



**NATIONAL PRESS CLUB OF WASHINGTON, D.C.**

**NUCLEAR THREAT INITIATIVE**

**MONDAY, FEBRUARY 7, 2005  
11:00 A.M.**

**THE NATIONAL PRESS CLUB  
WASHINGTON, D.C.**

**PARTICIPANTS:**

**SAM NUNN, FORMER U.S. SENATOR,  
CO-CHAIRMAN, NUCLEAR THREAT INITIATIVE**

**AMBASSADOR MICHAEL KERGIN, AMBASSADOR OF CANADA  
TO THE UNITED STATES OF AMERICA**

**AMBASSADOR YURI V. USHAKOV, AMBASSADOR OF THE  
RUSSIAN FEDERATION TO THE UNITED STATES OF AMERICA**

SAM NUNN: Thanks to everyone for being here today. I'm honored this morning to host this announcement that we believe is going to be a big assist to Russia's efforts to destroy 1.9 million chemical weapons stockpiled at Shchuchye in Russia.

I'm pleased to be joined by a number of partners this morning. At the podium, the Honorable Michael Kergin, the Canadian ambassador to the United States, and I might add that Trevor Smith is here, who is the project manager for Canada. Trevor, where are you?

MR. SMITH: Right here.

MR. NUNN: He's done a great deal of work, and we've really enjoyed working with you.

We also have our old friend, the Honorable Yuri Ushakov, the Russian ambassador to the United States. Mr. Ambassador, we are very pleased to be with you again, as we have been on many occasions, talking about the importance of getting control of weapons of mass destruction.

The Honorable Senator Richard Lugar, my partner for many years and still a partner in this important work, is represented by Kenny Myers III this morning. Senator Lugar was asked by President Bush to attend the funeral after the sudden death of the Georgian prime minister and he is now winging his way back on the airplane, but will not be able to be with us this morning. There is a full statement from Senator Lugar, which you will find at the press table, and I will have a couple of quotes from him in my statement this morning.

We also are joined, I'm told, in the audience by people who are from countries that are very important partners in this overall effort: the United Kingdom, Switzerland, Sweden, and the Czech Republic. And so we are delighted to have them.

First, let me mention the threat. In 2002, Senator Lugar and I, with key members of our staff -- two of whom -- Laura Holgate and Kenny Myers III -- are here this morning. We journeyed to Shchuchye, and we took a close, personal look at the storage facilities there that have over 1.9 million chemical weapons. There are barn-like structures there; about 14 very large facilities that look like barns. They are full of chemical weapons. When you get there, you go through -- and we'll show a film at the conclusion -- you go through a test procedure to make sure your gas mask is working, and you have two very formidable sets of chemical protective gear because these facilities are full of one form or the other of nerve gas.

We carried flashlights because electricity could have sparks that could set off a weapon. The weapons are stacked on top of each other, one after another, looking like an extremely large wine cellar, and of course, the shells there vary from artillery tubes to weapons that would fit on Scud missiles. So this is a very formidable array of stockpiled chemical weapons.

When you look at the inventory there – and I know it's been improved in recent years, but the inventory method when you – instead of the danger of handling these artillery tubes because many of them are rusting and slowly decaying, you realized that perfect inventory is completely, totally impossible. They do the best they can now, but the thing that you always fear in a situation like this is that a chemical weapon would be substituted from the inside.

The perimeter has been secured in a much-upgraded fashion with the Nunn-Lugar funds and the partnership between the United States and Russia, so the physical security from the outside has been much improved. And each weapon, we were told by our hosts, if properly disseminated, could kill anywhere from 80,000 to 100,000 people. So one of our mathematicians in the crowd – Dr. Ash Carter, who was with us – roughly computed that there would be enough chemical weapons stored at Shchuchye to kill everybody on the face of the earth several times over. So we're talking about a very substantial inventory of very dangerous weapons, and of course, the most dangerous threat of all would be if any of these weapons – even one or two – found their way into the hands of a terrorist group.

Now a word or two about the response. The bad news side is that the response on this chemical weapon destruction program, which was entered into a long time ago by the United States and Russia, and other countries in the world, with the U.S. and Russia having by far the largest inventory – the response in terms of dealing with this threat has been too slow, it's been too cumbersome, it's been too bureaucratic on all sides, and it has been too divorced from the threat. And although all of our leaders have worked on this project, in my view – my own view, this has not been a top, front-burner issue for our leadership, as I believe it should be. But I think that is changing.

The good news side is that we're making progress now. The partnership is growing; some of the obstacles are being removed; additional funds are being committed; and particularly Russia has doubled their funding, Mr. Ambassador, I believe, just in the last two or three years. And from my point of view, one of the most gratifying things about this announcement this morning is the fact that this partnership is growing, and here again, I want to commend the Canadians for taking a very prominent role in coming to the partnership – the Global Partnership to deal with weapons of mass destruction and weapons materials two-and-a-half years ago, in Kananaskis, Canada, and not only did they help stimulate the agreement itself – U.S. and Russia, and Canada, and others in the G-8 worked together – but most importantly from our point of view, we keep seeing Canada time after time work on securing the additional funds from the pledges that need to be made, and they're also working on converting the pledges to actual dollars and the dollars to actual programs.

