

June 20, 2000

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

FROM: Janice Dunn Lee, Director **/RA/**
Office of International Programs

SUBJECT: VISIT OF LUIS ECHAVARRI, OECD/NEA DIRECTOR-GENERAL
- JUNE 22, 2000

Mr. Luis Echavarri, OECD/Nuclear Energy Agency (NEA) Director-General, is visiting the Commission on Thursday, June 22, 2000. The purpose of his NRC visit is to discuss the results of the May Steering Committee Meeting and events that have taken place since then, Calendar Year 2001 budgetary matters, and the IAEA/NEA MOU. Mr. Echavarri will be accompanied by Samuel Thompson, Deputy Director-General. Beth Lisann, Science Advisor for Nuclear Energy Affairs at the U.S. Mission in Paris will accompany the group as an observer. Attached for your information is biographical information, the May Steering Committee reporting cable, and NEA background information.

By copy of this memorandum, the SECY, OGC, EDO, OPA, NRR, RES, and NMSS are also being advised of the Director-General's meeting schedule.

Attachments:

1. Biographical Information
2. NEA Steering Committee Reporting Cable
3. Background Information

Contact: Elizabeth L. Doroshuk, OIP
415-2775

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cc: SECY
OGC
EDO
OPA
NRR
RES
NMSS

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LUIS E. ECHAVARRI
OECD/NEA DIRECTOR-GENERAL
June 22, 2000

MEETING SCHEDULE:

08:15 - 08:45	Commissioner Jeffrey S. Merrifield
09:00 - 09:30	Commissioner Nils J. Diaz
09:30 - 10:00	William D. Travers, Executive Director for Operations
10:00 - 10:30	Commissioner Greta Joy Dicus
10:30 - 11:00	Commissioner Edward McGaffigan, Jr.
11:00 - 11:30	Chairman Richard A. Meserve
11:45 - 01:00	Lunch, hosted by The Chairman

BIOGRAPHICAL INFORMATION:

Luis Echavarri
Director-General
OECD Nuclear Energy Agency

Birth Date: April 17, 1949
Marital Status: Married, two children, 21 and 18 years old
Nationality: Spanish
Languages: Spanish, English, French

Academic Distinctions:

- Fellow of the College of Industrial Engineers of Madrid
- 1971 Masters in Industrial Engineering, Superior Technical School of Industrial Engineering, Bilbao University
- 1974 Postgraduate in Management, Madrid Industrial Organization School
- 1978 Masters in Information Sciences from the Faculty of Information Sciences, Complutensis University of Madrid

Experience:

- July 1, 1997 - Director-General OECD/Nuclear Energy Agency (NEA)
- September 1995 - Director-General Spanish Nuclear Industrial Forum
- October 1987 - November 1994, Commissioner, Spanish Nuclear Regulatory Commission (Consejo de Seguridad Nuclear).
- February 1985 - October 1987, Technical Director (EDO) of the Spanish Nuclear Regulatory Commission.
- February 1975 - February 1985, Westinghouse Electric, Madrid Office Project Manager
1981 - 1985: Lemoniz NPP, Sayago NPP, and Almaraz NPP.
- 1971 - 1975, Engineer, Mecanica de la Pena, Ensidesa and Sociedad de Investigacion Economica

Samuel Thompson
Deputy Director-General
OECD Nuclear Energy Agency

Mr. Samuel Thompson took up his duties as Deputy Director General of the OECD Nuclear Energy Agency (NEA) in September 1991, succeeding Mr. Pierre Strohl. He served as Acting Director-General from October 1995 to July 1997 when Luis Echavarri was appointed Director-General by the OECD Secretary-General, Donald Johnston.

Prior to becoming Deputy Director General, Mr. Thompson was Special Assistant to the Ambassador-at-Large for Nuclear Non-Proliferation and Nuclear Energy Affairs at the U.S. Department of State since 1984. In this position, he was responsible for the development of nuclear cooperation and nonproliferation positions for the Department of State, and he represented the Ambassador-at-Large in dealing with senior officials of government, industry and international organizations, in particular the International Atomic Energy Agency (IAEA) and the NEA. He joined the U.S. Atomic Energy Commission (AEC) in 1966, and later became Head of the Arms Control Office at the U.S. Department of Energy (DOE).

Mr. Thompson was born in Newton, Massachusetts, in 1943. Following graduation from Harvard College (BA), he completed graduate school at the Fletcher School of Law and Diplomacy, Massachusetts (MA LD). He also is a graduate of the National War College.

