

Fiscal Year (FY) 2007 Budget Estimates

Former Soviet Union Threat Reduction
Cooperative Threat Reduction Program



February 2006

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DEFENSE THREAT REDUCTION AGENCY
Former Soviet Union Threat Reduction
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Former Soviet Union Threat Reduction:(\$ in thousands)

	<u>FY 2005</u>	<u>Price</u>	<u>Program</u>	<u>FY 2006</u>	<u>Price</u>	<u>Program</u>	<u>FY 2007</u>
Defense Threat Reduction Agency	Actuals	Change	Change	Estimate	Change	Change	Estimate
	407,873	9,789	-7,225	410,437	9,029	-47,338	372,128

* Amounts include no Supplemental funding.

I. Description of Operations Financed:

The mission of the Cooperative Threat Reduction (CTR) Program is to prevent the proliferation of weapons of mass destruction (WMD) and related materials, technologies, and expertise from Former Soviet Union (FSU) states through the safe destruction of Soviet-era WMD, associated delivery systems, and related infrastructure. The Department of Defense (DoD) has expanded the strategic focus of the CTR Program to support the Global War on Terrorism. It has broadened the scope of Biological Weapons Proliferation Prevention activities and established a program in coordination with other Federal Agencies to permit non-Russia FSU states to detect and capture WMD crossing their borders. Other Agencies include the Department of Energy, Department of State, U.S. Coast Guard, and the Department of Homeland Security.

The CTR Program directly supports the U.S. National Security Strategy and Strategy to Combat Weapons of Mass Destruction and contributes to national security by reducing the WMD threat to the U.S. and its allies; denying rogue states and terrorists access to WMD and related materials, technologies, and expertise; exploiting the Soviet legacy of pathogens, data, and expertise to enhance preparedness against biological threats; contributing to stability and cooperation in the FSU; and expanding U.S. influence in the FSU states. The CTR Program continues, at their source, to dismantle strategic weapons delivery systems and infrastructure; enhance the security of WMD and weapons material;

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prevent proliferation of weapons technology, materials, and expertise; and facilitate defense and military contacts to encourage military reductions and reform.

The Administration has taken a new approach toward providing assistance to Russia that stringently applies conditions that must be met to certify Russia for CTR and Freedom Support Act assistance. Concern over Russian commitment to comply with the Biological Weapons and Toxins and Chemical Weapons Convention (BWC and CWC, respectively) and to forego military modernization that exceeds legitimate defense requirements resulted in the Administration not certifying Russia since fiscal year (FY) 2001. Instead, the Administration requested and exercised certification waivers to be able to continue to provide CTR and Freedom Support Act assistance to Russia because of its important contributions to U.S. national security. The Administration has developed interagency guidelines that govern potential dual-use assistance. The Department has augmented these guidelines that require strict accountability and oversight for dual-use assistance such as cooperative biological research projects.

CTR Program objectives and related assistance activities are:

A. Dismantle Former Soviet Union (FSU) WMD and associated infrastructure:

The potential proliferation of WMD, delivery systems, and related technologies is a serious threat to U.S. and international security. The DoD, through the Cooperative Threat Reduction (CTR) Program, seeks to reduce this threat by providing assistance to FSU states to dismantle WMD and associated delivery systems and infrastructure.

The DoD, through the CTR program, assists Russia in dismantling Russian intercontinental ballistic missiles (ICBM); ICBM silo launchers and road and rail mobile launchers; ICBM launchers; submarine launched ballistic missiles (SLBM), SLBM launchers

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and the associated strategic nuclear submarine; and WMD infrastructure. DoD also supports storage of 163 SS-24 ICBM rocket motors from dismantled SS-24 ICBMs in Ukraine.

Biological weapons capabilities in FSU states also pose a significant threat to U.S. national security. The DoD estimates that approximately 40 Biological Research and Production Centers are located in FSU states. Through the CTR Program, the DoD has funded a project to dismantle infrastructure associated with biological weapons production or research at Soviet legacy facilities. This project will eliminate infrastructure, equipment, and facilities previously used to perform biological weapon related research and/or produce biological weapons.

As a State Party to the Chemical Weapons Convention (CWC), Russia has agreed to eliminate its stockpile of chemical weapons and demilitarize its former chemical weapon production facilities. Subject to Russia's being certified for the conditions specified by Congress or a presidential waiver being authorized and exercised, CTR assistance will continue to fund construction of a chemical weapon destruction facility for organophosphorus (nerve) agent-filled artillery munitions. The DoD will construct the Chemical Weapon Destruction Facility near the Shchuch'ye chemical weapon storage facility which contains approximately 47 percent of the Russian nerve agent-filled artillery munitions (estimated at 5,460 metric tons in nearly two million rocket and tube artillery warheads/projectiles). Additionally, CTR assistance supports demilitarization of OAO Khimprom former nerve agent production facilities at Novocheboksarsk in Russia. Demilitarization will decontaminate, dismantle and destroy specialized equipment and features related to the production, transfer and storage of chemical agents/weapons as outlined in the Chemical Weapons Convention.

B. Consolidate and secure former Soviet Union WMD and related technology and materials:

The CTR Program in Russia encourages nuclear warhead dismantlement and provides enhanced security for strategic and tactical nuclear warheads in storage. The CTR

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Program assists in the secure transport of an estimated 1,000 nuclear warheads per year to dismantlement or secure storage facilities. Conclusion of a limited access protocol and associated arrangement with the Ministry of Defense (MOD) enables DoD to enhance security at 24 nuclear storage areas throughout Russia. CTR assistance is coordinated with the Department of Energy's (DOE) Materials Protection, Control and Accounting assistance program.

CTR provides for consolidation and enhanced security and safety systems for dangerous virus and bacteria pathogen repositories at biological research centers. This assistance will help prevent the theft, diversion, or accidental release of dangerous biological pathogens. The DoD will also undertake new Biological Threat Agent Detection and Response activities that will strengthen the DoD's ability to detect and diagnose outbreaks, to attribute them to natural or terrorist causes, to access real-time, unfiltered medical intelligence, to consolidate pathogen collections into central labs, to modernize diagnostic capabilities to minimize need for pathogen retention at vulnerable field stations, and to develop a network of trained, ethical partner scientists equipped to prevent, deter, and contain a bioattack.

