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P R O C E E D I N G S

MS. NULAND: All right, welcome everybody to “Reviving U.S. – Russian Nuclear Arms Control.” Thank you for joining us today. The one thing I can say about this panel is that this is, for those of you who know us, an extremely incestuous group. We have all worked together on and off on issues involving Russia, arms control, the Eurasian landmass for 15, 16 odd years on and off. Some of us I was noticing that ah Ambassador Steve Pifer and Ambassador Carlos Pascual have actually traded jobs two or three times in their careers. We’ve all worked for each other. And of course the three of us were raised by Strobe Talbott in the nineties and worked with him on all of these issues; notably, including the denuclearization of Ukraine, Kazakhstan and Belarus- our misspent youth in the early nineties. Anyway, we are delighted ah that this subject is back in vogue and back at the front of the policy agenda and that we have a chance to share thoughts with all of you. Let’s start today with Strobe, who will set this issue in a broader global context.

MR. TALBOTT: Thank you, Victoria. The incestuousness I think extends to much of the auditorium. I'm looking at Hal Sonnenfeld over there, and when I had even more hair it was even darker in color decades ago. I won't say that he was a source when he was working for

Henry Kissinger, but he did help me out in understanding things. Probably helped you out, too, Marvin, once or twice if I'm not mistaken.

What I thought I might do to set a bit of context is not just a global perspective, but just reminding us all of the historical context here, and I'm going to basically take three points and put each one in the frame both of where we used to be and where we may now be about to be again.

The first has to do with the very nature of nuclear weapons and how they induced the creation of this enterprise that we call arms control. Obviously, and it was obvious pretty darn early around the time of the dawn of the nuclear age, when you're in a world with more than one nuclear armed state and those states include antagonists, you already are no longer in a Clausewitzian world, which is to say you have a weapon or form of weaponry that is so destructive that its use in war is not by any reasonable definition an extension of policy or politics by another means, which means that these weapons are really only good for two things. One is intimidation in a political sense but with a big stick, and the other is in deterrence. But deterrence of course requires a fairly high degree of balance, of transparency, stability and predictability, and the only way you can get that is through a set of rules worked out between and among countries that otherwise in a pre-nuclear world would have been going to

war against each other. That is essentially where all those acronyms that many of us lived with for those many decades came from, SALT and INF and START and so forth and so on.

When George W. Bush became president, he entered office profoundly skeptical about the very concept of a treaty-based world order and that translated of course into a number of actions that he took early on in his presidency to essentially shut down the enterprise of treaty-based arms control. As Victoria alluded to and as we all know, we now have in the White House a president who is determined to restore that enterprise, and all of us will be talking about that, Steve and Carlos in particular, before we throw the floor open to you.

The second point has to do with another important theme of the last half-century, and that is the extent to which bilateral arms control created the environment or the conditions for multilateral nonproliferation. In a bipolar nuclear world, that is, a world where you have two superpowers each armed to the teeth with nuclear weapons, the antagonism between them was trumped by the need for survival which led them into this process of bilateral arms control that I was referring to a moment ago, but that made it both possible and desirable to bring other countries into the process as well, and while the United States and the Soviet Union were against each other in many, many respects, they both

had an interest in holding down the number of states, this was before we or they were terribly worried about nonstate actors which we are today, but holding down as much as possible the number of states that also had nuclear weapons. Which is to say that the process that began between the White House and the Kremlin was very quickly broadened to bring about a series of test bans leading ultimately to the Nonproliferation Treaty which the vast majority of the countries on Earth now belong to.

Here, flashing forward to the present, we have kind of a "back to the future" situation where the effort on the part of many countries but now I think led very much by the United States to revitalize multilateral nonproliferation measures is going to be in the first instance about bilateral U.S.-Russian arms control, and the hope on the part of the administration is that as they hit the now famous although occasionally mistranslated reset button in U.S.-Russian relations, that will initially be with regard to a success to the START Treaty, but will lead very quickly they hope early next year, some would hope that it was even sooner than that, to the ratification of the Comprehensive Test Ban Treaty and also a more robust set of nonproliferation policies in the part of national governments and also on the international community as we had into the NPT review.

The third and final point has to do with the fundamental logical connection between offense and defense in arms control. It was

apparent to the theoreticians and not long after that the practitioners of nuclear weaponry that if you were going to have significant reductions in levels or even for that matter ceilings on offensive nuclear weapons, and certainly if you were going to get into the realm of reductions of offensive nuclear weapons, you had to have the regulation, the very strict regulation, of defenses as well. This was originally an American argument that the Soviets took some time to absorb and internalize and make part of their own doctrine. That really began with the Johnson-Kosygin meeting in Glassboro and continued thereafter. But as pretty much everybody in this group knows, the Strategic Arms Limitation Talks produced not one agreement just on limiting offensive arms, but also essentially an open-ended agreement that would restrict strategic defenses as well.

Enter Ronald Reagan and his dream of Star Wars of the Strategic Defense Initiative. What is often forgot about that episode, and of course there was a lot of snickering about SDI at the time, but what is often forgot is that as Ronald Reagan developed that idea, he made the connection between strategic defenses which he felt could be if properly developed a way of rendering nuclear weapons impotent and obsolete, and the most extreme of reductions in strategic offenses. The issue on which the famous Reykjavik meeting between him and Mikhail Gorbachev fell apart was that the two of them were prepared to consider and commit

themselves to the elimination of all nuclear weapons, but Gorbachev was not prepared to do that in the context of accepting SDI.

There was and is a fundamental difference between Ronald Reagan's concept of how offense and defense would fit together and George W. Bush's. Essentially the Bush administration pursued a policy that would have allowed and in some ways even encouraged at least as far as the U.S. arsenal was concerned largely unfettered strategic offenses and unfettered strategic defenses. I would argue that the two biggest follies of the last decade were, first, in 1999 during the Clinton administration the refusal of the United States Senate to ratify the Comprehensive Test Ban Treaty, and second, President Bush's decision to withdraw from the ABM treaty fairly early on his own administration.

And to bring that issue up to the present, I think that while you will not see a great deal in statements that are now being made out of the administration, and I suspect Steve will certainly touch on this in his own comments, the folks in the administration who are thinking their way through this thoroughly understand the need to do something about limiting ballistic missile offenses especially as they contemplate really significant reductions in offense weapons, never mind getting down to a thousand which some people can even imagine in the future, but when you get down in the range of 1,5000 there is going to be a need for a

restoration of at least the spirit though probably not the letter of the ABM treat.

This, Victoria, I think is one of several issues that I hope you will come in on because there is a question of whether the controversy and the dilemma posed by the Bush administration's commitment to deploying radars and interceptors, antimissile interceptors in Central Europe, might offer actually a handle or an opportunity for in the first instance the United States and Russia to tackle this question of missile defenses and how to regulate them and then eventually extend that to strategic systems as well.

