



Entergy Operations, Inc.
1340 Echelon Parkway
Jackson, Mississippi 39213-8298
Tel 601-368-5758

F. G. Burford
Acting Director
Nuclear Safety & Licensing

CNRO 2004-00034

May 25, 2004

Via Overnight Delivery

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
One White Flint North
11555 Rockville Pike
Rockville, MD 20852-2738
301-415-7000

SUBJECT: Use of Encryption Software for Electronic Transmission of Safeguards Information

Arkansas Nuclear One
Units 1 and 2
Docket Nos. 50-313 and 50-368
License Nos. DPR-51 and NPF-6

Waterford 3 Steam Electric Station
Docket No. 50-382
License No. NPF-38

Grand Gulf Nuclear Station
Docket No. 50-416
License No. NPF-29

River Bend Station
Docket No. 50-458
License No. NPF-47

REFERENCES: 1. 10 CFR 73.21
2. NRC Regulatory Issue Summary 2002-15

Dear Sir or Madam:

Pursuant to the requirements of 10 CFR 73.21(g)(3), Entergy Nuclear South (Entergy) 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.

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Add: Vaidya
BNA-1chandra

Entergy intends to exchange SGI with the NRC, Nuclear Energy Institute (NEI), and other SGI holders who have received NRC approval to use PGP software. Mr. Mike Higgins, Security Superintendent, Arkansas Nuclear One is responsible for the overall implementation of the SGI encryption program at Entergy Nuclear South. He is also responsible for collecting, safeguarding, and disseminating the software tools needed for encryption and decryption of SGI.

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).

If you have any questions or require additional information, please contact Mr. Les England at 601-368-5766.

This letter includes new commitments as summarized in the Attachment.

Sincerely,

A handwritten signature in black ink, appearing to read 'FGB/LAE/bal', written over a horizontal line.

FGB/LAE/bal
Attachment

cc: w/a

Mr. J. L. Blount (ECH)
Mr. W. R. Campbell (ECH)
Mr. J. P. DeRoy (ECH)
Mr. W. A. Eaton (ECH)
Mr. J. S. Forbes (ANO)
Mr. P. D. Hinnenkamp (RBS)

Mr. J. R. McGaha (ECH)
Mr. N. S. Reynolds (W&S)
Mr. G. J. Taylor (ECH)
Mr. J. E. Venable (W3)
Mr. M. J. Wetterhahn (W&S)
Mr. G. A. Williams (GGNS)

cc: (Continued) All w/a

Mr. Scott Morris, NRC/NISR

Mr. Lynn Silvius, NRC/NSIR

Mr. Louis Grosman, NRC/OCIO

Mr. James Davis, NEI

Mr. T. W. Alexion, P.M., (ANO-1))

Mr. P. J. Alter, SRI, RBS

Mr. D. G. Holland, P.M., (ANO-2)

Mr. R. W. Deese, SRI, ANO

Mr. N. Kalyanam, P.M., (W-3)

Mr. M. C. Hay, SRI, W-3

Mr. B. K. Vaidya, P.M., (GGNS)

Mr. T. L. Hoeg, SRI, GGNS

Mr. M. K. Webb, P.M., (RBS)

(SRIs via Company Mail)

Office of Nuclear Reactor Regulation

U. S. Nuclear Regulatory Commission

Mail Stop O7-D-01

Washington, DC 20555-0001

Regional Administrator

U. S. Nuclear Regulatory Commission,

Region IV

611 Ryan Plaza Drive, Suite 400

Arlington, TX 76011-8064

List of Regulatory Commitments

The following table identifies those actions committed to by Entergy in this document. Any other statements in this submittal are provided for information purposes and are not considered to be regulatory commitments.

COMMITMENT	TYPE (Check one)		SCHEDULED COMPLETION DATE (If Required)
	ONE-TIME ACTION	CONTINUING COMPLIANCE	
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.	X		July 12, 2004