

# Department of State

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INFO	LOG-00	ACDA-17	AID-00	AMAD-01	CIAE-00	CPR-02	CFE-00
	C-01	OASY-00	DODE-00	DOEE-00	EB-00	EUR-00	OIGO-01
	HA-09	H-01	IMMC-01	TEDE-00	INR-00	L-00	ADS-00
	M-01	NRRC-00	NSAE-00	NSCE-00	OMB-01	PA-01	PRS-01
	P-01	SDEL-00	SNP-00	SP-00	SSO-00	SS-00	TRSE-00
	T-00	USIE-00	SA-00	CORE-00	SNIS-00	NISC-02	<u>SSD-01</u>

/050R

DRAFTED BY: PM/STP:PDOLLIFF:PRD

APPROVED BY: EUR/ISCA:LNAPPER

EUR/ISCA:JGARRISON

NSC:WITOH OSD:GDUFFY

IC:MMAINES

S/S:RLWILSON

PM/STP:JSTACY

DOE:EWOOLERY JCS:MROBERTSON

ACDA:KLOOK

S/S-O:HTHOMAS

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O R 132130Z AUG 93

FM SECSTATE WASHDC

TO AMEMBASSY KIEV IMMEDIATE

INFO AMEMBASSY MOSCOW

STATE 247966

E.O. 12356: DECL: OADR

TAGS: US, UP, PARM, PREL

SUBJECT: SSD: NUNN-LUGAR POLICY AND UKRAINE

REF: JULY 30 TIMBIE-SULZYNSKY TELCON

1. -- ENTIRE TEXT

2. THE INFORMATION BELOW IS PROVIDED IN RESPONSE TO EMBASSY KIEV'S REQUEST FOR BACKGROUND ON THE EVOLUTION OF U.S. NUNN-LUGAR POLICY TOWARD UKRAINE.

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BACKGROUND  
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3. U.S. NUNN-LUGAR POLICY TOWARD UKRAINE WAS FORMALLY ESTABLISHED IN EARLY DECEMBER, 1992 WHEN THEN PRESIDENT BUSH RESPONDED TO A SEPTEMBER LETTER FROM PRESIDENT KRAVCHUK REQUESTING DOLLARS 174 MILLION IN NUNN-LUGAR ASSISTANCE. THE BUSH LETTER STATED THAT THE U.S. WAS PREPARED TO PROVIDE ASSISTANCE WORTH "AT LEAST" DOLLARS 175 MILLION TO UKRAINE. THE LETTER WENT ON TO SAY THAT BEFORE THIS ASSISTANCE COULD BE PROVIDED "THE START TREATY

AND THE NON-PROLIFERATION TREATY MUST BE APPROVED, THE UMBRELLA AGREEMENT ON ASSISTANCE AND APPROPRIATE IMPLEMENTING AGREEMENTS MUST BE SIGNED, AND U.S. LEGAL REQUIREMENTS MUST BE MET."

4. IN JANUARY, 1993 THE BUSH ADMINISTRATION RECERTIFIED UKRAINE AS BEING ELIGIBLE FOR NUNN-LUGAR ASSISTANCE. ONE OF THE CRITERIA FOR CERTIFICATION IS THAT RECIPIENT STATES ARE COMMITTED TO COMPLYING WITH ALL RELEVANT ARMS CONTROL AGREEMENTS. ALTHOUGH UKRAINE HAD NOT RATIFIED START OR ACCEDDED TO THE NPT AS A NON-NUCLEAR WEAPON STATE, THE BUSH

ADMINISTRATION RECERTIFIED UKRAINE ON THE BASIS OF CONTINUED STATEMENTS FROM OFFICIALS AT THE HIGHEST LEVELS IN THE UKRAINIAN GOVERNMENT REAFFIRMING THEIR INTENTION TO FULFILL THE COMMITMENTS MADE IN THE LISBON PROTOCOL AND RELATED DOCUMENTS. THE CERTIFICATION REPORT TO THE CONGRESS STATED THAT THE USG WOULD CONTINUE TO WATCH CLOSELY UKRAINE'S PERFORMANCE REGARDING COMPLIANCE WITH ARMS CONTROL AGREEMENTS. IT ALSO NOTED THAT CERTIFICATION

ONLY MAKES UKRAINE ELIGIBLE FOR ASSISTANCE, AND THAT THE ACTUAL COMMITMENT OF FUNDS WOULD DEPEND HEAVILY UPON UKRAINIAN ACTIONS, PARTICULARLY WITH REGARD TO START AND THE NPT.

