

March 11, 2003

Mr. Steve Floyd
Acting Division Director
Nuclear Generation
Nuclear Energy Institute
Suite 400
1776 I Street, NW
Washington, DC 20006-3708

SUBJECT: REVIEW OF INDUSTRY GUIDELINES RELATED TO INTERIM
COMPENSATORY MEASURES ASSOCIATED WITH SECURITY ORDERS TO
LICENSEES WHO TRANSPORT SPENT NUCLEAR FUEL

Dear Mr. Floyd:

The U.S. Nuclear Regulatory Commission (NRC) issued Orders, dated October 3, 2002, modifying the licenses of certain power reactor licensees, research and test reactor licensees, independent spent fuel storage installation licensees, and special nuclear material licensees who transport quantities of spent nuclear fuel. Licensees receiving the Orders were required to implement interim safeguards and security compensatory measures (ICMs) [Attachment 2 to the Orders]. The ICMs contained safeguards information (SGI). Additionally, the list of licensees receiving the Orders [Attachment 1 to the Orders] was also treated as SGI.

While the Orders and associated ICMs were being developed, the Nuclear Energy Institute (NEI) Security Working Group (SWG) developed a draft industry guidance document involving SGI to facilitate licensee implementation of the specific ICMs contained in the Orders. The NRC staff held meetings with the NEI SWG at NRC headquarters specifically to discuss the draft implementing guidance. The Office of Nuclear Security and Incident Response (NSIR) staff also met on December 18, 2002, with NEI and other stakeholders (licensees, shipping companies, industry associations, States, and Federal agencies) to review the draft implementing guidance.

By letter dated February 3, 2003, NEI submitted a guidance document for use by licensees in implementing these Orders. The NRC staff has completed its review of NEI's document and has determined that it provides an acceptable method for licensee implementation of the ICMs.

Additionally, on October 3, 2002, the NRC issued Revision 1 to Regulatory Issue Summary (RIS) 2002-121. The RIS provides guidance on the transportation of spent nuclear fuel during various Threat Conditions.

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Finally, I would note that—as discussed in the Order cover letters—the Orders do not obviate the need for licensees to continue to meet and maintain the effectiveness of existing security measures taken in response to the events of September 11, 2001.

Please contact Glenn Tracy, Director, NSIR Division of Nuclear Security at (301) 415-6828 if you have any questions on this matter.

Sincerely,

/Organial Sign by/

Roy P. Zimmerman, Director
Office of Nuclear Security
and Incident Response

cc: See next page

S. Floyd

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cc: Ms. Lynette Hendricks, Director
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Sincerely,

/R/

Roy P. Zimmerman, Director
Office of Nuclear Security
and Incident Response

cc: See next page

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