 2008

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FY 2008 CTR ANNUAL REPORT TO CONGRESS

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I. 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) 2008 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 2008–FY 2013), the FY 2006 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 Annual Certifications on use of facilities being constructed as required by Section 1307 of the NDAA for FY 2004 (Appendix F). Unless otherwise specified, information in this report refers to the Department of Defense (DoD), the CTR Program (the Program), and assistance provided by the Program.

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 (U.S.) and commits the U.S. to pursue a comprehensive strategy to counter this threat. The Strategy calls on U.S. agencies to take full advantage of today’s opportunities, including application of new technologies, increasing emphasis on intelligence collection and analysis, strengthening alliances, and establishing new partnerships with former adversaries. In April 2004, the President issued a National Security Presidential Directive on Biodefense for the 21st Century to guide efforts against biological weapons (BW) threats. In April 2005, the President issued a Directive on Domestic Nuclear Detection that provides guidance on global nuclear detection architecture. The CTR Program supports these Presidential Directives by pursuing four objectives:

- Objective 1: Dismantle FSU WMD and associated infrastructure,*
- Objective 2: Consolidate and secure FSU WMD and related technology and materials,*
- Objective 3: Increase transparency and encourage higher standards of conduct, and*
- Objective 4: Support defense and military cooperation with the objective of preventing proliferation.*

DoD supports these objectives in Russia, other FSU states, and Albania as they become full partners in combating WMD-Terrorism. 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 for bioterror attacks and potential pandemics; engages former BW scientists in mutually beneficial research; helps prevent trafficking of WMD across state borders; and facilitates defense and military contacts to encourage military reform.

Assistance consists of goods and services provided through U.S. contractors whenever feasible. U.S. contractors procure hardware, provide logistics support, and function as integrating contractors with other U.S. and recipient state subcontractors. The contracts are executed, managed, and reviewed in accordance with DoD and Federal Acquisition Regulations requirements. In some cases (e.g., missile elimination), fixed-price contracts are negotiated with local enterprises in recipient states.

Funding

CTR Program cumulative assistance totals \$5,913.5 million in obligation authority through FY 2007. In FY 2006, \$492.0 million was obligated. The budget request for FY 2008 is \$348.0 million, and the estimated total amount required to achieve Program objectives through FY 2013 is \$8,137.5 million. Programs and projects that require funding beyond the Future Years Defense Plan (FY 2013) will be identified in future CTR Annual Reports.

Key Program Accomplishments in FY 2006

In Russia and Ukraine, the Program continued to eliminate strategic missile and launcher systems (See Figure 1). Security enhancements at 11 Russian nuclear weapons storage sites were completed. Enhancements at 12 other sites were accelerated in response to the Bratislava Joint Statement on Nuclear Security by Presidents Bush and Putin that the U.S. and Russia will enhance cooperation to counter nuclear terrorism through a number of measures including continuing our cooperation on security upgrades of nuclear facilities. Forty-seven trainloads of nuclear warheads and components were shipped from operational bases to storage and dismantlement facilities. The Transportation Safety Enhancements project delivered the final 14 emergency support equipment module transport trucks and 78 pneumatic tents.

Construction of the Chemical Weapons Destruction Facility (CWDF) and decontamination, dismantlement, and destruction at a former nerve-agent production facility in Russia continued. In Albania, the chemical destruction facility was assembled, and testing of elimination equipment began.

The Biological Threat Reduction Program (BTRP)'s work in Georgia, Azerbaijan, Ukraine, Kazakhstan, Uzbekistan, and Russia progressed. Construction of the Central Reference Laboratory (CRL) in Georgia continued as did construction of Epidemiological Monitoring Stations in Georgia, Azerbaijan, Uzbekistan, and Kazakhstan. Dismantlement of former BW infrastructure at Stepnogorsk, Kazakhstan was completed ahead of schedule. BTRP-supported scientists mapped and completed genetic fingerprinting of 93 isolates of anthrax found throughout Kazakhstan. Scientists diagnosed avian influenza in Georgia and Kazakhstan and diagnosed Congo-Crimean Hemorrhagic Fever and identified its source, a tick, in Uzbekistan. The Cooperative Biological Research (CBR) project engaged 289 scientists at 17 institutes.

The Weapons of Mass Destruction Proliferation Prevention Initiative (WMD-PPI) began the Caspian Sea Maritime Proliferation Prevention project in Kazakhstan. In Azerbaijan, the Astara Boat Basin opened, enabling longer range and station-keeping for maritime patrols southward in the Caspian Sea, and cooperative boat repair continued. In Ukraine, preparations were initiated for operational readiness testing and long-term deployment of technology along the border with Moldova, and a maritime proliferation prevention project along the maritime border on the Black Sea and Sea of Azov was begun. The responsibility for operating installed

portal monitors was transitioned to Uzbekistan and agreement reached on where to install the last set of portal monitors to attain the cross-border traffic monitoring goal.

The Defense and Military Contacts (DMC) program conducted more than 230 events with Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Ukraine, and Uzbekistan.

Figure 1: Program-assisted activities in recipient states.

Ukraine, Kazakhstan, and Belarus are Nuclear Weapons Free							
CATEGORY	BASE LINE	Goals	FY 2006 Reductions	Current Cumulative Reduction	Percent	CY 2007 Reduction Targets	CY 2012 Reduction Targets
Warheads Deactivated	13,300	8,684	125	6,954	81	7,280	8,684
ICBMs Destroyed	1,473	1,135	34	644	57	779	1,135
ICBM Silos Eliminated	831	612	0	485	79	496	612
ICBM Mobile Launchers Destroyed	442	251	35	82	33	119	251
Bombers Eliminated	233	155	4	155	100	155	155
Nuclear ASMs Destroyed	906	906	77	906	100	906	906
SLBM Launchers Eliminated	728	540	0	436	81	456	540
SLBMs Eliminated	936	700	36	606	87	613	700
SSBNs Destroyed	48	36	2	30	83	31	36
Nuclear Test Tunnels/Holes Sealed	194	194	0	194	100	194	194
CATEGORY	BASE LINE	Goals	FY 2006 Activities Completed	Current Activities Completed	Percent	CY 2007 Activities Targets	CY 2012 Activities Targets
Nuclear Weapons Transport Train Shipments	N/A	620	47	328	53	380	620
Nuclear Weapons Storage Site Security Upgrades	N/A	24	11	12	50	15	24
BTRP Epidemiological Monitoring Stations Built and Equipped	TBD	36	6	9	25	15	36
CWDF Design (Percent Completed)	100	100	7	96	96	100	100
CWDF Construction (Percent Completed)	100	100	21	50	50	65	100

Compliance and Accounting

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 updated in discussions of the Chemical Weapons Destruction Facility (1.2.1), the Biological Threat Reduction Program – FSU (1.5 and 2.4.1), and the Fissile Material Storage Facility Transparency (2.3.1) programs in Section III. Of new concern at the CWDF, the engineering management support contractor was unable to award two critical contracts for completing the main production and bituminization buildings for a reasonable cost. This caused a schedule slip of more than a year, with associated cost increases.

II. PROGRAM IMPLEMENTATION AND EXECUTION

Interagency Responsibilities

CTR umbrella agreements with Russia, Ukraine, Kazakhstan, Moldova, Georgia, Uzbekistan, Azerbaijan, and Albania 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 activities of the Program with the designated Executive Agent of the recipient state. Appendix A lists the applicable agreement for each program included in the five-year plan.

Other Executive Branch Departments pursue related programs. The Department of State (DOS) funds the International Science and Technology Center (ISTC) and the Science and Technology Center in Ukraine, which employ FSU WMD scientists in peaceful research. DoD is an ISTC partner and manages BTRP projects in Russia through the ISTC because there is no BTRP implementing agreement with Russia. DOS 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). 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 that 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 Under Secretary of Defense for Policy, through the Assistant Secretary of Defense for Global Security Affairs, the Deputy Assistant Secretary of Defense for Counternarcotics, Counterproliferation & Global Threats, and 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 and his subordinate offices are responsible for interaction with Congress, the National Security Council staff, and other Executive Branch components and for public affairs. 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 implementing agency for the Program and responsible for all aspects of program, contract and funds management, and implementation.

Accounting for Assistance

Key components of accounting for Program assistance include frequent on-site observation by DoD representatives and contractors; application of the Federal Acquisition

Regulations, DoD regulations, and disciplined acquisition procedures in contracting; Defense Contract Audit Agency audits and Defense Contract Management Agency services; and use of national technical means. In accordance with the CTR umbrella and implementing agreements, the U.S. has the right to examine the use of any material, training, or service provided. Through FY 2006, a total of 170 audits and examinations (A&Es) have been conducted in Russia, Ukraine, Kazakhstan, Belarus, Uzbekistan, and Georgia. Results of the eight A&Es conducted in FY 2006 and the reason for cancellation of any scheduled audits are included with the corresponding project narratives.

Defense Contract Audit Agency/Defense Contract Management Agency Audits and Services

Defense Contract Audit Agency and Defense Contract Management Agency support Program administration. Defense Contract Audit Agency performs contract audits and provides accounting services for administration of contracts to DoD components responsible for procurement. Defense Contract Management Agency provides a wide range of services, including contract administration, invoice payment, and support for contract closeout.

U.S. Federal Acquisition Regulations and Good Business Practices

The following are important in providing and accounting for assistance:

- 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;
- An Independent Government Cost Estimate to support each procurement;
- Prohibition of transferring assistance to entities not specifically designated in applicable agreements without written U.S. approval;
- Compliance with the Competition in Contracting Act;
- CTR umbrella agreements to provide tax and customs exemptions, liability protections, privileges and immunities for the U.S. and its citizens, and the right to verify that assistance is used for intended purposes;
- Implementing agreements between the U.S. and recipient states to convert assumptions or responsibilities into firm, binding commitments;
- Competition by private FSU companies for some contracts only on a firm fixed-price basis because a reliable cost accounting capability for cost-reimbursable contracts is lacking and to mitigate potential risk of cost growth to the U.S.;
- Economic Price Adjustment clauses (Federal Acquisition Regulations 16.203) to protect against volatility in the price of commodities purchased by contractors;
- Standardized business processes for development of cost estimates, technical evaluations of contractor proposals, and proactive identification and mitigation of project risks;

- On-line management tools for tracking, for example, the status of key cost, schedule, and technical performance parameters; key project risks; and contract data submissions by contractors;
- U.S. project managers' review of the contractor's cost, schedule, and performance for cost-reimbursable contracts;
- In-house project management and business process training for all CTR Program Government employees and Advisory and Assistance personnel;
- Enabling/encouraging all personnel to attend acquisition training offered through the Defense Acquisition University and attain appropriate certifications in accordance with the Defense Acquisition Workforce Improvement Act;
- Payment to a recipient state's contractors only after work is complete and inspection and acceptance by a U.S. representative; and
- Regularly scheduled meetings with recipient states' Executive and Implementing Agents to discuss and develop solutions to project challenges.

Program Accountability Actions by DoD and Contractors

During FY 2006, 195 management team trips were made to: develop requirements; negotiate agreements, arrangements, and contracts; monitor contractor performance; resolve program concerns; and assess whether the services, materials, and equipment provided were used for their intended purpose in an efficient and effective manner. On-site managers, required by U.S. law for some projects, and U.S. representatives and U.S. contractors reside in-country and regularly submit project status reports to program managers. Site visits by the CTR Integrated Services contractor, Raytheon Technical Services Company LLC (RTSC), to maintain and inventory equipment and oversee the Transfer of Custody process provides an additional assessment. During FY 2006, CTR Integrated Services teams from a logistics support base in Russia made 128 visits to project locations and performed 674 maintenance actions. They also reported that the equipment was available for use and did not report any misuse of assistance. A breakout of these accountability actions is detailed in Figure 8.

