



February 19, 2020

Mr. Ben Ficks
Chief Financial Officer (acting)
U.S. Nuclear Regulatory Commission
Washington DC 20555-0001

Project Number: 99902085

Subject: Fee Exemption Request for Activities Related to *Topical Report on the Use of Modeling and Simulation in Nuclear Power Plant Physical Security Assessment*

Dear Mr. Ficks:

On February 14, 2020, ARES Security Corporation was assigned docket number 99902085 for the purpose of coordinating the development and submittal of a Topical Report to the NRC on the subject of Use of Modeling and Simulation in Nuclear Power Plant Physical Security Assessment. The objective of the subject Topical Report is to bring NRC awareness to the implementation, continued use and recent enhancements of modeling and simulation analytical tools currently used by commercial nuclear power plant licensees in conducting licensing evaluation activities, to include ARES Security Corporation's AVERT modeling and simulation tool, which has been employed by nearly 70 percent of commercial nuclear sites within the U.S.

ARES Security does not believe it should be invoiced for NRC staff activity related to this project. We have reviewed NRC's regulations on fees, 10 CFR Part 170, and believe that this effort meets one of the exemption requirements in 10 CFR 170.11. Therefore, ARES Security is requesting an exemption pursuant to 10 CFR 170.11(a)(1)(ii) and 10 CFR 170.11(a)(13).

As background, in 2016, the NRC Commission directed the staff in SRM-SECY-16-0073 to evaluate how vulnerability assessments could be used to evaluate the effectiveness of licensee protective strategies, and whether credit could be given for operator actions. Currently the NRC has not endorsed or approved for use a specific vulnerability assessment tool.

ARES Security requests that the NRC's fees for preparing for and conducting any meetings or associated activities related to the subject Topical Report be waved, and that ARES be granted a fee waiver pursuant to the provisions of 10 CFR 170.11. Subsequent meetings and requests for NRC review of information meets the exemption requirement in 10 CFR 170.11(a)(1)(ii) in that the discussions on the vulnerability assessment tool review will "assist the NRC in generic regulatory improvements or efforts." In this case, NRC review and "approval for use" will improve the effectiveness and efficiency of licensee physical security programs and, more importantly, NRC Headquarters and Regional oversight functions.

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The NRC staff can use the information provided within the Topical Report as it develops its own guidance related to how to use vulnerability assessment tools and what attributes the tools should have. This information will further benefit the NRC as follows:

1. This topical report will assist the NRC in better understanding and using the tools in its oversight for all VA software tools. AVERT will be called out in the paper, providing examples of its use.
2. This topical report will support NRC in meeting its commitment in policy to risk-inform its regulatory process.
3. This topical report will aid the NRC in fulfilling its commitment to transform its regulatory processes.

If you have any questions or require additional information, please contact me at 404.984.7633: beazzetta@aressecuritycorp.com.

Sincerely,



Ben Eazzetta
CEO, ARES Security

Cc: Mr. William Blaney, OCFO/DOB/LFPT, NRC
Mr. Jo Jacobs, OCFO/DOB/LFPT, NRC
Ms. Sharon Hudson, OCFO, NRC