

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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NUCLEAR REGULATORY COMMISSION BRIEFING

NRC INTERNATIONAL ACTIVITIES

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Nuclear Regulatory Commission

One White Flint North

Rockville, Maryland

Wednesday

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The Commission met in open session, pursuant to notice, Commissioner Richard Meserve, Chairman of the Commission, presiding.

COMMISSIONERS PRESENT:

GRETA J. DICUS, Member of the Commission

NILS J. DIAZ, Member of the Commission

EDWARD McGAFFIAN, JR., Member of the Commission

JEFFREY MERRIFIELD, Member of the Commission

(This transcript produced from electronic caption media and audio and video media provided by the Nuclear Regulatory Commission.)

STAFF AND PRESENTERS SEATED AT THE COMMISSION TABLE:

DR. WILLIAM TRAVERS, Executive Director for Operations

SAMUEL COLLINS, Director, NRR

JANICE DUNN LEE, Director, OIP

MARGARET FEDERLINE, Deputy Director, NMSS

MR. JACK STROSNIDER, Deputy Director, RES

ROY ZIMMERMAN, Director, NSIR

P-R-O-C-E-E-D-I-N-G-S

CHAIRMAN RICHARD MESERVE: Good morning. Why don't we get underway.

This morning's briefing is on the NRC's international activities.

This is an area that has, I think, been one of expanding activity by the staff and by the commission. Our international activities cut across the entirety of the NRC's programs. They relate to nuclear safety, nuclear materials, security, safeguards, all of the critical functions of this agency.

It's one that, an area that has involved extensive staff engagement as well as commission engagement over the, particularly over

the past year, as a result of the events of 9-11. This is an area that's of enormous interest to the entirety of the commissions who very anxiously await the brief this morning.

So why don't we get underway.

Dr. Travers, are you going to start us off?

Okay, Ms. Dunn Lee, you may proceed.

MS. JANICE DUNN LEE: Chairman Meserve and Members of the Commission, I'm very pleased to be here today at our fourth annual international activities briefing to the commission. We have had a year marked by significant change as a result of September 11th.

The work of the Nuclear Regulatory Commission has shifted in quite dramatic ways as we take on new work and responsibilities protecting public health and safety.

Our interface with a variety of agencies, including the Office of Homeland Security, Congress, and others in the executive branch has intensified as we work to develop an integrated national strategy to deal with the threat of terrorism. The Office of International Programs has not been isolate from the this impact.

My briefing today will focus on the changes that have occurred in our international activities as a result of September 11th, and some challenges posed for the future.

There is not an activity that we do that has not been affected in some way by September 11th. Our international relationships have intensified as we cope with how to deal with challenges posed for a new world order.

Last year I focused on a number of internal changes that were occurring as a result of the Commission's expressed interest and expectations for the conduct of international programs. I'm pleased to report at the outset that we have achieved much in this area. We have a more structured and integrated program, a more knowledgeable and sensitive staff, and a more informed and involved commission.

Let me begin by noting the first change at this table. This year I am again pleased to have with me the EDO and representatives from the major program offices which support and conduct the agency's international activities.

With me are Dr. William Travers, Executive Director for Operations, Mr. Jack Strosnider, who is representing the Office of Nuclear Regulatory Research, Mr. Samuel Collins, Director of Office of Nuclear Reactor Regulation, Mrs. Margaret Federline, Deputy Director of Office of Nuclear Material Safety and Safeguards, and Mr. Roy Zimmerman, Director of Nuclear Security and Incident Response.

The second change is how I plan to conduct this briefing. In past years, I have asked the directors of the major program offices to speak about their international activities in their individual program offices.

This year I will make the presentation, addressing the major international program activities. And I will pose a number of issues, challenges, and invite the Commission to make comments, ask questions, and provide guidance. My colleagues have agreed to respond to these issues. And if this is agreeable and there are no immediate questions, I will proceed.

(Slide.)

What has changed?

Well, just about everything. Where, in previous years, the focus of our work has been primarily nuclear safety, it is no surprise that the issue of security has dominated our work in implementing international programs. Bilaterally, the Commission itself has expressed a desire for stronger ties with our closest allies.

We accomplished a number of firsts this year with closed commission meetings with the UK, Germany, Japan, and France. These meetings are only the first of additional exchanges to come in the months ahead as we address the multitude of issues related to physical security, plant vulnerabilities, and design basis threat.

Multilaterally, a number of new initiatives have surfaced, both at the Nuclear Energy Agency, and the International Atomic Energy Commission. I will address these in more detail later in my presentation. And let me just note that the Commission itself has played an extremely active role in reviewing and directing our involvement in these activities.

On the nuclear systems front, we have kept up the pace of our normal assistance programs but are starting to see requests for more safeguards and security-related items such as training and physical protection and design basis threat methodology.

In the export world, the area of safeguarding transportation shipments is dominant.

All of this has had a tremendous impact on interagency coordination of activities. The need and the number of meetings have compounded in response to 9-11 considerations. And the work of the International Council has broadened to include the new Office of Nuclear Security and Incidence Response.

This has compounded their work as they address the challenges posed by September 11th, in addition to becoming familiar with important international activities that were previously conducted in other offices. In large part, these activities relate directly to our export licensing responsibilities.

This new office has lead roles for international safeguards, including implementation of the additional protocol, revisions to the physical protection convention, and reviewing transportation requirements that may be imposed in today's climate.

(Slide.)

As I mentioned earlier, since the September 11th terrorists attacks, the NRC has engaged in several discussions with key NRC international nuclear safety partners on the agency's post 9-11 initiatives. Many of these discussions have involved the exchange of unclassified safeguards and/or classified physical security information.

These exchanges allow NRC to stay current with and have the benefit of studies undertaken in other countries, which might have direct application to the safety and security of the U.S. nuclear program. This has had an impact of unknown proportion.

Each day has lead to a new discovery of previously unanticipated issues related to the exchange of sensitive and classified information.

We have recently undertaken a comprehensive review of our bilateral nuclear safety arrangements to determine if instruments are in place that allow for the exchange of this type of information.

Unclassified safeguards and classified information are considered separate categories, employing different requirements for their exchange. As you know, we have been handling requests for nuclear safety exchanges on a case-by-case basis. And while it has become administratively cumbersome, we are looking for ways to simplify to the degree possible the burden that this has imposed.

Each country with whom we have a desire to discuss nuclear security information is unique and different from the next. Each require a review of the status of our bilateral arrangement. Is it current? Is it between appropriate agencies responsible for the conduct of security programs in the state? Does an overall government-to-government agreement exists which would allow for such exchanges?

Given the fact that we have bilateral cooperation safety arrangements with more than 35 countries, we are prioritizing our work to focus on key countries, and develop a model for seeking Commission approval for exchanging such information.

In addition to negotiating the details with our bilateral partners, we will need to seek approval from the Department of State and possibly others. All this takes time, dedicated resources, and coordination.

(Slide.)

In the important area of bilateral cooperation exchanges, our relationships continue to strengthen as we regularize our bilateral technical exchanges. Staff holds annual meetings with Japan, France, Switzerland, the UK, South Korea, Canada, and Taiwan.

While these exchanges are most dominant in the reactor world, we are beginning to see regular changes in both the research and materials arena. This year we have a request from Spain to engage in annual technical meetings. While we have had numerous activities with Spain over the course of the recent years, we are planning to initiate our first bilateral exchange with them in December of 2002.

