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OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-2600



INTERNATIONAL
SECURITY POLICY

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SECRETARY OF DEFENSE

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July 21, 1993

Mamedov

MEMORANDUM FOR SECRETARY OF DEFENSE
DEPUTY SECRETARY OF DEFENSE

THROUGH: UNDERSECRETARY OF DEFENSE FOR POLICY
PRINCIPAL DEPUTY UNDERSECRETARY
OF DEFENSE FOR POLICY

FROM: ASSISTANT SECRETARY OF DEFENSE FOR NUCLEAR
SECURITY AND COUNTERPROLIFERATION

SUBJECT: TALBOTT/MAMEDOV TALKS: HIGHPOINTS

Strobe Talbott hosted a Russian delegation headed by Deputy Foreign Minister Mamedov Monday and Tuesday. In addition to Mamedov, the Russian delegation included General Staff and Russian Foreign Intelligence Agency representatives. John Gordon and I attended from DoD. Also present on the U.S. side were Deputy CIA Director Bill Studeman, Moscow embassy DCM Jim Collins, and NSC staff, in addition to Talbott. Secretary of State Christopher joined our meeting briefly today.

We helicoptered to Carlisle Barracks Monday for the talks, proceeded to get soaked in and had to take a bus back to Washington.

The talks were broken into two groups, corresponding to the hottest issues in U.S.-Russian relations: peacekeeping, especially Georgia; and proliferation, especially Ukraine.

I led the discussion on Ukraine, focusing on your early deactivation proposal. At Tab A are my talking points. At Tab B is a non-paper detailing our proposal that I handed to the Russian side. At Tab C is a non-paper on HEU prepared by State and also handed to the Russians.

Here are the main points:

On Ukraine:

- 1) It became quite apparent to us that the reason we haven't heard back from the Russians about early deactivation is that they failed to understand key aspects of the proposal. The garbled version they were working with was totally unacceptable to them, so they just didn't pay any attention to it. For

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example, they had the impression that we intended warheads to be dismantled in Ukraine rather than in Russia. Yesterday's meeting made important progress at clarifying our proposal and re-kindling their interest.

2) When the proposal was explained to them, the reaction was one of general, though unofficial, approval. They remain concerned that payment to the Ukrainians for HBU contained in weapons on Ukrainian territory implicitly settles the issue of ownership in favor of the Ukrainians. They're also afraid that deactivation will begin with the SS-19s but never get around to the SS-24s, which the Ukrainians will retain.

3) With these misunderstandings resolved, Talbott and I discussed the following sequence for moving forward over the next two months:

a) We preview these ideas and distribute the non-papers to Tarasiuk later this week and to Morozov next week.

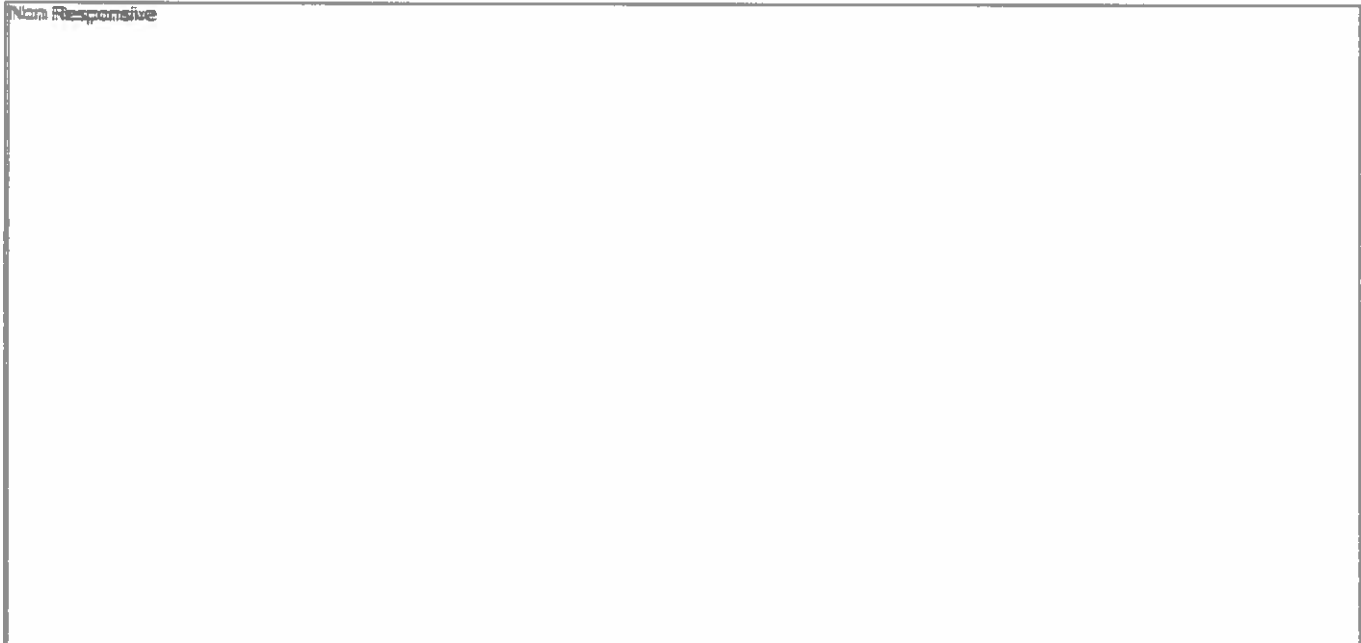
*Today I
leave for
Kiev to
prepare
the way
for your
Memo on
meeting.
LCL*

