

June 17, 2002

J. Morris Brown, Vice President Operations
United States Enrichment Corporation
2 Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817

SUBJECT: ISSUANCE OF ORDERS FOR COMPENSATORY SAFEGUARDS MEASURES

Dear Mr. Brown:

The U.S. Nuclear Regulatory Commission has issued the enclosed Orders that modify the current certificates of compliance for your facilities to require compliance with the specified interim safeguards and security measures. These interim compensatory measures are listed in Attachment 1 of the enclosed Orders. The Commission recognizes that you have voluntarily and responsibly implemented additional security measures following the events of September 11, 2001, but in light of the continuing threat environment, the Commission concludes that the security measures should be embodied in Orders, consistent with the established regulatory framework. These Orders do not obviate the need for your facilities to continue to meet the objectives of Security Level III described in Information Notice 98-35, and maintain the effectiveness of existing security measures taken in response to the events of September 11, 2001.

The Commission has determined that the current threat environment requires that the enclosed Orders be effective immediately. The requirements will remain in effect pending notification from the Commission that a significant change in the threat environment has occurred, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs.

The enclosed Orders call for response within specified time frames. With respect to the notices and submissions required by Sections IIIB and IIIC of the Orders, for any requirement of Attachment 1 that requires an analysis or is contingent on completion of another requirement of Attachment 1, it will be a sufficient response if you state in your twenty-day submission that completion of the requirement is dependent on completion of an analysis or other requirement and the expected date of completion of the analysis or other requirement. Upon completion of such analysis or other requirement, you should promptly submit the results and the actions thereafter proposed with respect to the requirement at issue, as well as the projected date of completion. No extension of time from the twenty-day requirement is necessary for such responses submitted within twenty days.

J. Brown

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As a separate matter, if you wish to preserve your right to request a hearing on any requirement contingent upon completion of an analysis or other requirement, a request for an extension of time to request a hearing must be filed within twenty days of the date of these Orders in accordance with Section IV of the Orders. Such a request may seek a reasonable period of time to request a hearing beyond the date that the staff informs you whether the actions proposed and completion date for the requirement(s) contingent upon an analysis or other requirement are satisfactory.

Please contact Catherine Haney at (301) 415-6825 to facilitate resolution of any issues related to compliance with the requirements in the enclosed Orders, or if you have any other questions.

The enclosed Orders have been forwarded to the Office of the Federal Register for publication without the classified attachment.

Sincerely,

/RA/

Martin J. Virgilio, Director
Office of Nuclear Material Safety
and Safeguards

Enclosures: Orders Modifying Certificates of Compliance

Docket Nos.: 70-7001
70-7002

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of

UNITED STATES ENRICHMENT CORP.
PADUCAH GASEOUS DIFFUSION PLANT
PADUCAH, KENTUCKY

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Docket No. 070-7001
Certificates of Compliance
Paducah - GDP-1
EA-02-108

**ORDER MODIFYING CERTIFICATE OF COMPLIANCE
(EFFECTIVE IMMEDIATELY)**

I

United States Enrichment Corporation (USEC) holds Certificate of Compliance GDP-1, issued by the U.S. Nuclear Regulatory Commission (NRC or Commission) authorizing USEC to receive, possess and transfer byproduct, source material, and special nuclear material in accordance with the Atomic Energy Act of 1954, as amended, and 10 CFR Part 76.

II

On September 11, 2001, terrorists simultaneously attacked targets in New York, N.Y., and Washington, D.C., utilizing large commercial aircraft as weapons. In response to the

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attacks and intelligence information subsequently obtained, the Commission issued a number of Safeguards and Threat Advisories to its certificate and license holders in order to strengthen certificate and license holders' capabilities and readiness to respond to a potential attack on a nuclear facility. The Commission has also communicated with other Federal, State and local government agencies and industry representatives to discuss and evaluate the current threat environment in order to assess the adequacy of security measures at regulated facilities. In addition, the Commission has commenced a comprehensive review of its safeguards and security programs and requirements.