I have listed a number of current topics that reflect the agendas of our bilateral exchanges. The U.S., of course, has leadership role in a number of these areas, particularly, license renewal. And the course of the recent years, we have been contacted by a number of foreign partners in the IAEA to discuss and share our experiences.

Our experience in the Davis-Besse event has been of particular interest to countries such as France and Japan. In addition to the technical challenges posed by the Davis-Besse event, we have received numerous follow-up questions relating to the sequence of event, and it relationship to our regulatory oversight program.

Similarly, the HOMOCO pipe break at Tubu electric facility in Japan has been a topic of high interest for us. We have had information exchanged via visits, a special briefing by local representatives and e-mail.

In the waste area the world will now look to the U.S. and particularly, the NRC for next steps to licensing Yucca mountain. In this regard there has been a rise in requests for visits to Yucca mountain from our foreign visitors and discussions of nuclear waste policy issues. We anticipate even greater interest in the upcoming year.

The interest in new reactor design certification poses some interesting and challenging questions for the future. Both the British and the Canadians have expressed interest in regarding international cooperation and regulatory reviews.

Will we be able to engage in some sort of joint technical review? Will some common standards be employed?

International issues related to the implementation of risks informed and performance based regulation continues to hold high interest. And I would be remiss if I did not mention the many important bilateral research agreements that we have with our international partners on nuclear safety research. These agreements allow us to leverage our scarce research dollars into productive mutually beneficial activities.

(Slide.)

A large part of our international work is focused on receiving foreign visitors. Many of these visits occur in and around two major conferences that we host, the regulatory information conference in the spring, which attracts a large number of foreign visitors and for which we have a special international panel session. The other conference, of course, is our light water reactor safety conference sponsored by the Office of Research in the fall.

We receive visitors from our bilateral partner countries to whom we provide assistance and many heads and senior officials from international nuclear organizations. This year we had 122 separate visits, which is up from last year's total of 100. However, due to the nature of some of these visits, they were administratively more challenging because of the desire to discuss sensitive security information.

We have recently institutionalized a list of upcoming foreign visits, which a number of offices, including the Commission, have expressed interest in receiving periodically. We believe that this has developed into a very useful planning tool.

Needless to say, the visits require significant staff time for planning and preparation, as well as actual implementation. We are working closer with program offices to determine the level of support, develop relevant agenda topics, and bring together the appropriate staff.

In addition, we work with embassy staff on logistical arrangements and the Commission and EDO staff in coordinating senior level visits, which often include representational events. There are times when visits require coordination with regional offices and sometimes state, local, and other federal officials.

Particularly noteworthy, is the continued high interest in countries to emergency operations -- excuse me -- emergency planning exercises.

This year we hosted individuals from China, Japan, Hungary, Spain, and the Russian federation.

And on a side note, I would like to relay a short story which demonstrates the effectiveness of our foreign visitor program and, in particular, our emergency response center.

Inspired by their visits to NRC, the Chinese have taken significant steps in developing their own emergency response program. This has been the subject of international concern. China's state environmental protection administration vice minister, who oversees the national nuclear safety administration, which is China's regulatory body, made two trips to the U.S. within two years.

The first time was a visit to the Commission and to tour our operation center. On the second visit, he returned to NRC to observe a full-scale emergency drill, including his team observing the drill from the state emergency center and from the plant site. Between visits, he has been working hard and successfully obtained authority and funding from the Chinese central government to construct a similar emergency response capability for the NNSA. We should be proud of our ability to be an effective model for others to emulate.

(Slide.)

The NRC hosted nine assignees this year from seven different countries. These include Finland, France, Japan, the Philippines, Switzerland, Turkey, and the United Kingdom. While much of our focus has been in the reactor world, something unique this year is the fact that there is a French assignee who recently began an assignment at the Center for Nuclear Waste Regulatory Analysis in San Antonio.

And in response to expressed Commission interest, we have currently extended invitations to Canada, Mexico, Japan, and the UK for assignments to NMSS and one to Korea in the Office of Research.

Some of these result from our very first successful trilateral meeting with Canada and Mexico this year, which focused, to a large degree, on materials issues.

In the reverse direction, the Office of Research is planning a short-term assignment to learn more about graphite for gas cool reactors in the United Kingdom. In addition, NRR is considering a three-month assignment in France and possibly Spain to learn more about periodic safety reviews.

Staff is also considering the possibility of an exchange at the inspector level by sending NRC staff to South Korea to observe safety inspection at a reactor construction site. We can take advantage and learn inspection techniques of current reactor construction, on-going reactor construction, an opportunity which has not existed in the U.S. for some time.

Let me note that our foreign assignee program -- our foreign assignees continue to benefit from their experiences here at NRC, and it serves as an excellent mechanism for developing quality and long-lasting relationships with key personnel in foreign regulatory agencies.

(Slide.)

Moving on to our multilateral activity, we continue to play very active and significant roles in the International Atomic Energy Agency and the Nuclear Energy Agency. September 11th has resulted in the outgrowth of a number of IAEA and NEA new initiatives.

The IAEA's countering nuclear terrorism program, approved at the March board of governors meeting, has continued a pace. We have seen the creation of a new advisory group on nuclear security to the director general, with the Department of Energy taking the lead role for the U.S. Government.

The focus of their work is the IAEA's nuclear security plan of action with the view that the primary responsibility for the prevention of nuclear terrorism remains with member states.

A challenge that remains for this group is the development of a confidentiality regime which would allow for the implementation of several action plan activities. And until this is developed, many of the activities will remain on hold.

Another challenge is the potential for duplication among the many entities, both inside and out of the IAEA who have interest in the program, which places a requirement for very close internal coordination.

A significant happening at the IAEA this year is the U.S. willingness to break out of zero real growth, which the IAEA budget has been held to since the mid 1980's. Spurred on by counterterrorism activities, the U.S. is seeking a one time increase of \$30 million in the IAEA's regular budget. The U.S. has agreed to pay 25 percent of the increase over a two-year period.

A majority of the Commission supported the break out of the ZRG constraint, and staff has played a significant role in supporting and protecting the safety interest of the IAEA.

(Slide.)

Another noteworthy item is the Commission's active role in maintaining NRC leadership in some of the major standard setting committees at the IAEA.

The NRC staff currently has lead roles for the U.S. Government in committees dealing with nuclear safety standards, waste safety, radiation safety standards and transportation safety standards. And this is quite historic.

(Slide.)

The NRC continues participation in several safety services provided by the IAEA's department of nuclear safety. These include OSARTs, IRRTs and IPPAS missions.

The slide that's currently before you shows those country where is the NRC participated in individual mission this is year. With regard to IAEA safety missions, I am pleased to note that the U.S. recently completed follow-up to the OSART mission at North Anna. This brings the total to four OSARTs in the U.S. since the program started. This represents, however, only 6 percent of U.S. sites and the lowest percentage of any developed country.

By comparison, France has had OSARTs conducted at 60 percent of their sites, the UK at 25 percent, and Japan at 17 percent.

While U.S. has supported international regulatory review teams, it has never had one. And I believe our technical staff is considering such a review down the road. And I invite the Commission to ask the staff to discuss the merits of such a review.

(Slide.)

On international conventions and agreements this year has been one of major accomplishment for the U.S. and the NRC in our first time participation in the convention on nuclear safety.

The NRC is the lead U.S. agency in implementing the obligations of the convention.

Last April, Chairman Meserve led the U.S. delegation to the second review meeting on the convention of nuclear safety and presented the U.S. national report. This was the culmination of 18 months of work, led by technical staff from NRR and policy support by the Office of International Programs.