C. Increase transparency and encourage higher standards of conduct:

Cooperative Threat Reduction (CTR) Cooperative Biological Research enhances the U.S. capability to prevent proliferation of the former Soviet biological weapons scientific and technology base to rogue states and terrorist groups, while increasing transparency at former Soviet Union biological research facilities. Research projects address biotechnology issues between U.S. and former Soviet Union scientists in the areas of force health protection, medical countermeasures, counter-terrorism and modeling. They provide the U.S. access to scientific expertise and the opportunity to transfer dangerous pathogens to the U.S. for forensics reference. Cooperative research through DoD's partnership with the International Science and Technology Center (ISTC) encourages higher standards of openness, ethics and conduct at the scientist level and preempts potential

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"brain drain" of scientists to rogue states. Due to continuing concerns over Russia's compliance with the Biological Weapons Convention, stringent management oversight is enforced for Cooperative Biological Research activities in Russia.

D. Support defense and military cooperation with the objective of preventing proliferation:

The WMD Proliferation Prevention Initiative will enhance the capability of non-Russian former Soviet Union states to deter, detect, and interdict illicit trafficking of WMD and related materials, and to respond to WMD incidents at the border or in country. DoD will provide equipment, training, infrastructure and logistics support to enhance national and regional capabilities to prevent the proliferation of WMD, components, and materials to terrorists, rogue states, or organized crime groups. The DoD is pursuing maritime border control projects in Azerbaijan and Kazakhstan, land and maritime border control projects in Ukraine, a portal monitor project in Uzbekistan, and plans to implement a land border project with Moldova. This program is coordinated with the International Counter-Proliferation Program and other Inter-Agency border security programs in the former Soviet Union.

The Cooperative Threat Reduction (CTR) Program also supports expanded contacts between defense establishments to promote counter-proliferation, demilitarization and democratic reforms in Former Soviet Union (FSU) states. The DoD has negotiated a series of implementing arrangements with FSU states that govern the Defense and Military Contacts program. DoD has provided support to 32 separate major commands, service headquarters, and subordinate commands for approximately 260 events per year between the U.S. and FSU states. Events include exchange visits between the Secretary of Defense and the Chairman, Joint Chiefs of Staff with their FSU counterparts; visits between naval, air and ground units; bilateral exercises and ship visits; and visits of the nation's senior officials. Participating states currently include Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Ukraine, and Uzbekistan.

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The CTR Program will also secure and eliminate a stockpile of chemical weapons agents in Albania. This activity is authorized under Section 1308 of the FY 2004 National Defense Authorization Act that permits the U.S. to take advantage of opportunities to achieve long-standing nonproliferation goals.

E. Other Program Support:

Other Assessments/Administrative Support funds the Audits and Examination (A&E) program as identified in the appropriate umbrella and implementing agreements with CTR Program recipient states and overall program management and administration costs. The A&E program ensures that DoD-provided equipment, services, and training are fully accounted for, used effectively and efficiently for the purpose intended, and support CTR Program objectives. Additionally, CTR funding is required to support CTR delegation and technical teams' travel expenses, translator/interpreter support, and administrative and advisory support. CTR presence at Embassy offices in six former Soviet Union countries are also supported with these funds.

Program management and support costs are funded by the individual CTR Program areas and include contract logistic support, contract transportation support, administrative and advisory support, and travel.

A. Strategic Offensive Arms Elimination (SOAE) - Russia: The DoD assists Russia by contracting for, and overseeing destruction of, strategic weapons delivery systems in accordance with the SOAE Implementing Agreement and relevant Strategic Arms Reduction Treaty (START) provisions and agreements, including the START Conversion or Elimination (C or E) Protocol. DoD is providing equipment and services to destroy or dismantle intercontinental ballistic missiles (ICBMs), ICBM silo launchers, road and rail mobile launchers, submarine launched ballistic missiles (SLBMs), SLBM launchers, and the associated strategic nuclear submarines (SSBNs) reactor cores, and WMD infrastructure. The Cooperative Threat Reduction (CTR) Program also supports placement of spent naval

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reactor fuel when defueling SSBNs into casks designed for long-term storage and provides emergency response support equipment.

Emergency Response Support Equipment

Includes consolidated logistics support to maintain CTR-provided equipment, which would be used to recover missiles in case of an accident.

Solid Propellant ICBM/SLBM and Mobile Launcher Elimination

This project provides support to eliminate SS-24/25 and SS-N-20 solid propellant missile systems. Activities include operations and maintenance of Russian missile disassembly and elimination facilities, the equipment and operation of mobile launcher elimination facilities, destruction of treaty-limited components, and operation of a temporary storage facility for solid propellant missiles and solid rocket motors.

Liquid Propellant Intercontinental Ballistic Missile (ICBM) and Silo Elimination

This project supports the deactivation and dismantlement of SS-18 and SS-19 ICBM silos and associated launch control center (LCC) silos. Additionally, SS-18 and SS-19 ICBM and associated launch canisters will be eliminated.

Submarine Launched Ballistic Missile (SLBM) Launcher Elimination/SSBN Dismantlement

This project eliminates SLBM launchers from Delta class and Typhoon class Russian nuclear ballistic missile submarines (SSBNs) at four START-designated elimination facilities. In addition, this project provides the infrastructure required to defuel the SSBNs at the Zvezdochka and Zvezda naval facilities.

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Spent Naval Fuel (SNF) Disposition

This project supports the disposition of SNF removed from Russian Federation SSBNs (Delta and Typhoon) to permit elimination of SLBM launchers and partial dismantlement of Russian SSBNs through dry storage of SNF removed when defueling SSBNs.

Liquid Propellant SLBM Elimination

This project ships, defuels, neutralizes, and destroys liquid propellant SS-N-18 and SS-N-23 missiles removed from SLBM launchers that are being eliminated, including spares, consistent with all relevant START Treaty provisions and agreements, including the relevant provisions of the START Conversion or Elimination Protocol. The effort refurbished and maintains SLBM elimination facilities at the Revda Base, Sergiev Posad Design Institute, and the Krasnoyarsk Krasnash to support this work.

