U. S. NUCLEAR REGULATORY COMMISSION

REGION II

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Report No:	50-302/96-18
Licensee:	Florida Power Corporation
Facility:	Crystal River Nuclear Station Unit 3
Location:	15760 West Power Line Street Crystal River, FL 34428-6708
Dates:	December 2-6 and December 16-19, 1996
Inspector:	L. Stratton, Safeguards Inspector D. Thompson, Safeguards Inspector W. Stansberry, Safeguards Inspector
Approved by:	Paul E. Fredrickson, Chief Special Inspection Branch Division of Reactor Projects

EXECUTIVE SUMMARY

Crystal River Unit 3
NRC Inspection Report 50-302/96-18

This special, announced inspection was conducted in the area of plant support by three regional safeguards specialists. The specific area evaluated was the Physical Security Program for Power Reactors.

- The licensee was operating from a temporary Central Alarm Station and Secondary Alarm Station; therefore, an adequate evaluation of the alarm stations could not be conducted. However, as part of the limited review of operations the inspector determined that there was an apparent violation of regulatory requirements for failure to have a procedure for the (in use) temporary Central and Secondary Alarm Station operational requirements (EEI 50-302/96-18-01). Also, an apparent violation was identified in that the licensee failed to respond to a protected area alarm, thereby causing the Perimeter Intrusion Detection System to be vulnerable for approximately two hours and 22 minutes (EEI 50-302/96-18-02). Licensee Event Report 96-S03-00 is closed. Additionally, an apparent violation of regulatory requirements was identified for the licensee's failure to employ adequate equipment to immediately assess more that one protected area alarm (EEI 50-302/96-18-03). (Paragraph S2.2)

- The licensee maintained radio and telephone communications in accordance with the required Physical Security Plan and implementing procedures. (Paragraph S2.2.1)

- One apparent violation of regulatory requirements was identified in the area of protected area barriers (EEI 50-302/96-18-04). Licensee Event Report 96-S02-00 is closed. (Paragraph S2.6)

- The licensee had a proactive lighting surveillance program in place which should prevent areas within the protected from being illuminated less than 0.2 footcandle, which is the required minimum level specified in the Physical Security Plan. Violation 96-02-02 is closed. (Paragraph S2.7).

- One apparent violation of regulatory requirements was identified in that openings in the ceiling of the armory caused security weapons to be accessible to the plant personnel (EEI 50-302/96-18-05). (Paragraph S2.8).

- Significant work was required on the upgrade project and attention to requirements of 10 CFR 73.55, and the approved PSP commitments had been lacking during the upgrade project development and implementation.

- One Unresolved Item was identified in that a Physical Security Plan licensing submittal decreased the effectiveness of the security plan (URI 50-301/96-18-06). (Paragraph S3.1)

- There were three examples involving the failure to submit and maintain plan changes which was also identified as an apparent violation of regulatory requirements (EEI 50-302/96-18-07). (Paragraph S3.1).

- A review of applicable procedures revealed two examples of inadequate procedures which resulted in an additional example of apparent violation EEI 50-302/96-18-01. (Paragraph S3.2).

- A review of randomly selected records and reports revealed that the documents were complete, available for review, and contained sufficient information to support and ensure functionality. (Paragraph S4.1).

- The licensee's corrective action with respect to controlling Safeguards Information was continuing and the control of Safeguard Information had improved. Violation 96-07-01 remains open. (Paragraph S4.3).

- The provisions set forth in the licensee's Training and Qualification Plan were being met. (Paragraph S5.1).

- Many of the problems documented in this inspection report, especially those with the security upgrade project, are demonstrative of significant weaknesses in management oversight. The inspector concluded that the licensee's new security management team was beginning to establish a security organization capable of supporting licensing requirements.

- The security organization was established to meet the regulatory requirements. The licensee demonstrated during an observed drill they were capable of interposing themselves between vital areas and the established design basis threat. (Paragraph S6.3).

- The licensee was conducting security audits in accordance with the regulatory requirements specified in the Physical Security Plan. Although the auditors were qualified to conduct security audits, numerous deficiencies with Physical Security Plan change submittals were not documented during the 1995 audit. The auditors did note during the 1996 audit that the security plan and procedures needed to be updated. An Inspector Followup Item was opened to determine the adequacy of the licensee's corrective actions (50-302/96-18-09). (Paragraph S7.1).

REPORT DETAILS

S2 Status of Security Facilities and Equipment

S2.2 Alarm Stations

a. Inspection Scope (81084)

The inspector ascertained that the licensee had established and maintained a central alarm station (CAS) and a secondary alarm station (SAS) that was in conformance with the Physical Security Plan (PSP) and regulatory requirements, and that such stations were adequate and appropriate for their intended functions.

b. Observations and Findings

The inspector reviewed the alarm stations which were presently being upgraded and were operating temporally outside regulatory requirements, although the compensation for them was adequate. The current CAS was a temporary function located in the Control Room. The CAS was manned by a single individual with the capability to receive only visually the protected and vital area intrusion alarms. Additionally, the CAS did not have video monitors to receive video alarms; therefore, the CAS was unable to assess alarms. The CAS operator was responsible for ensuring that the SAS took proper actions in response to all alarms. To compensate for the CAS deficiencies, the licensee had established the SAS as the primary response facility (located at the access control facility) to receive, acknowledge, assess, dispatch officers and clear all protected and vital area alarms. Two persons were always present within the SAS.

