

**CARNEGIE INTERNATIONAL NONPROLIFERATION
CONFERENCE**

WHITHER U.S.-RUSSIA RELATIONS?

WELCOME AND MODERATOR:

PETER BAKER,
THE NEW YORK TIMES

SPEAKERS:

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U.S. STATE DEPARTMENT

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EMBASSY OF THE RUSSIAN FEDERATION

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PETER BAKER: Well, I told Jessica before this event I was sorry she couldn't get much of a crowd. (Chuckles.) She told us that there are representatives from 46 different countries here, obviously all with great interest in what's going on. The timing couldn't be better; we've just had the London meeting between the Presidents –

Thank you very much for being here, great timing for this event. We've just had a meeting in London between Presidents Medvedev and Obama, followed by the speech by President Obama about arms control. A lot of things to chew on here. It was very convenient, I thought, of Jessica to arrange with the North Koreans to shoot a rocket just to keep the timeliness of the conference going.

We're going to try to have a conversation here – (laughter) – Ambassador Kislyak said before coming up here that he wanted to avoid long speeches so we're going to have a dialogue if we can for about a half an hour and then take a few questions from the floor if we can. I'm Peter Baker, I'm from the New York Times, I cover the White House, I used to be a Moscow bureau chief for the Washington Post, none of which prepares me for asking questions about arms control. (Laughter.)

Fortunately we have a couple of experts here with us; we have Sergey Kislyak, who is Ambassador to the United States from the Russian Federation. This is not his first stint in the United States, he's been working for the Russian foreign ministry since 1977 I believe, was posted here in Washington and at the United Nations. Been ambassador to Belgium and NATO, served in a variety of capacities including director of the department of security affairs and disarmament, which obviously gives him a certain background that'll be important to us today.

On the other side we have Rose Gottemoeller, just confirmed, just sworn in yesterday I believe as assistant secretary of state. (Applause.) Obviously a stranger to many of you here – (laughter) – just back from Moscow as director of the Carnegie Moscow Center, veteran of the Energy Department and National Security Council in the Clinton administration where she helped work on the denuclearization of Ukraine, Kazakhstan after the fall of the Soviet Union, and the chief negotiator on the upcoming replacement treaty for START, which will be getting along soon I think.

So let's get started, we're going to have to try to keep answers and questions very short if we can. President Obama spoke in Prague just a couple of days ago about taking steps toward a world without nuclear weapons. He said in acknowledgement that this may seem an impossible thing to achieve. Is it?

(Laughter.)

ROSE GOTTEMOELLER: Well – (laughter) – I must take of course the words of my President at face value, and I do think that his speech in Prague was a real milestone. I think he articulated very clearly the goals of this administration with regard to nuclear arms control and reduction. And I think he also sketched out an agenda that is a challenging agenda, but I think it is an achievable agenda. It is one that we can certainly advance in the first four years of an Obama administration, if given the opportunity in another four years of an Obama administration.

But I think the key point is to set the trajectory in a positive direction and to start moving and that's why I'm so pleased that within a very short time, I together with my Russian colleagues and Ambassador Kislyak, will I'm sure, be contributing his wisdom and advice to the process will be beginning START follow-on negotiations. So in general I've got a great, great mood at the present time.

(Laughter.)

BAKER: Ambassador Kislyak, North Korea's rocket launch the other day, does that make the idea of eliminating nuclear weapons seem unrealistic given that there will always be actors off the stage who don't necessarily agree to the things that you and Secretary Gottemoeller might eventually agree to?

AMBASSADOR SERGEY KISLYAK: Unrealistic, no; but it's going to be difficult and it's a difficult trajectory that needs to be pursued in order to achieve this goal. I would like to remind you that my President has addressed the CD in Geneva through the message that was read out by my minister a month ago, where he also was speaking about the noble goal of pursuing a world free of nuclear weapons.

But we all understand that it's a difficult task because a lot of things need to be done in order to ensure that while, first of all, the two big nuclear powers pursue nuclear reductions and hopefully in the future the others will join in, the others wouldn't be creating nuclear weapons elsewhere. So it's something that needs to be pursued in complex and fully understanding the immensity of the problem, we are willing to embark on this together with the United States and other countries that feel responsibility for the stability of this world in the future, thank you.