Enhancing the Efficiency and Effectiveness of the Program

The NDAA for FY 2002 directs DoD to describe in the Annual Report the "means (including program management, audits, examinations, and other means) used" to ensure that assistance is fully accounted for, "that such assistance is being used for its intended purpose," and "is being used efficiently and effectively." The following means are used.

- Executive Reviews of each major program in Russia with the four Russian CTR Executive Agents: Federal Space Agency (FSA), Ministry of Defense (MOD), Federal Atomic Energy Agency (FAEA), and the Federal Agency for Industry (FAI). The Executive Reviews 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. Initial Executive Reviews of WMD-PPI in Azerbaijan and BTRP in Kazakhstan were conducted. DoD schedules these reviews consecutively to reduce travel, time, and cost.

- An incremental acquisition strategy for WMD-PPI and BTRP projects enables DoD to manage risks more effectively, implement projects in phases, field demonstrated capabilities in manageable pieces, and rapidly insert new technologies and capabilities.
- The NDAA for FY 2004 requires 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 at qualifying Strategic Offensive Arms Elimination (SOAE) projects and the CWDF project in Russia and for BTRP projects in Kazakhstan, Uzbekistan, Georgia, Ukraine, and Azerbaijan.
- Integrated Process Teams to improve project management. They are the mechanism through which all key project decisions are made, risks managed, issues resolved, and program briefings and documents created.
- Milestone Decision Authority review of acquisition and implementation strategies, resource allocation, and program plans. The Milestone Decision Authority approves a project's cost, schedule, and performance baselines; chairs quarterly program reviews; and appoints program managers. Along with Integrated Process Teams, the Milestone Decision Authority provides management controls and improves transparency for senior-level oversight.
- Coordination is conducted with the Departments of State, Agriculture, Energy, Health and Human Services, and Homeland Security; ministries and as appropriate other agencies of the United Kingdom (UK), Canada, other Group of Eight (G-8) and donor nations of the Global Partnership; and the European Union to maximize leverage with FSU states and avoid duplication of effort.
- The Earned Value Management System monitors contractor cost and schedule efficiency.
- A formal risk management program. It provides guidance, processes, training, and supporting tools to plan, identify, assess, handle, monitor, and communicate risks throughout the Program and on matters of cost, schedule, and performance of individual projects. It is consistent with DoD Directive 5000.1 - The Defense Acquisition System, DoD Instruction 5000.2 - Operation of the Defense Acquisition System, and best practices endorsed by the Defense Acquisition University.
- A Key Performance Parameter Tracker Tool to capture each project's key cost, schedule, and performance parameters, enabling managers at all levels to track the status of a project. Key stakeholders automatically receive notice when a project is in danger of failing to meet one of these measures of performance.
- A rigorous requirements review process. A Requirements Validation Review translates policy guidance in an initial tasking into acquisition requirements, links requirements and U.S. policies and objectives, and produces approved requirements before a project's acquisition strategy is reviewed.

Program Assessment Rating Tool

The Program Assessment Rating Tool is a diagnostic tool used by the Office of Management and Budget to assess the performance of Federal programs. In 2006, the CTR

Program was selected to participate in the Program Assessment Rating Tool. The Office of Management and Budget concurred with DoD’s Assessment Rating of “Effective,” the highest rating achievable, for the Program. The answer to a Program Assessment Rating Tool question of whether the Program has specific annual performance measures to demonstrate progress toward achieving long-term goals was: “The Program has specific annual performance measures that demonstrate progress toward assisting states of the former Soviet Union (FSU) to: eliminate missiles and launchers that were their means of delivery; complete nuclear weapons train shipments and security upgrades at nuclear weapons storage sites; build and equip biological agent detection and response disease control monitoring stations.” These annual performance measures are identified below.

CTR PROGRAM PERFORMANCE MEASURES ANNUAL TARGETS									
Calendar Year	2004	2005	2006	2007	2008	2009	2010	2011	2012
WMD Means of Delivery Elimination	272	262	182	152	158	161	154	162	140
Cumulative Eliminations	2,928	3,190	3,372	3,524	3,682	3,843	3,997	4,159	4,299
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	3	9				
Cumulative Upgrades		1	12	15	24				
Biological Disease Control Monitoring Stations Built and Equipped		6	3	6	2	7	3	5	4
Cumulative Built and Equipped		6	9	15	17	24	27	32	36

III. PROGRAM ACTIVITIES AND ASSISTANCE – INCLUDES FIVE-YEAR (FY 2008–FY 2013) IMPLEMENTATION PLAN AND FY 2006 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 2008 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 2008–FY 2013) and the FY 2006 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 in this section 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 2007 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) The description of Russia's tactical nuclear weapons arsenal required by Section 1308 (c)(5) of the NDAA for FY 2001 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 CTR Program Implementation and Execution, 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 exceptions 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 2006 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 Section II of this report.)"

Format

The Implementation Plan and Accounting for Assistance are organized according to the Program's four objectives. Project descriptions are listed by program area (e.g., the SOAE program area). Narratives for each program identify active projects, on-site U.S. contractors, Executive Reviews, A&E summaries, and any significant concerns. Project information includes: the FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources; a Description of Activities Carried Out in FY 2006; the Location(s) of assistance; and information on A&Es. The figures show proposed funding through the Future Years Defense Plan. All activities and assistance are planned or provided for by DoD unless specified otherwise.

Objective 1: Dismantle FSU WMD and Associated Infrastructure

1.1 STRATEGIC OFFENSIVE ARMS ELIMINATION PROGRAM – RUSSIA

Assistance to contract for and oversee destruction of strategic weapons delivery systems in accordance with applicable Strategic Arms Reduction Treaty (START) provisions, including the START Conversion or Elimination Protocol, continues. This assistance remains an incentive for Russia to draw down its Soviet-legacy nuclear forces, reducing opportunities for their proliferation or use. Equipment and services are provided to destroy or dismantle intercontinental ballistic missiles (ICBMs), ICBM silo launchers, road- and rail-mobile launchers, submarine-launched ballistic missiles (SLBMs), SLBM launchers and reactor cores of associated 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 2005 and June 2006 in conjunction with Integrated Program Management Reviews, considered project implementation issues. FSA is the Executive Agent for destruction of strategic systems other than SSBNs; FAEA has assumed responsibility for SSBN destruction. Each Executive Review with FSA focused on 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, offsets for repair work at the Perm' burn stand and on rail lines at Nenoksa, and questions regarding missile disassembly and storage facilities. The Executive Reviews with FAEA focused on the dismantlement schedule for the next *Typhoon*-class submarine and future dismantlement of *Delta III*-class submarines, use of spent naval fuel casks for work with G-8 partners who dismantle general purpose nuclear submarines on a non-interference basis, and termination of logistics support for equipment at the Zvezdochka shipyard.

1.1.1 Solid Propellant ICBM/SLBM and Mobile Launcher Elimination

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: This project supports operation and maintenance of Russia's SS-N-20, SS-24, and SS-25 missile disassembly and elimination facilities; operation and maintenance of SS-24 and SS-25 mobile launcher elimination facilities; elimination of infrastructure at SS-25 Strategic Rocket Forces road-mobile ICBM deployment bases and SS-24 deployment bases, including START-accountable fixed structures; removal of propellant from solid rocket motors (SRMs) by burning; rendering strategically inoperable SS-24 launch-associated railcars; and demilitarization of SS-25 launch-associated and special system-support vehicles. Current plans are to eliminate 35 SS-N-20, 24 SS-24, and 284 SS-25 missiles and destroy 4 SS-24 rail-mobile and 195 SS-25 road-mobile launchers by the end of FY 2013.

This project supports limited infrastructure upgrades and provides equipment at the Geodeziya Scientific Research Institute at Krasnoarmeysk where SS-25 SRMs are burned. DoD pays a unit cost for burning SS-24 and SS-25 SRMs at Perm' and SS-25 SRMs at Krasnoarmeysk. Russia pays to burn SS-N-20 SRMs at Biysk. DoD will pay for transporting SS-24/SS-25 missiles and SRMs into and out of the buffer storage facility at Perm', while Russia will pay for the facility's maintenance and general operation. DoD will continue to provide logistical support for emergency response equipment to respond to accidents during transportation of SLBMs and ICBMs enroute to dismantlement.

Description of Activities Carried Out in FY 2006: Parsons Global Services, Inc. (Parsons), with Roscosmos funding propellant removal, disassembled 12 SS-N-20 missiles and continued to repair and equip the Geodeziya facility to burn SS-25 SRMs. Washington Group International, Inc. (WGI) eliminated 15 SS-24 missiles and 10 SS-24 rail-mobile launchers, and 19 launch-associated railcars were rendered strategically inoperable. RTSC decommissioned 3 SS-25 regiments (27 missiles and 27 road-mobile launchers) and destroyed elements from 44 SS-25 missiles. In addition, 25 SS-25 road-mobile launchers were eliminated, and 79 launch-associated and special system-support vehicles were demilitarized. Bechtel National, Inc. (BNI) eliminated fixed structure foundations of three regiments decommissioned in FY 2005.

The on-site manager, in cooperation with FSA, continued to revise the list of activities critical to achieving the program's disarmament goals; visited facilities at Perm', Bryansk, Votkinsk, Piban'shur, Krasnoarmeysk, Zlatoust, and Nenoksa; and met frequently with FSA to ensure activities were completed on schedule. U.S. contractors maintain offices at Moscow, Perm', Votkinsk, Piban'shur, Bryansk, Krasnoarmeysk, and Zlatoust. Russian subcontractors reported to the U.S. contractor, who provided management oversight and verified reporting.

Locations: Biysk, Bershet', Bryansk, Irkutsk, Kansk, Khrizolitovyy, Krasnoarmeysk, Nenoksa, Perm', Piban'shur, Plesetsk, Surovatikha, Votkinsk, and Zlatoust.

A&E: An A&E of the Solid Propellant ICBM/SLBM and Mobile Launcher Elimination project scheduled for January 2006 at Perm' was considered unnecessary.

1.1.2 Liquid Propellant ICBM/SLBM Missile and Silo Elimination

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: This project eliminates ICBM silos and destroys ICBMs and SLBMs. Up to 60 SS-18 silos and 67 SS-19 silos will be eliminated and 46 SS-19 silos decommissioned. Current plans are to eliminate 32 SS-18 ICBMs, 140 SS-19 ICBMs and launch canisters, and the remaining 81 SS-N-18 SLBMs by FY 2013.

Description of Activities Carried Out in FY 2006: Kellogg Brown & Root International, Inc. eliminated 12 SS-18 ICBMs and 6 SS-19 ICBMs at the Missile Elimination and Dismantlement Facility in Surovatikha. An additional SS-19 ICBM was eliminated by Russia at Piban'shur. Russia also eliminated 12 SS-N-18 and 12 SS-N-23 liquid propellant SLBMs using CTR-provided equipment. The on-site manager, in cooperation with FSA, revised the critical activities list; observed eliminations at the Missile Elimination and Dismantlement Facility; and visited the SS-19 silo ICBM base at Kozel'sk.

Locations: Ilyino, Kozel'sk, Krasnoyarsk, Piban'shur, Surovatikha, Tambov, and Tatishchevo.

1.1.3 SLBM Launcher Elimination/SSBN Dismantlement

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: This project will eliminate 136 SLBM launchers and partially dismantle 7 associated SSBNs by FY 2013. Russia is responsible for completing dismantlement of the bow, sail, and stern sections. Support includes SSBN towing, SLBM launcher elimination, spent naval fuel defueling and transport to interim storage, sectioning and preparation of reactor-core compartments for storage afloat, and processing of low-level radioactive material. This project provides storage/transportation containers (casks) for spent naval fuel removed when defueling *Delta III*-class SSBNs and special railcars for transportation of fuel from the shipyard to a final storage/disposition location.

Russia assumed responsibility for the storage and disposition of previously offloaded fuel and uses its own casks for *Typhoon*-class SSBNs.

