



GREENPEACE

Essential Action

July 17, 2007

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Re: Kazakhstan Purchase of Westinghouse Shares and Acquisition of Nuclear Technology

We are writing to express our opposition to the approval of the sale of shares in Westinghouse to Kazatomprom, a firm controlled by the Kazakhstan government.

The Japanese newspaper *the Nikkei*, *AFP* and other wires have reported that Kazakhstan will seek approval from the United States to acquire from Toshiba a 10 percent stake in Westinghouse, a U.S. company that is a leader in nuclear energy technology. These reports say that the transaction will require Toshiba and Westinghouse to transfer uranium-processing technology to Kazatomprom.

The report from the Kazakh Information Agency, KAZINFORM on July 9, 2007 says:

Japanese electronics company Toshiba Corp. confirmed on Friday that it is in talks with Kazatomprom, a Kazakh-based state run resources company to sell a part of its stake in U.S. nuclear power company Westinghouse Electric. However, the company said that it has not made any final decision on the sale. Reports indicate that Toshiba intends to sell a 10% stake in for about \$527 million, or yen 65 billion. However, the sale of a stake in Westinghouse to a company in a third country requires the approval of the US government. . . . Toshiba and

Westinghouse are expected to transfer uranium-processing technology to Kazatomprom. With Westinghouse as a subsidiary, Toshiba has the technology to build both boiling water reactors and pressurized water reactors. The partnership with Kazatomprom would enable the companies to combine all parts of nuclear power generation process.

According to a July 10, 2007 story from the Russian news agency *Novosti*,

Kazakhstan hopes to use U.S. technologies to stop uranium ore exports to Russia and to sell high value-added products instead, namely, heat assemblies made according to Western standards.

We oppose the transaction on the grounds that the sale will undermine efforts to limit nuclear proliferation, and will give sensitive nuclear technology to a brutal, repressive and undemocratic regime, which may lack long-term legitimacy and stability.

According to numerous news reports (see attachment), the government in Kazakhstan is engaged in rigging elections, censorship and harassment of the news media, wrongful imprisonment and torture of political opponents, and there are well known allegations concerning the murder of regime critics.

Kazakhstan president Nursultan Nazarbayev is widely seen as becoming even more authoritarian. This year the Kazakhstan constitution was changed to eliminate term limits for Nazarbayev, to allow him to become “president for life.”

Kazakhstan’s acquisition of Westinghouse’s nuclear technology will present risks to the world community, should the technologies be used by parties who are seeking to develop nuclear weapons.

The government of Kazakhstan has been a political ally of the United States, and is well known and highly regarded for having agreed to voluntary disarmament in 1992, shortly after its independence from the former USSR. Kazakhstan has also instituted economic reforms, and enjoys a growing economy fueled by the exploitation of the Tengiz oil field and other resources, and has demonstrated technological prowess, as evidenced, for example, by its launch of a satellite into orbit in 2006. These achievements, however, must be balanced with the very disturbing reports from Kazakhstan regarding its repressive and corrupt governance, and taken together, these achievements are not sufficient to merit U.S. government approval of a transaction that will result in the transfer of nuclear technologies to Kazatomprom.

The long-term stability of the current regime cannot be assured. An unexpected coup, a health problem for President Nazarbayev, or another unforeseen event could radically change the political climate in Kazakhstan. Even under the current regime, there are reports that nuclear facilities and material are not secure, and there is evidence that people in Kazakhstan have ties to nuclear black-market activities.

We note that there are at least three reported cases since 2003 of individuals being linked to black market sales of nuclear technologies in Kazakhstan. These include an attempt to sell plutonium-239, reported in July 2003, a September 23, 2003 report that a resident of the border town of Uralsk was arrested trying to sell a container of depleted uranium, and a 2004 investigation of the role of a Kazakhstan business in the clandestine network run by Abdul Qadeer Khan, the Pakistan nuclear scientist who has confessed to selling nuclear technology to Iran, Libya and North Korea. [See references before].

Under these circumstances, and without any tradition of free elections or respect for human rights, we oppose the sale of Westinghouse stock to Kazatomprom, or any other entity controlled by the government of Kazakhstan.

Ever since they were first developed, mankind has struggled to contain the proliferation and use of nuclear weapons. This has been complicated immensely by the relationship between the military and non-military uses of nuclear power. The Committee on Foreign Investment in the United States (CFIUS) should not permit foreign investments that increase the risk that nuclear technologies will ever be used for military purposes, including, but not limited to, uses against the United States. The CFIUS should not sanction investments that will predictably result in nuclear technologies being transferred to a country that has never witnessed a peaceful transition of political power, which has never held fair and free elections, and which cannot claim to represent long-term legitimacy, in a region fraught with instability and conflict.