BAKER: The first step anybody is talking about, of course, is a replacement treaty for the START-1 Treaty which expires on December 5th of this year. Presidents Obama and Medvedev got the ball rolling in London and they said they wanted to have a new agreement by December 5th. Is this possible and is there a timetable that either of you want to talk about, about how we might get to this? It's a very, very short amount of time for a major, major agreement.

AMB. KISLYAK: If you ask me whether it is possible, I think yes; is it going to be easy, no. There are a lot of things that we need to learn from our American friends and here once again I want to congratulate Rose for swearing in as the assistant secretary and congratulate ourselves because from now on we have an interlocutor who would explain us as to what the United States are willing to do – (laughter) – in pursuing the arms reduction.

So we are looking forward to this dialogue, I hope it will start within weeks to come if Rose agrees. And we start anew. We had a long discussions with the United States on follow-on to START and, at that time, as a deputy foreign minister, I was co-chairing joint commission with the United States. And my experience showed that we were talking past each other rather than to each other on a number of important things, basically trying to understand what it is that both the United States and Russia want to see functioning after the treaty expires on December 5th.

When you ask whether there are timelines, of course it is already imposed on us by the virtue of the existing treaty expiration on December 5th. We need to have a follow-on that will be ready before that and that will be also agreed with the respective parliaments. So it's a tough call. But I

think, at the same time, that the current START has proved to be an efficient document. We have accumulated a wealth of experience in how to implement it.

So for the follow-on, you certainly might wish to expand the horizons in terms of trying to find out esoteric ways of verification and so forth, but focusing on real things that need to be done I think is doable. Focusing on things that can be capitalizing on the experience gained I think is feasible and we are willing to pursue that.

BAKER: Secretary, do you have a work plan in mind at this point for how you intend to begin the talks? The Presidents, I believe, said they wanted a report back on progress by the end of July – that's pretty soon.

GOTTEMOELLER: Well, I'd like to first of all say that I was very glad to hear what Ambassador Kislyak had to say. I think in large measure, I agree with everything he had to say just now. And I did want to point out for the group as a whole, I think it's very important to pay attention to what our two Presidents agreed last week in London – the instructions that they issued to the negotiating teams – President Obama, President Medvedev. I think it is worth a careful and close reading because it does lay out, I think, the basic structure that we will be pursuing in the negotiations and also I think places a burden on the shoulders of the negotiators but in a positive way.

It's always extremely positive when you have that kind of presidential impetus. It gives notice to both governments that we don't have any excuses. The Presidents have given a clear tasking – they want this done and we need to move forward. I think that – I agree, once again, with Sergey. I will underscore that this is a difficult task, but it's a doable task. So we need to keep our eye on the prize over the next six months and we need to work carefully.

We're also benefited by the fact that the ministers will be getting together – Secretary Clinton, Minister Lavrov; the Presidents will be meeting in July. Those of you who have been negotiators know that having these kinds of milestones to work toward is always extremely valuable because it pushes both bureaucracies, but I would say in a positive way.

The very last comment I'd like to make on this score is, with regard to work plan, you know, if things aren't going well, you can't rush to the finish just to get something done. And I want to make it clear that from the perspective of the United States, we will do what we have to do to get this negotiation done, but as Secretary Clinton said when she went before the Congress for her own hearing, she said, if necessary, we will look for ways to find more time for the negotiators. So just bear that in mind as well.

BAKER: You've been sworn in I think at least 24 hours – do you have a meeting set up yet?

(Laughter.)

GOTTEMOELLER: Actually, I was very, very pleased that my counterpart rang me yesterday to congratulate me. We have already a good working relationship and we've already started discussing the dates for our first meeting. So, yes, we're on the road.

BAKER: Now, how extensive do you imagine this treaty being? Is this simply taking what exists and has existed for 15 years and tinkering, updating – or do you imagine this to be a fairly significant rewrite?

