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Russian Minister Proposes Punishing France over Mistral Warship Non-Delivery

By The Moscow Times

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Russia commissioned two Mistrals from France in 2011 for 1.2 billion euros ($1.3 billion). The vessel due to be delivered last year was the first.

A Russian minister has proposed sanctions against French-based satellite company Eutelsat in retaliation for Paris's failure to deliver a helicopter carrier warship last year, the Izvestia newspaper reported Tuesday citing a letter from the minister.

France suspended the delivery of the Mistral ship last fall because of Moscow's support for pro-Russian separatists in eastern Ukraine.

In a letter obtained by Izvestia to Deputy Prime Minister Dmitry Rogozin — who oversees Russia's space industry — Communications and Mass Media Minister Nikolai Nikiforov said Russia should consider retaliatory measures if France continued to block the ship's transfer.

Russia could cancel contracts between the Russian Satellite Communications Company (RSCC) and France's Eutelsat, one of the largest satellite operators in the world, Nikiforov said in the letter, according to Izvestia.

Nikiforov estimated the value of state-controlled RSCC's contracts with Eutelsat at 658.9 million euros ($736 million), the paper said.

This would balance out Russia's losses for the undelivered warship. Russia commissioned two Mistrals from France in 2011 for 1.2 billion euros ($1.3 billion). The vessel due to be delivered last year was the first.

Nikiforov also proposed canceling RSCC's purchase of an Express-AMU2 communications satellite from another European aerospace manufacturer, European Aeronautic Defense and Space Company (EADS), saying the move would cost the firm losses of 4.8 billion rubles ($77 million), Izvestia said.

The newspaper said the head of Russia's Federal Space Agency, Igor Komarov, was opposed to Nikiforov's proposal.

In a letter to Rogozin cited by Izvestia, Komarov argued that since Eutelsat was not owned by the French government, counter-sanctions would have little impact on French or EU policy. He also warned of further counter-sanctions against Russia, the paper said.

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