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Uncertainty returns with renewed terrorist attacks

The terror attacks in Moscow, Kizlyar, and now Khasavvurt this week seemed to signal, more than any other recent attack—even the Nevsky Express bombing—that Russia’s hiatus from terrorism is over. While the North Caucasus region has been roiling for some time, prompting Security Council meetings on site in the wake of assassinations just last year, it only now seems to have struck home that a dramatic rethink is in order. Whatever policies the Kremlin has been pursuing, from the targeted elimination of identified rebel/terror leaders to the efforts to spread wealth around the region, they do not appear to have taken hold; new challengers rise to take the place of those defeated or purchased.

For Russia, because of the nature of the political regime, such attacks do particular damage. The Putin, and now Putin-Medvedev, regimes are founded on a core of siloviki, former employees of the power organs, and the nature of the regimes suggest a strong authoritarian slant. Some analysts have suggested that Russia’s citizens made a conscious trade of the personal freedoms and liberties won during the Yel’tsin era for a more orderly and secure society with Putin. (1) If the Putin-Medvedev administration is not capable of delivering on the expectations of security, Russia’s political leadership may suffer long term consequences of resumed terrorist attacks.

The response of the country’s tandem leaders also reflects a rift in the dynamic of leadership that seems ever more prevalent as Medvedev’s presidency progresses. Putin was initially “geographically handicapped” by his absence from Moscow during the attacks, while Medvedev was quick to respond to the news.
Calling a meeting with security officials before Putin was back in Moscow, Medvedev elicited public reports on the state’s response to the attacks from leading ministers and the Moscow mayor, and remarked, “we will continue our efforts to stamp out and combat terrorism in our country. We will continue our counterterrorist operations with unflinching resolve until we have defeated this scourge.” (2)

Medvedev’s rhetoric did shift as he referred to the terrorists as “animals,” while placing flowers at a makeshift memorial in Lubyanka Station, (3) however, he has represented a more nuanced approach to the terror problem. The day after the Metro bombings, in a meeting with the Chairperson of the Presidential Council for Civil Society Institutions and Human Rights Ella Pamfilova, Medvedev gave this short hand version of his Caucasus policy: “Our policy in the Caucasus must be reasonable, it must be up to date, it must involve different people in various processes, helping them with socialisation, but at the same time it must naturally work to prevent terrorist acts and unbridled crime and corruption, which are also endemic in the Caucasus.” (4)

By contrast, Putin has very much underscored that his response to terrorism continues to focus on the power ministries: “[I]t’s a matter of honour for law enforcement bodies to scrape them [the terrorists] from the sewers and into the daylight.” (5)

Putin should, perhaps, be concerned that someone will worry why the terrorists weren’t caught first in the outhouses, as he once demanded, and now need to fished from the sewers.

Perhaps the oddest element of the response to the Metro bombings, however, was the lack of coverage on Russian television. Live coverage and analysis, as well as critical information about the attacks, victims, and security status of the train system, was not provided by Moscow’s main television station until hours
after the events. As one commentator asked: “Whose go-ahead were the channel directors waiting for in order to change the broadcast network?” (6)

It is worth noting that the differences between Putin’s and Medvedev’s responses do not necessarily represent a continuation of diarchic competition, although there have been trends suggesting that the edge between the Kremlin and the Prime Minister has been growing more keen, as each made efforts to underscore differences between them. The recent terrorist attacks likely will exacerbate any tension, but Putin and Medvedev as leaders are nonetheless closely linked. For those imagining that a blow to Putin’s reputation might sustain a rise in Medvedev’s popularity, it seems unlikely.

As Leonid Radzikhovsky, a Moscow journalist and political analyst recently noted in an interview with Radio Free Europe/Radio Liberty: “There is no such connection here that what is a loss for Putin is a gain for Medvedev. There is an entirely different problem. If Putin’s authority crashes down, then Medvedev’s authority will crumble right down with it.” (7) Medvedev is a creation of the Putin regime, and has not managed, as yet, to develop a strong enough foundation to launch himself solo.