The Commission's keen interest in the convention allowed us early on to plan for top level representation, plus take on key leadership roles at the convention. As you know, Mr. Collins served as chairman of country review group five and assisted in the preparation of the report of the President and the CMS summary report.

The U.S. gained insights about the status of nuclear safety in other countries, as well as providing information about U.S. programs. Questions to U.S. focused on risk informed regulations, the reactor oversight process, safety culture, periodic safety reviews, license renewal, and new reactors.

With regard to the convention on spent fuel and waste management, we are waiting Senate ratification. We have contacted the Department of Energy, who will have the lead role in the implementation of the waste convention about the need to prepare early.

And on the convention on physical protection, there has been significant work accomplished this past year propelled primarily by September 11th to complete the text of the convention and open it up for signatures. Similarly, the additional safeguards protocol has made great strides towards completion of implementing details and readiness for forwarding to the Senate for ratification.

(Slide.)

On NEA activities, let me just note that in March of this year, in response to Commission directive, we provided our first annual report about NRC staff participation in IAEA and NEA activities. This paper provided a compendium of NRC's ongoing and projected activities in these important multi-lateral forums and identified specific goals and objectives and strategies, including areas where we would expect Commission engagement.

For areas of known interest, the staff is attempting to make meeting agendas and draft papers available to the Commission at the earliest opportunity to seek Commission guidance relative to developing policy and technical positions. Over the past year NRC staff participated in approximately 115 IAEA meetings and about 66 NEA meetings.

These meeting forums offer us the opportunity to use non-U.S. safety information that will alert the NRC to potential safety and security problems and threats. I remind that the benefit of NEA participation is the like minded approach to problems and the ability to pool expertise of the members to provide access to substantial R&D efforts and experiences of other member countries.

(Slide.)

On the bilateral safety assistance front, our activities have remained relatively stable in the past year, the one exception being September 11th and the additional requests that are being considered related to security. In the safety area, our program is centralized in the Office of International Programs, where we have been able to provide more direct oversight and management to these complicated programs involving funds that we continue to receive from the Agency for International Development.

This past year we received on the order of \$3.5 million to strengthen safety and security in the former Soviet Union countries. We have established and streamlined mechanisms for financial reporting, including increased contractor support while maintaining technical oversight. Our recipients continue to be satisfied and appreciative of this assistance.

In addition, the regulatory structures of these nations have strengthened to varying degrees and continue to depend on the assistance that we provide. This year, in response to Commission directive, the staff has restarted MPCNA activities with Russia, Ukraine, and Kazakhstan.

A major challenge will be how to respond to the future request for assistance in new areas, such as design basis threat methodology and physical protection. These are new policy areas that the Commission will need to consider.

In addition, there is the new challenge posed by an evolving administration policy for providing assistance to other nations. I am speaking here about potential for expansion of safety assistance to India, Pakistan, and North Korea.

(Slide.)

Moving on to our export licensing program, it too has also been impacted by a number of new challenges posed by September 11th. While the number of export cases has remained constant, we are nevertheless reviewing many elements of our export licensing program currently defined in 10 CFR Part 110.

One major area impacted includes physical security for special nuclear material shipments. NRC, together with DOE, recently established an interagency physical security working group. This group will be reviewing NRC regulations, DOD directives, governing domestic and international shipments of special nuclear materials, in particular, HEU, to determine whether the current regulations are still adequate in today's threat environment.

At the same time, we have to balance new considerations with the desire to maintain U.S. credibility as a reliable supplier.

In addition, we have to consider the perspectives of those who benefit from medical and industrial products, the cost and practicality of implementing new requirements, and implications to existing treaties and agreements.

New considerations regarding security sources will impact our export regulations.

Without going into a lot of detail regarding staff initiatives currently underway, I will touch briefly on the control of sources issue in the international context. The IAEA has been actively engaged in a program to address the security of radioactive sources.

Of particular concern are the large number of high activity sources left by the former Soviet Union in countries such as Georgia, Estonia, Armenia, and Tajikistan. The IAEA has been responding to these requests for assistance and helping to retrieve the resources and to safely and securely restore them.

Jim Blaha our nuclear safety attache in Vienna, keeps close watch on these activities for us. The IAEA is also helping with member states with poor radiation safety infrastructures strengthen regulatory control. It is also reviewing implementation of the code of conduct on safety and security of radiation sources and considering ways to make it stronger.

In addition to reviewing the code of conduct, we have assisted the IAEA program by way of providing cost free experts and review and support for extra budgetary funds. We have also been helpful in securing funds for organizations such as the Health Physics Society in their new program, radiation without borders, which will focus on assisting less developed countries and meant to complement existing programs.

As a corollary to IAEA activities, the Department of Energy has recently launched a new bilateral initiative with the Russian federation to improve the security of radiologic materials that could be used to make a dirty bomb. We have been in contact with DOE to learn more about their program and to encourage that whatever they do, it must involve the regulator for credibility and sustainability purposes.

The Office of International Programs together with NMSS staff are working closely on export and import controls for sources, specifically where modifications to our regulations are warranted for classifying, recovering, and tracking.

During this briefing I have attempted to highlight the impact of September 11th. I cannot overemphasize the impact that it has had on the need and urgency for interagency coordination. We have seen closer government-wide coordination on topics such as break out of ZRG, new completion of the implementing details of the additional protocol, more dialogue on cooperation with India and Pakistan and North Korea, and the control and security of radioactive securities.

Many of these issues have linkages to the Office of Homeland Security. And we are seeing a renewed and strengthened relationships with agencies such as Commerce, Treasury, Customs, and the Department of Defense. All of this has led slowly to an integration into a national infrastructure and will continue to change as the Department of Homeland Security takes shape.

While our work focuses on international, the interagency has taken on a much more prominent role for heighten liaison and coordination.

(Slide.)

Over the course of the past year, I'm very pleased at this time to note real progress of the international council to improve communications and coordination on NRC's international activities. The international council initially met quarterly, until this fiscal year, when meetings have moved to a bimonthly basis, reflecting the greatly increased activity in the international area.

In addition, and as a result of expectations defined by the Commission last year regarding the conduct of international activities, a working group of the international council was established to respond more quickly and effectively to the Commission's guidance. The frequency and breadth of the working group's interactions has significantly enhanced office communications and coordination.

And I'm pleased to note the work of the International Council. Together we have produced a framework document for international activities, which defines expectations in NRC's international programs and provides the clear rationale which guides our work.

It is also useful for program offices in their planning, prioritizing and resource allocation processes. While no document can capture the unanticipated, the international council provides the forum for discussion of new expectations that now compete with former priorities and how we might best deal with them.

An area that I am particularly proud of is the staff's concerted efforts to improve the immediate flow of information to the Commission. Both the EDO and I have jointly accepted the responsibility of notifying and involving the Commission in a full and timely manner of international interactions involving sensitive and policy issues.

The increased volume of internal communications has been responsive to the Commission's expressed interest in areas such as standards and guidance for waste, orphan sources, clearance of radioactive materials, transportation, and standards that the NRC, by law, would have to adopt. We have, in fact, gone beyond these areas.

A recent review of notification to the Commission resulted in information on 44 different topics, 24 different countries, as well as the provision of over 40 trip reports.

Another significant accomplishment of the international council is that we have standardized our format for trip reports. This has provided consistency to the reporting of all foreign travel and helps to more readily identify policy matters that need to be brought to the attention of the Commission.