Sincerely,

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Cc: Representatives Henry Waxman, Ed Markey, Pete Stark, Chris Smith, Dan Burton, Senators Byron Dorgan, Jim Webb, Russ Feingold, Joe Biden, Barack Obama, Hillary Clinton, Chris Dodd, Bernie Sanders, Sam Brownback, Richard Luger, John McCain.

Attachment. Selected news stories, government and NGO reports
(in chronological order)

2007 July 6. C.J. Chivers, "Former Son-in-Law of Kazakh Leader Says He Was Framed," *New York Times*. "Mr. Aliyev, 44 and until recently the Kazakh ambassador to Austria, is at the center of a palace feud and kidnapping scandal that has become a political sensation in Kazakhstan, the oil- and gas-rich state on the Central Asian steppe that he says Mr. Nazarbayev runs like a family business empire. The case has raised fresh questions about the politics and management of a country that by post-Soviet Central Asian standards has been a success, but is still dogged by election-rigging, centralization and corruption in its governing class.
<http://www.nytimes.com/2007/07/06/world/asia/06aliyev.html>

2007 June 15 June 2007. Christopher Walker, "Muzzling the Media: The Return of Censorship in the Commonwealth of Independent States," Freedom House. In Kazakhstan, a steady monopolization of media was implemented. Dariga Nazarbayeva, the influential daughter of the president and one-time head of the state news agency, played a pivotal role in the effort to take control of that country's news media infrastructure. In Kazakhstan, as in a number of the former Soviet states, broadcast media has been taken into the hands of members of the presidential family or those with close ties to it. Meanwhile, the screws were tightened on journalists who took an independent line. A campaign to silence critics who reported on official corruption caught in its web journalists such as Sergei Duvanov and Nuri Muftakh. Muftakh died at a time he was following allegations that Kazakhstan's president had secretly transferred large amounts of money to foreign banks. In November 2002, he was run over by a bus in what authorities regarded as an accident but what many speculate was a politically motivated assassination. Duvanov, who also wrote on political corruption and was following the "Kazakhgate" scandal, was found guilty of what many believed to be trumped up rape charges and sentenced to several years in prison in January 2003.
http://www.freedomhouse.org/uploads/press_release/muzzlingthemedial_15june07.pdf

2007 May 29. Yuri Zarakhovich. "Kazakhstan's Family Feud." *Time Magazine Website*. Details the ongoing dispute between President Nursultan Nazarbayev and his son-in-law Rakhat Aliyev, characterizes Nazarbayev as an autocrat and states that "the lack of political maturity [in Kazakhstan] bodes ill for an increasingly critical section of the world."
<http://www.time.com/time/world/article/0,8599,1626050,00.html>

2007 May 25. "U.S. criticizes Kazakhstan over media shutdown." Reuters Webpage. Reports the United States' criticism of Kazakhstan for shutting down a TV station and newspaper owned by the son-in-law of President Nursultan Nazarbayev following a dispute between the two men.

<http://www.reuters.com/article/politicsNews/idUSL2561778020070525>

- 2007 May 24. "Kazakhbashi: One step forward, two back," *the Economist*.
"Kazakhstan has never held votes judged free or fair by international observers. This amendment is a mandate for Mr Nazarbayev to rule for life."
http://www.economist.com/world/asia/displaystory.cfm?story_id=9241455
- 2007 May 19. Raushan Nurshayeva, "Kazakhstan's President voted in for life term," *Daily Telegraph*. Kazakhstan's veteran leader Nursultan Nazarbayev has been in effect declared President-for-life in a move condemned by the nation's opposition as undemocratic.
<http://www.news.com.au/dailytelegraph/story/0,22049,21758227-5006003,00.html>
- 2007 May 19. David Holley, "Kazakhstan lifts president's term limit, Nursultan A. Nazarbayev could remain in office for the rest of his life," *LA Times*, May 19, 2007. Moscow -- President Nursultan A. Nazarbayev of Kazakhstan could remain in office for the rest of his life as a result of a package of constitutional amendments approved Friday by Parliament. The measures, which need Nazarbayev's signature to take effect, would remove any limit on the number of terms he can serve. Under Kazakhstan's current constitution, Nazarbayev, who has exercised authoritarian rule over the oil-rich Central Asian country since the 1991 collapse of the Soviet Union, would be required to step down in 2012. Critics charged that the vote was tantamount to making Nazarbayev, 66, president for life, whereas supporters said it was recognition of the key role he has played in building the country of 15 million. "It is a huge step back for the nation," Aidos Sarimov, a political analyst at the Altynbek Sarsenbayev Foundation, an opposition-linked think tank in Almaty, said by telephone. . . . "From now on, the president will be able to dissolve Parliament any time he wants," Sarimov said. "According to the new amendments, the president also will be able to disband local councils, which is totally undemocratic. If presidential powers were expanded on 15 points, parliamentary powers were uplifted by only five, which resulted in a further imbalance of power in Kazakhstan in favor of the president."
<http://www.latimes.com/news/nationworld/world/la-fg-kazakh19may19,1,4692433.story>
- 2007 March 6. United States Bureau of Democracy, Human Rights, and Labor, *Country Reports on Human Rights Practices, 2006 - Kazakhstan*. "The following human rights problems were reported: severe limits on citizens' rights to change their government; an incident of unlawful deprivation of life; military hazing that led to deaths; detainee and prisoner abuse; unhealthy prison conditions; arbitrary arrest and detention, particularly of government opponents; lack of an independent judiciary; increased restrictions on freedom of speech, the press, assembly, and association; pervasive corruption, especially in law enforcement and the judicial system; restrictions on the activities of nongovernmental organizations (NGOs);