So Mr. Ambassador, I express my thanks as an outside, non-governmental official, for the leadership that Canada and your government have been rendering. As most of you know, the original pledge was to get all chemical weapons destroyed by 2007. That has now been extended to 2012, but roughly speaking, the United States has

destroyed about one-third of our chemicals; the Russians have destroyed about 2 percent. This Shchuchye project represents about 17 percent of the Russian overall inventory, so obviously there is a long way to go.

If you divide this Shchuchye project into two concepts -- one is the inside-the-fence concept -- the United States government has committed a very sizeable funding for that. Inside the fence means building the destruction facility itself, which is some 18-20 kilometers from the actual storage site, so that inside-the-fence commitment has been made by the United States -- working very carefully with our partner, Russia.

Outside the fence is, by definition, not covered by U.S. government funding. This means that Russian funds primarily, but with the help of others, have to provide the infrastructure, the roads, the bridges, the schools -- all the things that are required in an extremely remote area to make the project successful and to allow the people to live there that have the destruction expertise and capabilities that will be put into play when the facility is completed.

Now as far as the Nuclear Threat Initiative, which is hosting this announcement this morning, when you look at the size of our project in terms of our commitment, it's \$1 million. We made that commitment in 2001, and we attached to that commitment to our Russian friends -- Dr. Pak signed the agreement with us -- that they would have to match it by getting \$2 million from someone else because obviously you need huge amounts of money, and \$1 million is only a small amount compared to what is needed.

But to our gratification, the Canadians came up last year and said they wanted to match it with \$25 million. Being an outside organization, we were very flexible; we didn't insist that it be \$2 million. We said we would be delighted to have it match with \$25 million. And the Canadians in effect have folded us into a much bigger project, and our money will go to build a bridge, and the Canadians are funding the railroad that will haul the dangerous chemical weapons directly to the destruction plant when it is completed. So we are announcing this morning a partnership between a non-governmental organization and the Canadians. We're being folded into their project.

Interestingly enough, to demonstrate the symbolism of this partnership, the Canadians are folding in a very innovative way their contractual agreements into the United Kingdom's contract with Russia, and most importantly, the Canadian funds, our funds, under the Great Britain -- United Kingdom contract are being folded into the larger partnership between Russia -- who is the key partner -- and the United States, who is a key partner in terms of supplying the funding for the destruction facility.

So as I see it, this is a series of bridges that are now being built in the overall international community, and to me, that is the real symbolism of this. You've got outside organizations -- Global Green has been doing a tremendous amount of work led by former President Gorbachev in dealing with the local communities because whether it's the United States or whether it's Russia, local communities have their say when you're having dangerous materials that are being destroyed, either by the chemical

destruction process or by incineration – in this country, incineration in many cases. They have their say not only in the destruction facilities and all the environmental and health and safety concerns, as they should, but also in the transportation of these chemical weapons, which is enormously important. So here we're dealing with both the threat – which is clear and going, and will be for a long time to come – and we're dealing with the response to that threat, and we're dealing with the important symbolism of cooperation across national lines, and also with the private sector.

As I see it, both in the chemical, the nuclear and the biological arena, we are in a race between cooperation and catastrophe. And fortunately this morning we're talking about the cooperation side. So it is now my pleasure to introduce the ambassador from Canada, who will give us a summary of his thoughts on this subject this morning, and then we'll hear from our Russian Ambassador.

Ambassador.

AMBASSADOR MICHAEL F. KERGIN: Thank you very much, Senator, Ambassador Ushakov, Ambassador Blickenstorfer – I see you in the audience, ladies and gentlemen. I'm very pleased to be here at the invitation of the Nuclear Threat Initiative, and I have to tell you that Canadians feel right at home being between the United States and Russia. Geographically of course, the Russians are north of us; south, we have the Americans, but it's not only geographic. Very often at international hockey tournaments we find ourselves flanked by the Russians and the Americans. (Scattered laughter.) We're up here and they're – you take your pick. (Laughter.)

But as much as we delight being with – playing hockey with the Russians and Americans – or against Russians and Americans occasionally, we're even more pleased to be on the same team dealing with what we think is an extraordinarily important program to lower the risk of danger to citizens around the world. And so we're very proud to be able to be in a credible campaign to keep chemical weapons out of the hands of terrorists.

As the senator said, the dangers posed by more than 40,000 metric tons of deadly blister and nerve agent inherited by Russia from the Soviet Union remains very real and very present. Now the senator also has already mentioned nowhere is that danger greater than at Shchuchye where over 5,000 tons of nerve agent are contained in nearly two million munitions.