Of course, the terrorist attacks serve as a reminder that challenges to Putin could appear, not from Medvedev’s seemingly more liberal team, but from an increasingly militaristic and vengeful siloviki faction, unwilling to allow Russia to endure another period of anxiety and trepidation, as terrorists strike in and around Moscow and other major centers. Russia’s population, already wary of the state’s handling of terror threats could seek a more militant solution, giving a siloviki challenge a populist veneer.

It seems the bombers in Moscow, Kizlyar, and Khasavyurt have accomplished at least a part of their aim: Uncertainty is back in Russia. One Russian commentator encapsulated the sad reality that terrorism forces upon those in its
path: “There is no guarantee that any of us will return home safely after stepping into the Metro or getting on a bus.” (2)

Source Notes:
(1) Several analysts commented on the nature of a perceived social contract between the Putin administration and Russian citizens, see for example, comments by Igor Yurgens, cited in The ISCIP Analyst, Volume XV, No. 8 (19 February 2009) via http://www.bu.edu/iscip/digest/vol15/ed1508.shtml.
(3) Beginning of Meeting with Mayor of Moscow Yury Luzhkov following a Visit to the Lubyanka Metro Station, the Site of One of the Terrorist Attacks, 29 Mar 10, Kremlin Official Website, via http://eng.kremlin.ru/speeches/2010/03/29/2152_type82912_225022.shtml.
(6) “Tragedy on the capital’s metro, peace and quiet on TV: Why on earth do we need television like that?,” by Vera Tsvetkova, Nezavisimaya gazeta, 30 Mar 10; BBC Monitoring Former Soviet Union via Lexis-Nexis Academic.
Russian Federation: Legal Issues
By Sergei Tokmakov

E-justice is on its way to Russia
The Russian federal law on judicial transparency becomes effective July 1, 2010.
(1) One of its most important provisions is the requirement for courts to publish all decisions on Internet databases that are freely accessible to public. While the implementation system for the law still needs substantial work, it should, nonetheless, help alleviate corruption problems, improve judicial practice and comprehension. (2)

The law is an element of the Federal Special Program, “Development of the Judicial System of Russia 2007-2011,” sponsored by the Ministry of Economic Development. The main goals of the Program are an overall improved quality of justice and the protection of citizens’ rights. (3) Chairman of the Supreme Arbitration Court Anton Ivanov stated that increased court transparency is one of the most important steps towards curtailing corruption. “If a court petitioner understands that a favorable decision is forthcoming due to similar precedents, he will not need to offer a bribe… anomalous court decisions are more visible.” (4) A nationwide Web-based platform for courts has been implemented in order to facilitate the publishing of court decisions and the exchange of information between the courts. This platform also provides for videoconferencing and secure data transmission. (5)

Deputy Justice Minister Yuri Lyubimov claims that the Arbitration (Commercial) Court system leads the way in a “revolutionary” manner with the publicly-accessible databases of the courts’ decisions that were established years before
the July deadline. (6) This is due, in part, to the nature of the courts’ commercial disputes, for which there is sufficient demand for timely access to previous decisions. When the Supreme Arbitration Court held an auction for the contract to provide technical support for their database, the winning bid was a negative number. In other words, the winning company, a large legal web portal, was actually willing to pay to maintain the arbitration courts’ databases. The Supreme Arbitration Court’s representatives are optimistic about the possibilities of various contracts with privately held online legal research services; such collaboration can make compliance with the judicial transparency law not only more complete, but profitable, as well. (7)

There are only 112 Arbitration Courts in the country and 3500 Courts of General Jurisdiction and, unfortunately, the latter will have a much harder time implementing the provisions of the law. Commercial cases are more uniform, and thus, easier to record automatically than other civil or criminal cases. Courts of General Jurisdiction deal with cases that often contain private information that needs to be kept confidential, such as the personal data of victims and witnesses. Courts of General Jurisdiction also tend to have less advanced equipment; many of them do not have Internet access. (8)

The Chief Justice of the Supreme Court, the highest judicial body within the Courts of General Jurisdiction system, called on his regional colleagues to get down to work, rather than scare political leaders with stories of the colossal sums of money it would take to implement court transparency before the July deadline. However, some of the lower courts are facing significant hurdles. First, there are legal difficulties over how to reconcile the transparency requirement with privacy laws. Even if confidential data is blocked out, the full case can still be tracked down by the published case number and facts. If confidential data and case numbers are blocked out, the published facts by themselves would not be useful as legal precedents. Even with the confidentiality precautions, many courts would still be vulnerable to violation of privacy lawsuits from citizens in small towns and
villages, where people know each other and can easily deduce who the litigants and/or defendants are by the published facts alone. (9)