A final point just to underscore a more general one. In many, many ways the issues that we're going to be talking about here this afternoon and that you're all going to be reading and writing about for years to come are very, very familiar. There is a great deal of on-the-shelf wisdom and experience that can be applied, and I hope you'll all have a chance to look at the paper that Steve Pifer has written on this subject and those of you who have spent a lot of your careers studying this will find much of that familiar. But it is going to be necessary to break into new territory intellectually, strategically and politically, and just one example of that has to do with missile defenses. Would it be enough for the United States and the Russian Federation to reinstate the ABM treaty now if you

look at what's happening to the Chinese strategic program? Will it be necessary now to trilateralize the effort to regulate strategic defenses and will it stop at three? I'll leave you with that question and turn it over to my colleagues.

MS. NULAND: Thanks, Strobe. Strobe has already mentioned Steve Pifer's new policy paper for Brookings entitled "Beyond START." I hope you all got a chance to take a look at it. Over to you, Steve.

MR. PIFER: Thanks, Victoria. I'll focus my comments on really the subject of this paper which is what has to happen to get a follow-on treaty to start in place, and the presidents, President Obama and President Medvedev, have set the objective of have this done by December 5, and I'll come back to that date in a moment.

First I'd just note for a point of context is if you look at the speech that President Obama gave in Prague, it's pretty clear that when he talks about the START follow-on treaty, that in his mind is a first step. He's talking about a process that continues, he said ultimately encapsulating not just strategic weapons, but nondeployed strategic weapons, tactical weapons, and ultimately weapons of countries other than the United States and Russia. So this is a process and what I'm going to focus on is what is the first step in that process.

I'll begin by just going over the two treaties that currently govern U.S. and Russian strategic forces. There is the 1991 Strategic Arms Reductions Treaty which we call START. That limits the United States and Russia each to 6,000 deployed strategic warheads on 1,600 strategic nuclear delivery vehicles, strategic nuclear delivery vehicles being intercontinental ballistic missile launchers, submarine launched ballistic missile launchers, and heavy bombers. The second treaty signed in 2002 by Presidents Bush and Putin is the Strategic Offensive Reductions Treaty also called SORT. That treaty limits the United States and Russia each to no more than 1,700 to 2,000 deployed strategic nuclear warheads.

There are a lot of differences in these two treaties. The START treaty is hundreds of pages. It's full of annexes and protocols and definitions and counting rules. The SORT treaty is a page and a half. It has one limitation. It has no definitions, to counting rules, no verification measures. The SORT treaty on its own is not viable without START. The problem that we have is that the START treaty came into force in 1994 over a period of 15 years. It expires in December of this year, and that therefore has created a deadline against which Presidents Obama and Medvedev have asked the negotiators to work.

There is a second factor here which may complicate on the American side getting as much as we would like to get done prior to December 5 and that is the Nuclear Posture Review which the U.S. government is now conducting as mandated by Congress. That policy review requires that the administration defining what is U.S. nuclear forces policy and what is the force structure that the United States should deploy to implement that policy. Where this factors into the negotiations on the follow-on treaty to START is that you can't pull a number out of thin air. You've got to have a validation for it. The problem on the American side is we may not have done the internal homework to have a greatly reduced number until sometime late in that fall so that that complicates the things on the U.S. side.

My own preference would have been to reduce U.S. and Russian strategic forces to no more than 1,000 warheads on each side, but because of this problem of the Nuclear Posture Review, I don't think we can get there. So in the paper what I would suggest is that U.S. negotiators work to get a limit of 1,500 deployed warheads on each side on 700 strategic nuclear delivery vehicles. I think the 1,500 number works from a couple of ways. First of all, you have the 2001 Nuclear Posture Review which validated a number between 1,700 and 2,200, and 1,500 is not that far from that range. The second point is though if you take the

upper limit from the SORT treaty, 2,200, 1,500 actually is a fairly significant reduction of about 30 percent. So that would be consistent with what the presidents talked about in their joint statement after London.

In the negotiating the particulars of a treaty that would limit each side to 1,500 warheads and 700 intercontinental ballistic missiles, submarine launched ballistic missiles and heavy bombers, I think it makes sense to take the START treaty in many points as the starting point. I'd make a couple of observations about this. First of all, it makes sense to proceed from the basis of the verification and monitoring provisions in START. There are none in the SORT treaty. As the sides work through this, what they need to do is have a verification regime that gives each confidence that it can monitor the other side's compliance with the treaty. In the process though they may take a look at some of the START provisions and there may be some possibilities to streamline the verification regime. Some of those measures made a lot of sense in the early 1990s, they may no longer be that necessary, and in the end you want a verification regime that works, but you want to make it as simple as possible to implement.

A second issue which I think is going to be a big issue for the negotiations is the question of downloading. The START treaty allows this. Downloading basically allows you to remove warheads from certain

types of missiles and then count that missile as carrying less warheads than it was originally tested with. So for example the Trident submarine ballistic missile on the American side originally was tested with eight warheads and the START treaty originally counted it as having eight warheads. But under the downloading provisions in START, you could download that to maybe five or six warheads and there's a verification regime which allows the Russians to come in and confirm that. In fact, the Russians can do up to 10 warhead inspections a year in the United States under the START treaty. This is a good thing because it avoids the situation where the United States or Russia put too many warheads in one place, on too few submarines or too few missile launchers. For purposes of nuclear stability, you would like to spread those out.

I would argue that you want to carry a provision like that over into the follow-on treaty, but go a step further and download submarines. There's no law that says that when a Trident missile submarine goes to sea it has to carry 24 missiles. You could in fact download it to 12 missiles and keep 12 of those tubes empty. You could do things to the tubes that would make it clear that you could not easily reload them, and your verification regime would be fairly simple, allow the Russian inspectors at a Trident base to say that submarine over there, prove to me that 12 of those tubes are empty, you open 12 of the hatches and you

could look in and see if there was no missile there. I think this is going to be important for the American side because of the Trident fleet, we don't want to have too many warheads on those boats or have to reduce to a very small number of submarines.

A third issue that's going to be I think a challenge to the negotiations is the question of conversion of strategic systems to conventional only purposes, and the example here I'll cite is the B-1 bomber. The START treaty limited the B-1s as a nuclear capable heavy bomber, but over the last 50 years, all of the American B-1s have been converted to conventional only roles. They train only for conventional missions, all of the nuclear wiring has been taken out, and the U.S. Air Force is going to want to have a regime that does not count those as strategic nuclear systems.

When you look at the issues of downloading and conversion, the United States is likely to need greater relief in those areas than Russia, and I just cite this as an area where I think that's going to be a bit of a challenge for the U.S. negotiators in terms of finding things that they may have to trade off with that the Russians want more.

Finally, there are a set of issues out there which are going to have to figure into the strategic nuclear arms reduction process at some point, but I would argue you don't want to deal with them this year. Strobe

has already mentioned the first question which is that of missile defense and this generic link between strategic offense and strategic missile defense. In fact, that was acknowledged by the presidents in London. They had two joint statements, one focused on the START follow-on treaty, but the second treaty acknowledged that there is this relationship between strategic offense and defense and it needs to be discussed, so I think there's an acknowledgement in principle. My argument would be though it would be better if you did not have to get into that issue in the negotiation on the follow-on treaty which already has enough on its plate and only 7 months to be completed.

