



USAF COUNTERPROLIFERATION CENTER CPC OUTREACH JOURNAL

Maxwell AFB, Alabama

Issue No. 547, 29 December 2006

Articles & Other Documents:

[N. Korea Balks At Weapons Discussion](#)

[Russian Team Arrives To Inspect Missile System](#)

[Nuclear Traffic Doubles Since '90s](#)

[U.S. Offered To Lift North From Terror List](#)

[Iran To 'Revise' Any Relations With Monitors In Nuclear Area](#)

[Army Contends Lab Will Be Secure](#)

[North Korea Holds Gold Mine Of Protection](#)

Welcome to the CPC Outreach Journal. As part of USAF Counterproliferation Center's mission to counter weapons of mass destruction through education and research, we're providing our government and civilian community a source for timely counterproliferation information. This information includes articles, papers and other documents addressing issues pertinent to US military response options for dealing with nuclear, biological and chemical threats and attacks. It's our hope this information resource will help enhance your counterproliferation issue awareness.

Established in 1998, the USAF/CPC provides education and research to present and future leaders of the Air Force, as well as to members of other branches of the armed services and Department of Defense. Our purpose is to help those agencies better prepare to counter the threat from weapons of mass destruction. Please feel free to visit our web site at www.au.af.mil/au/awc/awcgate/awc-cps.htm for in-depth information and specific points of contact. Please direct any questions or comments on CPC Outreach Journal to Jo Ann Eddy, CPC Outreach Editor, at (334) 953-7538 or DSN 493-7538. To subscribe, change e-mail address, or unsubscribe to this journal or to request inclusion on the mailing list for CPC publications, please contact Mrs. Eddy.

The following articles, papers or documents do not necessarily reflect official endorsement of the United States Air Force, Department of Defense, or other US government agencies. Reproduction for private use or commercial gain is subject to original copyright restrictions. All rights are reserved

Washington Post
December 22, 2006
Pg. 21

N. Korea Balks At Weapons Discussion

U.S. Negotiator Pessimistic About Progress Today

By Edward Cody, Washington Post Foreign Service

BEIJING, Dec. 21 -- North Korea is refusing to engage in negotiations on ending its nuclear weapons program until the United States lifts punitive measures imposed to halt Pyongyang's alleged money-laundering operations, the chief U.S. negotiator said here Thursday.

Assistant Secretary of State Christopher R. Hill, after what he described as a frustrating day of discussions, said he would give the Chinese-sponsored talks another day in hopes that the North Korean negotiators received last-minute instructions from Pyongyang to change their stand. But in any case, he said, he will be making plane reservations to head back to Washington on Saturday.

Hill's comments indicated there has been little progress -- and little hope of any -- in the latest round of on-and-off discussions designed to persuade North Korea to abandon its nuclear weapons program in return for diplomatic recognition and economic aid. Adding to the pessimism, Japan's chief negotiator, Kenichiro Sasae, described the talks as stalemated and said, "There is no prospect for a breakthrough," the Associated Press reported.

The six-party talks -- which involve the United States, North Korea, China, Japan, South Korea and Russia -- resumed Monday after a 13-month boycott by North Korea over the U.S. Treasury Department's blacklisting of

Macau-based Banco Delta Asia. U.S. officials alleged that the bank was being used to inject counterfeit \$100 bills and drug money from North Korea into the financial system.

Under pressure from China, the North Korean government agreed Oct. 30 to return to the talks. In return, the United States agreed to parallel discussions on the punitive measures against Banco Delta Asia and its North Korean account holders. A Treasury Department team met Tuesday and Wednesday with North Korean banking officials and set more meetings for January in the United States.

But since the nuclear talks opened Monday, Hill said, North Korean negotiators have been under "strict instructions" not to engage in official discussions on the nuclear dispute until the banking measures are lifted. This has prevented progress on the main subject, which he described as concrete steps by North Korea to take down its nuclear weapons program, as it pledged to do in an agreement in principle reached in September 2005.

"The purpose of being here was to discuss the denuclearization of the Korean Peninsula," Hill said. "I want to emphasize I'm not here to talk about [Banco Delta Asia]. That's not what I do."