Description of Activities Carried Out in FY 2006: Dismantlement of one *Typhoon* SSBN and one *Delta III* SSBN was completed. SLBM launcher and complete dismantlement of a second *Typhoon* began. Production of 32 casks to store spent naval fuel was completed and an escort railcar to provide security for fuel transportation procured. The on-site manager is developing the critical activities list and visited both Sevmash and the Zvezdochka Machine Building Enterprise.

Report of Use of Revenue Generated by Activities Carried Out under the CTR Program: SSBN *Delta*-class 311 was dismantled in November 2004. As required by the contract with Sevmash, the report from the Zvezdochka shipyard states that 23,149,863 rubles (approximately \$800,000) was generated from 4,600 tons of metal scrap. SSBN *Delta*-class 372 was dismantled in February 2006. The Zvezda shipyard report states that \$2,436,311 was generated from 5,652 tons of metal scrap. The FAEA's report on how these proceeds were reinvested in the CTR Program is pending.

SSBN *Typhoon*-class 713 is being prepared for dismantlement with an estimated completion date of December 2007. The contract with Sevmash requires a cost analysis report including the amount of proceeds generated from the sale of its scrap.

Locations: Severodvinsk, Vilyuchinsk, Moscow, Tver, and Ozersk.

A&E: During May 2006, a team audited equipment and related records for the SLBM Launcher Elimination/SSBN Dismantlement project in Moscow and Zvezdochka, Russia. At the Zvezdochka shipyard, the team observed safe and efficient operations of the Harris Bailer and Shear; the Triple S Cable Stripper; the CNT 650 and Spandek 3612 (Mantis) cranes; a Caterpillar excavator with LaBounty Shears; and use of plasma cutters, torches, and saws. Preventative and corrective maintenance and training is documented. All observed items were serviceable with two minor exceptions that were addressed quickly. Shipyard operations comply with implementing agreement guidelines. Equipment is used for its intended purpose, and personnel are trained to operate the equipment. However, the A&E team was unable to review documentation on scrap metal revenue or the use of the on-shore defueling facility as requested in the 30-day notification letter to FAEA.

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. The Shchuch'ye CWDF and the former Chemical Weapons Production Facility Demilitarization project at Novocheboksarsk support this effort.

Executive Reviews: Executive Reviews with FAI were held in November 2005 and June 2006. In November, participants discussed the June 2006 expiration of the U.S.-Russia CTR Umbrella Agreement, the amendment adding funds to the implementing agreement, difficulties in awarding a contract to complete the main building, development of an integrated schedule, and the long-anticipated practical plan for elimination of Russia's stockpile of nerve agents. The June Executive Review focused on the anticipated signing of the extension to the U.S.-Russia CTR Umbrella Agreement that was concluded on June 16, 2006, changes to the waiver authority for the six legislative conditions for CTR funding of the Shchuch'ye project, status of

recompetition of a contract to complete the main building, the ongoing disagreement over responsibility for providing shipping containers to transport munitions to the destruction facility, concerns regarding manufacture of monitoring equipment, and agreement on how jointly to fund required design changes for the main destruction building.

1.2.1 Chemical Weapons Destruction Facility

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: The U.S. agreed to provide assistance for a CWDF for organophosphorus (nerve) agent-filled munitions, including process development, process/facility design, construction, equipment acquisition and installation, systemization, training, commissioning, and facility start-up with FY 2007 and prior year funds.

Description of Activities Carried Out in FY 2006: Parsons and its U.S. subcontractors, WGI and EG&G Technical Services, Inc., provided engineering management services. Progress on existing construction contracts continued. The gas rescue area, fire water area, and dry chemical storage area are all more than 95% complete. Some projects are in the process of systemization, and negotiations are underway to transfer responsibility for the gas rescue area. Construction on the main production building and bituminization building structures is nearly complete. Work continued on the boiler house; the administration and cafeteria area; the waste water, water treatment, and water circulation areas; the administration building; the equipment repair shop; and the heat supply and process service lines. The Automatic Process Control System design was completed and is being validated. Drainage networks, temporary access roads, transport, and electrical distribution networks were maintained. A validation review of Parsons' Earned Value Management System was conducted. The Joint Requirements and Implementation Plan was significantly revised and simplified. Project managers and contractor personnel are on-site daily at Shchuch'ye to direct construction and commissioning activities. In-country personnel include individuals from Defense Threat Reduction Agency, the U.S. Army Corps of Engineers, and Parsons. A U.S. on-site manager is assigned to the Shchuch'ye construction site. A Russian FAI representative has been on site since November 2005.

Location: Shchuch'ye.

CWDF Construction Schedule Concern: In compliance with Russia's requirement to update uncompleted construction projects every five years, the CWDF Stage III design, approved in 2000, was reviewed and updated to the latest standards and codes. This update produced design changes that increase the project's cost and delay construction. The facility and processes designs will be frozen after these updates are completed. In addition, Parsons did not receive reasonable cost proposals; therefore, it could not award two critical contracts for work remaining in the main production and bituminization buildings. Lack of reasonable cost proposals caused the schedule to slip more than a year and put the budget in jeopardy. DoD is working with FAI to identify a more cost-efficient way to complete construction, systemization and training, commissioning, and transfer of responsibility within existing funding, perhaps by using Russian processes. DoD continued imposing strong configuration control and risk-management practices, such as Quarterly Program Reviews and a risk management Integrated Process Team that meets regularly to mitigate cost growth and other project risks.

Update of Prior Year Concerns: Mitigation of the effects of the bankruptcy of Magnitostroy, a Russian subcontractor, continued. Parsons shifted some work to other contractors and assisted in managing the remainder. The effort by DoD and FAI to find a more

efficient business model should reduce further risk. Customs issues associated with the Automatic Process Control System were resolved, and design development was completed.

1.2.2 Chemical Weapons Production Facility Demilitarization

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: This project demilitarizes the former nerve-agent weapons production facility at Joint Stock Company OAO Khimprom, Novocheboksarsk with prior year funds. The project will be completed in FY 2007.

Description of Activities Carried Out in FY 2006: Installation, testing, and systemization of the thermal treatment systems were completed. Decontamination, dismantlement, and destruction of Building 350 continued.

Location: Novocheboksarsk.

1.3 STRATEGIC NUCLEAR ARMS ELIMINATION PROGRAM – UKRAINE

In FY 2006, 4 Tu-22M Backfire bombers, 77 Kh-22 nuclear air-to-surface missiles (ASMs), 2 bomber trainers, and 2 flight simulators were eliminated, completing the Bomber and Air-to-Surface Missile Elimination project. The one active project supports safe storage of 163 SRMs from dismantled SS-24 ICBMs.

1.3.1 SS-24 Missile Disassembly, Storage, and Elimination

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: The 163 first, second, and third stage SRMs from disassembled SS-24 ICBMs require environmentally controlled storage. The plan is to extend support incrementally for safe storage from December 2006 to January 2008 with FY 2007 and prior year funds. In June 2006, Ukraine accepted DoD's proposal to pay a fixed fee for empty motor cases if Ukraine assumes responsibility and costs associated with removal and disposal of the solid propellant using water-washout technology. After an elimination schedule is established, DoD will program the necessary funds.

Description of Activities Carried Out in FY 2006: The on-site U.S. contractor, WGI, supported the storage of the 163 SRMs.

Location: Pavlograd.

1.4 WEAPONS OF MASS DESTRUCTION INFRASTRUCTURE ELIMINATION PROGRAM – UKRAINE

The Nuclear Weapons Storage Area project eliminates infrastructure at sites formerly associated with nuclear weapons and warhead storage, operations, and maintenance that supported the forward-deployed nuclear weapons arsenals of the Soviet armed forces. It assists in preventing proliferation of associated design data, materials, equipment, and technologies.

1.4.1 Nuclear Weapons Storage Area Elimination

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: This project, using prior year funds, will eliminate infrastructure at Khmel'nitskiy, Lutsk, and Stryy by the end of FY 2007.

Description of Activities Carried Out in FY 2006: Under a contract with RTSC, nuclear weapons storage area infrastructure elimination began at three sites.

Locations: Khmel'nitskiy, Lutsk, and Stryy.

1.5 BIOLOGICAL THREAT REDUCTION PROGRAM – FSU

The BTRP's objective is to prevent proliferation of BW-related materials, technologies, and expertise and combat bioterrorism. DoD consolidates and secures dangerous pathogen collections into CRLs; improves the safety and security of biological facilities involved in threat agent detection and response; enhances recipient states' ability to detect, diagnose, and respond to 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 BTRP's projects, Biological Weapons Infrastructure Elimination, Biosecurity and Biosafety/Threat Agent Detection and Response, and CBR, each serve a different CTR objective.

DoD has implementing agreements with Kazakhstan, Uzbekistan, Georgia, Azerbaijan, and Ukraine. Due to lack of an implementing agreement, all BTRP projects in Russia are governed by the ISTC Agreement and the ISTC Funding Memorandum of Agreement. DoD contracts with BNI for work in Georgia, Kazakhstan, and Uzbekistan and with RTSC for work in Russia, Azerbaijan, and Ukraine. BNI and RTSC are the integrating contractors for all projects at institutes in FSU states.

The BTRP works with each recipient state to develop a Country Science Plan to harmonize the BTRP's mission, existing projects, and research agenda with those of the recipient state. Each country is assisted in identifying elements of its plan that are eligible for funding by the BTRP and those that must be funded by the recipient state or other sources. Country Science Plans are updated to reflect changing research needs.

Executive Review: The first BTRP Executive Review in Kazakhstan with the Ministry of Energy and Mineral Resources and representatives of other agencies was held in July 2006. Obtaining Value Added Tax exemptions and the need for Kazakhstan to transfer copies of pathogen strains were the two major topics.

Unresolved Prior Year Concern: As previously reported, some funding to the ISTC for Russian projects was used to pay Value Added Tax. In July 2005, DoD raised this concern with other U.S. Government officials, and the ISTC is working on a resolution.

Unresolved Prior Year Concern: As previously reported, there is no BTRP implementing agreement with Russia. Instead, projects are governed by a Memorandum of Agreement between the U.S. and the ISTC to provide the protections, exemptions, and A&E rights of an implementing agreement. But 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.

1.5.1 Biological Weapons Infrastructure Elimination

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: This project eliminates dual-use technologies at the Biokombinat Production Facility in Georgia with FY 2007 and prior year funds. A tax lien issue between Biokombinat and Georgia extended the previous estimated completion date beyond February 2007. Completion is now expected in January 2008.

Description of Activities Carried Out in FY 2006: DoD completed dismantlement of Buildings 221 and 600 at the anthrax production plant at Stepnogorsk, Kazakhstan ahead of schedule. At Biokombinat in Georgia, all dual-use equipment was inventoried, asbestos

abatement training conducted, remaining foot and mouth disease vaccine concentrate destroyed, a site access road to facilitate destruction activities repaired, and effluent waste and the external surfaces of the dual-use equipment decontaminated to prepare for removal and destruction.

BNI oversaw environmental analysis, design, and safety procedures and provided implementation assistance, project support, and bi-weekly status and monthly cost and performance reports. They maintained offices in Almaty, Kazakhstan, and Tbilisi, Georgia.

Location: Tbilisi, Georgia.

