



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

SECURITY RELATED INFORMATION – WITHHOLD FROM PUBLIC DISCLOSURE IN ACCORDANCE WITH 10CFR2.390

February 11, 2008
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10 CFR 50.54(f)

U. S. Nuclear Regulatory Commission
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Attachment 2 contains Security-Sensitive information to be withheld from public disclosure in accordance with 10CFR2.390. Upon separation this page is decontrolled.

South Texas Project
Units 1 and 2
Docket No. 50-498, STN 50-499
Response to NRC Bulletin 2007-01, Security Officer Attentiveness

Pursuant to 10 CFR 50.54(f), this letter provides the STP Nuclear Operating Company (STPNOC) 60-day response to NRC Bulletin 2007-01, "Security Officer Attentiveness," dated December 12, 2007. The bulletin was issued to request information regarding the security program administrative and managerial controls established to prevent, identify, and correct security personnel inattentiveness and complicity and failures of individuals to implement the behavior observation program (BOP) among licensee security personnel, including security contractors and subcontractors.

The NRC identified the following three objectives:

1. The agency is notifying addressees about the NRC staff's need for information associated with licensee security program administrative and management controls as a result of security personnel inattentiveness, especially involving complicity, and related concerns with the BOP. The information is needed to determine if further regulatory action is warranted, if the necessary inspection program needs to be enhanced, or if additional assessment of security program implementation is needed.
2. The NRC seeks to obtain information on licensee administrative and managerial controls to deter and address inattentiveness and complicity among licensee security personnel including contractors and subcontractors.
3. This bulletin requires that addressees provide a written response to the NRC in accordance with Title 10 of the Code of Federal Regulations (10 CFR), Section 50.54(f) or 10 CFR 70.22(d).

NRC Bulletin 2007-01 requested that within 60 days, licensees submit a response to the questions in the bulletin. STPNOC's response is provided in the attachments. Attachment 1 contains STPNOC's response to the bulletin and Attachment 2 supplements the response provided in Attachment 1.

STI: 32248465

SECURITY RELATED INFORMATION – WITHHOLD FROM PUBLIC DISCLOSURE IN ACCORDANCE WITH 10CFR2.390

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This response is submitted in accordance with 10 CFR 50.4. Attachment 2 to this letter should be withheld from public disclosure in accordance with 10 CFR 2.390 since it contains sensitive security-related information. The non-sensitive version of this information suitable for public disclosure is provided in Attachment 1.

There are no commitments in this letter.

If you have questions regarding this letter please contact either Robyn Savage (Licensing contact) at 361-972-7438 or me at 361-972-7454.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 11, 2008


Charles T. Bowman
General Manager, Oversight

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- Attachments: 1) Response to Bulletin 2007-01
2) Supplemental Information containing Sensitive Security-Related Information
(Withhold from Public Disclosure in accordance with 10CFR2.390)

Attachment 2 contains Security-Sensitive information to be withheld from public disclosure in accordance with 10CFR2.390. Upon separation this page is decontrolled.

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Response to Bulletin 2007-01

The NRC has requested the following information:

Within 60 days of the date of this bulletin, the NRC requests licensees to provide information regarding administrative programs and managerial programs and controls established to prevent, identify and correct security personnel inattentiveness and, especially complicity, and failures to implement the behavior observation program (BOP) by individuals among licensee security personnel including security contractors and subcontractors. In particular, the NRC requests a response to the questions below, including specific examples for each. Licensees must appropriately mark any information submitted to the NRC that is proprietary, sensitive, safeguards, or classified information.

In responding to each of the following five questions, licensees should provide information that addresses measures that are currently in place noting changes made after the review and evaluation of SA-07-06, "Security Officers Inattentive to Duty," dated September 27, 2007, and any additional planned actions with expected completion dates.

