

October 19, 2000

NOTE TO: Janice Dunn Lee, Director
Office of International Programs

FROM: Elizabeth L. Doroshuk **/RA/**
Office of International Programs

SUBJECT: MEETING SUMMARY - WEEKLY FSU STATUS MEETING, OCTOBER 4, 2000

Purpose:

The purpose of this note is to document the results of the weekly FSU Status Meeting, held on Thursday, October 4, 2000. A list of attendees is included as an Attachment.

Discussion:

Gordon Fowler began the meeting by delivering a brief synopsis of activities he participated in during his travel to Russia and Ukraine in September.

St. Petersburg, Russia. The JCCCRER conference he attended with Commissioner Dicus, Cyndi Jones and Vince Holahan went very smoothly he said, and Russian officials now seem to be more open and in agreement with western analytical approaches and methods than at the outset of the program. Cyndi will be preparing a trip report based largely on information Gordon pulled together while in St. Petersburg.

Moscow, Russia. Gordon and Jon Johnson of NRR met with GAN management (headed by Alexander Matveev) to review accomplishments and outstanding items of the assistance program. Background presentations were made for the benefit of Mr. Johnson. It was noted that a number of activities could not be accomplished this year because of lack of funds.

During a break, Mr. Matveev explained the process for considering legislation proposed in the Duma for amending the 1995 law on atomic energy. The legislation would affect GAN's regulatory authority.

The nuclear power industry is evolving in that:

- the first reactor to be completed since the Chernobyl accident will go on line in early 2001. The reactor is Rostov 1, a VVER 1000 in southern Russia, and;
- nuclear power plants now provide baseload electricity in Russia (as they do in the U.S.) making it harder to implement safety upgrades that must be made during shutdown.

Kiev, Ukraine. Gordon and Jon Johnson received briefings on the status of the tasks being undertaken by SSTC with NRC support, and how they relate to NRA's regulatory workload. It was noted that the new fuel program has reached a short-term impasse because of problems among the countries on testing procedures. It is expected that the program will resume after elections in the U.S.

Gordon learned that a decree has been introduced in the Rada which would enhance the status of NRA. This move is a correction of the inadvertent demotion NRA suffered a year ago as a result of a general streamlining of the executive branch, and is based in part on Ukraine's commitments under the Convention on Nuclear Safety. Mr. Smyshlyayev plans to forward a letter to Chairman Meserve on the subject.

Gordon noted that Chernobyl Unit 3 is now scheduled to shut down on December 15, and that this decision was made by the regulator based on technical information, rather than being made merely in response to political pressure.

South Ukraine NPP, Ukraine. Gordon also talked briefly about the visit to South Ukraine Unit 1, the pilot plant for review and approval of the first 10 year license in Ukraine for a VVER 1000. Gordon said that South Ukraine NPP during Soviet times exported a substantial portion of its output to Eastern Europe, but now this market is closed. Although some security equipment has been installed, the general condition of the plant did not appear to be as good as that at the Sosnovy Bor facility in Russia.

Gordon noted that both he and Jon Johnson observed that there is much interest in PRAs among the plant management and analysts.

Noting that there are a number of unfunded projects for both Russia and Ukraine, and that virtually all Ukrainian funds have been obligated, Gordon suggested that the Director, OIP, discuss NRC's expectations for future nuclear safety assistance activities in Russia and Ukraine with Bill Taylor, AID, and seek appropriate funding for this work.

Jack continued the meeting by presenting a brief summary of the results of the seismic walkdown at Metzamor in Armenia. Lots of issues and problems were found, he said. What was not anticipated was the range of equipment that though well anchored, was located underneath equipment that was not well anchored and therefore might be expected to cause some damage as a result of a seismic event. Jack said he expects recommendations to be made addressing this finding, though he could not anticipate how the Armenians would respond.

Jack said that DOE continues to be positively inclined toward visiting Armenia in January or February, when equipment upgrade installations have been completed.