B. Nuclear Weapons Storage Security - Russia: Undertaken pursuant to the Agreement Between the Department of Defense of the United States of America and the Ministry of Defense (MOD) of the Russian Federation Concerning Cooperation in Nuclear Weapons Storage Security through Provision of Material, Services, and Related Training.

Automated Inventory Control and Management System

This project provides hardware and off-the-shelf software for a fully integrated system at 18 sites to account for and track strategic and tactical nuclear weapons scheduled for dismantlement. The project will provide an integrated weapons inventory system that supports local site data management and aggregate data management at multiple levels of MOD's management structure.

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Guard Force Equipment and Training

This project provides specialized equipment, training aids, associated training, and logistical support at storage site locations to improve the MOD's guard force capability to deny access to nuclear weapons storage sites.

Site Security Enhancements

This project improves safety and security at Russian nuclear weapons storage sites. Russian MOD nuclear weapons storage sites include both national stockpile sites and operational storage sites of the Russian Navy, Air Force, and Strategic Rocket Force (SRF), as well as some temporary storage locations, such as road to rail transfer points. The Department of Energy (DOE) is providing comprehensive security enhancements at some SRF and all Navy sites. Permanent storage locations that contain either strategic or tactical nuclear weapons will receive security enhancements.

Far East Training Center

This project will establish a Far East Training Center (FETC) to complement the existing Security Assessment and Training Center at Sergiev Posad and the Kola Technical Center. The FETC will serve as a training facility for all branches of the MOD involved with providing security for WMD, specifically supporting the operators, maintainers, and system administrators of the approved "objective suite" of physical security equipment. Additionally, the FETC will serve as a regional depot-level maintenance facility for that equipment.

C. Nuclear Weapons Transportation Security - Russia: This program supports U.S. proliferation prevention objectives by enhancing the security, safety, and control of nuclear weapons during shipment and provides railcar maintenance, procurement, and transportation safety enhancements.

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Nuclear Weapons Transportation

This project assists Russia to safely and securely transport deployed nuclear warheads to secure storage and dismantlement facilities.

Railcar Maintenance and Procurement

This project supports the certification of a required set of Ministry of Defense (MOD) nuclear weapons transport railcars through preventive and depot maintenance and initiates production of up to 100 safe and secure weapons transport and 15 guard cars. Russia will eliminate two weapons transport cars for each new one provided.

D. Chemical Weapons Destruction - Russia: This program supports the Agreement for the Safe, Secure, and Ecologically Sound Destruction of Chemical Weapons and preventing the proliferation of chemical weapon capabilities to rogue states and terrorist groups.

Chemical Weapons Destruction Facility

This project provides for the creation of the first Russian Chemical Weapons Destruction Facility for organophosphorous (nerve) agent filled munitions. The project includes the design; equipment acquisition; and installation, construction, systems integration, training, and start-up of the facility (near Shchuch'ye, Kurgan Oblast); as well as associated unique destruction process and equipment development.

Former Chemical Weapon Production Facility Dismantlement

This project eliminates a former chemical weapons production facility at Novocheboksarsk in accordance with the Organization for the Prohibition of Chemical Weapons-approved plan.

E. Biological Weapons Proliferation Prevention - Former Soviet Union: Cooperative Threat Reduction assistance consolidates and secures or eliminates dangerous pathogen

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collections at biological research institutes; dismantles former Soviet biological weapons research and production facilities; targets cooperative biological research to prevent the proliferation of expertise on dangerous pathogens and to encourage higher standards of openness, ethics, and conduct at the scientist level; and provides Biological Threat Agent Detection and Response. The DoD has engaged a large number of former Soviet Union biological research and production centers (BRPCs) that were contributors to the Soviet era biological weapons program. While the total population is unknown at this time, the estimates herein will provide for engagement with at least 40 centers located throughout the former Soviet Union.

Biological Weapons Infrastructure Elimination

This project supports the elimination of former Soviet biological weapons production facilities at Stepnogorsk, Kazakhstan and Tblisi, Georgia. The objective is to eliminate all former biological weapons facilities in the former Soviet Union either through the removal of all dual use equipment or through the total destruction of the facility.

Biosecurity and Biosafety and Biological Weapons Threat Agent Detection and Response

This project provides biosecurity and biosafety upgrades at institutes engaged in legitimate work with especially dangerous pathogens. Biosecurity and biosafety upgrades are necessary at some sites to permit safe performance of Cooperative Biological Research projects and at institutes involved in the Threat Agent Detection and Response project. The TADR portion of this project in Kazakhstan, Uzbekistan, Georgia, Azerbaijan, and Ukraine strengthens dangerous pathogen detection and response networks, enabling discovery of or identification of an accidental release of biological materials, and consolidates pathogen collections from multiple existing sentinel stations into secure and safe storage in a central reference laboratory (CRL) in each country.

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Cooperative Biological Research

This project increases transparency, improves standards of conduct of scientists, and leverages the extensive expertise of former Soviet biological weapons scientists to address DoD bio-defense needs in the areas of force protection, medical countermeasures, counter-terrorism, modeling, and disease surveillance. U.S. researchers are currently collaborating with former Soviet biological weapons research institutes working side-by-side with counterparts on approved projects.

F. Weapons of Mass Destruction Proliferation Prevention Initiative: This project will enhance the capability of non-Russian former Soviet Union countries to prevent, deter, detect and interdict illicit trafficking in WMD or related materials. Individual and unit equipment; infrastructure; operations and maintenance training will be provided to military, internal security forces, border guards and customs officials, for defined roles in WMD proliferation prevention. DoD assistance will complement ongoing Counter-Proliferation assistance provided by Department of Energy Second Line of Defense and Department of State Export Control and Related Border Security programs.

Land Border/Maritime Proliferation Prevention (Ukraine)

This project will provide a comprehensive WMD and related materials detection and interdiction capability on Ukraine's border with Moldova. Ukraine will achieve these capabilities by improving WMD detection and interdiction, surveillance, comprehensive interdiction, communications/data storage, training, maintenance, and sustainment. This project will expand to address maritime proliferation prevention on the Black Sea.

