



Abraham, Russian Atomic Energy Minister Announce First Ever U.S.-Russian Business Venture in Closed Nuclear City

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PHILADELPHIA, Nov. 5 /U.S. Newswire/ -- U.S. Energy Secretary Spencer Abraham and Russian Atomic Energy Minister Aleksandr Rumyantsev today announced the first joint venture project between a U.S. company and a Russian company founded in a closed nuclear city. This groundbreaking project, which furthers the nonproliferation efforts of the U.S. Department of Energy, will employ former Russian nuclear scientists to manufacture medical components, equipment and devices.

A Russian nuclear city is a closed territory where nuclear weapons design and production takes place.

"This first foreign joint venture in any of the closed nuclear cities of Russia will represent yet another milestone in the Department of Energy's Russian Transition Initiatives (RTI) program," Secretary Abraham said. "To date this program has engaged nearly 15,000 weapons workers. Its successes have been critical to safeguarding vulnerable Russian nuclear expertise, facilities, and know-how."

The joint venture between Numotech, Inc., a Northridge, California medical devices company, and Spektr-Conversion, LLC, a Russian entrepreneurial start-up, will make life-changing medical products available to millions of people worldwide. Projects include the Back Support System, the first clinically-proven product to prevent and heal pressure ulcers for those confined to wheelchairs, and the Numobag, a unique oxygen bath system for healing wounds, pressure sores, burns and incisions.

Nearly 100 former employees of the Russian Federation's All Russian Scientific and Research Institute for Technical Physics (VNIITF), who previously worked on the manufacturing and design of nuclear weapons, are now employed at Spektr-Conversion. The company is now an independent research and development and prototype manufacturer, and is no longer associated with VNIITF. The Numotech-Spektr Conversion joint venture culminates three years of U.S. government support under the RTI and is expected to create over 400 permanent local jobs.

The Overseas Private Investment Corporation (OPIC) expects to support this joint venture through its commitment to provide a \$10 million loan to leverage additional funds from outside investors, along with a commitment of up to \$25 million in political risk insurance coverage for eligible equity investors.

"This significant partnership gives us a blueprint for future collaboration between U.S. companies and the

talented scientists in the former Soviet Union," Secretary Abraham said. Also involved in the joint venture is Sandia National Laboratories, a multi-program laboratory operated by the Lockheed Martin Company for DOE. Sandia validates the venture's technologies and provides technical assistance for the project. As an active participant in the RTI program, Sandia mentors Russian scientists in making the transition from defense to civilian industry.

Secretary Abraham and Minister Rumyantsev made the announcement at the first-ever Partnerships for Prosperity & Security exhibition-conference in Philadelphia, where world-class scientists and engineers from Russia, Ukraine and Kazakhstan unveiled 140 technologies, many of which have been previously inaccessible to U.S. companies.

The Department of Energy's RTI works in partnership with American industry to transform the infrastructure of the Russian nuclear weapons complex to permanent non-military, commercial uses. The program serves an important non-proliferation goal by re-directing Russian nuclear weapons scientists to non-nuclear efforts. RTI is implemented through two programs-the Initiatives for Proliferation Prevention (IPP) and the Nuclear Cities Initiative (NCI).

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