While reviewing the current CAS operations, the inspector identified that the CAS/SAS analysts were operating under Security Procedure 205, "Alarm Station Operations," Revision 13, dated January 14, 1994, which detailed the CAS/SAS operations using the old equipment which had been removed as part of the upgrade initiative. Part 1 of the licensee's PSP, "Introduction," states that written procedures are implemented and maintained to the detailed requirements necessary to implement the Security Plan for plant operations. In addition, Part I of the PSP also states "This Plan states FPC's policy and commitment to meet the requirements of 10 CFR 73.55." This failure is identified as the first example of apparent violation EEI 50-302/96-18-01.

Security Information Report (SIR) 10551, dated September 27, 1997, "JC 6000 Alarm Response," an addendum to Site Security Procedure 205, "Alarm Station Operations," Revision 13, dated January 14, 1994, was in place at the time of this inspection. SIR 10551 was generated to convey specific guidance on alarm response. This procedure stated that the general rule for all alarm station operators was to respond to all alarms. On November 20, 1996, maintenance activities in the SAS resulted in a deactivation of an intelligent multiplexer (IMUX), which controlled the perimeter intrusion detection system (PIDS). Although an alarm was received in both the CAS and SAS as "MUX-4 Trouble Unavailable," the alarm station analysts misinterpreted the information and acknowledged and cleared the alarm without initiating a response. At the time of this alarm, another IMUX (2) was being serviced in the SAS. Through

interviews, the inspector learned that the CAS/SAS analysts made an assumption that IMUX 2 was the one that had caused the alarm. IMUX 2 was not online with the new security computer system at the time of this event. Approximately two hours and 22 minutes later, the alarm stations failed to obtain an alarm on the PIDS during routine traffic departing the protected area. A Security Emergency was declared and appropriate compensatory measures were established. Approximately 15 minutes later, after investigation by the licensee, the IMUX failure was corrected, and the PIDS was returned to operation.

Section 6.1.1.1. of the licensee's PSP requires that in the event of a partial alarm system failure the following compensatory measures will be taken:

- provide continuous surveillance utilizing a dedicated observer monitoring the closed circuit television monitor and increase Protected Area patrols through use of an additional officer, or station a member of the security force at the inoperable alarm location.

The inspector concluded that as a result of the alarm stations analysts' failure to respond to the protected area alarm, the PIDS was not compensated for approximately two hours and 22 minutes. This failure is identified as an apparent violation of regulatory requirements (EEI 50-302/96-18-02).

The inspector reviewed documentation of a Root Cause Analysis (RCA) performed by the licensee. Although the RCA determined that inadequate training and a lack of knowledge of IMUX placement was the primary cause of the event, the inspector determined that although the CAS/SAS procedure was inadequate, SIR 10555 clearly delineated response expectations. Upgrade information is now clearly discussed each shift to facilitate the accommodation with maintenance activities. LER 96-2003-00 is closed.

The inspector also identified that the assessment equipment that had been installed as part of the security upgrade did not have the capability to view more than one perimeter alarm without manual call-up. Therefore, the licensee was not capable of immediately assessing more than one perimeter alarm at any given time. Section 6.4. of the licensee's PSP states, in part, that monitors located in the CAS/SAS will automatically switch to the appropriate camera during a perimeter alarm to immediately display the area in alarm. In response, the licensee corrected this deficiency when a software change was implemented on December 12, 1996. The inspector verified the licensee's corrective actions by observing the testing of three zones during the same time period. All zones alarmed appropriately and called-up automatically within one second as required.

The inspector determined that for approximately one month, the licensee had failed to have a system that would automatically switch to the appropriate camera to display the areas in alarm when two or more perimeter alarms were generated. This failure is identified as an apparent violation of regulatory requirements (EEI 50-302/96-18-03).

c. Conclusion

The licensee is operating from a temporary CAS/SAS; therefore, an adequate evaluation of the alarm stations could not be conducted. However, as part of the limited review of operations, the inspector determined that there was an apparent violation of regulatory requirements for failure to have a procedure for the temporary CAS/SAS operational requirements. Also, an apparent violation was identified in that the licensee failed to respond to a protected area alarm, thereby causing the PIDS to be vulnerable for approximately two hours and 22 minutes. Additionally, an apparent violation of regulatory requirements was identified for the licensee's failure to employ adequate equipment to immediately assess more that one protected area alarm.

S.2.1 Communications

a. Inspection Scope (81088)

The inspector evaluated whether the licensee had established and maintained the required internal and external communication links in conformance with the approved PSP.

b. Observations and Findings

The inspector verified that the CAS and SAS could establish communications with local law enforcement via hardwired or radio communications. The licensee demonstrated on December 3, 1996, the capability to contact local law enforcement via telephone and radio.

The inspector also verified that each officer could maintain continuous communication with the individuals in the CAS and SAS.

c. Conclusion

The licensee maintained radio and telephone communications in accordance with the required PSP and procedures.

S2.6 Protected Area Barriers

a. Inspection Scope (81052)

On November 1, 1996, the licensee discovered a penetration path into the protected area via a breach in the Circulating Water System (CWS). The inspector reviewed the circumstances surrounding that event.

b. Observations and Findings

LER 96-S02-00 was submitted to the NRC to report the discovered breach in the CWS. A security officer on a routine patrol discovered the breach and immediately posted himself as a compensatory measure. Upon further investigation, the licensee

determined that the protected area breech could have existed for approximately 12 hours and 35 minutes.

