

**MINISTER
OF ATOMIC ENERGY
OF THE RUSSIAN FEDERATION
(MINATOM)
September 29 2003, № 01-5328**

To: S.S. Mitrokhin
Member of the State Duma
of the Federal Assembly
of the Russian Federation

Re: Reprocessing of imported uranium materials.

Dear Mr. Mitrokhin!

To follow up on your request of 22 August 2003 #CM-1349, the RF Ministry of Atomic Energy prepared materials that, we believe, can answer your questions, although the issue you touched upon is very complicated and information on certain question may be found only in the archives and its search and preparation would have taken some time.

Annex 1 contains data on the amount and the characteristics of the uranium materials (the so-called goods made on commission) imported into Russia for reprocessing under international trade agreements signed after 1995. Here as well, you can find information about uranium shipments after reprocessing and uranium left in Russia as the product of reprocessing (rejects).

Uranium enrichment services and shipments of low enriched uranium (LEU) are the responsibility of federal-level state-owned unitary companies of the RF Atomic Energy Ministry: "Uralsky Electrochemical Plant", "Production Association "Electrochemical Factory"", "Siberian Chemical Plant" and "Angask Electrolysis Chemical Plant".

The price of the services related to enrichment of the uranium goods made on commission are set up based on agreement that takes into consideration current world prices of similar services. Which is why no calculation of the prime cost of the services under the international agreements has been made.

Under the existing Russian Federation laws, taxes and deductions are defined not for each agreement, but based on the total income acquired by a company. With this in mind, we are giving you information on the total income acquired and taxes paid by each company providing services related to enrichment of imported goods made on commission (Annexes 2 and 3).

Rejects produced in the process of enrichment of the imported goods made on commission are left with the Russian companies as the property of the state (federal property). Storage and disposal of the above mentioned rejects are not provided for because the rejects are a valuable raw material used at Minatom plants in production of raw uranium of the natural quality with application of up-to-date technologies of isotope separation. Later on the reprocessing rejects may be used in production of fluorine for the needs of the national industry.

Very truly yours,

A. Rumyantsev
Minister of Atomic Energy

Annex 1. Information on contract on enrichment of abroad uranium materials

Details of the contracts				Terms of delivery	Foreign materials					Returning uranium			Rest (left) uranium	
# of the contracts	Terms of contracts	Name of company	State of contract		State of uranium origin	Company – owner of uranium	Enrichment %	Form of delivery	Volume (tons of uranium)	Enrichment %	Form of delivery	Volume (tons of uranium)	Form	Volume (tons of uranium)
60111	1996-1999	EURODIF	France	1996-1999	France	EURODIF	0.3	UF6	13887	0.711	UF6	228.8	UF6	13658.2
50132	1995-2009	URENCO	GB	1996-2003	GB	URENCO	0.3	UF6	59328	4.28 – 4.95	UF6	450.18	UF6	
25040	2002 – 2009	URENCO	GB	2002 - 2003	GB	URENCO	0.3	UF6	13676	0.711	UF6	7947.18	UF6	64606.64
90124 25020 25024	1999 – 2014 2002-2014 2002-2004	EURODIF EURODIF INTERNE XCO	France France Germany Germany Germany Germany	2000 -2003 2002 –2003 2002 -2003	France France France Uzbekistan Namibia Kazakhstan	EURODIF EURODIF INTERNE XCO INTERNE XCO INTERNE XCO INTERNE XCO	0.3 0.3 0.711 0.711 0.711 0.711	UF6 UF6 Protoxide Protoxide Protoxide protoxide	8386 9815 200 818 245 70	3.5	UF6	1062.00	UF6	18472.00
80004	1975 - 2002	GKN	Germany	1997; 1998; 2000	China	CNEIC	0.711	protoxide	300	3.75; 3,55; 4.34	UF6	53.7	UF6	246.3
								Total	106725			9741.86		96983.14

Note: Uranium – 235 enrichment for left in Russian Federation in UF form in accordance conditions of the contracts is 0.2 – 0.38%.