

UNCLASSIFIED

# Condition (5) (C) Report

## COMPLIANCE WITH THE TREATY ON CONVENTIONAL ARMED FORCES IN EUROPE



January 2016

Prepared by the U.S. Department of State

UNCLASSIFIED

---

DEPARTMENT OF STATE

Bureau of Arms Control, Verification and Compliance

Released January 2016

UNCLASSIFIED

## **REPORT ON TREATY COMPLIANCE**

This Report on Compliance (hereinafter referred to as the “Report”) with the Treaty on Conventional Armed Forces in Europe (CFE) of November 19, 1990 (hereinafter referred to as the “Treaty”), is submitted pursuant to Condition (5)(C) of the Senate Resolution of Advice and Consent to Ratification of the May 31, 1996, Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe of November 19, 1990 (“the CFE Flank Document”), and covers January 1, 2015, through December 31, 2015.

This Report discusses compliance issues, also referred to as compliance questions, involving States Parties not certified by the United States as being in compliance with their obligations under the Treaty. It lists outstanding compliance questions detailed in earlier Reports and adds any new information and questions that arose in 2015. The Report also provides an update on steps taken by the United States in response to the compliance questions and responses from the implicated States Parties.

### **A. STATES PARTIES CERTIFIED TO BE IN COMPLIANCE WITH THE TREATY**

States Parties certified to be in compliance with the Treaty and its associated documents for 2015 are: Belarus, Belgium, Bulgaria, Canada, the Czech Republic, Denmark, France, Georgia, Germany, Greece, Hungary, Iceland, Italy, Kazakhstan, Luxembourg, Moldova, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Turkey, Ukraine, the United Kingdom, and the United States.

### **B. ANALYSIS OF COMPLIANCE QUESTIONS AND STEPS TAKEN WITH REGARD TO STATES PARTIES NOT CERTIFIED**

States Parties not certified to be in compliance with the Treaty and its associated documents for 2015 are: Armenia, Azerbaijan, and Russia. Specific compliance questions are detailed below.

#### **Republic of Armenia (Armenia)**

**Finding** - Although Armenia continues to express its full support for the Treaty, its equipment totals continued to exceed Treaty-Limited Equipment (TLE) limits in

UNCLASSIFIED

2015 and other activities related to Treaty implementation raised questions as to its fulfillment of certain other Treaty obligations as noted below.

### **Outstanding Compliance Questions**

Previously reported, outstanding compliance questions are: (1) exceeding its limits on Treaty-Limited Equipment (TLE), (2) reported stationing of forces on the territory of Azerbaijan without Azerbaijani consent, and (3) possible failure to declare Conventional Armaments and Equipment Subject to the Treaty (CAEST).

### **Outstanding Compliance Questions With New Information in 2015**

**Exceeding its limits on Treaty-Limited Equipment (TLE):** Previously declared equipment totals that exceeded Armenia's overall limits on TLE continued through 2015. In its data as of January 1, 2015, Armenia declared equipment totals that exceeded its overall limits by over 20 pieces of TLE (over 20 armored combat vehicles (ACVs) in excess of Armenia's limits) and more than 35 over its sub-limit of 135 armored infantry fighting vehicles (AIFVs) including heavy armament combat vehicles. In 2015, Armenia's declared holdings of ACVs decreased by about 20, to a total of about 240; armored personnel carriers (APCs) decreased by over 20 to a total of over 65; and an increase by a few AIFVs brought the total to over 170.

### **Efforts to Resolve Compliance Questions**

In 2015, the United States conducted one inspection in Armenia. In addition, NATO Allies conducted two bilateral and three quota inspections in Armenia, one of which included a U.S. inspector. The United States and NATO Allies have continued to raise compliance questions in the Treaty's Joint Consultative Group (JCG), the body created by the Treaty to resolve questions related to Treaty compliance, as well as in bilateral discussions. Concerning exceeding limits on TLE, the United States has asked Armenia for its plans to reduce holdings to meet its limits.