To their everlasting credit, Senators Nunn and Lugar launched the Cooperative Threat Reduction Program, which has made the world, in our view, a much, much safer place. Canada highly appreciates the vital assistance that the CTR program continues to provide to the construction of the chemical weapons destruction facility at Shchuchye. The threat posed by stockpiled chemical weapons must be addressed by the collaborative efforts of many countries and many organizations, some of which should be mentioned are non-governmental organizations. Such a partnership emerged at the 2002 G-8

summit at Kananaskis, Alberta, where under Canada's leadership, leaders launched the Global Partnership against the spread of weapons and materials of mass destruction.

In the Global Partnership, the G-8 committed to raise up to -- U.S. dollars -- \$20 [billion] to address non-proliferation, counterterrorism, and nuclear safety issues initially in Russia. And Canada has already committed \$1 billion Canadian dollars over ten years in the four priority areas of, first, nuclear-powered submarine dismantlement; second, reemployment of former weapons scientists; third, disposition of nuclear materials, and chemical weapons destruction. And we are working very closely with the United States and Russia in each of these areas.

Now the other good news, of course, is that with the appreciation of the Canadian dollar, which -- we don't talk about the lowering of the U.S. dollar; we talk about the appreciation of Canadian dollars -- what started off as being a rather modest and important program, our contributions have been increasing very much in U.S. dollars. So I think this shows both continuing commitment, and if the exchange rates continue, the program will be even better funded than we had initially expected.

Canada applauds the NTI for its significant financial contribution to chemical weapons destruction, and Canada welcomes the opportunity to add a new chapter to its successful history of cooperation with NGOs to advance arms control aims. These funds will be transferred, as the senator said, to the United Kingdom, the implementing agent at Shchuchye. Canada highly values the collaborative effort with the United Kingdom, with the United States and government -- with U.S. and Russian governments and other partners. We are very determined to move ahead.

We believe it's very fitting that the Canadian funds provided in this particular agreement will be applied to the construction of a railway bridge -- will be -- to the actual railway itself. It is important because, in order to ensure that the material moves from one to the other, that this had to be closed. At the same time, the NTI is helping the project by constructing the bridge, and I think the bridge symbolizes not only the unity and common purpose, but also the closing of vast divides which in a sense had caused the production of these terrible materials in the first place. And so it is that partnership that we are celebrating today, and I turn it over to my colleague from Russia to say some final closing remarks.

Thank you.

AMBASSADOR YURI V. USHAKOV: Thank you. Dear friends, dear senator, first of all I would like to thank you for inviting me to this very important event. Clearly I share most of what had been said by you and by the ambassador.

My government appreciates all efforts in this crucial area of cooperation in the framework of global partnership. I'd like to stress that Russia firmly upholds its commitments on the chemical weapons convention.

The world's largest stockpile of chemical weapons was inherited by Russia from the former Soviet Union. To get rid of this terrible Cold War legacy is a very challenging and very demanding task, and we are grateful to our partners in assisting us to tackle this deed.

The fact of the matter is that 18 agreements with state donors, including the United States and Canada, have been already signed and we could expect more than the \$1 billion in total foreign funding of chemical weapons destruction project in Russia.

By the way, we have increased our own national efforts in this area substantially. A special federal program on the elimination of weapons stockpile is now in full swing, and as the senator just mentioned, Russian federal budget funding of this program for this fiscal year has doubled to approximately \$400 million.

The national inspection teams regularly visit Russia. They have supervised full and complete elimination of four Category Two and Category Three chemical weapons. Since December 2002, the destruction of Category One chemical weapons is in progress at the Gorny facility.

Clearly much has been done, but much is not enough. Elimination of 40,000 tons of chemical weapons requires construction of six new destruction facilities. Three of these facilities – Gorny, Schuchye -- Shchuchye – that's very – (inaudible, laughter) –

MR. : Thank you.

AMB. USHAKOV: -- and Kambarka – are being constructed with foreign financial assistance. Among them, Shchuchye is the number priority project of the national cooperation.

The U.S. and Canada are really actively and heavily engaged as state donors in these and other destruction projects in Russia. As pointed by the deputy chief of the – deputy for Russian federal agency, Mr. Viktor Kholstov a few days ago, the work on earlier Shchuchye contracts with the U.S. aid, worth about \$95 million, would continue this year. Additional contracts, worth over \$150 million – I expect that to be concluded also this year.

Today we extend our thanks to the Canadian government for committing further Shchuchye financial support. In the previous year, our Canadian partners did – were at the front of the construction of a gas pipeline at Shchuchye, which is well completed.

Now we turn to the construction of a railroad needed to transport chemical munitions from the storage facility to the destruction plant as well as a railroad, a bridge over the Miass River. I would like to emphasize the specific importance of these two elements of the Shchuchye industrial infrastructure as we plan to launch chemical weapons destruction at this plant no later than 2008.