Mr. Thompson also has extensive experience in nuclear energy cooperation and in nuclear nonproliferation and defense issues at the IAEA where he served as Special Assistant to the Department of Safeguards from 1977 - 1978.

**BACKGROUND NOTES
NUCLEAR ENERGY AGENCY
(NEA)**

Director General	Luis Echavarri
Deputy Director General	Samuel Thompson
Address	12, boulevard des Iles F-91230 Issy-les-Moulineaux
Telephone	4524 1002

The Nuclear Energy Agency (NEA) was established on April 20, 1972, replacing the European Nuclear Energy Agency (established 1958) on the adhesion of Japan as a full Member Country. It has the same membership as the Organization for Economic Cooperation and Development (OECD), with the exception of New Zealand and Korea (only non-OECD member), and is the specialized branch of the OECD for all nuclear energy matters. Compared to the International Atomic Energy Agency (IAEA), the NEA is less political in nature and much smaller in size and budget, and it is not involved in international safeguards or technical assistance to developing countries.

The primary objective of the NEA is “to further the development of the production and uses of nuclear energy, including applications of ionizing radiations, for peaceful purposes by the participating countries, through cooperation between those countries and a harmonization of measures taken at the national level,” while “taking due account of the public interest and mindful of the need to prevent the proliferation of nuclear explosive devices.” By OECD Council statutory mandate, the NEA “promotes technical and economic studies and undertakes consultations on programs and projects of participating countries relating to the development of research and industry in the field of the production and uses of nuclear energy for peaceful purposes, in collaboration with other bodies of the OECD.” It thus provides a government-to-government framework for the advanced industrialized countries (85 percent of nuclear power capacity in the world) with a free market economy to: exchange information; consult on regulatory practices or policies; and conduct joint technical studies, projects and research.

The NEA Secretariat and professional staff assist the Steering Committee (responsible for supervising NEA programs and international implications) in initiating and implementing the various activities through a rather elaborate structure of specialized standing committees and working groups. It has a total staff of 82, with 40 at the professional level. The Program of Work is carried out by Member Country government experts, not the NEA Secretariat staff.

Current NEA Issues

1. IAEA/NEA MOU - One of the most important issues for NRC is the IAEA/NEA Memorandum of Understanding (MOU) and the need to avoid unnecessary duplication of activities. The NEA has been negotiating a Memorandum of Understanding (MOU) with the IAEA with the objective

of identifying and eliminating duplicative activities. From NRC's standpoint, duplication has been a concern for a number of years. IAEA's view is that the 1960 IAEA-NEA agreement had worked well for 40 years, and a new document should not be seen as "exclusionary" for its broader membership. IAEA suggested that member states should, on a regular basis, review both agency programs for potential duplication, and bring perceived problems to the attention of the Secretariats. During the May NEA Steering Committee Meeting, it was reported that the IAEA/NEA MOU Secretariat negotiations were successfully completed in February 2000, and the MOU was approved under the NEA Steering Committee's written procedures. The issue was raised at the March and June 2000 IAEA Board of Governors meetings, but no consensus reached. NEA is hoping to conclude the MOU in 2000.

Related to the MOU is the proposed Joint Declaration of Cooperation with Russia. The NEA wishes to continue discussions now that political stability in Russia has improved following the presidential election. However, schedules for further discussions have yet to be established.

2. Expanded Membership - Another significant issue is the NEA's consideration of expanded membership. Member states have indicated varying degrees of concern that the NEA is losing focus in expanding its membership. A policy debate on the issue was held during the May Steering Committee meeting. The U.S. expressed its concern with overexpansion of the agency, and noted that if not careful, the NEA could become like the IAEA if it admits too many countries. The U.S. emphasized that the NEA should be seen as a unique organization, and not one that could be folded into the IAEA. Support was shown for the view that the NEA is in a period of transition which justifies a pause in membership.

The question of Poland's request for NEA membership was considered during the May Steering Committee Meeting, but committee consensus did not support considering Poland's application for membership at this time. A recommendation of some kind may be requested at the October 2000 Steering Committee Meeting. It was concluded that it will be difficult to come to a decision on new members until criteria are better defined.

3. Sustainable Development - A policy debate on sustainable development was held during the May Steering Committee Meeting, centered on the draft report, "Nuclear Energy in a Sustainable Development Perspective," prepared by the NEA Nuclear Development Committee. At the end of the debate, it was not clear whether or not the draft report was sufficiently complete, objective and suitable for use by the OECD in the 2001 Energy Ministerial.

