

**NEW INITIATIVES IN COOPERATIVE THREAT
REDUCTION**

HEARING

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
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NEW INITIATIVES IN COOPERATIVE THREAT REDUCTION

THURSDAY, FEBRUARY 9, 2006

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 9:30 a.m., in room SD-419 Dirksen Senate Office Building, Hon. Richard Lugar (chairman of the committee) presiding.

Present: Senators Lugar, Martinez, Biden, Bill Nelson, and Obama.

OPENING STATEMENT OF HON. RICHARD G. LUGAR, U.S. SENATOR FROM INDIANA

The CHAIRMAN. The Foreign Relations Committee is called to order. The committee meets today to examine the U.S. policies and programs in two critical threat reduction areas: Conventional weapons dismantlement and counterproliferation assistance.

Senator Obama and I observed firsthand the United States efforts in both of these areas during visits to Ukraine and Azerbaijan last August. These visits and our subsequent joint research convinced us that the United States can, and should, do more in both of these areas. On November 1, 2005, we introduced Senate bill 1949, the "Cooperative Proliferation Detection and Interdiction Assistance and Conventional Threat Reduction Act." Modeled after the Nunn-Lugar program, our new legislation seeks to build cooperative relationships with willing countries to secure vulnerable stockpiles of conventional weapons and to strengthen the ability of other nations to detect and interdict illicit shipments of weapons or materials of mass destruction.

The Nunn-Lugar program must, and will, remain our flagship nonproliferation program. The elimination of threats at their source is the most effective means of preventing the spread of weapons of mass destruction. But the United States has the ability to perform multiple missions in response to proliferation threats. Focusing more attention on the threats posed by conventional weapons and improving the capabilities of other nations to interdict weapons of mass destruction can be achieved without negative consequences for the Nunn-Lugar program. The lessons learned from the Nunn-Lugar experience should be applied to other fronts in the fight against terrorism and weapons proliferation. To do less would be irresponsible and would forfeit critical national security opportunities.

The first part of our legislation would energize the U.S. program against unsecured lightweight anti-aircraft missiles and other conventional weapons. There may be as many as 750,000 man-portable air defense systems in arsenals worldwide. The State Department estimates that more than 40 civilian aircraft have been hit by such weapons since the 1970s. In addition, loose stocks of small arms and other weapons help fuel civil wars in Africa and elsewhere and provide the means for attacks on peacekeepers and aid workers seeking to stabilize war-torn societies. In Iraq, we have seen how unsecured stockpiles of artillery shells and ammunition have been reconfigured into improvised explosive devices that have become the insurgents' most effective weapon. Senator Obama and I are attempting to ensure that everything possible is being done to secure such stockpiles worldwide.

American efforts to safeguard conventional stockpiles are underfunded, fragmented, and in need of high-level support. The U.S. Government's current response is spread between several programs at the Department of State. The planning, coordination, and implementation of this function should be consolidated into one office at the State Department with a budget that is commensurate with the threat posed by these weapons.

The second part of the Lugar-Obama legislation would strengthen the ability of America's friends and allies to detect and intercept illegal shipments of weapons and materials of mass destruction. American forces cannot be everywhere at once. Our security depends not just on the willingness of other nations to help; it depends on whether they have the capabilities to be effective. The State Department engages in several related antiterrorism and export control assistance programs. But these programs are focused on other stages of the threat, not on detection and interdiction. Thus, we believe there is a gap in our defenses that needs to be filled.

The Proliferation Security Initiative has been successful in enlisting the help of other nations for detection and interdiction operations. But some PSI countries lack the capabilities to be active and effective partners. Lugar-Obama seeks to improve the capabilities of foreign partners by providing equipment, training, and other support. Examples of such assistance may include maritime surveillance and boarding equipment, aerial detection and interdiction capabilities, enhanced port security, and the provisions of handheld detection equipment and passive WMD sensors.

The legislation would create a new office at the State Department to support and coordinate U.S. assistance in this area. Existing foreign assistance law contains discretionary authority for the Secretary of State to establish a list of countries that should be given priority in U.S. counterproliferation funding. It is our view that these efforts have been insufficient. As a result, we believe that such a program should be mandatory.

The Lugar-Obama bill sets aside \$110 million to start up the program and proposes an innovative use of current foreign military financing assistance. Under the bill, the President would ensure that countries receiving foreign military financing would use 25 percent of these funds on weapons of mass destruction interdiction and detection capabilities, unless the President determines that U.S. na-

tional security interests are not served by doing so. This offers a potent but flexible tool to build a robust international network to stop proliferation.

Senator Obama and I have sought to work closely with the administration on our legislation. We have raised the issue in several venues and have been given general statements of support. Today, we are eager to finally receive an official reaction from the administration and to discuss ways in which our legislation can be perfected.

I believe that the Bush administration recognizes the problems that we are trying to address. Last month, Senator Obama and I wrote to Secretary Rice urging full funding for programs aimed at counterproliferation and safeguarding conventional weapons stockpiles. I am pleased that funding for the Nonproliferation, Antiterrorism, Demining and Related Programs account received a \$43 million increase in the administration's budget request over the amount enacted last year.

Historically, however, new threat reduction techniques and proposals have not always been warmly received by the executive branch. I remember well the initial executive branch reaction to the introduction of the Nunn-Lugar program in 1991.

Senator Sam Nunn and I were told by the administration that the United States was already doing everything necessary to address the problems posed by the proliferation of weapons of mass destruction and the collapse of the Soviet Union. We were astounded by this response, because other sources, including Russian military leaders themselves, who had come to visit with us, were describing rampant difficulties with the security around weapons of mass destruction. They voiced their fears of an emerging black market in WMD fueled by economic desperation and collapsing governmental authority. Only months later, after Defense Department officials were on the ground in Russia witnessing the problem, did the administration begin to recognize the urgency of the situation.

The proliferation threats that Senator Obama and I have witnessed may be less comprehensive than those that confronted the United States at the genesis of the Nunn-Lugar program. But the problems are obvious, nonetheless. Moreover, these security gaps exist in an era when we know that terrorist groups are actively seeking both weapons of mass destruction and lethal conventional arms.

We have seen these vulnerable stockpiles in person, and we are resolved to do something about them. We understand that the United States cannot meet every conceivable security need everywhere in the world. But filling the security gaps that we have described should be near the top of our list of current priorities. We are asserting that these problems have not received adequate attention.

Senator Obama and I are hopeful for a constructive response that recognizes the nuances of the threats involved and the necessity of preventing bureaucratic obstacles to action. We are hopeful for a partnership with the administration that assigns these tasks a high priority. We look forward to working closely with the administration to get this done.

To assist the committee in our evaluation today, I am pleased to recognize our friend, Under Secretary of State Bob Joseph. Under Secretary Joseph has been a good friend of this entire committee and a tireless advocate for U.S. national security through his work on the Proliferation Security Initiative, Libya's renunciation of weapons of mass destruction, and many other important projects. We especially appreciate his willingness to appear today, given the intense schedule he has undertaken with regards to the Iranian nuclear issue.

We thank you in advance for being with us to share the administration's views of the legislation and to help us through important nonproliferation and threat reduction issues.

Before calling on Secretary Joseph, I'd like to call upon the distinguished ranking member of the committee, Senator Biden, for his opening statement.

**OPENING STATEMENT OF HON. JOSEPH R. BIDEN, JR., U.S.
SENATOR FROM DELAWARE**

Senator BIDEN. Thank you, Mr. Chairman. Welcome, Mr. Secretary. Thanks for making the time to be here. And thank you, Mr. Chairman, for holding this hearing. The spread of weapons of mass destruction and conventional weapons like shoulder-fired missiles, quite frankly, may be the gravest threat to our country today, especially if those weapons end up in the hands of terrorists. We need to keep close watch on these issues in all their complexity, and the administration, it seems to me, has to give more than a voice to our fears here. It needs to address this issue in a practical way, and I think you and our colleague, Senator Obama, have suggested a way that may be a route to that. I especially commend you for introducing legislation to bring more order and funding to the State Department's effort to control the proliferation of small arms/light weapons, surface-to-air missiles, and tactical missiles.

These weapons are, as I said, not weapons of mass destruction, but they cause more deaths and destruction year in and year out and around the globe than all the world's strategic weapons. From Colombia and the Andes to Central Africa and South Asia, the automatic weapon in the hand of a criminal, the explosives and missiles in the hands of a terrorist, pose a tremendous threat to U.S. personnel and interests as well as to friendly governments and societies. And although our gravest concern is dealing with what Nunn-Lugar has put us on the path to deal with—and that has not been embraced as fully, in my view, as it should be, although it's better now—we can't take our eyes off the ball on this matter. We ought to be able to walk and chew gum at the same time. I have a few notions about S. 1949. It may need some amendment before we report it out; but I fully expect to be a supporter of the bill at the time it's reported out, and I hope the administration will also support S. 1949, the Lugar-Obama bill.

It seems to me the effort should be a collaborative one here, and I hope the Secretary's here to offer support and constructive criticism, if any, to make this bill better if that's possible. Proliferation is an issue that demands cooperation among all of us who recognize the need to do more. Mr. Chairman, Under Secretary Joseph is, of course, a senior policymaker regarding WMD as well, and I would

admit at the outset that I may take advantage of your presence, Mr. Secretary, to ask you a few questions about nuclear programs of Iran and North Korea if that's permissible. We need to know where you're going, and I think your, quite frankly, editorial comment moved in the right direction on Iran. I'm not sure about Korea, but at some point, maybe we can talk about that as well. Notwithstanding, the central focus is this legislation. So, I thank both my colleagues for their initiative, and I thank the Secretary for being here.

The CHAIRMAN. Well, thank you very much, Senator Biden, for your opening statement. I'd like to call upon our colleague, Senator Obama, for his opening statement.

**OPENING STATEMENT OF HON. BARACK OBAMA, U.S.
SENATOR FROM ILLINOIS**

Senator OBAMA. Thank you so much, Mr. Chairman. I don't think I can do a better job than you have along with our ranking member, Senator Biden, in laying out the issue as you just did. So, I'm going to try to keep my opening remarks relatively short. Mr. Secretary, thank you for taking the time to be here. You know, first of all, I want to thank our chairman, Senator Lugar, for your tireless leadership on this issue, for holding this hearing and for letting me work with you to introduce what I believe is a very good bill. And I want to thank Senator Biden for his insights and his long track record of good work on nonproliferation issues. And I think that Senator Biden's absolutely right. We've introduced this legislation. We want to fine tune it. We want to be in a cooperative relationship with the State Department to make sure that it works, but we think that this is something that needs to be done.

The Lugar-Obama legislation, S. 1949, does two basic things. First, it enhances our ability, working with friends and allies to detect and intercept illegal shipments of weapons and materials of mass destruction. Second, the bill bolsters ongoing efforts to destroy conventional weapons such as lightweight antiaircraft missiles. As the chairman pointed out in his opening statement, many of these efforts are underfunded, they're fragmented and in need of high-level support. I take note of the chairman's comments that new threat reduction proposals, even the Nunn-Lugar program, are not always received warmly by the executive branch. I agree with your testimony, Secretary Joseph, that the Department does need flexibility to deal effectively with global threats and international diplomacy, but that isn't, as I see it, the issue before us today. Every member of this committee wants to give the State Department the flexibility it needs. The issue here today is whether the State Department can use additional resources and coordination to more effectively deal with two critically important threats, interdiction of WMDs and the destruction of conventional weapons, and I believe that it can.

I'm also concerned that the issue just simply does not get the attention it deserves within the State Department. I know that both the President and Secretary Rice have expressed their commitment to nonproliferation, proliferation issues, but four key State Department interdiction and nonproliferation programs are either flat lined or slated for only modest increases in the President's budget.

Meanwhile, a \$1.2 billion increase is proposed for the Millennium Challenge Account, which will provide funding to such nations as Cape Verde, Madagascar, and Vanuatu.

I'm supporting the MCA, and I'm not saying these countries aren't worthy of assistance, but, you know, a budget is about prioritizing strategic objectives, and in my view, the priorities don't appear appropriately and aligned with the strategic threats we confront today. Secretary, despite my concerns, I'm hopeful we can work together to make an adjustment in our budget priorities with the regard to Lugar-Obama. I'm also confident that we can work in a collaborative spirit to make a good bill even better. I would just make—add one personal note. You know, I recently returned from Iraq. Both of you have made these trips. Joe, you've been there repeatedly. This was my first trip, and, you know, we toured in a Black Hawk helicopter with the vest and the helmet on. The same day that I was flying to Fallujah and Kirkuk was the same day that another Black Hawk further north got shot down, and— or something happened where 12 of our brave marines were killed.

And we don't know exactly what happened, but I guess I would simply make the point that if it was a shoulder-to-air missile, which is possible, then those lives could potentially have been saved if we did not have the kind of proliferation that we do and the ease with which MANPADS may be available on the black market. Heaven forbid if these got into the hands of terrorists and there was a commercial flight that was targeted. So, you know, I just think that when we're thinking about our defense systems and our security, that this has to be at the top of the priority list. Thank you very much, Mr. Chairman.

The CHAIRMAN. Well, thank you very much, Senator Obama. I'll just add one more anecdotal note before I ask you for your testimony. A year ago, in the summer of 2004, I went with Cooperative Threat Reduction personnel to Albania. That was on a mission that had been initiated by the Albanians, who were requesting help in trying to secure nerve gas, as it turned out, 16 metric tons. It was an interesting trip because it was the first extension of the Nunn-Lugar Program outside of the United States. We had sent memos back to Secretary Powell, eventually the President of the United States, for a signature to obtain the \$20 million dollars that are now being utilized to neutralize that nerve gas. In the spirit of the day, the Albanians took us to sheds in which there were 79 MANPAD missiles, beyond our recognition or knowledge other than the fact that in the spirit of the occasion, they agreed to destroy them with our assistance. They are not covered by Nunn-Lugar. They're not covered by anything, but it led to, at least, some thoughts as to how they got there, the origins and the international relations that are complex.

As we've mentioned, they are not the only 79 in the world. The thousands that are out there are important. But it is an issue that you've been dealing with, sir, and so we want to appreciate both the need for flexibility, and the resources, as these opportunities become available. Would you please proceed with your testimony?

**STATEMENT OF ROBERT G. JOSEPH, UNDER SECRETARY OF
STATE FOR ARMS CONTROL AND INTERNATIONAL SECURITY,
DEPARTMENT OF STATE, WASHINGTON, DC**

Mr. JOSEPH. Mr. Chairman, Senator Biden, Senator Obama, thank you very much for the opportunity to testify today. It's always an honor to appear before this very distinguished committee. Today, I've been asked to talk about the role of the State Department in implementing several key aspects of the President's strategy to combat weapons of mass destruction and to reduce the threat of dangerous conventional arms. I have provided a written statement to the committee which I would like to summarize.

The CHAIRMAN. We made it a part of the record in full.

Mr. JOSEPH. Thank you, Senator. Let me say from the outset, as I said during my confirmation hearing this past spring, we very much want to work closely together with you and your staffs, as we are doing, to achieve what I know are shared goals. Your letter of invitation to me to testify today lays out the broad objectives that S. 1949, the Lugar-Obama bill.

Specifically, you stated that the United States must do more to assist others in detecting and interdicting weapons of mass destruction and in eliminating conventional weapons stockpiles that pose a security threat. As you know, I fully share those objectives as well as the need that you point out in the legislation to give greater focus to the threat and to improve the coordination of both policies and programs within the State Department, within the Interagency, and at a multinational level. We are working to achieve these same objectives, from stopping the proliferation trade to ending the humanitarian and security threats posed by surplus and abandoned conventional weapon stockpiles, including, of course, the key threat that we face from MANPADS, in the wrong hands.

There are a number of elements of S. 1949 that I believe are very helpful. At the most general level, through your sponsorship, you bring new and needed attention to these priority objectives, shining the spotlight where it is needed as you did in your speech at the United Nations on Monday. At the operational level, the legislation offers an important, broader definition of conventional arms, which is in keeping with the comprehensive nature of the threat, again, even as it puts needed emphasis and priority on the danger of MANPADS.

We also, of course, welcome the provision to provide permanent authority for the use of NDF funds outside the former Soviet States. But just as there are positive elements, we do have some problems. The President and his administration have devoted higher priority and more funding to nonproliferation and counterproliferation and weapons reduction assistance than any of our predecessors.