Maintenance activity on the system began at 8:35 a.m. on November 1. However, prior to starting work, Security was not notified. Through interview of licensee representatives, the inspector learned that root cause analysis performed by the licensee determined that although procedures were adequate to include security in the pre-planning of maintenance activity on the CWS, the work package failed to include the procedural requirement. In addition, the label on the portal cover informing employees to notify security was obscured when the portal cover was opened, prior to removing the screens. Section 3.1 of the licensee's PSP, Revision 6-11, states that the Protected Area is located within the Owner-Controlled Area and is enclosed by physical barriers. The discovered protected area breach via the CWS is identified as an apparent violation of regulatory requirements (EEI 50-302/96-18-04).

Corrective actions initiated by the licensee included placing labels on the waterboxes in obvious locations, using plastic ty-wraps to control the opening of the waterbox equipment, and revising the work order form to include a security notification provision.

c. Conclusion

Through review of documentation and interview of licensee representatives, the inspector determined one apparent violation of regulatory requirements had been identified by the licensee. LER 96-S02-00 is closed.

S2.7 Lighting

a. Inspection Scope (81062)

The inspector reviewed lighting documentation to determine if the licensee was meeting lighting requirements outlined in the PSP.

b. Observations and Findings

Prior inspections revealed lighting deficiencies within the protected area. However, the licensee had corrected a number of those deficiencies identified. An aggressive lighting surveillance program was in place at the time of this inspection to prevent further lighting inadequacies from developing. Several work orders to install or repair lights were still pending. Light meter surveys were being conducted on a periodic basis. The licensee marked areas within the protected area to take surveys, so that results may be tracked more efficiently. The licensee informed the inspector they planned to train all security officers on the use of the light meters. Corrective actions initiated by the licensee were ongoing.

c. Conclusion

The licensee had a proactive lighting surveillance program in place, which should further prevent areas within the protected from being illuminated less than 0.2 footcandle, which is the minimum level specified in the PSP. Violation 96-02-01 is closed.

S2.8 Security Equipment Storage

a. Inspection Scope

The inspector toured the armed repository to determine if security equipment was controlled in accordance with the provisions specified in the PSP.

b. Observations and Findings

On December 18, 1996, while touring the plant, the inspector noted that the armed repository, located in the TSC, was easily accessible. At the time of the inspection, duct work replacement in the TSC was in progress, which revealed large openings in the ceiling of the armory. The armory door was locked with a security controlled lock. Upon further review, the inspector determined that the licensee stored security weapons, ammunition, and associated security equipment in open containers in the armory. Section 2.4.5. of the licensee's PSP states, in part, that security equipment is stored in a locked repository within the Protected Area. Upon further evaluation, the inspector reviewed the SGI portion of Audit 93-06-ISEC. The physical layout, architectural and structural details of the armory were identified as a concern. The audit report also stated, "The Nuclear Security Superintendent informed the Audit Team Leader (ATL) that this issue had been considered prior to establishing the armory at its current location and was determined to be an acceptable risk." The armory had been in its present configuration since 1989. This failure is identified as an apparent violation of regulatory requirements (EEI 50-302/96-18-05).

In response to this finding, the licensee immediately posted an armed officer. Subsequently, weapons, clips, and ammunition have been secured in a locked container and bolted to the armory floor. Additionally, locks on the armory door have been changed. A security key is now needed to either open or close the door to the armory.

c. Conclusion

Through observation, document review, and interview of licensee representatives, the inspector confirmed that the armory was locked; however, the openings in the ceiling caused security weapons to be accessible to the plant personnel, which is identified as an apparent violation of regulatory requirements.

S2.9 Security Upgrade Project

a. Inspection Scope

The inspector reviewed the licensee's security upgrade program to ascertain if the upgrade met the PSP and regulatory requirements.

b. Observations and Findings

The inspector determined that on December 23, 1988, the licensee had submitted a letter to the NRC which described planned improvements in the security equipment, management and operation of the security program, and planned replacement of the vital area access computer. By letter dated November 10, 1989, the licensee had informed the NRC that additional security improvements were planned. These improvements included:

- an upgraded access control system to include both personnel and vehicle entry;

- an upgrade to the protected area barriers, and the addition of an inner nuisance fence;

- a reconfiguration of the closed circuit television (CCTV) cameras to provide total assessment and eliminate sun glare;

- a replacement of the two remaining E-Fields; and

- after completion of the CCTV upgrade, an addition of lighting to provide a more uniform illumination.

The licensee planned to complete the upgrade in 1992.

On January 20, 1992, the licensee met with the NRC and revised their security upgrade completion date to reflect completion to be at the end of 1993.

On September 11, 1992, the licensee informed the NRC by letter that a major portion of the security upgrade project was being put on hold. The NRC responded to the licensee's letter on October 5, 1992, and approved the deferral. On April 20, 1993, the licensee met with the NRC Office of Nuclear Reactor Regulation to discuss the new proposed security upgrades. The NRC responded to the proposal by letter dated May 18, 1993, which informed the licensee that any SAS related changes would require submittal under the provisions of 10 CFR 50.90 or an exemption request if the licensee decided to pursue them. (See Paragraph S3.1 for further information on this issue.