GOTTEMOELLER: Well, as stressed in my own remarks, the instructions from the President really focus on taking account of the experience of START-1, but I don't think the document is going to be a kind of mere replay of START-1 by any means. And again, Ambassador Kislyak mentioned that we have a lot of experience to take advantage of. So we will do that, but in areas where we need to plow new ground, we will do so.

BAKER: Now, Ambassador Kislyak, in an interview with Arms Control Association in December, you said, I think, that any follow-on to START-1 would have to include new limits on delivery vehicles – that was very important. Do you imagine that being part of this process that would conclude by December or part of a process that would extend after this treaty which the Presidents envision for a broader agreement on arms control?

AMB. KISLYAK: Well, as far as we are concerned, it needs to be a part of the follow-on agreement. And my understanding is – and I hope Rose will correct me if I'm wrong – that the way the current administration of the United States sees this process as a follow-on to current START. We believe that for the new agreement, we need to pick up what is good and still valid and still important from the experience gained and to continue it – maybe developing – (inaudible) – controlling, modernizing.

But once again I want to underline that it needs to have the same structure – not in terms of the paragraphs and articles, but in terms of concepts. The START-1 limits delivery vehicles and weapons and it needs to continue in the future. Otherwise it will be a big disservice for the arms control in this sphere.

BAKER: I believe Russia has complained in the past that some of the inspection regime of the START-1 is antiquated – that there are perhaps too many inspections that are not as needed anymore as there might have been. Is this something that you would want to be addressed in this discussion?

AMB. KISLYAK: Well, I'm kind of reluctant to start negotiating right now.

(Laughter.)

GOTTEMOELLER: Yes – thank you.

(Laughter.)

AMB. KISLYAK: As a generic assessment that START-1 is that thick of a document. It has very elaborated procedures for almost everything under the moon when it comes to reductions of nuclear arms. It was an agreement that was developed for the first time in our history with that specificity of details, including arms control. During years and years of implementation we have acquired a wealth of experience – and mind you, we have completed the reductions under the treaty in 2001 I think.

So it was done and a lot of things that had been envisaged in the agreement have been fully implemented, sometimes proved to be a little more redundant when the reductions have been completed. Moreover, we have developed a wealth of experience working together. I would say we have developed a culture working together in reducing strategic nuclear arms. What we almost a little bit – I wouldn't say lost, but we've lost a culture of negotiating seriously recently.

It needs to be restored, and I think we are learning fast and we are willing to engage very, very seriously and energetically. But what I'm saying about the implementation of the treaty, we have bureaucracies on both sides that know what to do, they know how to do it, they have gained experience almost on everything – how to meet people, how to conduct inspections, how to seal things. And it's not a new revelation that we will face when we will restart these negotiations.

We can approve it, we can pick up what proved to be useful, doable and still pertinent for the next generation of START, but it's something that Rose and Ambassador Antonov will seek together, most probably, pretty soon and identify where our assessments coincide. And inasmuch as we can do it together in the very first stages of this negotiation that would certainly simplify the further work.

BAKER: Now, in addition to START, of course, the other major treaty governing strategic arms, at the moment, is the Strategic Offensive Reductions Treaty negotiated and signed by Presidents Putin and Bush in Moscow in 2002. You wrote, I think – Secretary Gottemoeller – in an article last year with Alexei Arbatov that in some ways – you don't love that treaty – but in some ways, you find it a more applicable treaty to the modern culture than START, which was drafted and negotiated during the Cold War.

One of the major differences between these two treaties, of course, is how we count warheads. The Bush Treaty counts operationally deployed warheads and as Ambassador Kislyak was alluding to, the START treaty counts, in effect, delivery vehicles which limit warheads – accountable warheads. How do you see this next replacement treaty addressing that issue?

GOTTEMOELLER: Well, first of all, let me make a general comment about the legacy that President Obama inherited. I was very glad yesterday to see when Jim Steinberg, the deputy secretary of state, spoke here that he spoke very positively about the Proliferation Security Initiative, the counterterrorism initiatives and the important work that the Bush administration did over the past eight years. I think that is a very important legacy and is one that President Obama and his entire team are happy to embrace.