However, the United States, even when we are joined with very active partners, cannot do everything at once. Therefore, as I've discussed with your staff, and as I know you agree, we must establish priorities, especially in a constrained funding environment. But I would point out that even in this environment, the President's request for nonproliferation and conventional weapons destruction elements of the Nonproliferation, Antiterrorism, Demining and Re-

lated programs, or NADR account, would rise by a significant percentage compared to the estimate for FY06.

Mr. Chairman, conventional weapons destruction is a significant challenge, and it does require resources that are matched to the scope of the problem. Yet, it's one of a number of challenges that we face, and resources cannot come from other priorities of equal or greater value. We carefully considered our funding proposal in light of the current budget environment and other needs. Any additional requirements that are imposed outside of the normal budgetary process would limit our ability to implement the Secretary's other priorities.

In that regard, the Department is concerned at the requirement in S. 1949 to devote specific percentage amounts from the NADR and the Foreign Military Financing programs for WMD detection, interdiction, and conventional arms reductions. While those objectives are clearly important, and we share them, the designation of funds required by the legislation could lead us to devote resources to efforts which other agencies may be better suited to fund and could also prevent us from implementing what may be higher priority programs in which the State Department funds might best be used.

Further, we do not support the organizational changes called for in S. 1949, but not because we disagree with their purpose. On the contrary, we believe that the recent restructuring in the State Department configures as well to pursue the objectives of the legislation in both counterproliferation and conventional weapons reduction. As you know, and as you supported, Senator, we have created a new Bureau of International Security and Nonproliferation, a new post of Principal Deputy Assistant Secretary for Counterproliferation and new offices responsible for counterproliferation initiatives, WMD terrorism, and strategic planning. The Office of Counterproliferation Initiatives is bringing new focus to the Department's counterproliferation efforts including the Proliferation Security Initiative and other defensive measures against proliferation. The Office of WMD Terrorism directly confronts the nexus between terrorism and WMD and is working to help build the capabilities of our friends and allies to prevent, protect against, and respond to the use or threat of use of WMD by terrorists.

The Office of Strategic Planning and Outreach undertakes planning, program analysis, and evaluation to encourage new and innovative thinking to meet today's and tomorrow's threats. We've also retained the relatively new Office of Weapons Removal and Abatement in the Bureau of Political Military Affairs to provide a strategic focus on the growing conventional weapons proliferation threat.

This office, which we formed in 2003, unites formerly separate units responsible for humanitarian demining, mine action, and small arms and light weapons initiatives allowing our organizational structure better to pursue the comprehensive approach to this problem that is required and that I believe is envisaged in S. 1949.

The Department of State is taking an active leadership role in pursuing both counterproliferation and conventional weapons destruction goals reflecting the strong personal commitment of the

Secretary and my own. These areas are important priorities both within the State Department and more broadly within the administration.

The Department vigorously leads U.S. efforts to deepen the international foundation for action against proliferation. Examples include the progress we have made in elevating proliferation to a core concern of G-8 leaders, the passage of the landmark U.N. Security Council Resolution 1540 and the creation and expansion of the Proliferation Security Initiative.

This past fall, I traveled to Central Asia, East Asia, and the Middle East to expand international efforts to broaden active participation in PSI by states in those regions. I emphasized to the governments in Central Asia the need to cooperate more with us in improving WMD detection and interdiction, and they have responded positively. Outside of PSI specifically, the same is true with South Korea and others. Next week, we will have our first meeting of a new counterproliferation task force with the United Arab Emirates, which as you know is a critical transshipment point. While much of the specific operational work for detection and interdiction is carried out by other agencies, for example, the Department of Defense and the Department of Homeland Security, the State Department's Export Control and Border Security Program does help to build partner's capacity to participate effectively in PSI, and the department overall takes the diplomatic lead in establishing priorities for fostering and implementing these vital efforts. We admittedly, as a department and as an administration, need to do even more in these areas, especially in effective prioritization of and follow through on detection.

But as you know, increasing our capacity for WMD interdiction is about much more than money and assistance. We have requested an increase in NADR funds for 2007 related to WMD interdiction for projects that would help partners improve their overall interdiction capability. At its core however, increasing WMD interdiction is even more about increasing active cooperation through PSI and other means. Many of these collaborative efforts with our friends and allies are with partners who do not need our assistance, but who do contribute greatly through information sharing and through coordination of capabilities, both with regard to military and law enforcement action.

In contrast, the role of the Department in conventional weapons elimination is both diplomatic and programmatic. Working with other agencies and other governments, we provide site surveys, assistance for physical security and stockpile management and for demining and destruction of excess weapons and munitions. In some cases, like Cambodia and Bosnia, our dealing with landmine problems has given us access to small arms and light weapons, particularly MANPADS. We have fully integrated programs to address land mines, ordnance and small arms/light weapons in Iraq, Afghanistan, and Sudan, and we are working to do the same in several other countries.

For a relatively small amount of money, the Department of State with the assistance, of course, of the Department of Defense and others, has destroyed or disabled over 17,000 at-risk MANPADS, and we have commitments for the destruction of over 7,000 more.

The Department looks forward to working with this committee to address how best to enhance our ability to meet the full spectrum of WMD missile and conventional threats that we face as a nation.

As I mentioned, more flexible funding authority could help us take on higher priority tasks, some unforeseen for which other agencies or other governments are not as well equipped. We also would welcome an extension of the period covered by our Conventional Arms Destruction funds. At the moment, most of those appropriations are good for only 1 year. It often takes that much time, if not more, to agree with a government on a program, let alone to start it or to complete it.

Mr. Chairman, on behalf of the Department, I would like to thank you and other members of your committee for your leadership and support as we have worked to confront the threat of weapons of mass destruction, missiles, and dangerous conventional arms. As I've described, we've been working hard to develop innovative and more effective tools. We have had considerable success, but there is still much to be done.

Again, I look forward to working with you and the committee to insure that the Department implements fully the transformational diplomacy that is required to protect the American people, our friends, and our allies from the threats of the 21st century.

Thank you, sir.

[The prepared statement of Mr. Joseph follows:]

PREPARED STATEMENT OF HON. ROBERT G. JOSEPH, UNDER SECRETARY OF STATE FOR ARMS CONTROL AND INTERNATIONAL SECURITY, DEPARTMENT OF STATE, WASHINGTON, DC

Mr. Chairman, distinguished members of the committee, I am pleased to have the opportunity to discuss with you, today, the role of the State Department in implementing the President's strategy against weapons of mass destruction (WMD), as well as in reducing the threat of dangerous conventional arms.

From his first days in office, President Bush has given the highest priority to combating WMD and missile proliferation, and has developed many new measures to counter this challenge. The administration began by fashioning the first truly national, comprehensive strategy for preventing and protecting against the proliferation threat. The National Strategy to Combat WMD, issued publicly in December 2002, readily acknowledged that the starting point, and initial line of defense, is to prevent proliferation. However, we also knew that prevention would not always succeed. Therefore, the strategy placed new emphasis on protection from, and response to, the use of these weapons against the United States, our friends, and our allies. For this reason, we are building the counterproliferation capabilities to deter, defend against, and defeat weapons of mass destruction in the hands of our enemies, and we are acquiring the ability to contain and reduce the potentially horrific effects if these weapons are used against us.

The three pillars of our strategy—counterproliferation, nonproliferation, and consequence management—do not stand alone, but rather come together as elements of a unified approach. Underlining that point, the National Strategy identifies four crosscutting functions that are essential to combating WMD: Improved intelligence collection and analysis, research and development, bilateral and multilateral cooperation, and tailored strategies against hostile states and terrorists. We must bring all elements of our strategy to bear in our targeted effort against WMD and missile proliferation. To that end, the Department of State works closely with the National and Homeland Security Council Staffs, the Departments of Treasury, Defense, Justice, Commerce, Energy, Homeland Security, Health and Human Services, and Agriculture, and the Intelligence Community.

While the threat from WMD and their delivery systems must be our highest priority, we are also working actively to reduce the massive stocks of surplus conventional arms worldwide. Landmines, unexploded ordnance, aging and poorly secured weapons stockpiles, and abandoned munitions all create humanitarian as well as security dangers. In too many parts of the globe, they harm innocent civilians, threat-

en our Armed Forces and those of our allies, weaken the stability of friends, and contribute to the creation of large “ungovernable” areas effectively outside of state control and open to terrorism.

TRANSFORMATIONAL DIPLOMACY/STATE DEPARTMENT REORGANIZATION

When Secretary Rice began her tenure, she challenged the State Department to transform the way we think about diplomacy and consider how we might best use our diplomatic tools to meet the threats of today, not of yesterday. Contemporary diplomatic efforts to counter WMD and missile proliferation and the accumulation of dangerous conventional weapons stocks bear little resemblance to those of the past. No longer do we engage in ponderous and lengthy negotiations that focused primarily on the offensive forces of two antagonistic superpowers.

We have worked to improve our ability to use effective diplomacy to meet today's and tomorrow's threats by restructuring the State Department arms control and nonproliferation organization to deal with contemporary realities, such as black markets, front companies, and global terrorist networks. To that end, we have created a new Bureau of International Security and Nonproliferation, a new post of Principal Deputy Assistant Secretary for Counterproliferation, and new offices responsible for Counterproliferation Initiatives, WMD Terrorism, and Strategic Planning. We have also expanded the portfolio of, and renamed accordingly, the Cooperative Threat Reduction Office.

The Office of Counterproliferation Initiatives takes the lead for the Department in developing, implementing, and improving counterproliferation measures. It has brought new focus to the Department's counterproliferation efforts, including the Proliferation Security Initiative and other defensive measures against proliferation, and implementation of financial efforts such as Executive Order 13382 relating to proliferation financing. By working with the other agencies of the U.S. Government, the new Counterproliferation Initiatives Office can leverage our ability to work with other governments to plan and carry out interdiction of WMD shipments, build political will and national capacity to impede WMD-related shipments, and coordinate multinational activities including implementation of U.N. Security Council Resolution 1540. The Office of WMD Terrorism directly confronts the nexus between terrorism and WMD. It is developing policies and plans, directing, initiating, and coordinating activities to help build the capabilities of our friends and allies to prevent, protect, and respond to the threat or use of WMD by terrorists. The Office of Strategic Planning and Outreach undertakes strategic and long-range planning, program analysis, and evaluation to encourage new and innovative thinking to meet today's and tomorrow's threats.

In another important element of the State Department's restructuring, we have expanded the responsibilities of the former Bureau of Verification and Compliance, now named the Bureau of Verification, Compliance and Implementation (VCI). In doing so, we have enhanced our ability to pursue the achievement of critical treaty requirements: implementation, effective verification, and full compliance. VCI now oversees the implementation of many existing treaty commitments, some of long standing. It also is responsible for ensuring full, verified compliance with all arms control and nonproliferation commitments, including more modern ones, which may not involve detailed written agreements. A key example of the latter is implementation of Libya's historic December 2003 decision to eliminate its WMD and longer range missile programs. Under the direction of the Proliferation Strategy Policy Coordinating Committee, VCI is also now leading interagency efforts to develop our concepts for the verified denuclearization of North Korea, consistent with the September 19, 2005, Six-Party Talks Joint Statement.

Finally, in 2003, we created the Office of Weapons Removal and Abatement within the Bureau of Political-Military Affairs to provide a strategic focus on the growing conventional weapons proliferation challenge. Uniting formerly separate units responsible for Humanitarian Demining, Mine Action, and Small Arms/Light Weapons initiatives, the established mission of this Office clearly describes its comprehensive approach: “to develop policy options, implement destruction and mitigation programs, and engage civil society in order to reduce the harmful worldwide effects generated by indiscriminately used illicit and abandoned conventional weapons of war.”

S. 1949—LUGAR-OBAMA LEGISLATION

Mr. Chairman, the Department of State fully shares the core objectives of the proposed “Cooperative Proliferation Detection, Interdiction Assistance, and Conventional Threat Reduction Act of 2005.” We have transformed our internal organization to provide the focus on proliferation detection, interdiction, and conventional

weapons destruction that the legislation envisages. The administration as a whole has developed an effective interagency structure for interdiction to coordinate efforts quickly and effectively. We are now working to augment our capacity for detection and interdiction, to expand our programs worldwide, and to ensure that they fully meet their intended purpose—to prevent dangerous WMD-related shipments from reaching their intended destination. We are also expanding our efforts, and cooperating closely with other agencies and governments, to destroy or disable man-portable air defense systems (MANPADS), persistent landmines, small arms/light weapons, and other conventional arms of greatest concern.

The Department looks forward to working with the committee to address how best to enhance our ability—and to assist our partners to enhance their ability—to meet the full spectrum of WMD, missile, and conventional threats. In particular, flexible funding authority can help us to take on high priority tasks, some unforeseen, for which other agencies—or other governments—are not as well equipped. A good example of the importance of such flexibility was our ability to use the Department of State's Nonproliferation and Disarmament Fund (NDF) to help implement, rapidly, the elimination of Libya's WMD and longer range missile programs. Without that flexibility, we could not have removed, quickly, Libya's UF6, centrifuge equipment, uranium metal casting gear, or SCUD-C ballistic missiles. We fully support section 106 of S. 1949, which would permanently authorize NDF activities to be conducted outside the former Soviet States.

The President and his administration have devoted higher priority, and more funding, to nonproliferation and weapons reduction assistance than any of their predecessors. The President also has spearheaded efforts like the G-8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction to increase dramatically the contribution of our international partners in this area. However, the United States, even when joined by active partners, cannot do everything at once. Therefore, we must establish priorities.

In that regard, the Department is concerned at the requirement in S. 1949 to devote specific amounts from our Nonproliferation, Antiterrorism, Demining and Related Programs (NADR), and our Foreign Military Financing (FMF) program to help other states with WMD detection, WMD interdiction, and conventional arms reduction. While these objectives are certainly important, the designation of funds as required by the legislation could lead us to devote funds to efforts for which other agencies—for example, the Departments of Defense and Homeland Security on interdiction or the Departments of Energy and Homeland Security on detection—may be better suited to develop and manage. Potentially, even more significant, such designation of funds could also prevent us from implementing what may be higher priority programs—support to capacity-building against WMD terrorism might be a good example—in which State Department funds might best be used.

Let me emphasize that our concerns about this aspect of the proposed legislation do not in any way imply that we do not place great importance on the tasks it outlines, or that we do not agree that far more remains to be done in these vital security areas. I look forward to consulting with this committee to ensure we have the tools to carry out these missions in the most efficient, cost-effective manner possible.

ACCOMPLISHMENTS AND CHALLENGES

I would like now to outline, briefly, some of our key accomplishments—and challenges that remain—in combating WMD proliferation and reducing the threat from conventional weapons.

We are taking a broad range of defensive measures—using numerous instruments, policies, and programs—to protect ourselves from WMD proliferation and WMD-armed adversaries. At one end of the spectrum are those measures that prevent proliferators from gaining access to sensitive technologies and materials that could represent a shortcut to nuclear weapons. The Nunn-Lugar programs, and their spinoffs in the State Department and Department of Energy, are key to reinforcing other important measures such as working to ensure effective export controls by all states. It is noteworthy how these programs have evolved to meet today's threats; from an early focus on denuclearizing Ukraine, Belarus, and Kazakhstan and reducing the former Soviet strategic arsenal, to an increasing concentration on measures to prevent the proliferation of weapons of mass destruction and related materials.

Detection is a critical part of that effort, with major contributions from my Department's Export Control and Border Security Program, the Department of Defense Cooperative Threat Reduction Program, the Department of Homeland Security's Container Security Initiative Program, and the Department of Energy's Second Line of Defense and Megaports Programs. For example, the Second Line of Defense Core

Program has equipped 78 sites in Russia, with another 8 planned for this fiscal year. Recent agreements will allow installations to proceed in Slovenia, Ukraine, Georgia, and Azerbaijan. The Second Line of Defense Core Program has also assumed responsibility for maintaining detection equipment installed under several U.S. Government programs in 23 former Soviet and Central European countries between 1992 and 2002. Megaports work is underway in 14 countries, with portal monitors having been installed so far in Greece, the Netherlands, and Sri Lanka. The Department of Homeland Security Domestic Nuclear Detection Office is developing a global nuclear detection architecture that will serve as a backdrop for these individual detection-related programs.

Other defensive measures address the financial underpinnings of proliferation. United Nations Security Council Resolution 1540—adopted in April 2004 at the President's urging—requires states to adopt and enforce effective controls on funds and services related to export and transshipment that would contribute to state or nonstate WMD efforts. Consistent with Resolution 1540, G-8 leaders have called for enhanced efforts to combat proliferation through cooperation to identify, track, and freeze transactions and assets associated with proliferation activities.