It's also a great pleasure for me to pay tribute to also this project – the Nuclear Threat Initiative, which located \$1 million grant for the railroad bridge construction at Shchuchye. This step has a special meaning as the NTI activity itself might be considered as a very important – very important link between U.S. and Russia in a broad strategic effort on non-proliferation in general.

So once again, thank you to all of you. We start a new journey, and it's my hope and belief that together we'll be able to do this difficult but very important job in a manner than not only will eliminate stockpiles of some most dangerous weapons, but will strengthen our cooperation and mutual trust.

Thank you.

MR. NUNN: Thank you, Mr. Ambassador.

We're going to do two other things, and then we'll have your questions and answers from the table here. First I want to get Laura Holgate, who was on our trip, and who heads up NTI's Russian program – both chemical and nuclear, as well as the biological aspects of it – to show us – it will be only 90 seconds, but it will be a film that just shows you a little bit about what the Russians are faced with there, and why it's so important that others help.

In introducing that, let me quote from Senator Lugar's statement, which you will find on the table in that back. This is quoting from his statement: "I have visited the chemical arsenal at Shchuchye on two occasions and continue to be awed at the potential death and destruction stored there. Artillery and mortar rounds are stacked from floor to ceiling in wooden barns like bottles in a vast wine cellar. The munitions stored at Shchuchye are the most dangerous in the Russian chemical stockpile because their portability makes them a great proliferation risk. To demonstrate this point" – and here you see the picture – "I asked a Russian major to take my picture while I placed and 81mm chemical shell in an ordinary briefcase. My host estimated that this one shell could kill everyone in a football stadium."

With that, Laura, will you show us the 90-second film? And Mr. Ambassador, I must say that – I know it was inadvertent, but I think you said \$20 million pledged from G-8, and as the outside watchdog on those funds where we're trying to stimulate, it was \$20 billion from G-8.

And the other thing I would say is that I know the currency situation, but on corporate boards on which I serve, we have a requirement to come back and tell us how they're doing in currency-neutral terms. So we're going to be on the outside pushing to get as much money as we can on a currency-neutral basis, although all of us – really the goal is to make the money go as far as possible and to convert the mission – the actual dollars pledged to programs and the programs into real accomplishments.

So Laura, would you –

LAURA HOLGATE: (Narrating video) The first bit of this shows the safety measures and this involved putting our special gear on with two layers of covering on our bodies, and then the gas masks. And then we stuck our heads in this sort of a tent that's filled with pepper spray, and if the pepper spray got through your gas mask then you knew you had a leakage problem. I have to say I had a problem with my gas mask, so that was a – that took us some time to work out.

Just to pause a minute on these – these are samples of the types of shells, the differential. You can see at the far end the small – the small ones.

This is one of the barns that we were talking about. You can see the wine-rack effect, and on the edges of these you can see the little index cards held with a thumb tack that represents the inventory tracking. The windows were covered with chicken wire, the floor was dirt, and the only light in here was from the camera and the flashlights in order to prevent sparking that could actually detonate or result in a chain detonation of these weapons.

You can see the kinds of dangers that are created here. And as was pointed out, these are nerve agents: sarin, soman and VX. And this was just one barn on one site that represents one of seven facilities throughout Russia, so you can begin to get a sense of the magnitude of the challenge that we all face.

MR. NUNN: Thank you very much, Laura.

And now we'll accomplish the signing. We have an agreement here. Mr. Ambassador, it's a great, great honor for us to join in as a small part of your contribution.

(Pause.) (Applause.)

Okay, we'll take your questions. Yes?

Q: I was astonished to hear that the United States has – (inaudible) – did I hear correctly: \$1 million for – (inaudible)?

MR. NUNN: The United States? No, the United States government has committed about almost a billion dollars -- \$1 billion to this project. Our Nuclear Threat Initiative, the private organization, is \$1 million, and as we've said, that is going to be part of our friends from Canada's project to build a rail from the storage facility to the destruction facility, and our \$1 million will help pay for the bridge that goes across that. But the U.S. government has got a huge amount of money and a very big commitment here. I believe about \$750 million of the billion have already been obligated. So this is a huge, huge project.

Q: Senator, there's a bill before Congress now that your colleague, Senator Lugar, had introduced – I think it's called the new nonproliferation cooperative threat

reduction act – which seeks to overcome the political linkages that the Congress has made to cooperative threat reduction as well as to the weapons destruction program, and I wondered if you had any thoughts on that. I know he introduced it last December and will reintroduce it this year with the hope that these political constraints and the political linkage that the Russians have complained about interminably for years, how to overcome – be overcome. I wondered if you had any sense of that, and secondly, if you have any sense of the funding – the budget coming out this week on Nunn-Lugar cooperative threat reduction, whether it's going to be increased or decreased.

