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U.S.–RUSSIAN SECURITY DIALOGUE IN 2012: STEPS TO BE TAKEN, STEPS TO BE EXPECTED, AND STEPS THAT WILL NOT BE TAKEN

What can be expected from the year 2012 for U.S.–Russian relations in the field of security—the year of presidential elections in both Russia and the United States? The future of the Russian–U.S. strategic dialogue after the election year was the main topic of the meeting of the Sustainable Partnership with Russia (SuPR) Group held by the PIR Center together with the Ploughshares Fund on December 6–7, 2011 in Washington, D.C.

Do the opportunities to solve those problems in the bilateral relationship exist? And what does the long-term outlook for Russian–U.S. relations look like? These and other questions were addressed by the participants: former Head of the International Treaty Directorate of the Main Directorate for International Military Cooperation in the Russian Ministry of Defense (2002–2009), PIR Center Senior Vice-President Lieut.-Gen. (ret.) Evgeny Buzhinskiy; President of the Ploughshares Fund Joseph Cirincione; Senior Fellow for Regional Security Cooperation at the International Institute for Strategic Studies (IISS) Michael Elleman; Member of the Board of Directors of the Ploughshares Fund David Holloway; Advisor to the Director General of the Russian State Atomic Energy Corporation Rosatom Vladimir Kuchinov; PIR Center President, Editor-in-Chief of the Security Index journal Vladimir Orlov; Senior Fellow of the Brookings Institution Steven Pifer; Director and Senior Fellow of the Proliferation Prevention Program in the Center for Strategic and International Studies (CSIS) Sharon Squassoni; and Director of the Moscow Office of the John D. and Catherine T. MacArthur Foundation Igor Zevelev (in person).



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PRESIDENTIAL ELECTIONS AHEAD

BUZHINSKIY (PIR CENTER): U.S.–Russian relations in the field of security, as of early 2012, are still full of contradictions. On the one hand the reset policy in bilateral relations, which was initiated by the Obama administration three years ago, has brought specific and very optimistic results, such as the Prague Treaty on Measures for the Further Reduction and Limitation of Strategic Offensive Arms, and documents of the NATO–Russia Council Lisbon Summit.

On the other hand the deadlock in bilateral consultations on the European missile defense system may block any further arms control talks (conventional weapons, non-strategic nuclear weapons, etc.), which is declared by both sides to be one of their foreign policy priorities.

Russia refuses to start practical cooperation on missile defense, which would include renewal of joint exercises, creation of joint data-exchange centers, joint missile threat assessment, technological cooperation, etc., in the absence of clear legally binding guarantees that the future U.S./NATO European missile defense system is not targeted at the Russian deterrence potential. Moreover, Russia insists on specific limitations in the number of interceptors, their speed and range, areas of sensors, and interceptors' deployment. This leads to a deadlock in the negotiations since a document containing guarantees and limitations as requested by Russia, even if signed by Obama (which is highly problematic in light of the coming U.S. presidential elections) has practically no chance of being ratified in the U.S. Senate.

This situation is rooted in the fundamental absence of trust between Russia and its Western partners, first of all the United States. But it is very difficult to build a strong foundation after approximately 50 years of stalemate. Nevertheless, if there is enough political will on both sides, the present deadlock may be unblocked. I think that Russia may demonstrate such will and make its position on guarantees more acceptable for the U.S. (e.g. signing a document on anti-ballistic missile cooperation at a level of heads of states and governments, like the Rome Declaration of 2000). This will require reciprocity. Adjustment of the American Phased Adaptive Approach for Europe, namely giving up the deployment of interceptors and sensors in Poland and the Baltic sea envisaged by Phase Three, may be considered as a reciprocal step.

Unfortunately I have to admit that the year 2012 is a bad one for breakthroughs in the U.S.–Russian dialogue on security issues, and especially for missile defense compromises. The reason is obvious—the year of presidential elections in the United States is not the best time for a president running for re-election to make compromises on the most sensitive national security issue. In Russia conditions for the present and the future president to make such compromises are more favorable.

The dialogue on missile defense cooperation, conventional arms control in Europe, and NATO–Russia relations will continue in the year 2012. But I hardly envisage real progress on any of these topics. And I practically exclude the start of a dialogue on non-strategic nuclear weapons because of the sensitivity of the issue for the Russian Federation and dependence of any compromise on it on the progress in other security and arms control issues. The same goes for the possible consultations as regards further reductions of strategic offensive weapons.

Nevertheless, the bilateral relations with the United States are still among the main priorities of Russian foreign policy. The international security situation, strategic stability, and the effect of joint response to the new threats and challenges rely to a very large extent on these relations. Taking into consideration the degree of influence of the United States, the system of its allied security and economic commitments, the quality of U.S.–Russian relations turns out to be one of the key factors for creating favorable external conditions for steady socio-economic development in Russia.

Instead of the constant search for illusionary parity or friendship with the United States or, on the contrary, the perception of Washington as the source of all evil, Russia should learn how to cooperate with the United States for the sake of its own national interests. It is obvious that without cooperation and reaching new security and arms control agreements with the United States, Russia will not be able to fulfill such important foreign policy targets as securing global military-strategic stability, building up new European security systems, preventing possible conflicts in post-Soviet space and effectively fighting extremism and terrorism. In the long term, without support and assistance from the United States and its allies it will be much more difficult for Russia to carry out economic modernization on the basis of high technologies and innovation.

Overall, the relations between Russia and the United States in the field of security will remain contradictory, combining elements of cooperation and principal discrepancies. But I am sure that fundamental interests of Russia and the United States are not antagonistic. I believe these interests coincide on the majority of modern security issues.

ZEVELEV: Partnership with Russia may prove sustainable if the reset in Russian–U.S. relations survives the election period of 2012. Both American and Russian policymakers should keep an eye out for some of the key issues characterizing the bilateral relationship so as not to allow short-term factors to undermine the tangible policy achievements brought about over the past three years.