But there are other questions. What do you do about tactical nuclear weapons which have never been limited in U.S.-Russian negotiations? What do you do about nondeployed strategic warheads? Because all the treaties today talk about only deployed warheads when each side has spares and other warheads sitting off in storage. What do you about third-country strategic nuclear forces, those of Britain, France and China? I think here are a set of issues which you have to address at some point, but it's going to involve getting into new territory. My argument would be that the United States and Russia could safely reduce to 1,500 strategic warheads, deployed warheads on each side without addressing those issues this year and that increases the chances that you

could come to early conclusion of an agreement. It may make sense for in parallel with the negotiation on the follow-on treaty to START to begin some discussions with the Russians. For example, a side discussion on how would you begin to get a handle on the question of limiting nondeployed strategic warheads which is going to involve verification measures far beyond what we've ever talked about? How do you get more transparency and begin to understand approaches to addressing tactical nuclear weapon? Then there's the question of the relationship between offense and defense. So I think these are issues that you want to have a discussion on in parallel. You don't want to bring them into the specific negotiation on the START follow-on treaty because it's going to be tough enough, but those are issues that you're going to have to want to deal with with a view to the fact that the START follow-on treaty is just the first step and you're going to have to get into questions like tactical weapons, third-country systems, missile defense and nondeployed weapons if you want to go very far down the patch below 1,500.

MS. NULAND: Thank you, Steve. Carlos is now going to take this issue of strategic negotiation and set it back in a framework of a larger U.S.-Russia context.

MR. PASCUAL: If I could, let's start from this perspective, if we include Israel, there are nine countries that currently have nuclear

weapons. There are 56 countries that have some form of civilian research reactor program. Of those countries, there are 12 that have the capacity to enrich and commercially produce uranium. There are currently 30 countries that have indicated that they are going to start some form of new nuclear program, and of those 30 countries, 14 of them are in the Middle East and North Africa. The reason I'm saying this is that already there is a great deal of nuclear latency that is out there in the world. Nine have nuclear weapons, but the potential for expansion and rapid expansion is great. Then we have to ask ourselves what happens if Iran acquires a nuclear weapon. We can almost be sure that Saudi Arabia will have one the next day which they would have purchased from Pakistan. Egypt and Turkey may very well follow suit. Then what happens if three other countries that have declared their nuclear intentions in the Middle East and North Africa proceed down that route, Syria, Libya and Yemen?

The point is that this is a serious issue, a critically serious issue between the United States and Russia, a question of disarmament and nuclear proliferation. It is a hugely serious global issue as well. And we are at a point in time where we have to create nuclear firewalls between civilian nuclear programs and weaponizations if we hope to have a chance of controlling the path and the course of nuclear proliferation and avoid moving into what can be called the second nuclear age where

nuclear weapons are in fact used in a tactical sense in the sense of regional power balances which could become phenomenally destabilizing and dangerous as we see between India and Pakistan. So how do we do that, and how do we resuscitate this global regime?

I think one of the things that we have to do is go back and look at the basic bargain in the Nuclear Nonproliferation Treaty between Articles 4 and 6. We basically have cut a deal where it says that the nuclear weapon states in Article 6 would agree to disarm, the nuclear nonweapon states we would provide access to civilian nuclear power, and all of us would agree to take measures to control the proliferation of nuclear materials and technology. That is a deal that makes sense but has started to frazzle, and what will it take to actually put it back together again?

The most important point is exactly what we've been discussion thus far on the panel which is the requirements for disarmament in nuclear reductions between the United States and Russia, because if the two largest nuclear powers in the world are not willing to take, in particular now as Steve has laid out with the extension of START and the verification procedures, if we're not willing to put in transparency and accountability measures on the two largest nuclear arsenals in the world, how do you argue to the rest of the international community that

they should do the same? It's not going to happen. So the measures that have just been laid out are fundamental to any kind of revitalized global regime.

A complicating factor is clearly Iran, and this as much of an issue politically, in fact maybe exclusively an issue politically as it is substantively. One could still make an argument of why there should be arms control and arms reductions even Iran acquires a nuclear weapon from the perspective of how disarmament and nuclear arms control helps build up an international coalition toward nuclear nonproliferation and nuclear controls. But politically going to the U.S. Senate and arguing that we should be in a process of disarmament at the time that Iran has acquired a nuclear weapon will become extraordinarily complicated, and we have to keep that in mind.

Part of the solution on Iran has to be Russia. Why Russia? Russia because it can offer two things. It could partner with the international community and particularly with the United States of making the offer to Iran which has already been put on the table of providing enriched fuel and doing it in a way that is under international supervision that provides for guaranteed supplies so that if Iran is serious in saying that what it wants is a civilian nuclear power program for the purposes of generating energy, it can show that there is a mechanism of having

guaranteed supplies of fuel. And secondly, that there is a mechanism to take that fuel and reprocess it offshore. Why is that critically important? The reason it's critically important is look at North Korea and Yongbyon. The way that North Korea got the plutonium that was necessary to produce its nuclear weapons was from its nuclear reactor and the reprocessing of spent fuel. That becomes critically necessary to take away. So Russia is a key part of that equation. It's one of the few countries if not the only country in the world that actually can put that on the table.

Why would Russia do this? It's a big question because in some ways Russia has at times been ambivalent in its cooperation with Iran. And the reason for it can be fundamentally commercial. If the difference is between tens or hundreds of millions of dollars between Russia and Iran on civilian power, on oil or gas and you compare that to billions of commercial activity globally on fuel enrichment and preprocessing, then you have a game changer in terms of the kinds of commercial incentives that are available on the Russian side.

To do that it becomes necessary certainly if the United States and Russia are going to cooperate together on doing this, it requires what is called a 123 agreement which is an agreement under the U.S. Atomic Energy Act of 1954, and it's a basic requirement for the

United States and any country if they're going to have any kind of cooperation on nuclear power. The only way to get that kind of 123 agreement through the U.S. Congress is in fact if Russia is seen as playing constructively on the Iran agenda. If it is not, there is no prospect that the U.S. Congress is going to support this.

If you start to then get together that package, you then have the foundation for a global deal, a global deal that has disarmament on the one hand, and then a framework for provisions for civilian nuclear power where you take the kind of basic mechanism that has been put in place in the context of Iran, the provision of enrichment under international supervision and reprocessing, and that becomes available to the international community. If you can get that kind of deal, it then strengthens the foundation for the measures that have to be take globally by all countries whether they are nuclear weapon states or nonnuclear weapon states to create that stronger firewall on proliferation. The passage of the Fissile Material Cutoff Treaty, the ratification more broadly of the Comprehensive Test Ban Treaty, the provisions that are laid out in the additional protocol of the International Atomic Energy Agency that provide for greater scrutiny of nuclear programs, and then I think critically important, the foundations for greater investments in the capacity of the

IAEA because they will need those capacities to undertake the kind of rigorous monitoring that's necessary globally across these programs.