The International Council recognizes that further progress is still needed in the development of procedures to govern the conduct of NRC's international interactions, which each program office continues to work on. For the longer term, I believe that the initiatives for improved coordination with NRC's international activities contributes significantly toward our readiness to meet emerging priorities.

A key participant in the development of a national security infrastructure -- excuse me -- as a key participant in the development of a national security infrastructure, a role for an active international council is critical in fulfilling NRC's evolving international responsibilities.

(Slide.)

And as I move on to the last slide, which I have named future challenges, I mentioned earlier that I would conclude by posing several challenges facing program offices today. And I invite the Commission to ask questions directly to our office representatives that sit here at the table.

One challenge we face is dealing with the increasing number of requests, particularly in the security area. In this and other areas, the requests exceed available resources and are not projected.

What impact to NRC programs will be affected if resources are redistricted to international activities?

Requests from international organizations are often not prioritized within the organizations themselves. So staff is continually trying to define and implement prioritization criteria to evaluate these requests.

How do we keep abreast of changes in international regulatory approaches and new technology with current resources? This is particularly true as we look at new reactor designs, examine emerging regulatory approaches, and seek identification and understanding of different perspectives.

How do we achieve consensus on international standards within the U.S. and the international community? How do we deal with the lack of common understanding in the definition and role of international standards as they relate to individual country regulations? What is the expectation for the role of international standards? What does the move toward global safety standards imply?

These are all challenges that we encounter.

And, at this point, I am concluding my presentation. But we are very happy to answer any questions that you may have.

CHAIRMAN MESERVE: Thank you very much. It was a very helpful and comprehensive briefing. I would also like to express my appreciation to all of the staff who are here at the table and those others in the staff who participated in the international activities.

It's clear from the briefing that there's an enormous amount of activities that are going on that are extraordinarily important for the agency and for the international groups with which we interact.

I would also like to compliment you for how you mentioned about the greatly improved communications that has occurred with the Commission and the opportunities for interaction with the Commission on policy areas at a point which the Commission reaction could be timely and shaping the staff's response to activities. So thank you very much.

I have just, I think I have questions that could go on for a considerable amount of time. I will limit myself to a few areas.

You did mention the challenges that you confront on the exchanges for classified and safeguards information. How many requests are currently pending before us, and you would sense that this is a growing demand? Or do you think that as September 11th gets increasingly distant in time that these are going to diminish?

MS. DUNN LEE: Well, we certainly have seen a number of growing requests to discuss physical security information. With regard to actually providing assistance to countries, we know of one request that's been formally made. But we anticipate others as we carry on our daily exchanges with our foreign counterparts. We know that this is certainly on their minds.

We have encouraged that they be thought through and perhaps incorporated in our sort of planning horizons with individual countries. We know that requests have been made to the Department of Energy. And our programs parallel many of theirs.

So there is an increase. I can't say right now that I have an actual number, but it certainly is anticipated. We actually have one, and there are more expected.

CHAIRMAN MESERVE: The request for information, is that typically, they are asking for us to provide a document to them? Or do they want to have interaction?

MS. DUNN LEE: They want have interaction. Of course, our major bilateral partners have expressed desire.

CHAIRMAN MESERVE: We know about some of those?

MS. DUNN LEE: Yes.

CHAIRMAN MESERVE: And the ones that we don't know about, is it typically a two-way interaction? I mean, in the sense that are they sharing with us their own approaches?

MS. DUNN LEE: Yes. They are willing to share information that they possess on these matters. And, you know, we have had, as I mentioned earlier, a number of foreign visitors. And I would say that that topic has been on the minds of each and every one of them that comes through the headquarters building.

And then certainly in our travels abroad, there's an expectation that the subject of threat, physical security information, would want to be exchanged.

DR. TRAVERS: If I might just add, I think you are also aware that in some of the international forum for IAEA and NEA, we have had a number of discussions with the Commission about some of the interests they have had and we have taken your direction.

CHAIRMAN MESERVE: You made a point in your presentation, the OSARTs and the small percentage of visits to the United States as compared with UK and France, ones that you particularly mentioned. Is that a small percentage as a result that we have not invited such missions? How do they get initiated? What is the explanation for this?

MS. DUNN LEE: I think we have the largest number of nuclear reactors in the world. So our percentage is smaller. We have conducted four of them over the course of the last 15 or 16 years. They are cumbersome activities. It is something that we can't always accommodate.

Maybe Mr. Collins could embellish on that, but we try to do one every few years. I think it's worthy.

Sam, do you have anything to add?

MR. COLLINS: Yes. Thank you, Janice.

It's a good question. And I think there are multiple facets to it. One is what is the value?

Internationally, outside of the United States, many plants are designed and operated to international standards. It's becoming more so in the EU, of course. Many of them relate solely to IAEA type of activities, including standards and guidelines.

Their inspection and oversight capabilities are more limited than the U.S. So the IAEA plays an active role in confirmation and what I would call international credibility within a group of countries. For the United States that value is less because of our regulatory regime and our unique country standards.

Having said that, I think there's also a burden associated, as Janice articulated, and therefore, an incentive question with our licensees. This is one we could reflect on as an agency, perhaps, and determine is it to our advantage to somehow provide a supplement or a subsidy or an incentive for our fleet to subject themselves to the international reviews, primarily for credibility's instance.

I think that is not only for the licensee, but I believe that reflects back into the regulator. So there's value on both sides of that.

DR. TRAVERS: I think that same question is one that utilities have to ask themselves as well. And since they are volunteers for this program, they do. And I think the burden side of the equation and the paybacks out of the equation is factored in, and their volunteering or not for the OSART missions.

CHAIRMAN MESERVE: If there had been more volunteers there would have been more OSARTs in the U.S.? Is that the constraining factor here?

DR. TRAVERS: That's correct. Volunteers are put on a list, essentially. And they are scheduled. They are scheduled in the out years. The schedule now is in the next two to three out years. There's a backlog of countries who are waiting OSART missions.

CHAIRMAN MESERVE: You also mentioned the possibility of considering an IRRT to the United States. Let me just make a comment about that, that I had some exposure to this as a result of attending the second review meeting, as some of you on the other side of the table know.

It was quite interesting that the nature of the interaction was quite different than the ones that had been customary with people who visit with us here, in that there were significant concerns that they had about our program for conducting reviews of the safety case, for reactors and our departure, apparent departure from procedures that they have for systematic reviews every ten years or so forth of the safety case for the reactors.

Also, let me say that there was a, some areas where I thought there was significant misunderstanding of the U.S. program, particularly with regard to performance indicators and how we use them is another example.

So I think that there is, there may be some benefit for considering this, not only because we learn about what other countries do and there may be some lessons that may be applicable for us, but also it has provided an opportunity for us to see where we are discontinuities that maybe we are not so conscious of otherwise. And be able to address some areas where I think there are some significant misunderstandings of what we do.

It was an interesting experience, because it's the interaction with the other countries that I observed and saw as a result of the second review meeting was not an experience that I would otherwise have encountered since I have been with the NRC.

DR. TRAVERS: I think there are a number of upsides to the possibility of posting an IRT. In fact, we have underway an examination of that issue with the objective of providing a Commission recommendation.

Sam, you are going off to Switzerland on that, to look at the post IRRT there.

MR. COLLINS: That's right. January.

Mike and I have taken a trip to IAEA in conjunction with another obligation to sit down with their program sponsors and received the documentation, including the guides for the IRRT. We do have some expertise. Harold Eichenholz from Region One is IAEA's assignee, and he's a members of the IRRT team.