NRC Request 1

How do you identify, report and document human performance issues involving inattentiveness, especially complicity among licensee security personnel including security contractors and subcontractors? Include a description of actions staff and supervisors take to prevent, identify and correct instances of security personnel inattentiveness, especially complicity, and address how employee concerns related to security personnel inattentiveness and complicity are addressed.

Examples of the types of information to include when providing your response to Question (1) are:

- a. *Describe the means used to maintain the attentiveness and vigilance of your security personnel such as through the effective use of job/post rotations: communication checks (audio/visual) audio stimuli; (e.g. radio), and other attentiveness stimuli for security posts where appropriate, based on the nature of duties.*
- b. *Describe how you ensure that environmental conditions such as temperature, humidity, lighting, and noise levels do not degrade attentiveness or vigilance.*
- c. *Describe how you monitor the attentiveness and vigilance of security personnel, such as through behavioral observation by supervisors/managers, behavioral observation by peers, and video surveillance.*

These examples are not meant to limit your response if you use other methods to address the issues described in the first paragraph.

STPNOC Response (1)

The STP Administrative Policy STP-707, Corrective Action Program and Plant Procedure OPGP03-ZX-0002, Condition Reporting Process, set forth the standards and requirements for the Corrective Action Program (CAP) for the station. The Condition Reporting Process

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establishes the process for identification, classification, trending, reporting, and timely correction of conditions to include programmatic issues related to Security, Access Authorization, and/or Human Resources that could impact the safe and reliable operation of the plant.

Under the program, all personnel working at STP have the responsibility for identifying conditions and reporting them to their supervision or initiating a condition report (CR). CR originators are responsible for identifying conditions through the initiation of CRs for conditions adverse to quality and other conditions requiring documentation. In addition, they are also responsible for contacting the Plant Protection department for conditions where security concerns are obvious or perceived. The requirement to contact Security is specifically stated in the CAP procedure. This requirement is also included in General Employee Plant Access Training, initial CAP User training, and CAP Supervisor initial training.

Security personnel have received training and frequent communications stressing the importance of bringing forth conditions including their employee concerns. They are expected and encouraged to use their primary avenue for addressing their concerns by taking them directly to their supervisor, manager or to write a CR. Officers have been trained and have access to the CAP database to generate their own CRs. Concerns of this nature (personnel inattentiveness or complicity) would be documented and addressed via the CR process whether the employee wrote the CR themselves or the employee reported the concern to his supervisor and the supervisor wrote the CR for them. Once the CR is initiated, actions are defined to evaluate the condition and take appropriate remedial and corrective steps as needed.

The site also provides an Employee Concerns Program (ECP) as an alternate path for employees to report and address their concerns. If an employee is reluctant to use the primary paths explained above, they can report their concerns to the ECP and remain confidential. The ECP will perform an independent investigation of the concern and report the findings to site management to take appropriate actions as needed. Alternatively, the individual may report their concern to the Nuclear Regulatory Commission.

STPNOC recognizes the importance of a safety conscious work environment (SCWE) where individuals feel free to raise safety concerns and feel confident that those concerns will be promptly reviewed and resolved with a priority appropriate to their significance. STPNOC is committed to maintaining an environment where individuals' concerns and issues about safety are immediately recognized and addressed. Everyone must identify and resolve issues in order to maintain the safe operation of our facility. STPNOC values an environment in which the raising of issues or expressing alternate points of view is encouraged and sought out. Equally important, when issues are raised, STPNOC must take the right actions, and demonstrate that we are taking the right actions. Failure to do so discourages people from raising issues.

STPNOC provides initial training on the importance of a SCWE in General Employee Training. The importance is reinforced through continuing training and communications from senior management to all individuals.

The Behavioral Observation Program (BOP) is designed to make employees with unescorted access aware of their responsibilities to recognize individual behavior which, if left unidentified, could lead to acts detrimental to public health and safety. A key objective of the program is the recognition of behavior that is adverse to safety and security of the facility.