There will be major challenges to the reset process in 2012.

Since the reset can be characterized as a “move or die” phenomenon, a mere pause may prove to be a mortal blow to the entire dynamic. The U.S.–Russia partnership needs impulses from the top political leadership of the two countries in order to continue.

The politicians during the election season are concerned mainly about their domestic audiences at the expense of international ones. The candidates absorb the concerns of their societies and build coalitions. They cannot afford to commit to anything that may have harmful effects at home. No politician can look “soft” on national security issues during the campaign. This often leads to

aggressive foreign policy pronouncements and threats to protect what is perceived as national interests.

The Obama administration is vulnerable to the criticism over the reset. The Republicans' attacks usually focus on the undemocratic nature of the political regime in Russia and the dubious benefits of the new START treaty that may potentially limit the freedom of maneuver in developing nuclear strategy and missile defense. It is not easy to convince an average American that U.S. national interests, including strategies towards Afghanistan and Iran, require Washington to be fully engaged with Moscow, despite all its alleged flaws.

Putin's imminent return to the Kremlin is viewed by many skeptics in the United States as a threat to bilateral cooperation and a blow for the reset. Indeed, the worldviews of Medvedev and Putin have appeared to differentiate a bit in 2009–2011, with Medvedev more in the liberal camp and Putin, who cherishes his "tough guy" image, definitely in the "great power balancer" camp.

Finally, the biggest challenge to the reset is the scenario that includes social unrest in Russia and the attempts to suppress it by force. Though it does not look likely, mass protests immediately after March 4, 2012 cannot be ruled out. In this case, Washington may face a difficult dilemma: acknowledging the election results or siding with the protesters.

Both American and Russian policymakers, in spite of the election period challenges, must focus on consolidating the progress that has already been made, and expanding this progress to gain new momentum in cooperation after the elections pass. Even this meager agenda is already a difficult one to follow, but it is a realistic and practical plan for the following reasons.

First of all, the change in Russian attitudes towards the United States had nothing to do with the fact that Putin, with his allegedly hawkish agenda, was no longer at the forefront of Russian policy. Rather, the change came about because the Obama administration had taken into account Russia's interests and because the global economic crisis made Moscow less prone to confrontational foreign policy. Moreover, Putin is not necessarily one-sidedly anti-Western, and there was a brief period in which he propagated his own version of the reset in Russian–U.S. relations in 2001–2002.

Second, in the United States, the Obama administration is unlikely to take initiative and take any steps that would derail the reset. However, there will be growing pressure from the Republican side, especially in the wake of the March 2012 presidential elections in Russia, which they will certainly portray as not free and unfair. At the same time, most Republican presidential candidates understand that in the event of their success they will have to pursue a relatively restrained foreign policy, no matter what his or her election campaign rhetoric is.

Third, balancing China's global clout by fostering partnerships with existing and rising great powers will be one of the major challenges to U.S. foreign policy in the twenty-first century. The best strategy for engagement with China may be for the United States to invite a number of other international actors to the negotiating tables of world affairs. The China factor will increasingly shape U.S. attitudes and policies towards Russia. The United States should view Russia as a potential balancing partner against an ever-growing China. This may be one of the key ways to reinvent the reset.

At the same time, there is no reason to expect the new Russian president and Obama, stuck in the quagmire of political battles at home, to take any new significant steps in the U.S.–Russia bilateral relationship in 2012. This must be a year of practical work at other levels: ministerial, legislative, and at the level of civil society. The following two main steps may help the United States and Russia to endure the difficult election year and ultimately serve the two powers' long-term goals.

First Step: The Bilateral Presidential Commission, which Presidents Obama and Medvedev established in July 2009, must pursue new joint projects and actions that strengthen strategic stability, international security, economic well-being, and the development of ties between the Russian and American people. A structured mechanism to advance the highest-priority bilateral objectives through 20 working groups and numerous sub-working groups chaired by senior government officials from a variety of agencies and ministries must be fully engaged throughout 2012.

Second Step: The legislative bodies of the two countries will bear special responsibility during the period of change in the executive branches. The new Russian Duma elected on December 4, 2011 might take the lead. Russian lawmakers must approve Russia's WTO membership in early



2012. The U.S. Congress would still need to work out an agreement to eliminate the Jackson–Vanik Amendment. In general, the Russian legislature has not left a significant mark on Russian–American relations. Nothing comparable to the ground-breaking Nunn–Lugar Cooperative Threat Reduction Program has ever come out from the State Duma or Federative Council. The year 2012 may be the right moment to change the historic pattern.

As to enhancing continuing dialogue and engagement between the two countries' civil societies through the U.S.–Russia Civil Society Partnership Program (CSPP) and various exchange programs (the Open World, Fulbright, Future Leaders, etc.), the Russian side has to expand similar government-supported and independent programs that would allow the American public, first and foremost the youth and professionals, to get to know Russia better.

MISSILE DEFENSE: WHERE IS THE COMPROMISE?

PIFER (BROOKINGS INSTITUTION): Lieut.-Gen. Buzhinskiy has mentioned missile defense. I would like to dwell on this stumbling block. Despite the reset in U.S.–Russian relations, missile defense remains a difficult issue. As of late 2011, discussions on possible NATO–Russia missile defense cooperation were at an impasse over Moscow's insistence on a legal guarantee that U.S. missile defenses would not be directed against Russian strategic missile forces.

In contrast, discussions on practical cooperation reportedly have found significant convergence, including on transparency, joint exercises, and joint NATO–Russian missile defense centers. A cooperative missile defense would yield transparency that could reassure Russia regarding U.S. missile defense capabilities, bolster European defenses against ballistic missiles, and prove a “game-changer” in ending Cold War stereotypes.