We have also, as Janice indicated in her slides, provided a number of resources for IRRTs to be performed. It's a modular type of activity that could include the waste area, for example, if we so chose, or it could be just unique to the reactor arena.

I believe there's an advantage, not only credibility wise, but there's an advantage also for us to understand how our requirements stack up against international standards, including some of the ISO 9000 quality standards which have been a topic of discussion at Commission meetings in the past.

So the next step is to actually observe the follow-up to an IRRT in January and then come back and provide a proposal to Bill. And then with Bill's guidance, move that, if appropriate, to the Commission.

Again, this would have to be scheduled in long lead time, because there's a backlog of IRRTs. And that would be out in the form of two to three years most likely before it would be acted upon.

CHAIRMAN MESERVE: You mentioned materials protection control and accounting efforts you have been trying to get underway with Russia, Ukraine and Kazakhstan. I know this has been a process that's been one that's been slow in getting started. What is the current status?

MS. DUNN LEE: Well, my understanding is that the NRC team just returned back from Russia and Ukraine. And they are headed out next month to Kazakhstan to engage with the regulators there about possible safety assistance in those areas. Several years ago we did have a dialogue that was started. And we accomplished some things, but it sort of came to a standstill because of funding issues. Now we have, at the Commission's directive, have resumed activity and we are just sort of starting over again and seeing where we left off objecting new activities.

This is being conducted in the office of nuclear -- this is Roy's office. So if he wants to say something.

MR. ZIMMERMAN: Janice said it very well. The end of July was the time frame that we went and visited Russia and Ukraine. In the first week of September we will be visiting Kojistan. We are working closely with the Department of Energy, and again, trying to work closely with the Commission so that we follow Commission direction as we start to move forward again in this area.

CHAIRMAN MESERVE: I would be very interested in seeing the trip reports when they become available.

Commissioner Dicus?

COMMISSIONER DICUS: Following up on the questions that the Chairman was asking, I would like to go to a couple of questions about the OSART at North Anna. If I recall correctly, the last thing I read, there were still some open items. And at least one of

them is that we have not adopted ICRP 60. Although operationally, we are there, we have been there for a very long time, and we have had some exposures that went beyond the standard in the ICRP 60. Having the ICRP 60 standards in our part 20 would not have made any difference in those anyway.

And I think there was one on emergency planning and maybe one other, I don't remember exactly. But those two come to mind. And the issue there with me is, with part 20, with ICRP 60, we are there operationally. We have reasons not to -- and the Commission has made a decision not to revise part 20 at this time. It needs revision, perhaps in the future, but not at this time. And also the emergency planning issue, as I recall, is just the difference in how we do it.

But the outcomes, and whatever the other one was -- the outcomes we are doing what needs to be done for health and safety reasons, to protect the environment, to meet our requirements, our statutory requirements.

I'm concerned, are these findings still out there as a negative on the OSART at North Anna?

DR. TRAVERS: If I'm correct, the findings were a draft. The NRC staff had an opportunity to comment on them. We have done that, and we have pointed out our view of the significance or lack thereof of the issues.

One of the things that the team typically does in preparing their report is they bring their collective experience on what I will call best practices to bear on things they observe. And sometimes this can have an unintended effect, depending on how it's written up, to suggest, for example, perhaps mistakenly, that what the comment is implying is a condition where a requirement or a standard isn't being met.

And so what we have done in our comments in responding back is clarify, we believe, this situation at North Anna as one where they meet NRC requirements in these areas, and why we feel that is sufficient and ought to be viewed that way. Not to undermine them providing us their views on other international practices that they may view as best practices.

COMMISSIONER DICUS: I agree with that. And I think that's not the issue here. My issue with me is, it's a negative right now, almost against one of our licensees of the program, when, in fact, it really isn't a negative by our standards. And my concern -- and it goes now to the possibility of our doing more OSARTs, actually I think licensees will not be inclined to volunteer, given the fact that the people coming in may be -- and we have got these boxes that we have to check off. And they are in mental straitjackets, and they are not looking at the outcome, the output, what you are really trying to accomplish.

And we go to the possibility of an IRRT and doing this, while I agree it's not -- I don't have a problem, maybe, with someone with this sort of thing being done, unless it's going to be done in a -- we have got boxes to check off, and if you don't meet what we think you should meet, then your program is not good, based upon some of the things that we are hearing.

Now, if it can be a learning process, that there are other ways to accomplish a particular goal, I wouldn't have this concern. But I just want to pass these concerns on.

DR. TRAVERS: I may not have made it clear. Our objective in providing comments to the draft report was intended to influence how the final report is written. And we are hopeful that it won't be nearly as negative as it appeared.

COMMISSIONER DISCUS: Do we know -- the final report yet?

MS. DUNN LEE: I'm not sure. I know that we sent our comments back at least six weeks ago. It takes time for them to produce the final report.

COMMISSIONER MERRIFIELD: I may address this later on, but I just want to associate myself with your concerns.

MR. COLLINS: I would say there's also a opportunity for I would call it misalignment and expectations as far as standards when you get to the OSART type of reviews. I believe the final opportunity for communicating and reconciling those will be the agencies and the licensees. The final report would be issued. We have the opportunity. And how that final report is characterized through an communications plan to articulate for our stakeholders, our satisfaction as a regulatory agency with our requirements and the licensee is in fact performing.

COMMISSIONER DICUS: That's good. But that's here in the U.S. Internationally there's maybe a different --

MR. COLLINS: I think internationally it's an education process mostly because other countries because of their regulatory programs and because of their alignment with IAEA standards, automatically gravitate to those types of criteria. There's a balancing here, the more OSARTs we do, the more educated IAEA will become on our processes and perhaps the more acceptance there will be of our standards.

COMMISSIONER DICUS: So we have not only become a learning organization, but we will an education organization to the other ones. That's good.

One final comment that I want to make. It has to do with our international assignments, which we have had a lot of assignees here in the agency. And I have had the opportunity to meet and talk with several of them. And I think it's been very beneficial to us in

particularly, one of the recent assignees from the United Kingdom that I have met with and talked with, visited with quite a bit.

But the request for us to send people to other countries, other organizations, which I actually very much support, even though we are a little stretched and limited resource wise, but I do support this kind of activity, because, again, it's part of this. This is how we do business, but let me see how you do business and trying to understand this.

But what kind of feedback are we getting from the folks that we have sent elsewhere who have come back and say, for example, is there another way we might could do something better, or the feedback that they have on what they were able to accomplish where they were?

MS. DUNN LEE: I think I'm going to ask Margaret to comment on Drew Persinko's assignment in France. And then maybe Sam might talk about Scott Newberry's experience in Switzerland.

MS. FEDERLINE: Yes. I would just comment. Drew's experience has been extremely useful. He was able to actually get practical experience. And one thing we are finding on the material side is we need to benefit from those facilities that are already operating in Europe and in other foreign countries.

Drew was able to get firsthand experience from the MOX plant and from some of the Lahogue processes and really understand the regulatory process that was going on. And he's fed that back into our processes as we review the fuel fabrication application. It has been very helpful.

DR. TRAVERS: I think this is a good example of a targeted focused approach of where we might stand to benefit. If you look at the potential for upcoming MOX licensing in the United States, we saw this as a real opportunity. And I think Margaret has described well how we benefited from it.

COMMISSIONER DICUS: Part of the reason, a small part -- part of the reason for my asking the question is, as we all know here, we are occasionally criticized by those who fund us that why are we so involved internationally. I think when we can show a profit to this, what it means and how it makes things better here, and for our licensees. So I think we should look at that.