At a news conference in Washington, Secretary of State Condoleezza Rice said the talks must remain focused on the issue of denuclearization.

"Diplomacy sometimes takes time, but we should not be diverted somehow by an issue that is clearly in another lane and is clearly being dealt with in a way that the North Koreans themselves asked that it be dealt with," Rice said.

Although the North Koreans have cited the U.S. banking measures as the main obstacle to nuclear negotiations, several diplomats said the overriding issue is whether North Korea genuinely has decided to forgo nuclear weapons. The question is particularly relevant, they said, since the North Korean government tested a nuclear device Oct. 9 and subsequently declared itself a nuclear power.

In public statements, North Korea has said it needs the nuclear weapons because it faces a hostile policy from the United States. Dropping the measures against Banco Delta Asia, a pro-North Korean newspaper in Japan suggested Thursday, would be proof that the Bush administration is willing to end the hostility and thus would make nuclear negotiations possible.

<http://www.washingtonpost.com/wp-dyn/content/article/2006/12/21/AR2006122100159.html>

[\(Return to Articles and Documents List\)](#)

Los Angeles Times

December 22, 2006

Russian Team Arrives To Inspect Missile System

By Times Staff and Wire Reports

A Russian Federation inspection team arrived at Vandenberg Air Force Base to make sure the United States is complying with the Strategic Arms Reduction Treaty. The U.S. sends similar teams to inspect the strategic weapons facilities of the former Soviet Union. The inspections are part of the START I accord, which went into effect in 1994.

The inspections, which are not open to the news media under treaty provisions, last several days. Vandenberg is on the list of inspection sites because it houses ICBMs.

<http://www.latimes.com/news/local/la-me-sbriefs22.2dec22.1.842775.story>

[\(Return to Articles and Documents List\)](#)

USA Today

December 26, 2006

Pg. 1

Nuclear Traffic Doubles Since '90s

Reports cite sales, mishaps, scams

By Richard Willing, USA TODAY

Annual incidents of trafficking and mishandling of nuclear and other radioactive material reported to U.S. intelligence officials have more than doubled since the early 1990s, says the director of domestic nuclear detection at the Department of Homeland Security.

Also up: scams in which fake or non-existent nuclear or radioactive material is offered for sale, often online, says Vayl Oxford, nuclear detection director at the department.

"We sense that people have recognized the value of nuclear material as a useful way of making money," Oxford said. "Nuclear material is becoming a marketable commodity."

The incidents tracked by the department, based on its reporting and information from foreign diplomatic and intelligence sources, average about twice the number made public each year by the International Atomic Energy Agency (IAEA).

Oxford said reports of nuclear and radioactive materials trafficking have ranged from 200 to 250 a year since 2000, up from about 100 a year in the 1990s.

The reports include incidents in which material was stolen, offered for sale, lost or mishandled.

The IAEA, whose members self-report trafficking incidents on a voluntary basis, said there were 121 such incidents in 2004 and 103 last year. The agency, based in Vienna, reports only trafficking incidents that its members have confirmed and elected to make public. The Department of Homeland Security numbers include all known or suspected trafficking incidents identified by the United States and allied governments.

Reported incidents may be increasing, Oxford says, because since the Sept. 11 terrorist attacks, governments have become more diligent about policing material that could be used by terrorists to build a radioactive "dirty bomb" or similar device.

Most reported incidents occurred outside the USA. There are no reported incidents in which radioactive or nuclear material was successfully sold to a terror group, according to the IAEA.

Some of the incidents have involved enriched uranium or plutonium of the type that can be used to make a nuclear weapon. In June 2003, for instance, a smuggler was arrested trying to carry 170 grams of enriched uranium across a border in Sadahlo, Georgia, in the former Soviet Union.

Most incidents involved very small amounts of material that were mishandled by authorities and never intended to be sold, the IAEA said. In New Jersey last year, a package containing 3.3 grams of enriched helium was "accidentally disposed of," the IAEA reported.