### **Republic of Azerbaijan (Azerbaijan)**

**Finding -** Although Azerbaijan continues to express its full support for the Treaty, its equipment totals continued to exceed Treaty-Limited Equipment (TLE) limits in

2015 and other activities related to Treaty implementation raised questions as to its fulfillment of certain other Treaty obligations as noted below.

### **Outstanding Compliance Questions in 2015**

Previously reported, outstanding compliance questions are: (1) exceeding its limits on Treaty-Limited Equipment (TLE), (2) unilateral suspension of certain Treaty notifications and failure to report correctly certain objects of verification (OOVs), and (3) possible failure to declare equipment limited by the Treaty.

### **Outstanding Compliance Questions With New Information in 2015**

**Exceeding its limits on Treaty-Limited Equipment (TLE):** Previously declared equipment totals that exceeded Azerbaijan's overall limits on TLE continued through 2015. In its data as of January 1, 2015, Azerbaijan declared equipment totals that exceeded its overall limits by over 750 pieces of TLE (over 240 battle tanks and over 510 artillery pieces in excess of Azerbaijan's limits). Azerbaijan sent a notification update to its data effective as of July 1, 2015, with declared equipment totals that exceeded its overall limits by over 815 pieces of TLE (over 290 battle tanks and almost 530 artillery pieces in excess of Azerbaijan's limits). With a total of over 510 battle tanks and over 810 artillery pieces declared, Azerbaijan is above its limits of 220 battle tanks and 285 artillery pieces.

**Unilateral Suspension of Certain Treaty Notifications and Failure to Report Correctly Certain Objects of Verification (OOVs):** During the U.S. inspection of the Tank Motorized Training Center in Azerbaijan in September 2014, Azerbaijan reiterated its position, first stated in 1996, that it does not issue notifications of changes of 10 percent or greater in assigned holdings of TLE in individual units because continuing security concerns limit its ability to implement Treaty provisions. The Treaty's Protocol on Notification and Exchange of Information, Section VIII, paragraph 1(B) calls for this type of notification to be provided no later than five days after such change has been made. However, on July 1, 2015, Azerbaijan provided a voluntary notification containing data as of July 1, 2015, updating its annual declared data as of January 1, 2015. This voluntary notification showed that several units had increases in TLE that totaled at least 10 percent, although there was no information provided on when the increases took place.

In its data as of January 1, 2014, Azerbaijan added a unit to its footnote on Chart V, indicating units deployed on the “line of contact,” bringing the total to about 10, which was repeated in Azerbaijan’s data as of January 1, 2015. The omission of these units from Chart V reduces the number of declared OOVs and limits the available inspection quotas and the ability of States Parties to inspect Azerbaijan forces.

**Possible Failure to Declare Equipment Limited by the Treaty:** The Lynx multi-caliber (122mm/160mm/300mm) multiple launch rocket system (MLRS) and several other unreported pieces of armaments and equipment were observed in the June 2011 and subsequent Azerbaijan military parades. This equipment would have had to have been reported in accordance with the Treaty if in service with Azerbaijan’s conventional forces or internal security forces. Azerbaijan has stated that the equipment observed in the parades that is unreported is not in service with Azerbaijan’s conventional forces.

During 2015, Azerbaijan declared some of the previously unreported equipment observed in the parades. For example, in its data as of January 1, 2015, Azerbaijan declared its 2S12 120mm mortars. The TOS-1A multiple rocket launchers, BTR-82A AIFVs, 2S31 120mm Vena self-propelled artillery pieces, and additional T-90 battle tanks were declared in Azerbaijan’s July 1, 2015 updated data. However, the Lynx MLRS, the T-107 122mm MLRS, and CARDOM 120mm mortar systems were not reported.