As a result of its consideration of current safeguards and security plan requirements, as well as a review of information provided by the intelligence community, the Commission has determined that certain compensatory measures are required to be implemented by USEC as prudent, interim measures to address the current threat environment. Therefore, the Commission is imposing interim requirements, set forth in Attachment 1¹ of this Order, which supplement existing regulatory requirements, to provide the Commission with reasonable assurance that the public health and safety and common defense and security continue to be adequately protected in the current threat environment. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment has occurred, or until the Commission determines that other changes are needed following a comprehensive re-evaluation of current safeguards and security programs.

¹ Attachment 1 contains classified information and will not be released to the public.

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The Commission recognizes that some of the requirements set forth in Attachment 1² to this Order may already have been initiated by USEC in response to previously issued advisories, or on its own. It is also recognized that some measures may need to be tailored specifically to accommodate the specific circumstances and characteristics existing at USEC's facilities to achieve the intended objectives and avoid any unforeseen effect on safe operation.

Although USEC's response to the Safeguards and Threat Advisories has been adequate to provide reasonable assurance of adequate protection of public health and safety, the Commission believes that the response must be supplemented because of the current threat environment. As a result, it is appropriate to require certain security measures so that they are maintained within the established regulatory framework. In order to provide assurance that USEC is implementing prudent measures to achieve an adequate level of protection to address the current threat environment, Certificates of Compliance GDP -1 shall be modified to include the requirements identified in Attachment 1 to this Order. In addition, pursuant to 10 CFR §§ 2.202 and 76.70, I find that, in the circumstances described above, the public health, safety and interest and the common defense and security require that this Order be immediately effective.

² To the extent that specific measures identified in Attachment 1 to this Order require actions pertaining to the USEC's possession and use of chemicals, such actions are being directed on the basis of the potential impact of such chemicals on radioactive materials and activities subject to NRC regulation.

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III

Accordingly, pursuant to Sections 63, 81, 161b, 161i, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR § 2.202 and 10 CFR Part 76, IT IS HEREBY ORDERED, **EFFECTIVE IMMEDIATELY**, THAT Certificate of Compliance GDP-1 is MODIFIED AS FOLLOWS:

- A. USEC shall, notwithstanding the provisions of any Commission regulation or certificate to the contrary, comply with the requirements described in Attachment 1 to this Order. USEC shall immediately start implementation of the requirements in Attachment 1 to the Order and shall complete implementation, unless otherwise specified in Attachment 1 to this order, **no later than November 29, 2002**.
- B. 1. USEC shall, within **twenty (20) days** of the date of this Order, notify the Commission, (1) if it is unable to comply with any of the requirements described in Attachment 1, (2) if compliance with any of the requirements is unnecessary in its specific circumstances, or (3) if implementation of any of the requirements would cause USEC to be in violation of the provisions of any Commission regulation or its facility certificates. The notification shall provide USEC's justification for seeking relief from or variation of any specific requirement.
2. If USEC considers that implementation of any of the requirements described in Attachment 1 to this Order would adversely impact safe operation of its facilities, USEC must notify the Commission, within **twenty (20) days** of this Order, of the adverse safety impact, the basis for its determination that the requirement has an

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adverse safety impact, and either a proposal for achieving the same objectives specified in the Attachment 1 requirement in question, or a schedule for modifying the facilities to address the adverse safety condition. If neither approach is appropriate, USEC must supplement its response to Condition B1 of this Order to identify the condition as a requirement with which it cannot comply, with attendant justifications as required in Condition B1.

- C. 1. USEC shall, within **twenty (20) days** of the date of this Order, submit to the Commission, a schedule for achieving compliance with each requirement described in Attachment 1.
- 2. USEC shall report to the Commission when it has achieved full compliance with the requirements described in Attachment 1.
- D. Notwithstanding any provision of the Commission's regulations to the contrary, all measures implemented or actions taken in response to this Order shall be maintained pending notification from the Commission that a significant change in the threat environment has occurred, or until the Commission determines that other changes are needed following a comprehensive re-evaluation of current safeguards and security programs.

USEC's responses to Conditions B.1, B.2, C.1, and C.2, above shall be submitted in accordance with 10 CFR §76.5. In addition, USEC's submittals that contain classified information shall be properly marked and handled in accordance with 10 CFR § 95.39

The Director, Office of Nuclear Material Safety and Safeguards, may, in writing, modify, relax or rescind any of the above conditions upon demonstration by USEC of good cause.