During review of the current security upgrade, the inspector identified that the assessment capabilities did not meet regulatory requirements. (See Paragraph S2.2 for further information on this issue.) Additionally, the protected area barrier at the

new access portal, which was not yet is use, was not alarmed nor had assessment capabilities been provided. Additionally, the position of where the final lock down officer would be located in the new access portal appeared inadequate in that he/she would be unable to determine if a person was being forced to allow access while under duress. The inspector also noted that the licensee did not plan to install the capability for the CAS or SAS to alert someone in the event that they are placed under duress. At the time of this inspection, the licensee was addressing these issues.

c. Conclusion

The inspector concluded that significant work was required on the upgrade project and that attention to requirements of 10 CFR 73.55 and the approved PSP commitments had been lacking during the upgrade project development and implementation.

S3 Security and Safeguards Procedures and Documentation

S3.1 Security Program Plans

a. Inspection Scope (81401)

This evaluation was to verify that those changes made in the licensee's PSP, Security Contingency Plan (SCP), and security Training and Qualification Plan (T&QP) without prior NRC approval under 10 CFR 50.54(p)(1) did not decrease the effectiveness of the respective plans. Also, this review was to assure that changes have been reported in accordance with the requirements of 10 CFR 50.54(p)(2). The effectiveness of submittals for 10 CFR 50.90 changes which applied for an amendment to the license were also reviewed.

b. Observations and Findings

This inspection effort included an onsite evaluation of the following changes made to the security plans:

- PSP Revision 6-1, dated November 16, 1992, through Revision 6-13, dated June 20, 1996.

- SCP Revision 4, dated October 26, 1989.

- T&QP Revision 6, dated July 29, 1991, through Revision 7.1, dated March 1, 1996.

These plans were reviewed for adequacy and consistency with the provisions outlined in 10 CFR 50.54(p)(1), which states that a licensee shall make no change which would decrease the effectiveness of the security plan or guard training and qualification plan without prior NRC approval. The inspector evaluated the license for any related conditions of the license and approved changes. Revisions reviewed reflected the licensee's determination that the changes did not decrease the

safeguards effectiveness of the plan. A problem involving a licensee plan change was identified in PSP Revision 6-13. Revision 6-13, Appendix D, page 4 provided for reducing the plan commitment of compensatory measures for unsecured vital area doors by using a roving vital patrol instead of posting a security officer.

As a result of the review of Revision 6-13, the inspector noted that on August 12, 1996, the licensee initiated the following pre-planned compensatory posts for five degraded vital area doors in the Control Complex Area during a transition phase of the ongoing security upgrade:

- One armed officer posted at door C-301 and one armed officer posted at C-508. A roving vital area patrol to compensate for degraded vital area doors C-701, C-405, and C-101.

Section 10.2.1 of the licensee's Physical Security Plan states that security personnel will be posted to compensate for reductions in the effectiveness of barriers, detection, or surveillance. However, the licensee failed to establish adequate compensatory measures by utilizing roving patrols rather than posted armed officers. The five vital area doors were located on three different levels; therefore, the roving patrol was not constantly in visual view of the degraded doors.

This provision of Revision 6-13 decreased the effectiveness of the security plan without prior approval from the Commission. A licensee proposing to make such a change must submit an application for an amendment to the license pursuant to 10 CFR 50.90. This item is identified as an Unresolved Item (URI 50-302/96-18-06) pending further NRC review for the regulatory process of this issue.

The regulation, 10 CFR 50.54 (p)(2) require licensees to submit a report containing a description of each change within two months after the change is made. It also requires the licensee to maintain records of changes to the plans made without prior Commission approval for a period of three years from the date of the change. The following circumstances were revealed during this evaluation:

- The licensee failed to submit a report of changes of Revision 6-10 of the PSP within two months after the changes were made. Revision 6-10 of the PSP had an effective date of February 16, 1996; however, the date of the report submitting the changes to the NRC was May 17, 1996. This exceeded the required two month timeframe specified in 10 CFR 50.54(p)(2).

- As of the inspection, the licensee had failed to submit a report of a PSP change that deleted the commitment of E-Field perimeter intrusion detection equipment made in Revision 6-2, page 48 and 49 of the PSP. Revision 6-2 of the PSP had an effective date of September 17, 1993; however, E-field was removed in July 1995. As of December 19, 1996, the licensee had not submitted a plan change. This has exceeded the required two month timeframe specified in 10 CFR 50.54(p)(2).

- The licensee failed to maintain a record of changes to the T&QP, Revision 7.1, dated March 1, 1996.

As a result of these failures, the inspector identified an apparent violation of regulatory requirements (EEI 50-302/96-18-07).

Upon further review, the inspector noted that the licensee did not have a formal process in place to determine if changes made to the PSP, SCP, or T&QP would decrease the effectiveness of those plans. Administrative Instruction (AI) 800, "Conduct of Plant Security," Revision 28, dated June 18, 1996, required, in Section 4.3.2. to ensure that all changes or revisions to the PSP, SCP, or T&QP are submitted in accordance with 10 CFR 50.54(p) and reviewed in accordance with Nuclear Operations Directive (NOD) 11, "Maintenance of the Current Licensing Basis," Revision 6, dated March 21, 1996. NOD 11 documented a licensing review process; however, the process was based on circumstances surrounding a 10 CFR 50.59 review process. The licensee intends to develop a 10 CFR 50.54(p) and 10 CFR 50.90 review process and is tracking progression with Problem Report (PR)96-0356. The licensee informed the inspector they will adhere to the provisions outlined in Generic Letter 95-08, "10 CFR 50.54(p) Process for Changes to Security Plans Without Prior NRC Approval," dated October 31, 1995.

c. Conclusion

The inspector concluded that the plan changes identified above did decrease the effectiveness of the security plans. This is identified as an Unresolved Item. An apparent violation of regulatory requirements was identified as described above.