President Bush augmented U.S. efforts last June when he issued Executive Order 13382, which authorizes the U.S. Government to freeze assets and block transactions of designated entities and persons, or their supporters, engaged in proliferation activities and to prohibit U.S. persons from engaging in transactions with them. Currently 18 entities—6 from Iran, as well as 11 from North Korea and one from Syria—have been designated under the order, and we are actively considering designating additional ones.

One of the most important defensive measures by the Bush administration, of course, is PSI, involving close interaction among—and the creative use of—diplomatic, military, economic, law enforcement, and intelligence tools to combat proliferation. PSI countries are applying laws already on the books in innovative ways and cooperating as never before to interdict shipments, to disrupt proliferation networks, and to hold accountable the front companies that support them. PSI has expanded to include support from more than 70 countries and continues to grow. And it is working. PSI cooperation has prevented WMD- and missile-related shipments to Iran and from North Korea. And, of course, it was PSI cooperation among the United States, United Kingdom, and other European partners that began the demise of the A.Q. Khan proliferation network, and contributed importantly to Libya's decision to abandon its WMD and longer range missile programs.

Regarding surplus conventional weapons, the threat requires a comprehensive solution not bound by limitations based on weapon type or size. The problem takes myriad forms, depending among other things on the region and on the host government's attitude toward the problem. The Department of State has developed a variety of tools to respond to each situation in an effective manner. We provide site surveys to assess areas affected by landmines or unexploded ordnance, or weapons and munitions storage facilities. We provide assistance for physical security and stockpile management and for demining and destruction of excess weapons or munitions. In some cases, like Cambodia and Bosnia, our demonstrated success dealing with landmine problems has been leveraged to gain access to small arms/light weapons, particularly MANPADS. We have created fully integrated programs capable of addressing landmines, ordnance, and small arms/light weapons in Iraq, Afghanistan, and Sudan, and are working to do the same in several other countries.

Since 1993, the United States has allocated over \$1 billion to address in 40 countries the humanitarian effects caused by the indiscriminate use of persistent landmines. Since 2001 we have destroyed over 800,000 small arms/light weapons and 80 million pieces of ammunition. S. 1949 rightly emphasizes the unique threat that MANPADS pose to civilian aviation. For a relatively small amount of money, the Department of State, with assistance from the Department of Defense and others, has had substantial success in destroying MANPADS at risk of falling into the hands of terrorists. We have destroyed or disabled over 17,000 at-risk MANPADS and have commitments for the destruction of over 7,000 more. Also, we are working in a number of international fora, including the United Nations, NATO, Wassenaar, the G-8, OSCE, OAS, and APEC, to create global political support for actions to reduce MANPADS and ensure they stay out of the hands of terrorists.

In another important effort, 11 nations and the European Union have matched our funding for the NATO-Partnership for Peace project to destroy munitions, small arms, light weapons, and MANPADS in Ukraine. Our partners' contributions have doubled the funds available for the project. The United States is supporting similar programs in Tajikistan and Kazakhstan, and an assessment mission to Georgia took place in December 2005.

I would now like to turn to four proliferation challenges.

The first is to end the North Korean and Iranian nuclear weapons programs. President Bush has made clear that we will protect ourselves and our allies from these threats, and that all options remain on the table. He has made equally clear that our preference is to resolve them through diplomacy.

In the joint statement agreed on September 19, 2005, at the Six-Party Talks, North Korea committed to abandoning all its nuclear weapons and existing nuclear programs. This was a notable development, but we still must agree on, and implement, the detailed requirements of North Korean denuclearization and its verification. That task will certainly be difficult. Indeed, North Korea's behavior since the joint statement has underscored the difficulties ahead. First, it demanded a light water reactor immediately after the issuance of the joint statement—in contrast to what was in the joint statement itself. More recently, Pyongyang indicated that it would boycott further negotiations until the United States rescinds what North Korea calls “economic sanctions” against it. We have made clear that we are committed to pursuing successful Six-Party negotiations, and are ready to resume the talks at any time. However, we have also made clear that we intend to continue, and will expand as necessary and appropriate, our defensive measures to ensure that we can protect ourselves from the proliferation threats from North Korea, as well as from its illicit activities, including money laundering and counterfeiting.

In some ways, the challenge Iran poses to the nuclear nonproliferation regime is even more daunting and complex than the North Korean threat. Although the evidence—including Iran's 20 years of hiding sensitive nuclear fuel cycle efforts—clearly indicates a weapons program, Iran continues to maintain that its work is peaceful. Last week, in a significant victory for our efforts to deny Iran a nuclear weapons capability, the International Atomic Energy Agency (IAEA) Board of Governors reported Iran to the United Nations Security Council. The vote, which secured the support of all the Permanent Members of the Security Council as well as key states such as India, Egypt, and Brazil, sent a clear signal to the Iranian Government that it will not be able to divide the international community and continue its pursuit of nuclear weapons.

We are entering a new phase of diplomacy where the Iranian regime is increasingly isolated and the international community increasingly united in calling on Iran's leaders to reverse course. The issue is now before the Security Council. We expect the Council to take up action on Iranian noncompliance after Director General ElBaradei's report to the March 6 meeting of the IAEA Board.

The Security Council will not supplant the IAEA effort, but reinforce it—for example, by calling on Iran to cooperate with the Agency and to take steps the IAEA Board has identified to restore confidence, and by giving the IAEA new, needed authority to investigate all aspects of the Iranian nuclear effort. The Council should make clear to the Iranian regime that there will be consequences if it does not step away from its nuclear weapons ambitions. We will continue to consult closely with the United Kingdom, France, and Germany (the so-called EU3) and the European Union, with Russia, China, and many other members of the international community as this new diplomatic phase proceeds.

We have no illusion that reporting the Iran issue to the Security Council will produce a quick resolution of the threat that Iran presents. When faced with a challenge like that which we face from the Iranian regime—a government that is able to bring to bear many of its own tools—diplomacy will never be easy, nor will its results be immediate. But diplomacy remains essential and, despite the frustrations, is working. The Security Council offers the best next step for diplomacy to succeed.

The second challenge is to end the proliferation trade by rogue states, individuals, and groups. We have made considerable progress over the last few years. We have moved from the creation of international export control standards to their active enforcement—through enhanced national legislation, improved detection, interdictions, international law enforcement, and financial cooperation. We have shut down the world's most dangerous proliferation network and steadily reduced the opportunities available to proliferators. However, proliferators are quick to adapt to changing environments and move their business to less intrusive environments. We must continue to expand and deepen our efforts—using all available national and international authorities and, where necessary, creating new ones until the proliferation trade has been effectively ended.

The third challenge that I would emphasize is the need to prevent terrorist acquisition and use of WMD, especially biological and nuclear weapons. If terrorists acquire these weapons, they are likely to employ them, with potentially catastrophic effects. A well-organized terrorist group with appropriate technical expertise could probably create a crude nuclear device once it gained access to fissile material. Although terrorist use of a radioactive dispersal device is far more likely, the consequences of a terrorist nuclear attack would be so catastrophic that the danger

requires particular attention. On the biological weapons side, with today's dual-use capabilities and access to particular, dangerous pathogens—many of which exist in nature or could be relatively easily obtained and cultured—the bioterror challenge presents a low-cost means of a potentially high-impact attack.

Many of the tools we have in place to combat proliferation by rogue states are important in the fight against WMD terrorism. A few examples are: Reducing the global stocks of fissile material; improved nuclear and biological detection capability; and the interdiction of trafficking in nuclear and biological materials and weapons components. However, preventing WMD terrorism requires different approaches from those we have followed against state WMD programs or against non-WMD-related terrorism. For example, intelligence collection and action against the proliferation of WMD have traditionally focused on state-based programs, while antiterrorist intelligence has focused on individuals and groups. Intelligence regarding the nexus of terrorism and WMD must cover the full range of state and nonstate threats and their interrelationships. We are working hard to close any remaining gaps and to ensure that the intelligence process supports our strategic approach to combating WMD terrorism. The National Counterterrorism Center's ongoing efforts and the recent establishment of the National Counterproliferation Center are critical steps to ensuring better integration and responsiveness across the U.S. Government against the WMD terrorism threat. The Department of State will continue to work closely with both centers and with all agencies to produce targeted strategies, to synchronize resources to disrupt terrorist groups seeking to acquire or use WMD, and to deter and defeat those who may provide terrorists with safe haven or support.

Any effective strategic approach will entail working with partner nations to build a global layered defense to prevent, detect, and respond to the threat or use of WMD by terrorists. To prevent, we will undertake national, multilateral, and global efforts to deny terrorists access to the most dangerous materials. To protect, we will develop new tools and capabilities with partner nations to detect the movement of WMD and to disrupt linkages between WMD terrorists and their facilitators. Because we can never be certain of our ability to prevent or protect against all potential WMD terrorist attacks, we will cooperate with partners to manage and mitigate the consequences of such attacks, and to improve our capabilities to attribute their source. Thus, we will work to harness, in an effective multinational way, all relevant collective resources to establish more coordinated and effective capabilities to prevent, protect against, and respond to the global threat of WMD terrorism.

Finally, we must address the challenge of the huge remaining stockpiles of dangerous conventional weapons. The United Nations estimates that over 600 million small arms/light weapons are in circulation worldwide. Of these, an estimated 1 to 3 million are in Nigeria, where there are 100 active militias in the Rivers State alone. Huge cold-war-era stocks in Central and Eastern Europe present a dangerous legacy. According to the Russian Government, over 15,000 small arms and light weapons were stolen from Defense and Interior Ministry stockpiles and units between 1994 and 2001. One and a half million tons of munitions in Ukraine have been declared surplus, and 340,000 tons require urgent disposal. Albania, Bosnia and Herzegovina, and Bulgaria each have tens of thousands of tons of surplus ammunition. We estimate that since the 1970s, over 40 civilian aircraft have been hit by MANPADS, causing 25 plane crashes, primarily in war zones, and over 600 deaths. More than 100 countries are affected, and approximately 20 are heavily affected, by landmines and/or unexploded ordnance.

The challenge posed by these conventional weapons is massive, but well-targeted assistance has achieved—and will continue to achieve—positive, cost-effective results. The Department of State has made great strides over the last few years in addressing this threat, but we have yet to realize our full potential. Working closely with other agencies and with other governments, we look to greater progress in the future. We also know we must work closely with Congress in meeting this essential national security goal. We greatly value and appreciate the support of this committee and the Senate more broadly.

CONCLUSION

Mr. Chairman, on behalf of the Department of State and the administration, I would like to thank you for your vision, leadership, and support as we confront the threat of weapons of mass destruction, missiles, and dangerous conventional arms. As I have described, we have been working hard to develop innovative and more effective tools. We have had considerable success, but there is much that still needs to be done. I look forward to working with you and the committee to ensure that the Department implements fully the transformational diplomacy required to protect the American people, our friends and allies from the threats of the 21st century.

The CHAIRMAN. Well, thank you very much, Secretary Joseph. Let me correct the record. I misspoke in my last comments before you began when I talked about the Albanian experiences, the first outside the United States. I meant to say outside of Russia. That has been the purview of the cooperative threat reduction situation. I have several questions, and I want to suggest that we will have a time limit of 10 minutes a round so that we can proceed, and then we'll come back and raise questions that we were not able to raise in the first 10 minutes.

Let me start, Secretary Joseph, by saying that Congress has specifically authorized the President to provide countries with proliferation interdiction assistance under chapter 9 of part II of the Foreign Assistance Act of 1961. The relevant provisions state that the President should insure that not less than 25 percent of the assistance provided in that chapter is expended on transit interdiction.

More specifically, it calls on the President to enhance the capabilities of friendly countries to detect and interdict proliferation related shipments of cargo that originate from or are destined for other countries. It goes on to suggest that priority should be given to any friendly country that has been determined by the Secretary of State to be a country frequently transited by proliferation-related shipments of cargo.

My question is to you, Secretary Joseph. Do you believe that chapter 9 of the Foreign Assistance Act currently provides all the authority the Department needs to coordinate and implement proliferation detection and interdiction assistance?

Mr. JOSEPH. Senator, I believe that it does, and I believe that based on the fact that no one has raised the issue that we require more authorities for that purpose. And I devote an enormous amount of my time to this issue, and if there had been a, you know, a suggestion of a problem, I probably would have been informed of that.

The CHAIRMAN. Let me follow up on that same general area. Is it your view the Department is currently following all the provisions of chapter 9 of part II of the Foreign Assistance Act, in particular, with regard to: One, establishing a list of countries that should be given priority in U.S. transit interdiction funding; and two, insuring that not less than 25 percent of chapter 9 funds are used for transit interdiction?

Mr. JOSEPH. Senator, if I may get back to you on that, I will give you the specifics.

The CHAIRMAN. Very good, if you would do so for the record, we would appreciate it.

Mr. JOSEPH. I will do so.

[EDITOR'S NOTE.—At the time this hearing went to press the State Department had failed to provide the requested information.]

The CHAIRMAN. Now, third, in conjunction with this question, what programs are used to meet requirements of chapter 9, and what percentage of the funds expended by these programs go to detection and interdiction assistance, as opposed to export controls and other efforts?

Mr. JOSEPH. Senator, as I mentioned in my opening statement, we do have a significant effort that is reflected in the Export Control and Related Border Security Assistance. This is a program that involves efforts with 50 countries or more. It is a program that contributes to detection and interdiction in a number of ways, really, across the spectrum from trying to work with others, and we have done so successfully in many cases to build the legal authorities in those countries, to have effective export controls and to have effective customs capabilities to training and providing equipment. It is a program that has had a great impact, I would say, on the overall objective of WMD detection and interdiction.

The CHAIRMAN. Well, with regard to this third question, will you review that, too, for the record, because I have asked what percentage of funds expended by the programs go to interdiction and detection as opposed to export controls and other efforts.

Mr. JOSEPH. I will do that, sir.

The CHAIRMAN. This may be difficult to respond to, but—

Mr. JOSEPH. I'll get you this—

The CHAIRMAN. For the record, that would be helpful.

Mr. JOSEPH [continuing]. Precise percentage; yes, sir.

[EDITOR'S NOTE.—At the time this hearing went to press the State Department had failed to provide the requested information.]

The CHAIRMAN. Now, in another area, listening close to your testimony, if I understand it, you believe the provisions of our bill, S. 1949, requiring increased coordination, are not needed given the recent reorganization of the arms control and nonproliferation bureaus into a single international security, a nonproliferation bureau. Is that right? Is my understanding correct?

Mr. JOSEPH. Sir, I think the key contribution of the reorganization is to put better focus on the problem, the problem particularly related to detection and interdiction and dealing with the threat of proliferation more broadly. In terms of coordination, I think that we do require greater coordination, better coordination, and that we can do better in that area, both within the State Department, but also within the interagency and with other countries. I think that is the key to success.

The CHAIRMAN. Now, when Senator Obama and I were in Donestk, Ukraine, we were struck by what we would call numerous moving parts within the administration on these issues. And with regard to that, I have four related questions. First of all, would you please describe how many and which offices were involved in conventional weapons dismantlement both before and after the reorganization of your bureaus? Now, let me ask all four of these questions because some may require followup. What mechanisms have you put in place to insure that coordination is improved? What coordination mechanisms are in place to insure there are no overlaps or gaps in the assistance. More specifically, How do you ensure the United States is not paying for the same item through the Export Control and Border Security Program, our voluntary contributions to the IAEA fund that assists countries in similar areas or other U.S. programs at the Department of Defense or Customs? And finally, as you have reorganized the coordination of these efforts, have you found any evidence of mismanagement or problems in-

volving wasteful overlaps? I'd be pleased by your response to any of this generally, but, also, please provide specific responses for the record.

Mr. JOSEPH. I will provide specific responses for the record, Senator, but let me say that I am not aware, going to your last question first, of any reports of mismanagement or wasteful overlap. But again, I will get you a, you know, a complete response for the record. In terms of how many offices are involved in conventional weapons elimination or dismantlement, well, the key office, of course, is the office that I described in my testimony, the office within the Political Military Bureau dealing with weapons removal and abatement. This was our attempt to bring together, into one office, the disparate functions that were separated prior to the creation of that office in 2003 relating to conventional weapons removal and demining, everything from demining to the small arms/light weapons initiatives and the MANPAD initiatives that we have undertaken. There are other offices that are involved. At times, the office dealing with the nonproliferation and disarmament fund has been involved because they have provided resources for specific projects. And naturally, there's a large coordination effort within the State Department involving many different offices, but the principle focus of the work is done within the PM, the PM Bureau. Your second question dealt with how has coordination improved. I think it has been improved through the reorganization and particularly, the creation of this particular office dealing specifically with conventional weapons initiatives. And as to EXBS and the voluntary IAEA contributions and the question as to whether we're paying twice for the same horse, I'll get back to you. Again, I am not aware of any cases in that regard.