discrimination and violence against women; trafficking in persons; and societal discrimination.”

<http://www.state.gov/g/drl/rls/hrrpt/2006/78820.htm>

2006 February 13. Gulnoza Saidazimova, “Kazakhstan: Opposition Figure Found Shot Dead Near Almaty,” *RFE/RL*. The bodies of Altynbek Sarsenbaev, a co-chairman of the Naghyz Ak Zhol opposition party, his bodyguard, and his driver were found in the Almaty outskirts early today. The three were reportedly shot dead. A former information minister and a former ambassador to Russia, Sarsenbaev was a fierce critic of Kazakhstan's current regime. "He was murdered," said Aydos Sarymov, an aide to Sarsenbaev, in an interview with RFE/RL. "His hands were tied behind his back. They shot him first in front and then in the back of his head. There is no doubt it is a murder." The Kazinform state agency reports that Sarsenbaev was killed while hunting. The leader of Kazakhstan's opposition group For a Just Kazakhstan, Zharmakhan Tuyakbai, who was also a presidential candidate in the December presidential election, confirmed Sarsenbaev's death to RFE/RL but refused to elaborate on possible motives. "Yes, it's true that he was found dead along with the bodies of his bodyguard and driver," Tuyakbai said. . . . Sarsenbaev, who was a government official and served as Kazakh ambassador to Russia, joined the opposition in 2003, and declared his intention to run for president.

<http://www.rferl.org/featuresarticle/2006/2/0C2B8F56-79F6-447A-B66F-5E41C199689A.html>

2005 November 29. "Kazakh Opposition Figure's Death Ruled Suicide," *RFE/RL*, The official investigation into the shooting death of Kazakh opposition figure and former Emergency Situations Agency head Zamanbek Nurkadilov has concluded that he committed suicide. The investigative team found that Nurkadilov first shot himself twice in the chest before putting the gun to his head and firing a bullet into his brain.

<http://www.rferl.org/featuresarticle/2005/11/55e307fe-ebd7-4d80-b9f0-be332e4ae583.html>

2005 November 14. Andrew E. Kramer, “Kazakhstan opposition member slain,” *The New York Times*. A former minister in the government of President Nursultan Nazarbayev who had said he would speak publicly about high-level corruption has been found shot to death, according to the police and an opposition leader. The killing Saturday night comes three weeks before a presidential election in this oil-rich former Soviet state. Zamanbek Nurkadilov, 61, was a member of the leading opposition group, For a Fair Kazakhstan. He was fired from his post as minister of emergency situations in 2004 after saying that Nazarbayev should answer allegations that Kazakh officials had accepted millions of dollars in bribes from an intermediary for American oil companies during contract talks in the 1990s. The leading opposition candidate in the presidential race, Zharmakhan Tuyakbai, said in an interview Sunday that Nurkadilov had recently said he would

go public with information about corruption in Nazarbayev's government. . . Nurkadilov was shot twice in the chest and once in the head, Musin said, adding that the police had recovered a pillow pierced by bullets that may have been used as a silencer. <http://www.iht.com/articles/2005/11/14/news/stan.php>

2004 February 20. Bagila Bukharb, "Kazakhstan Probes Nuclear Black Market"

Associated Press story published in the *Washington Post*.