Moscow should accept Washington's offer of a political assurance in place of a legal guarantee. The United States and NATO should offer maximum transparency on their missile defense plans and stop saying that a cooperative missile defense would have no impact on those plans; it may be possible to adopt some Russian suggestions without sacrificing NATO's ability to protect its member states. The United States, NATO, and Russia should move to design and implement a cooperative missile defense system.

When U.S.–Russian relations hit their nadir in 2008, differences over missile defense posed one of the most contentious issues on the agenda. The Obama administration adopted the reset policy in February 2009. It later decided to reconfigure U.S. missile defense plans for Europe based on a reassessment of the Iranian ballistic missile program. Instead of the ground-based interceptors and X-band radar proposed for deployment in Poland and the Czech Republic by the Bush administration, Washington adopted a “phased adaptive approach” based on the Standard SM-3 missile interceptor.

Russian officials seemed more relaxed about the new plan. The SM-3 has a range significantly less than the ground-based interceptor. The X-band radar—which could have covered Russia to the Ural Mountains—is to be replaced by an AN/TPY-2 radar in Turkey that just looks toward Iran. Russian rhetoric against U.S. missile defenses cooled.

President Medvedev and NATO leaders agreed in November 2010 to explore possible NATO–Russian missile defense cooperation. Discussions began in 2011; the locus of the talks shifted quickly to bilateral U.S.–Russian channels. In the spring, U.S. officials hoped a joint statement on principles for cooperation could be agreed by Obama and Medvedev at their May meeting in Deauville but they could not finalize the statement. Bilateral discussions continue but appear to be at an impasse.

The Obama administration has not accepted the Russian demand, as any legal agreement would have to be ratified by the U.S. Senate. There is no chance of the Senate ratifying anything that looks like a limit on missile defense. U.S. officials have instead offered a political assurance that American missile defenses would not be directed at Russian missiles, which could be reflected in a written statement signed by the president.

U.S. officials also contend that the SM-3 interceptor—including Bloc IIB, which in 2020 is planned to have some capability against rudimentary ICBMs—poses no threat to Russian strategic missiles. Moscow thus far has not been persuaded by Washington's arguments and continues to

insist on a legal guarantee. U.S. officials sound less optimistic about the prospects for concluding an agreement on missile defense cooperation than they did in the spring.

It is not clear how the current impasse will be broken. In the meantime, the United States and NATO are implementing the “phased adaptive approach.” Moscow has consistently expressed a desire to be in at the beginning as the missile defense architecture is designed and implemented, but the impasse means that Russian officials are not yet involved and thus have no chance to influence or shape the architecture.

Although the sides appear stuck over the question of a legal guarantee vs. political assurance, their views reportedly converge significantly on what practical NATO-Russia cooperation would entail. The following points are the policy recommendations for all the sides.

For the Russian government: Drop the demand for a legal guarantee and accept a political assurance. If Moscow later concludes that U.S. missile defense capabilities do pose a threat to its strategic forces, it can always withdraw from the arrangement.

For the U.S. government and NATO: Offer maximum transparency about planned missile defenses, leave the door open for cooperation, and stop saying that missile defense cooperation with Russia will have no impact on U.S. or NATO missile defense plans. While that may reassure the Senate of the administration’s commitment to missile defense, it may also reduce Russian interest in cooperation.

For the United States, NATO, and Russia: Move to agree on and implement practical cooperation arrangements, including: transparency regarding missile defense plans and systems, where one side would inform the other well in advance of any planned increase in numbers (for Aegis class warships, “well in advance” would be measured in years); joint NATO–Russia missile defense exercises; a jointly manned NATO–Russia “data fusion center” to combine data from NATO and Russian radars and other sensors and make the enhanced data available to both; a jointly manned “planning and operations center” to explore how to deepen cooperation. The last one could include development of a joint protocol—or joint computer algorithms—that could integrate a NATO decision to launch a NATO interceptor with a Russian decision to launch a Russian interceptor.

Finally, if an agreement on missile defense cooperation is not possible in the near term, the United States, NATO, and Russia should work to contain the fallout so that differences over missile defense do not undermine their broader relationships.

ELLEMAN (IISS): Washington’s withdrawal from the Anti-Ballistic Missile (ABM) Treaty in June 2002 and subsequent plans to place missile defense assets in Europe really are a source of tension and a barrier to transforming the U.S.–Russian strategic relationship. Moreover, Russian officials asserted that missile defense threatens to undermine the nuclear disarmament progress codified in the New Strategic Arms Reduction Treaty (New START) of 2010.

President Obama’s September 2009 decision to shelve the Bush administration’s “Third Site” in favor of the Phased Adaptive Approach (PAA) reduced some of the tension and mistrust held by Russian officials. However, many in Moscow view Phase IV of the PAA as a potential threat to Russia’s nuclear deterrence forces. Debate still rages as to the real performance characteristics of the interceptors slated for Phase IV—the technical parameters are yet to be established by Washington—and whether Moscow’s concerns are valid. Russian suspicions will be allayed (or proven) only after the U.S. begins producing and testing prototypes of the SM-3 Block IIB interceptor, when the real technical capabilities of the Phase IV system can be accurately determined.

U.S.–Russian cooperation on European missile defense has been offered as a means for enhancing transparency and generating trust between Washington and Moscow. Limited progress has been made to date in building a joint framework for future missile defense deployments, despite the strong advocacy for cooperation expressed by Presidents Obama and Medvedev. This is not surprising, as many technical, institutional, and political hurdles stand in the way of progress. Overcoming the barriers to cooperation is possible, but requires time to identify and implement the fundamental changes to the institutional incentives and bureaucracies driving each side’s national security bureaucracies. Unfortunately, time is in short supply, as the U.S. and NATO continue to surge forward implementing the PAA on the ambitious schedule laid out by President Obama and the U.S. Congress. Supporters of missile defense in the U.S. Congress are



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unlikely to compromise or allow delays, regardless of potential opportunity costs associated with rapid deployments. Consequently, barring any dramatic changes to U.S. perceptions of the Iranian missile threat, missile defense is destined to complicate the U.S.–Russian arms control agenda for the foreseeable future.

