



FOR IMMEDIATE RELEASE
Wednesday, October 5, 2005

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NTI ANNOUNCES \$1 MILLION FOR NEW 'OUTSIDE TECHNOPARK' IN SAROV

MOSCOW – Nuclear Threat Initiative (NTI) Co-Chairmen Ted Turner and Sam Nunn today joined Vladimir Zhigalov, director of the Technopark at the closed nuclear city of Sarov, and Vladimir Yevtushenkov, CEO of the telecommunications firm AFK Sistema, to announce a \$1 million grant from NTI to support the infrastructure to bring civilian jobs to former nuclear weapons scientists at Sarov.

The NTI funds are being matched by a \$1 million investment by AFK Sistema to help build an Energy Efficiency Center as part of Sarov's new "Outside Technopark", a business park being built outside the fence of the closed city. In January, President Putin announced that the Russian government was going to establish four special economic zones for innovative economic development based on high-tech industries. These special zones are to be centered around technoparks and scientific research centers in Russia. One of these zones includes Sarov and its Outside Technopark.

"Business success comes from having talented employees who can design something innovative and bring it to market," said Mr. Turner. "But at the same time, every business has to have the infrastructure necessary to operate. Sarov will supply the scientists. The Technopark will provide the infrastructure. We are optimistic that this is the right combination to draw new investors and businesses to Sarov."

"Russia has made the decision to downsize its nuclear complex. The Outside Technopark will support the transition to a smaller, more stable and more secure Russian nuclear weapons complex and provide employment to top-flight scientists who have spent years working on weapons programs, but can now turn their talents to peaceful pursuits," said former Senator Nunn. "It's our hope that this project can be a model for creating civilian jobs for former weapons scientists."

"We have consulted widely with potential investors," said Vladimir Zhigalov. "In the Outside Technopark, businesses will have all of the advantages that come from access to the scientific expertise in Sarov, and none of the difficulties that come from restricted access. We're grateful to NTI for helping build the infrastructure we will need to draw investors and provide employment for our talented, experienced scientists."

"We are pleased to cooperate with NTI in the creation of an Energy Efficiency Center," said Vladimir Yevtushenkov. "We are investing in creation and development of the Sarov-Sistema

Technopark because it will be a good environment for tapping the scientific potential of former defense workers to advance our business. We believe the specialists who formerly worked in the defense industry have the right skills to create peaceful technologies with market potential. We are convinced that this project has enormous potential to attract new companies and create new jobs at Sarov.”

The Energy Efficiency Center will design and develop local and regional power plants that maximize energy efficiency, use environmentally clean fuels, and also supply power to the buildings at the Outside Technopark. The Energy Efficiency Center is designed to meet crucial power needs in a way that is efficient and innovative, and increases the opportunity for new companies to take advantage of a uniquely qualified scientific and technical labor pool to develop new businesses in the region.

Several major Western companies are in negotiations with the Outside Technopark and are considering establishing new facilities there. Intel Corporation, which first established a small software operation in Sarov in 1993 and has grown its business to a current level of more than 100 full-time employees, will move its operations to the new Outside Technopark and become the park’s first tenant. Over the course of the next six years, the Outside Technopark projects the creation of 2,000 new jobs and the establishment of more than one hundred companies. The Outside Technopark model, once proven, could be transferred to other closed cities, where development is hindered by similar restrictions on access.

Over the last decade, the city of Sarov has made several attempts to establish technoparks and business incubators within the confines of the closed city. Largely, however, businesses and investors were deterred by the difficulty in accessing the closed city. That led to the decision to build a new technopark just outside the fence.

Since 2002, NTI has identified pilot projects in Russian closed nuclear cities that can be replicated elsewhere, specifically in the nuclear cities of Sarov and Snezhinsk. NTI previously made a \$1 million investment in the Fund for Development of Conversion Companies which provides interest free loans to support new and growing businesses in Sarov.

To date, the joint NTI-FDCC project has created three new companies and many new jobs for former nuclear weapons employees. More than one-third of the funds have been repaid, freeing them up for reinvestment in additional new businesses in Sarov. Through these types of projects, NTI is strengthening nuclear security by reemploying personnel with knowledge of sophisticated weapons design and materials handling practices.

NTI is a nonprofit organization working to reduce the threats from nuclear, biological and chemical weapons. NTI has offices in Washington, D.C. and Moscow and is governed by an international Board of Directors with members from 10 countries. In addition to the projects mentioned above, NTI’s work in Russia has included analyzing options for accelerating the blend-down rate of highly enriched uranium, developing and promoting practical means of overcoming obstacles to U.S.-Russian cooperative threat reduction work, and exploring options for the United States and Russia in reducing the risk of accidental or unauthorized use of nuclear weapons, as well as a number of projects related to prevention of infectious disease.

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