

ANNUAL OBSERVATION OF LICENSEE CONDUCTED FORCE-ON-FORCE EXERCISES AT CATEGORY I FUEL CYCLE FACILITIES

Effective Date: January 1, 2018

PROGRAM APPLICABILITY: 2681 Exhibit 3

81700.11-01 INSPECTION OBJECTIVES

01.01 To verify that licensee conducted annual force-on-force (FOF) exercises are designed and implemented to meet the criteria of Title 10 of the *Code of Federal Regulations* (10 CFR) 73.46(b)(9).

01.02 To verify that the licensee's physical protection program associated with this sample is designed and implemented to meet the general performance objective of 10 CFR 73.20.

81700.11-02 INSPECTION REQUIREMENTS AND GUIDANCE

General Guidance.

This inspection activity is based on the requirement of 10 CFR 73.46(b)(9), which states in part, "The licensee shall conduct Tactical Response Team and guard exercises to demonstrate the overall security system effectiveness and the ability of the security force to perform response and contingency plan responsibilities and to demonstrate individual skills in assigned team duties. During each 12-month period commencing on the anniversary of the date specified in paragraph (i)(2)(ii) of 10 CFR 73.46, an exercise must be carried out at least every 4 months for each shift, one third of which are to be force-on-force. During each of the 12-month periods, the NRC shall observe one of the force-on-force exercises which demonstrates overall security system performance."

The inspection activity outlined in this procedure is to be conducted annually to satisfy the annual NRC observation of licensee FOF exercises specified within 10 CFR 74.46(b)(9). U.S. Nuclear Regulatory Commission (NRC) evaluated FOF inspections should not be used to satisfy this inspection activity as the provision of 10 CFR 73.46(b)(9) specifies criteria for the design and implementation of exercises to be conducted by the licensee within their FOF exercise program and not as prescribed by the NRC during the conduct of NRC evaluated FOF inspections. Inspectors should start the preparation for the conduct of this inspection activity upon receipt of the licensee's notification of the scheduled exercise 60 days prior to the exercise, consistent with 10 CFR 73.46(b)(9). Within a licensee's FOF exercise process, licensees typically establish and implement specific protocols (standards) for the conduct of FOF drills and exercises to ensure the consistency and effectiveness of training and the process of evaluation. These specific protocols, which are normally documented in procedures, are an important aspect of the conduct of FOF drills and exercises and should be verified through inspection activity to ensure the licensee is implementing their FOF exercise process as designed and consistent with the criteria of 10 CFR 73.46(b)(9).

In the event of inclement weather, the annual observation of a licensee FOF exercise shall be rescheduled in coordination with NRC regional management and the licensee.

Through verification of the inspection requirements within this inspection procedure, inspectors shall ensure that the licensee's physical protection program associated with this sample is designed and implemented to meet the general performance objective of 10 CFR 73.20.

In preparing to complete this procedure, inspectors should familiarize themselves with relevant documentation which may include, but is not limited to, the licensee's security plans, site specific and/or corporate implementing procedures, security post orders, and security program reviews and audits.

Inspector(s) are responsible for ensuring that the minimum sample identified in this inspection procedure is completed and evaluated. The guidance within this procedure is provided as a tool that: (1) recommends to inspectors certain methods and techniques for determining licensee security program compliance and effectiveness related to an inspection sample; or (2) clarifies certain aspects of a regulatory requirement associated with a particular inspection sample. Where minimum sampling numbers are indicated (i.e., at least three intrusion detection system zones shall be tested, or at least 20 percent of the total personnel on a shift will be selected for weapons firing etc.), inspectors shall adhere as closely as possible to the numbers identified in the guidance. Inspectors may expand the minimum number to aid in determining the extent of the condition, should compliance concerns arise. Completion of other recommended actions contained within the guidance of this procedure should not be viewed as mandatory and is only intended to assist the inspector(s) in determining whether the inspection sample has been adequately addressed. Should questions arise regarding procedural requirements or guidance, the inspector(s) should consult with regional management or the Office of Nuclear Security and Incident Response (NSIR), the program office, for clarification.