Diplomatic or arms control measures that forestall—with reasonable confidence—Iranian attempts to develop field ballistic missiles capable of reaching Western Europe and U.S. territory offer an effective means for changing threat perceptions in Washington and delaying the implementation of Phase IV, though continuing a robust R&D effort. A prolonged delay might provide the United States and Russia the time needed to develop greater trust, establish the mechanisms needed to promote missile defense cooperation, and, ultimately, further the nuclear arms reduction agenda.

According to a leaked diplomatic cable summarizing the December 2009 U.S.–Russian Joint Threat Assessment meeting, government officials agreed on the general technical parameters and performance characteristics of Iran's current inventory of ballistic missiles. Both countries concluded that the Shahab-3/Ghadr-1 missiles, derived from the North Korean Nodong, have a maximum range of roughly 1600km. And both viewed the solid-propellant, two-stage Sajjil missile as being able to deliver a reasonably sized warhead (700–1000kg) about 2000km, once it is developed fully. However, officials could not reach consensus on Iran's future capabilities. Moscow believes that Tehran has neither the intent nor the capacity to build intermediate- and intercontinental-range missiles in the near future. Washington, on the other hand, says little about Tehran's intentions, but concludes that Iran could exploit existing technologies and hardware to develop field missiles capable of threatening Western Europe within the next few years. The creation of an operational ICBM could occur soon thereafter.

Countries wishing to create new ballistic missiles, with or without foreign assistance, must undertake, as part of the development process, flight-test programs to validate performance parameters, verify reliability under a wide-range of operational conditions, correct inevitable design flaws, and train military forces on the basic operational function of the missile. Flight tests, which cannot be concealed, provide outside observers the data needed to characterize missiles under development and to project future capabilities with considerable confidence. Further, a study of development programs conducted elsewhere, most notably those undertaken by Germany, the United States, the Soviet Union, China, France, India, Iraq, and Iran, reveals that flight testing requires a dozen launches, or more. Equally importantly, historical data show that such testing efforts entail a three- to five-years timescale. There are exceptions, of course, but they are rare, involve minor modifications to existing systems, or can be explained by conditions that do not exist in Iran. In any case, the minimum time, regardless of circumstances, is about two years.

The need to conduct flight-test programs to develop an operational system suggests that if Iran can be persuaded to forego such activities it could not create the field longer-range systems without assuming considerable risk. There is nothing in Iran's history of missile development to indicate that it would accept such risks. Tehran did not induct the Shahab-3 into military service until 2003, some five years after receiving Nodong missiles from North Korea and initiating test launches. Modifications to extend the range of the Shahab-3, resulting in the 1600km-range Ghadr-1, required three to five years. And development of the Sajjil-2, which continues today, has been ongoing since it was first flight-tested in late 2007. It therefore seems reasonable to conclude that if Iran were to fashion a small nuclear arsenal, it would not fit them to missiles with unproven performance or reliability.

The United States and Russia should exploit this testing requirement and together promote regional flight-test bans of intermediate- and longer-range ballistic missiles. The range-payload characteristics of an intermediate-range missile would have to be defined by all of the parties involved in the final agreement, though a 3000km–500kg envelope seems reasonable.

Two regions, the Middle East and the Korean peninsula, would have to be included in the test ban to ensure that Iran could not develop and test launch missiles in North Korea, or purchase long-range missiles developed by Pyongyang. In response to Iranian acceptance of the test ban, Israel and Saudi Arabia would have to eliminate in a verifiable manner their Jericho-III and DF-3 missiles, respectively. U.S. and Russian participation in the elimination efforts would assist the verification process.

The United States and Russia should seek to persuade countries in the Middle East and the Korean peninsula to accept a verifiable regime that prohibits the possession or flight-testing of intermediate- and longer-range ballistic missiles. Success in achieving such a regime would significantly delay the need to implement Phase IV of the Phased Adaptive Approach to European missile defense. While Russia might continue to worry about the impact of ballistic missile defenses on its strategic nuclear deterrent, the breathing space offered by the proposed regional flight-test ban regime could facilitate cooperation on the short- and medium-range missile threat and the building of greater trust and confidence between Moscow and Washington. This enhanced trust should make it easier to resolve the more difficult issues associated with long-range missiles, and in the process support the arms-control objectives of both parties.

NUCLEAR ENERGY: THIS IS WHERE COOPERATION WILL BE MUTUALLY BENEFICIAL AND REALISTIC

SQUASSONI(CSIS): I would like to turn discussion to the field of nuclear energy, which is strategically significant for both sides. The United States and Russia face similar challenges in nuclear energy—how to revitalize manufacturing capabilities and an ageing workforce, how to best position themselves to sell new nuclear reactors at home and abroad, and how to keep a potential nuclear renaissance from contributing to nuclear proliferation. The nuclear cooperation agreement (the so-called 123 Agreement) that entered into force in January 2011—an agreement that was impossible years ago and controversial in the United States for the last few years—should be used to encourage collaboration that might help both retain their considerable influence in this vital field.

From a proliferation perspective, sensitive fuel cycle facilities pose the greatest risk. Uranium enrichment and spent fuel reprocessing can be used to produce material for peaceful fuel or for nuclear weapons. In contrast, the spread of light water reactors is usually regarded as posing little proliferation risk because nuclear safeguards can detect a diversion of fuel in a timely fashion. Safeguards on bulk-handling facilities like enrichment and reprocessing facilities provide less confidence in timely detection of the diversion of significant quantities of fissile material. There are few technical fixes for this—new enrichment technologies like laser enrichment may present new proliferation challenges, and some of the so-called “proliferation-resistant” technologies for reprocessing can be defeated relatively easily by a clandestine reprocessing program.