S3.2 Procedures

a. Inspection Scope (81401)

Part 1 of the licensee's PSP, "Introduction," states that written procedures are implemented and maintained to the detailed requirements necessary to implement the Security Plan for plant operations. In addition, Part I of the PSP also states "This Plan states FPC's policy and commitment to meet the requirements of 10 CFR 73.55." The inspector evaluated licensee procedures to verify adherence to the PSP.

b. Observations and Findings

The inspector reviewed the licensee's applicable procedures to verify they were implemented and maintained to the detailed requirements necessary to implement the Security Plan for plant operations. Also, the inspector verified that the procedures met the requirements of 10 CFR 73.55. Problems with two procedures were noted:

- Site Security (SS) Procedure SS-205, "Alarm Station Operators," Revision 13, dated January 14, 1994, was inadequate in that it failed to reflect current equipment and operational instructions for the newly installed security computer system for CAS/SAS operators. This configuration has been in operation since November 5, 1996. The licensee did have in place Security Information Report 10551, "JC 6000 Alarm Response," dated September 27, 1996, which generally outlined response requirements. This procedure problem was identified as the first example of apparent violation EEI 50-302/96-18-01 in Paragraph S2.2.

- SS Procedure 303, "Compensatory Measures for Pre-Planned Maintenance," Revision 2, dated July 28, 1995, failed to establish the requirements that in the event of a vital area door degradation, compensatory measures will not be reduced in effectiveness as defined in 10 CFR 73.55(g)(1). The licensee allowed the option to utilize a roving patrol, rather than the posting of an armed security officer for pre-planned maintenance of vital area doors. This procedural discrepancy is related to the URI identified in S3.1. The licensee's failure to have a written procedure that was implemented and maintained to the detailed requirements necessary to implement the PSP is identified as a second example of apparent violation EEI 50-302/96-18-01.

c. Conclusion

A review of applicable procedures revealed two examples of inadequate procedures as identified above.

S4.1 Records and Reports

a. Inspection Scope (81038)

This evaluation was to verify that the licensee maintained the records required by regulations and by the PSP; maintained the required records available for inspection for the time required; and to determine if records were adequate and appropriate for the intended function.

b. Observations and Findings

The inspector reviewed Chapter 12 of the PSP and four security procedures to select sample records and reports for this evaluation. Eight samples were selected. Four dates, starting with December 4, 1993, through February 29, 1996, were randomly chosen to ensure that the samples were maintained as required.

The licensee was aware of record and report regulatory requirements and the commitments of the PSP and appropriate security procedures. The representative sample of records selected involved access control; testing and maintenance; alarms and response; and security patrols, tours and inspections.

c. Conclusion

All sample records and reports reviewed were complete, available for review, and contained sufficient information to support and ensure functionality.

S4.3 Control of Safeguards Information

a. Inspection Scope (81810)

The inspector ascertained if the provisions specified in 10 CFR 73.21, "Requirements for the Protection of Safeguards Information," were being met by the licensee.

b. Observations and Findings

In response to Violation 96-07-01, the licensee continued to evaluate the Safeguards Information (SGI) program. At the time of this inspection, the licensee had SGI stored in approximately 20 locations, inside and outside the protected area. The inspector verified that all SGI stored in these locations were in approved locked storage containers. In an effort to have better control of SGI, the licensee had begun to centralize SGI into fewer locations. Also, a declassification of SGI had been initiated. Computer Based Training (CBT) of all badged individuals on the protection of SGI, as directed by the Site Vice President, began October 10, 1996, and was scheduled to be completed by December 31, 1996. The inspector reviewed multiple site procedures with respect to the control of SGI and learned from the licensee that Compliance Procedure 130, "Protection of Safeguards Information," Revision 8, dated June 18, 1992, would encompass all prior procedures in an effort to standardize the licensee's expectations with respect to the control of SGI. The inspector reviewed the procedure and found that it met the requirements specified in 10 CFR 72.21. The inspector also interviewed several individuals responsible for the protection of SGI and found them knowledgeable of their duties. To track and trend SGI information, on October 15, 1996, the licensee established a Safeguards Action Committee (SAC).

The following circumstances were identified by the licensee during the course of their corrective action plan as outlined in Problem Report (PR) 96-0394:

a. On August 21, 1996, four SGI cabinets were relocated from the Nuclear Administration Building (NAB), which is outside the protected area, to the Temporary Badging Trailer, which is inside the protected area. The licensee determined that the area within the NAB possibly did not meet the design criteria for a controlled access area. On August 22, 1996, two of the four relocated cabinets were moved to the TSC due to fire protection requirements of plant drawings.

b. On September 20, 1996, a contractor noted an SGI aperture card left unattended in Document Control, which is located in the NAD. The card was immediately secured. Upon completion of the licensee's investigation, it was determined that an FPC employee was working on the same security drawings approximately 30 minutes earlier. The aperture card had inadvertently been

left in the copier return tray. The licensee determined the SGI left unattended could not significantly assist an individual in an act of sabotage.

c. On September 27, 1996, the licensee determined that SGI located at the Nuclear Operations Training Center (EOF), which is located in downtown Crystal River, was improperly stored in that the cabinet was not a GSA approved safe. The cabinet contained SGI microfilm and had been in its present configuration for several months. The cabinet was locked with a combination lock and locking bar at the time of discovery. The licensee immediately relocated the SGI to an approved cabinet.

d. On September 28, 1996, a security officer inadvertently left SGI unattended in the security breakroom, which is located in the Nuclear Security Operations Center, outside the protected area. The documents contained CAS/SAS SGI for response and vital area door checks. The SGI was left unattended for approximately 17 minutes. The licensee determined the SGI left unattended could not significantly assist an individual in an act of sabotage.