There are also technical difficulties: there is a large volume of information to be published, but not enough workers to do the confidentiality editing and publishing. Larissa Kalgina, press secretary of the Zabaykalsk Krai Court, claims that the Court will be able to publish only half of the documents in a timely manner, as required by the transparency law. (10)

The current wording of the law also presents problems. Article 15 prohibits publication of cases “on matters of national security.” Russian jurisprudence does not define the scope of this term, and the provision can thus be used to withhold publication of political cases, even if they were tried in an open court. (11) The law delegates the right to regulate the scope of many other provisions to the courts themselves. This creates potential for abuse, especially in light of judicial ineptitude and conservatism towards electronic media. “Apparatus, through reliance on internal rules and regulations, might be able to claim practically any information as confidential. This will cancel out all of the achievements of the law,” comments attorney Anna Panicheva. (12)

Nevertheless, experts are generally optimistic about the possibilities for the law’s application. (13) The Commissioner for Human Rights of the Russian Federation, while criticizing the vagueness of certain provisions of the law, calls it an important step towards the elimination of legal nihilism, which is prevalent in modern Russian society. (14) Despite internal inadequacies and abuse potential, the law is an important step in the right direction because it puts pressure on courts to increase transparency, and it creates tools to help citizens participate in the judicial process.

Source Notes:
(4) “Court system openness,” Ibid.
(10) Ibid.
Russian Federation: Security Services

By Fabian Adami

MVD to reform itself?
In December 2009, President Dmitri Medvedev signed a decree that committed the Interior Ministry to a number of reforms. The MVD is to make a 20% overall personnel cut, and to use the savings from these cuts to incentivize remaining staff. Changes in the agency’s hiring procedures—such as increased psychological screening—also are to be instituted, in order to weed out unsavory individuals. (1) In mid-February, President Medvedev fired 17 senior members of the ministry, and ordered that the MVD’s central apparatus also be subjected to cuts. (2) The number of those employed is to be reduced from 19,970 to 9,264, and Interior Minister Rashid Nurgaliyev is to submit proposals by the end of March on how to institute the changes effectively.

In mid March, Nurgaliyev discussed the question of reform on several occasions. Addressing cadets at a boarding school near Moscow, he argued that the MVD was able to look at itself honestly, and could put its own “house in order,” insisting that “openness” has been a feature of the MVD’s “for five years now.” (4) A week later, Nurgaliyev told Militseyskaya Volna Radio that the proposals for new police laws are being worked on by the “best brains” in the country, including “practicing policemen.”

(13) Ibid.
Once a draft document is completed, it will be posted on the Interior Ministry website, where the public will be able to read the proposals and provide feedback. (5) Only once the document is published, will it be possible to judge how seriously the issue of public trust in law-enforcement is being taken.

As a footnote, it must be recognized that the question of real reform may now be academic: It is difficult at this stage to know what effect the Moscow Metro attack will have. Russia’s law enforcement agencies are likely to be ordered to begin a massive hunt for the perpetrators. Given the fact that the MVD is responsible for the Chechen theater of operations, it is possible that planned reforms may be put on hold for the foreseeable future. Making significant changes at a time of national crisis may be viewed as inadvisable.

**Metro bombings: Revenge for special operations**

On Monday morning, in the middle of rush hour, two explosions occurred on the Moscow Metro. The first detonation took place at Lubyanka station just after 8 am, and the second occurred less than an hour later, at Park Kul’tury. By Tuesday morning, the death toll from dual blasts was placed at 39, while 70 people were hospitalized with varying degrees of injury. (6) Within a very short period of time, law enforcement authorities announced that the attack was executed by female suicide bombers with links to the North Caucasus, (7) and had confirmed that the devices were made of hexogen and were stuffed with “metal objects,” in order to “maximize casualties.” (8)