Some experts are concerned that the increase in trafficking incidents makes it more likely terrorists could acquire nuclear material.

"We're only seeing the dysfunctional part of the market — the supplier who's dumb enough to try to sell it to the police," said Jeffrey Lewis, director of the Project on Managing the Atom at Harvard University's Belfer Center for Science and International Affairs.

http://www.usatoday.com/printedition/news/20061226/1a_lede26.art.htm

Nuclear cases

The largest seizures of enriched uranium and plutonium since the IAEA began tracking such incidents in 1993 all took place in states that are former members of the Soviet bloc. Among them:

June 2003: Sadahlo, Georgia; 6 ounces of enriched uranium taken from a would-be smuggler.

May 1999: Rousse, Bulgaria; 0.35 ounces of enriched uranium taken from a would-be smuggler at a border checkpoint.

June 1995: Moscow, Russia; 3.75 pounds of enriched uranium taken by local police from a would-be seller.

December 1994: Prague, Czech Republic; 6 pounds of enriched uranium taken by local police from would-be seller.

March 1994: St. Petersburg, Russia; 6.55 pounds of enriched uranium stolen from a nuclear plant captured.

The largest seizures of enriched uranium and plutonium since the IAEA began tracking such incidents in 1993 all took place in states that are former members of the Soviet bloc. Among them:

June 2003: Sadahlo, Georgia; 6 ounces of enriched uranium taken from a would-be smuggler.

May 1999: Rousse, Bulgaria; 0.35 ounces of enriched uranium taken from a would-be smuggler at a border checkpoint.

June 1995: Moscow, Russia; 3.75 pounds of enriched uranium taken by local police from a would-be seller.

December 1994: Prague, Czech Republic; 6 pounds of enriched uranium taken by local police from would-be seller.

March 1994: St. Petersburg, Russia; 6.55 pounds of enriched uranium stolen from a nuclear plant captured.

<http://www.usatoday.com/printedition/news/20061226/radiateside26.art.htm>

[\(Return to Articles and Documents List\)](#)

Washington Times

December 27, 2006

Pg. 11

U.S. Offered To Lift North From Terror List

SEOUL -- The United States offered to remove North Korea from Washington's list of states sponsoring terrorism if the communist regime dismantles its atomic-weapons program, South Korea's main nuclear envoy said yesterday.

The proposal was just one of the incentives the U.S. spelled out last week at six-nation nuclear disarmament talks with the North, along with offers of security guarantees, a peace treaty and normalization of relations, Chun Yung-woo told news cable channel YTN.

North Korea was not prepared to review the U.S. offer at the talks but promised to study it and bring a response to the next round of negotiations, he said.

<http://www.washtimes.com/world/worldscene.htm>

[\(Return to Articles and Documents List\)](#)

New York Times
December 28, 2006
Pg. 3

Iran To 'Revise' Any Relations With Monitors In Nuclear Area

By Nazila Fathi

TEHRAN, Dec. 27 — By an overwhelming vote, Parliament passed a bill on Wednesday that could limit Iran's cooperation with the International Atomic Energy Agency, the United Nations monitor.

The measure was a response to the resolution passed Saturday by the Security Council, which imposed trade sanctions on goods and technology related to Iran's uranium enrichment and ballistic missile programs.

The Council's resolution is aimed at curbing those programs, which the United States and Europe contend are intended to make Iran a nuclear weapons state. Iran has repeatedly asserted that its development activities are for nuclear energy, not weapons.

The final draft of the bill in Parliament, approved after two days of debate, asserts that the government should "revise its cooperation with the International Atomic Energy Agency based on the interests of Iran and its people." The vote was 161 to 15, with 15 abstentions.

It is unclear what "revise its cooperation" means. But the measure was considered by some moderate members of Parliament to be less severe than earlier versions proposed by conservative members, who had wanted Iran to withdraw from the Nuclear Nonproliferation Treaty and ban all inspectors. The United Nations agency polices adherence to the nonproliferation of nuclear weapons.

President Mahmoud Ahmadinejad, who denounced the Security Council sanctions as a "superficial action," is expected to sign the bill.