[EDITOR'S NOTE.—At the time this hearing went to press the State Department had failed to provide the requested information.]

The CHAIRMAN. I thank you. Now, Secretary Joseph, you've expressed concern that specific funding allocations or earmarks for these programs would reduce your flexibility to address the full range of threat initiatives for which you're responsible. Let me just ask, How much has the Department requested for conventional weapons dismantlement in fiscal year 2007? How is that number determined? To what extent is the request for the fiscal year 2007 based on a threat risk assessment of known conventional weapons and stockpiles? In your testimony, you indicate some stockpiles of conventional weapons require urgent disposal. Under current plans, how long will it take to eliminate those threats? And then, if there was additional funding, would you be able to accomplish your goals faster?

Mr. JOSEPH. Senator, let me say that I, of course, support the President's budget as has been submitted. The request for small arms/light weapons destruction in the NADAR account for fiscal year 2007 is approximately \$8.6 million. That is not the only account from which we could support the conventional elimination initiatives including the elimination of at-risk MANPADS. To the question of whether or not we could spend additional money, sure, we could spend additional money, but it would be important that

that money not be taken out of other accounts that reflect other priorities.

The CHAIRMAN. Well, I appreciate your loyal response. Let me just say, anecdotally, that as we met yesterday with the King of Jordan, he expressed a number of security issues which are vital in the war against terrorism. You are aware of many of these. It was apparent that the administration budget did not contemplate quite all of what he had in mind. He took this up directly with the President. The President indicated what the budget is of the administration, but also indicated to the King that if, in fact, he had a more favorable congressional response, conceivably, the Congress might work as well. I raise these questions with that thought in mind, but I want your assessment, quite honestly, as to the risk that we have. In other words, my own view with regard to the weapons of mass destruction as well as these extremely important so-called conventional weapons is that if there is an urgent threat, we must meet it, and this is not simply a bookkeeping tabulation. You share that view, I know, but I need, in addition to your loyal response to the administration's budgets, your assessment as a professional of what we need to do, really, in this year that we're looking at. I'd like to call now upon my distinguished colleague, Senator Biden.

Senator BIDEN. Thank you very much. Mr. Secretary, what other priorities are equal to or greater than this one? You said there are other priorities that are greater. Can you list some for me?

Mr. JOSEPH. Senator, I personally put the highest priority on combating the proliferation of weapons of mass destruction. I have been working on that problem, as you know, for a good number of years.

Senator BIDEN. We don't disagree there. Any other priority that's higher than this that you could list?

Mr. JOSEPH. I don't think there's another national security priority higher than stopping proliferation, and specifically, meeting the challenge of nuclear terrorism.

Senator BIDEN. No; I agree with that. I think we all agree the highest priority is the challenge of weapons of mass destruction. Now, you said there are other priorities that are equal to or greater than the priority set out in this legislation, and my dad used to say show me a budget, and I'll tell you what you believe. You know, you can say—I remember we used to have these discussions—we value the women on our staffs. I said, well, show me the budget. How much do you value them? Do you have them at the top of the list, as many women as men making the same amount of money, if you really value them? If someone tells me he values taking care of the sick and the elderly, well, show me what the budget says. Now, we talk about proliferation, and we all have our anecdotal examples. Senator Lugar and I were in Iraq a couple times together right after the war. I remember walking out in the street, and we were—remember Dick, they had this deal wherever they were paying for MANPADS, the surface-to-air missiles that could be held by an individual, and we're paying \$500 bucks, I guess, for the retrieval because there were 800,000 tons of weapons left unguarded at weapons dumps that we literally did not guard, that were looted extensively. And I was told a story by a captain; I didn't actually

see it. I think it was a captain who said, there's a guy that crossed the street on the corner near him—and we were able to walk around town in those days; we were outside the Green Zone; can't do that now—and there was one of these shoulder-launched missiles leaning up against a chain-linked fence that a guy just could not come up with \$500 bucks to pay this young Iraqi who came with him. He said, "Do you have any more?" I didn't see this now, I'm told this. "Do you have any more?" And the Iraqi said, "I thought I could only bring in one." He said, "No, you can bring as many as you have." And the Iraqi came back with a beat-up pickup truck, literally, I'm told, completely filled with these missiles. He could not fit any more in the pickup truck. So, there are thousands of these things out there, hundreds and hundreds at least. I suspect thousands. And so, I am just wondering what is a higher priority. Eight million bucks in this budget to deal with conventional weapons like this. Eight million dollars doesn't even get a blip on the screen. You all have underfunded Nunn-Lugar for 4 or 5 years on balance. We're doing a little better now. So, I'm wondering what are the other things in the budget. It was referenced by Senator Obama that we're putting another billion bucks into it. And we all agree we should be doing more in foreign aid, but—you know, I've already put you in too much of a spot—but, I do not get it how there could be anything with a higher priority. I promise you, if a conventional airliner comes down in this United States due to one of these weapons, whoa, you're going to find this is the highest priority in the minds of every American citizen.

So I just think the priorities are a little misplaced. In recent years, I have been pressing you, with the help of the chairman, for a requirement that before we sell or give arms or light weapons to a country, we ask what the State Department Office that deals with these weapons, your Office, thinks about the probable sale. And the reason for that is to give your Office notice, a chance to offer assistance to the recipient country, either on how they're going to secure these weapons or what they're going to do with the old weapons they are retiring. Is this something you guys could support? We'll send you a question—I do not want to catch you off guard. We had it in our legislation, and we have not gotten much of a response.

But the bottom line is, the Defense Department decides to sell some of these weapons of the kind we're talking about. Sometimes it replaces older versions of similar weapons. What does the recipient country do with those older weapons, and what do they have in place to secure the weapons we're selling them? It seems to me we should know that, and you guys are the ones who, I think, should be looking at that. Do you have any objection to that legislation, that requirement?

Mr. JOSEPH. Senator, let me say that I will actively look at what you have proposed—

Senator BIDEN. Good.

Mr. JOSEPH [continuing]. And provide you with a response. I would like to have an opportunity to respond to the question of the budget, though—

Senator BIDEN. Sure.

Mr. JOSEPH [continuing]. Because I think that is a very important point.

Senator BIDEN. I'd be happy to have you do that. I only got 10 minutes, and I got two questions, but go ahead.

Mr. JOSEPH. Senator, I—

Senator BIDEN. Tell you what, let me ask you the two other questions so I get them in, and then you can respond to all of this, because, you know, there's this rumor that I talk more than others, and so I want to be fastidious about the 10-minute rule here. So, I'm going to get in my questions, then you all can talk as long as you want. I have two other questions if you will mark that one down and respond to it, the budget. Another one that I'm going to submit for the record is an article you've already seen, from February 7, "State Department Sees Exodus of Weapons Experts," by Warren Strobel, a first-rate well-known reporter here, with Knight-Ridder. I have questions off of that which I'll submit for the record and I'd like you to be able to respond to, but I want to move quickly before my time is up, also, to Iran. And as I said, I give you guys credit. I think the administration is on the right course, keeping the international community together. You've made progress. You've stuck with the Europeans. You put them in a position where they're going to have to—you know, I love my European friends; they always want to do things by consensus, but sometimes, when the rules are broken, they're not so willing to enforce. So, you've kind of been backing them into a position where I think they will have more—I shouldn't say it this way, but more, how can I say it, I was going to say spine, but I wouldn't, won't say that—more conviction about following up.

But here's the deal. We hear all the time that, obviously, sanctions against Iraq by China, which is thirsting for energy, Russia, that has been reluctant to take on Iran, and Europe which desperately needs energy, at the end of the day, when you go to the United Nations and seek sanctions, assuming we get them, they'll probably not be real sanctions. But I want to know, and you don't have to give me the answer now because it may be classified: Have you guys analyzed the impact that oil sanctions would have on Iran, not the impact it would have on the consuming world, but on Iran? Because it's my understanding that they are net importers of refined fuels, gasoline for example, and that Iran is incredibly dependent on the moneys coming from crude oil, thanks to the high market prices right now. And I, for one, think this is the place we should have the nerve to pull the trigger on Iran, if it gets there.

But my question is, has there been a hard analysis done—and if it was classified, fine, I'd like to ask for the committee to have access to it in an appropriate time and place—but have you done a hard analysis on the impact sanctions would have on Iran, if, in fact, we found the nerve, Europe and China not vetoing, but in supporting sanctions for Iran's failure to cease and desist from their nuclear ambitions? My time's up, and all those questions are yours.

Mr. JOSEPH. Senator, thank you. I'll try to be very brief. In terms of the budget, I think the budget that this administration has proposed does reflect our priorities, particularly in the area of stopping or combating weapons of mass destruction. We have a record that goes back a good number of years now as an administration. To

meet the requirements of the comprehensive strategy that we have put forth for dealing with this preeminent threat to our Nation, one element of that strategy is prevention, and this administration has a very proud record in terms of its budget requests for non-proliferation assistance programs, not just CTR, but, of course, the DOE programs and the State programs that contribute to that effort. We also, in that very same context, have worked with others because we believe that this is an international responsibility. This is not a responsibility solely of the American taxpayer. And in 2002, the President achieved, what I think, is a major success in terms of the establishment of the G-8 Global Partnership to stop the spread of weapons and materials of mass destruction, which has resulted in billions of dollars. I believe it's about \$7 billion of commitments for this effort. I mean, that's real money.

Senator BIDEN. How much has been expended?

Mr. JOSEPH. I would have to give you the specific figures on what's been expended, but I think the fact that we have commitments in this regard of \$7 billion is very significant.

We've also, of course, in terms of the second element of the strategy, the protective element, spent a great deal of money, not just in efforts that we've talked about today like PSI in terms of detection and interdiction, but building our counterproliferation capabilities. Prevention may not always work. We need to be in a position to protect ourselves, and we are expending tremendous resources in that regard, everything from improving the ability of our troops in the field to operate in a chemical or biological environment to missile defense.

And third, in terms of the final element of the response of the strategy, we are developing our response capabilities. And Congress has appropriated billions of dollars just in the biological area alone. We are moving forward with a very comprehensive strategy to deal with this very dangerous and complex threat, and we are spending enormous amounts of money in a constrained environment on dealing with the threat, but we're doing it comprehensively. Now, my sense, Senator, is that MANPADS represent a tremendous threat. And you are exactly right in your characterization of this, but if I had to compare the priority of MANPADS, we've got to deal with it. There's no question about it. But the consequences of, you know, a coordinated attack using MANPADS would be very significant. Some could say that it would be catastrophic, but I think the use of even a single nuclear weapon against an American city would be greater, and I think we've got to place our priorities in that framework.

Senator BIDEN. That's what you call a straw man. No one's suggesting that you in any way do that. As a matter of fact, I don't think you spend enough there. Your whole budget's about \$450 million, and you're going to spend on missile defense this year, which I think is a cockamamie priority, a whole lot more, but that's above your paygrade and mine. But how about the issue of Iran?

Mr. JOSEPH. Senator, as we move forward, and thank you for your words, as we move forward, we are analyzing all aspects of next steps that we might be able to take. I would not want to, in this context, get into the specifics of what we're looking at with regard to options for sanctions, but what you've said is, you know,

it is something that we know in terms of certain vulnerabilities that are out there.

Senator BIDEN. Is there any place in the administration we can go in a classified way and get a sense of whether or not there's been a hard analysis done of what an oil embargo would do in terms of impact upon Iran? That's my question.

Mr. JOSEPH. Why don't I talk to you right after this?

Senator BIDEN. OK, great, thank you.

The CHAIRMAN. Well, thank you very much, Senator Biden. I would just underline Senator Biden's query. I understand the confidentiality, but it is important for us to know not simply that there's been thinking by the administration on that specific response, but perhaps on a whole gamut of responses so that in the event that at some point, heaven forbid, we are called upon to take action, in this committee or in this body, we will have been well informed and will have been thoughtful throughout the process. I'd like to call now on Senator Obama.

Senator OBAMA. Thank you, Mr. Chairman. Secretary Joseph, thank you very much for your testimony so far. I just want to start by making sure we're all on the same page here.

My understanding in your interchange with Ranking Member Biden is that you seem to be implying, at least, that we had an either/or choice between dealing with weapons of mass destruction and dealing with threats like MANPADS. And I just want to make absolutely clear for the record here that the question I understood Ranking Member Biden to be making was setting aside the priority, the appropriate priority, of weapons of mass destruction and the nonproliferation in that area in which all of us would like to see probably more resources than the administration is currently devoting. You still have a pretty sizable budget remaining, and the question then becomes what are the other priorities aside from weapons of mass destruction nonproliferation, that you think might be higher than assuring that shoulder-to-air missiles don't get into the hands of terrorists that can shoot down commercial flights, either here in the United States or abroad.

Is there a priority higher than that from your perspective? And if it is, I think we want to know what that is because I'm not sure, in my mind, that there is another priority other than preventing nuclear weapons or biological and chemical weapons. So, I never felt like I got a clear answer on that question, and I'm wondering if you could address that right now.

Mr. JOSEPH. Senator, I'll give you a very clear answer. Other than stopping weapons of mass destruction, I personally do not think that there is, in the area that I work, a higher priority—

Senator OBAMA. Right, OK.

Mr. JOSEPH [continuing]. Than keeping MANPADS out of the hands of the wrong people.

Senator OBAMA. Good, so I actually think we're in agreement there. So, then the question becomes, I guess, Is there room for improvement, and are there additional resources that the department could use in order to make this program more effective? It does not detract from the effectiveness of what you've already been doing. And I think we compliment the efforts that have been made. But as Chairman Lugar indicated, our observations, at least, have been

that the problem of proliferation in this area is considerable, partly because there are a lot more MANPADS out there than there are, you know, weapons grade nuclear material, and so the challenges are different than the ones that you face. There may be numerous MANPADS floating around somewhere. We may not have tracked them sufficiently. And so the question, then, I guess is, Where are the areas of improvement that can be made, either organizationally or budgetary that would be significant? And I'll—what I'll do is, I'll just read one quote that I have from an internal State Department document that was on this issue that came out last year. It says, and I'm quoting in part, "Globally, there is a requirement to destroy large excess stockpiles of conventional munitions. However, the tools and resources available to the Department are insufficient to address this requirement."

Now, you know, this is a State Department response, to a precursor to the legislation that we've introduced. This prior legislation, introduced back in 2004, was called Conventional Arms Threat Reduction Act of 2004, and I am quoting from the talking points from the Department concerning this legislation. So, it just seems to me that we can do better. You've just acknowledged this is the second highest priority after making sure that weapons of mass destruction are secure. The legislation here attempts to provide you additional authority and resources in order to improve how we're dealing with this critical issues. If these are not the right tools please tell us what is the way to make this system work better—unless, of course, you think that it's working as good as it can.

Mr. JOSEPH. Senator, thank you. Let me just say that we can always do better, and we are striving to do better. And I do believe, as I said, that MANPADS is a threat that we need to treat with the highest priority. And in the last few years, the State Department has focused much of its budget in the Small Arms/Light Weapons Account on MANPADS as well as taking the lead in working with other countries to address this threat, such as in Ukraine. We've worked in 17 countries, literally, around the world on this, and no country that has sought MANPADS assistance has been refused. We are trying to meet this priority threat, and we are making a determined effort.

Senator OBAMA. Oh, I have no doubt that, given the limited resources you have and the fact that you've got a lot on your plate right now, that you're doing the best that you feel that you can. Mr. Secretary, I think you've got a big job, which is why we're interested in giving you potentially more authority and resources to do your job. And as Senator—

Senator BIDEN. We want to throw you in the briar patch.

Senator OBAMA. As Chairman Lugar indicated, you know, we appreciate your loyalty to the President's budget. You know, we are not required to, toe the line in the same way that you are, so we in Congress are going to push on this.

Let me focus on a couple points before my time is out. You know, right now, the budget for small arms and light weapons, including MANPADS is \$8.6 million—million dollars. I mean, that's decimal dust in our budget, given how important this issue is to our security. Now, this is taxpayer money, and you start in Washington,

you start talking in terms of millions, and people lose perspective. Millions is real money, but \$8.6 million in our budget is not commensurate with the threat posed by these weapons. You mention that anybody who asks us for help, you're happy to provide it, but there are a whole bunch of countries out there who may not be asking us for help. That's part of the problem.