The Metro stations in question were not random targets. Lubyanka station, as its name suggests, is beneath the Headquarters of the FSB, while Park Kul’tury is situated near the Defense Ministry, the Frunze Academy, and the Foreign Ministry. (9) Given these facts, it is obvious that this attack was a carefully planned operation, designed to strike at the heart of the Russian military and political establishment.
Initially, there was no claim of responsibility for the attack by any of Chechnya’s notable rebel commanders. In spite of this, the FSB announced that it believed the strike to be a revenge attack for the death last month in a special operation, of Said Buryatsky, aka Alexander Tikhomirov. (10) The FSB believes that Tikhomirov trained a total of 30 suicide bombers (nine of whom died in Monday’s or previous operations) and fears that the remainder of this group may already be in Moscow, planning further attacks. (11)

The speed with which the FSB aired its theory raised some questions due to the short time lapse between Buryatsky’s death and this atrocity. Buryatsky was killed on March 3, and an operation as intricate as this was indicative of more than 3 weeks of planning. In light of Dokka Umarov’s warning last month that “the war is coming to their cities,” and that “blood will no longer be limited to our cities and towns,” (12) it seemed too early to definitively assign responsibility. Umarov’s warning also implies that a sustained campaign against Russian targets is in the offing. The FSB’s theory also failed to take into account the fact that Chechen rebel leaders in the past have spoken out only once their planned operations were completed, and they had achieved their goals.

President Medvedev’s response to the attack was to order the Interior Ministry to implement increased security measures in other cities in Russia with major public transportation networks, and to carry out a nationwide reassessment of current safety procedures. (13) At the political level, this latest attack is bound to result in major military and anti-terrorist operations being launched throughout the North Caucasus, with Prime Minister Vladimir Putin insisting that the perpetrators will “be destroyed.” (14)

On Wednesday 31 March, two days after the bombings, a Chechen rebel website carried a video message from Dokka Umarov. Umarov claimed responsibility for the attack and noted that he had ordered the bombings in response to FSB special operations on 1 February in which “noncombatant” individuals allegedly
were deliberately gunned down. (15) Umarov indicated that more attacks are imminent – but failed to mention Buryatsky’s death as motivation.

At the time of writing, the FSB apparently possesses at least one significant lead: CCTV footage of individuals believed to have acted as guides for the suicide bombers. (16) It is to be hoped that law enforcement authorities can use the images to track down any accomplices and interdict any further terrorists before they strike.

Source Notes:
(1) See The ISCIP Analyst, Volume XVI, Number 7, Part I (28 January 2010).
(2) “Work on reforming the Interior Ministry the President will keep under personal control,” The President of Russia Official Web Portal, 18 Feb 10 via http://news.kremlin.ru/news/6909.
(3) “Russian Interior Ministry Central Apparatus Personnel to be cut by 50 per cent,” RIA Novosti News Agency, Moscow, in Russian, 10 Mar 10; BBC Monitoring via Lexis-Nexis.
(8) “Metro Bomb Kills 37, Female Suicide Bombers Suspected of Detonating Nail Bombs,” Interfax, 29 Mar 10; OSC Transcribed Text via World News Connection.

(10) See The ISCIP Analyst, Volume XVI, Number 10, Part I (18 Mar 10).


(13) “Metro Bomb Kills 37, Female Suicide Bombers Suspected of Detonating Nail Bombs,” Interfax, 29 Mar 10; OSC Transcribed Text via World News Connection.


Russian Federation: Armed Forces
By Lt. Col. Andrew Wallace (USAF)

Leadership fails to solve endemic bullying
Reform in the Russian military has been progressing steadily. Divisions and regiments have transformed into brigades. The Defense Ministry has acquired modern, or at least new, military equipment, which has started to flow into combat units. Yet, senior military leaders have failed to develop a professional
officer corps capable of ensuring good order and discipline at the unit level. Hazing, bullying or “non-regulation relations” in official parlance, continue to plague the army and could threaten the long-term viability of the conscript system.

Over the past two years, 18 service men lost their lives at the hands of unit bullies. (1) Another 429 service members committed suicide over the same period, which a human rights organization links to bullying. (2) Suicide attempts may number as high as 8,500 if one considers there are approximately 20 unsuccessful attempts for every suicide. (3) Even more complaints of abuse, torture, forced prostitution and slave labor are submitted to organizations such as the St. Petersburg Soldiers’ Mothers group every month. (4)

In 2009, the chief prosecutor convicted 1,167 service members of bullying, only slightly down from the 1,239 in 2008. (5) If convictions only account for a fraction of the most severe cases of bullying, the Russian military has an endemic problem that will not be resolved on its own. The solution will depend greatly on the leadership provided by the officer corps and the military justice system.