I would also point out that I think that there is certainly value in the arms control agenda that President Bush pursued. You will note that in the instructions from the Presidents, we talk about using the reductions – looking at the reductions that have been reached up to this point under the Moscow Treaty and trying to pursue lower numbers in the coming negotiations. So certainly, I think this team recognizes that the Moscow Treaty was instrumental in bringing our two nuclear arsenals to lower numbers.

So I wanted to really – to stress that message for this group as a whole. We have some valuable things to build on – not 100 percent, but we certainly have some valuable things to build on. Again, I'd just refer you back to what the President signed up to last week. It's going to very valuable instructions for the negotiators. The subject of the new agreement will be strategic

offensive arms, and that includes ICBMs, strategic submarine launch ballistic missiles, bombers and the warheads that are associated with them.

So we do have, I think, a solid basis to move forward in the negotiations and it will be somewhat different in concept from the Moscow Treaty, but I think will be a valuable way to link together two legacies – the legacy of the START-1 treaty and all that it has been able to accomplish and the legacy of the Moscow Treaty and what it has accomplished.

BAKER: Do you interpret the instructions that you received from the Presidents to exclude the issue of missile defense as a topic of discussion for this particular negotiation?

GOTTEMOELLER: Well, missile defense will certainly be a topic between the Russian Federation and the United States of America. There's no question about that. You will have noted that there was a general statement that came out as well from the London talks that listed the broad array of issues that are on the bilateral agenda – excuse me. We have, I think, a very meaty agenda ahead of us.

And missile defenses and cooperation on missile defenses – that was a clear theme in that broad statement. So I do think that there will be discussions on that issue between our two countries and I think that we can make some significant progress on that issue in the coming years.

BAKER: But would that be within the START framework or would that be a separate track?

GOTTEMOELLER: I think that we will have a kind of broad-ranging discussion on strategic issues that will proceed on a separate track.

BAKER: Ambassador, I ask you the same question. Do you believe that missile defense is critical to coming up with an agreement to replace START?

AMB. KISLYAK: Well, I think that the missile defense is an important issue that needs to be certainly factored in, in all the debates with the United States on strategic stability. And I agree with Rose that we have formats where we discuss things in all its inter-relationship. Whether it is absence of agreement on START – on BMD, whether it's a showstopper for the follow-on to START, I would say no. But at the same time, we certainly want the United States to understand better how we feel about it and what are the limits of possible if the BMD-related issues aren't resolved in a way that would be improving stability, at least for Russian Federation.

On BMD, we are going to have an interesting discussion, I hope, in the future. We sense that the American administration is willing, at least, to engage in serious discussions. We welcome this. We are looking forward to these discussions because things that have been developing so far were of great concern to us. We do share the concern about the proliferation of ballistic and nuclear threats and the real possibility of it.

And it's something that we share with the United States, and we have been working with the United States on nonproliferation persistently during all these years – ups and downs in our relations, with less or greater degree of cooperation, but we have always been on the same tracks and pursuing the same goals in nonproliferation. We differ, usually, on tactics.

And I would say that even on ballistic missile-defense issues, in NATO we had proposed long, long ago to sit together and to think together as to what can be done in order to protect all of us – all of us in Europe – against possibility of proliferation of ballistic missile threats that would be threatening to our respective countries.

We failed to get a kind of discussions that would be respectful to our interests, that would be organized on an equitable basis. We saw decisions made without any taking into account our interest and I would say that maybe the goal that was set in order to pursue ballistic missile-defense programs was understandable, but the decisions made were wrong, as far as Russia is concerned.

BAKER: Now, prior to the summit, President Obama wrote a letter to President Medvedev – they exchanged letters. In the letter to President Medvedev, President Obama pointed out that if there was no Iranian threat, there was essentially no real need for missile defense, and the point being – while not – saying it's not a quid pro quo, the point being that if Russia and the United States together could do more to stop Iran from developing the types of weapons that the missile defense was intended to counter, the Obama administration would be willing to rethink the deployment in Czech Republic and Poland.

AMB. KISLYAK: I don't believe that I have seen anything that would suggest that the President of the United States had proposed a quid pro quo.

