

ACTION ITEM

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AUTHOR/REQUESTER & AFFILIATION:

Henry Sokolski

ADDRESSEE:

Richard Meserve

SUBJECT: NRC's Cooperation with North and South Korea on Nuclear Safety Matters...

ACTION: Chairman's Signature - Commission Correspondence
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DUE DATE:
June 29, 2000

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AUTHOR: HENRY SOKOLSKI
AFFILIATION: DC
ADDRESSEE: RICHARD MESERVE

SUBJECT: NRC'S COOPERATION WITH NORTH AND SOUTH KOREA ON NUCLEAR SAFETY MATTERS....

ACTION: Signature of Chairman
DISTRIBUTION: RF, SECY TO ACK

LETTER DATE: 06/07/2000

ACKNOWLEDGED No

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NOTES:

Commission Correspondence

FILE LOCATION: ADAMS

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DATE SIGNED:

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June 7, 2000

Mr. Richard A. Meserve
 Chairman
 U.S. Nuclear Regulatory Commission
 Washington, DC 20555

Dear Chairman Meserve:

The State Department has asked the Nuclear Regulatory Commission (NRC) to train North Korean nuclear regulators who are arriving this month in the U.S. and to continue their training both here and in North and South Korea (see State Department letter, attached).

The NRC should understand that it cannot assume such a training assignment without undermining the integrity and regulatory independence of the Commission. At a minimum, such a Commission role in the Korean Energy Development Organization (KEDO) reactor project creates the appearance of a conflict of interest. The NRC will be asked to judge independently the merits of U.S. nuclear export license requests to supply the KEDO reactor. Yet, if the NRC decides to train North Korean nuclear officials, though, it will be actively involved in supporting the project. In fact, some of the same people involved in the training of the North Koreans might well be asked to involve themselves in project-related export license reviews.

In addition, by training North Korean nuclear officials, the NRC will lend its good name to an inherently dubious, if not entirely disingenuous North Korean nuclear regulatory effort. In fact, these North Korean officials will be totally subservient, as all others are, to the North Korean state apparatus. No one, including the Commission, should believe that one of the world's most tyrannical regimes and worst violators of the Nuclear Nonproliferation Treaty and of International Atomic Energy Agency safeguards would allow a truly independent nuclear regulatory agency to be created in its country. Even the most massive amounts of NRC training could not change this.

Finally, I would call to your attention an example of the moral hazard the NRC faces, which is present in the State Department's written request. I refer to the reference made in the State letter to the idea that the reactors KEDO is building (and for which it will be seeking NRC-licensed exports) are "proliferation resistant" as compared to North Korea's indigenous reactors. In fact, because the light water reactors will produce nearly ten times more power than all of the

reactors North Korea has and planned to build, the KEDO reactors would produce nearly twice the amount of plutonium (i.e., approximately 60 bombs worth).

Because of all of these factors, NRC support of this project will draw critical attention from those most anxious to preserve the Commission's regulatory independence and integrity. My center, of course, remains interested in being kept informed of the Commission's decision regarding the NRC's support of the KEDO project.

Sincerely,

A handwritten signature in black ink, appearing to read "Henry Sokolski".

Henry Sokolski
Executive Director

cc: Commissioner Greta Dicus
Commissioner Nils Diaz
Commissioner Edward McGaffigan
Commissioner Jeffrey Merrifield
The Honorable Fred Thompson
The Honorable Joseph Lieberman
The Honorable Jesse Helms
The Honorable Joseph Biden
The Honorable Benjamin Gilman
The Honorable Sam Gejdenson
The Honorable Tom Bliley
The Honorable John Dingell
The Honorable Ed Markey



United States Department of State

Washington, D.C. 20520

March 31, 2000

Mr. Richard A. Meserve
Chairman
Nuclear Regulatory Commission
Washington, DC 20555

Dear Chairman Meserve:

EC'D BY
I W R A

I would like to thank you for your interest in our North Korean policy and the status of the KEDO program that was part of the briefing of the Commission given by Senior Adviser Holum on February 22. I understand that the treatment of North Korea was brief due to the number of nonproliferation issues on the agenda of the meeting. Therefore I would like to elaborate on those discussions and provide a further response to the Commission's questions on possible cooperation with North Korea on nuclear safety matters.

As you are fully aware, preventing North Korea from obtaining nuclear weapons is fundamental to our national security. Accordingly, KEDO's efforts to substitute proliferation-resistant light water reactors for North Korea's graphite program play a critical role in U.S. foreign policy.

Of course, nuclear safety must be a top priority in this endeavor. The reactors will be built, tested and commissioned in full compliance with nuclear safety and regulatory standards equivalent to those of the IAEA and the U.S. To assure independence of safety issues, KEDO has completely separated its nuclear safety division from the project construction division and included both a panel of independent senior advisors (Nuclear Safety Advisory Group) and IAEA peer reviews as elements of its Nuclear Safety Confirmation System. I attach a statement of KEDO's safety policy.

Although KEDO is responsible for the construction of the reactors in North Korea, only North Korea can exercise

regulatory responsibility. However, KEDO will cooperate with North Korea to strengthen the North Korean regulatory authority (the State Nuclear Safety Regulatory Commission, SNSRC), in addition to training the North Korean operator of the plants. Although details need to be developed, at the moment KEDO envisions that as many as 500-700 North Korean operators and an as-yet-unknown number of regulators will be involved in the various training activities.

We expect South Korea to play a major role in this training, commensurate with its responsibilities in constructing the reactors. However both North Korea and KEDO anticipate that regulatory authorities of other countries, and specifically the NRC, will also be important players.

The Department of State supports appropriate NRC participation in this process. The United States and North Korea are taking mutual steps that have the potential to improve our relationship. As these steps continue, we believe that NRC participation in KEDO's efforts might include training North Korean regulators in the U.S., providing lecturers for training sessions in North Korea and/or South Korea, and information and document exchanges. We believe this complex task can best be accomplished in conjunction with efforts of the IAEA and other participants, under the general coordination of KEDO. This would make possible direct exchanges and participation in multi-party efforts.

Both program details and funding arrangements would need to be developed in connection with NRC's direct costs and support for North Korean trainees in the U.S., which the Department would look forward to exploring in detail with NRC.

We understand that some of the KEDO Secretariat's safety officials would like an opportunity in the near future to talk with the NRC about possible cooperation on this matter. In addition, KEDO expects senior North Korean regulators to attend the June meeting of KEDO's Nuclear Safety Advisory Group. At that time KEDO would propose that these North Korean officials come to Washington to meet with representatives of the NRC in order to become familiar with NRC structure and responsibilities.

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03/31/00 FRI 12:00 FAX 202 647 7300

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The Department of State strongly endorses these meetings. The Nuclear Regulatory Commission can play a unique and essential role in KEDO's safety efforts. We would welcome your support of expanded NRC cooperation in this program that is so critical to U.S. interests.

Sincerely,

Charles Kartman
BTT For

Charles Kartman, Ambassador

U.S. Special Envoy for the
Korea Peace Talks and
U.S. Representative to the
KEDO Executive Board

Enc: KEDO's Nuclear Safety Policy