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CLINTON POLICY  
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5. PRESIDENT CLINTON'S REVIEW OF U.S. POLICY RESULTED IN PRESIDENTIAL DECISION DIRECTIVE 3 WHICH DIRECTED THE USG TO CONTINUE TO FOLLOW A STRATEGY OF "POSITIVE INCENTIVES" TOWARD UKRAINE. SPECIFICALLY, PDD-3 CALLED FOR THE RAPID IMPLEMENTATION OF PENDING NUNN-LUGAR AGREEMENTS, WHILE EMPHASIZING THAT U.S. ASSISTANCE FOR DISMANTLING STRATEGIC SYSTEMS COULD ONLY FLOW AFTER UKRAINE HAS RATIFIED START AND THE NPT.

6. THE CLINTON ADMINISTRATION HAS REAFFIRMED THE U.S. COMMITMENT OF AT LEAST DOLLARS 175 MILLION IN NUNN-LUGAR ASSISTANCE FOR UKRAINE. ONCE THE UMBRELLA AGREEMENT IS SIGNED, THE USG IS PREPARED TO SIGN AND IMPLEMENT THE SSD AGREEMENTS NEGOTIATED LAST OCTOBER ON EMERGENCY RESPONSE

EQUIPMENT, A GOVERNMENT-TO-GOVERNMENT COMMUNICATIONS LINK, EXPORT CONTROLS, THE MATERIAL CONTROL AND ACCOUNTABILITY OF CIVILIAN NUCLEAR MATERIAL, AND THE SCIENCE CENTER. WE ARE PREPARED TO DO THIS INDEPENDENT OF UKRAINIAN ACTION ON START AND THE NPT.

7. AS PART OF OUR PROPOSAL FOR THE EARLY DEACTIVATION OF STRATEGIC SYSTEMS, BROACHED BY SECDEF ASPIN WITH UKRAINIAN MOD MOROZOV IN KIEV ON JUNE 7, WE HAVE STATED THAT, IF UKRAINE IS WILLING TO BEGIN THE PROCESS OF DEACTIVATION OF ALL TYPES OF STRATEGIC SYSTEMS ON THE TERRITORY OF UKRAINE, THE U.S. WOULD BE WILLING TO BEGIN THE FLOW OF NUNN-LUGAR ASSISTANCE DIRECTLY RELATED TO THE DISMANTLEMENT EFFORT WITHOUT WAITING FOR UKRAINE TO RATIFY START AND ACCEDDED TO THE NPT. THIS REPRESENTS A CHANGE IN U.S. POLICY REGARDING THE PROVISION OF SUCH ASSISTANCE. U.S. AID COULD, HOWEVER, ONLY BE PROVIDED UPON THE COMPLETION OF THE NUNN-LUGAR UMBRELLA AGREEMENT AND AN APPROPRIATE IMPLEMENTING AGREEMENT FOR ASSISTANCE TO THE DISMANTLEMENT OF STRATEGIC SYSTEMS.

8. THE TECHNICAL TEAM VISIT SCHEDULED FOR THE WEEK OF AUGUST 16 WOULD DEVELOP SPECIFIC PROJECTS THAT COULD BE INCLUDED IN AN IMPLEMENTING AGREEMENT. THE SSD DELEGATION VISIT THE WEEK OF AUGUST 30 WOULD HAVE THE OBJECTIVE OF CONCLUDING THE UMBRELLA AND IMPLEMENTING AGREEMENTS NECESSARY TO LET US USE SOME NUNN-LUGAR FUNDS TO HELP WITH EARLY DEACTIVATION OF ICBMS. THIS AID WOULD FLOW IN PROPORTION TO, AND AS LONG AS, THE EARLY DEACTIVATION EFFORT CONTINUES.