MBAKER: He said it was not a quid pro quo.

AMB. KISLYAK: No. We –

BAKER: But there's an obvious linkage.

AMB. KISLYAK: Maybe, but we need to understand him better. As I said – first of all, I do not see any threat to the United States coming from Iran any time soon. I do not believe that any threat from Iran will appear in reality. That's why we tried to assess what was planned to be deployed in Europe in terms of BMD as something that didn't have a threat to counter. That was placed in a way that wasn't covering all of NATO countries and it didn't accomplish at least a single stated goal that we were told was the reason to deploy.

If that was the case, that means there was something else behind this and we also can count ballistics, we can count trajectories, and we also understood that all the intercepts that we were told about would be happening over our heads. And we do not feel that that kind of deployment would be increasing stability in Europe and it will be increasing our sense of security. That's why our reservations – very strong reservations about the way these decisions were made.

As to the linkage with the Iranian trade, as I said, we need to work with Iran in a more productive, serious way because I do not see any serious solution to the question of returning the credibility to the nuclear energy program of Iran except for working through diplomatic channels. That is the way to pursue and we are very much encouraged that the current administration seems to be thinking, at least, about that engagement on this political track and something that we had been soliciting from the United States for quite a long period of time. And we are looking forward to working together on this issue – BMD or not.

GOTTEMOELLER: Peter, could I just have a word on this issue? President Obama has been very clear that there are three factors that affect U.S. thinking about the European sites. One is the effectiveness of the system – whether it works or not. The second is cost effectiveness – how much it costs. And the third is the threat from Iran. But I do want to stress – and really it comes back to a point that Sergey was making about what kind of work was being done on European missile defenses in the NATO-Russia Council.

We had some very, I would say, productive interactions in the NATO-Russia Council on European theater missile defenses with the Russian Federation. And I think that's a model – that's an example of the type of cooperative efforts we should be considering now together with the Russian Federation. But the notion, somehow, that if the Iran threat goes away we will no longer have reason to think about missile defenses in Europe I think is a wrong notion. Of course, we are looking at the difference between national defense, theater defense, the lines get blurred.

But I do think it's very important to consider how we would like to be working with our NATO allies, how would we like to continue working with the Russia Federation on the development of missile-defense technologies that could serve those kinds of theater defense missions.

AMB. KISLYAK: Can I add a word on this?

BAKER: Please.

AMB. KISLYAK: On the cooperation in NATO with us on BMD, yes, I agree there was a rather successful program – joint program – between NATO and Russia that was a limited scale. But the beauty of this program was that there was a clear-cut, well-defined purpose as to why we work together. So the logic was, we have a joint goal, we agree that we want to bring our capabilities together and we start working on bringing capabilities together.

So the joint purpose for this small program that we had and proved to be successful was to find out whether we – Russia and the United States, if asked to send peacekeeping troops somewhere in the world, can send them in a way that they will be protected from any ballistic missile threat. And it was well-defined, it was about working jointly, it was well-organized in a mutually respectful way where our specialists were thinking together from the very inception of the program and they were doing things – conducting tabletop exercises of the stuff which are done together.

And they proved to be quite capable of doing this together. And at least Russian military know it for sure, that they are pretty comfortable that if they are asked to do it together with NATO countries – to protect jointly deployed forces, they know how to do this. They understand what is feasible, they understand what needs to be prepared, how to interact and in this respect it was a good model.

But that was focused on things that we agreed upon – that was organized in a way that was equally taking into account mutual interests. It was organized in a way that we were working on this together – joint teams. When it comes to general debates on the ballistic missile defense and NATO-Russia Council, so far what was happening, effectively we were told you Russians are certainly welcome to contribute whatever you want to think about it, but you will be waiting until we

decide what NATO wants to do. And then you will be told as to how you can help us in implementing what NATO decided to do.

It's not exactly the way it worked with Russia on joint programs to ensure common security and stability in Europe. So what I have stressed from the very beginning I would like to stress once again, that if there is a willingness to work through NATO with us on this issue or any other security issue – I would underline any other security issue – the logic needs to be, we identify a challenge and, granted, there are so many challenges that are equally threatening NATO and us.