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

Implementing Agreement / Project	Prior Year	FY 2007	FY 2008	FY09-FY13	* Total
<i>Strategic Offensive Arms Elimination (Russia)</i>					
Solid Propellant ICBM/SLBM and Mobile Launcher Elimination	\$355.4	\$53.6	\$46.7	\$169.4	\$625.1
Liquid Propellant ICBM/SLBM and Silo Elimination	\$240.0	\$16.3	\$16.1	\$173.7	\$446.1
SLBM Launcher Elimination/SSBN Dismantlement	\$324.9	\$5.8	\$15.1	\$79.8	\$425.6
Completed/Terminated Projects	\$262.3				\$262.3
<i>Chemical Weapons Destruction (Russia)</i>					
Chemical Weapons Destruction Facility	\$996.5	\$42.7			\$1,039.2
Chemical Weapons Production Facility Demilitarization	\$45.4				\$45.4
Completed Projects	\$30.2				\$30.2
<i>Strategic Nuclear Arms Elimination (Ukraine)</i>					
SS-24 Missile Disassembly, Storage, and Elimination	\$108.9	\$1.0			\$109.9
Completed/Terminated Projects	\$388.0				\$388.0
<i>WMD Infrastructure Elimination (Ukraine)</i>					
Nuclear Weapons Storage Area Elimination	\$4.7				\$4.7
Completed Projects	\$20.4				\$20.4
<i>Biological Threat Reduction (FSU)</i>					
Biological Weapons Infrastructure Elimination	\$21.2	\$1.6			\$22.8
Budget	\$2,797.9	\$121.0	\$77.9	\$422.9	\$3,419.7
* Estimated Program FYDP Total					

Objective 2: Consolidate and Secure FSU WMD and Related Technology and Materials

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. In 1997, DoD and MOD concluded Special Arrangements to allow the audit of equipment through alternative means, including data on locations (by site designator) of equipment, *in situ* photographs, documentation, letters from MOD attesting to intended use, and examination of sample equipment. Signed in 2003, Protocols on Limited Access and on Protection of Sensitive Information satisfy the Federal Acquisition Regulations by providing limited access to storage sites for installation of security enhancements.

Two Nuclear Weapons Storage Security projects were completed in FY 2006. The Automated Inventory Control & Management System enhances MOD's capability to account for and track strategic and tactical nuclear weapons slated for dismantlement. It provided hardware, off-the-shelf software, and facilities for a fully integrated system at 19 sites—2 Central Control Points, 2 central facilities, 4 regional facilities, 10 field facilities, and a proof of concept facility at the Security Assessment and Training Center. The Guard Force Equipment and Training project provided specialized equipment, training aids, training, and logistics support to improve the ability of MOD's guard force to deny access to nuclear weapons storage areas. Caswell, Inc. trained instructors on the live-fire shooting range equipment.

Executive Reviews: In November 2005 and June 2006, in conjunction with Program Management Reviews, Executive Reviews were held with MOD, the Executive Agent responsible for security of nuclear weapons in storage and during transport. Implementation issues were reviewed, and assumptions and responsibilities for storage and transportation security programs were discussed. In November, parts of the DoD-DOE reply to MOD's joint action plan responding to the February 2005 Bratislava Nuclear Security Initiative were discussed, and MOD requested, for the first time, that DoD consider sustaining security systems installed at nuclear weapons storage sites. In June, MOD made a presentation on a proposed Nuclear Security and Physical Protection Support Center for which it has requested U.S. assistance. The status of procuring new railcars and armored transport vehicles and the schedule for transporting nuclear weapons to dismantlement and centralized secure storage facilities also were discussed.

A&E #1: In October-November 2005, an A&E team reviewed documentation and equipment located at MOD-secured storage sites East 6 and East 10 in accordance with the Nuclear Weapons Storage Security Special Arrangements and determined that all audited equipment appeared operational. However, the buildings and serial numbers, not the requested boilers, at East 10 were photographed. One item at East 6, signed out for use, could not be verified. MOD certified that all equipment was being used for its intended purpose and functioned properly. Documentation and photographic review indicate the equipment is being used for its intended purpose.

A&E #2: In May 2006, an A&E team reviewed documentation and equipment located at storage site West 27 in accordance with the Nuclear Weapons Storage Security Special Arrangements. This was the first A&E to receive photographs of five software applications. All

audited equipment and software applications appeared to be operational. However, no photographs of Security Alarm System SOS-1-05, transferred to another site in November 2005, and of a Pozhtekhnika Fire Truck and Ural Fire Truck, which MOD stated were at other locations and had never been at West 27, were provided. MOD provided Transfer of Custody paperwork attesting to the relocation of the alarm system and the Ural Fire Truck. MOD is verifying the Pozhtekhnika fire truck's location. MOD certified that all equipment and software applications were being used for their intended purpose and functioned properly. Documentation and photographic review indicate the equipment is being used for its intended purpose.

A&E #3: In September 2006, a team reviewed documentation and equipment at two MOD headquarters locations, West 35 and West 36, in accordance with the Nuclear Weapons Storage Security Special Arrangements. This was the second A&E to receive photographs of software applications. All audited equipment and software applications appeared to be operational, and MOD certified that all equipment and software applications were being used for their intended purposes and functioned properly. Documentation and photographic review indicate the equipment is being used for its intended purpose.

2.1.1 Site Security Enhancements

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: This project sustains the security enhancements at MOD nuclear weapons storage sites including national stockpile sites; operational base storage sites controlled by Russia's 12th Main Directorate or supporting Air Force, Navy, and Strategic Rocket Forces; and temporary storage sites (rail transfer points). With FY 2007 and prior year funds, security systems and necessary infrastructure upgrades based on vulnerability assessments are provided. Responding to MOD's request and President Bush's commitment at Bratislava, DoD and DOE will enhance security systems at all permanent storage locations that contain strategic or tactical nuclear weapons. All site security work including baseline designs is coordinated with DOE, which is enhancing security at similar sites.

DoD has completed upgrades at 12 sites, and RTSC is under contract to complete upgrades at 12 additional sites before the end of 2008. This project also will provide 40 armored transport vehicles for MOD's use between designated storage sites and rail transfer points.

Description of Activities Carried Out in FY 2006: BNI completed security upgrades at nine permanent and two temporary storage sites. Visits to these 11 sites verified the operation of installed physical security systems. Vulnerability assessments were verified, construction permits received, final designs approved, and construction began on four additional sites. Through modification to RTSC contracts, site design was initiated at the final 8 sites and 40 armored transport vehicles were procured.

Locations: Of the 24 sites receiving upgrades, 13 are located in the Western region and 11 are in Siberia and the Far East.

2.1.2 Far East Training Center

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: This project will establish a Far East Training Center with FY 2007 and prior year funds. The training center 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 2006: The project's acquisition strategy was approved. Phase I consisted of a needs assessment by Oak Ridge National Laboratory and review of MOD's requirements for training and sustainability support.

Location: Khabarovsk.

2.2 NUCLEAR WEAPONS TRANSPORTATION SECURITY PROGRAM – RUSSIA

This program supports proliferation prevention by enhancing the security and safety of nuclear weapons during shipment. The Transportation Safety Enhancement project was completed in FY 2006 when 14 additional trucks to transport emergency support modules and 78 tents were supplied to upgrade existing shelters for use at accident sites. Much of the equipment provided, located at sensitive MOD locations, is shipped to less sensitive locations for A&Es.

A&E: During January 2006, a team reviewed equipment at Sergiev Posad. The team observed 4 Pomoshchnik emergency response vehicles, 3 railcars, and 15 supercontainers at Abramovo. All equipment was physically inventoried except the Panasonic mini DVD recorders, portable meteorological weather stations, and gamma sensor units belonging to the audited Pomoshchniks. MOD's property control records documented that these items were at a different location. All equipment appeared fully serviceable and in excellent condition. The team reviewed Transfer of Custody and property control documents and training and maintenance records. Information provided indicates the equipment is used 14 to 16 times a year during emergency-response exercises. The team observed operational demonstrations of the Sprut spreader-cutter and the Sprut pneumatic jack, both powered by the Sprut Motorized Pump, as well as the Taiga gas-powered saw with its wheel cutter attachment. Demonstrations of a portable radio and the pneumatic tent with its associated generator, heater, and lighting system also were observed. These demonstrations enhanced confidence that the equipment is properly maintained and being used for its intended purpose.

2.2.1 Nuclear Weapons Transportation

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: This project assists MOD to ship 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 consolidated 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 2006: RTSC supported 47 train shipments.

Locations: Weapons-movement services are conducted throughout Russia.

2.2.2 Railcar Maintenance and Procurement

FY 2008–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. MOD's request in March 2006 to incorporate Railcar Consist Security System was approved in June 2006. 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 2006: Fifteen guard railcars were produced and delivered. RTSC provided scheduled maintenance on 99 cargo railcars. Technical discussions with MOD defined cargo railcar requirements except the Railcar Consist Security System. Identification of acceptable railcar design and Russian manufacturers is ongoing.

Locations: Certification maintenance is accomplished at the Tambov Railcar Repair Facility, and railcars are distributed to garrisons associated with nuclear weapons storage sites.

2.3 FISSILE MATERIAL STORAGE FACILITY PROGRAM – RUSSIA

The Fissile Material Storage Facility (FMSF) will provide centralized, safe, secure, and ecologically sound storage for weapons-grade fissile material.

2.3.1 *Mayak Fissile Material Storage Facility (FMSF) Transparency Arrangements*

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: The U.S. and Russia are negotiating a legal framework and a Transparency Protocol that will permit DoD to monitor the nuclear 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.

The draft Transparency Protocol permits use of a measurement system during monitoring visits to the FMSF. After it is signed, DoD will work with FAEA to develop and install an Inventory Sampling Measurement System to enable the monitors to make isotopic measurements. Subsequent enhancements for the Inventory Sampling Measurement System will confirm containers are loaded with an acceptable quantity of weapons-grade plutonium or enriched uranium. DOE is preparing to procure an isotopic measurement system, and DoD hopes to include its isotopic measurements requirement in the DOE procurement action.

Description of Activities Carried Out in FY 2006: In January 2006, the U.S. proposed that transparency arrangements for the FMSF be an Annex to an extension of the U.S.-Russia CTR Umbrella agreement. Russia counter proposed and the U.S. accepted handling the FMSF transparency arrangements as an exchange of notes between the U.S. and Russia. DOS-led teams, with Office of the Secretary of Defense (OSD) representation, met in May, June, and September with FAEA and Russian Ministry of Foreign Affairs interlocutors to discuss a new legal framework for transparency. The technical transparency arrangements of the draft Transparency Protocol ultimately will be governed by the legal framework. In May 2006, Russia returned a revised version of a 2005 draft Transparency Protocol, which DoD and FAEA representatives discussed in July 2006. Negotiations on both the legal and technical arrangements are ongoing. Russia announced that FAEA Director Kirienko attended the first loading at the FMSF on July 11, 2006.

Unresolved Prior Year Concern: Although significant progress was made during negotiations in 2004 and 2005 to finalize a Transparency Protocol, several differences on technical issues remain, and OSD continues to negotiate the Protocol. In 2006, DOS, with OSD representation, negotiated the legal framework for transparency arrangements and achieved an agreement in principle. This framework agreement should provide the basis for completion of the negotiations on the rest of the Protocol, which will be annexed to the framework agreement.

Location: Mayak.

2.4 BIOLOGICAL THREAT REDUCTION PROGRAM – FSU

(See paragraph 1.5 for BTRP information.)

2.4.1 Biosecurity and Biosafety/Threat Agent Detection and Response

FY 2008–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; improve biosafety and biosecurity; enhance recipients' abilities to detect, diagnose, and respond to disease outbreaks; and ensure safe, 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, state, and county level 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 will inventory, store, and control access to select agents. Eventually, countries' networks will link with regional partners to enhance disease monitoring, reporting, and containment and ensure early warning of potential bioattacks and pandemics. DoD 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 republic-level CRLs with state-of-the-art diagnostic capabilities, an information technology backbone, and modern communications. These labs provide Mobile Outbreak Response Units with diagnostic and epidemiological teams for rapid response to potential incidents and veterinarians and clinicians who do population-based surveillance in areas where EDP cases may occur. The regional-level Epidemiological Monitoring Stations survey suspicious disease outbreaks, analyze epidemics, and collect disease reports from veterinarians, clinicians, or epidemiologists. Lacking a BTRP implementing agreement with Russia, DoD provides only safety and security upgrades at select former BW facilities still working with dangerous pathogens.