When Senator Lugar is wandering up in the hillside somewhere and just because he happens to be there, they say, Oh, by the way, here are 47 MANPADS in a crate, you know, we don't want to leave securing these issues to, you know, these random encounters or some sort of conscience on the part of some other foreign power somewhere. I mean, we want to make sure that we're doing everything we can.

And so, can you just tell me how could we be more proactive as opposed to, what it sounds to me, maybe somewhat passive or, at least, not as systematic as we could be on this program?

Mr. JOSEPH. Senator, again, if we were to devote more resources to the destruction of MANPADS, I think we could achieve more, but I would very much recommend not taking those resources from other accounts. If you look—

Senator OBAMA. Other accounts, I just want to be clear, other accounts of yours in the area of nuclear war—

Mr. JOSEPH. Well, I can't speak—

Senator OBAMA [continuing]. Weapons of mass destruction proliferation. Am I correct? I mean, that's your point. You don't want to shift, I just want to make sure I'm getting your point clear here, you don't want to shift money out of the vital work that's being done in the nonproliferation of weapons of mass destruction into this area. Is that correct?

Mr. JOSEPH. That's correct, Senator.

Senator OBAMA. OK.

Mr. JOSEPH. Obviously, I can't speak for others, but in terms of the budget accounts that are appropriate in terms of, you know, the tasks that I am responsible for, for example, in humanitarian demining, we have a relatively, you know, large effort in that context.

Senator OBAMA. That's important stuff. I don't want—

Mr. JOSEPH. It's very important, Senator.

Senator OBAMA. I don't want a bunch of kids maimed as a consequence of—

Mr. JOSEPH. But, Senator, these are the types of choices that, you know, that are reflected in our budget.

Senator OBAMA. I understand, and I don't mean to interrupt you. I guess my point is simply that I don't necessarily want to—I don't feel constrained in a way that you necessarily are in your institutional role by thinking just within your budget. I'm not interested in robbing Peter to pay Paul necessarily within your budget. We've got some more flexibility. I suspect there's a whole bunch of money being spent on less important priorities outside of the issues for which you are responsible. You don't have to comment on that. That's my comment that, you know, we could quadruple the budget devoted to MANPADS, and I assure you there are some programs in this federal budget could be cut to fund this increase. So, again,

you don't need to comment on that. I'm out of time on this round. I'll see if I can come back on some points.

Mr. JOSEPH. Could I just make one suggestion?

Senator OBAMA. Yes, sir.

Mr. JOSEPH. It may be very useful to have a classified briefing given to the committee on MANPADS because there are a number of things that I think the committee could learn from if we were able to do that.

The CHAIRMAN. Well, that's a good idea, and perhaps, to the extent that it's possible, the discussion may be made more candidly of the priorities and the problems that we have so that we could understand the criteria of the budget making at this point and maybe be better informed as we verge into this and try to rearrange some of the cards in the deck.

Senator Nelson.

Senator BILL NELSON. Thank you, Mr. Chairman. This must be kind of bittersweet for you. Bitter in that it goes against the grain of the administration's budget, but sweet as Senator Biden said, Oh, please don't throw me in that briar patch. But you see where we're coming from.

I'd like for you to address the question of how the United States should express our disgust at Iran's position toward Israel, but do so in a way that does not preclude a diplomatic resolution to the crisis?

Mr. JOSEPH. Senator, I have spoken publicly on the issue of Iran and the threat that is posed by a potential nuclear-armed Iran, and one of the key threats, of course, in that context is that Iran, a nuclear-armed Iran, with this leadership, does represent an existential threat to the State of Israel. When the President of Iran says that he would like to wipe Israel off the face of the map and—oh, by the way, he said the same for the United States, but wipe Israel off the face of the map and denies the historical reality of the Holocaust and makes other truly abhorrent statements, I think we ought to make very clear not only that we find that repugnant, but that that hardens our view that we and the entire international community must band together and prevent this regime from acquiring nuclear weapons. And quite frankly, I think that the President's comments, the President of Iran's comments, about Israel have hardened the opposition, have resulted in other countries moving from the abstain column, if you will, at the IAEA Board of Governors to voting with us because I think a number of countries believe that Ahmadinejad does believe what he says in this context.

Senator BILL NELSON. So, you think we can still move toward a diplomatic solution given the extremist positions that have been taken?

Mr. JOSEPH. Senator, I think we need to do everything we can to give the highest prospect for diplomacy working, and that's what we have been trying to do. We've been trying to do that in the IAEA context. We will now try to do that in the Security Council context, but this is very hard. As you know, Iran has tremendous resources. It has a whole number of tools that it also can play, but a nuclear-armed Iran is something that is unacceptable to us.

Senator BILL NELSON. Well, I'm getting around to the question of all options on the table, but tell me how long you think this situation can go on.

Mr. JOSEPH. I can't give you a good sense, Senator, of the time. You know, as well as I, the estimate of the Intelligence Community in terms of 5 to 10 years, but I don't know what level of confidence is associated with that assessment or how many wildcards, for example, foreign assistance, that may be involved in that assessment.

We know that Iran drew on the assistance of the A.Q. Khan network in the past, and it may find shortcuts in the future. We do know that it is determined. It appears to be absolutely determined to move from conversion, to enrichment, to weaponization. I don't know—I don't have a good sense of the time. But my sense is that we can't wait 10 years and 17 resolutions, you know, before we address the full aspect of the threat.

Senator BILL NELSON. And what do we do about our friends, the Russians, who now have said they're willing to take and enrich Iran's uranium? That plays right into Iran's hands.

Mr. JOSEPH. Senator, the Russians put forth their ideas, their proposal, in the context of the EU3 negotiations, and the EU3 negotiations are based upon the Paris Accord from November 2004 and would not allow Iran to conduct enrichment-related activities.

The Russian proposal would not permit Iran to have access to the technologies that are associated with enrichment and would not permit Iran to enrich uranium in Iran.

Senator BILL NELSON. Well, they bought some time in going through that exercise. Has the U.S. Government made clear that all options are on the table?

Mr. JOSEPH. Yes, sir, the President has said that. We are working diplomacy as hard as we can. Everybody wants diplomacy to provide the solution to this threat. We are also working to deny Iran access to sensitive materials and technologies through the Proliferation Security Initiative, through all of the other counterproliferation and nonproliferation programs and capabilities that we have built.

Senator BILL NELSON. OK, and is it the position of the administration that they're OK with Iran possessing nuclear power technology?

Mr. JOSEPH. We, Senator, supported the EU3 proposal. Part of the proposal that was made last August would have allowed peaceful nuclear power reactors in Iran. It would not allow conversion or enrichment, and it was particularly straightforward on not permitting enrichment which, of course, is key to developing the fissile material for the weapon.

Senator BILL NELSON. So the administration's position would allow the Iranians to possess that nuclear power technology?

Mr. JOSEPH. It would allow, you know, the current Bushier reactor that is being built by the Russians. But under the conditions that have been made, you know, the arrangement that the Russians have made for providing all the fuel and taking back all of the fuel, that's a very important nonproliferation measure. We supported that. We encouraged that. And, of course, we have drawn the line with regard to Iran moving beyond that.

Senator BILL NELSON. And that's the position of the administration even though Iran has cheated at every opportunity?

Mr. JOSEPH. That is the position that we have taken with regard to the EU3 negotiations. Things have moved. I mean, the Iranians now have moved to conversion in August when the Europeans made this very generous proposal in August, and the Iranians responded by moving to full-scale conversion.

We, then, had a resolution of noncompliance, which I think was a significant diplomatic success for the President and the Secretary in September. For the first time, we found Iran in formal noncompliance, which requires the report going to the Security Council. We, then, had Iran responding to that by its activities, I believe it was the 9th or 10th of January, in which they removed seals and said they were moving forward with what they called innocent research and development on enrichment. Innocent research and development which one Iranian was reported to have said takes place at most major universities, which it wasn't the case from my universities or any one that I know. I mean, clearly this is the next step to enrichment. This is what we're trying to stop. And I think we had, you know, some success at the IAEA, but this is going to be a very difficult diplomatic effort stretching over many months.

Senator BILL NELSON. There's an awful lot that hangs in the balance. And at every step we've seen, it appears Iran is absolutely intent on moving toward the acquisition of nuclear weapons. You can approach this with carrots. You can approach it with sticks. Why was it the position of the U.S. Government under your predecessor not to use both?

Mr. JOSEPH. Well, I couldn't speak for my predecessor, but we have, you know, supported diplomatic efforts that would provide real benefits to the Iranian people. I mentioned civil nuclear energy, but also much broader than that. But this is not about nuclear energy, this is about a state, a government, that is determined to acquire a nuclear weapon's capability. That's how I see it.

Senator BILL NELSON. Well, on that, we certainly agree, and there's a lot at stake. We have to be successful.

The CHAIRMAN. Thank you very much, Senator Nelson.

Senator OBAMA. Mr. Chairman.

The CHAIRMAN. Yes, Senator Obama.

Senator OBAMA. I apologize. I am going to have to leave, and I wanted to leave two—present some additional questions to the Secretary that you can respond to in writing and just if you don't mind.

The CHAIRMAN. Would you like to do so right at this time, and then I'll ask my questions after you've concluded?

Senator OBAMA. Well, rather than take additional time and delay you, I'll just present them in writing. I'd like a response. My hope is, just as a closing statement, you know, I think we have a very high regard for the work that your Office is doing, and we appreciate the priorities that you have set with respect to weapons of mass destruction.

I just want to reiterate that this has to be the second priority, is dealing with MANPADS and other conventional weapons. I mean, we didn't talk about when Senator Lugar and I were in

Ukraine just seeing mountains and mountains and mountains of conventional weapons, asking the manager there how long did he expect, at the rate they were going, to dismantle these, you know, mortars, and he said, what, 60 years. These are, you know, as Chairman Lugar stated, being used to make IEDs in Iraq and now Afghanistan, and who knows where next. And so, we've got to deal with this, and I think that we can do better.

My hope is that maybe outside the context of this hearing we can have a more constructive conversation about how we can fine tune this piece of legislation to give you the additional tools that you need, so thank you very much, Mr. Chairman.

Senator BILL NELSON. Mr. Chairman.

The CHAIRMAN. Senator Nelson.

Senator BILL NELSON. Mr. Chairman, I would just add, we hope and pray for the success of your work. But these questions need to be answered, and thank you, Mr. Chairman, for providing this forum.

The CHAIRMAN. Thank you for attending the hearing.

Secretary Joseph, just to complete the record, with my questioning.

In the past, the Secretary of State, Condoleezza Rice, and others, have described the nonproliferation and disarmament fund, which I'll refer to after as the NDF, as designed to respond to urgent unanticipated nonproliferation events of immediate concern to the United States. And for these reasons, I, and others, have been strong supporters of that program. However, it appears that a disturbing trend may be developing. Instead of responding to emergencies or opportunities, such as Libya, in which you have been heavily involved, NDF funds would appear to be identified up front to fill funding shortfalls in other areas. Is this an indication of a larger funding problem in the disarmament nonproliferation accounts? What steps can be taken to ensuring that NDF is not crippled by taking up the slack for funding shortfalls in other program areas?

Mr. JOSEPH. Senator, thank you. NDF has been used for a wide number of purposes, including to support conventional weapons destruction and detection and interdiction on the WMD side. We have recently moved the money that was coming from the NDF for EXBS, out of that, out of that account. We are trying to retain this fund for the purpose that it was established. Because we do find that it provides great flexibility. I believe it's no year money, and it's not withstanding, it gives us exactly the type of flexibility that we need. And we just need to be very careful in ensuring that it's used for the proper purpose.

The CHAIRMAN. Well, that's for certain. I raise the question because once again we have a fund here and we've all agreed on the importance of it. Obviously, it's used from time to time for other purposes, and, therefore, priorities may have been established ad hoc that would determine that.

Your testimony outlines concerns about funding choices, and facing these funding choices between projects, addressing equally important threats and your need for greater flexibility.

As my colleagues and I have suggested, isn't this an indication that the funding levels are insufficient? In our opinion, all of these

dismantlement, nonproliferation, and counterproliferation efforts are critical to the U.S. security. And if you're concerned about important projects being sidelined because of earmarks, isn't the answer an increase in funding for the nonproliferation accounts?

I would hope that the answer is, "Yes"; although, as you pointed out, the administration has come to a conclusion as to what the current request would be. It could be that, perhaps, Senator Obama and I, in addition to offering this legislation, should craft an amendment to the appropriations bill to ensure that all these programs are fully funded, and that harmful choices are avoided.

My hope would be that we can work with the administration on this, as opposed to having a competition as to who finds more threats and more difficulties. But I mention that because at least one of our options as Members of Congress is to offer amendments to appropriation bills.

The President ultimately does not have to accept those. But we think that there is genuine bipartisan support for what we're talking about here today. And I mention that just historically, because one of the good things about longevity in the Congress, is that you outlast administrations. Three, four, five, six, as the case may be. Secretaries come and go. Some are more sympathetic to programs such as the ones we're talking about.

My hope is that your administration would be very sympathetic now, in this particular period. In this administration. Not in the next. But providence willing, the voters of Indiana willing, I'll be around for the next one. And I'm trying to indicate tactfully my persistence as you proceed with the Nunn-Lugar efforts over the last 15 years.

So this area won't go away. This is why we really appreciate your taking time to testify today, so that we could have direct conversation, publically, about these issues which are important. Not only to Senator Obama and myself, but I think to others who have spoken. And let me just offer two more thoughts in light of the testimony you've given.

You mentioned the European contributions and the idea of the G-8 contributing, matching what amounts to about a billion dollars of cooperative reduction funds. Plus the Energy Department, and State, and so forth. It was a wonderful idea. Senator Biden may not have pressed the issue, but he inquired, What have the European contributions been? We've had hearings on this issue before. Clearly there are problems. Some of the problems are posed by Russia, by the Duma, or by their administrations which have not given umbrella coverage in terms of liability to many European contractors in the same measure that we have requested and obtained that with our own initial Nunn-Lugar funds and to some extent with subsequent efforts.

Although there were good faith pledges to move as a practical matter, lacking coverage, many of our colleagues in the G-8 have not been able to move very rapidly or successfully. Others have never quite determined their priorities. Sometimes they have established priorities that were important to them in terms of their national interest and which do contribute to the whole situation. For example, there has been some greater interest in nuclear sub-

marines, or in the tactical missile problem, which has not really been tackled in terms of international negotiation.

I mention this because clearly one of the things that Senator Obama and I found when we were in this Donetsk area, and visiting people in Ukraine, was that there had been, in a small way, European interest in this conventional arms destruction process and some appropriation of moneys by a few countries, including modest amounts by ourselves.

That, I think, is worth following through on, because very clearly the European nations were interested in this issue. All of those stocks are much closer to them, geographically, than they are to us. In terms of proliferation and the actual carting off of material, it is in a practical matter much more likely to occur in the European continental context, and, therefore, an unusual concern. I'm not certain to what extent this has ever entered the agenda, not only of the G-8, or NATO, or various other international organizations, but I would hope that it would. I take the occasion of this hearing this morning simply to outline that specifically.

And finally, certainly each administration has to set priorities on this issue, but one of the discussions of cooperative threat reduction has always been the value of destruction or containment or securing weapons, conventional or nuclear, at the source.

To the extent that there can be confinement there, and programs of destruction, then the problems of response are not eliminated. To the extent that prevention has taken care of the problem, or secured it, that is a much less expensive method, by and large. This is sort of a second situation, as you know. You've given these lectures more often than I have. If you can't confine the problem at the source, at least try to confine it within the boundaries of a country. We must ensure that there be international controls so that things do not cross boundaries.

With the PSI program, you have another stopper. Material went outside the boundaries, went to sea, but nevertheless you stopped it before it got to somebody else's boundary.

Ultimately, with the missile defense or various other programs, with our local officials, we try to think through the reaction to chemical or biological attack. That is vital. The problems of that kind of response, horrendous as they are to contemplate, are important.

Our legislation here, and the furtherance of cooperative threat reduction, seems to me to be the least expensive method at the source. Right there on that pile in Donetsk, whatever it is, is destroyed. Perhaps that is the best solution, given a willing partner in Ukraine. Those officials took us to that part of the country to display this.