And if we are identifying a challenge that is coming to us and NATO, if we have a joint decision that we want to do something together, then we need to organize things in a way that it will be a joint structure with joint participation, joint responsibility and joint decisions, which has yet to be achieved in NATO-Russian dialogue.

BAKER: Let me ask – we need to move on to questions in a second, but let me ask about that. Do you think the Obama administration would be more open – more willing – than the previous administration to a joint ballistic missile-defense system of the sort that President Putin, when he was president, proposed in Kennebunkport, for instance, and before that in Europe?

GOTTEMOELLER: Well, the President, you know, has just come – or he's on his way back from Europe with a stop in Iraq today. He, I know, has had extensive discussions with our NATO allies. I know the view is that we have serious differences with Russia. They are not a secret to anybody, but we need also to find ways to work with Russia on matters of mutual interest. And that goes for not only the United States of America but our NATO allies as well.

So I am sure we will be looking for ways to reopen discussions on these issues. I heard frequently in Moscow while I was there the very complaints that Sergey has advanced for all of you today. So I know it is a serious matter for the Russians. I think we just need to look for ways to work through these problems. And my experience has been that, yes, indeed, when you can sharply define the tasks, the missions, what you are trying to achieve, that you are helped along the road.

So let us hope that we can get into a more positive place – again recognizing the serious differences that we will continue to have on certain key issues such as Georgia, Ukraine, future membership of NATO and so forth. These are all topics probably beyond the purview of our discussions today, but we could have a whole another seminar on that topic, I'm quite sure.

BAKER: I've got pages of questions here. They have asked me, though, of course, to open it up to the audience. I would like to do that. Why don't we have people come to these two microphones, one there and one there? We only have a few minutes because they want to move on to the next program but we'll go ahead and get this started. Let me ask a question while people come up.

President Obama said beyond START, he said that he wanted further negotiation next year that would seek to include all nuclear-weapon states in this endeavor; that was his Prague speech. Who does he have in mind? Does he mean five long-standing, traditional nuclear-power states, nuclear-weapon states? Does he mean Pakistan and India and Israel?

GOTTEMOELLER: Well, I think it's long been known by experts in the nuclear arms-control arena that, eventually, the other nuclear-weapon states under the NPT would have to be drawn into a process – to consult, to discuss, to begin with on what our mutual interests would be now as the President has clearly articulated that the United States would like to develop an agenda, a way to move towards zero, the elimination of nuclear weapons. That process, the way it is defined, the way we will begin to consult with other nuclear-weapon states will be a very, very important overall new area to examine and explore.

I think certainly the five nuclear-weapon states under the nonproliferation treaty are going to be important subjects for that discussion. We have other states with nuclear weapons now, some of which, like India, have said in the recent periods as they have been taking on some new responsibilities in the nonproliferation regime as they have agreed with us on an Indian nuclear deal. They have articulated a willingness to be involved in important aspects of the nonproliferation regime.

So I think it will be a long-term goal, a long-term effort and one the current contours of which are not exactly known at the present time.

BAKER: Unfortunately, nuclear nonproliferation doesn't lend itself to lightning rounds, but let's try and see if we can get a few quick questions in and a few quick answers. Do you want to start one over here?

Q: Thank you very much, Bill Potter, Monterey Institute. First, Rose, it's great to be able to address you as Madame Assistant Secretary so my congratulations. I think both you and Ambassador Kislyak managed to avoid two topics that one might argue are linked very closely to the ceilings with respect to strategic arms – and that's nonstrategic nuclear weapons and advanced conventional arms.

So I'd be curious if either of you or both would like to comment about the relationship of those systems to the ceilings that are likely to be negotiated in the follow-on treaty to START and how they might be captured in the future if not through the START negotiations.

GOTTEMOELLER: Clearly conventionally armed long-range strike systems are of great concern to the Russian Federation. Again, this is thanks to my experience as director of the Carnegie Moscow Center I frequently heard concerns expressed by retired and sometimes active-duty military people who would be present in sessions. So I know it's of great concern and a long-term concern. So I think we will have to address it in the START follow-on negotiations and beyond.