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IV

In accordance with 10 CFR §§ 2.202 and 76.70, USEC must, and any other person adversely affected by this Order may, submit an answer to this Order, and may request a hearing on this Order, within 20 days of the date of this Order. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time in which to submit an answer or request a hearing must be made in writing to the Director, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and include a statement of good cause for the extension. The answer may consent to this Order. Unless the answer consents to this Order, the answer shall, in writing and under oath or affirmation, specifically set forth the matters of fact and law on which USEC or other person adversely affected relies and the reasons as to why the Order should not have been issued. Any answer or request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, ATTN: Rulemakings and Adjudications Staff, Washington, DC 20555. Copies also shall be sent to the Director, Office of Nuclear Material Safety and Safeguards, and the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, to the Assistant General Counsel for Materials Litigation and Enforcement, at the same address, to the Regional Administrator, NRC Region III, 801 Warrenville Road, Lisle, Illinois 60532, and to USEC if the answer or hearing request is by a person other than USEC. If a person other than USEC requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Order and shall address the criteria set forth in 10 CFR § 2.714(d).

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If a hearing is requested by USEC or a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Order should be sustained.

Pursuant to 10 CFR §§ 2.202(c)(2)(i) and 76.70(c)(3), USEC, may, in addition to demanding a hearing, at the time the answer is filed or sooner, move to set aside the immediate effectiveness of the Order on the ground that the Order, including the need for immediate effectiveness, is not based on adequate evidence but on mere suspicion, unfounded allegations, or error.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section III above shall be final 20 days from the date of this Order without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section III shall be final when the extension expires if a hearing request has not been received. AN ANSWER OR A REQUEST FOR HEARING SHALL NOT STAY THE IMMEDIATE EFFECTIVENESS OF THIS ORDER.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Martin J. Virgilio, Director
Office of Nuclear Material Safety
and Safeguards

Dated this 17th day of June 2002

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of

**UNITED STATES ENRICHMENT CORP.
PORTSMOUTH GASEOUS DIFFUSION
PLANT, PORTSMOUTH OHIO**

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Docket No. 070-7002
Certificates of Compliance
Portsmouth - GDP-2
EA-02-108

**ORDER MODIFYING CERTIFICATE OF COMPLIANCE
(EFFECTIVE IMMEDIATELY)**

I

United States Enrichment Corporation (USEC) holds Certificate of Compliance GDP-2, issued by the U.S. Nuclear Regulatory Commission (NRC or Commission) authorizing USEC to receive, possess and transfer byproduct, source material, and special nuclear material in accordance with the Atomic Energy Act of 1954, as amended, and 10 CFR Part 76.

II

On September 11, 2001, terrorists simultaneously attacked targets in New York, N.Y., and Washington, D.C., utilizing large commercial aircraft as weapons. In response to the attacks and intelligence information subsequently obtained, the Commission issued a number

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of Safeguards and Threat Advisories to its certificate and license holders in order to strengthen certificate and license holders' capabilities and readiness to respond to a potential attack on a nuclear facility. The Commission has also communicated with other Federal, State and local government agencies and industry representatives to discuss and evaluate the current threat environment in order to assess the adequacy of security measures at regulated facilities. In addition, the Commission has commenced a comprehensive review of its safeguards and security programs and requirements.

As a result of its consideration of current safeguards and security plan requirements, as well as a review of information provided by the intelligence community, the Commission has determined that certain compensatory measures are required to be implemented by USEC as prudent, interim measures to address the current threat environment. Therefore, the Commission is imposing interim requirements, set forth in Attachment 1¹ of this Order, which supplement existing regulatory requirements, to provide the Commission with reasonable assurance that the public health and safety and common defense and security continue to be adequately protected in the current threat environment. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment has occurred, or until the Commission determines that other changes are needed following a comprehensive re-evaluation of current safeguards and security programs.

¹ Attachment 1 contains classified information and will not be released to the public.

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The Commission recognizes that some of the requirements set forth in Attachment 1² to this Order may already have been initiated by USEC in response to previously issued advisories, or on its own. It is also recognized that some measures may need to be tailored to specifically accommodate the specific circumstances and characteristics existing at USEC's facilities to achieve the intended objectives and avoid any unforeseen effect on safe operation.