Fortunately, only about a third of countries with commercial nuclear power plants now enrich or reprocess commercially—the nuclear weapon states plus Japan, (enrichment and reprocessing), the Netherlands, Brazil, and Germany (enrichment). Other countries enrich and/or reprocess for weapons purposes (India, Pakistan, Israel, DPRK, Iran). With the exception of Japan, the Netherlands and Germany, all the other enrichment/reprocessing programs began their lives as military programs.

In the past decade, the United States stepped up efforts to restrict transfers of enrichment and reprocessing technology, motivated largely by revelations that A.Q. Khan had transferred enrichment and weapons technology to Iran, DPRK, and Libya, among others. The G-8 moratorium on transfers of enrichment and reprocessing technology was short-lived, torn asunder by states’ unwillingness to give up their future options. A similar sentiment ensured that new Nuclear Suppliers Group (NSG) criteria for transferring enrichment and reprocessing equipment and technology were watered down to accommodate NSG members’ future equities. Most countries in the NSG interested in acquiring enrichment or reprocessing would meet all of Paragraph 6 and be “eligible” for transfers. This is hardly an improvement over the previous policy of restraint on transfers.

Part of the difficulty in getting countries to commit not to enrich or reprocess is that choices about nuclear energy can have an impact for decades. A reactor’s life can now extend to 60 or 80 years; fuel can be stored in dry casks for possibly 100 years. A lot can change in that time, making states reluctant to make choices now about the future. In democratic countries, the change in political leaders every few years may make it difficult to focus on long-term issues, like how and where to store or dispose of spent nuclear fuel. On the back end of the fuel cycle, most countries have adopted a “wait and see” approach, which is politically easier, but only delays the day of reckoning, sometimes creating even more difficult hurdles to overcome.



Another difficulty is that choices about nuclear energy are regarded as national sovereignty issues. Nuclear energy retains an element of prestige for many countries and, in particular, uranium enrichment is considered a technical accomplishment (e.g. Iranian national pride). Given the importance of energy to any economy, choices about electricity generation are conflated with choices about energy security. Finally, many states fall back on Article IV of the Nuclear Non-Proliferation Treaty (NPT), which states that nothing in the treaty will affect the inalienable right of countries to the peaceful uses of nuclear energy. Most countries will continue to rely on market services because to do otherwise would be costly and ineffective.

For many years, countries have collaborated in nuclear technology to spread the investment costs (e.g. Generation IV International Forum, INPRO). These fora have considered the proliferation implications of technology development. There has been less enthusiasm for the institutional side of fuel cycle collaboration. The Angarsk fuel bank and the IAEA fuel banks have been created, yet these help solve only a very small portion of the problem on the front end of the fuel cycle.

Countries need to move beyond nuclear sovereignty toward more collaboration, specifically on institutional arrangements for the fuel cycle.

First, relying on the market as we have done for three decades to dampen enthusiasm for spreading fuel cycle capabilities is a short-term approach to a long-term problem. If we look ahead toward a world free of nuclear weapons, it is clear that capabilities in enrichment and reprocessing will have to be restricted before we get to zero because of the break-out capability they offer. Restrictions could take the shape of a more stringent verification system if that can be devised, bans on certain kinds of technologies or a ban on purely nationally owned facilities. On the path to zero, it is possible that national enrichment/reprocessing may be considered too risky and that multinational approaches or international control could become the norm.

Second, absent significant progress toward a world free of nuclear weapons, it is still imperative to limit the proliferation of sensitive fuel cycle capabilities. Even if NSG guidelines were perfect and perfectly implemented, legitimate trade of enrichment and reprocessing is possible. Moreover, countries outside the NSG may still trade in this sensitive technology. This is a particular danger that North Korea and Iran pose, but the lesson of A.Q. Khan is that manufacturing of sensitive equipment can take place outside of the usual nuclear suspects. Any further spread of capabilities beyond where they are now would pose additional risks.

Third, most countries have not solved the problem of final disposal of nuclear waste (regardless of the form). It strains credulity to imagine 30 nuclear repositories around the globe, the current number of states with nuclear power plants. Yet many more states have research reactors, and the IAEA suggested before Fukushima that 65 additional countries were interested in nuclear power. At a minimum, regional collaboration will be necessary.

Exports of nuclear goods and services (enrichment, storage, reprocessing, disposal) have long been a source of leverage for suppliers over recipients through the terms of their nuclear cooperation agreements and/or contracts. In the U.S. case, the Atomic Energy Act specifies nine requirements in nuclear cooperation agreements, most of them related to physical protection and safeguards. Russia has been able to secure the spent fuel from the Bushehr reactor by virtue of its contract with the Iranians. Inherent in those exports is a relationship with recipients that can be enhanced through research, development, and training.

The biggest potential source of leverage would be through provisions of cradle-to-grave nuclear fuel services. For recipients, provisions of waste disposal could be a huge incentive to choose one supplier over another. Russia can currently provide the fullest range of fuel services, including holding onto nuclear waste generated from reprocessing. However, it is not clear where Russian policy now stands, beyond tying take-back to specific reactor contracts. France reprocesses but returns the high-level waste to customers (as per domestic law). The United States has taken back U.S.-origin foreign reactor fuel, but has not successfully attempted to take back commercial power reactor fuel.

Three potential areas for collaboration between the United States and Russia to help create a sustainable nuclear energy future that does not contribute to nuclear proliferation include: alternative fuels for fast reactors, nuclear cooperation agreements transparency, promotion of multiple paths for “cradle-to-grave” fuel services.

Alternative Fuels for Fast Reactors: Most of the designs considered for fourth generation reactors will use plutonium or highly enriched uranium as fuel. MIT's 2010 report, "Future of the Nuclear Fuel Cycle Study," suggested that low-enriched uranium alternative fuels could be profitably explored. Although commercialization of fast reactors is decades in the future, China and India are operating pilot plants and other countries like South Korea are conducting research and development. The time to influence future developments is now. U.S.–Russian R&D in this area could be influential.