Beginning July 1, 1996, the licensee began documenting all loggable events, such as those described above, on precursor cards to better track and trend these events.

c. Conclusion

Through document review and observations, the inspector concluded that the licensee's corrective action was continuing and the control of SGI had improved. Violation 96-07-01 remains open.

S5 Security Safeguards Staff Training and Qualification

S5.1 Training and Qualification

a. Inspection Scope (81501)

This review was to validate that the licensee was training the security force to meet the provisions specified in their NRC approved T&QP, Revision 7.1, dated March 1, 1996.

b. Observations and Findings

The inspector reviewed ten randomly selected training records for armed security officers, response team members, and CAS/SAS analysts to ascertain if the requirements of the T&QP were being met. Records reviewed revealed task and qualification scores were being achieved and documented accordingly. Also, medical and fitness requirements were in accordance with 10 CFR 73, Appendix B.

The inspector noted that weapon qualification scores had dropped from recent years. Upon further discussion with licensee representatives, the inspector was informed that only four hours of classroom training for the year 1996 was conducted, and a test was given to all members of the security force. No firearms training was conducted.

The licensee informed the inspector that eight hours of training would be conducted per week on a rotating basis for members of the security force in addition to the annual weapons requalification.

c. Conclusion

Through document review and licensee interview, the inspector concluded that the provisions set forth in the licensee's T&QP were being met.

S6 Security Organization and Administration

S6.2 Effectiveness of Management Control

a. Inspection Scope (81020)

The inspector ensured that licensee management was effective and adequately discharged their responsibility concerning the security program.

b. Observations and Findings

During most of 1996, there has been a continuous involvement in the major ongoing security upgrade. The security force has been operating in temporary structures and with a prolonged, extensive over-time schedule. Equipment was minimally functional and failure to comply with regulatory requirements were identified frequently. Until recently, there appeared to be a lack of communications from management down to the officer level regarding regulatory requirements, implementing procedures, and progress of the security upgrade. Based on the inspector's observation, the new security manager was beginning to establish policy, along with setting organizational goals and objectives, in an attempt to move the organization into regulatory compliance. Also, in an effort to establish communications with the day-to-day security force, the security manager had implemented a telephone hotline which was updated daily to keep the security force abreast of the latest issues, including security upgrade information.

c. Conclusion

Many of the problems documented in this inspection report, especially those with the security upgrade project, are demonstrative of significant weaknesses in management oversight. The inspector concluded that the licensee's new security management team was beginning to establish a security organization capable of supporting licensing requirements.

S6.3 Security Organization

a. Inspection Scope (81022)

The inspector evaluated whether the licensee's security management structure and chain of command were in conformance with the approved PSP, SCP, licensee procedures, and applicable regulatory requirements, and were adequate and appropriate for their intended function. In addition, the inspector evaluated whether the licensee's planned response to security threats, incidents, or other contingencies were adequate to meet the general performance requirements.

b. Observations and Findings

The inspector determined that the licensee has established and maintained an onsite physical protection system and security organization, including officers, whose objective was to provide assurance that the site could be protected from radiological sabotage.

The licensee utilized a contract security force for site security. The contractor was required to abide by NRC regulations and the licensee's PSP. The contractor was also responsible for meeting the requirements of the licensee's TQ&P and SCP.

The inspector determined that at least one full time member of the security organization who had the authority to direct the physical protection activities was on site at all times. Also, the licensee had established a chain of succession for the security organization.

The inspector determined that the licensee had established liaison with the local law enforcement authorities and that the local law enforcement was capable of responding in a timely manner.

On December 4, 1996, the inspector observed the licensee conduct a contingency response drill and verified that the responding officers were adequately armed, tactically trained, able to maintain excellent communications, and capable of interposing themselves between vital areas and the adversary attempting to gain entry for the purpose of radiological sabotage.

c. Conclusion

The inspector concluded that the security organization was established to meet the regulatory requirements. Also, the licensee demonstrated during an observed drill they were capable of interposing themselves between vital areas and the established design basis threat.

S7 Quality Assurance in Security and Safeguards Activities

S7.1 Security Program Audit

a. Inspection Scope (81034)

The inspector ascertained whether the licensee had properly and adequately audited the security program to assure its continued effectiveness. Also, the inspector reviewed whether the licensee had implemented the recommendations for improvements contained in the annual security audit report.

b. Observations and Findings

The licensee had committed to an annual security audit in Chapter 13 of the licensee's PSP. The audit was conducted by persons who are independent of both security management and security supervision. However, the inspector noted that the licensee employed the previous security manager to conduct an audit of the security program in August 1996. The use of this individual was questionable, since it is difficult for a person to conduct an unbiased audit of a program that the person developed and managed. Although, the areas audited appeared to have been adequately reviewed, the auditor's principle finding was the licensee's failure to implement security upgrade items, which are not required by regulations. Additionally, while reviewing the security upgrade project, the inspector determined that portions failed to meet regulatory requirements, although the audit did not find this.