Country Membership

Twenty-seven nations are NEA Member Countries: Australia, Austria, Belgium, Canada, Czech Republic [1996], Denmark, Finland, France, Germany, Greece, Hungary [1996], Iceland, Ireland, Italy, Japan, Korea [1993], Luxembourg, Mexico [1994], the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States. Korea is not a member of the OECD. Poland, a country with no nuclear power plants, has applied for membership. By Protocol to the 1960 OECD Convention, the Commission of the European Communities (EU) participates in OECD Council and Executive Committee meetings, and in the work of the NEA, and by agreement the IAEA also participates in the NEA.

NRC Participation at the NEA

The NRC has been involved in NEA activities, which supplement the technical programs of Member Countries and provides a framework for the exchange of information in peer technical experts meetings; consulting on regulatory practices or policies; carrying out analytical studies; and conducting joint technical studies, research and development projects. Since the 1986 Chernobyl accident, safety issues have dominated international nuclear discussions, both at the technical and policy level meetings in the NEA.

With the shift from nuclear development to nuclear safety, the NEA programs and activities support NRC regulatory and programmatic interest via international efforts. Participation in the NEA substantially enhances and supplements NRC technical resources in addition to furthering U.S. international policy objectives. The NRC staff finds that addressing regulatory and safety issues and conducting safety research with other developed countries through the NEA forum is a valuable and productive endeavor.

The NRC plays a key leadership role in the NEA, occupying influential positions within its standing committees, including Vice Chairman [Ashok Thadani/RES] of the Committee on the Safety of Nuclear Installations (CSNI), and Vice Chairman [Sam Collins/NRR] of the Committee on Nuclear Regulatory Activities (CNRA), Member [Margaret Federline/RES] of the Radioactive Waste Management Committee (RWMC) Bureau, Member [Cheryl Trottier/RES] Committee on Radiation Protection and Public Health (CRPPH), and the NRC serves as Representative or Alternate Representative [Janice Dunn Lee/OIP] of the USG Delegation to the Steering Committee. NRC Chairmen have also participated in the ad hoc Heads of Regulatory Agencies meetings.

DOE Participation at the NEA

DOE also has long participated in NEA programs, and this participation has provided opportunities to broaden program and scientific consensus on technical issues and share technical data and findings important to enhancing U.S. domestic programs and minimizing overall costs. Products of the technical standing committees reflect the forefront of knowledge in any given area and are generally viewed as authoritative sources of information. DOE participation in NEA activities is spread throughout the Office of Nuclear Energy, Science, and Technology. In addition, DOE's various program office and national laboratories are representatives to technical standing committees.

DOE plays a key leadership role in the NEA, occupying influential positions within its standing committees, including Vice Chairman of the Steering Committee (William Magwood, DOE/NE) and Chairman of the Nuclear Development Committee (Dr. Allen Croff, ORNL).

The Steering Committee

The Steering Committee for Nuclear Energy (SCNE) is responsible for supervising NEA programs and international implications, in initiating and implementing the various activities through a rather elaborate structure of specialized standing committees and working groups. It defines the main orientations of the Agency and must approve its yearly budget and program of work. Committee representations consist of high-level national officials in charge of nuclear programs. The NEA Secretariat and professional staff assist the SCNE.

The U.S. sends an official delegation to NEA Steering Committee meetings in April and October each year. At the May 2000 Steering Committee Meeting, William D. Magwood, IV, Director of the Office of Nuclear Energy, Science and Technology, DOE served as Head of Delegation. Janice Dunn Lee, Director, Office of International Programs, NRC served as Alternate Representative. Richard J. K. Stratford, Director of the Office of Nuclear Energy Affairs, Bureau of Nonproliferation, DOS and Janet M. Gorn of his staff attended as did Beth Lisann, Science Advisor for Nuclear Energy of the U.S. Mission to the OECD.

