

September 14, 2004

The Honorable Pete V. Domenici, Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am responding to questions regarding changes in force-on-force exercises at power reactor facilities licensed by the Nuclear Regulatory Commission (NRC). Given the nature of these questions, they were referred to the NRC from a list of questions submitted for the record to the Department of Energy's Deputy Secretary, Kyle McSlarrow, following his appearance before the Senate Committee on Energy and Natural Resources on July 13, 2004.

The NRC's responses to the four post-hearing questions from Senator Byron Dorgan are enclosed. If additional information is needed, please do not hesitate to let me know.

Sincerely,

/RA/

Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure: As stated

**NRC Response to Questions from Senator Byron Dorgan
regarding Force-on-Force Exercises at NRC-Licensed Facilities**

Question 1: I understand that the NRC is now refocusing its efforts on force-on-force security exercises at nuclear power facilities. Under this program, the NRC is now allowing third party security forces to perform these training exercises. What are the reasons for this change in practice?

Answer: Since the inception of the force-on-force (FOF) security exercise program in the early 1980's, there has been essentially no change in the practice of using security officers from the facility being evaluated, other nuclear power facilities, or local law enforcement officers to serve as mock attackers during FOF exercises. During pilot program FOF exercises aimed at strengthening the program in 2003, the NRC identified a need to improve the offensive abilities, consistency, and effectiveness of the exercise adversary force. The Commission addressed this need by directing the staff to develop a training standard for a Composite Adversary Force (CAF) which will travel from site to site to serve as the mock adversary. The CAF for a given NRC-evaluated FOF exercise will include security officers from various nuclear power facilities (excluding the licensee being evaluated) and will have been trained in offensive, rather than defensive, skills to perform the adversary function. We believe this will lead to a more effective exercise.

Question 2: Do you agree that by allowing third party contractors to essentially evaluate their own readiness, there may be a perception that these evaluations pose a conflict of interest?

Answer: CAF members do not perform an evaluative function. The NRC and its subject matter expert (SME) contractors evaluate the performance of each licensee during FOF exercises, and the NRC will continue to evaluate the abilities, consistency, and effectiveness of the exercise adversary force.

The industry has selected Wackenhut to manage the CAF. Wackenhut also provides protective services to a substantial number of operating power reactors. The NRC recognizes that some may perceive a conflict of interest with respect to the same contractor providing both the protective services to some individual sites and staffing some members of the adversary force used for exercises. The Commission has directed the staff to ensure that there is a clear separation of functions, including appropriate management and administrative controls, in place within the Wackenhut organization to provide adequate independence between the Composite Adversary Force and the nuclear reactor guard force. In addition, the NRC will continue to assess the performance of the adversary force and require improvements if appropriate, including developing an NRC-contracted adversary force. One of the benefits of an industry adversary force is the feedback of a mock adversary's perspective into enhancement of site protective strategies and security officer training at his or her normally assigned facility, as well as improving the quality of FOF exercises conducted by the licensees annually for training.

Question 3: I do not feel security forces, especially in the area of nuclear security, should be allowed to evaluate themselves. If this is happening, what procedures have the NRC put in place to ensure that members of the same company evaluating their own security teams will be isolated from each other?

Answer: The evaluation is done by the NRC. The NRC independently evaluates licensee performance in FOF exercises at each site on at least a triennial basis, using the CAF to provide a consistent, capable, and effective adversary. The CAF will not perform an evaluative role in the exercises. CAF members will arrive on site at about the same time that the NRC evaluation team arrives and will be coordinating closely with the NRC evaluation team and the NRC's SME contractors before and during the exercises.

In addition, each facility licensee will conduct its own FOF training exercises each year during the remaining 2 years of the triennial evaluation cycle. The industry has included provisions for conducting FOF training exercises in the training and qualification section of each site's unique security plan. The NRC is currently reviewing and approving these security plans. The NRC includes verification of the proper conduct of industry-conducted FOF exercises in its procedures for periodic inspections of the licensee's security training programs. The NRC will also maintain its capabilities to conduct independent verification of licensee performance, on a for-cause basis, as needed.

Question 4: It would seem that the best way to avoid a potential conflict of interest would be to have the government conduct these exercises like they did before 2001. What level of funding or other tools are needed for the NRC to be able to conduct force-on-force exercises like they did before September 11, 2001?

Answer : Prior to September 11, 2001, the exercise adversary force was also provided by the licensee being evaluated, usually from another site's security force. Then, as now, the NRC was the sole evaluator of licensees' performance during the exercises. The NRC expects the CAF to be a significant improvement in ability, consistency, and effectiveness over the status quo before September 11, 2001.

Since September 11, 2001, the NRC has made additional enhancements to the FOF exercise program, including an increase in the frequency of NRC-evaluated FOF exercises from once every 8 years to once every 3 years, the use of the Multiple Integrated Laser Engagement System (MILES) equipment for effective and objective evaluations, and a significant reduction in the licensee's notification time associated with exercise logistics and the use of Trusted Agent Agreements to minimize opportunities for compromising exercise integrity. The NRC believes that these changes, taken together in an integrated program, have substantially improved the effectiveness and quality of the FOF program.

The NRC routinely reassesses the effectiveness and efficiency of its FOF evaluation program and has mechanisms in place to revise or improve its FOF processes and procedures as needed. Should industry be unable to maintain an adequate and objective CAF that meets the standards mandated by the NRC, the NRC has a contingency plan that would expand its support agreement with DOE/NNSA to fulfill the CAF function. The cost of this contingency is estimated at \$4.3 million annually.