A word on timing and process. In order to be able to do this we have to keep in mind what the end goals are. The NPT review conference, the next round of it, will be in May 2010. Already a process has started in negotiations toward the re-strengthening of that nonproliferation regime. Within that context, we have to then keep in mind how quickly does the U.S.-Russia process move, because if serious movement on disarmament is going to be critical in order to interest those countries that are nonnuclear weapon states, this process that Steve and Strobe have laid out needs to begin to gain some momentum over the coming months, and that's a tight timetable. If you want to get the START treaty extended before it expires in December of this year, some in the Congress argue that you actually have to have a basic treaty submitted to the Congress by September of this year in order to give the adequate review time. That's not a hugely long timetable. In addition to that, we have the P-5 negotiations, the P-5 Plus One, the permanent five members of the U.N. Security Council and Germany and their negotiations with Iran and we have to expect that that process is going to intensify after the Iranian elections in June. So a period from June through the end of the

year will assume particularly critical importance. Then the NPT review process that's moving along the side.

One of the things that I would argue is that if we want to be able to manage this, we have to take a game out of the playbook that we've had on climate change and on economic policy. It's going to take a group of like-minded countries with direction from our leaders to be able to give direction to managing this process. I was just asking Steve how many countries are signatories to the NPT. Neither of us could remember the exact amount, but it's probably in the order of 175. Negotiating anything at 175 is not easy to do. So do we need in fact a G-20 mechanism that extends itself to the nuclear nonproliferation process? Not to resolve all of these issues, but to get some consensus among the major powers in order to be able to move this forward.

What I will close with though is something which is interesting to reflect on when you go back to this entire chain. There are a lot of bank shots in this chain and right in the middle of them is Iran. Right in the middle is Iran. What it basically starts to tell us is that we need to think in a different and broader way when we think about traditional arms control issues because if we don't put into the center of our negotiations and calculations how we're going to handle issues such as Iran and how we're going to bring in states such as Brazil and India into this package so

that they become supportive partners, it is going to be extraordinarily difficult if not impossible to succeed.

MS. NULAND: Thank you, Carlos. Carlos has laid out an extraordinarily ambitious agenda not only for U.S.-Russian leadership in reducing their own strategic arsenals, but in managing and addressing what he's termed the nuclear latency globally. That's a great term. I'm going to steal it. As you've said, there are a lot of bank shots required. I want to make one comment and then steal the prerogative of moderator to ask one question which follows along from the points that you've made.

First of all, with regard to comments, Strobe appropriately sketched the relationship between the offensive conversation and the defensive conversation in the Reagan administration and the reasons why there were both opportunities and massive failures there. I would argue that when you talk about defenses today, we are back into that conversation now at the U.S.-Russian, U.S.-post-Soviet strategic level, but precisely because there are nations beyond the old definition of deterrence that have to be dealt with. China is not my biggest worry. I'm on the Carlos side of being more worried about North Korea and Iran. And remember that it's the Clinton administration that begins asking for funding and building missile defense, ground-based, sea-based missile defenses, to deal with North Korea in the first instance and then you come

to the abrogation of the ABM treaty and the potential European third site to deal with the Iran question. So I think if the U.S. and Russia are truly going to be partners not only in managing their own strategic arsenals going forward but also in dealing with this nuclear latency, missile defenses are going to have to be part of the mix for dealing with countries like Iran, countries like North Korea, and, I don't know how many there were, Carlos, 11 other potential states out there who may aspire to join the nuclear club or who may already be in the nuclear club with uncertain responsiveness to traditional deterrence and/or security and safety capacity.

In that context, I think the way forward is not to abandon missile defenses but, rather, to get our Russian partners into a constructive conversation about how we can work together connecting the missile defense systems that we already have deployed and that our allies and partners already have deployed to create a new modern-day deterrent for countries like Iran and North Korea. After all, why spend all of that money and all of that effort and acquire all of that international approbation to build the system that will not work when it's actually ready? So I think that a U.S.-Russian combined missile defense system could offer a new form of deterrent and a new tool in the mix. We've already started talking about this in the NATO-Russia context with limited success. Obviously we

spooked the Russians with discussions about interceptors in Poland and radars in the Czech Republic. But we also in that context began a conversation a year and a half ago which I think could be revived about how we might cooperate in even those kinds of systems and provide verifications and caps on those systems so that the Russians could be confident that these were deterrent options that were directed not at them, that were not useful to them, that it was traditional arms control and counting rules and verification and deterrence that would manage our joint arsenals but were directed rather at the threats that we share, those we can see today and those that might come in the future. I think it's particularly important now to get the Russians into missile defenses rather than the building of missiles when we hear some on the Russian General Staff and some in positions of political power beginning to talk about things like reviving medium-range missile building to deal with Iran, to deal with some of the nuclear states that now border Russia, how much better to build missile defenses together than to see Russia building new missiles.

Going to the question, I think it's clear to everybody why the Kremlin would want to get into the tent with the new administration to begin talking about strategic arms control. It takes you back obviously to the superpower table, to the superpower era. It gets particular attention

these issues where Russia is a complete peer of the United States. And it provides a platform potentially for good things to happen in a relationship that needs good things to happen. I guess my question to all of you is whether we really believe that there is a sufficient sense of urgency and a sufficient sense of interest in the Kremlin today not only to start negotiations, but actually to conclude negotiations along the lines at least of the first stage that you have sketched, Steve, and more ambitiously as Carlos has sketched, can we really convince Russia that working with us to stop and deter Iran is a better political deal, a better security deal, and even potentially a better economic deal when in fact you could very easily make the opposite short-term argument from the Kremlin's perspective.

MR. PIFER: Let me argue on the near term that I do think that the Russians are interested in trying to come to agreement on a follow-on treaty to START. What I've found interesting is if you look at the way the Russians have managed their strategic nuclear forces over the last 10 or 12 years, in contrast to the 1970s and 1980s where there really was this fixation in the Kremlin on being equal to the United States, almost exact parity, the Russian force actually has declined in a number of ways so that they're significantly behind the United States in some numbers. I think what's important for Russia is that they are still one of the two nuclear superpowers, but they have not made the investment over the last

10 years to maintain a one-to-one quality in strategic offensive forces with the United States. And it's been particularly interesting in the period say from 2003 until the economic crisis hit in 2008 when Russia had large oil and gas revenues pouring in, they were actually relatively modest in terms of the money that they devoted to their strategic forces. Typically they procure maybe nine to 10 intercontinental ballistic missiles a year, but it's been a fairly modest pace, and I think the overall suggestion there is that the Russians would in fact like a strategic arms agreement, they would like to have limitations that would bring U.S. forces down to a level of about 1,500 which is actually a number that the Russians were trying to achieve back in 2001 in the negotiations with the Bush administration, and that would entail I think some significant cost savings for them in terms of how much they would have to invest in new forces given that a number of their intercontinental ballistic missiles, submarine missiles and submarines are now approaching the end of their service lives. So I think there is interest there on the Russian side.