MR. NUNN: On the questions on the restrictions that Congress has imposed on the Nunn-Lugar funding, those restrictions have interrupted the flow of funds that are committed, that I mentioned just a moment ago, to go to the destruction facility. Those conditions – there are five of those conditions. One is the certification by the president that there has to be a full and accurate disclosure by Russia of the size of its existing chemical weapons stockpile. There is still dispute about that.

The second one, they demonstrate an annual commitment by Russia to allocate at least \$25 million to chemical weapons elimination. As the ambassador said, that one is absolutely no problem; the Russians are spending \$300-and-something million.

Three, development by Russia of a practical plan for destroying its stockpile of nerve agents. There is a still a bureaucratic problem there.

Four, enactment of a law by Russia that provides for the elimination of all nerve agents at a single site. Well, guess what? The Russian people, like the U.S. people, are sensitive to hauling dangerous chemicals from one spot to another, so the single site sounds like the logical way to do it, and of course, putting the amount of money in it that we're putting in – the U.S. government's putting in – we would want it to be as efficient as possible, but we have to take into account the feelings of the Russian people. So that one has been a problem.

And, five, an agreement by Russia to destroy its chemical weapon production facilities – to destroy its chemical weapon production facilities at Volgograd and so forth. And that one has already, as I understand it, been taken care of.

So Senator Lugar is trying to eliminate these conditions because they interrupted the whole flow of this project for two years, and while they are understandable, none of them, in my view, even if they were not complied with – and most of them have been complied with, in spirit at least – none of them overcome the compelling need to get this job done. So this is a series of, I'm sure, well-meaning conditions put on by Congress, which have become a very considerable obstacle to what is an imperative national security requirement, not for just the U.S. or not just for Russia but indeed for the whole world.

So it is my hope that Senator Lugar's legislation will pass. I think it's very important. The president has waived these. He's given one-year-at-a-time waiver

authority, but if you're trying to run a billion-dollar project and you have to wait every year for Congress to decide whether it's going to waive it, and it gets caught up in the appropriation process, it could not be more inefficient. So any efficiencies that are – the goal of these conditions have been almost obliterated by the inefficiency of having the whole contractual procedure disrupted. I think these conditions, though well meaning, have been very counter-productive to U.S. national security, and I think they ought to be eliminated, as Senator Lugar is working toward.

Kenny, you want to say anything on that?

QUESTION: On the budget – on the issue of the budget?

MR. NUNN: The budget this year, I have no inside knowledge. It comes out today. My understanding is the CTR funds, now defined narrowly, is the Department of Defense funds that go here -- my understanding is that's about where it was last year, maybe slightly higher than last year, which is, in this budget environment, good news. The Department of Energy numbers, which are another very important part of the Nunn-Lugar program, I don't know yet. I don't know what those are yet, so we'll have to see. And I don't know what the State Department numbers are yet.

Yes?

Q: My name is Paul – (inaudible). I have a technical question about the infrastructure, and it may be too technical. If I understand correctly, that 40,000 tons of material that needs to eventually be destroyed, we're building an 18-kilometer railroad to move it. Forty-thousand tons is an awful lot of stuff by many standards, but not by railroad standards – 800, 900 railroad cars. Why are we building a railroad? Why not truck it? What's the need for a huge, permanent piece of infrastructure?

MR. NUNN: Laura, you want to –

MS. HOLGATE: I'll let –

MR. : Trevor, I think –

MR. NUNN: Trevor Smith, from Canada.

TREVOR SMITH: Yeah, the security question --

MR. NUNN: Could you come to the microphone please?

MR. SMITH: Thank you – excellent question. And many people have asked the exact same question. The short answer is you can't hijack a train. You can load chemical munitions onto a truck and they can be taken on another road to god knows where. The 18-kilometer railway will go from the chemical weapons storage facility to

the perimeter of the chemical weapons destruction facility. From a security standpoint it's the only way to go.

Q: If I can just follow that – for \$25 million you couldn't secure a thousand truckloads?

MR. SMITH: That is another question, sir. Again, these things have been looked at very extensively, both by the Russian Federation and by partners. Ultimately it is a Russian decision on the technology that is to be used, on the type of facility that is to be built. All of these decisions were taken in partnership with the international donor community and it was agreed that given the nature of the materials being transported here, risk could not be taken.

Q: I'm sorry; I want to pursue this. Nuclear waste around in North America could be well secured road convoys, and now we're going to build a permanent piece of infrastructure – huge, heavy density infrastructure, a railroad, to move 800 train cars.

MR. SMITH: We're also building a facility that is costing well in excess of \$1 billion, which is with the money that the United States is putting in to destroy these things. So the price of chemical weapons destruction is expensive. Look at the United States' program: billions and billions and billions of dollars will be invested. So, yes, it is expensive. There is no way to deny that fact.