Description of Activities Carried Out in FY 2006: In Russia, RTSC did technical oversight, conducted assessments, and drafted Analyses of Alternatives for biosafety and biosecurity upgrades at Golitsino, Pokrov, and Vladimir. The Analysis of Alternatives for Pokrov is being revised to accommodate Russia's requested changes, and another institute assessment and Analysis of Alternatives is being prepared for Vector, the State Research Center of Virology and Biotechnology. Biosafety and biosecurity upgrades continue, the Pathogen Asset Control System was installed, and biosafety training was completed at Golitsino.

In Baku, Azerbaijan, RTSC continued to renovate training space and enhance site security at the Anti-Plague Station and renovate the interim diagnostic laboratory at the Republican Veterinary Laboratory. In Ukraine, projects to establish Epidemiological Monitoring Stations at the Central Sanitary Epidemiology Station in Kyiv and the L'viv Research Institute of Epidemiology and Hygiene in L'viv began. Ukraine designated the Odessa Anti-Plague Institute as an interim CRL, and renovation work began to accommodate this capability. In Georgia, BNI completed construction of the Epidemiological Monitoring Station at the Laboratory of the Ministry of Agriculture in Tbilisi and installed the Pathogen Asset Control System at the National Center for Disease Control, the interim CRL. Construction continues on the veterinary Epidemiological Monitoring Station in Kutaisi: the final construction permit for the CRL was secured and site construction initiated. In Uzbekistan, renovation of five Epidemiological Monitoring Stations, one of which is the interim CRL in Tashkent, was completed. BNI installed the Pathogen Asset Control System at the interim CRL and continued facility design. In

Kazakhstan, construction of the Epidemiological Monitoring Station at the National Veterinary Center in Astana was completed, and three vehicles to support detection of avian influenza were provided. Approximately 450 personnel were trained in epidemiology and diagnostics, biosafety and bioethics, and computer and information technology. Georgia proposed to establish the CRL as a joint U.S.-Georgia laboratory. To ensure long-term sustainment of the CRL after CTR disengages, DoD is exploring the development of this proposal as an overseas laboratory through a partnership of DoD and the Department of Health and Human Services with Georgia.

On-site contractors, RTSC and BNI, maintain offices in Moscow, Russia; Tashkent, Uzbekistan; Almaty, Kazakhstan; and Tbilisi, Georgia. They oversee environmental analysis, design, safety procedures, and implementation. BNI and RTSC employ local subcontractors for construction, renovation, and installation; provide management oversight; and verify reporting.

A&Es: In April 2006, A&Es of BTRP projects in Georgia at the National Center for Disease Control in Tbilisi, the Public Health Center in Kutaisi, and the Laboratory of the Ministry of Agriculture in Tbilisi were conducted. The team interviewed personnel, reviewed documents, examined equipment for accountability/serviceability/usage, and determined that all projects were on track. A&Es scheduled for Azerbaijan, Uzbekistan, and Kazakhstan were cancelled because the projects had not developed sufficiently to justify an audit or examination.

Locations: Azerbaijan: Baku; Georgia: Kutaisi and Tbilisi; Kazakhstan: Almaty, Astana, and Otar; Russia: Golitsino, Kazan, Kol'tsovo, Obolensk, Pokrov, and Vladimir; Ukraine: Kyiv, Odessa, and L'viv; Uzbekistan: Samarkand and Tashkent.

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, delaying shipments of equipment to project sites and affecting work schedules. An inability to implement the exemption led to a stop-work order in April 2006. A mechanism was established in November 2006 to obtain Value Added Tax exemptions, but by the end of 2006, Kazakhstan was unable to implement its plan and work remains stalled.

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

Implementing Agreement / Project	Prior Year	FY 2007	FY 2008	FY09-FY13	* Total
<i>Nuclear Weapons Storage Security (Russia)</i>					
Site Security Enhancements	\$502.9	\$79.1	\$23.0	\$78.0	\$683.0
Far East Training Center	\$9.1	\$7.8			\$16.9
Completed Projects	\$141.6				\$141.6
<i>Nuclear Weapons Transportation Security (Russia)</i>					
Nuclear Weapons Transportation	\$77.2	\$11.9	\$12.9	\$73.9	\$175.9
Railcar Maintenance and Procurement	\$34.6	\$20.8	\$24.8	\$90.3	\$170.5
Completed Projects	\$46.3				\$46.3
<i>Fissile Material Storage Facility (Russia)</i>					
Fissile Material Storage Facility Transparency	\$23.0				\$23.0
Completed Projects	\$308.9				\$308.9
<i>Biological Threat Reduction (FSU)</i>					
Biosecurity and Biosafety/Threat Agent Detection and Response	\$279.3	\$47.0	\$125.7	\$749.2	\$1,201.2
<i>Chemical Weapons Destruction (Russia)</i>					
Completed Projects	\$20.0				\$20.0
Budget	\$1,442.9	\$166.6	\$186.4	\$991.4	\$2,787.3
* Estimated Program FYDP Total					

Objective 3: Increase Transparency and Encourage Higher Standards of Conduct

3.1 BIOLOGICAL THREAT REDUCTION PROGRAM – FSU

(See paragraph 1.5 for BTRP information.)

3.1.1 Cooperative Biological Research

FY 2008–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 U.S. to improve diagnostics and therapeutics. CBR encourages higher standards of openness, ethics, and conduct by scientists and establishes strategic health partnerships that support the global fight against bioterrorism. U.S. Government interagency vetting of each project is conducted prior to approval.

Due to Russia’s unwillingness to cooperate on biological threat reduction and enter into a bilateral agreement for cooperation, DoD reduced its engagement in Russia and expanded activities with other countries.

CBR Russia: One project, the Magnetometric Immunosensor for Multi-Pathogen Continuous Monitoring, is ongoing at the Research Center of Molecular Diagnostics and Therapy in Moscow. Three projects with Vector concerning protection against smallpox—Conservation of Genetic Material and Study of Genomic Structure of Different Variola Virus Strains, Search for Antivirals for Treating and Prevention of Orthopoxviral Infections Including Smallpox, and Combinatorial Antibody Libraries to Orthopoxviruses—were suspended due to a lack of approval from the Russian Ministry of Health of a permanent on-site U.S. scientist. This caused a delay in the release of funds for the projects. The three smallpox projects are funded and managed jointly by DoD and the Department of Health and Human Services. The projects are to be resumed in 2007 using rotational visiting U.S. scientists for oversight.

CBR Non-Russia: Ten CBR projects in Kazakhstan, Uzbekistan, Georgia, and Azerbaijan are under way. Two additional projects are ready for implementation, and one proposal is in the final stages of development. The ongoing projects by country are:

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, and 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;

Uzbekistan: Epizootiological and Epidemiological Mapping of Anthrax, Plague, and Tularemia; Development of a Viral Diagnostic Facility; Epidemiological Surveillance of Human and Animal Brucellosis; and Evaluation of the Vaccinal Strain “Nevsky-13” of *Brucella melitensis*;

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;

Azerbaijan: Integrated Assessment of the Current State of Human and Animal Infectious Diseases Surveillance Systems.

The two projects approved and ready for implementation are Ecological and Virological Study of Arbovirus Infections in the South Aral Region in Uzbekistan and Epizootiological Monitoring and Biological Characterization of the Avian Influenza Virus in Kazakhstan. The Kazakhstan project will research a new highly immunogenic strain from *Francisella tularensis*, subspecies *mediaasiatica*, a candidate for human vaccine.

Description of Activities Carried Out in FY 2006: Three projects in Russia—Study of the Genomic Structure of Crimean-Congo Hemorrhagic Fever Virus Isolates Circulating in the Southern Regions of FSU Countries, Sampler for the Detection and Express Identification of Airborne Microorganisms, and Development of Liposomal Forms of Specific Immunoglobulins A for Urgent Prophylaxis and Treatment of Highly Dangerous Infections—were completed. These projects engaged 37 scientists and contributed to their writing 2 articles for peer-reviewed journals.

In non-Russian states, one CBR project mapped the occurrence of anthrax throughout Kazakhstan and characterized 93 local strains. 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 and, in Uzbekistan, epizootiological and epidemiological monitoring of plague, anthrax, and tularemia began. A modern molecular epidemiological study of brucellosis—an important health and economic problem in Kazakhstan and Uzbekistan—was completed. These projects engaged 252 scientists at 16 different institutes and are guiding the publication of one article in a peer-reviewed journal. Under CBR, 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. The Civilian Research and Development Foundation performed program management for projects in Kazakhstan and Uzbekistan. The contract with the University Strategic Partnership, led by the University of New Mexico and Pennsylvania State University, to recruit collaborators known as Visiting Scientists, was renewed. The University Strategic Partnership has one active Visiting Scientist and one candidate awaiting assignment at Vector.

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

Locations: Azerbaijan: Baku; Georgia: Tbilisi; Kazakhstan: Almaty and Otar; Russia: Kol'tsovo and Moscow; Uzbekistan: Tashkent and Samarkand.

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

Implementing Agreement / Project	Prior Year	FY 2007	FY 2008	FY09-FY13	* Total
<i>Biological Threat Reduction (FSU)</i>					
Cooperative Biological Research	\$63.1	\$19.8	\$18.7	\$72.2	\$173.8
Budget	\$63.1	\$19.8	\$18.7	\$72.2	\$173.8
* Estimated Program FYDP Total					

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

The WMD-PPI program 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 Ukraine, Azerbaijan, Kazakhstan, 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 ensure that CTR governing agreements cover the reporting of WMD detections, made with the help of the assistance provided, to the in-country U.S. Embassy.

WMD-PPI projects are implemented incrementally; projects do not proceed until successful implementation of a previous stage. 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 Review: In February 2006, the first Executive Review of Azerbaijan's WMD-PPI project was held with officials from the Cabinet of Ministers, the Azerbaijan Executive Agent, and representatives from the State Border Service-Coast Guard. DoD was informed that the Navy would be designated as a secondary implementing agent to support the State Border Service-Coast Guard.

4.1.1 Land Border and Maritime Proliferation Prevention (Ukraine)

FY 2008–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 USG 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 2006: RTSC continued to collect and analyze traffic data at POEs and stations along the Moldovan border to identify additional opportunities to enhance command and control, voice communications, surveillance, mobility, and detection and interdiction functions of the State Border Guard and State Customs Service within the project's test bed. Enhancements proven viable were applied to State Border Guard and State Customs Services facilities outside the test area. Communications equipment for command and control of operations, vehicles for interdiction, and radiation detection equipment

for law enforcement actions by the State Border Guard and State Customs Services were provided. RTSC published an annual assessment of progress, traceable to the equipment and training provided, beyond Ukraine's original capacity. Planning to deploy and sustain high-technology, high-dollar value equipment began.

In the maritime area, initial assessments of threats and vulnerabilities, a baseline Concept of Operations, and training needs analysis were completed. Based on a gap analysis, DoD provided immediate capability enhancements for detection and interdiction equipment and training at the port of Odessa/Illichevsk. Upgraded surveillance, communications, and navigation equipment on patrol vessels; rigid hull inflatable boats; and boarding party equipment and training were provided.

Locations: Gradenitsky, Kuchurgan, Luchinskaye, Platonove, Stepanovka, and Timkova under the land border project. Maritime locations include Illichevsk, Izmail, and Odessa.

4.1.2 Caspian Sea Maritime Proliferation Prevention (Kazakhstan)

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: Assistance will help Kazakhstan develop a comprehensive WMD detection and interdiction capability for its Caspian maritime border and on adjacent waters as a companion to the Azerbaijan Caspian Sea Maritime project. The first increment will begin in FY 2007 with assistance to improve WMD interdiction and detection, boarding crew training programs at Kazakhstan's Maritime Training Center in Aktau, boarding crew operational training and evaluation, and development of an interdiction Concept of Operations.

