



~~REQUEST REPLY BY~~ 4-12-4

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

sec 7

November 10, 1999

COMSECY-99-035

MEMORANDUM TO: Chairman Meserve
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield

FROM: Janice Dunn Lee, Director
Office of International Programs

SUBJECT: RESPONSE TO STAFF REQUIREMENTS MEMORANDUM -
COMNJD-99-004, COOPERATION WITH MEXICO

In SRM COMNJD-99-004 (July 15, 1999) the Commission directed staff to "explore an addendum to the NRC cooperative agreement with Mexico covering the following three specific areas:

1. Establish a reliable communication link between the Comision Nacional de Seguridad Nuclear y Salvaguardias (CNSNS) and the NRC Operations Center;
2. Initiate the nuclear safety codes cooperative program by waiving the first year's fee and minimal fee thereafter; and
3. Request staff's recommendations for development and implementation of an emergency evaluation exercise at Laguna Verde, with the involvement of Region II Regional Administrator Luis Reyes."

The staff has developed recommendations (outlined below and in the attachments) for the Commission's consideration in deciding how to proceed with possible assistance to Mexico. On October 28, 1999, Jose Luis Delgado, Director General (DG) of the Comision Nacional de Seguridad Nuclear y Salvaguardias (CNSNS), and Dr. Sergio Waller, Director of Technology and Administration, met with the Commission and staff to discuss proposed assistance activities.

Discussion, Recommendations and Resource Implications:

1. Reliable communication link between CNSNS and NRC

After discussions between DG Delgado and the NRC Incident Response Operations (IRO) staff, DG Delgado suggested that discussions on a reliable communication link be postponed for 12 months. He stated that CNSNS is planning to implement a voice and data

Contact:
Donna-Marie Perez, OIP
415-2848

D/2

information in this record was deleted
in accordance with the Freedom of Information
Act, exemptions 4
FOIA- 2001-0221

communications "structural network" for the purpose of receiving data real time, with an estimated completion date of November 2000. Once this system is in place, DG Delgado said CNSNS will be better able to determine any additional communication needs. Consequently, staff recommends that further discussions on communication needs take place in November 2000, the location yet to be determined. There are no resource implications at this time.

2. Nuclear safety computer codes

Staff recommends that membership in the Office on Nuclear Regulatory Research (RES) International Code Applications and Maintenance Program (CAMP) and Cooperative Severe Accident Research Program (CSARP) be offered to Mexico at [REDACTED] year for each program. In addition [REDACTED] Mexico would be requested to provide in-kind technical contributions that it is willing to share, such as code validation and verification data, analyses, etc. [REDACTED]

[REDACTED] RES estimates the resources required to develop a new implementing agreement with CNSNS for participation in the two cooperative programs are approximately .06 full time equivalent (FTE) employee. These resources are included within the office's currently available budget. Ex 4

3. Emergency evaluation exercise at Laguna Verde

During discussions with IRO staff, DG Delgado reported that Laguna Verde Nuclear Power Plant (NPP) will be conducting an emergency exercise within the next few months. He explained that the NPP must conduct an exercise every two years but, because of problems associated with recent flooding and the consequent deterioration of roadways near the NPP, no specific date has been set. DG Delgado invited NRC to observe and offer a critique of the planned exercise, suggesting one NRC observer at CNSNS and one at the NPP. Staff recommends two individuals, yet to be named, travel to Mexico to observe and offer comments during the next exercise. If IRO staff is chosen, IRO travel to Mexico could be accomplished under the office's current budgeted travel resources. Region II Administrator Luis Reyes would be invited to participate in the exercise.

4. Addenda to NRC cooperative agreement with Mexico

Staff recommends that the Offices of International Programs (OIP) and RES develop implementing agreements to the existing NRC-CNSNS Arrangement. These implementing agreements would address cooperation in emergency preparedness and participation in the international cooperative research programs. OIP estimates the resources required to amend the current Arrangement between NRC and CNSNS or to help develop two new implementing agreements to be less than 0.1 FTE employee (see attachment 2). These resources are included within the office's currently available budget. RES resources are addressed under "Nuclear Safety Computer Codes."