b) At the same time, we prepare a formal agreement based on our proposals and ask President Clinton to transmit it to President Yeltsin late this week, noting that this agreement responds to President Yeltsin's Tokyo suggestion that a tripartite U.S./Ukrainian/Russian "Security Treaty" be devised.

c) Once we have agreement from the Russians we will try to secure agreement to the same text from the Ukrainians.

d) The objective is to have in place a basic agreement by early September so that the appropriate conditions are created in Kiev in late September for favorable Rada consideration of START and NPT.

Non Responsive



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Non Responsive

Attachments:

1. Talking Points from Dr. Carter
2. Proposal Handed to Russians
3. Non-paper on HEU

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- o The US considers it essential to its own security and to global non-proliferation efforts that Ukraine ratify START, join the NPT as a non-nuclear weapons state, and eliminate all nuclear weapons and all strategic offensive arms on the territory of Ukraine.
- o We want to work closely with Russia on the best tactics to achieve this end.
- o In doing so, we recognize that the outcome of political developments in Ukraine is powerfully affected by the broader relationship between Russia and Ukraine. We also recognize that Ukrainian thinking about nuclear weapons is affected by their perceptions of their broader security situation.
- o I would like to begin the discussion this morning by focusing on the nuclear issue in Ukraine and inviting you to elaborate your views on four matters upon which we have already had preliminary contacts but still lack specific, concrete information from you.
- o The first matter concerns your reaction to the plan for early or accelerated deactivation of strategic offensive arms in Ukraine presented by Defense Secretary Aspin to Defense Minister Grachev on June 5 and shortly thereafter to Ukrainian officials in Kiev. This plan envisions a process, to begin as soon as the parties can agree, with the following steps:
 - Nuclear warheads would be removed from SS-19 and SS-24 missiles and from heavy bomber basing areas and transported to two existing central, secure storage facilities in Ukraine for temporary storage. Existing procedures for warhead removal and transport would be applied. Using such procedures, it appears to us that from a technical standpoint work could commence on all three types of weapons simultaneously, and all nuclear weapons could be transported to the central storage sites in less than a year.
 - The warheads would remain temporarily stored in the central storage sites in Ukraine until dismantlement facilities in Russia are ready to accept them for prompt dismantlement under arrangements to be agreed upon by Russia and Ukraine. We expect that Russian forces would provide internal security and any required maintenance within the central storage sites. Ukrainian forces would provide perimeter security. If desired by Russia and Ukraine, appropriate international monitoring could be established to monitor, from the exterior, the arrival and departure of

nuclear weapons at the central storage sites.

-- Russia would give precedence to the dismantlement of warheads located in Ukraine on an agreed schedule, consistent with nuclear safety and security. Warheads would be transferred from Ukraine to the appropriate dismantlement facility in Russia as soon as that facility was ready to dismantle them. Dismantlement would begin immediately after the warheads arrived at the dismantlement facility.

