

June 29, 1999

MEMORANDUM TO: William D. Travers  
Executive Director for Operations

FROM: Annette Vietti-Cook, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - SECY-99-024 -  
RECOMMENDATIONS OF THE SAFEGUARDS  
PERFORMANCE ASSESSMENT TASK FORCE

The Commission has approved the staff's recommendations to modify the regulations to require power reactor licensees to identify target sets, develop protective strategies and exercise these strategies on a periodic basis. The exercises should be subject to NRC inspection and observation. As requested in the Staff Requirements Memorandum -- Briefing on Safeguards Performance Assessment on May 5, 1999, dated June 2, 1999, the staff proposal on the baseline reactor inspection program should include a specific recommendation on the baseline frequency of NRC inspector observation of drills and exercises. The rulemaking should also consider regulatory changes necessary to require licensees to maintain the effectiveness of their contingency plans and to upgrade their security plan commitments whenever these exercises reveal weaknesses in their ability to protect against the design basis threat. In addition, the Commission has approved development of associated regulatory guides, inspection program changes, revisions to the Enforcement Manual, and necessary training for NRC inspectors. The staff should provide the Commission a rulemaking plan and schedule for these activities.

(EDO)

(SECY Suspense:

9/24/99)

As part of the staff's semiannual threat environment review and report to the Commission, the staff should brief the Commission in a closed meeting on events that occurred since the last semiannual review and the continued validity of the NRC's design basis threats, or recommend the need to change the current requirements.

(EDO/SECY)

(SECY Suspense:

8/30/99 and every 6  
months thereafter)

The staff should ensure that the safeguards program is revised in a manner compatible with the ongoing changes to the overall NRC inspection and assessment program (i.e., with criteria for measurement, thresholds for action, and a focus on outcomes).

As the staff develops the rule and associated guidance and uses the remaining OSREs to pilot concepts for the revised safeguards inspection and assessment program, the staff should interact with stakeholders in an open process, while ensuring the protection of safeguards information.

The staff should address the following questions in the rulemaking package to satisfy

recommendation 1 of the Safeguards Performance Assessment Task Force:

- a. Why were the OSREs allowed to be conducted with security measures well above the licensing commitments without, at least, evaluating if the minimum licensing conditions are adequate?
- b. Why is requiring a plant to meet its original licensing basis a back-fit?
- c. Why are the NRC inspectors not inspecting compliance for all of 10 CFR Part 73.55?

The staff should consider and propose, as appropriate, any additional rulemaking (beyond the rulemaking proposed in SECY-99-024) identified as a result of the pilot program.

cc: Chairman Jackson  
Commissioner Dicus  
Commissioner Diaz  
Commissioner McGaffigan  
Commissioner Merrifield  
OGC  
CIO  
CFO  
OCA  
OIG  
OPA  
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)  
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