As to nonstrategic nuclear forces, the President, again, has clearly voiced that this is an area that should be part of our agenda of nuclear policy. My own view is that the immediate START follow-on negotiations will not be the area where that issue is immediately pursued, but I certainly believe we should begin exploring the issues with the Russian Federation and decide how to fit that into the agenda.

AMB. KISLYAK: When it comes to nonstrategic nuclear weapons, I would say that if you decide to move to the world free of nuclear weapons, at some point it needs to be dealt with. But why don't we deal with strategic weapons? We have enough work to do now to focus on things that are doable because when you go to substrategic, there will be a lot of other things that needs to be

entered into the play. It needs to be discussed, needs to be worked out, the imbalances in conventional weapons, appearance of new systems that maybe are non-nuclear, but designed to do the same job.

So we need to have a somewhat better, more comprehensive discussion as to how to deal with this issue in the pursuit of the world free of nuclear weapons. But first things first and the first thing is how you do about START; and it expires on December 5th.

BAKER: All right, lightning round, here we go.

Q: We're disarmed already. There's no microphone!

BAKER: It's coming I think behind you.

AMB. KISLYAK: It's a kind of ballistic missile defense.

BAKER: (Chuckles.)

Q: Thank you very much. I'm Professor Wayne Glass from the University of Southern California, veteran of the wars on the Hill working for Senator Bingaman. Again, Rose, congratulations. We're all proud of you and pleased for our relations with the Russian Federation that I think are moving forward.

As a veteran of the Hill, on the missile-defense issue, I was pleased to hear recent discussions take a turn in the tone of the discussions about our willingness to communicate with each other at least about this sticky and complex issue. I also remember the Russian-American observation satellite program, a cooperative missile-defense program signed by both Presidents Clinton and Yeltsin in the 1990s – now in the dustbin of history, I suppose.

I think there's some lessons learned from this program and I would urge, as our conversations between the United States and Russia moves forward, not to lose track of the potential for good and how the bureaucracies can mismanage these programs in a way that ultimately leads us in the opposite direction of where we want to go, which is to say that, certainly in the case of the United States, I would hope at high levels of the Obama administration there are mechanisms to monitor the implementation of certain policy decisions as they take form into programs to make sure that, in fact, we are going in the direction that the President set.

So I guess, Rose, my question to you is, do you have a sense of the Obama administration and its oversight of implementation or is it too early to even think about that? I would hope not.

GOTTEMOELLER: Well, I can tell you, from what I understand of the President's intentions, certainly my Secretary's intentions and the way I see the National Security Council taking shape now, that there will be a great deal of intense focus not only on policy formulation but also on producing results on the implementation side of things.

So I'm actually feeling rather optimistic on that score. But I do acknowledge the problems that have emerged historically and even during the administration of President Clinton when I was

last in government. But, nevertheless, I think there is a firm focus now not only on policy formulation but implementation as well.

Q: Thank you, Rose.

BAKER: Well, we only have time for really one more question, I'm afraid.

Q: Dan Horner from Arms Control Today. The two Presidents indicated they wanted to move ahead with the 123 agreement for nuclear cooperation. But when that agreement was submitted to Congress last year, there was a lot of skepticism because of concerns by members of Congress over Russia's perceived lack of sufficiently strong assurances that no sensitive technology was going to Iran and perception of insufficiently strong support for U.N. security council resolutions.

What progress or changes have been made in the last year on those fronts? Are they enough to address those concerns by Congress? And, if not, would you be willing to accept conditions along the lines that were proposed in Congress last year? Thanks.

BAKER: Do you want to –

AMB. KISLYAK: I hope it's not question to me.

BAKER: Well –

Q: For both, please.

AMB. KISLYAK: Because I can't comment on the 123 agreement or of its importance. You know, we have embarked with the United States on a number of joint projects. One of them just by way of giving you an example was an initiative by the Presidents to work together in order to develop kind of good, positive offer to the developing countries who are aspiring to have nuclear energy whereby we are offering the idea and if we are working on it, whether there is an agreement with the United States or not.