-- Under arrangements to be agreed separately, Ukraine would be reimbursed promptly for the net value of the highly-enriched uranium in the warheads located on its territory. The US has provided you with a draft tri-partite agreement covering such arrangements. The draft agreement provides that as warheads leave Ukraine for Russia, the US would pay Ukraine for the value of the HEU, minus Russian dismantlement costs. Ukraine would have the option of being paid either in cash or in low-enriched uranium reactor fuel of equivalent value. Russia would transfer the HEU to the US. The HEU from weapons located in Ukraine would be in addition to the 500 metric tons from other dismantled weapons that the US has agreed to purchase if Russia and Ukraine can agree to such a plan to compensate Ukraine.

-- Finally, once the process of removing warheads from missiles located in Ukraine has begun, and the appropriate agreements required under the Nunn-Lugar program have entered into force, US assistance for dismantling missiles, disposing of their fuel, and dismantling silos would begin.

- o These, then, are our ideas regarding accelerated deactivation and HEU revenue sharing.
- o We welcome the positive reactions to these proposals we have heard from Russian officials. But we would welcome your specific reactions to specific points in the proposals, and your ideas for how we can help Russia and Ukraine reach agreement.
- o The second matter upon which we solicit your views is directly related: We know that Russia and Ukraine are discussing these issues bilaterally. We would like to learn what ideas for accelerated deactivation Russia and Ukraine are considering in these talks, and whether the US can be helpful in promoting progress. Defense Secretary Aspin wrote last week to Minister Grachev proposing early meetings of technical teams to work on details of accelerated deactivation; we are ready for these teams to meet.

-- We note, for example, a July 16 Izvestiya article which reported that the first 10 SS-19 missiles are now being removed at Pervomaysk, with the missiles to return immediately to Russia and the warheads to remain in Ukraine.

Is this true? Does it imply that some concrete agreement has been reached between Russia and Ukraine?

- o Third, we would like to understand better the idea raised by President Yeltsin at his meeting with President Clinton in Tokyo for a tripartite security treaty between Russia, Ukraine, and the US.

- Unfortunately, there was not occasion for President Yeltsin to elaborate this idea in Tokyo. We would welcome your elaboration of what the treaty would encompass and how it would be structured.

- We have given the idea some preliminary thought as well.

- We believe that a continuing security dialogue between Russia, Ukraine, and the US is a very important and constructive idea.

- We think a more informal approach might avoid some of the problems of a formal treaty while still affording Ukraine a security context within which it will feel secure enough to remove nuclear weapons from its territory. We also think it might be useful to engage Byelarus and Kazakhstan in such a process, so all Lisbon Protocol signatories would have equal status and none would be tempted to disrupt the process.

- These purposes would be achieved if the Foreign Ministers of the five Lisbon signatories met periodically to review implementation of START and the security assurances that have been provided to Ukraine, Kazakhstan, and Byelarus.

- We have discussed ideas along these lines with you before, and we would welcome your suggestions for putting together the best aspects of both proposals.

- o Fourth and last, we continue to be concerned about the safety, security, and control of the nuclear forces stationed on the territory of Ukraine.

- Ambassador Dubinin called on our ambassador in Moscow on July 13 to inform us that Ukraine had decided to establish what Ambassador Dubinin described as direct control of nuclear warheads at two storage sites in Ukraine, identified as C-332 and C-341. Can you tell us what this is all about, and give us further information about these sites, e.g., whether they are associated with the two ICBM divisions in Ukraine, or alternatively central storage sites?

- Can you tell us anything else about the actual status of CIS nuclear forces located in Ukraine, and about CIS nuclear command arrangements in general?

- o Let me close by suggesting a timetable by which we should seek to resolve these matters. We do not believe Ukraine will take action on START and the NPT until after the referendum scheduled for September 26. Shortly thereafter we will want Ukraine to act. We would like to have all the elements I have discussed in place, so that they create a favorable climate for approval of START and NPT in Kiev. That is also the time to show Ukraine the US-British-Russian security assurances that you have recently approved in its final form. What are your thoughts about this timing?

Iran

BW

N. Korea

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IDEAS ON ACCELERATED IMPLEMENTATION OF
STRATEGIC ARMS REDUCTIONS

The United States is well advanced in the process of early implementation of the strategic arms reductions required under the START Treaty. We have already removed about 90 percent of the warheads from the ICBMs and SLBMs whose launchers will be eliminated under START. We expect to complete this process by the end of 1994, and to have removed all the missiles from their launchers by the end of 1995. All of our heavy bombers scheduled to be eliminated to meet START limits have already been retired and been transferred to the site where they will eventually be eliminated.

