



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

March 3, 2016

MEMORANDUM TO: Pamela J. Henderson, Acting Director
Division of Material Safety, State, Tribal,
and Rulemaking Programs
Office of Nuclear Material Safety
and Safeguards

FROM: Craig G. Erlanger, Acting Director */RA/*
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

James W. Andersen, Director */RA/*
Cyber Security Directorate
Office of Nuclear Security and Incident Response

SUBJECT: REGULATORY BASIS FOR A RULEMAKING RELATED TO CYBER
SECURITY AT FUEL CYCLE FACILITIES ACCORDING TO PART 73
OF TITLE 10 OF THE *CODE OF FEDERAL REGULATIONS*

Enclosed for your review is the regulatory basis for the proposed rulemaking related to cyber security at fuel cycle facilities (Agencywide Documents Access and Management System (ADAMS) Accession No. ML15355A466). Acceptance of the attached regulatory basis is requested by close of business March 18, 2016, which will allow for completion of SECY ticket SRM-S14-0147-1 and -2 in a timely manner.

The fuel cycle cyber security working group (staff) requests initiation of a rulemaking to establish new cyber security regulations for nuclear fuel cycle facility (FCF) licensees in Part 73 of Title 10 of the *Code of Federal Regulations*, "Physical Protection of Plants and Materials." The objective of this rulemaking is to establish new regulatory requirements for FCF licensees to implement and maintain a cyber security program to protect digital assets that could be compromised and potentially result in a consequence of concern (e.g., significant safety or security event).

The staff concludes that this rulemaking is warranted because FCF licensees are becoming increasingly reliant on digital technologies to enhance and maintain plant productivity and perform safety, security, and safeguards (3S) functions. This increases the accessibility and susceptibility of FCF licensees to cyber attacks. In order to adequately protect 3S functions and systems, FCF licensees need to take measures to protect against cyber security threats and attack vectors.

CONTACT: James Downs NMSS/FCSE
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The staff has determined through facility assessments (onsite documentation reviews) that the voluntary actions taken by FCF licensees lack a level of rigor commensurate with the developing cyber security risk. Therefore, development of an adequate regulatory framework to provide a formal cyber security program is needed.

This proposed rulemaking was directed by the Commission in the Staff Requirements Memorandum to SECY-14-0147 (ADAMS Accession No. ML15083A175) and designated a high priority as part of the Common Prioritization of Rulemaking. Subsequently, meetings with the Executive Director of Operations (EDO) defined an expedited effort for this proposed rulemaking (final rule to EDO by SECY ticket date of June 11, 2018).

If you have any questions, please contact Mr. James Downs from the NMSS/FCSE staff at (301) 415-7744 or via e-mail at: james.downs@nrc.gov.

Enclosure:

1. Regulatory Basis for Cyber Security at Fuel Cycle Facilities
2. Comment Resolution Document for Regulatory Basis Regarding Cyber Security and Fuel Cycle Facilities

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ADAMS Accession No.: ML15355A461

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