The inspector reviewed Nuclear Security Audit Report 95-06, which was conducted June 12 through June 30, 1995, and noted that the audit scope was to evaluate the following areas:

- security procedures and practices
- effectiveness of the physical protection system
- physical protection system testing and maintenance
- commitments for response by local law enforcement authorities
- emergency contingency plans
- training and qualification of security officers
- transfer of access authorization program responsibilities
- the security key control program
- protection of safeguards information

The auditors had no findings, but several weaknesses in administrative controls. The inspector noted that the auditors had determined that the Security Plans and their implementing procedures that had occurred since the last audit did not decrease the effectiveness of physical security protection. However, during the current inspection, the inspector determined that PSP change submittal Revision 6-13, Appendix D, had decreased the effectiveness of the security program. (See Paragraph S3.1 for detailed information.) The inspector also reviewed annual Audit Report 96-05, conducted May 28 through June 14, 1996 and noted that the audit included nuclear security, access authorization/control, and fitness for duty. The auditors identified

eight deficiencies and several strengths.

The inspector evaluated a security audit conducted from July 9 through October 25, 1996, which identified numerous findings in the security area; however, the latest audit report had not been forwarded to security for review and corrective actions at the time of the inspection. The inspector was unable to review the corrective actions. This was identified as an Inspector Follow-up Item (IFI 50-302/96-18-08).

c. Conclusion

The inspector determined that the licensee was conducting security audits in accordance with the regulatory requirements specified in the PSP. Although the auditors appeared to be qualified to conduct security audits, numerous deficiencies with PSP change submittals were not documented during the June 12 through June 30, 1995 audit. The auditor did note during the July 9 through October 25, 1996, audit that the security plan and procedures needed to be updated. An IFI was opened to determine the adequacy of the licensee's corrective actions.

S8 Miscellaneous Security and Safeguards Issues

S8.1 Action on Previous Inspection Findings (92904)

(CLOSED) LER 96-S03-00 is closed (further discussed in S2.2).

(CLOSED) LER 96-S02-00 is closed (further discussed in S2.6).

(CLOSED) VIO 96-02-01. The licensee's corrective action to maintain 0.2 footcandle in the protected area has resulted in prioritized work orders for deficient lights and lighting surveillances at regular intervals (further discussed in S2.7).

(DISCUSSED) VIO 96-07-01. This violation with respect to the control of SGI remains open pending the licensee's completion of corrective action (further discussed in S4.3).

Management Meetings

X1 Exit Meeting Summary

The inspector presented the inspection results onsite on December 6 and December 19, and subsequently via telecon on January 10, 1997, to licensee management. The licensee acknowledged the findings presented. The inspector discussed the ongoing security upgrade and the need for the licensee to ensure compliance with regulatory requirements of each upgraded system. Although reviewed during this inspection, proprietary information is not contained in this report. Dissenting comments were not received by the licensee.

PARTIAL LIST OF PERSONS CONTACTED

Licensee

B. Bumgardner, System Engineer, Florida Power Corporation (FPC)
J. Baumstark, Director, Quality Programs, FPC
B. Hickle, Director, Nuclear Plant Operations, FPC
L. Kelley, Director, Nuclear Operations Site Support, FPC
B. McLaughlin, Sr. Nuclear Regulatory Specialist, FPC
D. Watson, Manager, Nuclear Security, FPC
R. Yost, Manager, Nuclear Quality Assurance, FPC

NRC

S. Cahill, Senior Resident Inspector
T. Cooper, Resident Inspector
K. Landis, Chief, Reactor Projects

INSPECTION PROCEDURES USED

IP 81020: Management Effectiveness - Security Program
IP 81022: Security Organization
IP 81034: Security Program Audit
IP 81038: Records and Reports
IP 81052: Physical Barriers - Protected Areas
IP 81062: Lighting
IP 81084: Alarm Stations
IP 81088: Communications
IP 81401: Plans, Procedures, and Reviews
IP 81501: Personnel Training and Qualifications - General Requirements
IP 81810: Protection of Safeguards Information
IP 92904: Action on Previous Inspection Findings

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

50-302/96-18-01	EEI	Failure to have adequate procedures
50-302/96-18-02	EEI	Failure to respond to a protected area alarm
50-302/96-18-03	EEI	Failure to assess more than one protected area alarm
50-302/96-18-04	EEI	Failure to maintain protected area barriers
50-302/96-18-05	EEI	Inadequate arms repository
50-302/96-18-06	URI	Failure to adhere to 10 CFR 50.54(p)(1)
50-302/96-18-07	EEI	Failure to adhere to 10 CFR 50.54(p)(2)
50-302/96-18-08	IFI	Adequacy of licensee's corrective actions for audit findings

Closed

50-302/96-02-02	VIO	Failure to maintain protected area lighting
50-302/96-S02-00	LER	Failure to maintain protected area barrier
50-302/96-S03-00	LER	Failure to respond to a protected area alarm

Discussed

50-302/96-07-01	VIO	Failure to control Safeguards Information

NUCLEAR REGULATORY COMMISSION

Revision of the NRC Enforcement Policy

AGENCY: Nuclear Regulatory Commission.