MR. TALBOTT: Victoria, could I come in your point in your question? First of all, I think it's worth underscoring a clarification about the history of how strategic defenses and missile defenses in general have figured in both calculations and negotiations. There were purists and may still be purists who argue that missile defense is an absolute evil and the

only way to deal with it is to zero it out. That was not of course part of the ABM treaty. The ABM treaty permitted originally two and then one site per side. Even in the Clinton administration albeit it with some encouragement shall we say from the Congress, the U.S. government tried to get the Russians to amend the ABM treaty in a way that would have permitted precisely a defense against what was seen as a looming North Korean threat. So the issue is not abandonment. I don't mean to jump on one word you used. It's more limitation or regulation.

My own sense, and there are many in the room who have constant contact with the Russians, is that there's good news and bad news with respect to the two-part question you asked. I think that for all of the reasons that you said which can be clustered together under self-interest, Russia is interested in reviving this enterprise of bilateral arms control and indeed multilateral nonproliferation. But on the Iran question which I think Carlos put exactly the right focus on, they the Russians are at best ambivalent if not in a very dangerous kind of denial or worse, and if they are not seen as Carlos said to be contributing affirmatively to the slowing down and stopping of the presumptive Iranian nuclear weapons program, and by the way, ballistic missile program, then much of what we're talking about will be moot, and there is a lot of persuading to be done on that score including I assume at the presidential level.

I would throw a question back to you though. The NATO-Russia Council which was in the news in a very negative way in the wake of Georgia, then more positive recently, and then for whatever reasons, competent organs getting out of control. Everybody knows what that means. We had the eviction of the accused spies and it seems to be back on ice. Is a revitalized NATO-Russia Council a useful forum for dealing with and advancing the cause of U.S.-Russian cooperative defense?

MS. NULAND: I would say before taking this back to Carlos that the short answer to that is that the NATO-Russia Council is a mirror, a reflection of the relationship that is happening between Russia and the bigger powers around the NATO table. So when the U.S. and Russia are agreeing on something, the NATO-Russia table can multilateralize that and bring in a larger family. When we are disagreeing as we did over Kosovo, it just becomes a shouting stage and a non-helpful shouting stage because it's used to try to divide allies obviously.

That said, in the particular case of missile defense, there is a platform of joint work that has been done, NATO nations and Russia together, for missile defenses that are employed when we deploy troops together, PAC-3 (?) type systems that defend deployed forces, and we actually used the NATO-Russia Council to work through all of the technical issues for deploying NATO and Russian missile defenses

around our forces in such a way that we would hit income missiles and not each other. So there is a lot of good technical work, there is a family of people on the NATO side and on the Russia side who work these issues and know each other and are prepared to do more, but absent political will, obviously on both sides we can't build on that platform. Carlos, do you want to comment?

MR. PASCUAL: Yes, just a couple of things. Analyzing Russian incentives on these issues of arms control and the big picture and the Iranian question has always been complicated. We saw the complexity throughout the 1990s when the Russians were on the one hand supplying, working with Iran on the Bushehr nuclear power plant. They were supplying Iran with missile technology. And if you ask questions about what countries could potentially be victims of that, obviously Israel was one. But Russia was another one and it's like why is there the sense that this need not be feared? In part it's been this Russian sense that we can control this. We can handle it. We can manage it.

I think part of the complexity is that there have been different camps on the Russian side when you get into these strategic and nuclear issues. There's a very professional old-school arms-control camp, there is a camp of those who actually deal with nuclear power and feel that they are the masters of nuclear power and can control it and need not fear it

from others, there is a camp of those who are very much in this geopolitical rival sphere that results in the kinds of icing of the NATO-Russia Council that we have right now, and then interesting, what we've seen evolve now, and ironically it's one of the factors I think that gets linked back to the global economic crisis is that there's been a recognition that Russia needs to cooperate increasingly with its neighbors and with the international community, that Russia can't survive on its own, and so there has to be these wreaths of cooperation.

So you're playing with all of these factors there none of which are straightforward in taking you toward a solution and if you focus just on the Iranian question with the Russians, I think you have the real risk of getting the answer that Strobe just gave which is that they're ambivalent. What Russia does like is the idea of engaging in grand ideas, in grand solutions, and so if the issue is we are saving the world by addressing and solving the issue of nuclear security, and if the United States and Russia can engage with one another and actually become the leaders that fundamentally change the dynamic of global politics and global security on this issue, then I think there's a chance of actually aligning all of those competing factors in a way that gets Russia to play. But it's not a given, it's not a given, and it's going to be extremely hard.

MS. NULAND: We've talked for a long time. Let's open the floor. There in the back?

MR. SIDEROV: Dmitry Siderov of Commerce and Russian Business, a political daily. First of all, please explain to me how the nukes reduction between Russia and the U.S. will somehow influence Iran or the Saudis from acquiring nuclear weapons. It's hard for me to understand.

MR. PASCUAL: I can't hear you.

MR. SIDEROV: How the nukes reduction between the U.S. and Russia for example will influence either Iran or the Saudis from acquiring nuclear weapons, first. The second thing is it seems to me that suggested reduction of or limitation to 1,500 nukes as you suggested, sir, looks like a little bit more than a photo op. I don't see any value in doing that, and if you can please explain to me why it's necessary. Thank you.

MR. PASCUAL: Let me start with the first thing. I don't think that nuclear reductions on the part of Russia and the United States are going to have any impact whatsoever on influencing Iran and Saudi Arabia. I do think that what can have an impact with Iran and Saudi Arabia if the United States and Russia are able, in the context of an internationally monitored program under the International Atomic Energy Agency, to cooperate and say that here's a mechanism of having guaranteed supplies to enriched fuel for the purposes of using in civilian

nuclear power plants and here are mechanisms for the reprocessing of fuel and that we accept a civilian nuclear power program in Iran that is under international supervision that has the internationalization of the fuel cycle, then that could potentially be part of a package that could result in some understanding with Iran on its change in behavior internationally. I think it's going to have to go further than that. I think it's going to have to deal with issues of terrorism, it's going to have to deal with WTO. There are a whole range of other factors that are going to have to be brought into play here. But this is an important one. Is it realistic? Is it powerful? I think, yes. Right next door to Iran is the United Arab Emirates. They're in the process of starting a civilian nuclear power program. People are asking why in the world are they starting to do that with the amount of oil that they have. There are good reasons for it. They don't have very much gas and they don't want to find themselves in a position of burning oil in order to generate electricity. So they're looking at alternatives to bring together into their overall power generation mix.

What they're proposing to do is completely internationalize the fuel cycle in a way that the international community can verify that it's safe. If you start to create the ability to have credible civilian nuclear power programs in countries that may be in sensitive areas but are under complete international supervision where there is a control over the most

sensitive aspects of proliferation, then that's a significant achievement and that's something that needs to be looked at.