Ballistic missiles have also been deactivated in Russia and in Kazakhstan, without waiting for entry into force of the START Treaty. The United States encourages Russia and Kazakhstan to continue and accelerate this process. To do so will allow us all to reap the benefits of the START Treaty much earlier than would otherwise be possible.

It would be a very positive step if Ukraine would join this effort. The United States would like to offer our ideas for the process under which this could be done. Following are the elements of our concept:

- Nuclear warheads would be removed from the strategic missiles and transported to one or more central, secure nuclear weapons storage facilities in Ukraine for temporary storage. The same would be done with nuclear weapons for heavy bombers. Existing procedures for warhead removal and transport would be applied. The United States suggests that existing central nuclear storage facilities in Ukraine be used for the temporary storage of these weapons.
- The nuclear warheads and heavy bomber weapons would be stored temporarily at the central, secure storage site(s) in Ukraine until dismantlement facilities in Russia are ready to accept them for prompt dismantlement, under arrangements that have been agreed by Russia and Ukraine. Russian forces would provide internal security and any required maintenance within the central storage site(s). Ukrainian forces would provide perimeter security. If desired by Russia and Ukraine, appropriate international monitoring could be established to monitor, from the exterior, the arrival and departure of nuclear weapons at the central storage site(s).

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- Russia would provide precedence to the dismantlement of strategic nuclear warheads and heavy bomber weapons located in Ukraine on an agreed schedule, commensurate with nuclear safety and security. The warheads and heavy bomber weapons would be transferred from Ukraine to the dismantlement facility in Russia as soon as that facility is ready to dismantle them. Dismantlement of those weapons would begin immediately after their arrival at the dismantlement facility.
- Under arrangements to be agreed separately, Ukraine would be reimbursed promptly for the net value of the highly-enriched uranium in the warheads located on its territory. (See attached non-paper and draft agreement.)
- Once the removal of warheads from missiles located in Ukraine has begun, and the Nunn-Lugar umbrella agreement and specific implementing agreements have been signed and enter into force, U.S. assistance for dismantling the missiles, disposing of their fuel, and dismantling the silos, would begin. The United States hopes that the U.S. and Ukraine can conclude, as a matter of priority, the discussions by Safety, Security and Dismantlement delegations necessary for the two sides to agree on the specific items of U.S. assistance, and that the requisite Nunn-Lugar agreements will be signed and enter into force as rapidly as possible.
- The entire process would begin with the removal of the warheads from one regiment each of SS-19s and SS-24s, and from one heavy bomber regiment, and sending them to a secure central nuclear storage facility in Ukraine. This process would provide the practical experience needed to identify and resolve quickly any technical problems that might arise.

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July 20, 1993

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Disposition of HEU from warheads in Ukraine and Kazakhstan

In Vancouver, President Yeltsin and President Clinton agreed that the Russian Federation and the United States should rapidly complete and implement an agreement to convert highly enriched uranium removed from dismantled nuclear weapons of the former Soviet Union to commercial reactor fuel and sell it to the United States. This agreement will serve the financial, security, and non-proliferation interests of both countries. Since that time substantial progress has been made toward this important goal.

Agreement has now been reached on all provisions of a sales contract, and the text has been initialed. Teams of US and Russian experts have also worked out an agreement on transparency measures that will give both sides confidence that the nuclear material involved in this transaction has been removed from dismantled nuclear weapons and is used for peaceful purposes only. These documents are now being reviewed in Moscow.

The principal remaining obstacle to implementation of the HEU transaction is agreement on appropriate arrangements to share the proceeds with Ukraine, Kazakhstan, and Belarus.

We appreciate the efforts that the Russian Federation has made to work out a sharing agreement, and understand many of the obstacles that have prevented agreement, including differences over the question of ownership of the nuclear weapons located outside the territory of Russia.

In an effort to resolve this issue promptly and equitably, the United States has prepared a draft agreement between the Russian Federation, the United States, and Ukraine. We would envision an identical agreement between the Russian Federation, the United States, and Kazakhstan. If agreement on this approach can be reached rapidly, the United States will be prepared to sign the HEU sales contract when Prime Minister Chernomyrdin and Vice President Gore meet in Washington, as suggested in Prime Minister Chernomyrdin's May 29 letter.