MR. NUNN: Paul, do you want to say something on that? Paul Walker works with the Gorbachev organization. He might want to say a word about the sensitivity of moving chemical materials in Russia. We have that problem in this country, I know.

PAUL WALKER: I could say a couple of words if you'd like. My name is Paul Walker. I work for Global Green USA, which is the U.S. affiliate of Green Cross, the Gorbachev environmental group founded about 12 years ago. We've worked actually at Shchuchye. We've worked at every Russian chemical weapons site for over eight years now, and we have three outreach offices – public information and outreach offices to try to facilitate the project, and I can respond to Senator Nunn's question.

The sensitivity, both here in the United States, where we work as well, as well as in Russia, is extremely high in these communities, and you can imagine if you had two, three, four, five thousand tons or more – in one case here in the United States it's 14,000 tons at one site – sitting in your backyard and these things were going to be chemically treated, burned, moved, drilled and drained, washed out. There's tremendous sensitivity in the communities, and so in the U.S. program I know there have been literally hundreds of millions of dollars spent simply on trying to build up emergency procedures and protect the local communities. There have been overpressure buildings put in school gymnasiums, there have been bulletproof glass put in local schools, gas masks distributed, alarm radios distributed.

One of our concerns in Russia, to get back to what Trevor pointed out, is that it's extremely important that the community in Russia, in this particular case in Shchuchye, there are 16 villages with 50,000 local people – and this is the Steppes of Siberia, literally no industry here; mostly agricultural, extremely poor, 50 percent unemployment in the region. It's extremely important, in fact, that the region be taken care of. Be reassured that this will be done safely, and that's why we're delighted that NTI and the Canadian government, not to mention the American government and the British and the Swiss and all the other contributing partners to this project are really involved. We don't build the project ourselves, as Green Cross and Global Green, but we facilitate it as a neutral third-party NGO, which is a very unique situation.

And I congratulate the United States and the Russian government and all the other Global Partnership people for having an NGO like ourselves come in as a neutral third-party facilitator. We're not on anybody's team. We try to get the job done. We promote transparency and democracy building in the region and make sure everybody's happy. So that's why it's extremely important, I think, that it be done safely and that's why they've gone the railroad route.

There was a big discussion first about the siting of the facility, whether it would be next to the stockpile or in fact somewhere else, and the community was really the final say that said it can't be built next to the community's villages; it's just got to be a few kilometers away so that if accidents happen the wind will blow the agent in the other direction, not kill anybody or kill major numbers of people.

MR. NUNN: One of the first things that was done with the Nunn-Lugar program back in the early '90s was to supply Kevlar blankets on shipments of nuclear weapons and materials all over the Soviet Union. The transportation part was deemed to be the most dangerous exposure, and some people were even saying, do we really want to haul weapons from one end of the Soviet Union to another? Wouldn't it be better to leave them at the site? Of course I think the wisdom of that is we now have all the weapons consolidated in Russia, but the sensitivity and the security issues around that – we spent several hundred million dollars on that effort in the early and mid-1990s because of security concerns that had been mentioned this morning. That was on the nuclear side.

Any other questions? Marty?

Q: Senator, it's a bit unusual in one sense that we have representatives of two governments here and the third party is a private concern and not the United States government. Why does the United States government not play the role that NTI has played in this and – (inaudible)?

MR. NUNN: Well, I've got to defend the U.S. government on this one, Marty. They're putting \$759 million in the destruction facility. Has it been slow, cumbersome and bureaucratic? Yes. Are there too many conditions? Yes. But the U.S. government is the big gorilla here in terms of the funding. And Senator Lugar was going to be here,

and I guess on given days he's willing to admit he's part of the U.S. government – (laughter) – but he –

Q: (Off mike.)

MR. NUNN: Not always, but the U.S. government has been a big player, and I think that that ought to be noted.

Q: Well, could they facilitate in the negotiations, or setting up this arrangement with Canada and the discussions with Canada –

MR. NUNN: Well, as I mentioned, the U.S. government is concerned with inside the fence, and they feel that that is their responsibility, and that outside the fence needs to be done by Russia and by other countries, and this is an outside-the-fence project here this morning. We've had full cooperation from the U.S. government in terms of our role.

Yes?

Q: My name is – (inaudible). My question is, do you know – (inaudible) – railroad and construction, and who will supervise this work and how much time –

MR. NUNN: Trevor, do you want to answer that one? I think you have a sense of it.

MR. SMITH: Thank you. As Ambassador Kergin mentioned, the Canadian and NTI funds are being transferred to the United Kingdom, which is implementing the project on our behalf. The U.K.'s principal contractor at Shchuchye is the U.S. firm Bechtel. One of the tasks that Bechtel is undertaking right now is reviewing the design documentation for the railway, which will allow them to run a subcontractor tendering process in conjunction with the Russian Federation to select Russian subcontractors for both the railway and the bridge.

