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Want to help Ukraine? Decouple from Russia's nuclear industry

BY GERMAN GALUSHCHENKO, OPINION CONTRIBUTOR - 03/20/24 7:00 AM ET

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Russian troops occupied Ukraine's Zaporizhzhia Nuclear Power Station in May 2022. In recent weeks, Russia has been shelling the plant.

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A powerful weapon in Vladimir Putin's war machine is Rosatom, Russia's state-owned nuclear energy giant. It has long sought to generate dependence among U.S. allies and supported the nuclear ambitions of American adversaries, especially Iran.

A hearing in the U.S. House Foreign Affairs Committee earlier this week laid bare the growing threat, with Europe Subcommittee Chairman Thomas Kean (R-N.J.) calling Rosatom "one of the most nefarious tools of Russian malign influence."

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Rosatom is deploying what is nominally civilian nuclear energy as a weapon of war in Ukraine at the Zaporizhzhia nuclear plant. Meanwhile, in the Middle East, it supports Iran's nuclear program in a manner that emboldens Tehran's adventurism in the region, including Iran's backing of Hamas against Israel.

It is critical that the U.S. and its allies recognize the reality that they too remain vulnerable to the Kremlin's weaponization of energy. This dependence is not simply through Russian oil and gas, but also results from Rosatom's extensive operations around the globe and, at times, the West's own continued reliance on Rosatom's civilian nuclear energy infrastructure.

AtomEnergoProm, the eighth largest contributor to Russia's state budget.

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Rosatom builds more nuclear reactors globally than any other entity. In the absence of sanctions against the Russian nuclear industry, Moscow uses Rosatom to circumvent existing U.S. and EU sanctions, thus reducing their impact and fueling Kremlin propaganda that sanctions don't work.

As Kean noted in his opening remarks, Russia's GDP grew three percent in 2023, which exceeded the growth of all G7 economies.

Despite successes in finding alternative sources of oil and gas and developing renewables, the world is still too reliant on Russian civilian nuclear energy. But it doesn't have to be. In fact, under the right conditions, the transition away from Russian nuclear can occur more quickly than the transition away from Russian oil and gas.

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Russia leads the world's civilian nuclear energy market, accounting for more than half of all global uranium enrichment. Rosatom alone accounts for 36 percent of the world market share in uranium-enrichment and supplies reactor fuel to 78 reactors across 15 countries, including several EU members and the U.S. With Russia's stranglehold on the world's nuclear energy supply, it retains a powerful energy weapon it can use against the West and throughout the world.

However, investments in the revitalization of the U.S. nuclear industry can ensure decoupling from Russian civilian nuclear energy supply chains over the long-term. The immediate focus should be on replacing Russian nuclear fuel, spare parts, maintenance and equipment supply chains with Western ones.

Efforts to undertake this replacement are already underway, with the U.S. energy corporation Westinghouse working with Ukraine's nuclear energy industry, Energoatom, to produce nuclear fuel isotopes essential for Russian-designed reactors — fuel isotopes that Rosatom had monopolized through its own production until Westinghouse and Energoatom initiated a joint project to end the monopoly.

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In the long run, the West must replace its Russian-designed nuclear power plants with new Western-designed reactors and cease all existing and planned Russian reactors in Europe. Finland recently showed the way in spring 2023 when it scrapped a contract with Rosatom for construction of a new plant. The EU is also looking for ways to decouple its 33 nuclear power units from the Russian cartel. Similar actions need to be taken by other individual European countries planning to construct new Russian-designed reactors.

So far, the West, except for the modest efforts of a few countries, has failed to sanction Rosatom and other parts of the Russian civilian nuclear industry. Therefore, the U.S. must take the lead to redirect the market.

The U.S. government should focus on increasing the costs of doing business with Rosatom and the Russian civil nuclear industry through the imposition of sanctions against Rosatom, related corporations, and their leadership. It is of utmost importance that as many countries as possible be incentivized to support these sanctions, to ensure the largest possible impact. However, to achieve such alignment, countries need to be assured that their civilian nuclear energy needs can still be met after they sever their ties with Russian nuclear supply chains.

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One of the major obstacles lies in replacing Rosatom's capacity for enrichment and conversion of reactor fuel, Due to chronic world-wide under-capacity, this could take several years to replace.

The U.S. government has long ignored its domestic nuclear industry, but it should now invest in the growth potential of the U.S. civilian nuclear energy sector to establish new supply chains and enhance uranium enrichment capacities. Significant research and development investments should also be made in innovative nuclear energy technologies that lower costs and increase operational security and efficiency, enabling the United States to help countries around the world engage in a smooth transition away from Russian-designed reactors.

The U.S. International Development Finance Corporation could play a key role. In 2020, it lifted its ban on investments in civilian nuclear energy. It is actively seeking investment opportunities that can challenge the influence of U.S. adversaries, especially Russia and China, while at the same time strengthen the resilience of U.S. partners and allies.

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The U.S. and much of Europe are experiencing a nuclear renaissance and transition to green and renewable energies, ensuring these investments will bear fruit long into the future.

The West's dependence on Russian nuclear energy aids the Kremlin's ability to wage war in Ukraine and support the nuclear programs of American adversaries such as Iran. The good news is that, by eliminating this dependency, Europe and the U.S. can neutralize one of Moscow's most potent energy weapons.

More must be done, and with much greater urgency, to make this vision a reality and protect not only Ukraine, but the world, from the effects of Russian energy weaponization and armed aggression.

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