

August 29, 2001

The Honorable Harry Reid, Chairman  
Subcommittee on Transportation,  
Infrastructure, and Nuclear Safety  
Committee on Environment and Public Works  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

I am writing to inform you that the Nuclear Regulatory Commission (NRC) is beginning the implementation of a one-year pilot of an industry-initiated Safeguards Performance Assessment (SPA) program at commercial nuclear power plants as a means to assess the effectiveness of key elements of licensees' physical security programs. In parallel, the NRC will continue to implement the existing Operational Safeguards Response Evaluations (OSREs) program, albeit reduced from a frequency of eight to six in FY02. Because of the increased frequency of drills and exercises, the SPA has the potential to be more effective than the current OSRE program.

At the end of the pilot program, the NRC staff will review the effectiveness of the SPA program and consider lessons learned as part of its ongoing regulatory activities. NRC oversight and assessment of licensees' physical security programs, consisting of planned baseline inspections and performance indicators, will continue during the pilot program period.

The OSRE program has been in place since 1992 for the purpose of evaluating power reactor licensees' capabilities to protect against the NRC design basis threat of radiological sabotage. The evaluations have typically been performed in 8-year intervals. The OSRE program, which is performance-based, was designed to enhance NRC inspection efforts by using licensee-conducted force-on-force exercises to evaluate licensees' protective strategies.

Under the SPA program, each licensee would test the key elements of its protective strategy over a 3-year period. The program provides for (1) the development of target sets as the basis for a protective strategy, (2) quarterly drills, (3) participation by each security shift in at least one annual licensee-evaluated drill to demonstrate the proficiency of key security personnel, and (4) participation in a triennial NRC-evaluated exercise by a full complement of licensee personnel responsible for implementing the protective strategy. Some of the concepts in the SPA program will be considered for incorporation in NRC's ongoing efforts to conduct a comprehensive review of, and revision to, power reactor security regulations.

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Please contact us if you need additional information or clarification.

Sincerely,

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Dennis K. Rathbun, Director  
Office of Congressional Affairs

cc: Senator James M. Inhofe

IDENTICAL LETTERS SENT TO THE FOLLOWING:

The Honorable Harry Reid, Chairman  
Subcommittee on Transportation,  
Infrastructure, and Nuclear Safety  
Committee on Environment and Public works  
United States Senate  
Washington, D.C. 20510

cc: Senator James M. Inhofe

The Honorable Harry Reid, Chairman  
Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510

cc: Senator Pete V. Domenici

The Honorable Joe Barton, Chairman  
Subcommittee on Energy and Air Quality  
Committee on Energy and Commerce  
United States House of Representatives  
Washington, D.C. 20515

cc: Representative Rick Boucher

The Honorable Sonny Callahan, Chairman  
Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States House of Representatives  
Washington, D.C. 20515

cc: Senator Peter J. Visclosky

The Honorable James M. Jeffords, Chairman  
Committee on Environment and Public Works  
United States Senate  
Washington, DC 20510

cc: Senator Bob Smith

The Honorable W. J. "Billy" Tauzin, Chairman  
Committee on Energy and Commerce  
United States House of Representatives  
Washington, DC 20515

cc: Representative John D. Dingell