I conclude by saying, as others have already, that we saw a mountain of detritus from old wars. Plural. All covering this acreage, much with weeds and trees growing around it and through it. I don't know what is to happen in the world, how we really deal with these problems. We've been trying to—with weapons of mass destruction—discover why the Soviet Union ever built 40,000 metric tons, more or less, of chemical weapons. Speaking of overkill, this is awesome. And the problem of getting rid of 40,000 metric tons is formidable, even if by treaty you've pledged to do it, under

the Chemical Weapons Convention, which they have. It's been awesome for them, and for us.

So it's not an easy set of issues to discuss, in terms of priorities. Our taxpayer funds are not unlimited even given the safety concerns. But this is why we would like to work with you, if we can, to refine and maybe even further the targeting of conventional weapons, in terms of priority. We seek to locate where they are, and what's the least expensive way of excising them. This is important for our security and for the security of our allies. We must, likewise, enlist the allies who see the problem but who, perhaps, are waiting for more enthusiasm on our part and increased organization of the effort.

I thank you again for coming today. We appreciate very much the cooperation you have given to our staffs and to Senators on this committee. It has been a generous devotion of time, and so saying, the hearing is adjourned.

Mr. JOSEPH. Thank you, Senator.

[Whereupon, at 11:11 a.m., the hearing was adjourned.]

ADDITIONAL MATERIAL AND QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

NEWSPAPER ARTICLE SUBMITTED BY SENATOR BIDEN

[From Knight Ridder Newspapers, Feb. 7, 2006]

STATE DEPARTMENT SEES EXODUS OF WEAPONS EXPERTS

(By Warren P. Strobel)

WASHINGTON.—State Department officials appointed by President Bush have sidelined key career weapons experts and replaced them with less experienced political operatives who share the White House and Pentagon's distrust of international negotiations and treaties.

The reorganization of the department's arms control and international security bureaus was intended to help it better deal with 21st-century threats. Instead, it's thrown the agency into turmoil and produced an exodus of experts with decades of experience in nuclear arms, chemical weapons and related matters, according to 11 current and former officials and documents obtained by Knight Ridder.

The reorganization was conducted largely in secret by a panel of four political appointees. A career expert was allowed to join the group only after most decisions had been made. Its work was overseen by Frederick Fleitz, a CIA officer who was detailed to the State Department as senior adviser to former Under Secretary of State John Bolton, a critic of arms agreements and international organizations.

Bolton's nomination to be the U.S. Ambassador to the United Nations was nearly derailed last year by allegations that he'd harassed and bullied his staff. Some State Department weapons experts from offices that had clashed with Bolton were denied senior positions in the reorganization, even though they had superior qualifications, the officials and documents alleged.

Fleitz, who works for Robert Joseph, Bolton's successor, later telephoned State Department employees who signed a letter protesting the moves and registered his displeasure, one official said.

The political appointees who crafted the shakeup sought and received assurances from the State Department's legal and human resources offices that what they were doing was legal.

But other officials charge that it violated longstanding management and personnel practices.

"The process has been gravely flawed from the outset, and smacks plainly of a political vendetta against career Foreign Service and Civil Service (personnel) by political appointees," a group of employees told Under Secretary of State for Management, Henrietta Fore, on December 9, according to notes prepared for the meeting.

A dozen State Department employees delivered a rare written dissent to Fore and W. Robert Pearson, the director general of the Foreign Service, on October 11. Some also sought, but failed to get, a stay from the Justice Department to stop the plan.

Joseph, the Under Secretary of State for arms control and international security, said in a telephone interview Tuesday that the changes might have been painful to some but were necessary.

“Reorganizations are never easy. They inevitably mean change,” he said. “The reorganization . . . was essential to better position us to further the President’s strategy against WMD (weapons of mass destruction) proliferation and (Secretary of State Condoleezza Rice’s) emphasis on transformational diplomacy.”

“Yet the reorganization also offers important new professional opportunities for the employees of the State Department,” he said.

Much more than personnel disputes are at stake, said the officials who are critical of the changes.

They said they were concerned that Rice, who announced the changes last July but apparently hasn’t been deeply involved in their execution, will be deprived of expertise on weapons matters. Among those who have left is the State Department’s top authority on the Nuclear Non-Proliferation Treaty, the cornerstone of the international regime to curb the spread of nuclear arms.

“We had a great group of people. They are highly knowledgeable experts,” said former Assistant Secretary of State John Wolf, who frequently clashed with Bolton. “To the extent they now are leaving State Department employ, or U.S. Government employ, it’s a real loss to State Department. It’s a real loss to the government.”

A half-dozen current department officials expressed the same view, but spoke on condition of anonymity because, they said, they feared retaliation.

Jonathan Granoff, the director of the Global Security Institute, an arms control advocacy group, said the loss of State Department arms-control expertise was especially worrisome because the only mechanism for verifying U.S. and Russian nuclear arms cuts—the 1991 START I treaty—is due to expire in less than 3 years.

That also will eliminate the most effective way of verifying that the former rivals are abiding by their Non-Proliferation Treaty commitments to eliminate their nuclear arsenals eventually, he said. “Rather than nurture our experts, the administration seems to have brought in neophytes without a passion for progress in this field and, worse, undermined the international institutions that are most effective in stopping proliferation,” he said.

More broadly, the clash is the culmination of a generation-old battle over arms control.

In one corner are specialists who argue that negotiated arms agreements help U.S. security; in the other are those who argue that the United States should rely mostly on the threat of force, sanctions and other unilateral steps to curb the spread of dangerous weapons and maintain a credible deterrent against an attack.

When she announced the reorganization, Rice declared that more than deterrence and arms control treaties are necessary to safeguard America. “We must also go on the offensive against outlaw scientists, black-market arms dealers and rogue state proliferators,” she said.

Bush has demanded maximum Presidential flexibility on national security matters, avoiding major new arms treaties and pushing the limits of executive power on issues from domestic eavesdropping to the treatment of terrorism suspects.

Many career government experts didn’t dispute the need to reorganize U.S. policy offices that deal with weapons of mass destruction. But they said they worried that future administrations with a view different from Bush and Rice’s would have to build the expertise they’d need from scratch.

An inquiry by Knight Ridder has found evidence that the reorganization was highly politicized and devastated morale.

Thomas Lehrman, a political appointee who heads the new office of Weapons of Mass Destruction Terrorism, advertised outside the State Department to fill jobs in his office. In an e-mail to universities and research centers, a copy of which was obtained by Knight Ridder, he listed loyalty to Bush and Rice’s priorities as a qualification.

Lehrman reportedly recalled the e-mail after it was pointed out that such loyalty tests are improper.

Specialists in the Department’s old Nonproliferation Bureau, which frequently battled Bolton on policy toward Iraq, Iran and North Korea, largely were frozen out of important jobs when offices in that bureau merged with those in another.

“Bolton had blood in his eyes for the Nonproliferation Bureau,” said another official who’s still working at the State Department.

One of the government’s top experts on the U.N. International Atomic Energy Agency, which helps stem the spread of nuclear weapons but disputed the Bush ad-

ministration's claims about Iraq's weapons programs, returned from two and a half years at IAEA headquarters in Vienna, Austria, and was blocked from assuming an office directorship that had been offered to him, the officials and a complaint document said.

The post, which oversees U.S. diplomacy regarding international efforts to contain suspected nuclear-weapons programs such as those in Iran and North Korea, went to a more junior officer who numerous officials said shared Bolton's views.

Five higher-ranking officers were passed over, the document says, adding that none had negative work histories "aside from intimations that they were not as 'trusted' politically by the political management level."

In August 2005, the officer chosen for the job sent an e-mail sarcastically titled: "A Nobel for the IAEA? Please." The agency and its director general, Mohamed ElBaradei, were awarded the Nobel Peace Prize in October.

None of the most senior posts in the new organization was filled by a woman, although several highly qualified female candidates were available.

The effort was at odds with the recommendations of four December 2004 reports by the Department's inspector general, also obtained by Knight Ridder.

The reports praised the nonproliferation unit as "having remained center stage following the events of September 11, 2001." The unit it merged with, the Arms Control Bureau, was described as "largely in search of work."

A third unit overseen by Bolton—and now Joseph—which deals with overseeing compliance with arms treaties, was recommended for downsizing. Instead, it's been expanded.

Mark Fitzpatrick, a veteran nonproliferation expert who recently left the State Department, said he was worried about what he called an "exodus" of qualified specialists from the Department.

"It seems about a dozen or so have left since the merger came about, many out of frustration," said Fitzpatrick, who's now at the International Institute for Strategic Studies in London. "I'm concerned that the ability of the merged bureaus to provide to Condoleezza Rice the same kind of high-quality advice they provided Colin Powell on the very dire proliferation issues facing the world will be diminished by the exodus."

The American Foreign Service Association, which represents foreign service officers, wrote to Rice on November 28, citing allegations that political considerations drove the reorganization.

Dissidents had a second meeting last month with Fore, the Under Secretary of State for management.

RESPONSES OF UNDER SECRETARY JOSEPH TO QUESTIONS SUBMITTED FOR THE
RECORD BY SENATOR JOSEPH R. BIDEN, JR.

Question. The United States and the EU3 put together a remarkably broad coalition in the IAEA Board of Governors, leading to the Board's resolutions of September 24, 2005, and February 4, 2006.

- What are you going to do to maintain that coalition in the coming weeks and months?
- Do recent statements by U.S. officials that Iran is close to being able to build a nuclear weapon help to maintain that coalition, or do they threaten to undermine it by sounding too similar to our prewar statements on Iraq?

Answer. The United States is committed to a peaceful, diplomatic solution to the Iran nuclear issue that spares the international community from the threat of a nuclear-armed Iran. We have worked actively with the EU3 and EU, Russia, China, India, and many others to build a large and widening consensus on the steps Iran must take to resolve this issue. Those steps are clearly spelled out in recent resolutions adopted by the IAEA Board of Governors: Iran must reestablish full and sustained suspension of all enrichment-related and reprocessing activities; reconsider construction of a heavy-water reactor; ratify and implement an Additional Protocol; and provide the IAEA with the full cooperation and transparency that the IAEA has repeatedly requested. Iran's continuing refusal to take those steps, and indeed Iran's decision to take contrary and confrontational actions, is actually helping to solidify the international consensus that any diplomatic resolution must be preceded by Iran fulfilling those conditions as requested by the IAEA Board.

As the IAEA's efforts continue, and as both the IAEA Board and the U.N. Security Council work in coordinated fashion to urge Iran to take those steps, we will continue to work closely with our international partners to maintain firm pressure on Iran to comply with the international community's wishes.

As U.S. intelligence officials have stated in open testimony before Congress, the risk of Iran acquiring a nuclear weapons capability, especially as it pursues in parallel a ballistic missile program, makes stopping those programs an immediate concern to the international community. Our best assessment of Iran's nuclear program is that absent significant additional foreign assistance, and assuming there is not a clandestine centrifuge program that is more advanced than the overt program, Iran will not be able to produce enough fissile material for a nuclear weapon before early to mid next decade. Given the significant gaps in our understanding of the scope and history of Iran's nuclear program, however, we cannot be certain that there is not a clandestine centrifuge program ongoing right now.

As the latest report from the IAEA makes clear, the IAEA continues to see indicators that Iran has not come clean about the full extent of its activities, including in regard to centrifuge uranium enrichment and possession of information related to nuclear weapons. Thus, apart from any national intelligence perspective on Iran's nuclear program, the international community has been placed on alert by the IAEA that there are serious questions and inconsistencies arising from Iran's declarations.

Moreover, we believe that once Iran crosses a more near-term threshold of mastering the operation of a centrifuge cascade—a goal that Iran is aggressively proceeding toward now—it will be much more difficult for diplomatic pressure to persuade Iran to change course and abandon that program before it crosses the nuclear weapons threshold.

Question. Iran is now fairly isolated in the world, on the issue of its sensitive nuclear activities. How will we convert that isolation into tangible pressure on Iran to comply with resolutions of the IAEA Board?

- Will other countries, with stronger ties to Iran, pay visits to Tehran and tell Iran's leaders that they have to change their policies?
- Will leaders of the Non-Aligned Movement make clear that Iran is not acting in their best interests?

Answer. We are working to widen the international consensus on the steps Iran must take to resolve this issue diplomatically. Most countries throughout the world share our objective of preventing Iran from acquiring a nuclear weapons capability. In addition to the ongoing efforts by the IAEA and at the IAEA Board, and our expectation that the U.N. Security Council will take up the Iran issue shortly after the IAEA Board meeting's early March discussion of the issue, we are encouraging countries that maintain relations with Iran to use what leverage they have—diplomatic, political, even economic and commercial—to persuade Iran to change course. If countries wish to visit Iran to deliver such messages directly to Iran's leaders, they have our support to do so.

We encourage the Non-Aligned Movement to use its influence with Iran to persuade Iran's Government to change course, comply with IAEA Board requests, cooperate fully with the IAEA's ongoing investigations, and return to negotiations in good faith on the future of its nuclear program. Many individual NAM members or observers voted to support the IAEA Board's February 4 resolution, including Argentina, Brazil, China, Egypt, Ghana, India, Singapore, Sri Lanka, and Yemen. Given that five NAM members—Algeria, Belarus, Indonesia, Libya, and South Africa—abstained on the resolution, and three NAM members—Cuba, Syria, and Venezuela—voted against it, it is clear that there is no NAM consensus on how to address the Iran nuclear issue. One important message we are trying to send to the NAM and its member states is that the United States supports the right of states to enjoy access to peaceful nuclear energy. Our concern is that Iran's pursuit of the nuclear fuel cycle is not for peaceful or nuclear energy-based purposes, a concern shared by at least some NAM members.

Question. Many people think that the United States wants the U.N. Security Council to sanction Iran immediately, but U.S. officials have emphasized that this would not be the first step. If Iran fails to comply with IAEA Board resolutions by next month, what action will you encourage the U.N. Security Council to take?

- Should it simply call upon Iran to resume its suspension of sensitive nuclear activities and to work with the IAEA?
- Does the Security Council have the authority to give the IAEA special inspection rights in Iran? Is that under consideration?

Answer. When the U.N. Security Council takes up the Iran issue following the IAEA Board's March meeting, we will encourage the Council, as an initial step, to issue a Presidential Statement (PRST) that calls on Iran to comply fully with the IAEA Board's repeated requests. Those requests include resumption of a full suspension of all enrichment-related and reprocessing activities, full cooperation with the IAEA, and ratification of an Additional Protocol. I believe such a statement from

the Security Council, which lends the Council's weight to the IAEA's efforts in Iran and IAEA Board's calls on Iran, would add significant pressure on the Iranian regime to comply. However, if Iran defies such a UNSC request as it has defied the past nine IAEA Board resolutions, we would expect the Council to consider taking additional measures to increase pressure on Iran to comply.

Both IAEA Director General ElBaradei and the IAEA Board have called on Iran "to implement transparency measures, as requested by the Director General, which extend beyond the formal requirements of the Safeguards Agreement and Additional Protocol, and include access to individuals, documentation relating to procurement, dual-use equipment, certain military-owned workshops, and research and development locations." Iran has refused.

If Iran defies a request from the UNSC to provide such transparency and cooperation to the IAEA, we would want the Council to explore additional measures. The Security Council has the authority under chapter VII of the U.N. Charter to decide that states must take particular actions in order to maintain international peace and security. Accordingly, it would be within the Security Council's authority, under chapter VII of the U.N. Charter, to require Iran to provide such transparency and cooperation to the IAEA, and to take any other measures that the Security Council deems necessary, to address the threat to international peace and security posed by Iran's pursuit of a nuclear weapons capability.

Question. Iran's public case is built around the contention that it cannot remain dependent on others for nuclear reactor fuel. What is the United States doing, what are other countries doing, and what more can be done to assure Iran (and other countries) that if they were to give up the objective of nuclear independence, there would be a truly assured access to nuclear reactor fuel and to spent fuel management, at a reasonable price?

Answer. Iran claims that it is seeking an indigenous nuclear fuel cycle—including the capability to make fissile material—for nuclear energy purposes only. Iran claims that its pursuit of the full nuclear fuel cycle, including uranium conversion and enrichment, and fuel fabrication, is both economically cost effective, and enhances Iran's energy security and independence. These claims are false. It is important to recall that Iran immediately, and unilaterally, rejected an August 2005 offer from the EU3 that offered a tangible and significant package of future cooperation and incentives to Iran, and held out the best prospect for improved relations between Iran and the international community since Iran's 1979 revolution.