The disarmament of the United States and Russia, the reduction of nuclear weapons, what that does do is it helps convince other countries like Brazil, like Indonesia, like Mexico, like South Africa, that they want to play in part of this game that results in the strengthening of the NPT and all of the provisions of it, and what you need then is to be able to create the credibility to get more states to ratify the Comprehensive Test Ban Treaty, to pass the Fissile Material Cutoff Treaty, to adopt the additional protocols. That's why you need the disarmament mechanisms to convince all of these other countries that there is a rationale for them to have in fact grater restrictions and conditions on how they handle nuclear materials because you have to demonstrate, first of all, that the countries who have the biggest nuclear arsenals, that they're willing to take steps if you're going to get the other countries to take steps as well.

MR. PIFER: On the second question, I actually think a reduction to 1,500 warheads on each side would be a pretty significant cut. If you take the SORT upper limit of 2,200, 1,500 is 30 percent below that. Secretary Gates said we'll hit the 2,200 SORT limit sometime next year. There are actually some reports out of the Pentagon that say that U.S. forces currently only deploy 2,200 warheads. The problem is, that's a

very hard number to verify. If you take the number of ballistic missiles and heavy bombers the United States now has and then go back and use your START counting rules, instead of 2,200 warheads you come up with between 5,000 and 5,500 warheads. Fifteen hundred is certainly a significant reduction against that. I think in your follow-on treaty you have START-like counting rules so that you'll have some assurance that the 1,500 is a real number. What I tried to do in the back of the paper is actually sketch out what a notional U.S. force would like under START-like counting rules with downloading provisions where you could get a force under 1,500 that I think would be significantly different from what was allowed under START or what we have today.

The reason I don't propose going lower in that first step is once you start to go below 1,500, you may have to get into these other difficult issues, so for example I talked to one Russian arms control expert and he said the Russian government would probably agree to go to 1,500 without talking about limits on missile defense. If you wanted to go down to 1,000 though, missile defense would have to come directly into the equation. It's important I believe for the United States and Russia to preserve a START framework so that we have something that continues after December 5 because that framework provides predictability, it provides transparency, it provides verification measures. If we lose that,

we're going to be less smart about Russian strategic forces and vice versa. So 1,500 seems like a number that represents both a significant cut, but is also a number that is not so low that it drives you into difficult questions like missile defense, third-country forces, tactical nuclear weapons, so that you have a chance of getting an agreement. And bear in mind that the limit is up seven months from yesterday. You've got to negotiate it, sign it and then get it ratified by both the Senate and the Duma. That's a pretty tall order. So I think you want to maintain that negotiation on the follow-on treaty as streamlined as possible while recognizing that if that's the first step, at some point on a second or third step you're going to have to get into these other questions directly.

MR. TALBOTT: If I could just quickly, I don't think more than 6-1/2 minutes should go by in this discussion at any point without somebody saying CTBT, and this goes back in part to the answer to your question. I think an indirect benefit but a very important one of a true breakthrough in strategic arms reduction by the United States and Russia would improve both in this town and around the world, but I'm particularly thinking about this town, the atmosphere for ratification of the Comprehensive Test Ban Treaty. We are in an absurd and disgraceful position, the United States of America, as having not ratified the CTBT. And Carlos had a stunning set of numbers which quite a number of us

wrote down, but I didn't hear a number there because we don't know exactly what it is, the number of countries including good friends and allies of the United States that have been nonnuclear weapon states that are now rethinking their nuclear options. And one way to get a handle on that problem is for us to ratify the CTBT.

Another country that hasn't been mentioned, maybe it was mentioned in passing. Yes, I'm sorry, it was, India. The Bush administration is embarking on a very, very complex bilateral relationship with India and it will get a whole lot more complex if the Indian government either under the current coalition or a successor after the conclusion of the current elections decides that that test that they did back in May 1998 wasn't totally successful or didn't send a clear enough signal to their extremely worrisome neighbor to the northwest and they test again. And that will greatly increase the likelihood that countries like Japan and Turkey, just to take two, will think about going the nuclear route. And Saudi Arabia belongs on that list too. Iran is kind of a case unto itself as we've already discussed.

MS. NULAND: Sir, down here in the white jacket.

MR. NOVIK: My name is Dmitry Novik. Before I ask a question, I'd like to make some observation.

MR. TALBOTT: Dmitry, try to keep it to a question, please, because we don't have a whole lot of time.

MR. NOVIK: Yes. My opinion is that we need to change the paradigm of negotiations and if we will continue the same -- because history does not repeat itself. It is a different situation, different players, different environment, and my question is this. Why the United States cannot put (inaudible) of the decreasing the number of its own nuclear armaments? It will be safe.

MS. NULAND: A unilateral first step is what you're proposing?

MR. NOYEV: I'm sorry?

MS. NULAND: A first American step unilaterally?

MR. NOYEV: Yes. And it will reestablish the leading role of the United States globally what we lose in Bush times.

MS. NULAND: Steve, do you want to comment on that?

MR. PIFER: I wouldn't want to exclude the unilateral step at some future point, but it seems now based on the agreement between Presidents Obama and Medvedev in London that we have an opportunity to do this together with the Russians. So I think the first focus really ought to be as negotiating a reduction to see if we can come up with a joint agreement that would reduce both U.S. and Russian strategic forces. I

would agree on your point that at some point we have to change the paradigm. I wouldn't want to do it now just because I think that makes it impossible to get a treaty in the very short timeframe that we have, but certainly if we're going to go down the path that President Obama talked about, you're going to start bringing in new types of weapons that have never been covered before with verification measures never envisaged and third countries, it's going to be a very different approach than what you've had really over the last 30 years which has been a bilateral negotiation between Washington and Moscow.

MR. KALB: The question I have, whenever we get into this subject, and I'm going slightly off the Russia-U.S., we always talk about Iran and then we talk as if we know what we're talking about that Saudi Arabia is immediately going to follow and Egypt and perhaps a few of the other "moderate" Arab countries. I'm just curious when I ask this question, what is it that we know the other moderate Arab countries are doing? Are we devoting the same kind of energy to finding out what they're doing as we are to finding out what the Iranians are up to?

MR. PASCUAL: I can say a couple of things on this, and others of my colleagues may want to. Obviously one of the most critical pieces is with Saudi Arabia and I think there is a general sense that arrangements have been made between Saudi Arabia and Pakistan that if

Iran were to acquire a nuclear weapon that the Pakistanis would quickly extend not just the technology but a nuclear weapon to Saudi Arabia, and that is one of the things that has people generally concerned and that's been sufficiently repeated in many different circles that it's become one of those juicy little nuggets of intelligence that gets tossed around a lot.