MR. NUNN: Yes, sir?

Q: Thank you, Senator. My name is – (inaudible) – with Japanese Kyoto News. I have a quick practical question about the entire stockpile of 40,000 metric tons of chemical agents. Are these 40,000 chemical agents all secure? And also, how many amount of the tons is also – (inaudible)? How many years will you take to eradicate all of these agents?

MR. NUNN: Let me ask Laura and Trevor to tackle this one.

MS. HOLGATE: I think your question on security is better directed towards our Russian colleagues. Certainly no one in the U.S. or Canada is in a position to judge – to make statements about the security of those facilities. Security upgrades have been made by two of those facilities using U.S. Nunn-Lugar funding. One of those facilities

Shchuchye, so there has been some improvements but they were obviously already in some kind of a security position prior to that. In terms of the timeframe to destruction, I'll let Trevor speak to that. Do you know?

MR. SMITH: I do – again, I think this is an answer that perhaps should be given by our Russian colleagues as chemical weapons destruction is ultimately a Russian responsibility fully. We are simply contributing to the effort to help them build the infrastructure that will be required for that.

Having said that, as has been mentioned by the panel this morning, the plan for future destruction is for our operation to begin sometime in 2008. Under the terms of the Chemical Weapons Convention, Russia is responsible for eliminating all 40,000 tons of its chemical weapons by 2012, but other than that it's for Russia to answer.

MR. NUNN: Any other questions?

AMB. USHAKOV: Just two things. When Senator Lugar visited Shchuchye he was convinced that it was always – stockpiles were rather well secured. He was convinced about that as far as I know.

Q: A quick question, actually just changing pace a little bit. There's a story in the New York Times today that the U.S. government is reconstituting a program in Los Alamos to update its weapons – its nuclear weapons. There was kind of a question there, really. I'd like to aim to towards you, Mr. Ambassador, about whether or not U.S. putting out new nuclear bomb technologies and designs would tend to spark problems on your side about whether or not there would be a need to reconstitute and modernize a Russian nuclear weapons and warheads program.

And also, Senator Nunn, if I could also get your feelings on whether or not this is a constructive step for U.S. government to be taking at this point.

AMB. USHAKOV: First of all, I think it's a very philosophical question and fortunately now we're discussing only the chemical weapons and not nuclear weapons. And I just want to emphasize once again that we too are ready to eliminate all our chemical weapons, and we are not hiding anything but just working very, very productively with the international community, and especially with the United States and Canada and such organizations like Senator Nunn represents here.

MR. NUNN: Well, I would just say that I don't want to get off into details on this because it's the subject of another whole discussion, but I think the United States and Russia have an obligation under the Nonproliferation Treaty to set an example to basically begin devaluing the importance of nuclear weapons around the globe, including nuclear weapons in their own inventory. I do not think either country is setting that example. I'm not going to comment on the details of the New York Times story – I haven't read it – but anything that devalues nuclear weapons in terms of the U.S. and Russia, I think is a strong step towards protecting our own security because the grave

danger is not the danger we pose to each other unless by accident; the grave danger is nuclear weapons or materials getting in the hands of terrorist groups. For that we need cooperation all over the globe, not just on nuclear weapons but on nuclear materials, on how to enrich uranium or radiological materials that could be used for a dirty bomb.

Here the United States and Russia must be partners. We have to shift the psychology. Russia has been receiving funds but Russia should not be a supplicant for funding; Russia should be a partner with the United States to tackle this on not just Russia, not just the former Soviet Union, but also on a global basis. That would not only be true for nuclear but also be true for chemical and biological.

Now, let me mention two parts of the agenda between the United States and Russia which are conspicuous by their absence. There is no discussion of tactical nuclear weapons. There is no agreement on tactical nuclear weapons. These are battlefield, small nuclear weapons – which are the most dangerous because they're the most mobile and the most subject to threat of theft or sale. So there is no transparency on those weapons. We don't have any kind of exchange on inventories. That is a huge missing link in the dialogue between the United States and Russia, and we need to address it.

The other missing link has not been addressed by the Moscow Treaty, and that is the huge number of weapons we have on both sides on what I call hair-trigger alert. It is madness in this era we're in now where we're working at partners on chemical destruction; where we're working as partners on terrorism, the United States and Russia, and others; for us to still have thousands of weapons on hair trigger, which make it much more likely or much – the odds are not nearly as much as they should be against an accident between our two countries, and the more the Russians have had strain on their command and control systems, their radars, their satellites, the more ridiculous it gets for both sides to have this kind of continuing danger.

So while we're making progress in some areas – enormous progress – we have other areas that are missing in action, as I would say, and that would be the tactical nuclear weapons side and also the position which makes no sense, for two countries to have the kind of hair-trigger alert posture we do now.

