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S E C R E T SECTION 01 OF 04 ASTANA 001541

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SUBJECT: KAZAKHSTAN: A KEY PARTNER ON NON-PROLIFERATION

REF: A. A. ASTANA 00607

B. B. ASTANA 01090

C. C. ASTANA 01164

D. D. 08 ASTANA 01867

E. E. 08 ASTANA 01648

F. F. 08 ASTANA 01649

G. G. ASTANA 02232

H. H. ASTANA 00200

I. I. ASTANA 00623

J. J. STATE 76904

K. K. ASTANA 00521

L. L. 08 ASTANA 02298

M. M. 08 ASTANA 02316

N. N. ASTANA 00254

Classified By: Ambassador Richard E. Hoagland, 1.4 (b/d)

1. (SBU) SUMMARY: Kazakhstan is a full and supportive partner of the United States on countering proliferation of weapons of mass destruction (WMDs). Kazakhstan actively participates in many international counter-proliferation organizations. Recently, it sought to enhance its role in non-proliferation, requesting to join the Missile Technology Control Regime (MTCR), volunteering to host a nuclear fuel-bank, and developing its uranium and nuclear industries. Kazakhstan's leaders consistently reiterate that non-proliferation, especially through the Cooperative Threat Reduction Agreement (CTR), is a fundamental pillar of U.S.-Kazakhstani relations. The United States and Kazakhstan have decommissioned reactors, secured borders, and built safe scientific laboratories. In 2009, Kazakhstan ratified the extension of the CTR Agreement, resolved issues related to customs and taxes on technical assistance, provided a first tranche of funding for the spent-fuel project, and moved ahead of schedule on securing the Semipalatinsk Test Site. Now, Kazakhstan must allocate additional funding for the spent-fuel transfer program and strengthen border protection and legal controls to prevent proliferation. END SUMMARY.

HIGH-LEVEL COUNTERPROLIFERATION SUPPORT

2. (SBU) In every possible forum, high-level Kazakhstani officials praise non-proliferation as a cornerstone of our bilateral relationship (ref tels A-C). On June 18, Nazarbayev organized a massive memorial event on the 20th anniversary of the last nuclear test at Semipalatinsk (ref B) at which he thanked the U.S. and Russian governments -- represented by their Ambassadors -- for their assistance in the field of non-proliferation. Nazarbayev also urged adoption of a new universal non-proliferation treaty, proposed a prohibition on any improvements to existing nuclear arsenals, and advocated the United Nations designate August 29 -- the date on which he closed the test-site in 1991 -- as World Non-Nuclear Day. Kazakhstani officials have subsequently aggressively sought support from other nations, particularly the U.S. and Japan, for this proposal.

ACTIVE PARTICIPATION IN NON-PROLIFERATION ORGANIZATIONS

3. (SBU) Kazakhstan actively participates in the International Atomic Energy Agency (IAEA), the Nuclear Suppliers' Group (NSG), the Proliferation Security Initiative (PSI) and the Global Initiative to Combat Nuclear Terrorism (GICNT). Kazakhstan hosted the Global Initiative to Combat Nuclear Terrorism's senior-level Plenary Meeting in June 2007, conducted two working-level exercises in 2008 (ref D), and is considering hosting additional activities in 2010. Within the NSG, Kazakhstan supported U.S. government initiatives on civil nuclear cooperation with India and enhancement of controls on transfers of enrichment and reprocessing (ENR) equipment and technology. It has signed the Nuclear Non-proliferation Treaty (NPT), the International Code of Conduct Against Ballistic Missiles (ICCBM), and the Biological and Toxin Weapons Convention (BTWC). In 2001,

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Kazakhstan ratified the Comprehensive Test Ban Treaty (CTBT) and has hosted four exercises, most recently a large verification exercise in 2008. Kazakhstan also led efforts to establish the Central Asian

Nuclear Free Zone in 2006. In February 2009, Kazakhstan expressed its strong interest in joining the Missile Technology Control Regime (MTCR).