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Personnel with unescorted access receive initial BOP training and annual BOP testing. Station personnel monitor the behavior of other personnel with unescorted access. The most effective BOP monitoring is conducted by the employees' immediate supervision and co-workers due to their frequent interaction in recognizing changes in behavior. All personnel are expected to identify and report acts detrimental to public health and safety including a security officer who appears inattentive or is displaying questionable behavior. Individuals are encouraged to promptly report BOP observations to supervision for resolution under several existing plant programs. These programs include the Security, Access Authorization and Fitness for Duty, Corrective Action Program, and the Employee Concerns Program. Alternatively, the individual may report directly to any of these program managers or to the Nuclear Regulatory Commission.

Individuals are required to report arrests and other issues that may impair their fitness for duty. An annual review is performed and documented by supervision which typically includes behavior deviations reported to or observed by the supervisor. The supervisory review is evaluated by an access authorization program reviewing official to determine if additional action is required concerning the individual's trustworthiness, reliability and fitness for duty.

In addition to the annual reviews being performed. Management personnel are responsible for:

- Observing behavioral traits and patterns that may reflect adversely in their untrustworthiness or reliability.
- Awareness of behaviors that might be adverse to safe operation, and
- Reporting those observations to appropriate licensee or Contractor Vendor Management.

Monitoring of both SCWE and BOPs are accomplished through periodic assessment of the other reporting programs noted above. Effectiveness of these programs has been assessed through Quality audits and monitoring, Safety Conscious Work Environment cultural surveys, and contractor monitoring. Additionally, independent reviews have been conducted by the NRC.

Identification of Security Performance and Fatigue Issues

Security performance and fatigue issues are identified and monitored through various means. Each shift briefing includes a query from the Security Force Supervisor asking the team if they are fit for duty. Should a Security Officer self report a fatigue issue either in the shift briefing, prior to reporting to shift, or anytime during the shift, the Security Force Supervisor will disposition the case in accordance with approved Security Instructions. Security Officers are encouraged to monitor their peers throughout the shift and assist and report fellow officers who may be showing signs of being inattentive. Such reports are immediately investigated and corrected by supervision. Security supervisors on shift and security staff members conduct random observations of officer performance through post checks/inspections, backshift visits, and security management observations. Additional observations of security officer performance are provided by non-security management, supervisory, and general personnel (e.g., site management, quality assurance monitoring) who frequently share their observations with security management. Communication checks are also used to identify potential performance

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or inattentiveness issues. Personnel whose site access is being revoked are afforded the opportunity to have an exit interview with the Employee Concerns Program. Security performance issues can be identified in that forum or at any time prior to the exit interview using any of the reporting programs or methods previously listed.

Reporting Security Performance and Fatigue Issues

Security performance issues are reported through the Corrective Action Program or through direct contact with security management or on shift security supervision. Personnel can also report issues to any plant management or supervisory personnel. Personnel on site also have access to the NRC Resident Inspector.

Documenting and Addressing Security Performance and Fatigue Issues

The primary method used to address and document security performance issues is the Condition Reporting Process. Condition Reports are used to document the results of the investigation and the appropriate corrective actions taken to address the issue. Issues of lesser significance are also documented through the Condition Reporting Process documenting the actions taken. Actions taken as the result of recommendations or findings from self-assessments and quality audits and monitoring are documented via the Condition Reporting Process. The Corrective Action Program provides the framework from which the Safeguards Event Log is derived.

When a security officer makes a self declaration of fatigue or stress, then a tracking Condition Report is initiated to track and document the disposition in accordance with Security Instructions and the Contractor policy for Fatigue Monitoring and the Condition Reporting Process. The use of this process on several occasions demonstrates the willingness of officers to use the process and ensures that the officers on duty are alert and attentive.

Performance issues identified through the Employee Concerns Program are documented in accordance with ECP procedures. Should the issue meet the requirements of the Condition Reporting Process a CR will be generated to document the condition and corrective actions taken.