Although USEC's response to the Safeguards and Threat Advisories has been adequate to provide reasonable assurance of adequate protection of public health and safety, the Commission believes that the response must be supplemented because of the current threat environment. As a result, it is appropriate to require certain security measures so that they are maintained within the established regulatory framework. In order to provide assurance that USEC is implementing prudent measures to achieve an adequate level of protection to address the current threat environment, Certificates of Compliance GDP-2 shall be modified to include the requirements identified in Attachment 1 to this Order. In addition, pursuant to 10 CFR §§ 2.202 and 76.70, I find that, in the circumstances described above, the public health, safety and interest and the common defense and security require that this Order be immediately effective.

² To the extent that specific measures identified in Attachment 1 to this Order require actions pertaining to the USEC's possession and use of chemicals, such actions are being directed on the basis of the potential impact of such chemicals on radioactive materials and activities subject to NRC regulation.

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III

Accordingly, pursuant to Sections 63, 81, 161b, 161i, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR § 2.202 and 10 CFR Part 76, IT IS HEREBY ORDERED, **EFFECTIVE IMMEDIATELY**, THAT Certificate of Compliance GDP 2 is MODIFIED AS FOLLOWS:

- A. USEC shall, notwithstanding the provisions of any Commission regulation or certificate to the contrary, comply with the requirements described in Attachment 1 to this Order. USEC shall immediately start implementation of the requirements in Attachment 1 to the Order and shall complete implementation, **no later than November 29, 2002**.
- B. 1. USEC shall, within **twenty (20) days** of the date of this Order, notify the Commission, (1) if it is unable to comply with any of the requirements described in Attachment 1, (2) if compliance with any of the requirements is unnecessary in its specific circumstances, or (3) if implementation of any of the requirements would cause USEC to be in violation of the provisions of any Commission regulation or its facility certificates. The notification shall provide USEC's justification for seeking relief from or variation of any specific requirement.
2. If USEC considers that implementation of any of the requirements described in Attachment 1 to this Order would adversely impact safe operation of its facilities, USEC must notify the Commission, within **twenty (20) days** of this Order, of the adverse safety impact, the basis for its determination that the requirement has an adverse safety impact, and either a proposal for achieving the same objectives

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specified in the Attachment 1 requirement in question, or a schedule for modifying the facilities to address the adverse safety condition. If neither approach is appropriate, USEC must supplement its response to Condition B1 of this Order to identify the condition as a requirement with which it cannot comply, with attendant justifications as required in Condition B1.

- C.
 - 1. USEC shall, within **twenty (20) days** of the date of this Order, submit to the Commission, a schedule for achieving compliance with each requirement described in Attachment 1.
 - 2. USEC shall report to the Commission when it has achieved full compliance with the requirements described in Attachment 1.
- D. Notwithstanding any provision of the Commission's regulations to the contrary, all measures implemented or actions taken in response to this Order shall be maintained pending notification from the Commission that a significant change in the threat environment has occurred, or until the Commission determines that other changes are needed following a comprehensive re-evaluation of current safeguards and security programs.

USEC's responses to Conditions B.1, B.2, C.1, and C.2, above shall be submitted in accordance with 10 CFR §76.5. In addition, USEC's submittals that contain classified information shall be properly marked and handled in accordance with 10 CFR § 95.39

The Director, Office of Nuclear Material Safety and Safeguards, may, in writing, modify, relax or rescind any of the above conditions upon demonstration by USEC of good cause.

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IV

In accordance with 10 CFR §§ 2.202 and 76.70, USEC must, and any other person adversely affected by this Order may, submit an answer to this Order, and may request a hearing on this Order, within 20 days of the date of this Order. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time in which to submit an answer or request a hearing must be made in writing to the Director, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and include a statement of good cause for the extension. The answer may consent to this Order. Unless the answer consents to this Order, the answer shall, in writing and under oath or affirmation, specifically set forth the matters of fact and law on which USEC or other person adversely affected relies and the reasons as to why the Order should not have been issued. Any answer or request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, ATTN: Rulemakings and Adjudications Staff, Washington, DC 20555. Copies also shall be sent to the Director, Office of Nuclear Material Safety and Safeguards, and the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, to the Assistant General Counsel for Materials Litigation and Enforcement, at the same address, to the Regional Administrator, NRC Region III, 801 Warrenville Road, Lisle, Illinois 60532, and to USEC if the answer or hearing request is by a person other than USEC. If a person other than USEC requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Order and shall address the criteria set forth in 10 CFR § 2.714(d).

