

Kiriyenko Tapped to Run RosAtom

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The day after he lost his job as a presidential envoy, Sergei Kiriyenko was named the new head of the Federal Atomic Energy Agency on Tuesday in a move seen as an effort to make the agency more commercially viable.

Kiriyenko, 43, replaces Alexander Rumyantsev, 60, who had held the position since 2001. The appointment was made by Prime Minister Mikhail Fradkov and announced by Sergei Naryshkin, the Cabinet chief of staff.

Industry experts said Kiriyenko, a former prime minister who has broad experience in business and government, could steer the agency toward greater profits from technology exports, imports of spent nuclear fuel and electricity sales.

As a political heavyweight, Kiriyenko could undertake badly needed but painful reforms to downsize the agency's defense facilities, the experts said.

"I didn't notice any professional failures by Rumyantsev, but the agency also didn't show the type of dynamics that the president wanted to see," said Vladimir Orlov, director of PIR Center, which monitors nuclear policy.

Alexander Pikayev, a nuclear issues expert at the Institute of World Economics and International Relations, called Kiriyenko "a strong manager and a strong reformer."

The nuclear energy sector should rank as a top earner of foreign cash for the federal budget, along with the export of oil, natural gas and conventional weapons, Orlov said. Russia's most controversial project is a \$1 billion contract to build Iran's first nuclear reactor, but it also has similar contracts in China, its largest client, and India, he said.

Unlike Rumyantsev, who was outspoken and blunt in defending Russia's work in Iran, Kiriyenko is likely to play no role in formulating and articulating Russia's stance, leaving that to President Vladimir Putin, Foreign Minister Sergei Lavrov and Security Council head Igor Ivanov, Orlov said. "It would be wise for him to keep his mouth closed, and I think he understands that," he said. "The agency is just a contractor."

Under Kiriyenko, Russia should be able to increase imports of spent nuclear fuel despite tight international competition, Orlov said.

"Apart from being a politician, Kiriyenko is an experienced businessman," he said. "His name hasn't been tainted abroad, and negotiating skills are there."

Pikayev said Western donors and partners would feel more comfortable dealing with Kiriyenko, who was a leader of the liberal Union of Right Forces party in the 1990s and

has pro-Western views, when giving nonproliferation aid. The aid, currently about \$1 billion per year, is managed by the agency, known as RosAtom.

The U.S.-Russian Highly Enriched Uranium Purchase Agreement provides hundreds of millions of dollars per year to the Russian nuclear industry, according to the web site of the Nuclear Threat Initiative, a U.S. program. Russia blends highly enriched uranium to proliferation-resistant low-enriched uranium and sells it to the United States for resale as fuel for commercial nuclear power plants. The United States also funds dismantlement of Russian nuclear submarines under the Cooperative Threat Reduction effort. Other Group of Eight nations also contribute money to maintain nuclear safety in Russia.

Yevgeny Adamov, Rummyantsev's predecessor at what was then the Nuclear Power Ministry, faces charges of stealing up to \$9 million intended to improve nuclear security. He is appealing Switzerland's decision to extradite him to the United States.

Under Kiriienko, the agency could also be more effective in pushing the government to allow construction of nuclear power reactors in order to sell more electricity, Orlov said.

"Rummyantsev did lobby for new stations, but it would be easier for Kiriienko to do it, thanks to his name," Orlov said.

Nikolai Shingaryov, the agency's spokesman, said a new reactor went online last week at the Kalininskaya Nuclear Station in the Tver region. The plan is to complete the next reactor at the Volgodonsk Nuclear Station in 2008, he said.

Pikayev said Rummyantsev, who was appointed when Alexander Voloshin was the head of Putin's administration, had little political weight after Voloshin left in late 2003.

Because of his stronger political position, Kiriienko would likely be less hesitant to scale back the agency's defense plants and research laboratories in 10 closed cities across Russia, Pikayev said. The downsizing, which would not jeopardize Russia's security but would cut costs at the agency, could prove painful because about 750,000 people live in these towns and most of them depend on the industry for jobs, he said.

Rashid Alimov, a researcher with the Norwegian environmental group Bellona, which is active in Russia, agreed that Kiriienko would likely focus on making the industry economically viable because he is a manager rather than a nuclear industry specialist, unlike his predecessors.

Last year, Bellona issued a report, "Russian Nuclear Industry: The Need for Reform," which said Russia should safely store spent nuclear fuel rather than reprocess it and stop implementing the "potentially dangerous and expensive" program of extending the operation of aging nuclear plants. It also called for the cleanup of contamination around nuclear power stations and nuclear-powered submarine bases.

Alimov said Tuesday that nuclear safety might not be among Kiriienko's priorities. "Nuclear safety has always been super expensive, and as an efficient manager Kiriienko will probably try to cut costs," he said by telephone from St. Petersburg.

But a change of leadership instills hope that the industry will become more transparent, Alimov said.

Another environmental watchdog, Russia's Ecodefense group, said in a statement that Kiriyenko, as an industry outsider, might pay more attention to nuclear safety.

Kiriyenko, who helped found a bank in 1994 and once headed a major refinery, joined the government as deputy fuel and energy minister in May 1997 and was promoted to minister later that year. He became prime minister in April 1998, a position that he held for only four months before then-President Boris Yeltsin fired him in the aftermath of the financial meltdown in August 1998. The following year, Kiriyenko was elected to the State Duma.

Putin appointed him his envoy to the Volga Federal District in May 2000. Since 2001, Kiriyenko has also headed the State Commission for Chemical Disarmament.

Kiriyenko accepted Tuesday's appointment "as a great honor and an interesting task," his spokesman Sergei Novikov said in remarks broadcast by NTV.

Konstantin Pulikovsky, the former presidential envoy to the Far East Federal District, who also lost his job Monday, said he would go to Moscow, Interfax reported. His spokesman Yevgeny Anoshin said Tuesday that Pulikovsky had received several job offers, but did not elaborate, Interfax reported.

Rumyantsev's future was not clear; NTV reported that he could become a diplomat.