Description of Activities Carried Out in FY 2006: Four site visits were made to develop project requirements. The Milestone Decision Authority approved the program plan and baseline. RTSC began identifying and procuring equipment. UNITECH received a contract to conduct training and develop a draft Concept of Operations.

Locations: Aktau, Atyrau, Bautino, and selected coastal radar sites.

4.1.3 Portal Monitoring (Uzbekistan)

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: DoD is providing a comprehensive 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. Based on a threat assessment by Lawrence Livermore National Laboratory, POEs were prioritized according to their risk for nuclear smuggling. In the second phase, WGI has been installing radiation portal monitors; delivering hand-held radiation detectors; upgrading communication and data storage; performing additional traffic analysis; and training on detection, data-storage, and communications equipment. This work should be complete in FY 2008. During the third phase, DoD will work closely with DOE's Second Line of Defense Program, which is assuming long-term sustainment of the installed portal monitoring equipment, while responsibility for reporting and training will transition to the State Customs Committee and Border Guard. Expansion of land-border surveillance, detection, and interdiction to the areas between POEs was investigated. Upon expansion, this will become the Land Border Proliferation Prevention project. This project's success will be measured by Uzbekistan's ability to respond to and report incidents and to sustain training.

Description of Activities Carried Out in FY 2006: WGI finished installation of portal monitors, including communications upgrades, at 19 POEs and transitioned operation of the monitors to the Uzbekistan State Customs Committee. WGI developed an Employee Dependability Program for Uzbekistan's border security agencies to increase the effectiveness of equipment installed for the detection and interdiction of WMD smuggling. Shipments containing low-level, not weapons-grade, radioactivity were detected on two occasions.

Locations: Alat, Amuzang, Andarkhon, Ayritom (rail and vehicle), Dustlik, Gisht-Kuprik, Jar-Tepa, Karakalpaka, Keles/Nazarbek, Khodjidovlet, Khojayli, Navoi, Oybek, Sary-Assia, Tashkent International Airport Pedestrian and Cargo sites, and Yallama.

A&E: A February 2006 A&E concluded that operator efficiency, equipment operability, documents maintenance, and train-the-trainer capabilities are evolving as planned.

4.1.4 Caspian Sea Maritime Proliferation Prevention (Azerbaijan)

FY 2008–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 support repair of two patrol vessels, additional training, and transition of all maintenance to Azerbaijan.

Description of Activities Carried Out in FY 2006: A WMD proliferation prevention exercise, jointly coordinated with DoD's International Counterproliferation Program, was conducted in June 2006. Using a realistic scenario, the State Border Service-Coast Guard successfully demonstrated its basic ability to prevent WMD proliferation during two days of at-sea events. One patrol vessel was repaired, acceptance criteria were developed, boat repair inspections were conducted, repairs to other patrol vessels were recommended based on their compliance with the acceptance criteria, and the Astara Boat Basin was constructed and became operational, extending the range of patrols and providing safe refuge for vessels in the southern sector of Azerbaijan's portion of the Caspian Sea. Support to develop maintenance and training capabilities for the State Border Service-Coast Guard continued into FY 2007.

A&E: During the June 2006 A&E, the State Border Service-Coast Guard successfully demonstrated a basic ability to conduct the WMD proliferation prevention mission.

Locations: Altiagach, Astara, and Baku.

4.1.5 Fissile and Radioactive Material Proliferation Prevention (Kazakhstan)

FY 2008–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 2006: A contract was awarded in June 2006.

Location: Kazakhstan.

4.1.6 Expanded WMD-PPI Project Areas

FY 2008–FY 2013 Five-Year Plan, Purpose, and Resources: DoD can implement new WMD-PPI projects following a U.S. Government-coordinated decision to do so. "Quick response packages" require less time than that required to develop a full project. Factors

influencing the development of any new initiative include the threat of proliferation, 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 to be implemented incrementally 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 2006: None.

Location: N/A.

4.2 DEFENSE AND MILITARY CONTACTS

Created in 1993 as a part of the larger CTR Program, the 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, counter-proliferation, and defense reform; build security cooperation with the Eurasian states; and promote exchanges that enhance interoperability with U.S. and NATO forces for the purpose of multinational operations.

DMC activities in Russia seek to stem proliferation of its chemical, biological, and nuclear weapons and related technology. In other eligible Eurasian states, 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.

This program is developed 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 close coordination with the Joint Staff, the Combatant Commands, and U.S. military services to ensure that scheduled events support the Secretary of Defense's Security Cooperation Guidance and regional combatant commands' country and regional campaign plans.

FY 2008–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 FSU-states' counterparts, and Consultative Staff Talks between U.S. Combatant Commanders and key FSU military leaders. In support of counterproliferation goals, the DMC program will sponsor exercises and Traveling Contact Teams. In support of counterterrorism objectives, the program will sponsor such events as Military Police familiarization exchanges and anti-terror Traveling Contact Teams. It will begin a multi-year personnel reform effort to assist and encourage Eurasian nations to build on their progress in reforming Soviet-legacy defense institutions.

Description of Activities Carried Out in FY 2006: More than 230 events were conducted. These events included: five Bilateral Defense Consultations; a Manpower, Personnel, Training, and Education conference for all eligible countries in Eurasia; a military decision making and peacekeeping exercise and several exchanges with Kazakhstan; a peace-support operations exercise with Ukraine; National Guard State Partnership Program familiarizations and contact visits between eligible nations and partner states; and U.S. participation in a crisis management operations exercise and familiarization visits with eligible Central Asian 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.

Locations: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Ukraine, and Uzbekistan.

4.3 CHEMICAL WEAPONS ELIMINATION – ALBANIA

This project will assist Albania to eliminate a stockpile of 16.45 metric tons of bulk mustard, lewisite, mustard-lewisite, adamsite, and chloroacetophenone chemical weapons agents in accordance with the requirements of the Chemical Weapons Convention.

FY 2008–FY 2013 Five-Year Plan, Purpose and Resources: Using prior year funds, the project will eliminate all chemical agents, verify the chemical agents’ elimination, decontaminate and redeploy equipment, and turn over secondary waste to Albania for final disposition in FY 2007.

Description of Activities Carried Out in FY 2006: WGI designed, fabricated, assembled, and tested the elimination equipment in Germany and subsequently installed engineering and administrative controls as a result of a test malfunction. WGI initiated full system testing after deployment and assembly of equipment in Albania and obtained the environmental permit for agent elimination processing. WGI completed commissioning of the elimination equipment and started systemization activities. RTSC completed road and site improvements using the Albanian Ministry of Defense Engineer Brigade and local commercial resources and completed repairs to infrastructure damaged by unusually heavy winter rains. WGI completed additional infrastructure improvements, and the U.S. Army Center for Health Promotion and Preventive Medicine collected soil and water samples to establish the environmental baseline. DoD assisted Albania with development and submission of Chemical Weapons Convention-required documentation and participated in numerous coordination meetings with the Organization for the Prohibition of Chemical Weapons at The Hague. The U.S. Army Materiel Systems Analysis Activity, Edgewood Chemical Biological Center, the U.S. Army Center for Health Promotion and Preventive Medicine, and the Tennessee Valley Authority are technical consultants to assist program management and oversight. There were numerous site inspection, oversight, and coordination trips to Albania by program managers.

Location: Qaf Molla.

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

Implementing Agreement / Project	Prior Year	FY 2007	FY 2008	FY09-FY13	* Total
<i>WMD Proliferation Prevention Initiative-FSU, Except Russia</i>					
Land Border and Maritime Proliferation Prevention (Ukraine)	\$41.8	\$12.8	\$15.8	\$50.0	\$120.4
Caspian Sea Maritime Proliferation Prevention (Kazakhstan)	\$6.6	\$6.7	\$8.3	\$29.4	\$51.0
Land Border Proliferation Prevention (Uzbekistan)	\$33.7	\$7.0	\$5.5	\$25.5	\$71.7
Caspian Sea Maritime Proliferation Prevention (Azerbaijan)	\$50.6	\$9.4	\$8.4	\$29.9	\$98.3
Fissile and Radioactive Material Proliferation Prevention (Kazakhstan)	\$13.8	\$1.3			\$15.1
Expanded WMD-PPI Project Areas				\$108.1	\$108.1
<i>Defense and Military Contacts</i>					
Defense and Military Contacts	\$64.6	\$7.7	\$8.0	\$40.0	\$120.3
<i>Chemical Weapons Elimination Albania</i>					
Chemical Weapons Elimination	\$38.4				\$38.4
Budget	\$249.5	\$45.0	\$46.0	\$282.8	\$623.3
* Estimated Program FYDP Total					

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 2008–FY 2013 Five-Year Plan, Purpose, and Resources: A&Es are one of the means used to ensure that assistance provided is accounted for and used efficiently and effectively for its intended purpose. In accordance with CTR umbrella and implementing agreements, the U.S. has the right to examine the use of any material, training, or other services provided under these agreements. A&Es may be performed during three years after expiration of the CTR umbrella agreements with Russia, Kazakhstan, Georgia, Moldova, Albania, and Uzbekistan. In Ukraine, A&Es may be performed until expiration of the U.S.-Ukraine CTR Umbrella Agreement. Through FY 2006, the U.S. has conducted 170 A&Es in the recipient states.

DoD enhanced the process to develop the Annual A&E Schedule starting in FY 2006. For FY 2007, DoD again considered the challenges in implementing particular projects and any possible accountability concerns, and it sought recommendations from program and executive management to develop the A&E schedule. After identifying projects to be audited, objectives and testing techniques were identified, and an audit plan to provide impartial feedback on the use of assistance, assess the efficiency and effectiveness of project implementation, and address the range of management concerns was designed.

Description of Activities Carried Out in FY 2006: DoD conducted eight A&Es: five in Russia, one in Uzbekistan, one in Azerbaijan, and one in Georgia.

Accounting Activities for FY 2007: DoD plans to conduct 11 A&Es in Russia, Ukraine, Uzbekistan, Kazakhstan, and Azerbaijan. These audits will review programmatic developments of the Ukrainian Strategic Nuclear Arms Elimination Program, WMD-PPI in Uzbekistan and Azerbaijan, the Ukrainian Land Border Proliferation Prevention Initiative, BTRP activities in Georgia, and Biosecurity and Biosafety projects in Russia and Kazakhstan. The A&E of the Ukraine Land Border Proliferation Prevention project is included in an exercise jointly developed with the International Counterproliferation Program. There will be three A&Es of the Nuclear Weapons Storage Security program and two A&Es of the Nuclear Weapons Transportation Security program in Russia.

Program Management/Administration

FY 2008–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 Independent Professional Analyst personnel, and Defense Threat Reduction Offices at U.S. embassies in recipient states.

Description of Activities Carried Out in FY 2006: Advisory and Assistance Services support through an incrementally funded contract was provided by the Threat Reduction Support Center team of more than 15 contractors, with Science Applications International Corporation as

the prime contractor and Threat Reduction Support Center manager. 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.

DoD maintained offices in U.S. embassies in Russia, Ukraine, Kazakhstan, Uzbekistan, Azerbaijan, and Georgia to provide direct in-country support for implementation of the Program.

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

Project	Prior Year	FY 2007	FY 2008	FY09-FY13	*Total
Audits and Examinations	\$4.3	\$0.5	\$0.5	\$2.5	\$7.8
Program Management/Administration	\$158.2	\$17.8	\$18.5	\$104.1	\$298.6
Budget	\$162.5	\$18.3	\$19.0	\$106.6	\$306.4
* Estimated Program FYDP Total					

Figure 7: Summary of Program Future Years Defense Plan funding by Objective in millions.

