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Uranium Deal Faces U.S. Objections

By Derek Andersen

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Russian uranium producer Atomredmetzoloto maintained a calm front Friday in the face of objections by powerful U.S. legislators to a deal that would give it control over a uranium mining operation in the United States.

The Rosatom subsidiary is completing a complex transaction with Canada's Uranium One that would raise its share in the Canadian company to 51 percent. The transaction requires approval from the U.S. Treasury Department's Committee on Foreign Investment because of Uranium One's mining activities in Wyoming.

"We have provided all relevant information requested in the U.S., and elsewhere and we expect approval in due time," ARMZ spokesman Dmitry Shulga said. He declined to comment further.

Four Republican members of the U.S. House of Representatives sent a letter to Treasury Secretary Timothy Geithner urging him to block the Russian-Canadian deal, The Washington Times reported Tuesday.

According to the newspaper, the lawmakers pointed out past links between Rosatom and Iran, and wrote that the Russian federal agency has "shown little if any inclination to effectively address the widespread and continuing corruption within Russia, particularly its energy sector."

Additionally, the senators wrote that they "remain concerned that Iran could receive uranium supplies through direct or secondary proliferation," despite Uranium One assurances to the contrary.

Rosatom spokesman Vladislav Bochkov responded to the mention of corruption with perplexity.

"It's some sort of nonsense," Bochkov said Friday. " You can only respond emotionally to that kind of statement. What are they referring to? It's hard to speak without facts."

The legislators, Ileana Ros-Lehtinen of Florida, Spencer Bachus of Alabama, Peter King of New York and Howard McKeon of California, stand to become heads of House committees that could potentially intervene in the deal, should the Republicans take control of the House in the November elections.

Uranium One controls 20 percent of the U.S. uranium market through its mines in the Powder River Basin of Wyoming. The United States is the world's largest consumer of uranium products.

Anton Khlopkov, director of the Center for Energy and Security, saw the U.S. politicians' actions as an example "of how Russian business can or cannot work abroad, especially in the U.S."

"People understand this is unfair, especially when the Iran issue is raised," Khlopkov said.

President Dmitry Medvedev's decree canceling a contract for the delivery of S-300 missiles to Iran and banning the export of a number of other forms of military hardware to that country was made public Thursday.

"After the recent decree by Medvedev, this is a bad signal for people in Moscow who think we should align our position with the West," Khlopkov said.

He said he expected the situation to "complicate business in the future" between Russia and the United States.

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