

July 11, 2000

MEMORANDUM FOR: Janice Dunn Lee, Director
Office of International Programs

FROM: Elizabeth L. Doroshuk **/RA/**
Office of International Programs

SUBJECT: MEETING SUMMARY - VISIT OF LUIS ECHAVARRI, OECD/NEA
DIRECTOR-GENERAL, JUNE 22, 2000

On Thursday, June 22, Mr. Luis Echavarri, OECD/Nuclear Energy Agency (NEA) Director-General, visited the Nuclear Regulatory Commission. The purpose of his visit was to discuss the results of the May Steering Committee Meeting and events that have taken place since then, Calendar Year 2001 budgetary matters, and the IAEA/NEA MOU. Mr. Echavarri was accompanied by Samuel Thompson, Deputy Director-General, OECD/NEA. Beth Lisann, Science Advisor for Nuclear Energy Affairs at the U.S. Mission in Paris accompanied the group as an observer. A brief summary of discussions that were held follows.

The group met with each of the Commissioners and the EDO, and reviewed the status of the IAEA/NEA Memorandum of Understanding (MOU) and the Joint Declaration of Cooperation With Russia. The NEA representatives also summarized briefly the policy debates on Expanded NEA Membership and Sustainable Development that took place during the Steering Committee meeting.

During the May Steering Committee Meeting, it was reported that the IAEA/NEA MOU was approved under the NEA Steering Committee's written procedures. The issue was raised at the March and June 2000 IAEA Board of Governors meetings, but no consensus reached. The NEA representatives suggested that the issue of approval of the IAEA/NEA MOU is complicated by the fact that the Russian side may have the impression that the purpose of the MOU may be in part to limit the activities of each of the agencies, and that this would lead to limited opportunities for Russian participation. Apparently the Russians have linked the proposed Joint Declaration of Cooperation With Russia with the MOU. Russia is hesitant to reach agreement on the Joint Declaration of Cooperation With Russia, and is joined by China, India and some of "the group of 77," to some extent in its objection to IAEA approval of the MOU. The Joint Declaration addresses the terms under which the Russian side would participate in NEA programs. Mr. Echavarri expressed hopefulness that Dr. Lars Hoegberg would have the opportunity to speak with Mr. Adamov on this matter during a visit to Russia in July, and that resolution can be achieved before the NEA Steering Committee meeting in October.

The question of Poland's request for NEA membership was also discussed with the Commissioners. During the May Steering Committee Meeting, the request was considered, but committee consensus did not support considering Poland's application for membership at that time. Since Slovakia is expected to become a member of the OECD, it may also request NEA

membership, though this case would be viewed much differently than that of Poland. Slovakia has a nuclear power plant program, and would be expected to contribute and benefit from participation in NEA activities. However, it is likely that a pause in new membership at the NEA will be considered until membership criteria can be better defined.

Mr. Echavarri also discussed the policy debate on Sustainable Development held during the May Steering Committee Meeting, and mentioned that there will be further discussion on sustainable development during the American Nuclear Society/ European Nuclear Society (ANS/ENS) meeting to be held in Washington in November. In fact, he said OECD Secretary-General Donald Johnston will be the keynote speaker at the November meeting, and will be speaking about sustainable development.

Commissioner Merrifield was the first to meet with Mr. Echavarri and Mr. Thompson, and discussed the idea that there is a lingering misunderstanding of where the U.S. is going with nuclear power after the 1990s. He noted that the environment has changed and nuclear power is again becoming more competitive. With the recent license renewal of the Calvert Cliffs and Oconee facilities, and the expectation that perhaps 55 of 103 U.S. facilities may seek relicensing, multiple bidders could be expected to participate in the sale of some of these facilities. Commissioner Merrifield also pointed out that there are alternative high level waste disposal sites besides Yucca Mountain, which may relieve some of the pressure the industry faces for disposing of high level waste. The Commissioner mentioned that he will be visiting Finland, Lithuania and Norway in several weeks, and that he looks forward to the opportunity to visit the NEA in Paris in the future.