Methods Used To Prevent, Identify, and Correct Issues of Security Personnel Inattentiveness and Complicity

STPNOC uses a variety of methods to prevent (p), identify (i), and correct (c) issues of security personnel inattentiveness and complicity to ensure that security personnel can perform their assigned duties and responsibilities, maintain continuous communication with the Central Alarm Station and Secondary Alarm Stations (CAS/SAS), and are immediately available to respond at all times. See Attachment 2 for additional information that is sensitive security-related information and therefore not included below. Items identified with an asterisk (*) were implemented after the Peach Bottom incident and prior to the issuance of Safeguards Advisory SA-07-06.

- Security supervision conduct routine random post checks/inspections each shift (p, i, c).
- (*) Backshift shift visits are conducted by security management and documented on backshift visit forms (p, i, c).

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- Security management and other STPNOC managers and supervisors conduct random and periodic observations of security officer performance (p, i, c).
- (*) Security post rotations are conducted on all posts, except as authorized by the Security Force Supervisor. The frequency of post rotations to include the CAS/SAS operators and the Owner Controlled Area patrol is described in Attachment 2 (p).
- (*) CAS/SAS operators conduct radio checks with security personnel, including the Owner Controlled Area Patrol, by radio, telephone, or alternate communication system at a frequency described in Attachment 2 (p, i, c).
- (*) Security officers on backshifts are encouraged to visit nearby positions in order to have more personal interaction which promotes alertness (p, i, c). See additional information in Attachment 2.
- (*) Conducted shift briefings with the security force on the inattentive issues at Peach Bottom Nuclear Station emphasizing responsibilities to be alert when on duty and reiterating reporting requirements consistent with the shift briefing paper developed by the Nuclear Energy Institute (NEI Security Working Group (p).
- Security personnel in certain positions are able to use exercise equipment, e.g. gym, in each Unit's power block (p).
- Security officers in non-compensatory posts are authorized to use the computer, Internet, telephone, cell phones, reading material, and do educational course work (p).
- Certain posts have a camera patrol responsibilities which must be logged upon completion (p). See additional information in Attachment 2.
- Security supervisors monitor shift personnel for signs of fatigue and performance degradation (p, i, c).
- Security officer overtime is managed within the existing work hour requirements. (p)
- Security personnel have received Safety Conscious Work Environment and BOP training and periodic retraining (p,i).
- There are cameras installed in the central and secondary alarm stations, and gatehouses that can be monitored by both the CAS and SAS operators. (i, p)
- All static enclosures are equipped with controls to minimize environmental distractions to the officers. Security officer feedback regarding environmental conditions detrimental to attentiveness is frequently reported to shift supervision and security management. Such conditions are entered into the Corrective Action Program for resolution. (p, i, c)
- (*) STPNOC has evaluated Security Post Evaluation Guidance developed by the NEI Security Working Group. This guidance will be incorporated into Security Instructions to will ensure that periodic evaluations of posts are performed using the guidance (p, i, c).
- (*)The Security Training Advisory Council/Curriculum Review Committee has reviewed the issues associated with inattentiveness at Peach Bottom and will include the lessons learned into Security Officer and Security Supervisor continuing training (p, i, c).

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NRC Request 2

How do you ensure that all employees and contractors report security concerns and any perceived security conditions that reduce the safety or security of a licensee facility? How do you ensure that staff is aware that there is no retaliation for self-reporting of inattentiveness or complicity or for reporting others?