In terms of other programs throughout the region, none is quite as advanced or developed. They range from small civilian research reactor types of programs to others that are in the beginnings of some form of civilian nuclear power, and the question generally has become what kinds of incentives would be created where on the one hand, countries like Turkey or Japan, and this is extending it further, would begin to question the current nuclear doctrine where the United States essentially extends an umbrella. Would that in fact be comfortable with that or would they want to bring more of that under their own control. The closer those nuclear weapons come, the tendency has been that the more that countries have potentially wanted to in fact break out. The North Korea issue becomes particularly acute with Japan. We've seen it over and over again where the Japanese have consistently pressed on the complete denuclearization of the Korean Peninsula and have consistency argued that if this isn't done, then it will be a paradigm changer. What does that mean? How far will they go? And obviously that will provoke a

huge debate within Japan. But it's those kinds of questions that I think that all of us here would probably argue we have an opportunity to mitigate getting into those sets of issues if in fact we realize that we are at a really critically strategic moment right now, and part of that strategic momentum is on what we do bilaterally between the United States and Russia and part of it is we use that to position ourselves in an effective way to be able to negotiate a strengthening of the global nuclear regime through the NPT review process because that culminates in May 2010. So in this period right now over the next year, a lot can be done on these sets of issues that are going to have not only global significance but a real impact over many, many years to come and so that's why I think you're seeing all of us put this emphasis on get more of this done now, accelerate the process. There's an awful lot to be sure on the global agenda right now, we have a lot of problems, but this is one of those things by investing the time and energy in a way that in and of itself is a good thing strategically and for security purposes that actually can have huge ramifications that can prevent other problems that are going to be even harder to solve if they start to get out of the box.

MS. NULAND: I would just say two things on that. I think we learned an enormous and scary amount from the A.Q. Khan case in terms of actual clients and potential clients. But also as Carlos has said,

many of these nations whether they're in the Iranian neighborhood or they're in North Asia are starting to say you guys fix this or we're not going to be last ones in our neighborhood to go this direction, so that's a matter of reversing a trend. In the back there.

MR. KITFIELD: James Kitfield from *National Journal* magazine. The U.S. Institute for Peace is releasing their report today with Bill Perry and James Schlesinger and a pretty august group of people who looked at this and they split, and one of the few places they split was on the ratification of CTBT, basically saying we can't agree, this is just a step too far for this group, which raises concerns in my mind that they're reflecting some strong sentiment in the U.S. Senate that is still against this. I'm just curious, given Strobe's comments, and I agree from my own reporting that the backslide that led to the NPT -- starting with 1999 and the rejection of the Senate of the CTBT, if we can't get that done, can you talk about the politics of this? If we ourselves are the problem that cannot get this done, can we do a lot of these other things? Is that just a blip in the road or is that a game changer?

MR. TALBOTT: I'll take a crack at it. Senator Kerry gave an address at a luncheon for an arms control conference sponsored by a group of think tanks I'm going to say a month ago, easy to find I'm sure including on his website. I strongly recommend looking at the text of that,

because he addressed this, especially if it includes the Q and A, but he was pretty strong in the text itself. I'm going to talk about the politics first and then go to the science. He didn't say this, but the Democrats deserve a significant share of responsibility for what happened 10 years ago. They lost control of the process and got sucker punched by opponents of the CTBT and they should not have let that come up to an up or down vote because they didn't have the votes. The Democratic leadership plus some important Republican allies in the Congress now working with the administration are determined at least to do no harm and not to repeat that mistake which is one reason that they will probably hold off until the early part of next year.

As for the concern that you see reflected in the Perry-Schlesinger report, I can tell you that there were skeptics and indeed opponents of CTBT in the Democratic administration that several of us were part of. I guess I was the only one who was there as a political appointee, but all of us were in that administration, and it was based largely on concerns about verifiability and the science of detection. This is a highly technical issue, but people who are extremely competent technically assure me that, first of all, while the concerns were valid then, they were very strong counter arguments and those concerns should not have stopped the CTBT. But also the science of verification and

monitoring has improved considerably, and it relates back to a follow-on agreement to START. The Russians are the particular concern with retard to, guess what, cheating. Sorry to shock everybody by using that word, but there we are. And if you can get the Russians locked into a treaty-based arms control agreement that brings weaponry down to the level we're talking about including with restrictions on new types of weaponry that might need to be tested, I think it will be much harder for the skeptics to carry the day.

MR. MITCHELL: Gary Mitchell from the "Mitchell Report." I want to ask a question that I know from the outset is going to sound anti-intellectual and I assure you I don't intend it to be.

MR. PASCUAL: We'll forgive you, Gary.

MR. MITCHELL: I was struck by your opening remark, Ambassador, when you said all of have, meaning the four on the stage, have worked together in various ways on this issue for a long time, and then we had a question about paradigms. I was thinking about a remark that Chris Patton made in this room yesterday when he said, "If we want things to stay as they are, things will have to change." I wondered as it relates to I'll call it this issue, I could ask it about others in the public policy realm, whether we pay enough attention in the policy world to bringing new minds and new mindsets in on old problems, not throw the bastards

out. So it's a question specifically on this issue and I suppose generally on a larger question, and that is are there people who have not been involved in this issue but who have demonstrated strategic capacity to think about other kinds of issues that are coming in and sort of testing those of you who have been at it for 15 or 18 years, and that's really specific to this issue and I suppose more broadly too.

MS. NULAND: I think it's a super question in the sense that this is a highly barnacled priesthood, but it's not only a barnacled priesthood on the U.S. side, it's a barnacled priesthood in Moscow as well and there are certain rules to the way the rules go. But the kinds of ideas that Carlos put forward where you link some of these issues to create a larger security umbrella beyond simply nukes for nukes is the kind of thinking that I think you'll see particularly some of the 30- and 40somethings in the administration bring, and it's precisely the kind of thinking that some of them were writing about before they came in.

MR. TALBOTT: I'm going to actually jump in to make what I hope is not a truly foolish remark, but it's candid. It's a terrific question, Gary. By the way, there are some pretty darn good priestesses as well as the priests. But we are barnacled. Part of the problem is that there has been kind of a lost more than a decade really, it's not just the lost decade, where there wasn't funding, there wasn't incentive, there wasn't a public

policy rationale for smart people of any generation except for of course for Hal over there who never have stopped to keep working on this stuff.

MS. NULAND: Nuke heads aren't cool.

MR. TALBOTT: And I can tell you sitting where I do in this building that I was aware of it. I've been an admirer of this place long before I thought I'd have anything to do with it, and there were always people like John Steinbrenner. It goes back and back and back and back. Not that there weren't people working on this issue over the last several years, but Carlos, jump in here. It was hard to get funding for. And if there's not a market, as it were, among people who are going to make policy and carry out negotiations and get treaties ratified, you put your energy in other places. So there are those two problems, a generational issue and an absence of a supporting in policy environment which we have to hope will change on a dime because there isn't very much time.

MR. PIFER: I think you may see though some people getting back into this business very, very quickly. Victoria mentioned one of the 40-somethings. I think one of those 40-somethings is named Barack Obama. When I was working on this paper and I shared it with some people in the government, I think the uniform reaction I got was interesting and you ought to talk about this as a first step, they said, but pay attention to what the President said in Prague. He very much wants

to change this and move way beyond this. So the (inaudible) here was you need to have a simplified regime to get there, but I think if the President pushes on this the way he talked about in Prague, you're talking about a much different negotiation that gets to numbers beyond what people have been thinking about in the past.

MR. TALBOTT: With apologies for jumping back in, the Barack Obama point, the first time I actually saw him in action was when he had apprenticed himself to Dick Lugar and had gone to Moscow on I guess it was cooperative threat reduction. And Ukraine. Yes, Mister Ambassador.