MR. COLLINS: Our experience with HSK, Scott Newberry, that's now a division director in Research, was primarily in the PSA, PRA, and in the ISO 9000 application.

At that time, Switzerland has received an IRRT, and they were in the process of building their program, so to speak, to match the expectations of the IAEA, including a structured inspection program and the beginnings of an assessment program. They are very progressive in the PRA, PSA applications, including their own modeling and accident modeling.

Having said that, I believe we have the opportunity in the future to address some of the recommendations for areas of consideration from the commission of nuclear safety in the July 2002 trip report, including the area that the Chairman mentioned that are periodic safety reviews.

Spain, potentially, is a good example, where they mirror the NRC regulatory process. But they also conduct periodic safety reviews. So in that context, we will have an opportunity to compare and contrast what they are finding with their risk informed periodic safety review, as opposed to the NRC model regulatory structure, which they utilize day to day.

So we are looking forward to that. And there are potentials for one other country in the future.

COMMISSIONER DICUS: Thank you, Mr. Chairman.

CHAIRMAN MESERVE: Mr. Diaz.

COMMISSIONER DIAZ: First, I would like to thank Ms. Dunn Lee and the staff for really making a tremendous effort this year on implementing the Commission's decision on keeping us fully and currently informed. I think it has been a dramatic improvement. In fact, the improvement is so dramatic that I don't have any questions for you.

MS. DUNN LEE: Thank you.

CHAIRMAN MESERVE: Commissioner McGaffigan.

COMMISSIONER MCGAFFIGAN: I will echo all the other commissioners in complimenting the staff. I think there has just been tremendous strides forward in this area in the past year. The Chairman can't compliment himself, but I will compliment him and Sam Collins and Janice and the others who participated in the Convention on Nuclear Safety. I think we did an outstanding job as a delegation at that meeting. It was highly beneficial to us. And there was a lot of payback for all the hard work that went into it.

I agree entirely that the amount of information coming to us is far better than ever before. I feel much more integrated with the staff. They are always -- you know, you get a large number of opportunities to fail each month, and there is always one or two that you might get some feedback that we would like to get something a little faster or whatever. But I think the vast preponderance of

things is exactly in the right direction.

A lot of your staff is in the audience. And I think they have fully embraced this model, the desk/office model, as we called it a few years ago. And many of them are taking initiatives to keep us informed and really mastering the countries and international organizations for which they are responsible.

And so I just think it's a very, very strong effort that we have underway. And I don't want to just limit it -- I mean I started off with Mr. Collins. I think the offices have done an outstanding job through this international council mechanism in keeping us informed.

There is an awful lot of activities going on that requires our involvement. And I think we're better integrated than we have ever been before, although we probably faced more challenges than we have ever faced before.

Let me turn to the IRRT issue. I actually, you know, would join the Chairman. I think there's going to be a lot more positives than negatives in IRRT. I know it could be resource intensive. But I do see a very strong benefit in having us interact with the rest of the world, both to understand their expectations of us and to, as the Chairman said, help them understand our program better.

And if there are challenges to us that come by that, they may be very appropriate challenges. They are good questions. The Chairman got very good questions at the Convention on Nuclear Safety. And we need to be able to answer those. And I think an IRRT, personally, would be quite useful.

Turning to OSARTs -- and I will get to a question here in a moment, but I believe that the North Anna OSART was a very valuable experience. The overall OSART report was largely directed at North Anna. And I remember one of the members of the initial OSART team -- and I think the follow-up OSART team, had lunch with the Commission. And you know, his description of their initial visit was North Anna had the view that they were a world class organization at the start of it. And by the end of the visit, they were striving to be a world class organization. They had been taken down a notch. And I think that's what regulators do.

They found a variety of issues that North Anna could improve on, not just in the -- I mean, the emergency planning and the ICRP 60 was directed at us. But there were numerous findings in that report that I think North Anna has responded to very well. And I think there was real benefit there.

And when that report is made public, I hope licensees will see that. I'm open to the possibility of coming up with incentives for people to sign up. I do think that when the French have 70 percent of their reactors, that means they probably over the 15 years have done about one a year. And we are doing one every four years with twice the number of reactors. Obviously, it's -- we are never going to be identical to the French and we don't have the same regulatory program as the French, but I personally would do additional OSARTs and think there would be real value to them.

I will say in passing that the emergency planning findings in that OSART, there was a little bit of a problem with the fact that we have a federal system. And most of the European nations have national systems.

But part of the criticism was the delay involved. Because we are a federal system. And there's a governor involved.

And I just did a North Anna exercise recently. And I saw a little bit of that in terms of the rate at which we made emergency planning decisions in that particular exercise. So there is something there for us to think about. I agree entirely that North Anna is in full compliance with our current rules in the state of Virginia and all of that, but there is the potential for some delays in making decisions compared to the standard in other countries. And it's worthy of our consideration. We shouldn't dismiss it out of hand. But it's something we would have to clearly talk about with the states and with the FEMA if we were ever to make a change.

I'm going to get to a question.

Dr. Travers, you have been involved in Convention on Safety Standards. And there's a major review underway there with regard to how you guys do business and how the various committees report to you.

Lawrence Williams recently talked to us about that when he was on a visit here. Could you update us as to where this review stands and what your expectations are as to how it's going to go forward?

DR. TRAVERS: I would be happy to do that. Basically, we had a discussion at your June meeting about kicking off this. I have to give credit to Mr. Tannagguchi and Mr. Williams. Mr. Tannagguchi, of course, is the new, relatively new director, deputy director general for nuclear safety.

And upon his arrival, he took stock or is still taking stock of the program. One element that he decided would be worthwhile doing and I happen to agree, is a revisiting of the safety series and safety standards program in its entirety. That includes the committee organization, the mechanisms that are used, the objectives. You know, what is the outcome that is being sought in connection with publication of safety fundamentals, safety requirements, and safety guides. And how used and useful might they be, going forward.

Today, as you probably know, they are not standards that are required by any country. They are largely ones that are developed by consensus by the various groups and make up a committee. And the discussion that is planned at the senior regulator's meeting is to further an objective of should we change, should the IAEA and its objectives change what is currently, largely a voluntary

system of consensus requirements and guides, guidance, and change that in any way, shape or form that might be a system that might be more amenable to a vision of an international safety series standards. Not too different in some respect to what is followed in the transportation realm.

If you look at transportation, here is a practical example of where the international community coming together, seeks to develop consensus in a way that facilitates commerce in radioactive materials.

Separate and aside from that, the bulk of the safety series documents that exist today are ones that are, I think, useful. But there's some question about whether or not in any particular area they are consistent the way they are developed and the target level. Are they best practices, are they generally acceptable standards? What are they, and what ought they be used for by individual countries?

So Mr. Tannaguchi and Mr. Williams have asked us to think about that. And we are going to have some further discussion at the table of the senior regulator's meeting. I am developing a paper for Commission review that attempts to capture all of the comments that have been provided to the secretariat thus far as draft comments and see if I can stimulate some thinking by the Commission prior to -- well, actually not prior to the meeting but probably subsequent to the senior regulators meeting discussions.

COMMISSIONER MCGAFFIGAN: One of the things that struck me is we have been seeing this very large amount of activity that comes under the committee on safety standards and the four subcommittees, as Janice said. We historically have NRC representatives on every one, either as corepresentatives or as a U.S. representative.

Is the volume of activity -- and much of it is, I think tends -- or at least some of it is best practice type activity. And talking to Dr. Williams, some of it is being adopted in some countries into their regulatory systems.