With regard to the spent fuel storage question in Kazakhstan, Jack noted that DOE is not happy with Argonne because Argonne seems to be forwarding its own agenda, centered on storage of spent fuel in silos in the ground. Jack thought that in a few weeks another NSC meeting may be arranged, where the issue would be discussed further. But in the meantime, OIP should advise NMSS that to approve Argonne's request for an NRC representative to act as its consultant on spent fuel disposition in Kazakhstan, especially when DOE is unhappy with Argonne's

performance to date, is a bad idea. First, a decision should be made on where in Kazakhstan BN350 spent fuel is to be stored, and then DOE should determine what it is willing to pay for without allowing Argonne to drive program plans in support of its own position.

On another subject, Jack discussed the status of OIP's response concerning the GAO report, due on November 15, 2000. He said that he understood the reprogramming requests were all approved before the end of the fiscal year and carryover authority was provided even earlier than in the past. What is still outstanding is approval for paying staff costs for 2001. It was noted that Ron Hauber has forwarded information on the new contracting activity to the ADM Contracts organization.

Jack said that although he has begun to prepare a letter to Kazakh representatives in response to their earlier letter to the NRC, he plans to wait for a decision on the possible new OIP contract, and then close the loop. Jack added that the Kazakh decision on building a new nuclear power plant has been postponed for one year.

Returning to the matter of the GAO response, Jack reminded the group that it will still be necessary to address the need for a strategic plan outlining future nuclear safety assistance activities in Russia, Ukraine, Armenia, Kazakhstan and other Central and East European countries. It doesn't have to be long however, and in fact may be only one page. Janice suggested that the FSU team members agree to meet and develop a strawman.

With regard to the plutonium disposition project at Mayak, which was discussed during an NMSS meeting with Los Alamos representatives, acting as DOE's contractors, two weeks ago, Janice said she would contact Bob Pierson in NMSS to offer our help, and to let him know that Jack is OIP's point of contact. Janice agreed with Gordon's comment that it does not appear that DOS has yet weighed in on the matter, and perhaps OIP might facilitate some communication between NMSS and DOS in this regard.

Donna-Marie continued the meeting noting information she recently prepared describing a possible reorganization within the Lithuanian government may be subject to change as the Swedes, Finns, Germans and Americans have voiced some skepticism, leading to a hesitation on the part of the Lithuanian government to continue with plans to implement the changes. Mary suggested this might be an opportunity for the U.S., U.K. and French to emphasize the importance of the role of the independent regulator, perhaps through the mechanism of INRA.

Donna-Marie mentioned that Kashev, Bulgaria's senior regulator will probably be leaving his position after his upcoming heart surgery.

Donna-Marie went on to mention a discussion she held with Henk Kalfsbeek about the G-24 summary meeting. She said that Mr. Kalfsbeek suggests the G-24 be disbanded now for several reasons. To begin with, there has been little response to the questionnaire about alternate avenues of communication, and in general there continues to be an overall lack of interest in the matter. Mr. Kalfsbeek therefore suggests a formal reply be drafted by OIP which would constitute the reply of the Chair from the West. The reply could then be forwarded electronically to the other donor countries. Janice agreed with Donna-Marie's recommendation

and asked her to prepare a short response reflecting this information. The response should also note the importance of EU enlargement and ongoing reorganization. Janice asked Donna-Marie to provide the draft response to her, along with a list of donors by October 18, 2000, after which Janice would forward the information to the G-24 members. Janice also said that in response to Henk Kalfsbeek's suggestion that OIP prepare a response to the letter to the G-7, she would like to provide a draft to Warren Stern at DOS, and then ask him to forward the letter to the Japanese. In the end, we might declare victory to the Commission, and convey our expectation that more might be accomplished bilaterally.

Before concluding the meeting Gordon noted that with regard to MPC&A funds, Mike Kelly, NMSS has informed OIP that \$163K has been received from DOE for 1999 that carries over for Russia, though not Ukraine or Kazakhstan. Mike was not sure what to expect for 2000 funds. At the end of the month there will be a two day meeting to discuss MPC&A issues with GAN in Moscow, and will also involve Minatom. Mike is planning to attend this meeting.

Attachment: List of Attendees

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WEEKLY FSU MEETING

October 4, 2000

LIST OF ATTENDEES

1. Gordon Fowler
2. Donna-Marie Perez
3. Jack Ramsey
4. Mary Carter
5. Janice Dunn Lee
6. Beth Doroshuk

ATTACHMENT