

May 16, 2002

Mr. J. A. Price
Vice President - Nuclear Technical Services - Millstone
Dominion Nuclear Connecticut, Inc.
c/o Mr. David A. Smith
Rope Ferry Road
Waterford, CT, 06385

SUBJECT: USE OF PROTECTED TELECOMMUNICATIONS FOR TRANSMISSION OF
SAFEGUARDS INFORMATION RE: MILLSTONE NUCLEAR POWER STATION,
UNIT NOS. 1, 2, AND 3 (TAC NOS. MB4882, MB4883, AND MB4884)

Dear Mr. Price:

By letter dated April 19, 2002, you requested approval, pursuant to 10 CFR 73.21(g)(3), for the use of protected telecommunications for the transmission of Safeguards Information for Millstone Nuclear Power Station, Unit Nos. 1, 2, and 3. Specifically, you requested approval for the use of the Privatel Model 960v encryption system from L-3 Communications Systems.

On July 17, 1995, the National Institute of Standards and Technology (NIST) established the Cryptographic Module Validation Program (CMVP) that validates cryptographic modules to Federal Information Processing Standard (FIPS) 140-1 (Security Requirements for Cryptographic Modules), and other FIPS cryptography based standards. The CMVP is a joint effort between NIST and the Communications Security Establishment (CSE) of the Government of Canada. Products validated as conforming to FIPS 140-1 are accepted by the Federal agencies of both countries for the protection of sensitive information. Vendors of cryptographic modules use independent accredited testing laboratories to test their modules. NIST's Computer Security Division and CSE jointly serve as the validation authorities for the program validating the test results. Currently, there are four National Voluntary Laboratory Accreditation Program accredited laboratories that perform FIPS 140-1 compliance testing, three in the U.S. and one in Canada. The Secretary of Commerce has made FIPS 140-1 mandatory and binding for U.S. Federal agencies and organizations. The standard is specifically applicable when a Federal agency determines that cryptography is necessary for protecting sensitive information. This protection involves situations where products containing a cryptographic module are used when designing, acquiring, and implementing cryptographic-based security systems. FIPS 140-1 is applicable if the module is incorporated in a product or application, or functions as a standalone device.

The Privatel Model 960v is validated to FIPS 140-1 and is Number 108 on the Cryptographic Modules Validation List. Therefore, the use of this product is an acceptable method for protecting the telecommunication of U.S. Government sensitive information such as unclassified Safeguards Information.

J. Price

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Approval of the Privatel Model 960v encryption system is contingent upon continued NIST approval.

The Nuclear Regulatory Commission's approval of your request applies only to "use" of the Privatel Model 960v to provide an encryption media for voice communications involving Safeguards Information and is contingent upon your continuous compliance with the provisions of 10 CFR 73.21, "Requirements for the protection of safeguards information." In accordance with 10 CFR 73.21(a), you are required to establish and maintain an information protection system that satisfies 10 CFR 73.21(b) through (i). Compliance with the provisions of 10 CFR 73.21 is inspectable.

If you have any questions, please contact me at (301) 415-1420.

Sincerely,

/RA/

Richard B. Ennis, Sr. Project Manager, Section 2
Project Directorate I
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-245, 50-336, and 50-423

cc: See next page

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Millstone Nuclear Power Station
Units 1, 2, and 3

cc:

Ms. L. M. Cuoco
Senior Nuclear Counsel
Dominion Nuclear Connecticut, Inc.
Rope Ferry Road
Waterford, CT 06385

Edward L. Wilds, Jr., Ph.D.
Director, Division of Radiation
Department of Environmental
Protection
79 Elm Street
Hartford, CT 06106-5127

Regional Administrator, Region I
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

First Selectmen
Town of Waterford
15 Rope Ferry Road
Waterford, CT 06385

Mr. W. R. Matthews
Vice President and Senior
Nuclear Executive - Millstone
Dominion Nuclear Connecticut, Inc.
Rope Ferry Road
Waterford, CT 06385

Mr. Charles Brinkman, Manager
Washington Nuclear Operations
ABB Combustion Engineering
12300 Twinbrook Pkwy, Suite 330
Rockville, MD 20852

Senior Resident Inspector
Millstone Nuclear Power Station
c/o U.S. Nuclear Regulatory Commission
P. O. Box 513
Niantic, CT 06357

Mr. P. J. Parulis
Manager - Nuclear Oversight
Dominion Nuclear Connecticut, Inc.
Rope Ferry Road
Waterford, CT 06385

Ernest C. Hadley, Esq.
P. O. Box 1104
West Falmouth, MA 02574-1104

Mr. John Markowicz
Co-Chair
Nuclear Energy Advisory Council
9 Susan Terrace
Waterford, CT 06385

Mr. C. J. Schwarz
Director - Nuclear Station Operations
and Maintenance
Dominion Nuclear Connecticut, Inc.
Rope Ferry Road
Waterford, CT 06385

Mr. D. A. Smith
Manager -Licensing
Dominion Nuclear Connecticut, Inc.
Rope Ferry Road
Waterford, CT 06385

Ms. Nancy Burton
147 Cross Highway
Redding Ridge, CT 00870

Mr. D. J. Meekhoff
Unit 1 General Manager
Dominion Nuclear Connecticut, Inc.
Rope Ferry Road
Waterford, CT 06385

Millstone Nuclear Power Station
Units 1, 2, and 3

cc:

Mr. M. J. Wilson
Manager - Nuclear Training
Dominion Nuclear Connecticut, Inc.
Rope Ferry Road

Mr. G. D. Hicks
Director - Nuclear Station Safety and Licensing
Dominion Nuclear Connecticut, Inc.
Rope Ferry Road
Waterford, CT 06385

Mr. Evan W. Woollacott
Co-Chair
Nuclear Energy Advisory Council
128 Terry's Plain Road
Simsbury, CT 06070

Mr. D. A. Christian
Senior Vice President - Nuclear Operations
and Chief Nuclear Officer
Innsbrook Technical Center - 2SW
5000 Dominion Boulevard
Glen Allen, VA 23060

Mr. William D. Meinert
Nuclear Engineer
Massachusetts Municipal Wholesale
Electric Company
P.O. Box 426
Ludlow, MA 01056

Attorney Nicholas J. Scobbo, Jr.
Ferriter, Scobbo, Caruso, Rodophele, PC
75 State Street, 7th Floor
Boston, MA 02108-1807

Mr. J. Alan Price
Site Vice President - Millstone
c/o Mr. David A. Smith
Dominion Nuclear Connecticut, Inc.
Rope Ferry Road
Waterford, CT 06385

Mr. S. E. Scace
Director - Nuclear Engineering
Dominion Nuclear Connecticut, Inc.
Rope Ferry Road
Waterford, CT 06385