Caspian Sea Maritime Proliferation Prevention (Kazakhstan)

This project will provide maritime surveillance equipment and procedures; repair and upgrade of existing vessels where economical; potential addition of new patrol craft;

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provision of equipment for boarding crews, including WMD detection devices; the construction, repair, and upgrade of command and control, maintenance, and logistics facilities; and the potential construction of coastal operating locations along the Kazakhstan southern coast to improve the on-station time and expand the patrol areas of the Maritime Border Guard's maritime boarder guard craft.

Portal Monitoring (Uzbekistan)

This project will provide portal monitors and associated hand-held detection equipment, installation, training, and other support. This will increase Uzbekistan's ability to monitor its borders for the illegal transport of fissile and radioactive material.

Caspian Sea Maritime Proliferation Prevention (Azerbaijan)

This project will provide maritime surveillance equipment and procedures; repair and upgrade of existing vessels where economical; provision of equipment for boarding crews, including weapons of mass destruction (WMD) detection devices; the construction, repair, and upgrade of command and control, maintenance, and logistics facilities; and the construction of coastal operating locations along the Azeri southern coast to improve the on-station time and expand the patrol areas of the MBG craft.

Land Border Proliferation Prevention (Moldova)

DoD plans to enhance Moldova's capability to monitor its borders for illegal transport of WMD and WMD-related materials.

Fissile and Radioactive Material Proliferation Prevention (Kazakhstan)

This project will secure radiological sources found in an unprotected environment.

G. Defense and Military Contacts: This project develops improved cooperation between the U.S. and Former Soviet Union military establishments through increased bilateral

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contacts such as high level visits and specialist exchanges between the DoD and the respective Ministry of Defense. These bilateral activities are designed to engage Former Soviet Union military and defense officials in activities that promote demilitarization of excess infrastructure and defense reform or further counter-proliferation efforts.

H. Other Assessments/Administrative Support:

Audits and Examinations

This project allows the U.S. Government to account for Cooperative Threat Reduction (CTR) assistance that is delivered; examine the serviceability of the CTR-provided equipment; and evaluate whether or not equipment, services, and training provided is being used for intended purposes of the CTR Program.

Program Management/Administration

This project provides for general program administrative and overall support costs, project development costs, contracted systems engineering and technical assistance, Defense Threat Reduction Agency infrastructure support, and travel.

This project also funds six permanent full-time Defense Threat Reduction Embassy offices (DTROs) in Moscow, Russia; Kiev, Ukraine; Baku, Azerbaijan; Almaty, Kazakhstan; Tashkent, Uzbekistan; and Tblisi, Georgia. In some instances, the DTROs will ensure compliance with Section 1305 of Public Law 106-136, FY 2004 National Defense Authorization Act which requires the DoD to appoint an On-site Manager from among employees of the Federal Government for any CTR project in the FSU involving dismantlement, destruction, or storage facilities or construction of a facility where the total DoD contribution is expected to exceed \$50M. Also included is overall in-country management and translation support as long as such expenses are not unique to specific projects or established implementing agreements.

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I. Chemical Weapons Destruction - Albania: This project will secure and eliminate a stockpile of chemical weapons agent that consists of bulk-agent mustard, lewisite, and minimal quantities of arsenical compounds. The Cooperative Threat Reduction (CTR) elimination effort will dispose of the chemical agents in accordance with the Albanian government requirements under the Chemical Weapons Convention. The project is being implemented using the authority provided by Section 1308 of the FY 2004 National Defense Authorization Act, which allows CTR funds to be used for nonproliferation projects outside the former Soviet Union.

J. Strategic Nuclear Arms Elimination - Ukraine: This project will assist Ukraine to store 163 SS-24 solid rocket motors (SRMs) since Ukraine indicated its willingness to continue discussing alternative methodologies to water washout disposal of SS-24 SRMs. DoD continues to offer to assist Ukraine with a low cost, low risk alternative.

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	Program	Project	FY 2005	FY 2006	FY 2007
A.	Strategic Offensive Arms Elimination (R)		\$52,495	\$62,688	\$76,985
		Emergency Response Support Equipment	\$400	\$400	\$400
		Solid Propellant ICBM/SLBM and Mobile Launcher Elimination	\$36,585	\$31,350	\$55,296
		Liquid Propellant ICBM and Silo Elimination	\$12,815	\$8,129	\$16,007
		SLBM Launcher Elimination/SSBN Dismantlement	\$1,868	\$21,783	\$2,592
		Spent Naval Fuel Disposition	\$419	\$261	\$230
		Liquid Propellant SLBM Elimination	\$408	\$765	\$2,460
B.	Nuclear Weapons Storage Security (R)		\$73,899	\$84,100	\$87,100
		Automated Inventory Control & Management System	\$1,500		
		Guard Force Equipment and Training	\$100		
		Site Security Enhancements	\$72,299	\$74,100	\$87,100
		Far East Training Center		\$10,000	
C.	Nuclear Weapons Transportation Security (R)			\$30,000	\$33,000
		Nuclear Weapons Transportation		\$14,084	\$18,484
		Railcar Maintenance and Procurement		\$15,916	\$14,516
D.	Chemical Weapons Destruction (R)		\$157,875	\$108,500	\$42,700
		Chemical Weapons Destruction Facility	\$154,675	\$108,500	\$42,700
		CW Production Facility Demilitarization	\$3,200		
E.	BW Proliferation Prevention (FSU)		\$68,699	\$60,849	\$68,357
		BW Infrastructure Elimination - FSU		\$1,500	\$1,700
		Biosecurity & Biosafety and Threat Agent Detection and Response	\$58,261	\$54,749	\$45,657
		Cooperative Biological Research - FSU	\$10,438	\$4,600	\$21,000
F.	WMD Proliferation Prevention		\$36,700	\$40,600	\$37,486
		Caspian Sea Maritime Proliferation Prevention (Azerbaijan)	\$11,961	\$4,993	\$8,218
		Caspian Sea Maritime Proliferation Prevention (Kazakhstan)	\$4,135	\$2,065	\$10,957
		Land Border/Maritime Proliferation Prevention (Ukraine)	\$5,634	\$25,345	\$12,297
		Portal Monitoring (Uzbekistan)	\$10,472	\$4,750	\$5,014
		Land Border Proliferation Prevention (Moldova)		\$3,447	\$1,000
		Fissile Radioactive Materials Proliferation Prevention (KZ)	\$4,498		
G.	Defense & Military Contacts (FSU)		\$7,963	\$8,000	\$8,000
		Defense & Military Contacts	\$7,963	\$8,000	\$8,000
H.	Other Assessments/Administrative Costs (O)		\$3,387	\$14,600	\$18,500
		Audits and Examinations	\$500	\$500	\$500
		Program Management/Administration	\$2,887	\$14,100	\$18,000
I.	Chemical Weapons Destruction Albania		\$6,855		
		Chemical Weapons Destruction Albania	\$6,855		
J.	Strategic Nuclear Arms Elimination (U)			\$1,100	
		SS-24 Missile Disassembly, Storage, and Elimination		\$1,100	
	Total		\$407,873	\$410,437	\$372,128