STPNOC Response (2)

As indicated in Response to NRC Request 1 above, all employees including security officers are required and encouraged to identify any perceived condition that adversely affects the safety or security of the plant. STP has a clear and well communicated policy (STP-411, Reporting of Safety-Related or Quality Concerns) establishing the need and responsibility of all site employees to promptly report all potential safety-related or quality concerns or issues. It requires that all personnel at STP, including STPNOC employees, contractors, suppliers, and visitors are responsible to promptly report all potential safety-related or quality concerns or issues. It further sets expectations in creating a Safety Conscious Work Environment where everyone feels free to raise concerns without fear of discriminatory or retaliatory actions. STP has posted a Statement of Policy signed by the President and Chief Executive Officer (CEO) encouraging site personnel to bring forth their concerns indicating it is one of the most important contributions they can make to STP, their co-workers and the community. It also clearly states expectations that employees can bring forth their concerns without fear of retaliation or discriminatory action against them by STPNOC or any other company performing work at STP. Personnel subjected to either real or perceived discrimination have direct access to the President and CEO.

The STPNOC policy prohibits discriminatory action against personnel who report nuclear safety or quality concerns to STPNOC or the Nuclear Regulatory Commission. Section 211 of the Energy Reorganization Act and 10CFR50.7, Employee Protection specifically prohibit discrimination against personnel for raising nuclear safety concerns or participating in protected activities. Violations of these regulations can result in enforcement action by the Nuclear Regulatory Commission.

Communications of these expectations are included in new personnel orientation and again yearly in their General Employee requalification training. In addition, the Employee Concerns Program provides SCWE training to new employees stressing the importance of bringing forth their nuclear safety concerns and the protection provided by the STP Policy and 10CFR50.7, Employee Protection. All security officers were provided this training during the last Quarter of 2006. There is another similar training course provided to both Licensee and Contractor Management and Supervisors that communicates the company's expectation and the requirements of 10CFR50.7. The objectives of this course are to provide a full understanding of expectations of establishing and maintaining a SCWE, Employee Protection, and tools in how to receive and address employee concerns. The 10CFR50.7, Employee Protection refresher training is provided to Supervisors and Managers every other year.

STPNOC has a Contractor Review Board (CRB) that evaluates contractor performance in their ability to establish and maintain expectations in teamwork, culture and SCWE, and determine the level of licensee oversight needed to ensure proper performance in these areas. Long term

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contractors meet annually with the CRB to discuss their performance and present evidence of their effectiveness in establishing, evaluating, and maintaining their SCWE. If the CRB determines there are issues in these areas, they will make recommendations and define a path for implementing actions (e.g. increase level of Licensee oversight) for remediation.

In May 2007, the CRB determined that Brock Services, the contractor that provides personnel services for firewatches, janitorial and grounds, and coatings was not meeting expectations regarding SCWE and maintaining an environment free from reprisal. Additional SCWE training was provided to personnel and actions were taken to address the concerns. In the CRB meeting in December 2007, Brock demonstrated a more positive Safety Conscious Work Environment and as such the level of oversight has been adjusted.

Another level of increased Licensee oversight is to require contractor personnel actions to be reviewed by STPNOC's Contractor Personnel Action Review Board (CPARB). The charter of this board is to review contractor adverse personnel actions prior to their implementation to provide assurance that the actions do not violate 10CFR50.7; do not create a chilling effect in the affected workgroup and/or other workgroups on site; the proposed actions are consistent with established policies, procedures and practices; and the actions are consistent with STP expectations. At this time, security and janitorial contractor personnel actions are reviewed by the CPARB.

As a result of organizational/teamwork issues identified in the security area in 2005, STPNOC performed a root cause evaluation and developed corrective actions. The root cause, actions taken and corrective actions planned were presented to the NRC in a public meeting on December 4, 2006. The assessment STPNOC performed is described in more detail in Response to NRC Request 4, below.

STPNOC presented Case Study Training in the first quarter of 2007. It provided the lessons learned associated with the Security organizational effectiveness issues, including the causes, and the corrective actions. This training was provided to STP managers, supervisors, select contract supervision and Contract Technical Coordinators.

