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WEDNESDAY, MARCH 9, 1994.

NUCLEAR DISARMAMENT OF THE FORMER SOVIET UNION

WITNESSES

HON. ASHTON B. CARTER, ASSISTANT SECRETARY OF DEFENSE, NUCLEAR SECURITY AND COUNTERPROLIFERATION

DR. HAROLD P. SMITH, ASSISTANT TO THE SECRETARY OF DEFENSE, ATOMIC ENERGY

get Smith's testimony

INTRODUCTION

Mr. MURTHA. The Committee will come to order.

The subject of this hearing is the Nuclear Disarmament of the Former Soviet Union. I want to welcome the Honorable Ashton B. Carter, Assistant Secretary of Defense for Nuclear Security and Counterproliferation and Dr. Harold P. Smith, Assistant to the Secretary of Defense for Atomic Energy.

This is a program which obviously we are very interested in. Over the years the Committee has been instrumental in seeing this is funded. I don't know that you could spend the money that is talked about. There has been a lot of talk on the House Floor, and in the press about the money. But we came up with the money.

I remember vividly coming up to start this program and putting restrictions on it in order to get it through the House of Representatives. Those restrictions were that \$400 million would go specifically for dismantling the nuclear weapons. Mr. McDade and I worked on this with Senator Inouye and Senator Stevens and restricted \$100 million for transportation and airlift. That was in the supplemental in 1992.

Every year since then I understand we have provided \$400 million with those same guidelines. We would be interested in seeing how successful it has been, how the money is being spent, and obviously whether you recommend that we continue the program.

We shall place your statements in the record. If you would briefly summarize, we shall begin the questions.

SUMMARY STATEMENT OF MR. CARTER

Mr. CARTER. Thanks, Mr. Chairman. I will begin, if I may, and let me begin by saying this is the first time I have appeared before you regarding this program, and it is a pleasure to be here.

I am going to try to direct what I say, Mr. Chairman, to the points you just raised, namely is this program, now two years into its lifetime, actually accomplishing on the ground what it was intended to accomplish?

Second, is it being implemented effectively?

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And third, do we know where we are going with this program in the future?

And I, in my opening comments, want to make just two points, Mr. Chairman, both of which have a theme, which is that this program is an unusual one for us in the Department of Defense. I know it is an unusual one for you and this committee as well.

It is unusual in two respects. First, it is not often that history gives it to us to literally participate, cooperate and assist the disarming of potential opponents and the elimination of weapons aimed at this country. It is unusual in that regard.

It is also unusual in the way the program works. And I would like to spend a little time describing the process by which it works, because that explains why, for example, we have requested a great deal of authority from the Congress to enter into agreements with these parties, and our contractual obligations are smaller than that amount. I know that is a question that you have. And the reason for that can be seen in reference to the process.

Let me start with the first point, the first sense in which it is unusual, which is that it is unusual to have the opportunity to literally dismantle a military threat that we have spent trillions in the past to counter. I thought I would give you a couple of examples of things going on right now which are directly reducing the military threat to the United States and would not be happening were it not for this program, so that you will see that even at this relatively early stage of the implementation of the program, it is having real effects.

The first example I would like to give is what is going on today in Ukraine. We had an opportunity to discuss that very briefly before the hearing began. But just this week, the first warheads left Ukraine for Russia. The beginning of the process we have been aiming now for quite a long time, the eventual denuclearization of the Ukraine.

Ukraine has agreed in the agreements signed by the President in January to completely eliminate all nuclear weapons on Ukrainian territory, and therefore from the point of view of our security to remove the possibility that there will be a new nuclear nation in the middle of Europe.

I was involved in those negotiations, and there was absolutely no question in anyone's mind that our willingness to assist them in carrying out this undertaking was critical to their stepping up to this undertaking. That is noted in the trilateral agreement.

Mr. MURTHA. Say that again, because Mr. McDade deserves a lot of credit for what we worked out. I want him to hear what you said.

Mr. CARTER. I was speaking of the movement of nuclear warheads out of Ukraine, which has just begun this week and which is a consequence of the agreement between Russia, the United States, and Ukraine to do that, and I was saying that I was present at those negotiations and there was no question that our willingness to assist them in carrying out this task through this program was critically important to getting them to step up to actually doing it. Also critically important to President Kravchuk's ability to persuade his parliament to go along.

You remember, before the agreement many people thought they would not go along. They did go along, and that is because one of the things they wanted to be sure of before they stepped up to this job was that they would get some help in doing it.

