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NUCLEAR REGULATORY COMMISSION  
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SUBJECT: CHAIRMAN JACKSON'S TRIP REPORT OF THE  
FIFTH GORE-CHERNOMYRDIN MEETING

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GORE-CHERNOMYRDIN COMMISSION TRIP REPORT  
FIFTH MEETING  
JUNE 27 - JULY 1, 1995

NUCLEAR ASPECTS OF GORE-CHERNOMYRDIN V

GENERAL:

The fifth meeting of the US/Russian Joint Commission on Economic and Technological Cooperation, held in Moscow at the end of June 1995, focused on several nuclear-related topics, most notably:

- resolution of financial issues regarding Russian sales of weapons-derived highly-enriched uranium (HEU) to the US;
- options for closure of Russian plutonium production reactors by the agreed 2000 date;
- construction of the fissile material storage facility for Russia's dismantled nuclear weapons;
- release of the Joint Electric Power Alternatives Study (JEPAS);
- civilian nuclear reactor safety; and
- nuclear materials protection, control and accounting (MPC&A).

Joint statements by the two governments were issued in conjunction with the HEU purchase arrangements, MPC&A and plutonium production reactors. Agency-to-agency agreements were signed between DOE and the Russian nuclear regulatory agency Gosatomnadzor (GAN) in the area of MPC&A and fuel cycle and research reactor safety (activities under these latter two agreements will be coordinated with the NRC).

SUMMARY OF MEETINGS:

Three nuclear-related meetings of note took place during GCCV, and are briefly summarized below.

- (1) US/Russia Energy Committee Meeting at Ministry of Atomic Power (MINATOM), Wednesday morning, June 28, 1995

Jointly chaired by DOE Secretary O'Leary and MINATOM Chairman Mikhailov, this meeting covered all of the nuclear agenda items set forth in the general section above.

The two sides conducted a "full and frank" discussion of the uranium purchase agreement, with the Russians ventilating their frustrations and the US Enrichment Corporation and Commerce Department explaining the difficulties in satisfying Russian expectations on early payments and marketing of weapons-derived material. The exchanges resulted in Russian acceptance of a US proposal to advance \$100 million for payment of both the natural uranium and enrichment components of low-enriched uranium derived from Russian weapons-grade HEU. An important part of the arrangement was Russian agreement to permit US access to relevant sites, transparency of procedures to assure the source of the uranium and an end to public complaining about the adequacy of payment arrangements. A crucial feature of the arrangement is to enable continued Russian receipt of Ukrainian weapons for dismantlement and blending-down into LEU.

On the plutonium reactor shutdown issue, it was agreed to study various options, including both gas/coal and nuclear power substitutes and--as an interim step toward early closure--core conversion of the reactors to eliminate production of weapons-usable material.

The Russians stated that progress on design and construction of a fissile material storage facility for dismantled weapons was being delayed by uncertain funding arrangements on the US side. The US agreed to seek an additional 75 million dollars in funding, but emphasized the need for the Russian side to complete design studies and to adopt precise schedules for completion of the facility. A joint statement was developed on these points.

On material protection, control and accounting, the sides noted progress resulting from bilateral cooperation. A demonstration of equipment and procedures developed through this cooperation was provided at MINATOM headquarters and on Friday, July 30, the US delegation was also given a tour of the HEU storage facility at the Kurchatov Institute in Moscow, where upgraded MPC&A measures had been implemented with US assistance. The two sides agreed that DOE and GAN could sign a cooperative agreement in this area; however, Minister Mikhailov emphasized that other provisions of Russian law might apply insofar as this cooperation might affect MINATOM responsibilities. GAN Chairman Vishnevsky indicated that there were interagency difficulties on the Russian side which might delay signing. (Note: this difficulty, involving the Russian Customs Department were resolved by Prime Minister Chernomyrdin at the GCC Plenary on June 29.)

On nuclear safety, the two sides took note of successful cooperation in the past, although the US side stated that full implementation of DOE assistance was being impeded by inadequate Russian legal measures on third-party liability and that customs problems were delaying transfers of needed safety equipment. Mikhailov indicated that many problems would be eliminated when the Russian Duma completed action (anticipated in the autumn) on the Russian nuclear law. He stated that the separate bilateral US/Russian agreement on liability should be adequate for this assistance; the US replied that domestic liability legislation and

adherence to the Vienna Convention would be of great help in resolving doubts of US contractors on the liability issue.