To evaluate the effectiveness of both licensee and contractors ability to establish and maintain a strong Nuclear Safety Culture, a cultural survey is periodical administered, evaluated, and action plans developed to address areas of concern. In 2007, STPNOC performed an assessment of the culture at STP. The assessment included employee willingness to report safety concerns. Summary results, in part, indicated:

"It is clear that a significant majority of the STP employee base agrees that Safety is an integrated and high-priority aspect of STP culture. Leadership has done an excellent job of integrating the message that safety is of primary importance, and the message has been transferred into day-to-day behavior quite well. The percentage of "Neutral to Negative", while impressively low, suggests there is still room to improve and to educate..."

STPNOC has identified security as an organization with culture performance below our expectations. Actions have been taken and are planned to address this gap that include management changes, CRB and CPARB oversight, and re-negotiation of the security contract.

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As with any cultural issues, STPNOC plans to complete the evaluation of the 2007 cultural survey results and develop action plans to address any concerns in the site organizations to include Security.

STPNOC uses CR reviews, Quality audits and monitoring, safety culture surveys, supervisor and management observations, employee interviews, and the results of reviews by the contractor oversight boards to measure the effectiveness of facility programs, policies, procedures, training, and communications in engaging employees to follow the requirements and meet expectations. Identified areas for improvement are entered into the Corrective Action Program.

There have not been any changes made or planned to address the reporting of concerns as a result of the Peach Bottom incident or issuance of Safeguards Advisory SA-07-06. As indicated above, STPNOC strives to create a Safety Conscious Work Environment where individuals feel free to raise concerns without fear of discrimination or retaliation.

NRC Request 3

How do you ensure that managers and supervisors provide oversight of BOP adherence to ensure there is no complicity to circumvent the program or failure to report wrong doing or careless disregard of the regulations?

STPNOC Response (3)

STPNOC provides initial training on the importance of SCWE and BOP programs in new employee orientation, General Employee Training and BOP/Fitness for Duty Training. The importance is reinforced through continuing training and communications from station management to all individuals. Discrepancies or deficiencies related to Security are also reported at shift briefings.

STPNOC oversight of SCWE and BOP programs is provided by review of station management and supervisory oversight, cultural surveys, the Corrective Action Program, field observations, quality assurance observations, and contractor monitoring to include contractor oversight board evaluations.

Additionally, supervisory engagement in the SCWE and BOP programs is evidenced by management directed for-cause drug and alcohol testing, post accident testing, near miss testing, psychological evaluations, Employee Assistance Program (EAP) referrals, and Medical Review Officer (MRO) evaluations.

The Security Manager briefed the security force on the lessons learned from Peach Bottom and reiterated their responsibilities after the issuance of SA-07-06.

NRC Request 4

What are the results of any self-assessments performed within the last 2 years associated with the items above? Specifically, what do you do to assess the effectiveness of your employee access authorization program?

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- a. *Provide a summary of each assessment that details the objective and the identified results of each assessment.*
- b. *Summarize any program changes and enhancements, follow-up activities and other actions you have taken as a result of each self assessment.*

STPNOC Response (4)

In 2005, STPNOC assessed the station culture and detected teamwork challenges in the Security Organization which required additional focus. These teamwork/leadership behaviors went unresolved within the organization allowing trust to degrade. No issues were identified that indicated that safety or security issues would not be identified but if left unchecked these issues could have affected overall security organization performance. The issues were evaluated and it was determined that the cultural differences between the STP Station and the Security Organization resulted in behaviors that were not consistent with STPNOC leadership standards and expectations. As a result, a plan of action was put in place. Actions taken included:

- STPNOC and the Security Contractor jointly developed Security Organizational Effectiveness Plan
- Reinforced communication skills, teamwork, labor relations and safety culture
- Implemented the Contractor Review Board and Contractor Personnel Action Review Board to monitor security contractor disciplinary action
- Revised the overtime, promotion, and hiring policies
- Added dedicated STP Security Manager
- Created a Security Operations Review Committee whose objective is the oversight of Security Operations
- Created a more comprehensive oversight process for organizations requiring additional focus as identified by cultural assessments.
- Provided the appropriate level of supervisory training for contract supervisors and managers.
- Developed station expectation on Corrective Action Program User training for contractors.
- Performed a case study and shared lessons learned as discussed in Response to NRC Request 2 above.