The EU3 proposal included future European assistance to support an expanded, safe, safeguarded nuclear power program in Iran, with assurances of guaranteed fuel supply. In return, Iran was asked to suspend its enrichment program for a period of at least 10 years, during which international confidence in Iran's nuclear intentions was to be rebuilt.

Contrary to Iran's claims that "the West" seeks to deny Iran access to peaceful nuclear energy or related technologies, Iran rejected the EU3's offer of tangible assistance precisely on nuclear power and other fronts. Iran has chosen instead to pursue aggressively an indigenous uranium enrichment capability it does not need for peaceful purposes, and is not in position to utilize for peaceful purposes in any case, due to Iran's continuing lack of the necessary fuel fabrication know-how.

It is instructive to look at Iran's declared uranium reserves. Iran's uranium reserves, as provided by Iran in 2003 to the OECD, are not commensurate with its declared program of reactor development—seven 1,000 MW reactors by 2020—and would not provide sufficient reactor fuel for such a program. Under the most likely set of scenarios, Iran's uranium reserves would be exhausted before the seven-reactor construction program was even completed. Indeed, Iran's known uranium reserves—1,427 tons—provide less than 1 year's worth of operations for seven nuclear power reactors. Iran's known and speculative reserves in total—15,277 tons—provide less than 10 years worth of such operation. Iran's uranium reserves simply do not give Iran nuclear energy independence, regardless of whether Iran possesses a nuclear fuel cycle. However, those reserves would provide enough uranium for Iran to support a significant nuclear weapons program.

In addition to our support for the EU3 and Russian diplomatic initiatives, which would provide Iran with specific fuel supply assurances, the United States is now working with major supplier states, with the IAEA, and with industry to develop a mechanism for alternative supply arrangements in the event of problems with the commercial market. Our aim is to provide assurances that will convince states with power reactors—both current and future—that their best interest is not to invest in fuel-cycle capabilities. If we can succeed, this will be a major gain for proliferation security.

Question. If Iran refuses to cease its sensitive nuclear activities, there may well be a need to impose sanctions. What is the executive branch doing to plan for that eventuality?

- What analysis has been done of the likely impact of various possible sanctions in terms of costs to Iran, likelihood of effective enforcement, costs to the countries imposing the sanctions (especially if Iran took actions of its own), and whether the right Iranians would bear the brunt of the sanctions? Please summarize the results of those analyses.
- Have other countries done such analysis, and have we and our allies shared our results?
- We all know that there would be a great reluctance in the world to invoke sanctions on Iran's oil and gas industries. But some people say that those sanctions would work because Iran is dependent on imported refined products and cannot afford to pull its crude oil off the world market. What is the administration's view? What is the likelihood that the Security Council could be convinced to invoke those sanctions and that they would be obeyed? What actions could Iran take in response, and how would those play out?
- What is the administration doing to prepare the American people and world markets for the possible need to accept the economic costs of sanctions?
- Are there other sorts of sanctions that could be effective?
- Sometimes actions speak louder than words, while rhetoric or threats can backfire. What are you doing with other countries to develop actions that could be taken quietly, perhaps before the Security Council orders mandatory sanctions, to get Iran's attention.

Answer. We have made clear that in raising pressure on the Iranian regime to abandon its nuclear weapons intentions and activities, we do not seek to harm the Iranian people. We hope the Iranian regime can be persuaded to make the strategic decision to end its pursuit of a nuclear weapons capability before the UNSC is forced to take more serious measures. But if Iran defies the UNSC—as it has defied the IAEA Board, the EU3, and others—we would support the UNSC using the full range of its authority to compel Iran to change course. We believe many members of the U.N. Security Council agree with this approach.

It would be premature, however, to answer questions about any internal deliberations within the executive branch regarding the application of UNSC sanctions on Iran. It would be equally premature to answer questions about ongoing diplomatic discussions we are having with friends and allies on that same question.

Separate from UNSC sanctions, however, there are other measures we are taking to persuade Iran to stop its nuclear weapons related activities, and to slow down those programs until Iran can be persuaded to stop. We are building the counterproliferation capabilities to deter, defend against, and defeat weapons of mass destruction.

To be successful, we must work with others who share our goals and are willing to contribute to the outcome we seek. Protecting the United States from WMD proliferation and WMD-armed adversaries requires a broad array of instruments, policies, and programs. At one end of the spectrum are those measures that prevent Iran and other proliferators from gaining access to sensitive technologies and materials that could represent a short cut to nuclear weapons. Nunn-Lugar and other nonproliferation programs are key in this effort, reinforcing other important measures such as effective export controls by all states. As an administration, we have succeeded in expanding and accelerating these programs through not only U.S. funding, but also through the President's Global Partnership initiative which has added billions of dollars from others.

At the other end of the spectrum, one key element of the solution set is missile defense, as well as improved counterforce and passive defense capabilities, together with capabilities to eliminate adversary WMD and to manage the consequences of WMD attacks. In a number of these critical areas, we are working closely with our allies, such as with Japan and Israel, on missile defenses to protect both our forces and our populations. This capability adds not only another layer of defense to our strategic posture against the preeminent threat we face, but also another powerful reason to persuade states like Iran not to acquire nuclear weapons in the first place.

Other measures address the financial underpinnings of proliferation. United Nations Security Council Resolution 1540—adopted in April 2004 at the President's urging—requires states to adopt and enforce effective controls on providing funds and services related to export and transshipment of nuclear, chemical, or biological weapons and their means of delivery. Consistent with Resolution 1540, in July 2005 G-8 leaders called for enhanced efforts to combat proliferation networks by devel-

oping, on an appropriate legal basis, cooperative procedures to identify, track, and freeze relevant financial transactions.

President Bush augmented U.S. efforts in this field when he issued last June a new executive order, which authorizes the U.S. Government to freeze U.S. assets and block U.S. transactions of designated entities and persons, or their supporters, engaged in proliferation activities, and to prohibit U.S. persons from engaging in transactions with them. Currently 18 entities—6 from Iran, as well as 11 from North Korea and 1 from Syria—have been designated under the order, and we are actively considering designating additional ones.

Finally one of the most important initiatives undertaken by the Bush administration to combat weapons of mass destruction, is the Proliferation Security Initiative (PSI), which shows the close interaction among—and the creative use of—diplomatic, military, economic, law enforcement, and intelligence tools to combat proliferation. PSI countries have put all of these assets to work in a multinational, yet flexible, fashion. The participating countries are applying existing laws in innovative ways while at the same time looking to strengthen relevant authorities where necessary and are cooperating as never before to interdict WMD-related shipments, to disrupt proliferation networks, and to hold accountable the front companies that support them. PSI has now expanded to include support from more than 70 countries, and continues to grow. It is not a treaty-based approach, involving long, ponderous negotiations that yield results only slowly, if at all. Instead, it is an active—and proactive—partnership, to deter, disrupt, and prevent proliferation of WMD, their delivery systems, and related materials.

And PSI is working—including against Iran. PSI cooperation has stopped the transshipment of material and equipment bound for ballistic missile programs in countries of concern, including Iran. PSI partners, working at times with others, have prevented Iran from obtaining goods to support its missile and WMD programs, including its nuclear program. And, of course, it was PSI cooperation among the United States, United Kingdom, Germany, and Italy that led to the demise of the A.Q. Khan network, an action that also impacted heavily on the decision of the Libyan Government to abandon its nuclear weapons and longer range missile programs.

Question. What will the United States do if Iran goes ahead and produces fissile material, or at least builds the facilities to make such material? How will you minimize the damage that will cause to regional security and to the global nonproliferation regime?

- Would military action be the only option?
- Or are there containment options that could limit Iran's freedom of action and negate any benefits it might try to achieve by virtue of having nuclear weapons?
- What is the administration doing to lay the groundwork for those options?

Answer. The President and many of the world's leaders have repeatedly made clear that a nuclear-armed Iran is intolerable. If Iran were to cross that nuclear weapons threshold, it would have profoundly negative consequences, especially given the regime's unstinting support for terrorism; its blatant denial of human rights for its citizens; its reckless pursuit of regional dominance. Add to all that the critical importance to the international community, of compliance with the Nuclear Nonproliferation Treaty, of preventing any nuclear weapons proliferation, and of keeping nuclear weapons and materials out of the hands of rogue states and terrorists. As the President has said, we are committed to seeing a peaceful, diplomatic solution to this problem, in which Iran agrees to abandon its pursuit of a nuclear weapons capability. Given the dangers posed by a nuclear-armed Iran, however, no option is off the table to stop that program.

I have already mentioned bilateral measures that the United States is taking, and encouraging other countries to take, to deter and defend against Iran's nuclear weapons ambitions. Beyond what I have already said, it would not be useful or prudent to address the administration's contingency planning should diplomacy not succeed. The entire international community recognizes the stakes involved, and is thus committed to seeking a diplomatic solution.

Question. Ambassador Chris Hill got a good agreement in the last session of the Six-Party Talks, but North Korea seems to have buyer's remorse. And U.S. actions and statements on North Korea's criminal enterprises have played into the hands of those who never much liked negotiations in the first place. Where does that leave us? Are we keeping the pressure on North Korea? Or is North Korea keeping the pressure on us, as it continues to produce more plutonium and perhaps moves closer to a uranium enrichment capability as well?

Answer. The United States is prepared to uphold its commitments in the joint statement adopted at the conclusion of the fourth round of the Six-Party Talks in Beijing on September 19, 2005. We expect North Korea to do the same. The joint statement included significant benefits the other parties will provide to the DPRK in the context of North Korea's full implementation of its commitment to eliminate all its nuclear weapons and existing nuclear programs verifiably and irreversibly.

The United States has taken, and will continue to take, concrete actions against North Korean entities involved in illicit activities and proliferation. They are not related to the Six-Party Talks. Some of those actions long predate the Six-Party Talks. These defensive measures are necessary to defend against dangerous North Korean activities and will continue as long as North Korea engages in these types of activities. Some of these measures include designations under E.O. 13382, the USA PATRIOT Act section 311 designation against Banco Delta Asia, and our efforts against North Korean counterfeiting of U.S. currency and goods.

Question. What priority do you give, and what priority does the President give, to actually reaching an agreement with North Korea?

Answer. The complete, verifiable, and irreversible elimination of North Korea's nuclear weapons and nuclear programs is one of the highest national security priorities of President Bush. North Korea's nuclear programs pose the most serious security challenge in Northeast Asia. The issue is appropriately being addressed in the Six-Party Talks. It is a regional issue with global implications not a United States-North Korea bilateral issue.

Question. Do you really think that the Proliferation Security Initiative can prevent North Korea from exporting fissile material or even a nuclear weapon if it is determined to do so?

Answer. We believe the Proliferation Security Initiative (PSI) supplements and complements our efforts in the Six-Party Talks to achieve the complete, verifiable, and irreversible elimination of North Korea's nuclear weapons and nuclear programs. PSI provides a basis for governments to work together to share intelligence and make maximum use of their national and international legal authorities to interdict cargoes of proliferation concern. It is one of a number of counterproliferation tools we have at our disposal. It does not target any one country; however, participants have identified North Korea as a country of proliferation concern. Other counterproliferation measures target North Korea's illicit activities—drug smuggling, currency and cigarette counterfeiting, etc.—that yield hard currency that we believe helps enable North Korea's WMD and WMD delivery programs.

Question. Do you see any realistic military option? Do we even know where North Korea's plutonium is?

Answer. As President Bush said, we seek a peaceful, diplomatic settlement of the North Korean nuclear issue. In the joint statement adopted at the conclusion of the fourth round of the Six-Party Talks in Beijing in September 19, 2005, the United States affirmed that we have no intention to attack or invade North Korea with nuclear or conventional weapons.

I would refer you to the Intelligence Community for information on the whereabouts of North Korea's plutonium.

Question. Do you see any great likelihood of a favorable regime change in North Korea over the next few years?

Answer. We believe that the six-party process offers the best opportunity to achieve a peaceful resolution of the North Korean nuclear issue. We remain ready to resume talks without preconditions and to work with all participating countries on a strategy for implementing the joint statement.

Question. In December, the Senate again passed the Global Pathogen Surveillance Act, which would authorize the State Department to do more to train and equip other countries to spot infectious disease outbreaks and to recognize diseases that might be the result of bioterrorist attacks or experiments. The Secretary of State spoke out strongly in favor of this bill, and Senator Frist and I appreciate that support. Will the Department also weigh in on the House side now, with the International Relations Committee and the House leadership?

Answer. The Secretary of State was strongly supportive of the Global Pathogen Surveillance Act (S. 2170) at the time of its consideration by the Senate and remains equally supportive of the act now. The Department looks forward to working closely with the International Relations Committee and the House leadership to promote enactment of this bill.

Question. Last year, the fiscal year 2006 budget failed to fully fund the U.S. contribution to building the International Monitoring System to detect any covert nuclear test by an Iran or a North Korea. We amended the Foreign Operations appropriations bill to make up for that, but we lost in conference. I am pleased to see that the fiscal year 2007 budget submitted by the President includes full funding for this program next year. But we still need to meet our obligations for this year. Do you expect to reprogram fiscal year 2006 funds to make up the shortfall?

Answer. Reprogramming funds to IMS is among the options under consideration, but budgets are extremely tight and priorities have to be set, even among programs supported by the administration. We will, of course, look for opportunities to reprogram funds during the fiscal year, but there are many competing priorities, and in any potential reprogramming we would have to take into account the allocations detailed by the conferees, which fully allocated all the NADR funds appropriated.

Question. How many career professionals, with a rank of GS-13 or higher, have left what is now the Bureau of International Security and Nonproliferation since you came on board? How many more will leave in the next 6 months? How many of those were from the old Bureau of Nonproliferation?

Answer. Rates of attrition in the T family of bureaus have remained relatively constant from year to year. In 2004, the Arms Control and Nonproliferation Bureaus experienced five retirements, five resignations, zero reassignments, one appointment expiration, and five terminations in appointment. In 2005, these two bureaus experienced nine retirements, six resignations, two reassignments and six terminations in appointment. (Terminations in appointment refer to employees that were one time limited appointments and changed Federal employment status.) Thus far, in 2006, the ISN Bureau has recorded one termination in appointment and anticipates four resignations and two retirements through March.

Personnel turnover is an unfortunate fact of life in any organization, not only in the government and not only during periods of restructuring. Employees retire after years of service while others choose to pursue new opportunities. While we are disappointed to see employees leave the T family, we are heartened by the number of employees who are presented with other job opportunities based upon their excellent track record of work in the T family at the Department.

Question. Were any women picked as Deputy Assistant Secretaries during the T reorganization?

Were any women picked as office directors? How many women were serving as office directors, either permanently or in an acting capacity, before the reorganization?

How many women will be deputy office directors? How many women were serving in that capacity, either permanently or in an acting capacity, before the reorganization?

How many minorities will be deputy office directors or above?

Answer. There were no changes in Deputy Assistant Secretaries during the T reorganization, and the Bureau management team remains in an acting capacity. In order to provide continuity and minimize disruption to the work of offices, no incumbent office directors were replaced by new personnel. This limited the number of office director openings to three new offices and one existing office that was headed by a female acting director who for personal reasons no longer wished to serve as a manager. In addition, another office headed by an acting female office director was merged with an office headed by a Foreign Service officer, who is a minority. The latter was selected to head the merged office. For those offices now headed by an acting director, the positions will be fully competed, in accordance with normal personnel procedures.

The T bureau's record on diversity is excellent. The T bureaus have several female leaders and managers, including Assistant Secretary Paula DeSutter and Deputy Assistant Secretary Karin Look. Our ambassador to the Conference on Disarmament, Jackie Sanders, is also female. Although the small number of new office director openings did not result in the addition of women office directors, we anticipate T managerial positions becoming available in the near future and anticipate having several outstanding female candidates. Moreover, ISN has four office director positions assigned to the Foreign Service, which may well be filled from time to time by women or minorities through the normal Foreign Service rotation.

Question. Last fall, the American Foreign Service Association (AFSA) complained to Secretary Rice about how your reorganization was proceeding.

- What were their concerns?
- How did you respond to those concerns?

Answer. AFSA raised a number of questions about the T reorganization. The Department carefully studied these questions and answered them in a letter from Under Secretary Fore. Copies of AFSA's letter and Under Secretary Fore's response are attached.

AMERICAN FOREIGN SERVICE ASSOCIATION,
Washington, DC, November 30, 2005.

Hon. CONDOLEEZZA RICE,
Secretary of State, U.S. Department of State,
Washington, DC.