### **Efforts to Resolve Compliance Questions in 2015**

Azerbaijan has repeatedly stated that security issues continue to affect its Treaty implementation as long as the Nagorno-Karabakh (N-K) conflict is unresolved and part of Azerbaijan’s territory is occupied by Armenia. In 2015, the United States conducted one inspection and NATO Allies conducted three inspections, each of which included a U.S. inspector. The United States and NATO Allies have continued to raise compliance questions in the JCG as well as in bilateral discussions. Concerning exceeding its limits on TLE, the United States has asked Azerbaijan for its plans to reduce holdings to meet its limits. Concerning possible failure to declare equipment limited by the Treaty, the United States will continue to monitor and raise with Azerbaijan the status of the unreported equipment observed in the parades, but notes that Azerbaijan has significantly clarified the status of the other systems observed in the parades as they became operational.

## **OSCE Minsk Group Activity involving Armenia and Azerbaijan**

Treaty implementation by Armenia and Azerbaijan is affected by the ongoing Nagorno-Karabakh (N-K) conflict. The United States is working with Armenia and Azerbaijan on conflict resolution through the Organization for Security and Co-operation in Europe (OSCE) Minsk Group, the only forum agreed upon by Armenia and Azerbaijan to negotiate a peaceful settlement of the N-K conflict. A successful political settlement could have a positive impact on the ability of Armenia and Azerbaijan to resolve their Treaty compliance questions.

During 2015, the OSCE Minsk Group Co-chairs (Russia, United States, and France), accompanied at times by the Personal Representative of the OSCE Chairperson-in-Office, met on several occasions with President Sargsyan and President Aliyev; the foreign ministers of Azerbaijan and Armenia; the de facto authorities in N-K; representatives of the International Committee of the Red Cross; and the Parliamentary Assembly of the Council of Europe to discuss the peace process and potential for settlement of the N-K conflict. The Co-Chairs Joint Statement of December 3, 2015, stated that the primary obstacle to peace is the lack of political will in Armenia and Azerbaijan to reach a negotiated settlement.

### **Russian Federation (Russia)**

**Finding** – In 2007, Russia “suspended”<sup>1</sup> its implementation of the Treaty. Since its “suspension,” Russia has continued to violate its Treaty obligations and has made clear that it will not resume implementation of the Treaty. In addition, Russia’s stationing forces without the consent of the host state in Georgia, Moldova, and Ukraine continued through 2015.

### **Outstanding Compliance Questions**

Previously reported compliance questions that remain unresolved and continued through 2015 are: (1) Russian “suspension” of its implementation of the Treaty, and the rejection of all inspections until requests ceased at the end of 2011<sup>2</sup>,

---

1 In this Report Russia’s action is referred to as a suspension of implementation of the Treaty, as a decision to suspend observation of Russia’s Treaty obligations, or as a “suspension” in quotation marks, since the Russian action is not viewed as a legally available option under the Treaty.

2 Under the Treaty’s Protocol on Inspection, no State Party has the right to refuse a declared site

as well as the failure to provide Treaty-required annual data<sup>3</sup> and other information, which has interfered with the ability to assess whether Russia is still exceeding flank limits, and exceeding overall limits for holdings in active units; and (2) Russia's stationing forces without the consent of the host state in Georgia, Moldova, and Ukraine.<sup>4 5</sup> The questions related to Russia's continuing "suspension" cannot be evaluated individually and as a result will no longer be reported separately.

### **Outstanding Compliance Questions With New Information in 2015**

**Russian "Suspension" of Its Implementation of the Treaty.** On March 10, 2015, Russia announced it was suspending its participation in the Treaty's JCG as of March 11, 2015. Until this announcement, Russia had continued to participate in the JCG even though it had "suspended" implementation of the Treaty in 2007.

**Stationing forces without the consent of the host state:** Russia's stationing of military forces in Georgia and Moldova without host nation consent continued through 2015. In Ukraine, Russia's occupation and attempted annexation of Crimea, and its stationing of military forces in Crimea without host nation consent in violation of Article IV, paragraph 5, of the Treaty,<sup>6</sup> continued through 2015. The United States, NATO Allies, and all other States Parties except Russia consider Crimea to be part of the internationally recognized territory of Ukraine. In addition, the United States has called for the removal of Russian forces and equipment from eastern Ukraine. Russia's aggressive actions in and around Ukraine continued in 2015 and remain of concern to the United States, our Allies and partners, and other States Parties.

