

June 16, 2004

Mr. John A. Zwolinski
Director of Design Engineering and Regulatory Affairs
Indiana Michigan Power Company
Nuclear Generation Group
500 Circle Drive
Buchanan, MI 49107

SUBJECT: DONALD C. COOK NUCLEAR PLANT, UNITS 1 AND 2 - USE OF
ENCRYPTION SOFTWARE FOR SECURE TRANSMISSION OF
SAFEGUARDS INFORMATION (TAC NOS. MC3198 AND MC3199)

Dear Mr. Zwolinski:

By letter dated May 19, 2004, you requested approval to use encryption software for the transmission of Safeguards Information (SGI) for Donald C. Cook Nuclear Plant, Units 1 and 2. Specifically, you requested approval for the use of Pretty Good Protection (PGP) Software (Enterprise, Corporate, or Personal) Desktop Version 8.0 or the latest validated version developed with PGP Software Development Kit (SDK) 3.0.3 for encryption of sensitive unclassified SGI.

Title 10 of the *Code of Federal Regulations* (10 CFR) Section 73.21(g)(3) states, in part, “. . . Safeguards Information shall be transmitted only by protected telecommunication circuits (including facsimile) approved by the NRC.” The Nuclear Regulatory Commission (NRC) considers 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, as being acceptable. The Secretary of Commerce has made use of Cryptographic Module Validation Program products mandatory and binding for Federal agencies when a Federal agency determines that cryptography is necessary for protecting sensitive information.

PGP Software Corporate Desktop Version 8.0 was developed with PGP SDK 3.0.3. NIST Certificate, Number 394, validates compliance of this software development tool with FIPS 140-2 requirements. Therefore, the NRC staff finds the use of this encryption software acceptable for processing and transmitting SGI electronically for your site. Later versions of PGP Software Corporate Desktop are also acceptable provided that:

1. They were developed using a software development tool e.g., PGP SDK 3.0.3 that meets and is validated by NIST to FIPS 140-2 requirements.
2. You notify the NRC of your intention to update your encryption software 30 days prior to its first use. When notifying the NRC, include a description of the new software you will be using and provide a statement indicating NIST certification of the software development tool.

It is important to remind you that 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, including the use of encryption software for transmittal of SGI, is mandatory and inspectable.

Additionally, only one public key is to be generated per site. The PGP file containing the public key must be named according to the following syntax: LastName_FirstName_SiteName.asc. This naming convention represents the organizational point of contact indicated as owning the key-pair.

As stated in letter dated May 5, 2004, from R. P. Zimmerman, NRC, Office of Nuclear Security and Incident Response, to Stephen D. Floyd, Nuclear Energy Institute (NEI), please provide the public key for transmitting sensitive, unclassified SGI and the point of contact information (name, telephone number and e-mail address) to NEI and the NRC points of contact provided below. Once this information has been provided, we will provide a copy of the NRC public key to your point of contact. All SGI holders must employ an appropriate credentialing process to verify that individuals providing public keys are legitimate users. Private keys must be controlled as SGI.

The NRC point of contact for all transmittals related to the review and approval of the supplemental responses to the security orders is Mr. Bhalchandra K. Vaidya, Project Manager, Security Plan Review Team, Division of Licensing Project Management, who can be reached at (301)415-3308, or via e-mail at bkv@nrc.gov. For transmittal of other SGI, and for public key coordination, the NRC point of contact is Mr. Louis Grosman, Office of the Chief Information Officer, who can be contacted at (301)415-5826, or via e-mail at lhg@nrc.gov. As coordinated with the NEI, the industry point of contact for public key coordination is Mr. James W. Davis, who can be reached at (301)739-8105 and via e-mail at jwd@nei.org.

Encrypted SGI information shall be transmitted as attachments to an e-mail directed to sprt@nrc.gov. The e-mail message must also contain the name of the NRC staff member who is to receive the attachments.

If you have any questions, please contact me at (301)415-3308.

Sincerely,

/RA/

Bhalchandra K. Vaidya, Project Manager
Security Plan Review Team
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-315 and 50-316

cc: See next page

It is important to remind you that 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, including the use of encryption software for transmittal of SGI, is mandatory and inspectable.

Additionally, only one public key is to be generated per site. The PGP file containing the public key must be named according to the following syntax: LastName_FirstName_SiteName.asc. This naming convention represents the organizational point of contact indicated as owning the key-pair.