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III. Financial Summary \$ in Thousands):

	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	FY 2006 Congressional Action		Appro- <u>priation</u>	Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>			
A. <u>Sub-Activity Group</u>							
1. Strategic Offensive Arms Elimination-Russia	52,495	78,900	-5,112	6.5	73,788	62,688	76,985
2. Nuclear Weapons Storage Security-Russia	73,899	74,100			74,100	84,100	87,100
3. Nuclear Weapons Transportation Security-Russia	0	30,000			30,000	30,000	33,000
4. Chemical Weapons Destruction- Russia	157,875	108,500			108,500	108,500	42,700
5. Biological Weapons Proliferation Prevention	68,699	60,849			60,849	60,849	68,357
6. WMD Proliferation Prevention Initiative	36,700	40,600			40,600	40,600	37,486
7. Defense and Military Contacts	7,963	8,000			8,000	8,000	8,000
8. Other Assessments/Administrative Support	3,387	14,600			14,600	14,600	18,500
9. Chemical Weapons Destruction- Albania	6,855	0			0	0	0
10. Strategic Nuclear Arms Elimination - Ukraine	0	0			0	1,100	0
Total	407,873	415,549	-5,112	1.2	410,437	410,437	372,128

* No Supplemental funds are included in any column.

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III. Financial Summary (\$ in Thousands):

B. Reconciliation Summary:

	<u>Change</u> <u>FY 2006/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
Baseline Funding	415,549	410,437
Congressional Adjustments (Distributed)	-	N/A
Congressional Adjustments (Undistributed)	-	-
Adjustments to meet Congressional Intent	-	-
Congressional Adjustments (General Provisions)	-5,112	-
Subtotal Appropriated Amount	410,437	-
Fact-of-Life Changes	-	-
Subtotal Baseline Funding	-	-
Anticipated Supplemental	-	-
Reprogrammings	-	-
Price Changes	-	9,029
Functional Transfers		
Program Changes	-	-47,338
Current Estimate	410,437	372,128
Less: Wartime Supplemental	-	-
Normalized Current Estimate	410,437	372,128

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III. Financial Summary (\$ in Thousands):

C. Reconciliation of Increases and Decreases:

	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		415,549
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		
1) Sec 8109A - Excessive Growth in Travel and Transportation	-309	
2) Sec 8125 - Economic Assumptions	-656	
3) 1 percent Rescission	-4,147	
e. Congressional Earmarks -		
FY 2006 Appropriated Amount		410,437
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2006 Baseline Funding		410,437
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		410,437
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate		410,437
6. Price Change		9,029
7. Functional Transfers		
8. Program Increases		26,157
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007		
1) <u>Strategic Offensive Arms Elimination-Russia (FY 2006 Base:</u> <u>\$62,688)</u> Completes preparations to increase throughput rate for SS-25 ICBM elimination. Eliminates 10 SS-N-20 solid propellant SLBMs.	12,919	
2) <u>Nuclear Weapons Storage Security-Russia (FY 2006 Base:</u> <u>\$84,100)</u> Increases funding to complete site security enhancements by the end of 2008.	1,150	

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III. Financial Summary (\$ in Thousands):

	<u>Amount</u>	<u>Totals</u>
3) <u>Nuclear Weapons Transportation Security-Russia (FY 2006 Base: \$30,000)</u> Increase provides for tariff rate increases which have historically increased 10% - 15% each year. Increase also reflects increased costs of cargo railcar procurement due to labor and raw material cost inflation.	2,340	
4) <u>Biological Weapons Proliferation Prevention-FSU (FY 2006 Base: \$60,849)</u> Continues the phased expansion of Biosecurity, Biosafety, BW Threat Agent Detection and Response and Cooperative Biological Research activities in the non-Russian states. Continues construction and outfitting of one central reference laboratory (CRL) in Georgia. Completes staff training, outfitting and sustains 17 Epidemiological Monitoring Stations in the non-Russian states.	6,169	
5) <u>Other Assessments/Administrative Support (FY 2006 Base \$14,600)</u> Other Assessments will take on increased program management overhead costs for the CTR Program's Integrated Logistics Support contract. In addition, increases in Embassy support costs for the Defense Threat Reduction Offices within the FSU are anticipated.	3,579	
9. Program Decreases		-73,495
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Increases		
c. Program Decreases in FY 2007		
1) <u>Chemical Weapons Destruction (FY 2006 Base \$108,500)</u> FY 2007 funding will complete equipment installation, systemization of installed equipment and systems, and training programs for operating personnel at the Chemical Weapons Destruction Facility.	-68,212	
2) <u>WMD Proliferation Prevention (non-Russia FSU) (FY 2006 Base: \$40,600)</u> Draws down Caspian Sea Maritime efforts in Azerbaijan to a sustainment phase.	-4,007	
3) <u>Defense and Military Contacts (FY 2006 Base \$8,000)</u> Pricing adjustment due to inflation. Program is level funded at \$8M.	-176	

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III. Financial Summary (\$ in Thousands):

