



NUCLEAR ENERGY INSTITUTE

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VICE PRESIDENT, REGULATORY AFFAIRS  
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September 10, 2004

Mr. Roy P. Zimmerman, Director  
Office of Nuclear Security and Incident Response  
U.S. Nuclear regulatory Commission  
Washington, D.C. 20555-001

Dear Mr. Zimmerman:

Last September in a meeting with industry executives, the Commissioners expressed concern about the quality of the adversary teams used during NRC evaluated force-on-force exercises. In response to that concern, NEI competitively bid a contract for the creation of a Composite Adversary Force (CAF) that would be used to support the NRC evaluated exercise. In June of this year NEI contracted with Wackenhut Nuclear Services to provide that team.

Over the last several weeks public interest groups and some members of Congress have raised concerns about the industry hiring Wackenhut to provide adversary teams. They charge that there is an inherent conflict of interest since Wackenhut provides security services to approximately half of the operating reactor sites. This charge, of course, is unfounded since the CAF does not evaluate force-on-force exercises.

The purpose of this letter is to address three specific questions that were brought to our attention by the NRC staff. We understand the information we are providing will assist the NRC in responding to the stakeholder and congressional inquiries. In that regard, we encourage the NRC to respond in a manner that makes it clear that while the industry is providing the adversary team, the NRC is responsible for evaluating the force-on-force exercises and the adequacy of the adversary team in meeting the NRC-developed performance standard. The first time we will use the team is for the force-on-force exercise next week.

The first question we were asked had to do with the reporting relationship of the composite adversary team project manager within the Wackenhut organization. The Vice President of Special Operations has responsibility for the CAF and presently reports to the President of Wackenhut Nuclear Services. Given the

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concerns of conflict of interest and to allay any concerns of inappropriate influence on the CAF team, the Vice President of Special Operations will now report directly to the Wackenhut CEO. Also, the Wackenhut CEO has written a directive that delineates the roles and responsibilities of his office and of the Vice President of Special Operations.

The second question is on the selection process for the CAF team members; specifically are they only from sites that have Wackenhut security officers. Membership on the CAF team is open to anyone that can meet the NSIR standard. However, the initial candidate pool consisted of personnel working at commercial nuclear sites that contract Wackenhut for their site security services. This approach allowed the use of the existing Wackenhut infrastructure which was essential given the short timeline to staff and train the team for deployment during the transitional force-on-force program. Any attempts to work outside of this infrastructure would have caused delays based on issues which had yet to be solved (i.e. transfers, return to duty stations, benefits, etc...).

In November, 2004, when the CAF team expands, the applicant pool will expand beyond Wackenhut sites. Any further expansion, replacements or additions of personnel will be open to anyone who can meet the standards and qualifications for the program as stated in the criteria contained in the NSIR standard.

The third question had to do with whether or not a CAF team member would be used in a force-on-force exercise at the individual's home site. As noted above, CAF team members were initially selected from the 31 sites that contract with Wackenhut for nuclear security services. The initial selection pool was approximately 150 candidates. No more than one person was selected from any single site to staff the initial team. This is part of the industry CAF team selection process to ensure that experienced personnel are seeded back into the sites following their tour of duty on the CAF. When an exercise occurs at a CAF team member's home site, that CAF team member will not participate in any part of the planning or execution at that site.

We trust this information is helpful.

Please contact us if you have any questions or require additional information.

Sincerely,



Stephen D. Floyd