9. EARLY DEACTIVATION IS NOT A SUBSTITUTE FOR FULL COMPLIANCE BY UKRAINE WITH THEIR LISBON COMMITMENTS. IT IS A FIRST STEP TOWARD DENUCLEARIZATION. THE CHANGE IN U.S. POLICY REFLECTS THE VIEW THAT THE U.S. SHOULD USE NUNN-LUGAR ASSISTANCE TO SUPPORT THE PROCESS OF ACTUAL DEACTIVATION AND DENUCLEARIZATION. WE ALSO BELIEVE SUCH A STEP WILL ENCOURAGE THOSE IN UKRAINE WHO WANT TO MOVE FORWARD ON START RATIFICATION AND HELP OTHERS TO SUPPORT THIS ACTION. SUCH A STEP WILL ALSO PROVIDE TANGIBLE PROOF OF U.S. WILLINGNESS TO PROVIDE ASSISTANCE TO UKRAINE TO HELP IT IN MEETING THE FINANCIAL COSTS OF ITS START OBLIGATIONS. ONCE THE PROCESS OF EARLY DEACTIVATION HAS BEGUN AND U.S. ASSISTANCE HAS BEGUN TO FLOW, WE BELIEVE MOMENTUM FOR START RATIFICATION WILL GROW, AS WILL

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UKRAINIAN CONFIDENCE IN WESTERN SUPPORT FOR DISMANTLEMENT.

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BUDGET ISSUES  
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10. THE CLINTON ADMINISTRATION HAS REAFFIRMED THE COMMITMENT OF AT LEAST DOLLARS 175 MILLION IN NUNN-LUGAR FUNDS FOR UKRAINE. WASHINGTON CURRENTLY FORESEES THE

FOLLOWING ALLOCATION OF NUNN-LUGAR FUNDS FOR UKRAINE UP TO THE INDICATED DOLLAR LEVELS:

- O EMERGENCY RESPONSE EQUIPMENT - DOLLARS FIVE MILLION;
- O GOVERNMENT-TO-GOVERNMENT COMMUNICATIONS LINK - DOLLARS 2.4 MILLION;
- O EXPORT CONTROL ASSISTANCE - DOLLARS 2.26 MILLION;
  
- O MATERIAL CONTROL AND ACCOUNTABILITY ASSISTANCE FOR CIVILIAN NUCLEAR MATERIAL - DOLLARS 7.5 MILLION;
- O SCIENCE CENTER - DOLLARS 10 MILLION;
- O MILITARY-TO-MILITARY CONTACTS - DOLLARS 3.85 MILLION;
- O SNDV DISMANTLEMENT - UP TO DOLLARS 135 MILLION;
- O REACTOR SAFETY - DOLLARS 11 MILLION IN NUNN-LUGAR FUNDS WILL ALSO BE USED TO PROVIDE REACTOR SAFETY ASSISTANCE IN UKRAINE.

11. THESE FUNDS COULD BE LOST IF NOT COMMITTED PRIOR TO THE END OF THE FISCAL YEAR. WE ARE SEEKING THE AUTHORITY TO CARRY OVER THESE FUNDS INTO THE NEXT FISCAL YEAR, BUT CONGRESSIONAL APPROVAL IS NOT ASSURED. WE ARE ALSO SEEKING AN ADDITIONAL DOLLARS 400 MILLION IN NUNN-LUGAR ASSISTANCE AS PART OF THE DOD'S FY'94 BUDGET REQUEST. NO DECISIONS HAVE BEEN MADE ON THE ALLOCATION OF THESE FUNDS. WE WOULD BE PREPARED TO CONSIDER ADDITIONAL UKRAINIAN PROPOSALS FOR NUNN-LUGAR ASSISTANCE SHOULD THE CONGRESS APPROVE ADDITIONAL FUNDS AND ASSUMING CONTINUED UKRAINIAN CERTIFICATION UNDER THE NUNN-LUGAR LEGISLATION. CHRISTOPHER