Objective	Prior Year	FY 2007	FY 2008	FY09-FY13	* Total
1. Dismantle FSU WMD and associated infrastructure	\$2,797.9	\$121.0	\$77.9	\$422.9	\$3,419.7
2. Consolidate and secure FSU WMD and related technology and materials	\$1,442.9	\$166.6	\$186.4	\$991.4	\$2,787.3
3. Increase transparency and encourage higher standards of conduct	\$63.1	\$19.8	\$18.7	\$72.2	\$173.8
4. Support defense and military cooperation with objective of preventing proliferation	\$249.5	\$45.0	\$46.0	\$282.8	\$623.3
Other Program Support	\$162.5	\$18.3	\$19.0	\$106.6	\$306.4
Completed Programs	\$827.0				\$827.0
Total Budget	\$5,542.9	\$370.6	\$348.0	\$1,876.0	\$8,137.5
* Estimated Program FYDP Total					

Program Accountability Actions for FY 2006

Figure 8, Program Accountability Actions for FY 2006, summarizes activities conducted to ensure that assistance is used for its intended purpose and projects are implemented efficiently and effectively. Paragraph references to program and project narratives are included. A&Es, management team trips, and CTR Integrated Services visits and maintenance actions shown at the program level were performed for multiple projects under that program.

Figure 8: Program accountability actions for FY 2006.

Paragraph Reference	Program/Project	A&Es Planned	A&Es Complete	Management Team Trips	CTR Integrated Services Visits	Maintenance Actions	U.S. On-Site Support
1.1	Strategic Offensive Arms Elimination - Russia				8		
1.1.1	Solid Propellant ICBM/SLBM and Mobile Launcher Elimination	1			11	50	156 Y
1.1.2	Liquid Propellant ICBM/SLBM Missile and Silo Elimination				4	31	231 Y
1.1.3	SLBM Launcher Elimination/SSBN Dismantlement, Spent Naval Fuel Disposition	1	1		2	8	87 Y
2.1	Nuclear Weapons Storage Security - Russia				3		
2.1	Automated Inventory Control & Management System	3	3		4	5	
2.1	Guard Force Equipment and Training				1		200 Y
2.1.1	Site Security Enhancements				1	2	
2.2	Nuclear Weapons Transportation Security - Russia	1	1		8		
2.2	Transportation Safety Enhancements					15	
2.2.2	Railcar Maintenance and Procurement					5	
1.2	Chemical Weapons Destruction - Russia				4		
1.2.1	Chemical Weapons Destruction Facility				10	1	Y
1.2.2	Chemical Weapons Production Facility Demilitarization				10		
1.3	Strategic Nuclear Arms Elimination - Ukraine				3		
1.3	Bomber and ASM Elimination				4		Y
1.3.1	SS-24 Missile Disassembly, Storage and Elimination				3		Y
1.4	WMD Infrastructure Elimination - Ukraine				7		
4.3	Chemical Weapons Elimination - Albania				4	2	Y
1.5, 2.4, 3.1	Biological Threat Reduction - Former Soviet Union				31		
1.5.1	BW Infrastructure Elimination				6	1	Y
2.4.1	Biosecurity and Biosafety/Threat Agent Detection and Response	4	1		20	7	Y
3.1.1	Cooperative Biological Research				15		Y
4.1	WMD Proliferation Prevention Initiative - FSU						
4.1.1	Land Border/Maritime Proliferation Prevention (Ukraine)				9		
4.1.2	Caspian Sea Maritime Proliferation Prevention (Kazakhstan)				4		
4.1.3	Portal Monitoring (Uzbekistan)	1	1		8	1	
4.1.4	Caspian Sea Maritime Proliferation Prevention (Azerbaijan)	1	1		6		
4.1.5	Fissile and Radioactive Materials Proliferation Prevention (Kazakhstan)				1		
	CTR Integrated Services Program				8		
	Grand Totals	12	8		195	128	674

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 and Albania that DoD currently uses to implement the CTR Program. 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.

ALBANIA (AL)

Agreement Between the Government of the United States of America and the Government of the Republic of Albania Concerning Cooperation in the Area of the Prevention of Proliferation of Weapons of Mass Destruction, and the Promotion of Defense and Military Relations, dated May 12, 2003 (U.S.-Albania CTR Umbrella Agreement)

Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Albania Concerning the Safe, Secure, and Ecologically Sound Destruction of Chemical Weapons, dated December 30, 2004, as amended September 27, 2005, April 4, 2006, and September 5, 2006 (Chemical Weapons Destruction Implementing 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, and July 11, 2006 (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 (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, and June 23, 2006 (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, and as extended December 5, 2000 (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)

Agreement Between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Moldova Concerning Cooperation in the Area of the Prevention of Proliferation of Weapons of Mass Destruction, and the Promotion of Defense and Military Relations, dated June 25, 1997; and as extended May 14, 2003 (U.S.-Moldova CTR Umbrella Agreement)

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, and September 8, 2006 (Chemical Weapons Destruction Implementing Agreement)

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

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)

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 Project 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)

Agreement Between the Department of Defense of the United States of America and the Federal Space Agency of the Russian Federation 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, and May 25, 2006, 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 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, and March 22, 2006, and as extended January 14, 1999, January 25, 2000, and June 17, 2006
(Nuclear Weapons Transportation Security 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, and March 22, 2006, and as extended January 14, 1999, January 25, 2000, and June 17, 2006
(Nuclear Weapons Storage Security Implementing 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 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 Ministry of Economy and European Integration of Ukraine Issues 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, and September 12, 2006 (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 2006	Cumulative Notified	Obligated in FY 2006	Cumulative Obligations	Expended in FY 2006	Cumulative Expenditures
Strategic Offensive Arms Elimination (R)	\$49.69	\$1,182.70	\$43.74	\$1,173.19	\$108.14	\$1,085.27
Nuclear Weapons Storage Security (R)	\$128.60	\$653.60	\$171.18	\$647.63	\$116.58	\$410.14
Nuclear Weapons Transportation Security (R)	\$30.00	\$158.08	\$29.55	\$153.67	\$20.69	\$124.33
Fissile Material Storage Facility (R)		\$331.88	(\$8.14)	\$323.08	(\$0.06)	\$319.62
Fissile Material Containers (R)	(\$0.10)	\$72.92	(\$0.11)	\$72.84	(\$0.11)	\$69.23
Elimination of Weapons Grade Plutonium Production (R)		\$26.05		\$25.93	(\$0.00)	\$25.93
Chemical Weapons Destruction (R)	\$108.50	\$1,092.05	\$117.57	\$1,079.01	\$173.10	\$657.52
Emergency Response (R)		\$15.25	(\$0.00)	\$14.85	(\$0.09)	\$14.74
Material Control and Accounting (R)		\$44.09		\$43.82	(\$0.00)	\$43.82
Defense Conversion (R)	(\$0.50)	\$36.78	(\$0.40)	\$36.28	(\$0.00)	\$36.12
Strategic Nuclear Arms Elimination (U)	\$2.30	\$496.88	\$0.47	\$492.93	\$4.47	\$482.15
Government-to-Government Communications Link (U)		\$1.96		\$1.96	(\$0.01)	\$1.95
WMD Infrastructure Elimination (U)		\$25.10	\$2.57	\$24.98	\$1.51	\$22.68
Material Control and Accounting (U)		\$21.97	(\$0.00)	\$21.97		\$21.75
Export Control (U)		\$13.85	(\$0.05)	\$13.80	(\$0.05)	\$13.80
Defense Conversion (U)		\$55.38		\$55.24	(\$0.00)	\$55.16
Strategic Offensive Arms Elimination (K)		\$59.49	(\$0.00)	\$59.47	(\$0.00)	\$58.81
Government-to-Government Communications Link (K)		\$2.31	(\$0.04)	\$2.27	(\$0.04)	\$2.27
WMD Infrastructure Elimination (K)	(\$0.05)	\$42.00	(\$0.04)	\$41.91	\$0.36	\$41.72
Material Control and Accounting (K)	(\$0.05)	\$21.83	(\$0.05)	\$21.84		\$21.82
Export Control (K)		\$7.12	\$0.00	\$7.12	\$0.00	\$7.11
Defense Conversion (K)		\$17.14		\$17.10	(\$0.00)	\$17.06
Strategic Offensive Arms Elimination (B)		\$3.34	\$0.00	\$3.34	\$0.00	\$3.34
Environmental Restoration (Project Peace) (B)		\$24.44	\$0.00	\$24.44	\$0.00	\$24.36
Emergency Response (B)		\$4.97		\$4.86	(\$0.00)	\$4.82
Export Control (B)		\$12.09	\$0.11	\$12.09	\$0.10	\$12.09
Nukus Chemical Research (UZ)		\$8.36	(\$0.00)	\$8.35	\$0.00	\$8.34
Export Control (G)		\$1.13		\$1.13	(\$0.00)	\$1.10
Biological Threat Reduction Program (FSU)	\$69.85	\$363.69	\$57.48	\$346.18	\$97.33	\$253.37
Defense and Military Contacts (FSU)	\$8.00	\$64.77	\$5.80	\$54.34	\$6.58	\$43.69
Defense and Military Contacts (R)		\$11.64	(\$0.56)	\$10.63		\$10.15
Defense and Military Contacts (U)		\$5.37	(\$0.04)	\$3.89		\$3.80
Defense and Military Contacts (K)		\$1.64	(\$0.05)	\$1.46		\$1.33
Defense and Military Contacts (CP)		\$4.17		\$4.16	(\$0.00)	\$1.57
Industrial Partnering Program (FSU)		\$10.00		\$10.00	\$0.13	\$9.87
WMD-Proliferation Prevention Initiative (FSU)	\$37.40	\$146.50	\$52.23	\$134.76	\$50.03	\$83.16
Chemical Weapons Destruction (Albania)	\$7.20	\$38.40	\$7.52	\$34.47	\$12.85	\$15.21
Other Assessments/Administration Costs	\$13.79	\$162.50	\$13.32	\$158.78	\$17.50	\$147.13
Programs with no financial activity in FY 2006		\$301.45		\$300.89		\$300.49
Total CTR Program	\$454.62	\$5,542.88	\$492.06	\$5,444.65	\$609.01	\$4,456.82

APPENDIX C: FINANCIAL COMMITMENTS FOR FY 2007 FROM THE INTERNATIONAL COMMUNITY AND RUSSIA FOR THE CHEMICAL WEAPONS DESTRUCTION FACILITY AT SHCHUCH'YE, RUSSIA

FY 2007 Financial Commitment from the International Community

The international community has committed more than \$173 million¹ for infrastructure and other support to construct the nerve-agent destruction facility at Shchuch'ye. As agreed by G-8 leaders at the Kananaskis Summit in June 2002, Chemical Weapons Destruction in Russia is a high priority for the G-8 Global Partnership against the Spread of Weapons and Materials of Mass Destruction. Since the Summit, several countries have announced commitments under the Global Partnership to support Russian Chemical Weapons Destruction, including Shchuch'ye. Other countries continue to indicate interest in supporting Shchuch'ye, and additional contributions for the CWDF project in FY 2007 are possible. Specific international commitments for Shchuch'ye include:

- Belgium: Provided €85,000 (≈ \$105,000) 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 (≈ \$27.8 million) for construction of an 18 kilometer railway linking the Planovy storage facility to the Shchuch'ye CWDF through the UK-Russia bilateral agreement. Canada also plans to fund the related railway inspection station required by Russia. In January 2005, Canada signed an MOU with the UK for additional contributions to Shchuch'ye CWDF construction. Canada has committed C\$10 million (≈ \$8.4 million) for key infrastructure projects at Shchuch'ye, including a local warning system to broadcast chemical contamination threat information, and has committed up to C\$55 million (≈ \$47.7 million) for the procurement of equipment for the second destruction building. Total commitments to the Shchuch'ye CWDF by Canada are just over C\$103.4 million (≈ \$86.9 million).
- Czech Republic: Provided CZK6 million (Czech Crowns) (≈ \$264,000) for electrical infrastructure projects at Shchuch'ye through the UK Global Partnership program of assistance to Russia.
- Denmark: Committed €100,000 (≈ \$125,000) to support the Green Cross Chemical Weapons Destruction public outreach program in Russia. It is unclear if this will provide direct support for Shchuch'ye CWDF public outreach efforts.
- European Union: Provided €1.3 million (≈ \$1.6 million) for an electrical infrastructure project at Shchuch'ye through the UK Global Partnership program of assistance to Russia.
- Finland: Committed €150,000 (≈ \$188,000) 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.