The problem the conscript soldier faces is that there is practically nowhere to turn for recourse or justice, partly because the officer corps is part of the problem. In 2009, officers initiated one out of three hazing incidents in the army. (6) Officer involvement in hazing only complicates the issue since commanding officers are responsible for initial investigations. (7) In the time it takes the military investigations officer to arrive on scene, the commanding officer and his subordinates can easily manipulate the evidence. According to the Russian Prosecutor-General’s office, “the vicious practice of individual commanders covering up crimes in cases where service men receive traumas has not yet disappeared.” (8)
Late last year, the entire command of a military unit in the Leningrad Region was dismissed after conspiring with military investigators to cover up acts of torture, beatings, failures to render medical aid, extortion, and theft. (9) The officers dismissed included a company commander, the brigade commander, his chief of staff and deputies. (10) To add insult to injury, Colonel Aslambekov, the dismissed commanding officer, distributed three million rubles in performance bonuses to himself and the dismissed officers. (11) It is interesting to note that he did not distribute a single ruble to any of the officers that remained in the brigade.

General Makarov, the chief of General Staff, has identified training experience shortfalls, especially at the senior leader level (colonel-general to colonel), that need to be resolved immediately. (12) Senior leaders were required to take supplementary courses earlier this year to learn how to train subordinate command elements and individual soldiers. (13) After receiving the training, commanders are expected to conduct training sessions with their leaders at the brigade level and below starting in May 2010. (14)

Russian President Dmitri Medvedev recently announced that the leadership of the country also would be developing the professional standards of the Armed Forces. (15) It is critical for military officers to embrace high standards and establish reliable training and leadership for their units. According to retired Colonel Kanshin, "Ninety per cent of servicemen are composed of young enlisted personnel and NCOs, who need daily and hourly engagement. The young boys' beliefs, principles, and moral positions are only just taking shape. It is for society of considerable importance, therefore, with what principles they joined the army and with what they return to civilian life. For it is not hard to understand what could happen to those whom the state teaches ways of conducting combat operations, but for whom it does not provide a moral foundation...." (16)
The second problem conscripts face is an absence of legal representation. In 2009, 50,000 service members submitted complaints and lawsuits related to violations of their rights to the military courts. (17) Not surprisingly, conscripts submitted only 203 of those complaints. (18) According to Vladimir Khomchik, Chairman of the Military Board of the Russian Supreme Court, the military conscript is legally the least protected category of service member in the Russian armed forces. (19)

Consequently, conscripts are terribly isolated in their units. Once faced with abuse, conscripts do not have a reliable option to resolve their problem. Officers have proven to be corrupt and prone to cover up instances of abuse within their units. The courts are difficult to access, requiring conscripts to deliver statements to courts located miles from the conscript’s base. If both shortfalls continue, recruiting will become increasingly difficult for the Russian military as the conscript describes his experience when he returns to his hometown.

Current public opinion finds that 75% of Russians consider bullying the greatest evil in the Russian military. (20) This public sentiment has increased 30% over the past ten years. In addition, 40% of Russians are concerned with the deprivation of human rights and humiliation of military service men. (21) The aforementioned statistics will only serve to make Russia’s annual draft of 700,000 conscripts increasingly difficult in the future. (22) Considering only 740,000 men reach military age each year, (23) it is clear why President Medvedev has prioritized improving professional standards in the military.