Although Parliament is dominated by conservatives, there has been a debate among lawmakers about the country's nuclear policy under President Ahmadinejad, who has asserted that nuclear development is Iran's inalienable right. Some minority reformists believe his policy is doing more harm than good by isolating Iran economically.

One reformist lawmaker, Nouredin Pirmoazen, said in a debate on the bill, "The best solution is to establish a bridge with other countries to reduce the tension."

Others said the bill could give the government a free hand to decide how to continue its relationship with the atomic energy agency. Alaedin Boroujerdi, the head of the foreign policy and national security commission, told journalists that the bill's vague language meant "the government can do anything based on what it recognizes is for the country's interests."

In a gesture that suggested that religious authorities are united behind the bill, the Guardian Council of Islamic clerics immediately approved it, a step that is required for any bill to become law. The Guardian Council has rarely approved a bill so swiftly.

Iran's chief nuclear negotiator, Ali Larijani, appointed a committee on Wednesday to examine how the country should "revise" its relations with the atomic energy agency. In a news conference later, Mr. Larijani said the Security Council resolution was aimed at "humiliating Iran." But he also said Iran wanted to continue its nuclear program based on international regulations.

http://www.nytimes.com/2006/12/28/world/middleeast/28nuke.html?_r=1&oref=slogin

[\(Return to Articles and Documents List\)](#)

Washington Times
December 29, 2006
Pg. B3

Army Contends Lab Will Be Secure

Critics challenge terror fallout

By David Dishneau, Associated Press

HAGERSTOWN, Md. -- The Army, facing a lawsuit over a planned biodefense laboratory at Fort Detrick, says it has properly studied the potential environmental impact of terrorist attacks on the lab. But the details of the study can't be disclosed without tipping off terrorists about the post's security measures, the U.S. Army Medical Research and Materiel Command said in its final environmental impact statement for the project.

It was not clear Wednesday whether the Army statement would deter the project's opponents, whose leader didn't respond to queries from the Associated Press.

The opponents had threatened a court challenge based on an earlier draft of the plan. They cited recent federal appeals court rulings in California that ordered developers to consider the possibility of terrorist attacks on a proposed biodefense lab and a facility for spent nuclear fuel storage.

The Army is seeking to replace and expand the U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID) at Fort Detrick in Frederick.

USAMRIID is the center of military research on the world's deadliest organisms.

Opponents led by Robert Kozak, a Frederick-based environmental scientist and president of Atlantic Biomass Conversions Inc., had threatened to sue the Army for failing to consider the environmental consequences of terrorist attacks on the lab.

Mr. Kozak told the Frederick News-Post earlier this week that the group hopes to file its lawsuit by May, but he didn't address the revised version of the environmental impact statement.

In that final version, scheduled for formal approval by Feb. 12, the Army states that terrorist attacks "may be credible, remotely possible threats."

The document then quotes USAMRIID Commander Col. George Korch Jr., speaking at public meeting Oct. 26 about the draft environmental statement. Col. Korch said "potential terrorist acts have been evaluated."

Without disclosing details, Col. Korch said the post has implemented countermeasures, including tighter security at entry points, multiple checkpoints at buildings, fences, remote parking and armed guards.

Opponents have cited two recent decisions by the 9th Circuit Court of Appeals in San Francisco.

The more recent case, decided Oct. 16, involved the Department of Energy's environmental assessment for a proposed biodefense laboratory at Lawrence Livermore National Laboratory near San Francisco.

In that decision, the court found the assessment inadequate because it didn't consider the possibility of a terrorist attack.

The ruling was similar to the court's decision in June that the Nuclear Regulatory Commission had acted unreasonably in declining to assess the environmental impact of a terrorist attack on a proposed storage facility for spent nuclear fuel at the Diablo Canyon Power Plant in California.

The Army's draft environmental statement for the USAMRIID project, published in August, stated that terrorist attacks "are not reasonably foreseeable" and that an evaluation of their impacts was not required by the National Environmental Policy Act (NEPA).

Ron Bass, a senior environmental planner with California-based consulting firm Jones & Stokes, said the Army's revisions don't appear to meet the requirements of the federal court rulings.