As stated in letter dated May 5, 2004, from R. P. Zimmerman, NRC, Office of Nuclear Security and Incident Response, to Stephen D. Floyd, Nuclear Energy Institute (NEI), please provide the public key for transmitting sensitive, unclassified SGI and the point of contact information (name, telephone number and e-mail address) to NEI and the NRC points of contact provided below. Once this information has been provided, we will provide a copy of the NRC public key to your point of contact. All SGI holders must employ an appropriate credentialing process to verify that individuals providing public keys are legitimate users. Private keys must be controlled as SGI.

The NRC point of contact for all transmittals related to the review and approval of the supplemental responses to the security orders is Mr. Bhalchandra K. Vaidya, Project Manager, Security Plan Review Team, Division of Licensing Project Management, who can be reached at (301)415-3308, or via e-mail at bkv@nrc.gov. For transmittal of other SGI, and for public key coordination, the NRC point of contact is Mr. Louis Grosman, Office of the Chief Information Officer, who can be contacted at (301)415-5826, or via e-mail at lhg@nrc.gov. As coordinated with the NEI, the industry point of contact for public key coordination is Mr. James W. Davis, who can be reached at (301)739-8105 and via e-mail at jwd@nei.org.

Encrypted SGI information shall be transmitted as attachments to an e-mail directed to sprt@nrc.gov. The e-mail message must also contain the name of the NRC staff member who is to receive the attachments.

If you have any questions, please contact me at (301)415-3308.

Sincerely,
/RA/
 Bhalchandra K. Vaidya, Project Manager
 Security Plan Review Team
 Division of Licensing Project Management
 Office of Nuclear Reactor Regulation

Docket Nos. 50-315 and 50-316

cc: See next page

DISTRIBUTION:

PUBLIC	OGC	ACRS	
SPRT R/F	LHGrosman	JPeralta	
SMorris	JNakoski	CHawes	JDavis, NEI

J. Lamb
 L. Raghavan
 B. Ruland
 S. Reynolds, RIII
 ADAMS Accession No.: ML041800118

OFFICE	SPRT/PM	SPRT/LA	NSIR/DNS/SC	OCIO/PMAS	SPRT/SC
NAME	BVaidya	CHawes	SMorris	LHGrosman	JNakoski RFretz for
DATE	6/16/04	6/15/04	6/16/04	6/16/04	6/16/04

Donald C. Cook Nuclear Plant, Units 1 and 2

cc:

Regional Administrator, Region III
U.S. Nuclear Regulatory Commission
801 Warrenville Road
Lisle, IL 60532-4351

Attorney General
Department of Attorney General
525 West Ottawa Street
Lansing, MI 48913

Township Supervisor
Lake Township Hall
P.O. Box 818
Bridgman, MI 49106

U.S. Nuclear Regulatory Commission
Resident Inspector's Office
7700 Red Arrow Highway
Stevensville, MI 49127

David W. Jenkins, Esquire
Indiana Michigan Power Company
One Cook Place
Bridgman, MI 49106

Mayor, City of Bridgman
P.O. Box 366
Bridgman, MI 49106

Special Assistant to the Governor
Room 1 - State Capitol
Lansing, MI 48909

Mr. John A. Zwolinski
Director, Design Engineering and
Regulatory Affairs
Indiana Michigan Power Company
Nuclear Generation Group 500 Circle Drive
Buchanan, MI 49107

Michigan Department of Environmental
Quality
Waste and Hazardous Materials Div.
Hazardous Waste & Radiological
Protection Section
Nuclear Facilities Unit
Constitution Hall, Lower-Level North
525 West Allegan Street
P. O. Box 30241
Lansing, MI 48909-7741

David A. Lochbaum
Nuclear Safety Engineer
Union of Concerned Scientists
1707 H Street NW, Suite 600
Washington, DC 20036

Michael J. Finissi, Plant Manager
Indiana Michigan Power Company
Nuclear Generation Group
One Cook Place
Bridgman, MI 49106

Mr. Joseph N. Jensen, Site Vice President
Indiana Michigan Power Company
Nuclear Generation Group
One Cook Place
Bridgman, MI 49106

Mr. Mano K. Nazar
American Electric Power
Senior Vice President and Chief Nuclear
Officer
Indiana Michigan Power Company
Nuclear Generation Group
500 Circle Drive
Buchanan, MI 49107