Nuclear Cooperation Agreements Transparency: U.S. peaceful nuclear cooperation agreements specify nonproliferation requirements, including consent rights and physical protection. Just as there is variability in national atomic energy laws, there is variation in the content of peaceful nuclear cooperation agreements. Member states of the NSG should improve transparency and seek greater consistency among all cooperation agreements. The United States and Russia could spearhead this effort.

Multiple Paths for Cradle-to-Grave Fuel Services: Rather than each supplier trying storage/disposal benefits to individual reactor contracts, it would be useful to develop multiple paths for a "cradle-to-grave" approach to diminish the dependence of recipient states on one supplier and to enhance collaboration rather than exacerbate competition. The United States did this out of necessity with its nuclear cooperation agreement with the UAE, designating the UK and France as countries where UAE spent fuel could be reprocessed. Disposal was not included, so it was therefore a partial plan. The United States and Russia can collaborate in this fashion now by virtue of their peaceful nuclear cooperation agreement. Key issues to resolve will be international availability of interim storage and geologic disposal, and a relative emphasis on reprocessing versus direct disposal of spent fuel.

The United States and Russia could build on Russia's 2006 Global Nuclear Power Infrastructure Initiative, which envisioned Russia hosting, as joint ventures, four different types of international fuel cycle centers (enrichment, a reprocessing/storage center, a training and certification center, and a research and development center). Internationalizing this initiative so that other supplier states could designate existing capabilities as part of a global network could be a useful start to creating multiple paths for cradle-to-grave fuel services.

KUCHINOV(ROSATOM): As Lieut.-Gen. Buzhinskiy has mentioned in finalizing his statement, Russian and U.S. strategic interests coincide on the majority of modern security issues. A good example of such interest and cooperation in the area of nonproliferation is the mutual support of Russian and U.S. initiatives on the establishment of the low enriched uranium (LEU) fuel banks for assured supply under IAEA control to provide fuel to NPPs in any country to which regular fuel shipments are interrupted for political reasons unrelated to any violations of the nonproliferation regime by a given country.

The very important step in the development of cooperation was the signing of the "Joint Statement of the State Corporation for Atomic Energy Rosatom and the U.S. Department of Energy on Strategic Areas of Cooperation in the Nuclear Field" in September 2011 in Vienna. It is mentioned that with the entering into force of the 123 Agreement a new era has begun, opening many opportunities for cooperation between the two countries on a wide range of issues related to nuclear power, nuclear safety and physical protection, management of spent fuel and radioactive waste, scientific research, and commerce.

In the area of spent fuel and radioactive waste management the objective of cooperation is to work out joint approaches to decommissioning of contaminated sites and development of technical solutions such as specialized engineering and technical barriers or decontamination of radioactive and toxic soil. Research in the area of new technology for NPP spent fuel management is also envisaged with the possibility of conducting joint tests and experiments, including irradiation of construction materials and nuclear fuel at U.S. and Russian facilities.

The Working Group on Nuclear Energy and Nuclear Security established under a bilateral Presidential Commission set up in July 2009 by the presidents of Russia and the United States remains an efficient coordinating mechanism for cooperation in the nuclear field. The first Action Plan of the Working Group was endorsed by its Co-Chairs in October 2009 and submitted to both presidents. Currently, the Third Action Plan is under implementation. The results will be reviewed during the Working Group meeting in early 2012, as well as the Fourth Action Plan that provides for specific collaborative activities for 2012.



It is expected that action in the sphere of civil nuclear power will be put into this plan in 2012 to implement the Joint Statement along with activities traditionally associated with nuclear safety, security protection, physical protection, and nonproliferation. Expert meetings on technical issues and issues related to the assessment of global nuclear energy architecture are also in the plan.

Talking about commercial cooperation it is worth mentioning that the United States runs the park of 104 power reactors which is the largest market for nuclear fuel cycle services. The Russian supplier of uranium products TENEX has already signed long-term contracts with U.S. utilities for the shipment of uranium products following the termination of HEU-LEU contract in 2013. It is an important segment of the nuclear market, but not the only one. The commercial companies of both countries need to explore opportunities to supply nuclear technology and services to U.S. and Russian markets to cover other segments as well. For example, one of the potential commercial areas is innovative power reactors, including fast reactors. Russia has accumulated significant expertise in this area which could be of interest in the United States.

The entering into force of the 123 Agreement has had a positive impact on the expansion of peaceful uses between Russia and other countries that use U.S. nuclear technology and material. It may be assumed that this provides new opportunities to U.S. companies that operate in the markets of such countries and allows them to be actively involved in cooperation.

At the same time the 123 Agreement is a framework document, not a project agreement on, for instance, the construction of

For more information on Russia's nuclear energy cooperation, please, visit the section "Development of Russia's Nuclear Exports" of the PIR Center website:
atom.pircenter.org/eng

an NPP or a contract for the supply of a certain material. It simply defines the intention of the Parties to cooperate in the field of peaceful uses in general, providing a legal basis for such cooperation for at least 30 years (see Article 20, paragraph 1).

The implementation of specific areas of cooperation may require the development of supplementary so-called implementing arrangements related to specific contracts. For instance, currently an administrative arrangement concerning the transfer of nuclear materials and specialized equipment is under development, which means that the provisions of the 123 Agreement are being implemented.

THE MIDDLE EAST WMD-FREE ZONE: STILL ON THE AGENDA?

ORLOV(PIR CENTER): The fast-moving controversial developments in the Middle East and North Africa seem to be sidelining the search for responses to some fundamental security challenges in the region. This refers, among many other issues, to the discussion of steps for the preparation and successful conduct of the 2012 conference on the WMD-Free Zone in the Middle East. Furthermore, some think that there is not a favorable environment for such a conference now or in the foreseeable future. Almost two years have passed since the Review Conference adopted the Final Document. Preparations for the conference have just begun.