Source Notes:
(2) Ibid.
(4) Stolyarova, “Non-Combat Deaths.”
(6) Officers Initiate One Third Of Hazing Incidents In Army, Interfax-AVN Online, 9 Mar 10; OSCE Translated Excerpt via World News Connection.
(8) Russian prosecutor’s office says army bullying not disappearing, Interfax-AVN, 17 Dec 09; OSCE Translated Excerpt via World News Connection.
(9) Russia: Top officers sacked over bullying in military unit – radio, Ekho Moskvy Radio, 10 Dec 09; OSCE Translated Excerpt via World News Connection; Russia: Army Corruption Growing Despite Action Taken, Nasha Versiya, 17 Mar 10; OSCE Translated Excerpt via World News Connection.
(10) Ibid.
(11) Russia: Army Corruption Growing, Nasha Versiya.
(12) General Staff chief says Russia cannot afford professional army at this time, Rossiyskaya gazeta, 23 Mar 10 via Lexis-Nexis Academic.
(13) Ibid.
(14) Ibid.
(15) Russia: Medvedev pledges support for army, attention to its social issues, Interfax, 15 Mar 10 via Lexis-Nexis Academic.
(16) Bullying in Russian army attributed to fewer political officers, Komsomolskaya pravda, 21 Mar 10 via Lexis-Nexis Academic.
(17) Russian conscripts’ access to legal defence limited – supreme court official, Interfax-AVN, 23 Mar 10 via Lexis-Nexis Academic.
(18) Ibid.
(19) Ibid.
(20) Majority of Russians consider bullying as main reason fro army dodging – poll, 23 Feb 10; OSCE Translated Excerpt via World News Connection.
The thoughts and opinions expressed in this article are those of the author and do not necessarily reflect the official position of the United States Air Force, Department of Defense, or the United States government.

Russian Federation: Foreign Relations

By Alexey Dynkin

Reset and re-START

After months of stalled efforts, US and Russian negotiators appear to have finally come to an agreement regarding the renewed Strategic Arms Reduction Treaty (START). If ratified in both countries, the agreement is supposed to result in a total overall reduction in deployed nuclear weapons (both warheads and delivery vehicles) to their lowest level in the history of nuclear arms control - that is, since the late 1960s. (1)

The announcement was made following a telephone conversation between presidents Barack Obama and Dmitri Medvedev on 26 March, during which the presidents agreed that the treaty would be signed April 8, 2010 in Prague. According to the announcement, the final draft of the treaty has been produced; all that is left now is to sort out technical details of its actual signing. If that is indeed the case, the agreement will be a significant personal achievement for both presidents, who devoted considerable attention to this project. (2)

Obama's effort—conceived as a cornerstone of his "reset" policy to restore good faith in US-Russian relations—represents the third attempt to renew the original
START, an agreement initially conceived by then-Soviet Premier Mikhail Gorbachev and US President George H.W. Bush in 1991. Negotiations over START II, which was supposed to reflect the new post-Soviet reality and replace the original agreement, dragged on for the duration of the Yeltsin presidency, and in the end the treaty was abandoned, following the US withdrawal from the 1972 Anti-Ballistic Missile (ABM) limitation treaty in 2002. Additionally, around 1997, as part of the START II negotiations, presidents Clinton and Yeltsin discussed the possibility of a START III to replace START II once it expired - which of course became moot after START II failed to go into force after 2002. For this reason, the new START has been described as the most important breakthrough on nuclear arms control in post-Soviet history. (3)

The new START will replace an existing agreement called SORT, which was signed in 2002 by presidents Putin and George W. Bush. This rather loose arms reduction agreement called for a reduction of the total number of deployed nuclear warheads to a level of 1700-2200 each, but—unlike the terms proposed under START—does not call for the actual destruction of warhead and delivery vehicles – only for their removal from active deployment. (4) Nonetheless, the agreements reached leading to SORT are significant in that they continued the overall trend in gradual nuclear arms reduction initiated under the original START. Moreover, independently of any political agreement, both countries have for some time been in the processes of downsizing their respective nuclear arsenals. (5) Thus, with the announcement of the "reset" policy in US-Russian relations by the Obama administration, it appears arms reduction may be something relatively easy for both countries to agree upon.

Throughout the negotiations on the new START, Russian strategy apparently was focused on using the treaty to reverse US plans for missile defense systems in former Soviet satellite states. The American position has been, and remains, that missile defense is not to be part of the framework of the agreement (US Republican senators Mitch McConnell and Jon Kyl recently made it clear to
Obama that any compromise on this issue would result in a refusal by Congress to ratify the treaty.) (6) The Russians, for their part, up until very recently have insisted on the converse: that any new agreement must include a provision limiting missile defense. Such was the Kremlin’s official position until only a few days ago. (7) In the end, however, Russia agreed to a compromise whereby the preamble to the treaty includes a statement relating missile defense systems to the overall issue of strategic arms control, but not elaborating beyond this point. It was this formula—mentioning missile defense, but not prohibiting it—that finally enabled the two sides to come to an agreement.