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If a hearing is requested by USEC or a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Order should be sustained.

Pursuant to 10 CFR §§ 2.202(c)(2)(i) and 76.70(c)(3), USEC, may, in addition to demanding a hearing, at the time the answer is filed or sooner, move to set aside the immediate effectiveness of the Order on the ground that the Order, including the need for immediate effectiveness, is not based on adequate evidence but on mere suspicion, unfounded allegations, or error.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section III above shall be final 20 days from the date of this Order without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section III shall be final when the extension expires if a hearing request has not been received. AN ANSWER OR A REQUEST FOR HEARING SHALL NOT STAY THE IMMEDIATE EFFECTIVENESS OF THIS ORDER.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Martin J. Virgilio, Director
Office of Nuclear Material Safety
and Safeguards

Dated this 17th day of June 2002

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**UNITED STATES ENRICHMENT CORPORATION
BETHESDA MARYLAND
GASEOUS DIFFUSION PLANTS
INTERIM SECURITY MEASURES
COMMUNICATIONS PLAN**

Purpose

The purpose of this Communication Plan is to provide the outline for how the NRC will communicate with internal and external stakeholders during issuance of an order to the United States Enrichment Corporation, (USEC) regarding interim compensatory measures (ICMs) for plant physical security at the Gaseous Diffusion Plants.

Stakeholders

Stakeholders are defined as any individual or organization that has an interest in these NRC orders and ICMs.

Internal:

- OCM
- OEDO
- Region II
- Region III
- NMSS
- OGC
- OPA
- OCA
- OSTP

External:

- State of Ohio Emergency Management Agency
- State of Kentucky Cabinet for Health Services
- State of Illinois Department of Nuclear Safety
- Fuel Cycle Licensees, Cat I, III, GDPs
- Fuel Cycle Facility Forum
- EPA - Headquarters - Regional
- OSHA
- FBI
- FEMA
- OHS
- DOE
- Congress
- Members of the Public
- Media Representatives
- Public Interest Groups (e.g., NCI, NIRS, Public Citizen, UCS)
- Nuclear Energy Institute

Key Messages

3. The NRC's fundamental mission is to apply its regulatory and licensing authority to protect public health and safety, and the environment, and to promote the common defense and security.
4. In carrying out this mission, NRC will act in a manner that fosters public confidence, is effective and efficient, and focuses resources toward regulatory actions that ensure public health and safety while not imposing unnecessary regulatory burden to the nuclear industry.
5. The NRC is engaged in a comprehensive review of its physical protection program to verify the ability of licensees to protect public health and safety under the current threat environment and to identify any vulnerabilities for which corrective actions are required.
6. The Commission has decided to issue Orders to require prudent interim compensatory measures within the established regulatory framework.
7. Pending the completion of this comprehensive review, NRC has determined that the current threat environment dictates that prudent, consistent, and enforceable interim compensatory physical security measures should be implemented expeditiously. This order provides assurances that licensees will expeditiously implement and maintain those enhanced security measures that the NRC deems advisable until the NRC determines that the current threat environment has changed.
8. The NRC has regulatory authority over both plants' activities that apply to NRC regulated material and should provide the public with confidence that necessary measures to protect them from chemical releases associated with a terrorist attack at the plant are being taken.