DEAR MADAM SECRETARY: I am writing to express AFSA's continuing concerns about the reorganization process and the reorganization itself of the Bureaus in the "T family"—concerns that are being reaffirmed by numerous Foreign Service members who remain in communication with AFSA on this matter—and to reiterate AFSA's request to review, comment on, and if necessary negotiate the reorganization plans in writing before they are implemented.

A number of developments have occurred since AFSA State VP Steve Kashkett and I met with Under Secretary Fore on October 28 to discuss these issues. The Senior Management Panel, which Under Secretary Joseph created to plan this reorganization, had a brief meeting with AFSA and invited us to participate in the two T "all-hands" meetings that it organized for employees of those bureaus. While we appreciated these limited attempts at outreach, we note that AFSA has never received anything in writing regarding the Panel's specific proposals for the reorganization, and the Panel finalized its decisions and proceeded to implement them without concurrence from AFSA.

AFSA and its members throughout those bureaus remain deeply concerned over:

- Lack of clarity and transparency in the naming of acting office directors and deputy office directors for the newly reorganized bureaus;
- Continuing concerns over the possible downgrading or elimination of FS-designated positions in those bureaus, or their subordination to non-career supervisors at the office director level;
- Persistent allegations from Foreign Service members that political considerations—i.e., perception of loyalty to a particular ideological point of view—are determining how individual employees fare in the reorganization;
- The implementation of changes without advance review much less formal concurrence by AFSA.

While we recognize Under Secretary Joseph's right to reorganize the bureaus that fall under his direction, AFSA also has the right under the Foreign Service Act and our collective bargaining agreement to be consulted on specific proposed actions—and where appropriate to engage in negotiations—prior to the Department's implementation of changes that affect our bargaining unit members. In fact, it would be an unfair labor practice for the Department to change the conditions of employment of our members without negotiating/consulting with AFSA.

This reorganization is already affecting the conditions of work for Foreign Service members serving in those bureaus, as well as the willingness of other FS employees to seek assignments in the T bureaus. Numerous members have noted the extremely low morale among T bureaus' employees as a result of the manner in which the Senior Management Panel conducted this reorganization. Foreign Service members have also expressed to us their deep concern that these and other actions related to the reorganization will harm the Department's ability to respond to the great security threat of WMD proliferation, not only in the short term, but for many years to come.

We therefore request, in accordance with our collective bargaining rights, the following:

1. A complete written description of the reorganization plan, including details of all changes proposed by the Senior Management Panel that affect Foreign Service employees and positions, including the selection of acting office directors/deputy directors;
2. Suspension of all personnel decisions, including those announced late on November 22, until AFSA has had the opportunity to consult and/or negotiate as appropriate on these proposed changes;
3. A comprehensive list of all vacant FS positions in the T bureaus and their inclusion on the open assignments bid list for summer 2006, in accordance with our agreement relating to the Open Assignments system;
4. A written summary of how the Panel's plans mesh with the Inspector General's report and recommendations.

5. Finally, we strongly suggest that you appoint an independent panel to review all proposed reorganization decisions with regard to EEO concerns and prohibited personnel practices, both of which have been alleged by our members and which some may pursue should the Department itself not act to correct those actions.

Thank you again for your assistance and for your attention to this important matter.

Respectfully yours,

J. ANTHONY HOLMES,
President.

UNDER SECRETARY OF STATE FOR MANAGEMENT,
Washington, DC, December 13, 2005.

Hon. J. ANTHONY HOLMES,
President, American Foreign Services Association,
Washington, DC.

DEAR MR. HOLMES: The Secretary has asked that I reply to your letter of November 30 regarding the T reorganization in the Department. As always, we appreciate learning of your concerns, and those of your members.

In its 2004 reports on the Bureaus of Arms Control (AC) and Nonproliferation (NP), the Office of the Inspector General (OIG) asked the leadership of the Department to explore the restructuring of these former ACDA entities because, in its view, the existing bureaucratic structure did not meet current needs. We have done so and, as recommended, Secretary Rice has decided to merge the two bureaus.

The inspectors also recommended that the Department “redesign” the Bureau of Verification and Compliance. After considerable discussion, including with the Congress, we have done so, albeit not as a “specialized entity.”

I understand that despite several townhalls and meetings, plus the sharing of the “cross-walk” on November 22, AFSA continues to hear from employees in the T family about the reorganization. Although the reorganization has not been easy, I can assure you and your members that the Office of the Legal Adviser and Deputy Assistant Secretary Linda Tagliatela of the Bureau of Human Resources have actively monitored the reorganization to ensure that all steps were taken in accordance with the law.

Nevertheless, in the spirit of cooperation and in response to your request, I am forwarding to you the following papers:

- (1) The “cross-walk” distributed November 22;
- (2) September 2005 staffing patterns for the Bureaus of Nonproliferation; Arms Control; Verification and Compliance; and Political-Military Affairs;
- (3) Draft December 2005 staffing patterns for the Bureaus of International Security and Nonproliferation; Verification, Compliance; and Implementation; and Political-Military Affairs; and
- (4) A list of all expected 2006 vacant FS positions in the T bureau and their status in the 2006 Open Assignments cycle.

I hope that this information will reassure you and your members.

Cordially,

HENRIETTA H. FORE.

Enclosures: As stated.

[EDITOR’S NOTE.—The enclosures stated above were too voluminous to include in this hearing. They will be retained in the permanent record of the committee.]

Question. Is it true that your reorganization was handled in a manner that made it difficult for Foreign Service officers to know, in a timely manner, what positions were open and what their duties would be?

Answer. No. All efforts were made to ensure the timely placement of accurate FSO position descriptions for the newly created and merged offices.

Question. How many ISN positions will be filled by Foreign Service officers, and how will that compare to the number of FSOs in the old Arms Control and Nonproliferation bureaus? How will the new FSO positions compare to the ones in the old bureaus?

Answer. All FSO positions have transferred from the previous AC and NP bureaus in the new ISN Bureau. Moreover, as part of the reorganization, two of the new office director positions were converted to Senior Foreign Service positions, and thereby made available for members of the Senior Foreign Service or those serving in a “stretch” assignment. Unfortunately, we face an uphill battle in filling all our

positions because more FSO positions exist Department-wide than the number of available FSOs to fill those positions. We are examining ways to enhance our recruitment efforts and to attract FSOs to the T family.

Question. A Knight-Ridder story cited one especially disturbing case:

A political appointee who heads the new office of Weapons of Mass Destruction Terrorism advertised outside the State Department to fill jobs in his office. In an e-mail to universities and research centers . . . he listed loyalty to Bush and Rice's priorities as a qualification. [He] reportedly recalled the e-mail after it was pointed out that such loyalty tests are improper.

Is that report accurate? If so, please provide a copy of the e-mail and answer the questions that follow:

1. What action did you take regarding that political appointee?
2. Is he still in that Office Director position?
3. Is he still applying a political litmus test, even if he isn't advertising it in public?

Answer. The Acting Office Director of the Office of Weapons of Mass Destruction Terrorism, who is not a political appointee, forwarded some information to two of his former professors, who in turn sent an e-mail to certain students and contacts, regarding potential openings in this new office. The Department regrets any suggestion in the e-mail that there would be a political litmus test applied to prospective employees. Department officials spoke to the acting office director, who issued a clarification of his e-mail. The Department is committed to complying with all applicable personnel rules in hiring its employees.

Question. Is it true that you had to find another position for an officer returning from the International Atomic Energy Agency, after you were warned that you were violating his employment rights by denying him an Office Director position?

Answer. No. The senior employee who returned from the International Atomic Energy Agency will be reemployed in an appropriate SES position in the T family. That employee does not have a right to a particular SES position in the Department.

Question. In December, I raised with the Secretary the lack of an office with responsibility for any future arms control negotiations. Her response to my letter said, "We have not eliminated any of our arms control negotiating capability, and I am committed to maintaining it." She went on to say that, "Officers in the ISN Bureau, as well as elsewhere in the Department . . . can be drawn on as necessary to support any negotiations that may take place."

Is it your view that arms control (other than verification and implementation of existing agreements) is best treated as an ad hoc function? If so, why?

Answer. The Department maintains considerable multilateral arms control expertise that is regularly involved in working on important arms control treaties to which the United States is a party. For example, Ambassador Donald Mahley, the U.S. Special Negotiator for Chemical and Biological Weapons is actively engaged in preparations for the 2006 BWC Review Conference. Ambassador Eric Javits, our representative to the Organization for the Prohibition of Chemical Weapons, is similarly engaged in The Hague. The Department is active in other areas to promote the NPT, IAEA Safeguards agreements, the MTCR, and the Australia Group.

Question. What preparations are you making for possible negotiations on an extension of the START Treaty? Have you commissioned any analysis of how our national security would be affected if the START Treaty were allowed to lapse in 2009? Have you asked the Intelligence Community how its monitoring of Russian strategic arms would be affected if there were no more START Treaty arms inspections?

What changes in the treaty might be desirable and obtainable, in the context of an extension of it?

Under article XVII of the START Treaty, bilateral consideration of any extension of the treaty would have to begin in 2008. When do you expect to put a team together and make this a mission of one of your ISN offices?

Answer. The United States has proposed to Russia that discussions on transparency, the START Treaty, and our future strategic relationship take place in the Strategic Group on international security issues, which I cochair with my counterpart in the Russian Foreign Ministry. We are already discussing aspects of that relationship and expect the START Treaty will soon be a subject of our discussions.

At my request last fall, we began preparing for these discussions, with the coordination of the NSC staff. The Departments of State and Defense and the Intelligence Community are considering what approach the United States should take to the scheduled expiration of the multilateral START Treaty in December 2009. We are considering the overall impact on our national security, including our relationship with Russia and the other START Parties, how our defense programs would be affected, the adequacy of our capabilities to monitor future developments in Russian strategic arms, and what measures might be desirable and obtainable after December 2009. Prior to detailed discussions with the Russians, we will work to develop a comprehensive U.S. position.

As indicated above, discussions will occur initially in my channel with the Russian MFA. I intend to draw upon the expertise in the Department as well as other appropriate agencies.

RESPONSES OF UNDER SECRETARY ROBERT JOSEPH TO QUESTIONS SUBMITTED FOR THE RECORD BY SENATOR BARACK OBAMA

Question. Would the development of additional international standards and controls, with a robust enforcement mechanism on the export of conventional weapons, assist the State Department in controlling the proliferation of small arms, MANPADS, and other advanced conventional weapons? In what areas are further global export controls needed?

Answer. The U.S. Government believes that the illicit and irresponsible proliferation of conventional weapons has had serious consequences for regional stability and social and economic development. We spend millions of dollars per year on the destruction of excess small arms and light weapons to further this goal.

The U.S. Government is working in several international fora to strengthen national controls on arms brokering. Many countries have recognized the destabilizing impact of conventional arms sales can have in regions or countries of/in conflict, and, therefore, have policies to prohibit such transfers. Arms brokering is one element that needs higher attention in these policies. The Wassenaar Arrangement and the OSCE have already taken steps on strengthening brokering controls. Under the U.N. Program of Action on Small Arms and Light Weapons, a GGE on brokering will convene in the fall 2006.

We are nevertheless skeptical that a new legally binding international agreement, would significantly contribute to the objective of controlling the proliferation of small arms, MANPADS, and advanced conventional weapons. To be effective, any new measures would have to include all major military exporters, not undermine ongoing programs in the United Nations and elsewhere, and be consistent with existing national laws.

Question. Secretary Joseph, could the Department use more personnel to implement future destruction plans? Does the current budget request allow for expanding staff resources?

Answer. As I stated during my testimony, I support the President's budget. Within the parameters of our fiscal year 2007 request, I will work to balance available positions to achieve the common interdiction and destruction goals we discussed. I am working to allocate human resources on a basis of identified work load to ensure that our highest priority needs are met. As an example, as part of the ongoing reorganization within the "T" family of bureaus, staff resources are being reallocated to support the destruction of both WMD and conventional weapons.

Question. Secretary Joseph, of the 191 U.N. members states, how many (1) have a conventional weapons stockpile that pose a proliferation threat, and (2) lack the financial or institutional capacity to address that threat?

Answer. Comprehensive information of this kind is not available from either government or nongovernmental sources. However, while it might be useful to know the totality of the problem, we do not require this information to develop an effective response. We know those states that are sources of weapons, those that are involved in illicit trade in weapons, and those that suffer from the effects of proliferated weapons. Impact assessments that include security, humanitarian and environmental factors allow us to prioritize our work and to develop a targeted and effective response to the overall problem. Based on these assessments, smaller stockpiles often pose the greatest threats.

We have found in our work that for those states facing a proliferation threat, it is neither finances nor institutional capacity that is the greatest impediment to action, but political will. Extensive diplomatic engagement is required to gain coopera-

tion from states to secure and destroy stockpiles. Most states consider issues such as weapons stockpile size and weapons security to be sensitive items of national security. As a result, they often are reluctant to share such information and are extremely unlikely to cooperate with any sort of global assessment activity.

Question. Secretary Joseph, in your view, where is there room for improvement within the State Department on the issues covered by the Lugar-Obama legislation (conventional weapons and WMD interdiction)?

Answer. Lugar-Obama is a comprehensive piece of legislation that seeks to reduce both WMD and conventional weapons proliferation. My team is currently studying the proposed legislation and will be briefing me on their suggestions in the near future.

Question. Secretary Joseph, in his opening statement, Senator Lugar stated, “U.S. efforts in this area (curtailing the spread of WMD and conventional weapons) are currently underfunded, fragmented, and in need of high-level support.” What parts of this statement do you agree with—which parts with which do you disagree?

Answer. We carefully considered our funding proposal in light of current fiscal constraints, present funding environment, and the Secretary of State’s priorities. While curtailing the spread of WMD and conventional weapons are both significant challenges, as you know, they are but two of the many challenges that we face, and needs will always exceed resources, no matter what the challenge.

We believe that the recent restructuring in the State Department configures us well to pursue the objectives of the legislation in both counterproliferation and conventional weapons reduction. The new Bureau of International Security and Non-proliferation brings focus to the Department’s efforts in the WMD area, while the Bureau of Political-Military Affairs’ relatively new Office of Weapons Removal and Abatement consolidates the humanitarian mine action and small arms and light weapons initiatives into one unit, allowing us to better pursue the integrated and comprehensive approach that is so essential to address these complex problems.

Finally, this issue is supported at the highest levels within the Department and the executive branch. The President and his administration have devoted higher priority and more funding to nonproliferation, counterproliferation, and weapons reduction than any previous administration.

Question. Secretary Joseph, one of the key aspects of the Lugar-Obama legislation is its focus on detection and interdiction of weapons of mass destruction. In his opening statement, the chairman made a comment in that current State Department programs are “focused on other stages of the threat, not on detection and interdiction.” And, that the Proliferation Security Initiative, while successful, is flawed—many of our partners do not have the resources to be capable and effective partners. Do you believe that there are gaps in current State Department efforts to address this critical issue?

Answer. State Department efforts are indeed focused on developing international cooperation to detect and interdict WMD-related shipments through the Proliferation Security Initiative. A variety of U.S. technical assistance programs currently help international partners develop relevant capabilities ranging from export controls enforcement and border security to establishment of appropriate national legislation, as called for in UNSCR 1540.

The State Department has made clear to our PSI partners that we will respond on a case-by-case basis to requests for technical or other program assistance. State also reviews country reports that come to the UNSCR 1540 Committee regarding country resource needs in this area and alerts existing U.S. technical assistance programs regarding detection and interdiction-related needs that are reported. In the rare case that existing U.S. programs can not address such a need, the State Department will explore the use of ISN’s NDF program and/or investigate other means, up to and including the establishment of new assistance programs to address such needs.

Question. In May 2005, Secretary Rice stated that “In the last 9 months alone, the United States and 10 of our PSI partners have quietly cooperated on 11 successful efforts. PSI cooperation stopped the transshipment of material and equipment bound for ballistic missile programs in countries of concern, including Iran.”

What is your definition of a “PSI” interdiction and what is not?

How many such interdictions have occurred since then?

On a classified basis, if necessary, could you please provide me with a list of specific PSI-sponsored interdictions?

Answer. A PSI interdiction entails cooperation among two or more PSI participants. The number of interdictions, whether PSI related or not, that has occurred

since May 2005, is a classified matter involving sensitive intelligence information. The Secretary's remarks were elaborated in a classified briefing I presented to Members of the Senate in August 2005. Foreign Relations Committee staff retained copies of this briefing for committee files.