¹ 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.

- France: Committed €6 million (≈ \$7.5 million) for equipment for a second destruction line at Shchuch'ye through the UK Global Partnership program of assistance to Russia and a further €6 million (≈ \$7.5 million) for an environmental survey of the Shchuch'ye CWDF through a direct bilateral agreement with Russia.
- Ireland: Contributed €80,000 (≈ \$98,000) toward procurement of a key item of equipment for the destruction process at Shchuch'ye through the UK Global Partnership program of assistance to Russia.
- Italy: Provided €7.7 million (≈ \$9.6 million) for one section of gas pipeline in Shchuch'ye and committed €5 million (≈ \$6.3 million) for an additional section of gas pipeline.
- Netherlands: Provided €1.5 million (≈ \$1.88 million) for the manufacture of a metal parts furnace for the Shchuch'ye CWDF through the UK Global Partnership program of assistance to Russia. Provided €48,700 (≈ \$60,900) for an assessment of social infrastructure investment and community development needs in the Shchuch'ye area and committed €43,300 (≈ \$54,100) through Green Cross for public outreach. A further contribution of €4 million (≈ \$5 million) toward the shipment of the furnace and installation of an electrical power project at Shchuch'ye is expected in the second half of 2006.
- New Zealand: Provided NZD1.9 million (New Zealand Dollars) (≈ \$1.2 million) for an electrical infrastructure project at Shchuch'ye through the UK Global Partnership program of assistance to Russia and pledged another NZD700,000 (≈ \$428,000) for 2006.
- Norway: Provided ≈ \$3.3 million for electrical infrastructure projects at Shchuch'ye through the UK Global Partnership program of assistance to Russia.
- Sweden: Committed to provide 5.5 million Kronor (≈ \$690,000) for an electrical infrastructure project at Shchuch'ye through the UK Global Partnership program of assistance to Russia.
- Switzerland: Committed CHF\$780,000 (Swiss Franks) (≈ \$630,000) for a sanitary and hygiene monitoring system in Shchuch'ye through the UK Global Partnership program of assistance to Russia.
- United Kingdom (UK): Spent £15 million (≈ \$27.5 million) at Shchuch'ye on water and electricity infrastructure projects and equipment for the destruction process. A further £10 million (\$18.3 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 Shchuch'ye, tied to the Canadian railway commitment and implemented through the UK Global Partnership program of assistance to Russia

FY 2007 Financial Commitment from the Russian Federation

In July 2006, FAI reported it had requested 18.287 billion rubles (≈ \$643.9 million) in its 2006 budget submission for chemical weapons elimination and subsequently reported that it has spent 1,615 million rubles (≈ \$57.5 million) in FY 2006 on Shchuch'ye. Total Russian funding for Shchuch'ye to date is ≈ \$201.3 million.

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

Program	Project	FY 2006	FY 2007	FY 2008	FY 2009
Strategic Offensive Arms Elimination - Russia		\$49,688	\$75,735	\$77,885	\$82,385
	Solid Propellant ICBM/SLBM and Mobile Launcher Elimination	\$45,404	\$53,601	\$46,664	\$54,984
	Liquid Propellant ICBM/SLBM and Silo Elimination	\$971	\$16,347	\$16,133	\$16,503
	SLBM Launcher Elimination/SSBN Dismantlement	\$3,313	\$5,787	\$15,088	\$10,898
Nuclear Weapons Storage Security - Russia		\$128,600	\$86,850	\$22,988	\$24,750
	Site Security Enhancements	\$119,855	\$79,063	\$22,988	\$24,750
	Far East Training Center	\$8,745	\$7,787		
Nuclear Weapons Transportation Security - Russia		\$30,000	\$32,750	\$37,700	\$40,800
	Nuclear Weapons Transportation	\$8,946	\$11,898	\$12,908	\$13,990
	Railcar Maintenance and Procurement	\$21,054	\$20,852	\$24,792	\$26,810
Chemical Weapons Destruction - Russia		\$108,500	\$42,700		
	Chemical Weapons Destruction Facility	\$108,500	\$42,700		
Biological Threat Reduction - FSU		\$69,849	\$68,357	\$144,489	\$144,463
	BW Infrastructure Elimination	\$2,216	\$1,574		
	Biosecurity & Biosafety/Threat Agent Detection and Response	\$66,283	\$47,001	\$125,749	\$130,263
	Cooperative Biological Research	\$1,350	\$19,782	\$18,740	\$14,200
WMD Proliferation Prevention - FSU		\$40,600	\$37,223	\$37,986	\$38,286
	Land Border and Maritime Proliferation Prevention (Ukraine)	\$17,590	\$12,849	\$15,800	\$15,800
	Caspian Sea Maritime Proliferation Prevention (Kazakhstan)	\$5,346	\$6,688	\$8,300	\$8,453
	Land Border Proliferation Prevention (Uzbekistan)	\$3,284	\$6,984	\$5,450	\$5,476
	Caspian Sea Maritime Proliferation Prevention (Azerbaijan)	\$13,740	\$9,401	\$8,436	\$8,557
	Fissile and Radioactive Material Proliferation Prevention (Kazakhstan)	\$640	\$1,301		
Defense and Military Contacts - FSU		\$8,000	\$7,750	\$8,000	\$8,000
	Defense and Military Contacts	\$8,000	\$7,750	\$8,000	\$8,000
Other Assessments/Administrative Costs		\$14,600	\$18,250	\$19,000	\$20,100
	Audits and Examinations	\$500	\$500	\$500	\$500
	Program Management/Administration	\$14,100	\$17,750	\$18,500	\$19,600
Chemical Weapons Elimination - Albania		\$4,000			
	Chemical Weapons Elimination	\$4,000			
Strategic Nuclear Arms Elimination - Ukraine		\$1,100	\$1,000		
	SS-24 Missile Disassembly, Storage, and Elimination	\$1,100	\$1,000		
Total		\$454,937	\$370,615	\$348,048	\$358,784

**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)).

I. Overview

The Moscow Treaty, which entered into force on 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 for new 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- and rail-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 2007) Planned Activities

Strategic Offensive Arms Elimination: DoD is assisting Russia by contracting for and overseeing the destruction of strategic weapons delivery systems in accordance with all relevant START provisions and agreements, including the START Conversion or Elimination Protocol. The following work is expected to be complete in FY 2007:

Solid Propellant ICBM/SLBM and Mobile Launcher Elimination. DoD plans to eliminate 10 SS-N-20 SLBMs, 15 SS-24 ICBMs, 4 rail-mobile ICBM launchers, 8 launch-associated railcars, 44 SS-25 ICBMs, and 27 SS-25 road-mobile launchers; demilitarize 127 SS-25 support vehicles; and decommission and remove the road-mobile launchers, missiles, and support vehicles from 2 additional SS-25 regiments from one ICBM base, which will be closed.

Liquid Propellant ICBM/SLBM Missile and Silo Elimination. DoD plans to eliminate 2 SS-18 ICBMs, 19 SS-19 ICBMs, and 11 SS-19 silos.

SLBM Launcher Elimination/SSBN Dismantlement. DoD plans to complete elimination of 20 SLBM launchers on one *Typhoon*-class SSBN, contract for SLBM launcher elimination and the partial dismantlement of another *Typhoon*-class SSBN, and complete production of the final 3 casks to bring the total number to store spent naval fuel to 60.

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, Navy, and former Strategic Rocket Forces; and some temporary storage sites, such as rail transfer points. Security upgrades will continue at four sites for which construction permits have been received and final designs approved and at eight sites where site preparation has begun.

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 to dismantlement facilities.

Nuclear Weapons Transportation. This project assists MOD's shipment of nuclear warheads from deployment sites to central storage and on to 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 will provide 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 Transparency Protocol has been negotiated, but negotiations on it and governing legal framework developed in 2006 have not yet been finalized. Monitoring designed to measure certain attributes of the stored material should begin after the Protocol and legal framework are signed.

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

Section 1307 of the National Defense Authorization Act 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;

(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.”

These requirements for the following activities have been met:

Nuclear Weapons Storage Security - Russia

Site Security Enhancements: DoD supports the physical security upgrades at up to 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 began in April 2004; one temporary storage site was completed in April 2005; and 11 sites were completed in the third quarter of FY 2006. Construction at four additional sites started in June 2005, three of which are scheduled for completion by the fourth quarter of FY 2007 and one of which is scheduled for completion in the third quarter of FY 2008. Eight additional sites were put on contract in May 2006 and are expected to be complete no later than the end of 2008.

Chemical Weapons Destruction - Russia

Chemical Weapons Destruction Facility: DoD assists 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 began a three-phase project to repair and equip a facility located at Krasnoarmeysk, Russia to support burning SS-25 SRMs through 2014. Phase I, which provided an initial capability to burn SRMs, was completed in February 2006. During FY 2006, 44 sets of SS-25 SRMs were burned. Phase II began in January 2006 and ended in July 2006. Phase III, begun in August 2006, is planned for completion by March 31, 2007.

Biological Threat Reduction - FSU

Biosecurity and Biosafety and Threat Agent Detection and Response Projects: There were 10 active BTRP construction projects. Six were completed, and four continue into FY 2007. They are:

Georgia:

- Completed in October 2005: Epidemiological Monitoring Station at the Laboratory for the Ministry of Agriculture in Tbilisi.
- Ongoing: CRL and Repository in Tbilisi; Epidemiological Monitoring Station at the Kutaisi Regional Veterinary Laboratory in Kutaisi.

Kazakhstan:

- Ongoing: Epidemiological Monitoring Station at the National Veterinary Center in Astana.

Uzbekistan:

- Completed Epidemiological Monitoring Station construction at five locations: (1) the Center for Prophylaxis of Quarantine and Most Hazardous Infections in Tashkent, October 2005; (2) the Republican Sanitary and Epidemiological Service in Tashkent, October 2005; (3) the Chief Veterinary Directorate of Especially Dangerous Pathogens in Tashkent, March 2006; (4) the Central Military Hospital of the Ministry of Defense in Tashkent, September 2006; and (5) the Uzbekistan Scientific Research Veterinary Institute in Samarkand, September 2006.

Russia:

- Ongoing: Biosecurity and Biosafety renovations are underway at the All Russia Research Institute of Phytopathology in Golitsino.

Weapons of Mass Destruction Proliferation Prevention - FSU- Except Russia

Caspian Sea Maritime Proliferation Prevention-Azerbaijan: DoD completed construction of a boat basin for the Azerbaijan State Border Service-Coast Guard in November 2006. The Astara Boat Basin extends the range of patrol vessels performing the WMD proliferation prevention mission and provides safe refuge for vessels in the southern sector of Azerbaijan's portion of the Caspian Sea. The State Border Service rehabilitated their facilities at the Astara location to support an increased operational tempo. Two small patrol vessels are now stationed at the Astara Boat Basin and larger patrol vessels have operated from the facility on a rotating basis since construction was completed.

ACRONYMS AND ABBREVIATIONS

A&E	Audit and Examination
ASM	Air-to-Surface Missile
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
CY	Calendar Year
DMC	Defense and Military Contacts
DoD	Department of Defense
DOE	Department of Energy
DOS	Department of State
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
G-8	Group of Eight
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
OSD	Office of the Secretary of Defense
Parsons	Parsons Global Services, Inc.
POE	Port of Entry
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
WGI	Washington Group International, Inc.
WMD	Weapons of Mass Destruction
WMD-PPI	WMD Proliferation Prevention Initiative