Some experts also suggest that it would be expedient to postpone the conference to a later date—2013. Different arguments are put forward. Some say that the current events in the region will for a long time distract many Middle East states from the issue of nuclear weapons, weapons of mass destruction, and a WMD free zone. Others believe that the year 2012 is extremely inappropriate as it is a year of presidential elections in the United States and during the election campaign the incumbent president will be constrained in his moves with regard to Israel. Still others think that Iran's chairmanship in the Nonaligned Movement, which will start at the height of next year, could be an impediment: Iran, they say, will be vehemently rocking the boat of multilateral diplomacy. There may be a grain of truth in each of these approaches but all of them are the result of the implicit admission of the lack of readiness for an important conversation and therefore the wish to postpone its start under any pretext.

However, as a representative of the UN Secretariat who was in charge of the 2010 NPT Review Conference mechanism commented, there is a resolution by the signatories to the NPT. It mentions the year 2012 in no uncertain terms. It would be against the document to postpone the start of the conference to a later date.

The first step in this direction has already been made. On October 14, 2011, UN Secretary-General Ban Ki-Moon announced in New York that Finland's Undersecretary of State Jaakko Laajava will facilitate preparations for the 2012 conference on a zone free of weapons of mass destruction in the Middle East.

Finland will most likely host the conference, the convening of which is mandated by the Action Plan adopted at the 2010 NPT Review Conference. The exact date of the conference, its agenda, and participants are yet to be agreed.

It would be wise to start the Conference after the U.S. presidential elections—perhaps in December 2012. It may also bring it into 2013, which is fine. For most players from the Middle East, however, having it in the middle of a cold Finnish winter is unattractive. There is still time to think of multiple options—say, to hold it in Finland, but in two phases: one in later 2012 and the next one six months after.

Talking about the possible participants it is obvious that both Israel and Iran should have motivations, or carrots, to come to the Conference. This should not be ignored or declined by the United States and Russia. However, there is a risk that Israel would demand too much from the United States, blackmailing with the threat of not participating, and the same would apply to Iran vis-à-vis Russia. Limits of such concessions in preparation for the conference should be agreed upon between Russia and the United States (as well as the UK and Mr Laajava) in advance.

However, even if it is well prepared and has a full-fledged makeup of participants, the 2012 Conference cannot be expected to become a panacea for the region. The best it can be is the long awaited first step toward the practical implementation of the 1995 resolution. The conference should make several decisions showing the way forward. Russia and the United States, together with the UK and, possibly, with the facilitator, could start working on drafting such a decision—reasonable compromises—at an early stage.

First of all, there could be a decision to establish a permanent regional confidence-building mechanism in the nuclear sphere, as well as chemical and biological weapons.

Second, nuclear safety issues should be considered as crucial and urgent for the region, which has entered into the nuclear age by constructing new NPPs (Iran, UAE, Jordan, and then possibly others). Discussion on how it would be better to approach this topic at the conference should be launched by the United States and Russia soon, through both track 1 and track 2.

The third decision could be a joint statement by all conferees to refrain from attacks on all of the nuclear installations they have declared as well as from the threat of such attacks. The recent course of events around Iran's nuclear program, which was attacked with information weapons (the Stuxnet virus), both confirms the relevance of this issue and raises the question of defining the scope of such attacks.

Fourth, there could be a decision to develop a "roadmap" pointing the way to gradually placing all installations of the nuclear infrastructure in the region under IAEA safeguards. Of course such a decision will be impossible without Israel's consent to place the Dimona facility under IAEA safeguards. At the same time, it would not be reasonable to insist that Israel necessarily declare its entire nuclear arsenal.

Fifth, conference decisions may include a recommendation for all states in the region to ratify Additional Protocols to the IAEA Safeguards Agreements as a matter of urgency. An example might be set by Iran, which could, in the spirit of goodwill, finally ratify the Additional Protocol before the conference.

Sixth, another step, possibly on the margins of and in parallel with the Conference, could be unilateral parallel statements by Israel, Egypt, and Iran about their readiness to ratify the Comprehensive Test Ban Treaty (CTBT) in the very near future.

Finally, the conference could make a decision to establish an intergovernmental group on drafting the text of a treaty on a nuclear-weapon-free Middle East with the understanding that in the course of that all states in the region will join the Chemical and Biological Weapons Conventions.

Of course, no efforts will be crowned with success unless the states in the region themselves show enough will for cooperation in the development of the nuclear energy sector and the promotion of peace in the region free from conflict and weapons of mass destruction. However, this issue would be a good field for strategic cooperation between Russia and the United States to



approach the 2015 NPT Review Conference that should “gauge” the effectiveness of the efforts over the preceding five-year period.

FUTURE TRENDS

HOLLOWAY (PLOUGHSHARES FUND): The *reset* has certainly had some important consequences: the 123 Agreement, which has been mentioned, adopting the new START, cooperation on Afghanistan, cooperation on Iran with an emphasis on a more positive tone to the relationship, and WTO accession. These discussion points are important checkmates. The level of importance for each issue has caused some disagreements; some are more pessimistic about the present and future trends, and some are more optimistic. But it is clear that missile defense has come to an impasse. The talks have, as the Russians say, reached a stalemate and that really is not an issue that can be put aside since there are plans for deployment, and deployment will go ahead. Well, let the United States go ahead with phases 1 and 2, which Russia is not objecting to, and then they must take a look again at phases 3 and 4 and see if there is some possibility to devise effective missile defenses against Iran or against North Korea which would not impinge on the Russian deterrent. Once this is accomplished they can then take a fresh look at the forward acting defense for stages 3 and 4 which would deal with the U.S. goal of defending against a potential attack from Iran without antagonizing Russia.