And we are building an enrichment center that would be multinational and we have a number of states that have already joined us and I hope it will be expanding. We are thinking about creating a fuel bank that would be governed basically by the IAEA in order to give a reassurance to the developing countries that they are not going to be discriminated against on political grounds, that the access to material will be granted for them. So we want to develop this mechanism.

The U.S., at that time, were willing to work on the other part of the fuel cycle with GNEP being part of it and some other things. I do not know where this administration stands now on GNEP, but, basically, what was one of the ideas that we will join forces, we are focusing on kind of beginning of the nuclear fuel cycle; in U.S., they are focusing on the other. And jointly we can work together to reinforce each other and to be able to bring into play other important countries and to offer something that would be reassuring to the developing countries that all of these nonproliferation requirements are not gimmicks to deprive them of their rights, but, vice versa, we want them to be able to enjoy the benefits of the nuclear energy in a normal, reliable and stable fashion.

But in order for us to be able to work with the United States, especially on the new technologies where we can contribute a lot – and we can benefit a lot from joint programs – we have to have a legal framework for this because the U.S. has very particular legislations that doesn't necessarily promote technological cooperation with Russia.

And we have encountered in our past history a number of cases where some simple project of technological cooperation was stopped or prevented from happening just because there was a lack of legal framework. So 123 was important for us in order to make it possible to work on these programs jointly.

So when we negotiated the agreement, we thought that it was also in the interest of the United States. And if it is in the interest of the United States, they need to ratify it, full stop and not advance new conditions in anything, especially the conditions that you refer to that are absolutely irrelevant to 123 and they are taken out of the blue for us.

BAKER: We are out of time, but I think I want to let Secretary Gottemoeller have a crack at that last question, if I could.

GOTTEMOELLER: Well, it's very clear that the 123 agreement will be important to the future of U.S.-Russian cooperation on nuclear energy, just as Ambassador Kislyak said. So I hope that this is an agreement that can be fairly quickly brought before the Congress again, but I think that we also have to take account of the difficult issues that confront the agreement on Capitol Hill.

So it will have to be slow and I think deliberate process of consulting and talking to the Congress about it. But I, myself, I'm optimistic because I think the agreement is in the interest of both the United States and the Russian Federation. So I hope that we can get it in place because, just like Ambassador Kislyak, I see a very positive potential agenda for U.S.-Russian cooperation on nuclear-energy technologies.

So I hope we can get there and before too long, but I think due diligence is required.

BAKER: Okay, well, thank you very much. I think we've seen a little perezagruzka here, maybe onstage.

AMB. KISLYAK: But not peregruzka. (Chuckles.)

BAKER: Not peregruzka. A friend of mine told me the real Russian word for "reset" is reset. Thank you very much, Secretary Gottemoeller, Ambassador Kislyak. Thank you to Carnegie for having this very interesting session today.

(Applause.)

JESSICA MATHEWS: I want to – before we let them go, I – this was really a model conversation between two high-level government officials.

AMB. KISLYAK: And it wasn't staged.

(Laughter.)

GOTTEMOELLER: We didn't rehearse.

MATHEWS: And I wanted to extend our thanks to you, Ambassador Kislyak, for your knowledge, for your candor, for your forthcomingness. This was terrific. To Peter, whose preparation for this showed why he's a fixture on page one of the paper record.

BAKER: I'll post the rest of the questions online.

(Laughter.)

MATHEWS: Okay. I also just wanted to briefly say one other thing. Many, many people have stopped me in the last two days and said, congratulations on being so timely. In the last several weeks, it has appeared that as the administration first decided to give the speech we thought belonged here in Prague it was tricky to work out. And there are many, many fewer people than there usually are in an administration and they're scrambling to make an awful lot of policy. They had a few other things on their mind than the 2009 Carnegie International Nonproliferation Conference.

A great many people were awfully helpful in making sure that we had a senior official here yesterday and the message that you all received, the personal message from President Obama. One who is with us today is Gary Samore, who is the White House coordinator for arms control and WMD terrorism. So, on behalf – I'm thanking you with all of your colleagues in your person for all of the help that you gave us to make this conference a success. Thanks so much.

(Applause.)

(END)