"I think that they need to discuss generally -- it can be very general -- what the impacts of such a problem would be," he said.

<http://www.washtimes.com/metro/20061228-103346-4594r.htm>

[\(Return to Articles and Documents List\)](#)

Washington Times

December 29, 2006

Pg. 15

North Korea Holds Gold Mine Of Protection

Bullion sales can offset effects of U.N. sanctions

By Andrew Salmon, Washington Times

SEOUL -- North Korean leader Kim Jong-il is positioned to escape the effects of international sanctions imposed on his regime by legally mining and selling gold on world markets, said investors and others dealing with his government.

About 1.3 tons of gold bullion, valued at \$28 million, were sold to Thai interests in two shipments delivered in April and May, Reuters news agency reported yesterday, quoting Thai customs officials.

The United Nations imposed sanctions in response to North Korea Oct. 9 nuclear test. Although the sales of gold bullion were concluded months earlier, they would not have been covered under the sanctions in any case, analysts said.

Macau-based Banco Delta Asia, or BDA, said this month that it had been selling North Korean gold for three years before the U.S. Treasury Department named the bank "a primary money laundering concern" in September 2005. Gold exports from North Korea are nothing new: From 1983 to 1994, the communist nation exported a ton of gold a month via London markets.

Although production fell off in the 1990s, rich seams wait to be mined. King Kojong, Korea's last independent king, sold concessions for gold mining at Unsan, in the nation's far north, to U.S. interests in the late 1880s.

Japanese colonial businesses took over the mines in the 1930s. After the country's division, the North Korean seams were operated with Russian and German technological assistance.

"It is widely known that they have very substantial reserves," said Colin McAskill, a British national who was involved in North Korea's bullion business in the 1980s and 1990s. "The problem is that most mines are inoperative due to lack of capital and flood damage in the early 1990s. They must be producing again, to a limited extent." Small-scale foreign investment has begun in North Korea's gold mines.

"We helped facilitate the entry of a Singapore-led investor group into the country's leading gold mining joint venture in 2002," said Roger Barrett, another Briton who runs Beijing-based Korea Business Consultants, which assists foreign businesses in the North. "But what the country needs is investments in mining the mineral and metal resources, which it has in abundance."

Larger investments could be forthcoming.

Mr. McAskill is the chairman of Koryo Asia Limited, the originator of and sole investment adviser to Chosun Development and Investment Fund, established last year to invest in North Korea.

"One of the priorities of the fund we are setting up is to redevelop the gold mining and other mineral industries, and bring the product back through London," he said.

Mr. McAskill added that the nation's central bank is moving to re-list itself as an active gold trader on the London bullion market. If North Korea successfully upgrades production at its gold mines, the regime would have a legitimate way to overcome the effects of international sanctions designed to cut off its access to foreign hard currency.

When six-party talks resumed in Beijing last week, Pyongyang refused to discuss its nuclear weapons programs until what it calls "financial sanctions" are lifted.

After the U.S. Treasury Department issued its warning last year, BDA's North Korean accounts were frozen during an investigation by the Macau Monetary Authority. As much as \$24 million of North Korean money may be locked up.

U.S. officials in Seoul deny that any American sanctions have been imposed against BDA, saying the investigation is a matter for Macau, but sources familiar with the situation consider the U.S. warning to be a de facto sanction. However, if the North's gold production increases, and if the amount earned from the Thai deal and the volumes sold in London in the 1980s and 1990s are any indication, Pyongyang should be able to comfortably generate sums equivalent to its frozen funds on a monthly basis.

U.S. efforts to halt North Korean gold exports may predate the BDA controversy. A shipment of sodium cyanide was halted in Thailand en route to Pyongyang in 2004, reportedly under pressure from the United States, which suspected the material could be used for chemical weapons manufacturing.

However, Mr. Barrett insisted that the chemicals, common used in gold production, were destined for the North's mining industry.

<http://www.washtimes.com/world/20061228-103346-3567r.htm>

[\(Return to Articles and Documents List\)](#)