



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

May 12, 2004
NOC-AE-04001729
STI 31745879

U. S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498 and STN 50-499
Use of Encryption Software for Electronic Transmission of Safeguards Information

Reference: NRC Regulatory Issue Summary 2002-15, NRC Approval of Commercial Data Encryption Systems for the Electronic Transmission of Safeguards Information

Pursuant to the requirements of 10 CFR 73.21(g)(3), STP Nuclear Operating Company (STPNOC) requests approval to process and transmit Safeguards Information (SGI) using PGP Software (Enterprise, Corporate, or Personal) Desktop Version 8.0 or the latest validated version, developed with PGP SDK 3.0.3. National Institute of Standards and Technology Certificate 394 validates compliance of this SDK with FIPS 140-2 requirements.

An information protection system for SGI that meets the requirements of 10 CFR 73.21(b) through (i) has been established and is being maintained. Prior to the first use of encryption software for SGI material, written procedures shall be in place to describe, as a minimum: access controls; where and when encrypted communications can be made; how encryption keys, codes and passwords will be protected from compromise; actions to be taken if the encryption keys, codes or passwords are, or are suspected to have been, compromised (for example, notification of all authorized users); and how the identity and access authorization of the recipient will be verified.

STPNOC intends to exchange SGI with the NRC, Nuclear Energy Institute (NEI), and other SGI holders who have received NRC approval to use PGP software. Wanda Redd, Manager Records Management Services and Administration, STPNOC is responsible for the overall implementation of the SGI encryption program at STP. Deborah Gomez, Records Management Services and Administration, STPNOC is responsible for collecting, safeguarding, and disseminating the software tools needed for encryption and decryption of SGI.

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Pursuant to 10 CFR 73.21(g)(3), the transmission of encrypted material to other authorized SGI holders, who have received NRC approval to use PGP software, would be considered a protected telecommunications system. The transmission and dissemination of unencrypted SGI is subject to the provisions of 10 CFR 73.21(g)(1) and (2).

Should you have any questions or require additional information, please contact Robyn Savage at (361) 972-7438.

Sincerely,



Scott M. Head
Manager, Licensing

rdp

Attachments:

cc:

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