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The text of our proposed agreement is attached. The central elements are:

- o This agreement does not prejudice the question of ownership of nuclear weapons located outside Russia. As you know, the United States does not believe Ukraine owns the nuclear weapons located on the territory of Ukraine, but we believe that it is not necessary to resolve this question in order to complete and implement the HEU agreement.
- o Under this agreement, Ukraine would agree to the transfer of nuclear warheads located on its territory to appropriate authorities of the Russian Federation for dismantling.
- o The United States would pay Ukraine for the value of the highly enriched uranium contained in these weapons promptly on delivery to Russia for dismantling. The amount paid to Ukraine (\$15,127 per kilogram) is precisely the same amount the US will pay Russia for HEU under the HEU sales contract that has recently been agreed upon. \$15,000 per warhead would be deducted and paid to the Russian Federation to cover the cost of dismantling each warhead; this amount reflects the costs that the United States incurs in dismantling nuclear warheads in the United States.
- o Russia would dismantle the warheads and transfer the HEU removed from them to the United States, which would transport it to the United States, convert it to LEU fuel for commercial nuclear reactors and sell it, thereby recovering the cost of the payments to Ukraine.
- o The transparency arrangements that have been agreed upon in connection with the HEU sales contract would also apply, as appropriate, to the material covered by this agreement.
- o Ukraine could elect to receive LEU in lieu of cash.
- o The plutonium removed from these warheads would be stored in Russia until the Russian Federation, the United States, and Ukraine jointly decide on the appropriate disposition of this material. Ukraine would pay the expenses of storage.

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As soon as agreement is reached on this approach to the dismantling of the nuclear weapons now located on the territory of Ukraine and payment to Ukraine for the value of the HEU removed from them, the United States is prepared to sign and implement the HEU sales contract between the United States and the Russian Federation, which provides for the conversion in Russia and sale of 500 metric tons of HEU removed from nuclear weapons and the payment to Russia of approximately \$12 billion over 20 years. The delivery to the US of HEU removed from nuclear weapons withdrawn from the territory of Ukraine and Kazakhstan would be in addition to the commitments of both parties under the HEU sales contract.

The US envisions an identical agreement between the Russian Federation, the United States, and Kazakhstan for the withdrawal to Russia of nuclear weapons now located on the territory of Kazakhstan, prompt payment by the United States to Kazakhstan for the value of the HEU, dismantling of the warheads in Russia, and delivery of the HEU removed from them to the United States, where it would be converted to LEU and sold.

The United States assumes that the small number of nuclear warheads now in Belarus will not be dismantled when they are withdrawn to Russia. We believe it would be appropriate, therefore, for the Russian Federation to pay Belarus for the value of the HEU in those warheads, at the same rate paid to Ukraine and Kazakhstan, at the time these warheads are transferred to Russia.

The Russian Federation and the United States share a strong common interest in the approval of START and NPT in Ukraine and NPT in Kazakhstan. Full implementation of the commitments made in Lisbon would advance important shared security and non-proliferation goals. We believe that an agreement providing for the return of the nuclear warheads now located on the territory of Ukraine and Kazakhstan for dismantling, and prompt payment for the value of the highly enriched uranium, is essential to create favorable conditions for the actions we both want Ukraine and Kazakhstan to take.

As soon as we have the concurrence of the Russian Federation, we will share our proposal with the other parties and urge their agreement.

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AGREEMENT ON DISPOSITION OF
HIGHLY ENRICHED URANIUM AND CERTAIN OTHER MATERIALS
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
THE GOVERNMENT OF UKRAINE, AND
THE GOVERNMENT OF THE RUSSIAN FEDERATION

The Government of the United States of America, the Government of the Russian Federation, and the Government of Ukraine, hereinafter referred to as the Parties,

Hereby Agree as follows:

Article I

Purpose

The purpose of this agreement is to establish arrangements for the disposition of highly enriched uranium (HEU), plutonium, and certain other materials extracted from nuclear warheads located on the territory of Ukraine.

Article II

Transfer of Nuclear Warheads from Territory of Ukraine

1. At least one month prior to the date of delivery of nuclear warheads from the territory of Ukraine to a facility for dismantling nuclear weapons in the territory of the Russian Federation, Ukraine shall notify the United States of the number and type of warheads and specify the method of payment to be provided pursuant to article VI of this agreement.
2. The Russian Federation shall dismantle the nuclear warheads transferred from the territory of Ukraine.
3. The Russian Federation shall be responsible for providing for the safety and security of the nuclear warheads prior to dismantling them and for ensuring the safe and secure storage and transport of HEU, plutonium, and other materials extracted from the dismantled warheads.