And the ambiguity as to whether you could have -- turning back to OSARTs and IRRTs, you could have an increasing disconnect between our program and other programs as this activity goes on. If some countries are adopting these best practices -- and in all honesty, in our system, at least for the reactor folks, it will be quite difficult for us to do that. But any thoughts you have on that --

DR. TRAVERS: I really think if you look at the requirements, they are rather generalized. And it's the guidance documents that tend to provide.

COMMISSIONER MCGAFFIGAN: But what does industry say about us?

DR. TRAVERS: One of the objectives, of course, we have in participating in these groups, in these committees is to identify and flag and enter into a dialogue where we find that the IAEA groups are headed in a direction that's kind of -- number one, we would like to understand it; and number two, if we disagree with it, we would like to try to influence it in a direction that's much more consistent with our approach.

I think we have been largely successful in that regard. If you look at the documents that have been issued, I think what you will find are documents that are not contrary to the approach in the main that we take. There are some issues like periodic safety reviews and other things that are expressly included in some of the guidance documents. But I think you are probably going to find some level of mismatch in any major national program, the French, the British, whatever. It's not total alignment.

But I think in the main you are going to see the major programs of the regulatory authorities in most countries are rather bounded by what you will see in these documents.

So I think in the main they are helpful. They are probably most helpful to developing countries who take these and learn from them and try to adopt them, perhaps more directly than the some of the larger countries into their structure. And, of course, IAEA using them as a template, or is supposed to use them as a template when they go about carrying out OSARTs and IRRTs. They are sort of the base documentation from which their findings are derived. Or they are supposed to be.

In a some cases, in a couple of cases in North Anna we found that not to be the case, and we have made comments about that. But they are supposed to be.

MR. COLLINS: Commissioner, just to perhaps complicate the picture, in the international forums, and I'm sure Bill has heard this also, we are studying to hear also about EU standards. And there's some talk about winRA being involved in those two. And, of course, we don't have the forum, even, in those types of discussions as far as EU is concerned.

COMMISSIONER MCGAFFIGAN: They could possibly invite us and our Canadian counterparts as observers in some of those meetings if that activity actually goes forward. And we might try to suggest that to them.

I have one last question, if I can. And that's INSAG. There have been rumors floating around about a fundamental change in INSAG. I have seen nothing written down as to what the change might be.

I personally think the INSAG works very well as it is. And the rumors have been to the effect that they are going to add economists and lawyers and whatever, which I think they serve well on commissions, but I not sure that they are particularly helpful people, unless they also like the Chairman have degrees in nuclear engineering to have on your side.

I don't think Commissioner Merrifield wants to serve on INSAG. I will let him talk for himself. Either Mr. Strosnider or anybody might comment on where we stand on these rumors that INSAG, that there may be proposals that INSAG may be fundamentally changed.

MR. STROSNIDER: Well, based on the last report I saw, I haven't heard those rumors, I didn't see anything. Didn't get any information in that regard. We can check into it.

DR. TRAVERS: Maybe I can say something. I have heard something about this. I'm not crystal clear on the precision of my information. But I understand there is maybe an association with the kind of thinking that Mr. Tannagguchi is doing upon his arrival, and he's thinking about NSAG as well and how to make it most effective.

So I believe he's going through a process of consideration and is engaging the INSAG members on the direction of INSAG. And I can't really speak to the specifics. But I think I have heard something akin to what you have describe.

Right now, as you know, INSAG is largely a group comprised of very senior technical and safety representatives. And I happen to believe that that's the appropriate sort of composition of that group.

I would be interested in hearing the arguments for a different composition. But I haven't heard them directly yet. Perhaps we will have an opportunity at the senior regulators meeting to emphasize that.

COMMISSIONER MCGAFFIGAN: I will just say that I think INSAG has done well with the current type of composition. Dr. Thadani has kept us very well informed about their activities. I think they have been very positive. And to the extent that those are going to the general conference and to the senior regulatory meetings hear this sort of thing, you know, as one Commissioner, I would be extremely dubious about adding lawyers, some of them are very nice people, or economists, or others, to what is fundamentally a technical body with the notion that this is going to be somehow more ICRP like, which is the rumor I have heard.

Thank you very much, Mr. Chairman.

CHAIRMAN MESERVE: Thank you.

Commissioner Merrifield.

COMMISSIONER MERRIFIELD: I will continue to watch Commissioner McGaffigan be exorcised if his son fulfills his desire to become a lawyer.

COMMISSIONER MCGAFFIGAN: I don't want him on INSAG either.

COMMISSIONER MERRIFIELD: By the way, I agree with you generally. I think INSAG should stay the way it is.

Well, there's an old axiom on Broadway that you can never get too many good reviews. So, for the sake of repetition, I will nonetheless in general say some good things about how pleased I am with the direction our Office of International Programs has gone under your direction.

I know it's a difficult thing to worry about the structure of office and picking the right people. And it has taken a lot of time and effort. And I certainly would want to recognize that.

Clearly -- and I am repetitious here, but I think the level of coordination between the Office of International Programs and the other offices has improved immeasurably. I wouldn't stop. I would continue that trajectory, but I think it has been very, very good.

I want to make a brief note -- and while I can't go into detail, I know that you and your staff have made a significant contribution to the agency's overall effort to respond to our war against terrorists and contributing to the homeland security effort. And I just wanted to recognize some members of your staff who have given of their time and efforts to do that.

I also want to make a comment about the communication on upcoming foreign visits. That is a very useful report. I strongly encourage continuation of that. I know originally it was started out through an intern. But certainly, if than be continued through your normal staffing practices, I would certainly be expected to receiving that down the line.

I think, overall, in terms of keeping the Commission informed, the travel memorandum have been very useful, receiving agendas before people go on, taking a look at the things they are going to look at. I think the Commission, and given the comments I have heard today, the Commission does read its in box on those. That is not a useless or wasted effort on the part of the staff. It does help us become better informed commissioners. My hope is and belief is that it allows us to contribute better to helping you formulate the appropriate strategies internationally. So I do think that is important.

I do want to make a brief note about the events of the last year. There has been a greater degree of bilateral exchanges with our foreign counterparts, resulting, in part, from the security issues. I think that does reflect the old axiom of the, good things can

come out of bad events. I think with many of those countries and many of the regulators with whom the five of us deal with directly I think the nature of our relations and our involvement on a bilateral basis is stronger than it has ever been.

I think that is a good thing that has come out of a bad event.

On a couple of these, I do want to follow up on some comments of the commissioners. And like Commissioner McGaffigan, I do hope this will result in a question or two.

I share Commissioner Dicus' concerns about the OSART as it related to North Anna. I understand as well the belief that having others come in and take a look at our programs will involve a better understanding of how we do things. But I am concerned about a dogmatic belief in that if it isn't the way we do it, then it's not good. I think there's a usefulness for different countries doing different things different ways.

And I am concerned that the OSART, so far -- we will see the final results of it -- but that the OSART has pointed out those things that North Anna hasn't accomplished as a result of decisions that the Commission has made in relation to ICRP 60 and emergency planning.

I also -- and this is where the question is going to come -- I note. And Sam, you made a comment about INRA and the direction that they are going in terms of what I have been told by some of the members, an effort to benchmark where they are, in a regulatory sense, look at their regulatory structures and requirements and see if they can understand that and move towards the notion of resolving some of that.

When I met and discussed that issue with some of the members of INRA, there were some real concerns there. And the concern was that they may be going on the direction that EU has gone.