QUIETLY SUPPORTIVE ON IRAN

4. (S) Critical due to its large volume of uranium production and geographic location (reftels E-F), Kazakhstan consistently supports U.S. non-proliferation initiatives -- especially in relation to Iran, North Korea, and Syria. President Nazarbayev told Under Secretary Burns in Astana in July, that he has privately urged Iran's President Ahmadinejad to negotiate with the United States about its nuclear program (Ref O). State's ISN Office told PolOff that Kazakhstan has provided especially strong support for the implementation of UN Security Council resolutions on Iran over the last year.

NUCLEAR FUEL-BANK PROPOSAL

5. (SBU) During Iranian President Ahmadinejad's April 6-7 visit to Kazakhstan, Nazarbayev asserted Iran's right to the peaceful use of nuclear energy, and announced Kazakhstan's offer to host an international nuclear fuel bank -- an offer that Iran appeared to welcome (ref A). (COMMENT: Nazarbayev, an expert at balancing foreign policy priorities, also emphasized support for the President's non-proliferation policy and initiative to negotiate with Iran, during a joint press conference with Ahmadinejad. END COMMENT.) Yerzhan Kazykhanov, Kazakhstan's Permanent Representative to International Organizations in Vienna, outlined Nazarbayev's fuel-bank proposal during the June 18 IAEA Board of Governors' meetings. Vice President of Kazakhstan's National Nuclear Company, Kazatomprom, Sergei Yashin, said Vladimir Shkolnik, Kazatomprom's Director, planned to present a comprehensive nuclear strategy to Nazarbayev in June. Post has requested more information about the fuel bank, but has not received any official response.

WORKING LEVEL PRAISE -- AND SOME CONCERNS

6. (C) On September 2, PolOff met with a junior staffer, Alen Dauletov, in Kazakhstan's Ministry of Energy and Mineral Resources, which has responsibility for most non-proliferation issues. Dauletov, who had attended two U.S.-sponsored non-proliferation meetings in 2009 (reftels J-K), approached PolOff unofficially -- without approval from his supervisors -- for guidance on his assignment to analyze "the risks and advantages of U.S.-Kazakhstani cooperation on non-proliferation." Dauletov said several governmental bodies, particularly the Committee for National Security (KNB), view cooperation with the United States "negatively." Dauletov confided that some MEMR officials worry close cooperation with the United States could undermine Kazakhstani-Russian cooperation, and the Russian Embassy in Astana inquired about U.S.-Kazakhstani projects. According to Dauletov, some Kazakhstani entities are concerned that locating a nuclear fuel bank in Kazakhstan, while beneficial for Kazakhstan's image, would "make Kazakhstan a U.S. colony" and render it a more appealing target of a terrorist attack.

7. (C) Dauletov also thanked the United States for holding several inter-agency training events on preventing nuclear smuggling in Kazakhstan, and said participants found them very useful. Other participants asserted that these events marked the first time such a broad range of Kazakhstani agencies met to discuss prevention of, and if necessary, reaction to, an attempt to proliferate WMDs. A follow-on workshop on legal reform is planned for September 29-October 1 in Astana.

WITH POWER COMES RESPONSIBILITY

8. (SBU) Kazakhstan, among the top three uranium producers in the world, has some of the world's largest reserves. Its National Atomic Energy Company, Kazatomprom, has established a large variety of joint ventures with Russian, Chinese, Japanese, French, and Canadian companies (ref G). It also continues to pursue cooperation with Westinghouse. Kazatomprom has established two joint ventures with Russia called the International Uranium Enrichment Center in Angarsk and the Kazakh-Russian Uranium Enrichment Center. Kazakhstan also is pursuing potential uranium deals with India and China (ref t e l s G-H). A member of the Global Nuclear Energy Partnership since 2007 due to its vast uranium reserves, Kazakhstan plays a significant role in supplying new reactors.

U.S. ASSISTANCE IN KAZAKHSTAN -- THE BIG PICTURE

9. (S) Under the aegis of the Cooperative Threat Reduction (CTR) Agreement, the United States has provided assistance worth over 600 million dollars since 1993 that has resulted in the destruction of Kazakhstan's nuclear war-heads and decommission of its BN-350 nuclear reactor. The United States has dismantled bio-weapons facilities, and helped Kazakhstani scientists find sustainable employment in peaceful research projects. However, Kazakhstan still possesses enough spent fuel to fabricate 775 nuclear weapons, and access to dangerous biological and chemical substances by terrorists remains a concern. 2008 security assistance to Kazakhstan in the amount of \$80 million -- more than half, i.e. \$44 million, allocated under the CTR -- worked to secure potentially dangerous materials, strengthen borders, build safe scientific laboratories, enhance scientific cooperation, and improve Kazakhstan's ability to prevent and respond to attempts to smuggle WMDs.