Program Structure

There are five main program areas:

1. Nuclear Safety and Regulation

This is the largest program area (nearly half of the resources) are devoted to covering radiation protection, safety of nuclear installations (mainly reactors), licensing regulations, and radioactive waste management with a number of related projects (Standing Committees: Committee on Nuclear Regulatory Activities [CNRA], Committee on the Safety of Nuclear Installations [CSNI], Committee on Radiation Protection and Public Health [CRPPH], and Radioactive Waste Management Committee [RWMC];

2. Nuclear Development

This program embodies work on uranium in cooperation with IAEA, forecasting work, economic and technical studies, and involves most of the links and joint actions with the IEA and the OECD Environment Directorate (Standing Committee; Nuclear Development Committee [NDC]);

3. Scientific Work

This program is related to all scientific work of the NEA either in nuclear physics or in processing of neutron data and computer programs for the 18 countries of the NEA Data Bank (Standing Committee: Nuclear Science Committee [NSC]);

4. Public Information and Communication

This program area is involved with activities associated with public information and external affairs (Ad Hoc Group of Experts on Information and Publications); and

5. Nuclear Law

This program is related to all legal affairs with high priority given to international nuclear third party liability conventions (Third Party Liability Experts Group).

U.S. Personnel on Secretariat Staff

The NEA staff also has U.S. nationals in several key positions: Samuel Thompson (DOS) is currently Deputy Director General (September 1991-2000); Berry Kaufer (NRC) is in the Nuclear Safety area of the Secretariat; and Dr. Ivan Vera (DOE) is in the Nuclear Development area of the Secretariat. In addition to Mr. Kaufer, eleven other NRC staff members have served

on the NEA Secretariat staff in past years, including Howard Shapar in the position of Director-General (1982-1988).

TALKING POINTS

The Commission may wish to:

- Inquire as to the current status of negotiations regarding approval of the IAEA/NEA MOU, and the likelihood of its completion this year. The NEA has approved the MOU and many of the IAEA member states support it. However, the IAEA DG stated during the June Board of Governors meeting that he would not sign the MOU until the entire Board agreed to it. India and Russia have been outspoken in their opposition, focusing during the Board meeting on the "single agency" category of activities and expressing fear that once an activity is designated as "single agency," the other agency could not work in that area. It was concluded only that the MOU could be revisited in the near future.
- Inquire as to the progress of the Secretariat in developing criteria for membership expansion, and what steps may follow during the October 2000 Steering Committee Meeting. During the May Steering Committee meeting, the U.S. cautioned against expanding NEA membership, suggesting that it should remain small and homogeneous, not like the IAEA. This was an issue for the U.S. four years ago when the State Department seriously considered withdrawing from the NEA. There was no clear consensus of views regarding new membership, nor on the length of an interim moratorium on membership expansion, though it was agreed that one was needed. It was stated that more work is needed to develop membership criteria, and a work plan is to be developed.
- Note that an overview of the 2001-2002 NEA Program of Work (POW) was presented during the May Steering Committee Meeting, and ask about the new POW horizontal task group discussion. The reporting cable mentions on page 4, that a number of activities were phased out. Specifically, 26 of 42 POW activities are ongoing, and there are 5 new activities, 4 of which are in the area of nuclear development. Acknowledge that increased use of the horizontal approach to help avoid intra-agency overlap and duplication is a positive step.
- Note that an overview of the committee structure format was presented during the May Steering Committee Meeting, and that the final report is expected to be submitted for approval at the October 2000 Steering Committee Meeting, as described on page 7 of the reporting cable. Mention that the NRC recommended the lead NEA committees for each of the cross cutting issues identified in the NEA Committee Structure document be identified. Ask where the NEA stands on this. Acknowledge the value of considering strategic plan objectives in further fine tuning of NEA committee structure format.
- Inquire about whether the NEA will participate in the Generation IV activities underway to identify the potential characteristics of the next generation of reactors, at the Department of Energy (DOE). In a January 2000 report published by DOE, it is stated that two programs in the U.S., the Nuclear Energy Research Initiative (NERI), designed to address the issues facing the future deployment of nuclear power; and the Nuclear Energy Plant Optimization (NEPO) program, designed to address issues facing the

current U.S. fleet of nuclear power plants up to and beyond the end of their current operating license terms, were initiated. Further, the report stated that while the U.S. government neither encourages nor discourages the use of nuclear power, it recognizes the present and potential future needs for nuclear generation and has begun investing in research and development to retain the nuclear option. By most counts, we are in the third generation of nuclear power plant designs. The DOE report suggests that it is now time to lay the groundwork for Generation IV reactors that will be more proliferation resistant, more advanced in safety performance, and economically competitive with natural gas.

- Inquire as to why the NEA Committee on Radiation Protection and Public Health (CRPPH) did not assume an active role in the May 2000 International Congress of The International Radiation Protection Association (IRPA-10) meeting in Hiroshima, Japan. Commissioner Dicus participated in the meeting. Cheryl Trottier, NRC member on the CRPPH also participated.