

May 3, 2002

Mr. and Mrs. Peter Sternberg
1954 Cider Mill Road
Shaftsbury, Vermont 05262

Dear Mr. and Mrs. Sternberg:

Thank you for your letter dated January 30, 2002, to the Nuclear Regulatory Commission (NRC) stating that you believe there is an urgent need for heightened security and regulation. You specifically requested that the staff undertake a decommissioning study and subsequently close Vermont Yankee Nuclear Power Station (Vermont Yankee). Your letter has been referred to me for response. You stated that based on public hearings and Vermont resident feedback, the overwhelming response is to shut down this facility in the manner that the Connecticut Yankee (Haddam Neck), Maine Yankee, and Yankee Rowe plants were closed.

The NRC's mission is to ensure adequate protection of the public health and safety, and the environment, as it relates to the peaceful use of nuclear materials in the United States. The agency itself does not operate nuclear power plants. Rather, it regulates the operation of the nation's nuclear power plants by establishing regulatory requirements for the design, construction and operation of such plants as provided for by the Energy Reorganization Act of 1974, as amended. The NRC issues licenses for the plants to operate, licenses the plant operators, and establishes plant-specific technical specifications for plant operators (licensees) to follow to ensure that the plants are operated safely and within these requirements.

The NRC provides continuous oversight of plants through its reactor oversight process (ROP) to verify that they are being operated in accordance with NRC rules and regulations. The NRC maintains a Resident Inspector staff that monitors the licensee's day-to-day operation at the plant. The NRC supplements this staff with periodic focused specialized inspections. We identify and report weaknesses and deficiencies (findings), (e.g. discrepancies with NRC Rules and Regulations) in periodic Inspection Reports and post the results on our Web site (http://www.nrc.gov/NRR/OVERSIGHT/ASSESS/listofrpts_body.html). The NRC has full authority to take whatever action is necessary to protect public health and safety and may demand immediate licensee actions, up to and including a plant shutdown, if necessary.

Although nuclear power plants are among the most hardened and secure civilian facilities in the United States, the recent attacks have focused attention on the need to review policies and practices related to safeguards and physical security measures for civilian nuclear facilities.

Immediately following the terrorist attacks on the World Trade Center and the Pentagon, the NRC advised nuclear power plant licensees to go to the highest level of security, and all promptly did so. With continued uncertainty about the possibility of additional terrorist activities, the nation's nuclear power plants remain at the highest level of security and the NRC continues to monitor the situation. For the longer term, the NRC staff is thoroughly reevaluating the NRC's safeguards and physical security programs. This reevaluation will be a top-to-bottom analysis involving all aspects of the Agency's safeguards and physical security programs.

Given the nature of the attacks on September 11, the identification of any necessary adjustments to the safeguards and physical security measures for civilian nuclear facilities must involve consultation and coordination with other U.S. national security organizations. The NRC is currently interacting with the Federal Bureau of Investigation (FBI), other intelligence and law enforcement agencies, and the Department of Defense to ensure any changes to the NRC's programs are based on pertinent information from other relevant U.S. agencies.

Specific actions that have been completed by the NRC to enhance security at the nation's nuclear facilities are as follows:

- Issued over 30 security advisories to NRC licensees to enhance the security posture of the NRC licensed facilities.
- Issued formal orders on February 25, 2002, to licensees mandating specific security requirements.
- Performed onsite physical security vulnerability assessments to evaluate the effectiveness of the enhanced security measures that have been put into place post September 11.
- Participation in several intra-governmental task forces with the Office of Homeland Security, the FBI, Department of Transportation (DOT), Department of Energy (DOE), and others to keep informed of the details of the current threat environment and to communicate our actions to other federal agencies to ensure an appropriate and balanced response throughout the entire energy-critical infrastructure of the nation.

Looking ahead, the NRC is continuing to look for ways for licensees to make additional improvements to the security programs at the facilities we regulate. Examples include:

- Top-to-bottom review of NRC safeguards and security program
- Legislation on federal law enforcement authority
- Protocols for interagency coordination

NRC has conducted performance-based testing of physical security programs since 1991 against the existing design-basis threat (DBT) by means of force-on-force exercises in the Operational Safeguards Response Evaluation (OSRE) program. A DBT is used to design safeguards systems to protect against acts of radiological sabotage and to prevent the theft of special nuclear materials. Licensees were found to have generally effective armed response forces. The purpose of the program is to identify weaknesses and deficiencies and, as a result, licensees have taken corrective actions when these exercises have illustrated weaknesses in security programs. The NRC believes that this demonstrates the credibility of such testing and that the program has served an important function by contributing to the identification of areas for improvement in the licensees' security programs.

On March 4, 2002 (Enclosure 1) the NRC issued its annual assessment letter on the performance at Vermont Yankee. On April 12, 2002, (Enclosure 2) the NRC staff issued a follow-up assessment letter which incorporates the recent final yellow finding associated with an OSRE conducted during the week of August 20, 2001. This determination was based on response strategy vulnerabilities that were identified during the conduct of table-top drills, and subsequently confirmed by the results of two force-on-force exercises. The licensee has confirmed a commitment to continue compensatory measures addressing the weaknesses revealed during the OSRE, as well as additional actions taken in response to NRC Safeguards Threat Advisories issued following the September 11 terrorist attacks. The licensee is also taking actions to implement the security orders issued on February 25, 2002.

The staff concludes that our ongoing assessment has provided sufficient information to assure the NRC that the licensee is operating Vermont Yankee in a safe manner.

You urged the NRC to shut down this facility in the manner that several New England plants were closed. These plants were closed by their respective licensee, not by the NRC. Without sufficient regulatory cause, the NRC does not order a plant to shut down. It is the licensee's decision to determine whether or not the plant should be closed. As discussed in our latest assessment letter, the NRC considers that Vermont Yankee is operating safely and has not approached a level where an independent assessment or decommissioning study is needed.

Thank you for bringing these issues to the attention of the NRC.

Sincerely,

/RA/

Stuart A. Richards, Director
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

- Enclosures: 1. Letter dated March 4, 2002, Annual Assessment - Vermont Yankee (Report 50-271/02-001)
2. Letter dated April 12, 2002, Assessment Follow-up Letter - Vermont Yankee

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