MS. NULAND: Ambassadors.

MR. TALBOTT: But people like Dick Lugar have kept it going in the Senate.

MR. CARLOS: One thing I would just say is that I was thinking about the very same issue and we were actually chatting about it when we were outside and Victoria was reminding is that we were a little barnacled here, and we walked into this room and I thought this is actually pretty good. There are a lot of young people in this room.

MS. NULAND: I was thinking the same thing.

MR. CARLOS: If you've tolerated this for this long you must have an interest in it or think it's important, you're not doing it just because

it's a good way to pass part of the afternoon. I think that what we're seeing is that it's coming back into the mainstream of policy because there's a recognition that we are at an important stage and it is tied to a broader set of security issues. You have a President of the United States who is demonstrating leadership on it. He's giving it additional attention. And a big factor is going to be how it's treated in the bureaucracy. Young people have to see that it's a way that their careers can actually advance, but that it's going to get them into interesting issues, that it's going to get them into negotiations, it'll get them into interactions and engagement with other countries, and that it's not just going to be a job where they sit behind a desk and crunch numbers, because if that's what it feels like, then it's not going to go anywhere.

So I think that there is a chance by putting in this wider context that we are going to see a lot more excitement about it. But you're absolutely right to point to this because it does need new generations to come in to question the old assumptions, to test the precepts and to push this further because otherwise you just get locked into patterns of negotiation that eventually get you to that bad place where I think we were with the Bush administration which basically said arms control as we knew it doesn't work so we're not going to do it. We found out that not doing doesn't work as well, so now we got to find a way that actually takes us to

a revitalization of these principles and makes it a much more dynamic process.

MS. NULAND: I think we have time for one more question and then let the panel have --

MR. AGOT: Constantine Agot from Moscow. My question is to Carlos Pascual. Coming back to your suggestion on the global missile defense arrangement between Russia and the U.S., my question is, A, do you think there is any possibility that the current administration could return to revisit President Putin's suggestions or now Prime Minister Putin's suggestions made in 2007 about the use of Russian facilities in Azerbaijan which is being closed down and in Russia? And the second question, if you're talking about this massive new missile defense arrangement, don't you think it would be very difficult to convince Moscow with its current emphasis on sovereignty and bearing in mind the fact that with such an arrangement because of technology and evidence factors that Russia would be a junior partner? Thank you.

MR. PASCUAL: I'm glad to start on it. I actually didn't mention anything on missile defense and carefully avoided it throughout the whole discussion, but I'll just mention a couple of things. Victoria I think very effectively began to fame this issue on missile defense, and the only way I think that you can have an effective set of understandings on

missile defense is if you have some common agreement on the threat because if you start getting into missile defenses, the immediate question is who are you trying to defend against and who are you trying to make ineffective and inoperative? If that person is you, that's a problem. So you have to have some kind of discussion and dialogue about where these threats are going to emerge from and what can potentially be done in order to address them. So I think that's a starting point.

And I do think that as Strobe suggested that taking us back to the NATO-Russia Council is a useful thing because it's a form that extends not just between the United States and Russia but brings in other critical transatlantic partners. And I think if we can start to get a better understanding there about why we should be worried and the kinds of technological measures that are necessary in order to be able to address this, that's a starting point. Then you come to the point of addressing the solutions and you start addressing those solutions based on where you think the sources of the threat should be. Personally I don't know enough about how much was done to really test about the Azerbaijan option. From a sheer geopolitical standpoint, I think the obvious thing to say to Russia is let's form teams and look at all of these options together, and if you want this to be serious option that's taken into account, maximize the transparency, let people in there and let's have a clear understanding of

whether or not if it is a part of the system, is it going to be a part of the system that's going completely reliable? Do you have the technical capacity? And if you have information, is it possible to get it out of there in real time? If you start having discussions like that and you get a dynamic going between the United States, Russia and the other NATO partners, then potentially you can come up with solutions on missile defense that can be constructive ones. My personal view is that that's the kind of dynamic that we need to try to move toward.

MR. TALBOTT: I would just add one thing and leave the last word for Steve and Victoria, agreeing with everything that Carlos just said. I'm going to now drag out a particularly barnacled word from the vocabulary of arms control which is linkage. There has to be linkage between Russia's asserted willingness to be part of the technical military response to the Iranian threat and Russia's willingness, unambiguous willingness, to be part of the political and diplomatic side of that as well, which is to say there needs to be more cooperation between the United States and Russia in the Security Council and elsewhere. You can't have Russia simultaneously part of the problem and part of the solution with regard to Iran.

MR. PIFER: I think I would just add that it does seem to me that there are possibilities for a discussion between Washington and

Moscow on missile defense now that did not exist 6 months ago, and I'll just take the issue that has been the big point of contention which is the plan for deploying missile defense in Poland the Czech Republic. I believe the Bush administration came up with that plan because of an Iranian threat, but because of just our different calculations in Washington and Moscow as to how soon that Iranian threat might emerge. So whereas I think the most optimistic U.S. projection said the Iranians might have that missile in 2015, I think the Russian projection was much longer and the Russians say if the Iranian missile threat emerges only in 2018 or 2020 and the Americans plan to have this system operational in 2012 or 2013, it must be about us. I think that was a wrong conclusion on the Russian side, but I think that's a conclusion that many Russians came to, and I can understand how they came to it. But it does seem to me that there has been a shift in that if you look at the way the Bush administration talked about this deployment in Central Europe and talked about how it wanted to move forward, it was hard for me to see if there was anything that the Russian side could have done to change those plans. And we saw when then President Putin put forward the idea of the use of facilities in Azerbaijan, the Bush administration said, yes, we'll take that, but we'll add it to the plan to deploy in Poland the Czech Republic. I think this administration while it said it will go forward with missile defense if it's

workable and appropriate to the threat though, has laid out a position that creates an opening and I think it was most obvious when the President himself said that if that missile threat in Iran goes away, do you need this? That's a degree of flexibility and you didn't see 6 months ago and I think the signals are such that the missile defense issue ought to be not an easily solved question now, but it ought to be an issue that can be more productively discussed between Washington and Moscow than was the case in the previous administration.

MS. NULAND: I'm the one who raised linking missile defenses. I think you will see I hope if Moscow is willing a new discussion about linking existing radars, not only Russian and NATO allies, but also U.S. and Moscow radars. We've been trying to do this with Moscow over three administrations now. It was with the Clinton administration that we first tried to have a shared radar picture through this JDEC (?) center and I think that's the first step for creating trust that we can work together on this issue when we're actually all seeing the same threat picture from Iran or anywhere else and it will form if we can get there a good platform for further work.

With regard to being a junior or majority partner, the beauty of missile defense is on the radar side you can own them nationally, you can share them multinationally, and with regard to the defensive piece of

it, the interceptor, it only launches if in fact there is a threat which you've all agreed to defend against. So I think it's a great potential area for cooperation. Last thoughts from the panel? Strobe?

MR. TALBOTT: I think we're fine.

MS. NULAND: Thank you all for joining us, and to be continued.

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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

/s/Carleton J. Anderson, III

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