

Clinton in Prague to Lobby for Nuke Plant Project

By The Moscow Times

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PRAGUE — U.S. Secretary of State Hillary Clinton will seek to convince Czech leaders of the advantages of picking U.S. firm Westinghouse over a Russian rival as the contractor for a \$10 billion nuclear reactor project in meetings in Prague on Monday.

U.S. officials traveling with Clinton to Prague said the Temelin nuclear power project could bring as many as 9,000 jobs to the United States and would help diversify the Czech Republic's energy supply away from Russia.

Majority state-owned Czech firm CEZ applied on Friday to build two new blocks at its 2,000 megawatt Temelin nuclear power plant, in what would be the European country's biggest energy deal.

Westinghouse, a unit of Japanese firm Toshiba Corp, is competing with Russia's Atomstroiexport, which is bidding in a consortium with a Russian-owned Czech group.

U.S. officials said formal negotiations between the two bidders and the Czech government are expected to start in December, with a decision on the contractor expected in the spring.

Clinton was due to meet Prime Minister Petr Necas and Foreign Minister Karel Schwarzenberg on Monday morning.

"There will be the opportunity for the Secretary to support ... Westinghouse," a senior State Department official told reporters.

"It could be great in lots of ways — for American jobs, American companies, for energy security and diversity in the Czech Republic, for jobs in the Czech Republic and for a scientific and innovation partnership with the United States."

Clinton would stress Westinghouse's safety record given concerns about nuclear reactors after the Fukushima disaster in Japan last year, he said.

The U.S. side will also stress the advantage of reducing the Czech Republic's reliance on Russia for energy. According to U.S. officials, the country currently gets 60 percent of its oil, 70 percent of its gas, and 100 percent of its nuclear reactor fuel from Russia.

"We think there's an awful lot to be said for this (choosing Westinghouse) in terms of energy security and diversifying sources."

CEZ, central Europe's biggest energy group, with a market capitalization of \$18.2 billion, threw out a bid from French firm Areva in October, because it failed to meet "crucial requirements."

Clinton's visit to Prague follows one by U.S. Assistant Secretary of Commerce Nicole Lamb-Hale last week. Lamb-Hale said the U.S. Export-Import Bank was interested in financing the deal if Westinghouse were picked.

The Czech Republic's bid to expand its nuclear capacity has run into opposition from neighbors Austria and Germany.

Many Czech officials fear an over reliance on Russian energy will put their country under too much influence from its former communist master. After the end of the Cold War and the collapse of the former Soviet Union, Prague became a close ally of the United States.

The Russian bidders have sought to allay Czech fears about Moscow and stressed that there would be a high participation rate by domestic firms if they won the tender.

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