CLOSURE OF NUCLEAR TEST TUNNELS

10. (S) The Defense Threat Reduction Agency (DTRA) funds the Weapons of Mass Destruction-Proliferation Prevention Initiative (WMD-PPI), which has led to the elimination of 181 nuclear test tunnels and containment of dangerous materials at the former Semipalatinsk Test Site (STS). DTRA has also provided physical security enhancements on the STS. Since 2000, U.S and Kazakhstani teams of experts jointly completed five projects to eliminate or minimize the threat from the residue of nuclear activity (RONA).

KAZAKHSTAN EFFORTS TO "DOUBLE THE PACE"

11. (S) Currently, the government of Kazakhstan is actively cooperating with DTRA on a project to provide additional security at the STS -- known as K-3. Since the United States and Kazakhstan completed high-level negotiations in April, the pace of the project has doubled, and the project is running ahead of schedule. DTRA and Kazakhstan's National Nuclear Center (NNC) agreed on a schedule according to which K-3 sites will be completed by 2010. In several recent instances, the central government of Kazakhstan even pressured the NNC to proceed with work before contracts were completely finalized, resulting in an accelerated schedule.

THREE STEPS FORWARD ON SPENT-FUEL TRANSFER

12. (C) On September 9, the government of Kazakhstan committed \$5 million in financing for the initial 2009 fuel runs. This positive development significantly advances the \$118 million, decade-long project.

On September 18, Kazakhstan's Prime Minister signed decrees on reserve funding and equipment transfer, removing the last obstacles to getting spent-fuel transfer underway. Post has received positive signals that the government intends to provide funding for 2010 in order to quickly and successfully complete the project. The only other remaining step necessary to safely dispose of all BN-350 materials is the

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provision of funding to complete the Geocement Stone Facility (reftels L-M). Kazakhstan, with DOE assistance, returned nearly 75 kilos of highly enriched uranium to Russia in May.

OTHER KEY ACCOMPLISHMENTS AND NEXT STEPS

13. (C) Kazakhstan and the United States have worked together at all levels of government to prevent WMD proliferation. The Weapons of Mass Destruction-Proliferation Prevention Initiative (WMD-PPI) provided training and equipment to help Kazakhstan develop a WMD detection and interdiction capability in the Caspian Sea region. Through the Second Line of Defense (SLD) Program, the DOE installed Radiation Portal Monitors and trained border operators at seven border crossings sites, and EXBS provided Customs and Border Guards with inspection/detection devices and training (ref I). Post is providing expertise in biosafety regulatory reform and constructing several labs with adequate (Biosafety-level 3) standards. The United States funded 13 projects to support scientists who previously worked in bio-weapons programs (ref N) and hosted an August workshop on sustainable development. U.S. specialists also helped Central Asian states establish the Biosafety Association for Central Asia and the Caucasus (BACAC) and supported a September bio-safety conference in Astana as part of an ongoing effort to help Kazakhstan ensure compliance with its Biological Weapons Convention obligations. Customs, and the Ministries of Emergency Situations, Health, Education and Science, Defense, the Interior, Energy, and Foreign Affairs and most government agencies, consistently work enthusiastically with Post. Only the Committee for National Security (KNC) and its subordinate, the Border Guards, opt not to participate in U.S. events.

14. (C) COMMENT: PolOff observed a group of usually serious U.S. and Kazakhstani nuclear scientists, celebrating the successful completion of several tasks, dancing together to Beatles music played by one of the scientist's bands. As monumentally important projects approach completion, Post looks forward to using the cooperative relationships built over many years with various Kazakhstani officials to move on to the next objectives in our long-term, cooperative non-proliferation relationship. END COMMENT.
HOAGLAND