NRC Points of Contact

Andrew Rayland
Telephone No.: (301) 415-8102
E-mail Address: adr@nrc.gov
Location: Two White Flint North (TWFN) 8D13
Mail Stop: TWFN 8H7

Pat Hiland
Telephone No.: (630) 829-9603
E-mail Address: plh@nrc.gov
801 Warrenville Road
Lisle, Illinois 60532-4351

Dan Martin, Paducah GDP
Telephone No.: (301) 415-7254
E-mail Address: dem1@nrc.gov
Location: TWFN 8F30
Mail Stop: TWFN 8H7

Michael Raddatz, Portsmouth GDP
Telephone No.: (301) 415-6334
E-mail Address: MGR@nrc.gov
Location: TWFN 8K2
Mail Stop: TWFN 8H7

Outreach Tools

The process of ordering licensees to undertake specific physical protection actions will require close interaction between the certificate holder's and NRC staffs. Communications tools used for this will include closed meetings and secure conference calls during which Classified Information may be discussed, as well as training and may include Temporary Instructions for NRC inspection staff charged with verifying compliance with the order. Because the order contains Classified Information, the details will not be communicated to the general public. However a press release will be issued when the order is issued to indicate that interim measures have been taken to strengthen the security at this site.

Estimated Program Cost and Schedule

Cost:

The full-time equivalents (FTEs) for this effort, estimated at 0.1 FTE, are included within the NMSS and NSIR budgets.

Schedule: Staff Requirements Memo (SRM) Issued June 13, 2002

	<u>Milestone</u>	<u>Date</u>	<u>Responsible Organization</u>
A	Inform Office of Homeland Security (OHS) of the intent to issue the orders and offer a briefing and a follow-up call to answer any questions OHS may have.	SRM+1	C. Haney, NSIR
B	Inform States of Kentucky, Illinois, and Ohio of NRC's plan to issue an order and the content of the order	SRM+1	Pat Hiland, RIII
C	Inform Congressional oversight committees and Kentucky, Illinois, and Ohio Delegation of order, refer them to NRC web page for copy (w/o classified information)	SRM+1	Laura Gerke, OCA
D	Inform USEC and DOE of NRC's plan to issue an order; offer to meet with USEC and DOE to discuss order	SRM+1	Pat Hiland, RIII
E	Inform NEI of the actions NRC contemplates via a meeting or phone call	SRM+1	C. Haney, NSIR
F	Inform Congressional oversight committees and Kentucky, Illinois, and Ohio Delegations on the date the order is issued, at least one hour before the press release is issued	SRM+2	Laura Gerke, OCA
G	Consider notifying FBI, EPA, FAA and FEMA	SRM+2	C. Haney, NSIR
H	Issue order, Notify OE that it has been issued	SRM+2	M. Virgilio, NMSS
I	OE issue an Enforcement Notification to the Commission	SRM+2	D. Nelson HQ-OE
J	Issue press release	SRM+2	R. Virgilio, OPA
K	Make order (non-classified) publicly available in ADAMS and on the Web	SRM+2	NMSS
L	Meet with USEC and DOE to discuss the content of the order, if requested	SRM+10	NSIR, RIII, FCSS
M	Notify internal stakeholders that staff actions have been completed	SRM+10	NSIR, NMSS
N	Respond to individual stakeholder inquiries as received	ongoing	NSIR, NMSS, RIII, OPA

Attachment: Questions & Answers
Questions and Answers

- Q1: Why did the NRC decide to issue an order to USEC on security issues now?
- A1: The Commission has decided to issue Orders to require prudent interim compensatory measures within the established regulatory framework.
- Q2: Are there any new security requirements in this order which have not already been implemented?
- A2: Although many of the security requirements in the order have previously been implemented, there are a few which expand upon previous security enhancements.
- Q3: Will the public be able to see what security requirements are in the order?
- A3: No, the actual security requirements are classified, per Executive Order 12958, and will not be released to the public.
- Q4: If a licensee is unable to implement some of these security enhancements, do they have to shut down the plant?
- A4: USEC will have 20 working days to respond to the NRC if they are unable to implement security enhancements, and the NRC will consider the circumstances and decide on a course of action.
- Q5: Will these security enhancements protect Portsmouth and Paducah (PORTS and PGDP) from an impact by a commercial airliner?
- A5: The actions taken to enhance airliner security since last fall benefit all critical infrastructures including plants like PORTS and PGDP.
- Q6: What action is the Commission taking to review NRC's safeguards and security programs in light of the September 11, 2001 terrorist attacks?
- A6: Since September 11, the NRC has recognized the need to re-examine basic assumptions underlying the current civilian nuclear facility security and safeguards programs, and has embarked upon a comprehensive review of these programs. Special attention has focused on identifying necessary adjustments in NRC, licensee, Federal, State and local response postures and capabilities.