	<u>Amount</u>	<u>Totals</u>
4) <u>Strategic Nuclear Arms Elimination (Ukraine) FY 2006 Base</u>	-1,100	
<u>\$1,100</u> No additional funding is provided for storage of 163 SS-24 SRMs.		
FY 2007 Budget Request		372,128

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IV. Performance Criteria and Evaluation Summary:

(\$ in Thousands)

	FY 2005	FY 2006	FY 2007
A. <u>Strategic Offensive Arms Elimination (SOAE)-Russia:</u>	52,495	62,688	76,985

FY 2005 funds:

- Eliminate 10 SS-N-20 solid propellant SLBMs;
- Eliminate base infrastructure for 3 SS-25 road mobile ICBM deployment areas;
- Transport, dismantle and eliminate 24 solid propellant SS-25 ICBMs, 10 road mobile launchers and 45 associated support vehicles;
- Decommission 4 SS-25 road mobile ICBM regiments;
- Complete the upgrade of the infrastructure at the SS-25 ICBM and launcher elimination facilities;
- Eliminate 6 liquid propellant ICBM silos and 1 Launch Control Center and 1 training silo;
- Decommission 6 liquid propellant ICBM silos;
- Transport, dismantle and eliminate 19 liquid propellant ICBMs;
- Initiate repair of the Perm Closed Burn Stand for SS-24s and SS-25s;
- Initiate repair of infrastructure and facilities to transport and prepare SS-25 solid rocket motor (SRM) for burning;
- Provide consolidated logistical support to maintain Cooperative Threat Reduction (CTR) provided equipment; and
- Provide for technical support services and contractor administrative and advisory support.

FY 2006 funds will:

- Decommission 4 SS-25 road mobile ICBM regiments;
- Transport, dismantle and eliminate 40 solid propellant SS-25 ICBMs, 24 road mobile launchers and 108 associated support vehicles;
- Provide transport support and rail maintenance for solid propellant ICBM elimination;
- Dismantle and eliminate 20 liquid propellant ICBMs;
- Eliminate 20 SLBM launchers and defuel 1 SSBN;
- Complete repair of Perm Closed Burn Stand;

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IV. Performance Criteria and Evaluation Summary (Continued):

Complete repair of infrastructure and facilities to transport and prepare SS-25 solid rocket motor (SRM) for burning;
 Provide consolidated logistical support to maintain CTR-provided equipment; and
 Provide for technical support services and contractor administrative and advisory support.

FY 2007 funds will:

Eliminate 10 SS-N-20 solid propellant SLBMs;
 Dismantle and eliminate 10 liquid propellant SLBMs;
 Decommission 5 SS-25 road mobile ICBM regiments;
 Transport, dismantle and eliminate 48 solid propellant SS-25 ICBMs and 39 road mobile launchers and 176 associated support vehicles;
 Provide transport support and rail maintenance for solid propellant ICBM elimination;
 Eliminate 16 liquid fueled ICBM silo launchers and 2 Launch Control Silos;
 Dismantle and eliminate 21 liquid propellant ICBMs;
 Provide consolidated logistical support to maintain Cooperative Threat Reduction provided equipment; and
 Provide for technical support services and contractor administrative and advisory support.

(\$ in Thousands)		
<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
73,899	84,100	87,100

B. Nuclear Weapons Storage Security - Russia:

FY 2005 funds:

Complete projects to provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment, and installation for comprehensive security upgrades at 9 MOD nuclear weapons storage sites and 2 rail transfer points;
 Initiate and complete new projects to provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment, and

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IV. Performance Criteria and Evaluation Summary (Continued):

installation for comprehensive security upgrades at up to 4 sites identified by MOD;

Provide consolidated logistical support to maintain Cooperative Threat Reduction (CTR)-provided equipment; and

Provide for technical support services and contractor administrative and advisory support.

FY 2006 funds will:

Initiate new projects to provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment, and installation for comprehensive security upgrades at up to 8 sites recently identified by MOD;

Provide for designing, constructing, equipping, and limited follow-on support to a Russian Federation MOD Far East Training Center (FETC);

Provide consolidated logistical support to maintain CTR-provided equipment; and

Provide for technical support services and contractor administrative and advisory support.

FY 2007 funds will:

Complete projects to provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment, and installation for comprehensive security upgrades at up to 8 sites recently identified by MOD;

Provide consolidated logistical support to maintain Cooperative Threat Reduction (CTR)-provided equipment; and

Provide for technical support services and contractor administrative and advisory support.

(\$ in Thousands)			
	FY 2005	FY 2006	FY 2007
C. <u>Nuclear Weapons Transportation Security - Russia</u>	0	30,000	33,000

FY 2005 funds:

Program was in limited execution while Russian MOD negotiated transportation transparency improvements with DoD. An amendment to the Nuclear Weapons

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IV. Performance Criteria and Evaluation Summary (Continued):

Transportation Implementing Agreement was signed June 14, 2005 which provides the transparency required for shipments to continue. FY 2005 funds were realigned to the equally important Nuclear Weapons Storage Security program.

FY 2006 funds will:

- Transport approximately 48 trainloads of deactivated nuclear warheads (1,000 to 1,500) from deployed locations to enhanced security storage sites and to dismantlement facilities;
- Initiate incremental procurement of up to 100 cargo railcars that support the transportation of nuclear weapons;
- Provide maintenance/certification for MOD nuclear weapons transport railcars; and
- Provide consolidated logistical support to maintain CTR Program-provided equipment and services.

FY 2007 funds will:

- Transport approximately 48 trainloads of deactivated nuclear warheads (1,000 to 1,500) from deployed locations to enhanced security storage sites and to dismantlement facilities;
- Continue the procurement of up to 100 cargo railcars that support the transportation of nuclear weapons;
- Provide maintenance/certification for MOD nuclear weapons transport railcars; and
- Provide consolidated logistical support to maintain CTR Program-provided equipment and services.