So—

Mr. McDADE. Thanks for saying that, Doctor, because the Chairman and I sweated the program and worked hard to put the money in. I am glad to hear it is working well. I appreciate you taking the time to repeat what you had said.

Mr. CARTER. My pleasure.

I note the 60 warheads because they are just the beginning of what will be almost 1,200 warheads leaving Ukraine, and we will be assisting that entire process. As these warheads are moved from their silos to the trains that will carry them back to Russia, early in the process, just to give you an example of real assistance at work, the Ukrainians asked us, Could we supply them with some vehicles and some fuel for those vehicles to make up the convoys moving the warheads from the missiles to the trains?

Dr. Smith's organization was able within a very short time to provide that assistance, and therefore we are in a mechanical way as well as a political way responsible in a very direct manner for this movement.

I will give one other example of this program at work, and then I will turn to the second issue, which is how the process works. We expect next week that the directors of the International Science and Technology Center, which was one of the early projects under this program, that those directors will meet and give their first set of projects to former weapons scientists in Russia who previously worked on weapons and now will be working on peaceful civil projects, in part inspired by this program. That is another example where what is going on there is not elimination of weapons. It is prevention of brain drain and giving people whose talents could otherwise be put to bad use, getting them doing what they should be doing, which is helping their country rebuild its civil economy.

So we are getting very direct benefits from this program. A number of indirect benefits can be seen as well. Because of this program, the United States is a party to these things. Otherwise, we would just be looking down from space at them. We are there, at the table, on the ground, so to speak.

So we are an active participant. That is not an opportunity we would ever have if we weren't offering this kind of assistance.

Let me turn to the second respect in which the program is unusual, which is the process. And I apologize, it is a little bit boring, but this is a program that is not sort of a normal DOD program in PPBS terms. And the process has three stages.

And this is a process that has been directed by you, the originators of this program, Chairman Murtha, and your colleagues, when you established this program for these purposes a couple of years ago.

The process works like this. First we in the U.S. Government think of something useful that we could do to assist. So we may say to ourselves, Well, maybe they will dismantle warheads faster if we can help them move warheads more quickly to places where they will be dismantled. At that point, we come to you and notify

you, We think we would like to help out in this, we think it fits the set of objectives you laid out for us a couple of years ago, and we think it will cost so much money.

That is stage one. Then we go to the potential partners in this venture, namely the Ukrainians, the Kazakhstanis, the Belarussians or the Russians, and we say, Do we have a common purpose here, do you want to do what we want to do? We obviously want to see you dismantle things faster. If you want to do that too, we have got a deal, and we will help you out.

At that point we negotiate an agreement with their government. So we start with this phase where we notify you. Then we negotiate an agreement. And then we implement. Then we go out and give to the American business community an RFP and we begin to award contracts.

So there are three steps in this process. The reason I belabor this is that one of the things that you all have quite legitimately wondered and challenged us about is, why does it take so long to actually write contracts. Two years ago you got this thing started. We have all this authority. And why is it that we have only contractually obligated a little over \$100 million? And the answer to that resides in this process.

We have notified you that we have more than a billion, well more than \$1 billion worth of useful projects in mind. We waited almost two years before Ukraine and Kazakhstan signed the relevant agreements with us.

In the last year we have negotiated 25 such agreements. But it wasn't until last December, for example, that the Ukrainians signed their agreements. So we have been waiting on them.

Now that they have signed the agreements and the second phase is over, we are ready to implement. And last year we concluded these agreements. We call that the year of negotiation. We got all the agreements in place. This year is going to be the year of implementation. Now that we have these parties agreeing, we are ready to begin implementing.

So it is the fact that the process we have established for this program, where we notify you first and you have to give us the authority to do that first, that occurs at the very front-end. Then we have to negotiate. That has been a very laborious process, because these governments are new, they are chaotic, they have had a hard time kind of getting themselves together in this. And then we are ready to implement. So it is in the nature of the program over the last couple of years that we have this time lag between when you have given us authority and when we have been able to do anything.

I want to take a little time to explain why that was the case, because I know that if this were not an unusual program but a usual program, you would look at it and say, There is something wrong here, these people have all this authority but they haven't obligated it.

On that note I will close because that takes me to the third phase of implementation where my colleague, Dr. Smith, really picks up, and I think he can explain how this will be the year of implementation.

[The biography and statement of Mr. Carter follows.]