



JUL 28 1989

DCS

Docket No. 50-286

Power Authority of the State of New York
Indian Point 3 Nuclear Power Plant
ATTN: Mr. J. C. Brons, Senior Vice President
Nuclear Generation
123 Main Street
White Plains, New York 10601

Gentlemen:

Subject: Special Inspection No. 50-286/89-15

This letter refers to the special safeguards inspection conducted by Messrs. W. K. Lancaster, D. F. Cameron, and T. W. Dexter of this office on June 5-7, 1989, at the Indian Point 3 Nuclear Power Plant of activities authorized by NRC License No. DPR-64 and to the discussions of our findings held by Mr. Lancaster with Mr. W. Josiger and other members of your staff at the conclusion of the inspection.

The purpose and scope of this inspection are described in the NRC Region I Inspection Report which is enclosed with this letter. The inspection consisted primarily of a review of the actions taken to correct the violations, and the program weaknesses that they reflect, that were identified during NRC Inspection No. 50-286/89-05, conducted February 27 - March 3, 1989, and discussed in an Enforcement Conference on April 28, 1989. As a result of that Enforcement Conference, a Notice of Violation and Proposed Imposition of Civil Penalty was issued on June 12, 1989, to which you responded on July 12, 1989.

The enclosed inspection report identifies four apparent violations of NRC requirements, two of which are identical to, and one of which is similar to, violations identified during Inspection No. 50-286/89-05. In addition, there were three unresolved items identified during Inspection No. 50-286/89-05 that were not pursued by your staff, even though they represent potential serious weaknesses in protected and vital area barriers. The apparent violations identified during this inspection increase our previous concerns regarding the implementation of your security program and your ability to correct identified problems effectively. Further, we do not believe that the corrective actions outlined in your July 12, 1989 letter will prevent similar violations from occurring in the future. We believe that there may be deep-rooted program weaknesses that have not been identified, as indicated by the recurrent violations, and your letter does not address consideration of that possibility.

Therefore, we have scheduled an Enforcement Conference to discuss these matters on August 8, 1989 at 1:00 p.m., at the Indian Point 3 plant site. Arrangements for the Conference were made between us in a telephone conversation on July 28, 1989.

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At the conference, you should be prepared to address the apparent violations and unresolved items identified in the enclosed inspection report and the additional corrective actions you propose to prevent recurrence beyond those contained in your July 12 letter. We would also like your views of our perception that deep-rooted program weaknesses may exist, and any actions taken or planned to resolve that issue. Our decision regarding the appropriate enforcement action in this matter will be communicated to you subsequent to the Enforcement Conference.

Certain paragraphs in the enclosed inspection report contain details of your security program that have been determined to be exempt from public disclosure in accordance with 10 CFR 73.21 (Safeguards Information). Therefore, those paragraphs will be omitted from the inspection report placed in the NRC Public Document Room with this letter, and will receive limited distribution.

Sincerely,

Original Signed By:
Malcolm R. Knapp,

Malcolm R. Knapp, Director
Division of Radiation Safety
and Safeguards

Enclosure:

NRC Region I Inspection Report Number 50-286/89-15 (Contains Safeguards Information (SGI) in paragraphs 3, 5 and 6)

cc w/encl (w/o SGI):

J. P. Bayne, President and Chief Operating Officer
R. Burns, Vice President, BWR Support (NYO)
W. Josiger, Resident Manager
A. Klausmann, Senior Vice President - Appraisal and Compliance Services
George M. Wilverding, Manager, Nuclear Safety Evaluation
S. Zulla, Vice President, Nuclear Support PWR (NYO)
W. Harrington, Director of Security (w/SGI)
Department of Public Service, State of New York
State of New York, Department of Law
Public Document Room (PDR)
Local Public Document Room (LPDR)
Nuclear Safety Information Center (NSIC)
NRC Resident Inspector (w/SGI)
State of New York

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bcc w/encl (w/o SGI):
Region I Docket Room (with concurrences)
Management Assistant, DRMA (w/o encl)
Section Chief, DRP
J. Johnson, DRP
J. Lieberman, OE (w/SGI)
R. Skelton, NRR (w/SGI)
J. Gutierrez, RI (w/SGI)
W. Russell, RI (w/SGI)
D. Holody, RI (w/SGI and w/o SGI)
D. Neighbors, LPM, NRR
B. Clayton, EDO

RI:DRSS

Cameron/mk/slj
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RI:DRSS

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Lancaster
07/21/89

RI:DRSS

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Keimig
07/24/89

RI:DRSS

[Signature]
Bellamy
07/27/89

~~RI:EO~~

~~Holody
07/ /89~~

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Coymmer
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