This strategy might become a possibility if it links to budget re-pressures on the defense budget and therefore on the missile defense program. But the budget re-pressures alone will not suffice as there is no alternative policy which is more cost effective or less politically disruptive than the present policy. This problem should be the current focus of all parties.

A second point is that we have the Chicago NATO-Russian Summit coming up in May 2012. This will be a very important meeting within the framework of the upcoming election, which will make progress on the missile defense issue rather difficult. This meeting will need to highlight issues of predictability in the relationship, the issues of mistrust, and the nature of the relationship now, for example the issue of missile defense should facilitate a kind of equal security and equality in the relationship. There is a need to concentrate on these key areas of concern and resolve them through negotiation on the specific arms control issues and this depends heavily on the development of deeper, broader relationships across the political and economic issues.

ZEVELEV: Both sides agreed that going beyond deterrence actually means working in concrete areas where we can build mutual understanding and trust. We cannot simply abolish deterrence by a presidential decree. We need to build up mutual trust, which would facilitate the process. There is a need for some concrete recommendations including areas of collaboration in nuclear energy, working on fast reactors or so-called old generation reactors, a nuclear cooperation agreement, transparency, and multiple paths for providing nuclear fuel services.

Nuclear arms control looks easier in comparison with areas such as cyberspace arms control. The United States must be more attentive to the views of other powers on cyber security. The inclusion of Russia in the Preventing Cyber Crime Convention may help to create a cooperative dialogue that will instigate the whole progress. The views might be different and this can be a positive starting point to open constructive discussions on the differences and the various definitions.

ELLEMAN: The inherent assumptions are as follows: Obama might win and Putin might win. Within this context it is difficult to predict the course of the year 2012, we are trying to figure out how everything might develop and there is no reason why better relations around missile defense will not develop.

There is some general agreement that during the election season international security issues will not be of major importance. Therefore the U.S.–Russian relationship is not likely to be the centerpiece of that discussion. We have also observed that during the election season at least in the United States (but to a certain extent even in Russia) politics tends to be more nationalistic. Politics around election time seems to be a little more right-wing. This creates an unstable environment where fragile endeavors such as *reset* are open to attack. It is really important for us to keep this in mind as we watch the debates that follow. And we need to try to minimize the damage.

It is also important to acknowledge that politicians' foreign policy declarations during an election are not necessarily reflective of the action taken during their time in office. An example of this is the change in behavior of President Reagan in 1970–1980 during his campaign, which turned out to be quite different from the Reagan we saw in 1986–1987. The issue of budgetary pressures may also act as an external influence on political decisions on how much we want to invest in missile defense.

One of the things that united us was the need to repeal the Jackson–Vanik legislation. It seems to me remarkable that it still exists and remains in place. I don't know whether we will see movement on that over the next year.

CIRINCIONE (PLOUGHSHARES FUND): Over the course of our discussions, we've raised several sets of ideas about how the U.S. and Russia can continue to cooperate on security issues, even in an election year.

The first set of ideas revolves around resolving the ballistic missile defense impasse. The Obama Administration has developed a Phased Adaptive Approach (PAA), and the plan should actually be adaptive. The U.S. should move forward with implementation of Phases I and II, but then pause to evaluate the emerging threats before moving forward with the later phases. The U.S. could also be more transparent about the capabilities of the systems. For example, the U.S. has invited Russia to monitor the U.S. missile tests, an important step. However, the details of what kind of equipment the Russians can bring to the tests must be elaborated on, as well as what types of tests they can see. There must be more an in-depth dialogue between the U.S. and Russia to provide Russia with confidence that the observations would actually achieve something worthwhile.



With respect to U.S. and Russian strategic forces, the New START treaty was an important step, but the treaty's limits are a ceiling, not a floor. Moving forward, even before the next round of negotiations, the U.S. and Russia could further reduce nuclear arsenals below New START levels. Both sides could also agree to additional reciprocal nuclear reductions, similar to those implemented in 1991 by Presidents Bush and Gorbachev through the Presidential Nuclear Initiatives.

We also discussed the possibility of extending the Intermediate-Range Nuclear Forces (INF) treaty to the Middle East, an idea that Michael Elleman raised. The U.S. and Russia could work together to promote regional flight-test bans of intermediate- and longer-range ballistic missiles. Such bans could help constrain Iran's potential nuclear ambitions and limit future advancements in North Korea's nuclear weapons program.

Finally, the U.S. and Russia can increase cooperation on the broader security agenda. Continuing to work on advancing shared interests – including improving trade, cooperating on cyber security issues, and working toward a productive Middle East Weapons of Mass Destruction Free Zone Conference in 2012 – can facilitate an open dialogue between the U.S. and Russia, and build the confidence and momentum necessary to tackle tough issues in arms control and elsewhere.

ORLOV: I would probably not use the word “bad” because relations are complex and often go in different directions. However, I would not be very optimistic on the arms control agenda. We have, I believe, excellent recommendations which the SuPR Group made in February 2011 on missile defense and on further and quite ambitious arms reductions. Maybe in early 2013 we can use this productive dialogue with a few alterations within a more encouraging political framework. But at the same time there are areas which can and should unite and enhance our relationship. Next year will come with political changes and obstacles that will hopefully pave the way for better cooperation by 2013. One of them was and is nuclear energy.

The next set of issues that we have not discussed is regional cooperation within Central Asia. This should be a very significant area for our attention and discussion where proliferation, terrorism and the Islamist threat is concerned. And, of course, it is productive that our



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discussion will be placed within the broader context of the economic relationship between Russia and the United States. One element which actually bridges security and economic areas is cyber security or, as we say, global internet governance and international information security. Here we have identified some useful but very limited areas of cooperation between Russia and the United States. This should also be another area that requires attention when we discuss not only missile defense but also outer space—both outer space security issues and the arms race in outer space. 