Mr. Echavarri and Mr. Thompson met next with Commissioner Diaz. Commissioner Diaz spoke about the program of risk informed regulation in the U.S. and the additional knowledge this field of study brings to individual plant safety programs. He added that the peer system in the U.S., even more than the regulatory oversight program, has encouraged performance improvements at nuclear facilities. He emphasized that for this reason, the work of the NEA continues to be very important.

The group subsequently met with Dr. William Travers, EDO, and focused their discussion heavily on the U.S. achievements in license renewal during the past year. Dr. Travers explained that the recent economic shifts in the U.S. accompanied by increased certainty in the regulatory climate resulting from the successful license renewal of two facilities has established a changed climate for nuclear power in the U.S. Mr. Echavarri pointed out that the achievements in the U.S. will have a considerable impact on nuclear power programs throughout the world.

The group met next with Commissioner Dicus. Mr. Echavarri addressed the recent U.S. achievements in license renewal with Commissioner Dicus, and recognized that the progress in establishing a high level waste disposal system in the U.S. complements the new environment brought about in part by the successful license renewal of two facilities here.

Commissioner Dicus and Mr. Echavarri also discussed recent events in Japan, and noted that there have been too many accidents, back to back, in Japan, accompanied by a perception that

full information was not forthcoming. Commissioner Dicus suggested that based on recent discussions she has held with regulatory officials in Japan, she understands that the government is trying to take action to improve the regulatory structure in Japan. In addition, Commissioner Dicus said that MITI has expressed a desire to observe two exercises in the U.S. in response to discussions she has held.

Commissioner Dicus and Mr. Echavarri discussed the NEA Radiation Protection Workshop which is to be held in Switzerland in January 2001. Commissioner Dicus said that she may wish to participate and asked to be kept informed.

Mr. Echavarri and Mr. Thompson met next with Commissioner McGaffigan. Mr. Thompson mentioned that Slovakia will become a member of the OECD this fall, and the NEA would most likely be favorably inclined toward considering Slovakia for NEA membership. Much progress has been made in Slovakia to improve reactor safety, especially because of the extensive digital instrumentation and control system upgrades. In Slovakia, a commitment has been made to close the VVER 213s in 2006 and 2008. In the absence of the commitment, Slovakia, if permitted to become a member of the NEA would be the first member with this kind of reactor. A discussion followed concerning why the NEA may not favor new members at this time. The question of whether the IAEA may fear losing its members to the NEA, and whether the NEA desires all members to have similar technical experience was considered.

Commissioner McGaffigan discussed at length his interest in the NEA Reprocessing Study, and noted that it is possible to see different sets of facts depending on how one looks at the study. Though he had reviewed a summary of the study, he mentioned that he had not yet seen the report itself, and would be very interested in receiving more information.

The group's final meeting was with Chairman Meserve. Mr. Echavarri asked the Chairman to visit the NEA while in Paris at the end of November. Since the NEA had also hoped that the Chairman would be participating in the ANS/ENS meeting in November in Washington, the Chairman indicated that it would be necessary to carefully consider his schedule of meetings during that time of the year.

Mr. Echavarri mentioned that the NEA plans to send a team to Poland this summer in response to its request for NEA membership. Mr. Echavarri said that although Poland has no operating reactors, since it has expressed a desire to build a nuclear power facility by 2002, and is surrounded by countries with operating nuclear power facilities, it is asking to be granted membership.

Chairman Meserve and Mr. Echavarri also discussed the current situation in Japan, and the fact that Japan needs help from the U.S. It was acknowledged that there is an opportunity for the U.S. to help, most notably in the near term on the matter of emergency response. Chairman Meserve said he understands that in Japan efforts are underway to improve the regulatory organization, though there may be some legal impediments to creating its independence.

Following a luncheon hosted by the Chairman, Mr. Echavarri and Mr. Thompson concluded their visit with a brief meeting with Janice Dunn Lee, Director of the Office of International Programs.

The group agreed to continue the close cooperation between the organizations, and begin to focus on the issues which will be addressed during the October Steering Committee Meeting.

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