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.

- Performed onsite physical security vulnerability assessments reviews to evaluate the effectiveness of the increased security programs that have been put into place post September 11.
- The NRC is participating in several intra-governmental meetings with the Office of Homeland Security, the FBI, DOT, 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 to make additional improvements to the security programs at the facilities we regulate. Examples include:

- Continue to re-examine all classes of facilities and activities, based on postulated threats, to determine any significant safeguards vulnerabilities. Based on identified vulnerabilities, the NRC staff will reevaluate physical protection, material control and accounting, and access authorization requirements for each class of licensee;
- Assist the Office of Homeland Security and other Federal agencies to evaluate threats beyond the feasibility and capability of NRC licensees to consider potential augmentation and development of options for further protecting nuclear facilities by utilizing Federal, State, and/or local assets;
- Develop protocols for engaging supplemental resources (i.e., Federal, State and local law enforcement officials) for protection of facilities;
- Review and revise, as appropriate, the methods and criteria by which NRC security inspections and licensee performance testing are conducted and evaluated, if necessary.

Q7: Is NRC increasing security of other fuel facilities?

A7: Yes

Q8: Will security be equal at all fuel facilities?

A8: No, security will be adjusted at each facility based on the risk posed by the specific facility.

Q9: Is NRC applying the design basis threat (DBT) to USEC facilities?

A9: No, as part of the comprehensive review of the physical protection program, NRC will determine whether a DBT should apply to USEC.

Q10: What is the current status of the threat environment?

A10: Following the September 11 events, there is a generalized heightened threat environment in the US that includes NRC regulated facilities.

Q11: Why is the NRC allowing the Certificate holder 6 months to complete the security enhancements mandated by the order?

A11: Facilities regulated by the NRC have already implemented many security enhancements in response to NRC security advisories, and this has provided reasonable assurance of adequate protection of public health and safety. Some of the additional enhancements require time to implement, such as hiring and training additional guards or designing and installing additional surveillance systems. The NRC considers that 6 months is reasonable to complete these enhancements.

Q12: When does the NRC expect that the Certificate holder will have implemented all the security enhancements in the order.

A12: The Certificate holder is required to start implementation immediately, and to complete enhancements within 6 months. Many of the enhancements have already been implemented, since they were contained in security advisories previously issued by the NRC.

Q13: Have any of the NRC's Certificate holders reduced or relaxed their security measures since Sept. 11? If so, what has the NRC done about it?

A13: All Certificate holders continue to stay at the highest security level (level 3). Certificate holders may adjust their security resources at their discretion, as long as they continue to maintain the effectiveness of security measures put in place to meet security level 3.

Q14: Do the orders call for an increase in the number of guards? Their training? Their weaponry?

A14: The specifics are classified information, but guard requirements are part of the order.

Q15: Has there been any strengthening against the threat from a truck bomb?

A15: Strengthening against a threat from a truck bomb is included in the order. Further details are classified.

Q16: When do the orders become effective?

A16: Immediately on issuance.

Q17: How long do the Certificate holders have to inform the NRC what they intend to do in regard to the new orders?

A17: Twenty (20) days from the date the order is issued.

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J. Brown

-2-

June 17, 2002

As a separate matter, if you wish to preserve your right to request a hearing on any requirement contingent upon completion of an analysis or other requirement, a request for an extension of time to request a hearing must be filed within twenty days of the date of these Orders in accordance with Section IV of the Orders. Such a request may seek a reasonable period of time to request a hearing beyond the date that the staff informs you whether the actions proposed and completion date for the requirement(s) contingent upon an analysis or other requirement are satisfactory.

Please contact Catherine Haney at (301) 415 - 6825 to facilitate resolution of any issues related to compliance with the requirements in the enclosed Orders, or if you have any other questions.

The enclosed Orders have been forwarded to the Office of the Federal Register for publication.

Sincerely,
/RA/

Martin J. Virgilio, Director
Office of Nuclear Material Safety
and Safeguards

Enclosure: Orders Modifying Certificates of Compliance

Docket Nos.: 70-7001
70-7002

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