

Trump administration weighs considerations in nuclear power agreement with Saudi Arabia

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Washington

As Saudi Arabia enters a nuclear energy era, the Trump administration is hoping to secure lucrative nuclear reactor contracts from Riyadh to help resuscitate an American firm and waning US nuclear industry.

However, a civilian nuclear cooperation pact between the United States and Saudi Arabia could create volatility in the Gulf region should Washington concede to Saudi demands for national sovereignty.

The Trump administration is pressing the government of Saudi King Salman bin Abdulaziz Al Saud to award contracts for the construction of two nuclear power reactors to a consortium led by US firm Westinghouse Electric and its South Korean partners.

The Saudis are weighing submissions from five bidders from the United States, France, South Korea, Russia and China “to perform the engineering, procurement and construction work on two nuclear reactors.” Riyadh plans to qualify two or three bidders by May and award final contracts at the end of the year.

The nuclear reactors will be able to produce 2.2-3.3 gigawatts (GW) each and will be combined into one power station to be operational by 2027.

The Trump administration and the Saudi government are firmly aligned in wanting to contain Iran in its hegemonic reach and ability to develop nuclear weaponry but a civilian nuclear cooperation agreement between Washington and Riyadh allowing the kingdom leeway in uranium enrichment to counter potential threats from Tehran could result in a free-for-all in regional nuclear proliferation.

The United States traditionally requires a country to sign a civilian nuclear cooperation agreement – referred to as “a 123 Agreement” – that allows participation by US firms in a nuclear project and transfer of US nuclear technology only if the foreign country accepts specific limits on uranium enrichment and spent fuel reprocessing. Washington has 123 Agreements with 23 countries as well as Taiwan and Euratom, a group of 27 nations.

Eager to lock in a 123 Agreement that would allow Westinghouse



Eager for business. The Vogtle Unit 3 and 4 nuclear power site, being constructed by primary contractor Westinghouse Electric, near Waynesboro in Georgia. (Reuters)

and other US firms to formally participate in bidding on the Saudi reactors, the Trump administration dispatched US Energy Secretary Rick Perry to London for talks with Saudi Energy Minister Khalid al-Falih just ahead of Saudi Crown Prince Mohammed bin Salman bin Abdulaziz’s visit to Washington. Perry visited Saudi Arabia in December for nuclear cooperation discussions.

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The 123 Agreements vary depending on the country, with the United Arab Emirates having accepted the toughest restrictions, including forging nuclear enrichment or reprocessing. The agreement between Washington and

Abu Dhabi, signed in 2009, is considered the gold standard for future 123 Agreements to be signed in the region.

The United Arab Emirates, which is testing operations at the first of four nuclear reactors under construction, plans to buy uranium from the United States and ship its spent fuel to the United Kingdom or France for reprocessing. The UAE agreement enables it to renegotiate terms should Washington make a less binding deal with another country in the region.

Riyadh has insisted that its pursuit of nuclear power is strictly for meeting domestic electricity demand and freeing up more crude for export. Its plan is to construct as many as 16 nuclear reactors by 2032 to produce 17.6 GW at a cost of \$80 billion. However, Riyadh has not ruled out enriching its own uranium for “self-sufficiency” purposes. Falih has said that the kingdom’s uranium resources were being explored and were proving promising.

Riyadh objects to accepting a gold standard 123 Agreement and argues that uranium enrichment is an issue of national sovereignty. In December, former Saudi Intelligence Chief Turki al-Faisal said: “The world community that supports the nuclear deal between the P5+1 and Iran told Iran you can enrich, although the NPT [global Non-Proliferation Treaty] tells us all we can enrich.... So the kingdom from that point of view will have the same right as the other members of the NPT, including Iran.”

The 2015 agreement between world powers and Iran partially lifted economic sanctions on Tehran and allowed Iran to enrich a limited amount of uranium for commercial use while subject to intrusive inspections.