(\$ in Thousands)

	FY 2005	FY 2006	FY 2007
D. <u>Chemical Weapons Destruction - Russia:</u>	157,875	108,500	42,700

FY 2005 funds:

- Complete construction of Chemical Weapons Destruction Facility (CWDF) administrative building;
- Continue construction of CWDF industrial support, safety and service buildings to include management offices, fire station, water and sewer lines, gas rescue

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IV. Performance Criteria and Evaluation Summary (Continued):

station, transformer substation, waste water area, and water supply and sewer lines;
Continue construction of the framing for CWDF demilitarization process facility (building 101);
Continue CWDF equipment procurement and installation to include distributed control system, catalytic reactors, pumps, furnaces, laboratory testing and monitoring equipment, low voltage motor control centers, and chemical monitors;
Initiate systemization of installed CWDF equipment and systems to include the destruction process line (DPL);
Initiate training program for CWDF operating personnel;
Complete demilitarization of former CWPF at Novocheboksarsk; and
Provide for technical support services and contractor administrative and advisory support.

FY 2006 funds will:

Continue Chemical Weapons Destruction Facility (CWDF) equipment installation to include distributed control system, catalytic reactors, pumps, furnaces, laboratory testing and monitoring equipment, low voltage motor control centers, and chemical monitors;
Continue systemization of installed CWDF equipment and systems to include the destruction process line (DPL);
Continue training program for CWDF operating personnel; and
Provide for technical support services and contractor administrative and advisory support.

FY 2007 funds will:

Complete balance of CWDF equipment installation;
Complete systemization of installed CWDF equipment and systems to include the DPL;
Complete training program for CWDF operating personnel;
Provide for facility demonstration and start-up;
Facilitate Transfer of Custody of facility to Russian Federation; and

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IV. Performance Criteria and Evaluation Summary (Continued):

Provide for technical support services and contractor administrative and advisory support.

(\$ in Thousands)		
FY 2005	FY 2006	FY 2007
68,699	60,849	68,357

E. Biological Weapons Proliferation Prevention:

FY 2005 funds:

In Non-Russia Former Soviet Union:

Initiate 5 new Cooperative Biological Research (CBR) projects to include required biosecurity and biosafety upgrades, and continue 7 ongoing projects;
Commence two CBR project and one biosecurity and biosafety project in Ukraine;
Fund bioethics/nonproliferation training and other additional training as required;
Provide operation and maintenance support for interim security and safety upgrades (ISSU) completed at 4 non-Epidemiological Monitoring Stations (EMS) institutes;
Complete facility design and pre-construction permitting for 2 Central Reference Laboratories (CRL) (1 in Uzbekistan, 1 in Georgia);
Commence construction of 1 CRL in Georgia;
Initiate development of 3 mobile response teams;
Provide Computer and Information Technology (CIT) to support 17 Epidemiological Monitoring Stations (EMS);
Equip and renovate 9 EMS; train scientists at 17 EMS; and
Provide for technical support services and contractor administrative and advisory support.

In Russia:

Continue implementing 4 ongoing CBR projects including 3 smallpox projects at Vector;
Continue 4 ongoing biosecurity and biosafety projects;
Provide 4 institutes with partial operational maintenance and support;
Provide the International Science and Technology Center with staff support, training, workshops, and travel funding to support oversight and management of Biological Weapons Proliferation Prevention projects; and
Provide technical oversight for all biosecurity and biosafety projects in Russia.

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IV. Performance Criteria and Evaluation Summary (Continued):

FY 2006 funds will:

In Non-Russia Former Soviet Union:

Initiate 3 new Cooperative Biological Research (CBR) projects, to include required biosecurity and biosafety upgrades, and continue implementing 12 ongoing projects;

Complete 2 biosecurity and biosafety projects in Azerbaijan and commence 3 biosecurity and biosafety projects in Ukraine;

Fund bioethics/nonproliferation training and other additional training as required;

Provide operation and maintenance support for Interim Safety and Security Upgrades completed at 4 non-Epidemiological Monitoring Stations (EMS) institutes;

Continue construction of 1 Central Reference Laboratory (CRL) in Georgia;

Complete development and training of 3 mobile response teams;

Support test and maintenance of previously installed Computer and Information Technology (CIT) at 1 CRL and 17 Epidemiological Monitoring Stations (EMS);

Maintain 17 previously upgraded EMS;

Train scientists located at 17 EMS;

Provide for technical support services and contractor administrative and advisory support.

In Russia:

Continue implementing 4 Cooperative Biological Research (CBR) projects, including 3 smallpox projects at Vector;

Provide the International Science and Technology Center with staff support, training, workshops, and travel funding to support oversight and management of Biological Weapons Proliferation Prevention projects.

FY 2007 funds will:

In Non-Russia Former Soviet Union:

Start 4 new CBR projects and continue implementing 15 ongoing Cooperative Biological Research (CBR) projects;

Complete 3 biosecurity and biosafety projects in Ukraine;

Fund bioethics/nonproliferation training and other additional training as required;

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IV. Performance Criteria and Evaluation Summary (Continued):

Provide operation and maintenance support for interim safety and security upgrades (ISSU) completed at 4 non-Epidemiological Monitoring Stations (EMS) institutes; Continue construction and outfitting of 1 Central Reference Laboratory (CRL) in Georgia; Maintain 3 mobile response teams; Support testing and maintenance of installed Computer and Information Technology (CIT) for one CRL and 17 EMS; Maintain 17 EMS; and Provide for technical support services and contractor administrative and advisory support.

In Russia:

Continue implementing 4 Cooperative Biological Research (CBR) projects, including 3 smallpox projects at Vector; Provide the International Science and Technology Center with staff support, training, workshops, and travel funding to support oversight and management of Biological Weapons Proliferation Prevention projects.