Progress has been made in addressing the teamwork challenges experienced in 2005. As noted in Response to NRC Request 2 above, Security cultural performance is still below STPNOC expectations and actions to close the gap continue.

The Access Authorization, Security, and Fitness-for-Duty programs have been audited by the Quality Department within the last two years. The results of the Security audit indicate that Security Officers manning access control posts, compensatory posts, and protected and vital area patrols perform their duties and responsibilities in an alert and professional manner in accordance with applicable requirements.

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Security personnel work hours are monitored to ensure compliance with the fatigue order rules and the Security Plan. A review of documentation revealed that these requirements are being met with no instances of excess work hours noted.

As part of the Security audit, Quality verified that Security maintains a low threshold for initiation of Condition Reports and that timely processing and corrective actions for identified conditions are overseen by an effective Security Condition Review Group (CRG).

Quality verification of the programmatic requirements for BOP training is included in the Administrative Controls and Fitness for Duty audits. BOP training is embedded in Plant Access Training, which is both an entrance and maintenance requirement for Unescorted Access. As part of the Access Authorization audit, Quality also verifies performance of the Annual Supervisory Review in accordance with the BOP program procedures.

NRC Request 5

How do you assess the effectiveness of your oversight of contractors and subcontractors?

STPNOC Response (5)

STPNOC does not differentiate between licensee employees and contractors or subcontractors in implementation of access authorization, fitness for duty, behavior observation, or SCWE. The Procurement of Material and Procurement of Services procedures require that all contractors and subcontractors granted unescorted access authorization adhere to all site policies and procedures.

Contract management and monitoring procedures requires that a Contract Technical Coordinator (CTC) be assigned to coordinate each contract. The CTC is responsible for developing and implementing a contractor control and monitoring plan. The CTC is responsible for contract management, monitoring contractor performance, reporting unsatisfactory performance, and evaluating and rating the overall performance of the contractor. The CTC works with the Contract Technical Manager, who is responsible for providing management level oversight of the Contract Technical Coordinator and the technical oversight of the Purchase Order/Contract.

STPNOC assesses the effectiveness of its oversight of contractors and subcontractors by cultural surveys, the Corrective Action Program, contractor oversight board evaluations, field observations, and quality assurance observations.

The Security Manager is the Contract Technical Coordinator for the security contractor and has daily contact and communications with security force personnel.

As indicated in Response to NRC Question 2 above, STPNOC has a Contractor Review Board (CRB) that evaluates contractor performance in their ability to establish and maintain expectations in teamwork, culture and SCWE, and determine the level of licensee oversight needed to ensure proper performance in these areas. Long term contractors meet annually with the CRB to discuss their performance and present evidence of their effectiveness in establishing, evaluating, and maintaining their SCWE. If the CRB determines there are issues

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in these areas, they will make recommendations and define a path for implementing actions (e.g. increase level of Licensee oversight) for remediation.

One level of increased Licensee oversight is to require contractor personnel actions to be reviewed by STPNOC's Contractor Personnel Action Review Board (CPARB). The charter of this board is to review contractor adverse personnel actions prior to their implementation to provide assurance that the actions do not violate 10CFR50.7; do not create a chilling effect in the affected workgroup and/or other workgroups on site; and the actions are consistent with STP expectations. At this time, security and janitorial contractor personnel actions are reviewed by the CPARB.

There have not been any changes made or planned to contractor oversight as a result of the Peach Bottom incident or issuance of Safeguards Advisory SA-07-06. As indicated above, STPNOC has introduced many levels of contractor monitoring and oversight to provide assurance that contractors meet the same expectations as those required of STPNOC personnel.