- 
- inspection (unless it would result in too many inspections on the territory of one State Party at the same time), and declared site inspections can only be delayed in cases of *force majeure*.
- 3 Information required but not provided from December 2007 through December 2015 includes Russia's annual Treaty data as of January 1 each year and associated annual notifications; flank data as of July 1 each year; quarterly notifications regarding equipment holdings at the Kushchevskaya armor maintenance facility; and periodic notifications of permanent changes in the organizational structure of Russia's conventional armed forces, or of changes of 10 percent or more in TLE assigned to units.
- 4 While the Treaty establishes numerical limits on TLE and not on military personnel, the Article IV, paragraph 5 prohibition on stationing without host state consent applies to conventional armed forces in general.
- 5 Russia's data as of January 1, 2015, provided under the OSCE Global Exchange of Military Information, indicated the presence of a considerable amount of TLE in Abkhazia and South Ossetia and military personnel in Moldova. Russia's data as of January 1, 2015, under the Vienna Document indicated the presence of TLE in Crimea.
- 6 Article IV, paragraph 5 permits States Parties belonging to the same group of States Parties to locate certain TLE in certain areas, "provided that no State Party stations conventional armed forces on the territory of another State Party without the agreement of that State Party."

## **Efforts to Resolve Compliance Questions in 2015**

The United States and NATO Allies have responded to Russia's "suspension" of Treaty implementation and its stationing of troops in Georgia, Moldova, and Ukraine with diplomatic engagement at the most senior levels.

There has been no change in Russia's position or actions since the United States announced in Vienna, Austria, on November 22, 2011, that it was ceasing implementation of certain obligations under the Treaty with regard to Russia. This was followed by similar announcements from the other 21 NATO States Parties to the Treaty as well as Georgia and Moldova that they would also cease implementation of the Treaty "vis-à-vis the Russian Federation." Since then and through 2015, the United States and NATO Allies have not attempted to inspect Russian forces under the Treaty. The United States continues to implement all of its obligations under the Treaty with respect to all States Parties other than Russia, and is prepared to resume full Treaty implementation with respect to Russia if Russia resumes implementation of its Treaty obligations.

The United States and NATO Allies have raised longstanding compliance questions bilaterally and in a variety of multilateral fora, including the JCG and OSCE meetings. Russia's responses to questions on compliance have varied, but it has made clear that it will not resume implementation of the Treaty, and it has tried to deflect U.S. and Allied concerns. From 2007 through 2015, other longstanding questions related to Russia's adherence to specific Treaty provisions were not pursued, as discussions focused on the broader issue of Russia's "suspension," and since 2014 on Russia's occupation and attempted annexation of Crimea and continuing aggressive actions in and around Ukraine.

### **C. IMPLICATIONS FOR U.S. SECURITY, MILITARY SIGNIFICANCE, AND BROADER SECURITY RISKS OF COMPLIANCE QUESTIONS**

Russia's "suspension" of Treaty implementation has seriously eroded the Treaty's verifiability, diminished the exchange of data and notifications, decreased transparency, and undermined the cooperative approach to security that have been core elements of the NATO-Russia relationship and European security for more than two decades.

Russia's stationing of forces on the territory of another State Party without that State Party's consent not only have political and military significance to the

State Party in which those forces are stationed, but also destabilize regional security and have further eroded confidence and security throughout Europe.

Despite the political and military significance of Russia's actions in the region, none of the Treaty compliance questions identified and discussed in this Report are militarily significant to the United States or to NATO as a whole.

Similarly, the Armenian and Azerbaijani compliance questions may be militarily significant to those two states, especially in the context of the N-K conflict, but are not militarily significant to the United States or to NATO as a whole.

Notwithstanding military significance, it is the policy of the United States that all violations of arms control agreements should be challenged and corrected, lest governments subject to such obligations conclude that they may be disregarded at will.