ACTION: Policy statement.

SUMMARY: As a result of an assessment of the Nuclear Regulatory Commission's (NRC) enforcement program, the NRC has revised its General Statement of Policy and Procedure for Enforcement Actions (Enforcement Policy or Policy). By a separate action published today in the **Federal Register**, the Commission is removing the Enforcement Policy from the Code of Federal Regulations.

DATES: This action is effective on June 30, 1995, while comments are being received. Submit comments on or before August 14, 1995. Additionally, the Commission intends to provide an opportunity for public comments after this revised Enforcement Policy has been in effect for about 18 months.

ADDRESSES: Send written comments to: The Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555. ATTN: Docketing and Service Branch. Hand deliver comments to: 11555 Rockville Pike, Rockville, Maryland, between 7:45 am and 4:15 pm, Federal workdays. Copies of comments received may be examined at the NRC Public Document Room, 2120 L Street, NW. (Lower Level), Washington, DC.

FOR FURTHER INFORMATION CONTACT: James Lieberman, Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, (301) 415–2741.

SUPPLEMENTARY INFORMATION: On May 13, 1994, the NRC's Executive Director for Operations established a review team to assess the NRC enforcement program. In its report (NUREG–1525,[1] "Assessment of the NRC Enforcement Program," April 5, 1995), the review team concluded that the existing NRC enforcement program, as implemented, is appropriately directed toward supporting the agency's overall safety mission. This conclusion is reflected in several aspects of the program:

- The Policy recognizes that violations have differing degrees of safety significance. As reflected in the severity levels, safety significance includes actual safety consequence, potential safety consequence, and regulatory significance. The use of graduated sanctions from Notices of Violation to orders further reflects the varying seriousness of noncompliances.
- The enforcement conference is an important step in achieving a mutual understanding of facts and issues before making significant enforcement decisions. Although these conferences take time and effort for both the NRC and licensees, they generally contribute to better decision-making.
- Enforcement actions deliver regulatory messages properly focused on safety. These messages emphasize the need for licensees to identify and correct violations, to address the root causes, and to be responsive to initial opportunities to identify and prevent violations.
- The use of discretion and judgment throughout the deliberative process recognizes that enforcement of NRC requirements does not lend itself to mechanistic treatment.

However, the Review Team found that the existing enforcement program at times provided mixed regulatory messages to licensees, and room for improvement existed in the Enforcement Policy. The review suggested that the program's focus should be clarified to:

- Emphasize the importance of identifying problems before events occur, and of taking prompt, comprehensive corrective action when problems are identified;
- Direct agency attention at licensees with multiple enforcement actions in a relatively short period; and
- Focus on current performance of licensees.

In addition, the review team found that the process for assessing civil penalties could be simplified to improve the predictability of decision-making and obtain better consistency between regions.

As a result of its review, the review team made several recommendations to revise the NRC Enforcement Policy to produce an enforcement program with clearer regulatory focus and more predictability. The Commission is issuing this policy statement after considering those recommendations and the bases for them in NUREG–1525.

The more significant changes to the current Enforcement Policy are described below:

I. Introduction and Purpose

This section has been modified to emphasize that the purpose and objectives of the enforcement program are focused on using enforcement actions:

(1) As a deterrent to emphasize the importance of compliance with requirements; and

(2) To encourage prompt identification and prompt, comprehensive correction of violations.

IV. Severity of Violations

Severity Level V violations have been eliminated. The examples at that level have been withdrawn from the supplements. Formal enforcement actions will now only be taken for violations categorized at Severity Level I to IV to better focus the inspection and enforcement process on safety. To the extent that minor violations are described in an inspection report, they will be labeled as Non-Cited Violations (NCVs). When a licensee does not take corrective action or repeatedly or willfully commits a minor violation such that a formal response would be needed, the violation should be categorized at least at a Severity Level IV.

The NRC staff will be reviewing the severity level examples in the supplements over the next 6 months. The purpose of this review is to ensure the examples are appropriately focused on safety significance, including consideration of actual safety consequence, potential safety consequence, and regulatory significance.

V. Predecisional Enforcement Conferences

Enforcement conferences are being renamed "predecisional enforcement conferences." These conferences should be held for the purpose of obtaining information to assist NRC in making enforcement decisions when the agency reasonably expects that escalated enforcement actions will result. They should also normally be held if requested by a licensee. In addition they should normally be held before issuing an order or a civil penalty to an unlicensed individual.

In light of the changes to the Enforcement Policy, the Commission has decided to continue a trial program of conducting approximately 25 percent of eligible conferences open to public observation pending further evaluation. (See 57 FR 30762; July 10, 1992, and 59 FR 36796; July 19, 1994). The intent of open conferences is not to maximize public attendance, but is rather for determining whether providing the public with an opportunity to observe the regulatory process is compatible with the NRC's ability to exercise its regulatory and safety responsibilities. The provisions of the trial program have been incorporated into the Enforcement Policy.

[1] Copies of NUREG–1525 may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Mail Stop SSOP, Washington, DC 20402–9328. Copies are also available from the National Technical Information Service, 5285 Port Royal Road, Springfield, Virginia 22161. A copy is also available for inspection and copying for a fee in the NRC Public Document Room, 2120 L Street, NW. (Lower Level), Washington, DC 20555–0001.

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