Just how much the Trump administration is willing to bend in reaching a 123 Agreement with Saudi Arabia that balances proliferation concerns with political and economic ties with a key regional

ally remains to be seen. The administration hopes that the Saudi reactors project will help turn around the fortunes of Westinghouse, which is in bankruptcy and in the process of being sold by its parent company Toshiba to Canada’s Brookfield Business Partners.

Whatever terms are reached between the administration and Riyadh must be approved by the US Congress, which has 90 days to weigh in after the agreement is signed.

US Senator Ed Markey, a Massachusetts Democrat has sent a letter to Perry and US Secretary of State Rex Tillerson saying: “Congress remains in the dark about what exactly is considered, why we may be re-evaluating our non-proliferation objectives and standards and how and when this information is being conveyed to Saudi Arabia and other countries around the world.”

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Viewpoint



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Does Trump really have a plan to end the Gulf crisis?

When US presidents face a wave of problems on the domestic front, they sometimes turn their attention to foreign affairs. After all, a victory is still a victory.

President Donald Trump has turned his attention to the conflict involving Qatar and countries such as Saudi Arabia, the United Arab Emirates and Bahrain. The dispute over Qatar’s close ties to Iran and accusations regarding Doha’s ties to Islamist groups came into the open last June but has shown no sign of being resolved.

Facing a tsunami of problems on the domestic front, Trump decided to reinvigorate his role as peacemaker. He called Saudi Crown Prince Mohammed bin Salman bin Abdulaziz and UAE Crown Prince Mohammed bin Zayed al-Nahyan. He thanked them for suggesting methods for Gulf countries to “better counter

Iranian destabilising activities and defeat terrorists and extremists,” a White House release stated. (In plain-speak that’s known as buttering them up.)

Trump invited both men and Qatari Emir Tamim bin Hamad al-Thani to Washington for bilateral meetings. Finally, there will be a peace conference, also in Washington, this spring.

It’s a nice idea but so what? On this issue, Trump is truly between a rock and a hard place. On the one hand, he wants help from the Saudis and other Gulf countries to force the Palestinians to agree to the peace plan he puts forward. On the other hand, the largest US military base in this strategic region is in Qatar, just outside Doha.

Is Trump trying to leverage his personal relationship with these leaders to cajole them into settling their dispute? After all, he hasn’t really offered any other solutions to the Arab countries’ 13 demands of Qatar. In fact, Trump has sent fairly mixed signals.

Last summer, he and US Secretary of State Rex Tillerson sent conflicting messages. Tillerson signed a counterterrorism agreement with Qatar even as Trump was blasting Doha for its ties to Iran. Tillerson’s remarks on his hopes for a solution to the conflict were greeted by an angry Twitter storm from the UAE state minister for foreign affairs.

Trump undermined his secretary of defence, James Mattis, who said the Al Udeid Airbase in Qatar was in no danger of being moved. The US president publicly speculated that it should be easy to move and that there were ten other countries in the region that would jump at the chance to host it.

There are other complicating factors as well. Under Trump, some believe the United States has become a bit player in the region. This continues a trend that began under the Obama administration. The reduced role has allowed Russia to step boldly into the fray and

to assume the role of the region’s major outside mediator.

Another potential problem, though it’s purely domestic for Trump, is the announcement that his son-in-law Jared Kushner’s top-secret security clearance has been revoked. Kushner had been Trump’s point man on the Palestinian-Israeli peace initiative and Kushner has met with almost every major leader in the region. It will be much more difficult for Kushner to contribute in a meaningful way now that he will not have access to top-secret intelligence reports.

All of this makes for a confusing picture. How is any Gulf leader supposed to know exactly what the Americans are thinking? Or whom to believe?

This is why almost no expert on the region believes anything positive will come of Trump’s Gulf peace initiative. Instead, the experts say, the dispute between Qatar and its neighbours will continue for many months.

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