What led to the Russian “change of heart” may be impossible to determine for certain, but several possibilities exist. According to a New York Times investigative report, in February 2010, when the subject of missile defense was raised again, Obama, with a tone of frustration over Russian demands on missile defense, told Medvedev that the US would “walk away from the treaty.” (8) Perhaps as a result of this exchange, it seems that the Russians have come to realize that the idea of using the new START treaty to thwart US missile defense plans would simply not work. Given this reality, Medvedev—who, like Obama, had invested some political and personal capital into the talks—chose to cooperate.

One point in the new agreement that was emphasized in official Russian announcements is a provision restricting the deployment of land-based strategic nuclear weapons to the territories of Russia and the US. (9) This clause is unsurprisingly seen as a gain for Russia, as it effectively prohibits the stationing of any strategic weapons (if not missile defense systems) in former Warsaw Pact countries or ex-Soviet republics. Whether or not this is a real concession on behalf of the US (there is no evidence to suggest that such deployments were being planned or indeed would be needed, given the already sufficient range of long-range land, air and sea-borne missiles), its inclusion provides a convenient
"victory" for Medvedev, which he can use to counter criticism that the new treaty gives the US excessive concessions.

The US-Russian negotiations on START represent a measure of achievement in Obama's goal of resetting relations with Russia; put another way, the failure of START would have spelled the failure of the "reset" policy. It appears that for the time being, Moscow appears willing to concede on missile defense, in order to maintain the impression that the "reset" is working - perhaps hoping that by doing so, it may be able to extract favorable concessions elsewhere.

**Update: Iran sanctions revisited**

Secretary of State Hillary Clinton's visit to Moscow in mid-March addressed a number of other key topics in US-Russian relations beyond the issue of arms control. Among these was the now familiar theme of the Iranian nuclear program and what to do about it.

Shortly before meeting with the US Secretary of State, Putin—before any other official Russian pronouncements on the issue—announced that the Russian-contracted nuclear power plant in Bushehr would begin operations this summer. (10) This Russian position—later officially confirmed by Foreign Minister Lavrov—came as a response to an American suggestion that delaying the launch of the reactor be used as a possible "stick" (in addition to other sanctions) in pressuring Tehran to cooperate with US demands on its nuclear program. Lavrov claimed that launching the reactor would persuade Iran to cooperate with the International Atomic Energy Agency. (11) Returning to the question of sanctions, Medvedev equivocated: Addressing delegates from the League of Arab States in Moscow, Medvedev said that sanctions are "undesirable, but may be necessary." (12)

Viewed in the context of the START negotiations, Russia's apparent inflexibility on the Iranian question may be related to the fact that Moscow believes it already
has given ground on the issue of missile defense, and does not wish to be seen making further concessions. As with START, however, too much intransigence runs the risk of undermining the "reset" policy, possibly leading to negative repercussions for Russia or at least the loss of opportunity to secure gains because of it. Thus, Russia is likely to continue its present strategy of dangling the promise of cooperation on Iran, while avoiding a commitment to any meaningful action.

Source Notes:
(4) "U.S.-Russian Nuclear Arms Control Agreements at a Glance," ACA, Ibid.
(8) "Twists and Turns on Way to Arms Pact With Russia," ibid.
Russian Federation: Energy Politics