You pick whatever is the highest standard, however you want to put it, you take the most stringent standard, and that's the adoption.

And the view that we have taken in this agency is, looking at things from a risk perspective and channeling our regulation to see is there an appropriate area for increasing, is there justification for increasing our regulations or are we able to reduce unnecessary burden?

It strikes me that this EU, one size fits all, go to the most stringent standard approach, throws that whole approach completely out the window. You don't worry about risk analysis. You don't worry about reducing unnecessary burden. You just set it at a high level.

The flip side of the outcome of that -- and this flows back to the experience that I had working on the senate environmental committee, where we tried to take a look at what our European were doing. We were told, gee, Europeans are doing so much better. On paper, sure. That's the case.

But when you look at the actual enforcement vis-a-vis what the standards are, you see a completely different story. We are an agency that sets rules and lives by them.

I use as a recent example, the INES scale. I was a big supporter of adopting the INS scale. We have been very stringently enforcing that requirement. If you look at it, you see, gee, all of these reports are coming from the United States. Does that put us in a less safe position vis-a-vis our international conference? Absolutely not.

I would charge, and I think I have a good basis for it, that other people aren't reporting things. We are a victim of our honesty and our willingness to be open on this.

So out of that comes a question, how do we deal with this? How do we have a system like ours now in which we look stringently in our regulations and engage with our counterparts in Europe who seem to be going down this road of one size fits all on not balancing things out relative to risks relative to cost and things of that nature? How do we engage internationally, given the direction they are taking it and given the direction that seem to want to also take to IAEA in that regard?

MR. COLLINS: Okay. I will take a shot.

Given an issue that is recognized as not being applied consistently, those types of issues are discussed in many forums. I think we have an opportunity in INES probably to discuss them, and then there's probably a decision making process, which is more important.

The various committees that I think the office directors and others serve on, in NEA, for example, the CNRA committee, which is a regulatory side of that business, do perform reviews, lessons learned and practical experience, with the implementation of some of these international programs. And they put out guides in order to help to clarify those criteria.

Additionally, I think some of the international reviews would have an opportunity to levelize expectations in those areas themselves.

Ultimately, the most effective forum, perhaps, is the international senior regulator forum, where these types of issues are discussed on a more informal level, but certainly at a level that can make decisions as far as the application of programs within those countries.

Our opportunity to be on the IAEA standards committees and the deformation of program committees, which is quite infrequent for us, although it's an investment, has the ability to go back and look at the way that these programs are being applied and to provide for guidance and lessons learned to the international community.

There's an investment with that. And I think we do that, not on our own, but we do that as part of a consortium with other countries. So we have to be aligned in that regard.

But ultimately, I think we have to do what's the right thing for the U.S. infrastructure, and standards are different. Perspectives are different. Cultures are certainly very different. Our culture is to admit mistakes, and in a constructive way move on. Other cultures are not necessarily comfortable with that. And that influences the application of a standard program. I think we have to recognize in the long run that will be differences. But there are these forums to levelize expectations.

MS. FEDERLINE: Could I just comment from a waste perspective? You know, across the world the waste programs are at many different stages, the geologic program. And one thing we have been recognizing in the development of standards is that there must be flexibility for nations to implement requirements that are consistent with the desires of their society, their cultural value, as Sam said, and their societal judgments.

It wouldn't do any good, you know, to have a U.S. standard implemented perhaps in Sweden or Finland, because there are different value systems and there is emphasis on different points.

So what we have been trying to do through the ICRP process and through the IAEA standards process is implement standards that have flexibility and recognize that there are different ways of implementing this across the world, rather than saying one size fits all, recognize the flexibility and explain in those standards how the same level of safety can be achieved in different ways.

COMMISSIONER MERRIFIELD: I appreciate that. I guess part of my concern is also reflective of a comment that I received on a trip I made a couple of years ago from a regulator who had just gone through IRRT, not just, but within a period of time had gone through an IRRT.

And this program person told me, listen, you know, I appreciate going through all of this, but I was rather disturbed by it, that I had countries, you know, who came in -- and, in fact, a member of our staff came in and said, you ought to do it this way and took a large country, one size fits all approach, and tried to apply it to a country which is much smaller and had a much different situation there.

And this particular individual, who I'm not going to talk about, said, you know, I'm going to take those IRRT reports with a grain of salt.

Gee, that speaks something about this process.

I know where the Chairman and Commissioner McGaffigan are coming from. And I think there are some benefits that would be generated from IRRT. I am more of a skeptic. I really am concerned that we are going to go open ourselves up and we are going to have individuals come in, as they did at North Anna. And if we don't check the boxes the same way that they do, are going to hold our program out for ridicule and criticism that, I believe, may potentially be quite unfair.

And so I do think, before the staff runs down the road too far on doing that, I will be asking you a lot of hard questions before I would be willing to agree with it.

Now, I may be the only one that will ask those hard questions, perhaps not. But I think you ought to be prepared for that, because I have a lot of concerns about going down that road.

I will end with this comment.

The maddening crowd may be running one direction. But that doesn't necessarily mean it's the right direction. Or does it mean that's the direction we should go. And I think that's the kind of attitude when need to give our staff when they go abroad. There may be international consensus that's going one way. And it may well be that the right outcome for this country is to go a different direction.

Thank you, Mr. Chairman.

COMMISSIONER MCGAFFIGAN: Mr. Chairman, could I say one thing? It's with regard to the INES comment that the Commissioner Merrifield made.

I honestly believe that there may be some countries that do not report all of the events that they should, perhaps, but I think the

major European countries, the French, report every event. They report INES errors and one's. Just haven't had very many two's or three's lately.

The Germans had a two last year. They reported it. They are considering whether one of their one's deserves to be upgraded, as I understand it.

The Swedes had an event, which they reported as a three that actually happened in this country and in France. We have unfortunately had a three at Davis-Besse, a two at Point Beach, and I believe another two in material space in the last reporting period since we started participating.

But we, to some extent because we only report two's and above, as I think we do, we are not reporting zero's and one's. France reports everything. I think they report zero's. They certainly report one's. And it's part of Mr. Lacost's public communication approach that every event that deserves to be called an event -- and zero's can arguably don't deserve to be, but everything that reaches a threshold, he reports and scores.

Now, we have rejected that as being quite burdensome. And I don't disagree with that. But I think part of the reason that our stuff get attention is that we are only reporting two's and three's, and the others report all sorts of zero's and one's and the occasional two's or three. And I agree that there could be -- but I don't want any implication -- the major European allies, I think, for the most part, the major West European nations, I think, are very active in the INES system --

COMMISSIONER MERRIFIELD: I didn't mean to direct that against any particular nation. As you know, I made my comments very general. I will use a counter example.

I remember sitting with a chairman in the MOX center during the Y2k effort. And we were getting reports in from various countries, you know, how are things going as things went through the time zones. And I think there was a degree of people being astounded. In some areas, everything was fine. And to a certain extent, that was almost not believable, and so that's fine.

I don't mean to criticize the INES standard. I think we need to do more to encourage others to report more and to be more forthright in their coming.

But my point that I try to use through that is, you have a single standard, yet the way in which people are using it as a tool, even though people say they are going use it, can be quite different. And for a country like us and a regulatory body like us, we really want to stay by our word. That falls to our peril to some extent.

CHAIRMAN MESERVE: I would like to thank the staff again for a very comprehensive and very helpful briefing. This is an enormously important area. And the staff's performance is really exemplary.

With that, we are adjourned.