Tier I

02.01 Force-on-Force Exercise Design and Implementation.

- a. Verify, through review, that the licensee's FOF exercises are designed to demonstrate the overall security system effectiveness and the ability of the security force to perform response and contingency plan responsibilities, and to demonstrate individual skills in assigned team duties. (10 CFR 73.46(b)(9))

Specific Guidance.

For this inspection requirement, the inspector(s) should review the FOF exercise scenario information (e.g., adversary mission plans, exercise controller matrices, etc.) that is associated with the exercise to be conducted by the licensee. The inspector(s) shall verify that the exercise scenario includes the portrayal of an adversarial attack that is consistent with the characteristics and attributes of the applicable design basis threat of radiological sabotage, theft, and diversion as described in 10 CFR 73.1, "Purpose and Scope," and as further detailed in Regulatory Guide 5.70, "Guidance for the Application of the Theft and Diversion Design-Basis Threat in the Design, Development, and Implementation of a Physical Security Program that Meets 10 CFR 73.45 and 10 CFR 73.46." The inspector(s) shall also verify that the control measures developed to simulate certain actions, and the effects of the application of specific firearms and explosive devices during the conduct of the exercise have been developed with

consideration of minimizing artificiality and are consistent with standard control measures implemented within the licensee's exercise program and during the conduct of NRC evaluated FOF inspections. The inspector(s) shall also observe the controller briefing provided to the exercise controllers prior to the conduct of the exercise to verify that the events and actions within the exercise scenario are conveyed and clarified as necessary.

- b. Verify, through observation of a licensee conducted FOF exercise, that the licensee's FOF exercises are implemented to demonstrate the overall security system effectiveness and the ability of the security force to perform response and contingency plan responsibilities, and to demonstrate individual skills in assigned team duties. (10 CFR 73.46(b)(9))

Specific Guidance.

For this inspection requirement, the inspector(s) should select an observation location in a strategic position within the protected area of the site that will enable the observation of a portion of the actions to be conducted during the exercise. Prior to the exercise commencing, the inspector(s) should obtain the use of licensee-issued controller equipment complete with communication device and personal hearing apparatus (i.e., security radio with ear piece) set to the frequency specified for exercise controllers. Upon moving to and arriving at the observation location, the inspector(s) should conceal themselves from the security force participating in the exercise to prevent disclosure of the adversary mission pathway. The inspector(s) shall observe the licensee's FOF exercise to verify that it is conducted consistent with the developed exercise scenario, adversary mission plan, and exercise control matrices and that the licensee's implementation demonstrates overall security system effectiveness and the ability of the security force to perform response and contingency plan responsibilities, and demonstrates individual skills in assigned team duties. The observation of the licensee's critique process is not included within the scope of this inspection activity as it is addressed within another inspection activity under this inspection program.

81700.11-03 PROCEDURE COMPLETION

This procedure is considered complete when the total minimum number of inspection requirements (two) are completed.

The frequency at which this inspection activity is to be conducted is annually (once per calendar year).

81700.11-04 RESOURCE ESTIMATE

The resource estimate for the completion of this procedure consists of approximately 8 hours. The sample size for this procedure is 1.

END

Attachment 1: Revision History for IP 81700.11

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Commitment Tracking Number	Accession Number Issue Date Change Notice	Description of Change	Description of Training Required and Completion Date	Comment Resolution and Closed Feedback Form Accession Number (Pre-Decisional, Non-Public Information)
N/A	ML17240A348 10/27/17 CN 17-023	Consolidated inspection procedures to increase efficiencies in the Fuel Cycle Inspection Program. This procedure was added to this inspection program to satisfy the annual FOF exercise observation as specified by 10 CFR 73.46(b)(9). This revision will replace IP81601-Safeguard Contingency Plan Implementation Review on the effective date.	None	ML17240A346