"Kazakhstan has opened an investigation into the nuclear black market that helped Iran, Libya and North Korea, exploring suspected ties in the country that housed much of the Soviet Union's atomic arsenal, officials told The Associated Press. Kazakhstan's intelligence agency is examining the Almaty office of a Dubai company linked by President Bush to the market headed by the father of Pakistan's nuclear program, the officials said. . . The black market's potential connection to Kazakhstan - which served as a nuclear testing ground until it disarmed after its 1991 independence - has raised concern about the proliferation of remnants of the Soviet weapons program. Kazakh officials strongly deny any highly enriched uranium - the form used in weapons - has leaked out of the country. Bush accused Sri Lankan businessman Bukhary Syed Abu Tahir of brokering black-market deals for nuclear technology using his Dubai-based company SMB Computers as a front. That firm also has an office in the Kazakh commercial capital, Almaty. The Kazakh intelligence agency, the National Security Committee, is investigating allegations that SMB Computers' affiliate was dealing with highly enriched uranium, spokesman Kenzhebulat Beknazarov said Thursday.

A Europe-based Western diplomat working on issues of nuclear proliferation questioned the reliability of Kazakh safeguards for its nuclear assets.

<http://www.washingtonpost.com/wp-dyn/articles/A57134-2004Feb20.html>

2003 September 23. Attempts to sell depleted uranium on black market.

http://www.nti.org/e_research/profiles/Kazakhstan/4279_4280.html.

Police in Kazakhstan have arrested a resident in the northern border town of Uralsk in West Kazakhstan Oblast who was trying to sell a container with an undisclosed amount of depleted uranium. The Kazakh newspaper Ekspress K reported the arrest on 23 September 2003. Officials have not disclosed further information about the price sought for the material, its origin or how it came to be in the oblast. Sources: "Pochem nynche uran?" Ekspress K, 23 September 2003; in Integrum Techno, <http://afnet.integrum.ru>.

http://www.nti.org/e_research/profiles/Kazakhstan/4279_4280.html.

2003 July 31. Attempts to sell plutonium-239 on the black market.

http://www.nti.org/e_research/profiles/Kazakhstan/4279_4280.html.

Agents from the Kazakhstani National Security Committee (KNB) arrested two Kazakhs and one Russian for attempting to sell the radioactive isotope plutonium-

239, Ekspress-K reported on 31 July 2003. The arrests were the result of a surveillance operation. The three suspects, two residents of Pavlodar, Kazakhstan and one native of Saratov Oblast in Russia, were arrested while making the transaction at a local train station in Pavlodar. The two Kazakhs were reportedly selling the plutonium to the Russian. Police seized \$20,000 in cash and an ampoule which a subsequent analysis showed to contain Pu-239.[1] A KNB spokesman later said that the isotope of plutonium seized is used in smoke detectors and "in no way can be used in the production of weapons of mass destruction." [2] Charges have been filed against the three suspects.[1]

Sources: [1] Asel Tulegenova, "Radioaktivnyy rynok," Ekspress K, 31 July 2003; in Integrum Techno, <http://www.integrum.ru>. [2] "Spetssluzhby Kazakhstana pri popytke prodazhi izotopa plutoniya-239 zaderzhali 3 chelovek, v tom chisle grazhdanina Rossii."

2003 June 7. S. Janomohamed. "Kazakhstan and the Nazarbayev Kleptocracy." *Islamic Human Rights Commission Website*. "Kazakhstan is being systematically plundered, its resources viewed as a blank cheque by its self-edifying plutocracy. This institutionalised kleptocracy is ossified in the hands of the Nazarbayev family. A network of cronyism and nepotism presides. Kazakhstan should read 'Nazarbayev and Sons Ltd'. The Nazarbayev family and key associates control key economic and government sectors. An examination reveals that Dorigo, Nazarbayev's daughter, controls huge sways of Kazakhstan's print and broadcast media. Running Khabar TV, she also chairs the Congress of Kazakhstan's Journalists. Whilst Rakhat Aliev, Nazarbayev's son-in-law controls vital areas such as special services, tax and customs. And Timur Kulibayev, another son-in-law, predominates in the banking, oil and gas sectors. The financial activities of the Nazarbayev family have been declared a state secret. . . Harassment of opposition is routine. The government monitors the movements and communications of opposition activists. Political opponents have been jailed and prominent opposition leaders have fled into exile."
<http://www.ihrc.org.uk/show.php?id=650>

See also:

http://www.keionline.org/index.php?option=com_content&task=view&id=95
Background on Kazakhstan and its nuclear program