COORDINATION:

OIP, RES, IRO, and Region II developed this response. The Office of the Chief Financial Officer has reviewed this paper for resource implications and has no objection. The Office of the General Counsel has reviewed this paper and has no legal objection. Therefore, I seek Commission guidance on proceeding with assistance activities with Mexican nuclear regulatory and research authorities.

SECY please track.

cc: SECY
OGC
OPA
EDO
RES
IRO
NRR
NMSS
Region II Administrator

Nuclear Safety Computer Codes

The NRC encourages the use of the codes as a means of enhancing world-wide nuclear safety. In consideration of the substantial cost associated with code development and supporting experimentation, CAMP (Code Applications and Maintenance Program) and CSARP (Cooperative Severe Accident Research Program) members provide cash and in-kind technical contributions which, along with NRC contributions, are invested in code maintenance, error corrections, and improvements. The membership fees defray the cost of biannual user group meetings and limited user support to the member countries, which we estimate to cost about \$10,000 to \$15,000 per member country per year.

Typically, in the past, the membership fees for the developed countries ranged between [REDACTED] per year plus in-kind technical contributions for the CSARP program and [REDACTED] for the CAMP program. [REDACTED]

In addition, the budget and scope of our CSARP program has been decreasing and the membership fees have had to be reduced accordingly. These factors, in addition to the general budget downsizing in developed countries and the recent financial constraints experienced in Asia and the countries of the former Soviet Union, have had a definite impact on the scope of our programs. *Ex 4*

Recognizing these changes, we have, on a case-by-case basis, reduced and/or waived the yearly fees, provided that the government organizations were willing to give NRC recently generated data and analyses for code assessment and continue to share code assessment information on a yearly basis.

The membership fees for these developing countries [REDACTED] *Ex 4*
[REDACTED] Membership
fees for some countries have also been waived for the first few years [REDACTED]

Addenda to NRC Cooperative Agreement with Mexico

The NRC-CNSNS Arrangement for the Exchange of Technical Information and Cooperation in Nuclear Safety and Research Matters was last renewed in March 1997. This is a broad, umbrella Arrangement intended to cover any and all nuclear safety information exchange and general cooperation that the parties agree to undertake. Its stated objective encompasses "...the regulation of safety and radiological environmental impact of designated nuclear facilities and...the program of nuclear safety research to the extent the parties are permitted to do so...."

The Arrangement also includes some specific provisions for cooperation in the event of a nuclear accident or radiological emergency. Among the approved activities under this item are the exchange of telephone and fax numbers to be used for emergency communications; advice of changes which could modify the scope, timing, or content of such communications; and the exchange of information related to (a) emergency action levels and response classifications, (b) emergency preparedness regulations and response organizations, and (c) U.S. and Mexican facilities (site-specific and plant-specific data). In the safety research area, the Arrangement provides for the terms of cooperation in research programs and projects, including computer programs, to be considered on a case-by-case basis. They may either be the subject of a separate agreement or of a simple exchange of letters, as determined to be necessary by one or both of the parties. Staff's practice has been to develop a more formalized base agreement or implementing agreement (when an "umbrella-type" Arrangement is in place) when a cooperative research project involves either a major commitment of resources or the exchange of resources with another party.

If the Commission so directs, the staff can develop addenda to the current Arrangement, which would address both emergency preparedness issues and CNSNS participation in the NRC international cooperative research programs, including code development. This would require that the staff develop the draft addenda and then submit them to the Executive Branch for interagency Circular-175A clearance, because the addenda would constitute substantive changes to the Arrangement as it now stands. This can be a time-consuming process, routinely taking from 6-12 weeks, even in the absence of questions or problems.

Given the broad basis for cooperation in emergency preparedness and research that is already an integral part of the existing Arrangement, however, the staff believes a simpler and more expeditious route would be to develop and propose implementing agreements pursuant to the NRC-CNSNS Arrangement. These implementing agreements would detail the provisions of each of the specific areas of cooperation to take place. If the Commission approves this option, Office of International Programs staff, in coordination with RES, IRO, and other involved staff offices, will initiate a dialogue with the CNSNS to begin negotiations on the implementing agreements. This approach has the added benefit of not requiring further Executive Branch approval because the cooperation in both areas was anticipated and cleared in general terms during the first-round review. The agreements could thus be signed and implemented as soon as both sides reached agreement on their provisions.