The two leaders of our countries have almost no additional time since the end of the Cold War to decide whether if they got some kind of notice from their military that they suspected that they were being hit with nuclear weapons from missiles coming or bombers coming, they have almost no more decision time than they did during the height of the Cold War.

Now, I would think all of us would stop and think, just from a common sense point of view, you don't have to be a weapons expert to come to this conclusion: that if a military commander comes in and tells the head of – the president of Russia that there may be American missiles heading that way, or if it was reversed, that you won't even have time to have a cup of coffee. If he'd had two or three glasses of wine that night, wouldn't we want him to have time to go get a cup of black coffee before he decides

whether or not to launch several thousand weapons and begin the destruction of the world? I would say that the answer would be yes, but guess what, folks? They don't have more time than that. They have about the same amount of time they had during the peak of the Cold War. It makes no sense.

Now, we can talk a long time about the problems of changing it, but in my view, the two presidents ought to say to their military commanders, we want more warning time. We want to reduce the chances of accidental war, or misjudgments, or miscalculations or a renegade commander going crazy and launching a weapon against the United States, or a third-world country having a submarine pull off of one of our shores and launching a weapon where we would not know where it came from, and that could trigger an exchange. These things are not being addressed, and they need to be addressed. If the two leaders said of their military at one of their summits – and the next one would not be too soon for me – we want our military commanders to start working together to reduce the chances of accidental war, to give us more warning time, and we want another parallel group to start working on transparency of tactical nuclear weapons. Then we would be really making progress.

These are missing elements of what I think are essential security steps for the protection of the American people, for the protection of the citizens of Russia, and for the kind of leadership that both of our countries need if we're going to enlist the help of other countries in the whole nonproliferation effort around the globe.

Q: Senator Nunn, how long have these things been missing? I mean, are you telling us that nothing has been done ever since the end of the Cold War?

MR. NUNN: I wouldn't say nothing has been done. There was a real effort by the United States and the Clinton administration, and it was continued in the Bush administration, to work with the Russians on getting an upgrade of our warning systems and their satellite system. It is fundamentally against the U.S. security interests for the Russians to have deteriorating warning systems, because if they make a mistake, guess who gets hit – us. It makes no sense but there are all sorts of bureaucratic obstacles to that kind of work.

I think that ought to be an item on then agenda of Bush and Putin. Why can't the two leaders cut through the bureaucratic obstacles – and that's what they are – to cooperation on warning systems? Both of us should have assurance that the other side's warning systems work properly. Now, our Canadian friends have a stake in that too. The whole world has a stake in it.

So these are things that have been missing in action for a long time. For them to be missing in action during the Cold War is one thing. You can make some justification for that. For these elements to be missing in action 12 years after the end of the Cold War when the United States and Russia, in spite of continued differences – and we'll always have some differences. We have a mutual stake in each other's survival and

we're not behaving as if we do, in my view, in terms of the full menu of issues we ought to be addressing.

But I don't want to diminish that we are making important strides in some areas, including both nuclear and chemical. We've got a long way to go on biological. We could have another whole conference on the biological because we have a lot of lacking transparency, a lot of lacking confidence on the biological side, and in the long run we all are going to have to understand that the threat of both biological terrorism and infectious disease, it may be more difficult in the long haul even than the nuclear equation. Here we have a real stake in a partnership.

I'll get off my soapbox by saying that Russia has to be a partner in all of this, not simply a supplicant for funds but a partner psychologically. And I was pleased to hear President Bush say the other day that we ought to take another look at Russian access to our facilities so that we have more reciprocity between our two countries in terms of visitation and transparency of nuclear facilities. President Bush said that. I thought that was something that should have been a major headline in the newspapers. I hate to tell you folks, but you missed it. It was buried.

Q: Sir, could you give us just one example of the bureaucratic hang-ups here?

(Cross talk.)

MR. NUNN: Taxation. Russians have this strange habit of wanting to tax everything that comes in and out of their country, including funds designed to help them. Of course, you don't want to be helping on funding of a chemical destruction facility and have the funds taxed. Another obstacle is the question of what I just mentioned – visitation, access to facilities. But here if we start looking at this as a partnership where we both have access to each other's facilities, it would greatly eliminate – I think it would eliminate the problem of access.

Another obstacle are the conditions that – liability insurance and liability protection. There is no insurance but there's liability protection. In the first U.S.-Russian agreement under the Nunn-Lugar program we had all sorts of assurances on liability. Since then the Russians have had differing views, and in my view we have had a lot of delay because of that. This is why we mentioned that having Canada work with Great Britain on the agreement that Great Britain has with Russia is an innovative way to deal with this liability question because Great Britain has certain assurances there.

So, again, we're folding into Canada; Canada is folding into Great Britain; Great Britain is working with Russia. But the two presidents – again, who can cut through this liability question -- President Bush and President Putin. But it has to be their front-burner issue. If it is their front-burner issue, in my view it could be solved in one week.

Thank you very much.

###