(\$ in Thousands)

	FY 2005	FY 2006	FY 2007
F. <u>WMD Proliferation Prevention Initiative -</u>	36,700	40,600	37,486
<u>(non-Russia Former Soviet Union):</u>			

FY 2005 funds:

Continue the efforts to provide equipment and training to improve WMD prevention border control capabilities and consolidated logistics support and maintenance training of Cooperative Threat Reduction (CTR) provided equipment. Support additional WMD Proliferation Prevention projects and respond to new proliferation threats. Specific assistance will be based on effectiveness of initial assistance that could include:

Ukraine: upgrade international ports of entry, enhance capabilities of mobile response teams, continue project assessments, enhance WMD detection and

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IV. Performance Criteria and Evaluation Summary (Continued):

interdiction capabilities, and enhance maritime proliferation prevention capability in the Black Sea;

Kazakhstan and Azerbaijan: enhance maritime WMD surveillance and patrol capabilities in the Caspian Sea, to include radars, command control, project assessments, vessel upgrades, boarding equipment and training, and WMD detection equipment. Enhance southern Caspian Sea patrol capabilities through infrastructure upgrades;

Uzbekistan: install nuclear detection portal monitors at the Ports of Entry (POEs). Analysis of communications requirements to connect POEs with higher commands of the State Customs Committee and the Border Guards and begin communications installation. Analysis of training requirements to support portal monitor operations and begin training program. Initiate assessments to enhance WMD detection and interdiction capability along the land borders; and

Provide for technical support services and contractor administrative and advisory support.

FY 2006 funds will:

Continue the efforts to provide equipment and training to improve WMD prevention border control capabilities and consolidated logistics support and maintenance training of Cooperative Threat Reduction provided equipment. Support additional WMD Proliferation Prevention projects and respond to new proliferation threats. Specific assistance will be based on effectiveness of previous assistance that could include:

Ukraine: continue efforts to enhance WMD detection and interdiction capabilities along the Moldova/Transnistria border. Continue project assessments and upgrade of additional international and state ports of WMD entry;

Conduct threat and vulnerability assessments at additional ports of entry and enhance maritime proliferation prevention capability in the Black Sea;

Kazakhstan and Azerbaijan: continue efforts to enhance the capability of the two countries to detect and interdict WMD at their maritime borders in the Caspian

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IV. Performance Criteria and Evaluation Summary (Continued):

Sea. Continue project assessments, expand Border Guard coastal radar net, and establish a joint command and control center;

Uzbekistan: install nuclear detection portal monitors at additional ports of entry (POE). Complete communications upgrades and training plan implementation. Conduct operational assessments to validate improved Uzbekistan capabilities. Continue efforts to enhance WMD detection and interdiction capabilities along the land borders;

Moldova: conduct initial threat and vulnerability assessments and provide equipment and training to improve border control capabilities; and

Provide for technical support services and contractor administrative and advisory support.

FY 2007 funds will:

Continue to provide equipment and training to improve WMD detection and interdiction capabilities and consolidated logistics support and maintenance training of Cooperative Threat Reduction provided equipment. Support additional WMD Proliferation Prevention projects and respond to new proliferation threats. This program uses a spiral development and incremental acquisition approach to provide for upgrade of in-country capabilities. As such, specific assistance will be based on prior year assessment of needs and the effectiveness of previous assistance. This assistance could include:

Ukraine: support continuing efforts to enhance WMD detection and interdiction capabilities along the Moldova/Transnistria border and other borders, continue project assessments, upgrade additional international and state ports of entry, conduct threat and vulnerability assessments at additional ports of entry (POE), and increase WMD interdiction capability on the Black Sea;

Kazakhstan and Azerbaijan: support initial efforts focusing on upgrading WMD detection and interdiction capabilities for the maritime borders in the Caspian Sea, fund continual project assessments, expand Border Guard coastal radar net, and enhance coastal patrol fleet;

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IV. Performance Criteria and Evaluation Summary (Continued):

Uzbekistan: conduct additional operational assessments as required. Transition maintenance and sustainment to non-Cooperative Threat Reduction organizations. Continue efforts to enhance WMD detection and interdiction capabilities along the land borders;

Moldova: continue provision of equipment and training to improve border control capabilities; and

Provide for technical support services and contractor administrative and advisory support.

(\$ in Thousands)

	FY 2005	FY 2006	FY 2007
G. <u>Defense and Military Contacts - Former Soviet Union:</u>	7,963	8,000	8,000

FY 2005 will fund approximately 266 defense and military exchanges.

FY 2006 will fund approximately 263 defense and military exchanges.

FY 2007 will fund approximately 258 defense and military exchanges.

(\$ in Thousands)

	FY 2005	FY 2006	FY 2007
H. <u>Other Assessments/Administrative Support:</u>	3,387	14,600	18,500

FY 2005 through FY 2007 funds will conduct 16 Audits and Examinations per year and provide for agency support services as well as contractor administrative and advisory support. Funds will also provide Embassy Support for 6 DTRA/Cooperative Threat Reduction offices within the Former Soviet Union.

(\$ in Thousands)

	FY 2005	FY 2006	FY 2007
I. <u>Chemical Weapons Destruction - Albania:</u>	6,855	0	0

FY 2005 funds developed a plan, surveyed the storage location and infrastructure, procured an elimination system, completed site preparation, and disposed of chemical agents.

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IV. Performance Criteria and Evaluation Summary (Continued):

(\$ in Thousands)

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
J. <u>Strategic Nuclear Arms Elimination - Ukraine:</u>	0	1,100	0
FY 2006 funds will support the storage of 163 SS-24 solid rocket motors.			

V. Personnel Summary: N/A

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VI. OP 32 Line Items as Applicable (Dollars in thousands):

<u>OP 32 Line</u>	FY 2005 <u>Actuals</u>	Change from FY 2005/FY 2006		FY 2006 <u>Estimate</u>	Change from FY 2006/FY 2007		FY 2007 <u>Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
308 Travel of Persons	2,345	56	1,179	3,580	79	-579	3,080
399 Total Travel	2,345	56	1,179	3,580	79	-579	3,080
920 Supplies & Materials (Non- centrally managed)	100	2	8	110	2	-12	100
925 Equipment Purchases (Non-centrally managed)	30,620	735	16,545	47,900	1,054	10,746	59,700
932 Management and Professional Support Services	170	4	9,026	9,200	202	218	9,620
934 Engineering and Technical Services	14,123	339	-62	14,400	317	83	14,800
987 Other Intra-governmental Purchases	200,130	4,803	-48,425	156,508	3,443	-69,529	90,422
998 Other Costs	160,385	3,849	14,505	178,739	3,932	11,735	194,406
999 Total Other Purchases	405,528	9,733	-8,404	406,857	8,950	-46,759	369,048
Total	407,873	9,789	-7,225	410,437	9,029	-47,338	372,128

Includes no Supplemental funds.