On the Joint Electric Power Alternatives Study, it was agreed that the report should be released and that efforts should be made to enlist domestic Russian agencies and international financial institutions in using the JEPAS to develop needed projects and policies for the Russian electric power sector. It was noted that a key finding of the report was that energy efficiency measures could have a very important impact on the investment needs of the Russian power sector.

A brief discussion was conducted on the issue of extending the US/Russian (formerly Soviet) Peaceful Uses of Atomic Energy (PUAE) agreement. Minister Mikhailov complained about the "surprise" in refusing to extend it, saying that the activities conducted under the agreement were in the interest of both sides and that it should be extended for a reasonable period. Secretary O'Leary noted that the matter involved issues of a political character, but that the issue needed to be reviewed prior to the end of the year (Gore/Chernomyrdin VI being scheduled for December in Washington).

(2) Jackson/Vishnevsky Meeting at GAN, Wednesday afternoon, June 28, 1995

The meeting at GAN provided an opportunity for the heads of the respective nuclear regulatory agencies to have a general discussion of future relations. Chairman Vishnevsky was not only accompanied by his principal Deputy, Alexander Gutsalov, but virtually his entire top-level management team; a fact which confirmed the importance GAN places in its relations with NRC.

Vishnevsky opened by noting the great value GAN places on the 4 years of cooperation with the NRC and appealed for a similar level of cooperation in the future. Gutsalov noted significance of past cooperation in training, emergency operating procedures and fire protection, and the fact that MPC&A cooperation was also becoming increasingly important. He stated that GAN would like to look at some new directions in cooperation, specifically on fuel cycle facilities, research reactors, medical uses of radioactive materials and industrial uses. He mentioned the agreement signed in the spring on conducting a PSA (probabilistic safety assessment) on the Kalinin VVER 1000 as a very important field of cooperation. GAN's top priorities are in PSA methodology, emergency operating procedures and MPC&A. GAN was also enthusiastic about the proposed joint inspection of the Balakova facility. Vishnevsky also mentioned the need for assistance in developing documentation for the licensing process; establishment of a Russian regulatory training center at Novovoronezh (30% complete); and creating an on-line information network, including support for emergency response. He also stated the need for a simulator for such a facility, and hoped for NRC assistance.

I emphasized my general support for bilateral cooperation and that I foresaw no dramatic changes in the direction of GAN/NRC activity, but stopped short of endorsing any particular projects. I noted resource

constraints arising from budget reduction measures being considered in the Congress, but indicated that the NRC would seek to maintain the highest possible level of cooperation with GAN, within those constraints. I also asked about GAN regulatory oversight of plutonium production reactors. Vishnevsky stated that GAN would be involved in reviewing the safety aspects of any nuclear replacements, noting that GAN has reported on the safety defects of the current reactors at Tomsk and Krasnoyarsk.

(3) Report of Energy Committee to Gore/Chernomyrdin Plenary, Thursday, June 29, 1995.

In light of Russian preoccupation with domestic political events, GCC plenary meetings to consider committee reports were all substantially curtailed. In the energy area, Chernomyrdin turned the floor over to Deputy Prime Minister Davidov, who reiterated Russian complaints about payment arrangements for weapons-derived uranium. He also made a plea that Russia be extended the status of "economy in transition" for purposes of US trade laws. The Vice President responded that the US was anxious for Russia to obtain full access to the US market and cited Commerce Department statistics indicating that Russian access to the US market had showed greater success than US access to the Russian market. Secretary O'Leary then reiterated the various nuclear issues in summary fashion.

These included:

- uranium sales arrangements
- plutonium production reactor shut-down
- fissile material storage
- nuclear safety
- MPC&A
- need for Russian law on liability
- laboratory-to-laboratory cooperation

A highlight of the meeting was Chernomyrdin's quick response to the US complaint that inter-agency problems on the Russian side were delaying signature of the DOE/GAN agreements. Chernomyrdin briefly scanned the relevant document and stated that "GAN is authorized to sign". Secretary O'Leary introduced me as the new head of the Nuclear Regulatory Commission. The Prime Minister welcomed my participation in the work of the GCC.

Mikhailov had the final word in the GCC plenary by appealing for extension of the PUAE agreement. He noted his agreement with the terms of further work on closure of the plutonium production reactors. He stated that, although Russian liability legislation was expected to pass

this year, MINATOM considered the existing RF/US bilateral agreement adequate. He expressed thanks for the JEPAS and noted that it foresaw a large role for nuclear energy in the Russian power sector. He hoped that it would stimulate major energy investments from the private sector, as well as international financial institutions.

A handwritten signature in cursive script, reading "Shirley Ann Jackson".

Shirley Ann Jackson  
August 4, 1995