By Creelea Henderson

Kovytka: reprise and rivalry
On March 23, Viktor Vekselberg, one of four Russian billionaire co-owners of TNK-BP, announced that the Russian-British venture would sell its concession in Kovyktka gas field to state holding company Rosneftegaz by the end of 2010 for $700 to $900 million. (1) Kovyktka’s strategic location in Irkutsk Oblast makes it a core project from which to launch the full scale development of East Siberian gas reserves for Siberian customers in the region and, eventually, customers in Asian-Pacific countries, where Russian gas exports are expected to begin sometime around 2013-2015. At a price of $700 to $900 million, Rosneftegaz is getting a relative bargain for a field worth an estimated $20 billion, but the state’s offer must nevertheless have come as a relief to the beleaguered shareholders of TNK-BP, who one month earlier faced the very real prospect of losing their rights to the field without any compensation whatsoever. Russia’s environmental protection agency, Rosprirodnadzor, issued a recommendation in February that TNK-BP be stripped of its license after it found that the company had failed to meet the production quotas stipulated in its licensing agreement. (2) With the sale to Rosneftegaz, TNK-BP will at least recoup its $664 million investment in a field where vast natural gas reserves—estimated at 1.9 trillion cubic meters—
qualify the deposit as a strategic asset subject to renationalization if its operating license is revoked. (3) Recognizing from the start that Kovykta’s potential was mined with political risks, TNK-BP never registered the field’s gas reserves on the company books.

Indeed, the only real surprise in current events is the uncanny familiarity of it all. Three years ago, TNK-BP faced an identical set of circumstances—Rospririodnadzor threatened to strip the company of its license after an inspection revealed that the company was not living up to its required production quota of 9 billion cubic meters of gas per year. (4) That time, British co-owner BP protested that such high levels of production made little sense because the only market available for Kovykta was in the surrounding Irkutsk Oblast, where there was only need for, at most, 2.5 billion cubic meters of gas. In spite of its key eastern location, Kovykta lacks supporting infrastructure that would allow TNK-BP to move supplies to target markets in East Asia. Gazprom, the state gas export monopoly, refused TNK-BP access to its pipeline network and shot down BP’s proposal to finance a private pipeline for Kovykta. (5) Moreover, the East Asian export markets that TNK-BP had targeted when it bought into the field remained off limits under a federal law that reserved Russian gas exports for Gazprom alone. (6) Then-President Vladimir Putin stepped into the fray to chide BP, insisting that the British company had been fully aware of these constraints beforehand, and should never have entered into the licensing agreement if it did not intend to honor its terms. TNK-BP shareholders viewed the government campaign as a tactic meant to pry away Kovykta in a cheap sale as Gazprom energized its focus on gas exports to China.

BP scrambled to salvage the company’s assets by offering to sell its 62.42 percent stake in the project to Gazprom for $700 to $900 million in June 2007. (7) The deal never came to fruition, however, after events in the succeeding years intervened; first a shareholder dispute between TNK-BP’s four Russian billionaires and directors at BP threatened to dissolve the joint venture, then the
financial crisis struck, driving down demand among Gazprom’s key European customers at the same time that increased deliveries of liquefied natural gas drove down spot prices across Europe. In 2010, Gazprom reversed its prior stance on Kovyktka and announced that it no longer needed the field to supply Asian-Pacific markets. (8) Days later, Rosprirodnadzor once again threatened to strip TNK-BP of its license, and declared that the government would not reimburse the company for its investment in Kovyktka, but that the field’s future owner could choose appropriate compensation.

With the Kovyktka license once again in limbo, TNK-BP shareholder Viktor Vekselberg stepped in with a warning that any attempt to renationalize the field would create a crisis of confidence among international investors, to which Deputy Prime Minister Igor Sechin responded with assurances that the government would take TNK-BP’s sunk costs into account, and that there would be no “blatant expropriation”. (9) That announcement was doubly significant because, in addition to his role in the government, Sechin simultaneously chairs Rosneft, the state-controlled oil group that he has begun to steer further into the gas industry, territory that has traditionally been Gazprom’s by right. At the time that Sechin promised to withhold the government’s commandeering hand, his Rosneft had just entered into talks with TNK-BP to take over the Kovyktka field for the already familiar price of $700 to $900 million. (10) The scenario represented a reprise of the events of 2007, only this time Rosneft seems to be stepping into the shoes of Gazprom in a strong-arm bid to take over the field.

For now, it appears that Rosneftegaz, which holds 75.16 percent of Rosneft and 10.74 percent of Gazprom, will take control of Kovyktka by year’s end. (11) In the short term, this means that another Russian-foreign joint venture has been forced to give up a lucrative asset to the state. A more interesting question arises in the long-term: is Gazprom still the preferred instrument to effect such a takeover, or is Rosneft’s star on the rise in the east?