Article III

Disposition of Highly Enriched Uranium

1. All HEU extracted pursuant to article II shall be promptly delivered to the United States F.O.B. at a point of departure from the Russian Federation to be agreed by the United States and the Russian Federation. The Russian Federation shall notify the United States of each delivery at least one month prior to the date of delivery.
2. After delivery, the United States shall be responsible for the safe and secure transport of the HEU and the conversion of the HEU to LEU for use as fuel in commercial reactors.
3. Payments shall be made to Ukraine and the Russian Federation as provided for in Article VI.

Article IV

Disposition of Plutonium

1. All plutonium extracted pursuant to article II shall be stored in the territory of the Russian Federation until a decision is made by the Parties concerning the further disposition of the plutonium.
2. Ukraine shall pay the actual costs of storing the plutonium (not to exceed \$1000 per kilogram per year) and the expense of implementing any decision made by the Parties concerning the further disposition of the plutonium, and it shall be entitled to any proceeds of such further disposition.

Article V

Disposition of Other Materials

1. All natural uranium, depleted uranium, beryllium, and lithium deuteride extracted pursuant to article II shall be delivered to Ukraine in accordance with paragraph 2 of this article.
2. Deliveries to Ukraine pursuant to paragraph 1 shall take place only if these materials are in a condition that permits safe and secure handling, transport, and storage. In the event that the condition of these materials precludes safe and secure handling, transport, and storage, the Parties shall consult concerning the disposition of such materials.
3. Ukraine shall consult with the Russian Federation and the United States and shall obtain the concurrence of the Russian

Federation prior to any transfer to another country of the materials referred to in paragraph 1 of this article.

Article VI

Methods of Payment

The following methods of payment shall be available to Ukraine for HEU extracted from nuclear weapons pursuant to article II:

1. Cash Payment Method:

(a) The United States shall pay Ukraine \$15,127 for each kilogram of HEU having an average assay of 90 percent or greater of the uranium isotope 235.

(b) A deduction of \$15,000 shall be made by the United States for each warhead, and the amount deducted shall be paid to the Russian Federation for the expense of dismantling the nuclear warhead containing the HEU.

(c) The payment to Ukraine shall be made within seven days of the delivery of the nuclear warhead containing the HEU to a facility for dismantling nuclear weapons in the territory of the Russian Federation. The payment to the Russian Federation shall be made within seven days of the delivery of the HEU to the United States.

2. Low-Enriched Uranium Payment Method:

(a) For each kilogram of HEU having an average assay of 90 percent or greater of the uranium isotope 235, the United States shall provide to Ukraine 19 kilograms of low-enriched uranium (LEU) with an average assay of 4.4 percent or greater of the uranium isotope 235 suitable for fabrication into fuel assemblies for use in a VVER-1000 reactor.

(b) This LEU shall be delivered to Ukraine within one year of delivery of the nuclear warhead containing the HEU to a facility for dismantling nuclear warheads in the territory of the Russian Federation.

(c) The United States shall pay the Russian Federation \$15,000 for the expense of dismantling each warhead containing HEU. This payment shall be made within seven days of the delivery of the HEU to the United States.

The low-enriched uranium payment method set forth in paragraph 2 of this article may be chosen by Ukraine only if it has entered into: (a) an agreement with the International Atomic

Energy Agency providing for the application of safeguards on all source or special fissionable material in all peaceful nuclear activities within the territory of Ukraine, under its jurisdiction, or carried out under its control anywhere; and (b) an agreement for nuclear cooperation with the United States.

Article VII

Provisions Governing U.S. Purchase of HEU

1. The handling, storage and disposition by the United States of HEU extracted pursuant to article II shall be subject to the terms of article V of the Agreement Between the Government of the United States of America and the Government of the Russian Federation Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons of February 18, 1993.
2. The activities of the United States under this Agreement, or any implementing contract or agreement, shall be subject to the availability of funds to the Government of the United States.

Article VIII

Amendment, Entry into Force, and Duration

1. This Agreement may be amended by the written agreement of the Parties.
2. This Agreement shall enter into force upon signature and shall remain in force until all HEU delivered pursuant to this Agreement has been converted to LEU and supplied to commercial customers.

DONE at _____ this ____ day of June, 1993, in triplicate, in the English, Russian, and Ukrainian languages, each text being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF
THE RUSSIAN FEDERATION:

FOR THE GOVERNMENT
OF THE UKRAINE: