



Nikolay Spassky

«WE HAVE COMMON INTEREST IN SAFE AND SECURE  
NUCLEAR ENERGY DEVELOPMENT»<sup>1</sup>

***Editor-in-Chief of the Security Index journal Vladimir Orlov interviews Deputy Director General of the Rosatom state corporation Nikolay Spassky.***

**SECURITY INDEX:** On May 6, 2008 Russia and the United States signed the 123 Agreement. It should provide the framework for the Russia-U.S. cooperation in nuclear energy uses. What will the tangible results for Russia be?

**SPASSKY:** The answer to this question can be found in the U.S.-Russia Strategic Framework Declaration signed on April 6, 2008 in Sochi. The approval of the 123 Agreement (on cooperation in peaceful nuclear energy uses) will eliminate the abnormal situation in our affairs. So far our cooperation in this area went on without sound legal basis. So any issue required a separate agreement, and this was not convenient at all. Now this anachronism will be overcome.

Of course, we do not expect any revolutionary breakthrough from this document, but it will facilitate our interaction. Russian and U.S. corporations will be able to set up joint ventures and transfer to each other fissile materials, appropriate technologies and equipment, including nuclear reactors. Many lanes of cooperation mentioned in the last-year presidential statement will be filled with substance.

**SECURITY INDEX:** How would you assess the prospects of the U.S.-Russian relations in the sphere of nuclear energy and disarmament? In your opinion, in the foreseeable future will Russia and the United States be competitors or partners on the international market of nuclear energy goods and services?

**SPASSKY:** Russia and the United States are the two largest nuclear weapon states in the world. But their grandeur does not depend only on the size of nuclear arsenal, but also on the scale of civilian nuclear uses. Under such circumstances, any relationship inevitably contains the elements of partnership and rivalry at the same time. Besides, Russia-U.S. bilateral relationship also faces ups and downs in its development. However, despite the differences with the United States, we have one common interest in safe and secure nuclear energy development, in preventing the collapse of the nuclear nonproliferation regime, in neutralizing the nuclear terrorism dangers. This common interest is taken into account by Russian and U.S. corporations, including private ones that deal with this sphere. Let's not forget that the nuclear project by its history remains largely an international affair.

**SECURITY INDEX:** President Bush launched the Global Nuclear Energy Partnership (GNEP) in 2006. Russia was named as a partner. How does the U.S.-Russian cooperation in this area develop? How does this initiative comply with the Russian proposal on the establishment of international nuclear fuel cycle centers?

**SPASSKY:** When in the beginning of this millennium we noticed the trend towards nuclear energy sector growth (in other words, *nuclear renaissance*), the IAEA and the leading nuclear weapon states commenced the discussion on this matter. We focused on the fundamental



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issue – how to combine the growth of nuclear energy sector, including on geographical scale, with the maintenance of nuclear nonproliferation regime. A number of initiatives were set forth and they all follow the same direction. The most comprehensive and specific one is the proposal by Vladimir Putin to establish the global infrastructure of international nuclear fuel cycle centers (Global Nuclear Power Infrastructure, or GNPI).

President Bush's initiative followed the same pattern. At first, it was a set of relatively general ideas, but later on it transformed into the GNEP framework. We had certain doubts about this concept and its viability. It indicated a significant emphasis on unilateral steps and the desire to replace the existing international mechanisms in this area. Nonetheless, our joint efforts helped to correct these shortcomings of the partnership, to a large extent. Common position of Russia and the United States appeared in the joint communiqué approved at the Kennebunkport summit on July 3, 2007.

On the basis of this platform we build our practical cooperation on GNEP. So far it is the matter of expert discussions, which are held in a constructive manner. The United States on its part has declared its support to the Russian initiative – the establishment of the International Uranium Enrichment Center (IUEC) in Angarsk.

**SECURITY INDEX:** At what stage of implementation is the Russian proposal on creating a nuclear fuel bank under the IAEA safeguards and under the auspices of the IUEC in Angarsk? What will the functions of *Rosatom* be in this project?

**SPASSKY:** It is known that the IUEC has been established and exists as a joint stock company incorporated in accordance with the Russian laws. Now its participants are two companies – Russian *Techsnabexport* (*TENEX*) and Kazakh *Kazatomprom*. Another party to the project is Armenia – the respective intergovernmental agreement was signed in February 2008 during the visit of the then Prime Minister Victor Zubkov to the country. We assume that the center may have the so called guaranteed stock of enriched uranium product (EUP) – the decision complies with the IAEA position, since the agency has been elaborating the idea of fuel banks for several years now. We proceed from the assumption that ideally this stock will never be used, but the very fact of its existence at the IUEC will build the trust in the center's capabilities.

The IAEA will have to play a dual function. First, it will ensure the safeguards for the fuel bank. Second, the material will be delivered from the bank upon the order of the IAEA (on commercial terms, not to forget). The stock itself until the moment of delivery will naturally be in Russian ownership.

We are now conducting intense consultations with the IAEA, in the course of which it is planned to work out a fully-fledged large-scale agreement between Russia and the agency. The document should regulate all practical issues related to the establishment of the fuel bank.

**SECURITY INDEX:** On September 26, 2007, the U.S. Court of International Trade ordered to lift the antidumping duties from the Russian low-enriched uranium supplies (LEU). Does it mean that Russia may deliver uranium to the United States beyond the HEU-LEU deal? How would you assess the prospects of extension of the program?

**SPASSKY:** If it was that simple, the issue of Russian uranium supplies to the American market would be resolved long time ago. The U.S. Court of International Trade obliged the Department of Commerce to revise its decision on levying antidumping duties on the Russian uranium products. However, such court decision has no automatic force. It is connected with the similar verdict related to the suits by a French company – *Eurodif*, which has not yet come into effect.

Under these circumstances, it would be risky to make the Russian presence on the U.S. enriched uranium market (in fact, the largest in the world) dependent on the outcome of the trials. Besides, even though we hope for the favorable result, court proceedings may take another few years.

Therefore, starting from mid-2006 we have undertaken a parallel course – I mean tough negotiations with the U.S. Department of Commerce. The talks ended with several mutually benefi-

cial solutions, which met the interests of Russian manufacturers. On February 1, 2008, Director General of *Rosatom* Sergey Kiriyyenko (at that time he headed the Federal Atomic Energy Agency) and U.S. Secretary of Commerce Carlos Gutierrez signed an amendment to the Agreement Suspending the Antidumping Investigation on Uranium from the Russian Federation. Thanks to this amendment, beginning from 2011 and on, we will be able to supply the U.S. market with the entire spectrum of uranium products, including enrichment services, within the mutually agreed amount. And another crucial thing – the amendment states that our supplies will not be subject to the decisions of the U.S. courts related to the *Eurodif* affair.

As far as the HEU-LEU program is concerned, we have repeatedly reiterated at different levels that we are not going to extend it after 2013. 

**Note**

<sup>1</sup> The interview took place on May 8, 2008.



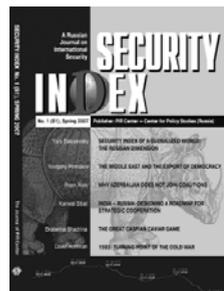
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