

November 23, 1998

SECY-98-272

FOR: The Commissioners

FROM: Carlton R. Stoiber, Director /s/  
Office of International Programs

SUBJECT: PROPOSED ARRANGEMENT FOR TECHNICAL INFORMATION  
EXCHANGE AND COOPERATION BETWEEN THE U.S. NRC AND  
ROMANIAN NATIONAL COMMISSION FOR NUCLEAR ACTIVITIES  
CONTROL

PURPOSE:

To advise the Commission of the staff's review of, and the Executive Branch's recommendation on, the above proposal and to recommend that the Commission approve the revised draft arrangement (attached).

BACKGROUND:

On July 15, 1998, the United States and Romania signed the U.S.-Romania Agreement for Peaceful Nuclear Cooperation. Dr. Dan Cutoiu, President of the National Commission for Nuclear Activities Control (CNCAN) in Romania, met the following day with Chairman Jackson. During the course of their discussion, Dr. Cutoiu proposed that the NRC and CNCAN sign a cooperative arrangement as a natural follow-on to the government-to-government Agreement for Peaceful Nuclear Cooperation. Dr. Cutoiu then left a draft arrangement for NRC consideration (Attachment 1).

The NRC has concluded bilateral arrangements for regulatory cooperation with agencies in over 30 countries. These arrangements express a mutual interest in exchanging information on regulatory matters, including nuclear safety and environmental standards and operational incident data. They outline the types of information to be exchanged, provide a basis for other agreements or understandings to facilitate cooperation in safety research activities, and in most cases, identify forms of NRC training assistance which may be available. They also define

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administrative ground rules such as assigning costs to the party that incurs them and the proper handling of any company proprietary or other privileged information obtained under the arrangement.

The resource implications of NRC's bilateral arrangements are individually modest. Whether adding Romania to the list of arrangement partners would cost more or less than average would depend on how often they would seek to meet with NRC, how many NRC documents they might request, and how strongly they might press for special consideration in obtaining Office of Nuclear Regulatory Research-controlled computer codes. While we do not expect CNCAN to request a large number of these services, staff would not expend any appreciable resources to these ends without first informing the Commission.

#### DISCUSSION:

In an August 21, 1998, letter with Romania's proposal attached, the staff requested Executive Branch views on the priority and appropriateness the U.S. Government assigns to initiating nuclear safety activities with Romania (Attachment 2). This step was taken particularly because of NRC's current budgetary and resource constraints, the scrutiny to which the Congress is now subjecting all of NRC's international activities, and because Romania's nuclear power program calls for commitments only to Canadian CANDU reactor technology for the foreseeable future.

On October 9, 1998, the NRC received a letter from the Executive Branch supporting the arrangement, stating that it would "fulfill the obligation of the United States under Article IV of the NPT to engage in civil nuclear cooperation in a manner that furthers the objectives of the Treaty" (Attachment 3). The letter further states that the NRC should enter into this arrangement because the relatively new Romanian government has exposed past violations of nonproliferation norms and is now attempting to adopt exemplary nuclear nonproliferation policies. The Executive Branch also pointed out that the United States has long believed that countries which adhere to the NPT and accept full-scope IAEA safeguards should receive preferential treatment in peaceful nuclear cooperation.

Consequently, the NRC staff has restructured the Romanian proposal into a format similar to other NRC cooperative arrangements, but not quite as far-reaching as most (Attachment 4). For example, the draft arrangement deletes long-term assignments, deletes assistance during nuclear emergencies, deletes additional safety advice, and limits the scope of the exchange to regulatory activities which are generic in nature because of the different power reactor technologies in the U.S. (LWR) and Romania (CANDU).

#### RECOMMENDATIONS:

It is the staff's recommendation, based on Executive Branch input, that the Commission approve the proposed arrangement with CNCAN. Upon Commission approval, staff will seek

interagency approval by the Circular 175 process. Signature of the arrangement will be scheduled at a mutually convenient time for NRC and Romania.

Carlton R. Stoiber, Director  
Office of International Programs

- Attachments:
1. Draft Romanian Arrangement
  2. August 21, 1998 letter to Executive Branch w/att
  3. October 9, 1998 letter from Executive Branch
  4. NRC-CNCAN revised Arrangement

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