

November 3, 2003

Mr. Clay C. Warren  
Chief Nuclear Officer  
Nebraska Public Power District  
P. O. Box 98  
Brownville, NE 68321

SUBJECT: COOPER NUCLEAR STATION - USE OF PROTECTED  
TELECOMMUNICATIONS FOR TRANSMISSION OF SAFEGUARDS  
INFORMATION (TAC No. MC0966)

Dear Mr. Warren:

By letter dated November 6, 2002, you requested approval for the use of protected telecommunications for the transmission of Safeguards Information for Cooper Nuclear Station. Specifically, you requested approval for the use of the L3 Communications, Privatel™ encryption system for unclassified Safeguards Information.

The regulation at Section 73.21(g)(3) of Title 10 of the *Code of Federal Regulations* (10 CFR) states that "... Safeguards Information shall be transmitted only by protected telecommunication circuits (including facsimile) approved by the NRC." The NRC considers as acceptable those encryption systems that the National Institute of Standards and Technology (NIST) has determined conform to the Security Requirements for Cryptographic Modules in Federal Information Processing Standard (FIPS) 140-2. In addition, although NIST no longer validates new encryption systems to FIPS 140-1, the NRC considers as acceptable those products that NIST has previously validated as conforming to FIPS 140-1. The Secretary of Commerce has made use of these products mandatory and binding for U.S. Federal agencies when a Federal agency determines that cryptography is necessary for protecting sensitive information.

NIST has validated the Privatel™ Model 960v device to FIPS 140-1, and it 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 unclassified information such as unclassified Safeguards Information. Approval of the Privatel™ Model 960v encryption system is contingent upon continued NIST approval.

C. Warren

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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 301-415-1774.

Sincerely,

*/RA/*

Michelle C. Honcharik, Project Manager, Section 1  
Project Directorate IV  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket No. 50-298

cc: See next page

C. Warren

-2-

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.

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*/RA/*

Michelle C. Honcharik, Project Manager, Section 1  
Project Directorate IV  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket No. 50-298  
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Cooper Nuclear Station

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August 2003