



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

October 20, 2004

Mr. Dean Richmond
P.O. Box 666
Waldport, OR 97394

Dear Mr. Richmond:

I am writing in response to your letter to Nuclear Regulatory Commission (NRC) Chairman Nils Diaz on August 11, 2004, regarding the Nuclear Energy Institute's (NEI) involvement in evaluated force-on-force (FOF) exercises at power reactor facilities licensed by the NRC. In your letter, you expressed concern that NEI is developing the teams that evaluate security at nuclear power plants; and you expressed concern regarding NEI's selection of Wackenhut Company for this task, noting Wackenhut's experience in Department of Energy (DOE) FOF exercises at Oak Ridge, Tennessee.

After September 11, 2001, NRC decided to further enhance its FOF program. This was accomplished in part through evaluation of an expanded FOF exercise pilot program. Historically, and for most of the pilot program, the adversary teams were comprised of security officers from the facility being evaluated, other nuclear facilities, or security officers from local law enforcement agencies. Based on observations of the exercises, the NRC staff identified examples where individual adversaries or adversary teams did not adequately execute offensive tactics or mission elements that would have been expected of a credible, well trained adversary team.

To improve the program, the NRC developed, and is in the process of implementing, program improvements to ensure that a credible, well-trained, and consistent adversary is used in FOF exercises at NRC licensed facilities. The staff evaluated several options, including continuing under the established process or establishing a dedicated adversary force (the dedicated adversary force considered use of NRC staff, other federal personnel, or industry personnel). The staff evaluated the impacts and benefits of each, and provided a recommendation to the Commission. The staff recommended and the Commission approved the establishment of adversary force standards and guidelines for the industry as a group. Under this conventional approach, the industry selects and trains a pool of personnel for the adversary force cadre. Members of this pool are assigned to specific Composite Adversary Force (CAF) teams. In evaluating the recommendation for adversary force teams, staff considered several important factors including skills and training and their ability to carry out their duties with professionalism and without undue influence.

Regarding skills and training, NRC identified a need to improve the offensive abilities, consistency, and effectiveness of the exercise advisory force. To address that need, the NRC has issued standards for physical fitness, training, and knowledge of attack strategies to ensure that the CAF teams will be trained in offensive, rather than defensive, skills. The selection of a contractor with an extensive history of training and qualifying security officers for the nuclear industry should ensure that they will bring a high level of skill to bear on the exercises. One benefit of the CAF comprised of industry personnel is the feedback of CAF's perspective into

enhancement of site protective strategies and security officer training at his or her normally assigned facility, and also improving the quality of FOF exercises conducted by the licensees annually for training.

As for the ability of the CAF to carry out its duties with professionalism and without undue influence, the Commission did consider this issue before deciding that the industry could be permitted to use its own employees as team members in the CAF. As indicated above, the Commission put measures in place to address independence. The NRC is, was, and will continue to be 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 previous adversary forces.

The NRC recognizes that some may perceive a conflict of interest regarding the industry's selection of a CAF management organization that provides protective services to a large portion of the operating power reactors. It is important to emphasize that the NRC, not the CAF, designs, runs, and evaluates the results of the FOF exercises. Because the CAF does not establish the exercise objectives, boundaries, or timelines, and because the CAF's performance is subject to continual observation by NRC staff and contractors, the NRC can control the exercise. Any indication that the CAF members are not performing rigorously in their role will be promptly identified and addressed by the NRC.

Moreover, the industry has made a commitment to the NRC in a letter dated September 10, 2004, that: (a) the manager of the CAF will report directly to the Chief Executive Officer for Wackenhut, (b) CAF members will be selected from all sites, including those where security is provided by Wackenhut's competitors, and (c) a CAF member will not participate in exercises at his or her home site.

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 will take the necessary actions to ensure the effectiveness of the FOF evaluation program.

Your letter also expressed concern regarding NEI's selection of Wackenhut for this task, noting Wackenhut's experience in Department of Energy (DOE) FOF exercises at Oak Ridge, Tennessee. The NRC conducted a review of the DOE Inspector General (IG) report 0636, "Protective Force Performance Test Improperities at the DOE's Y12 National Security Complex." Specifically, the review compared the DOE IG's findings with NRC's procedural and administrative controls to ensure exercise integrity. The NRC staff determined that each of the major issues cited in the IG report had been addressed either through NRC's pilot development program or in NRC's evaluated FOF exercise procedures. The NRC staff have been trained on the DOE experience and the importance of rigorous adherence to the NRC's approved processes and procedures to preclude the occurrence of similar problems at NRC-licensed facilities.

D. Richmond

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Thank you for your interest in NRC activities. I hope this reply has responded to your concerns. If you have any questions regarding this reply, please contact Mr. Ron Albert, Acting Section Chief, Security Performance Evaluation Section at (301) 415-6692.

Sincerely,

/RA/

Luis A. Reyes
Executive Director
for Operations

October 20, 2004

D. Richmond

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Thank you for your interest in NRC activities. I hope this reply has responded to your concerns. If you have any questions regarding this reply, please contact Mr. Ron Albert, Acting Section Chief, Security Performance Evaluation Section at (301) 415-6692.

Sincerely,

/RA/

Luis A. Reyes
Executive Director
for Operations

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