

**NRC RESPONSE TO LETTERS TO NRC CHAIRMAN NILS J. DIAZ
REGARDING SECURITY AT NUCLEAR POWER PLANTS
OCTOBER 2004**

INTRODUCTION

The Nuclear Regulatory Commission (NRC) has received a large amount of correspondence concerning: (1) the award of a contract by the Nuclear Energy Institute (NEI) to Wackenhut Corporation to serve as the Composite Adversary Force (CAF) in force-on-force exercises conducted by the NRC, and (2) the removal from public access of detailed results of security inspections and enforcement actions involving security, referred to as "blackening" by the correspondents. The letters were received during the September - October 2004 timeframe.

Issue 1) Choice of Wackenhut as the Composite Adversary Force

For over 25 years, the NRC has required that NRC-licensed power reactors and Category I fuel fabrication facilities maintain security programs with a goal of protecting the facilities against attacks that are described by the design basis threat (DBT). The DBT is used to design safeguards systems to protect against acts of radiological sabotage and to prevent the theft of special nuclear material. The DBT is then used by licensees and the NRC to assess the capability of the licensees' security organizations to protect against the DBT.

As a result of the September 2001 terrorist attacks, the NRC conducted a comprehensive evaluation of the security and safeguards programs at nuclear power plants, fuel cycle facilities, and radioactive material transportation. This evaluation resulted in supplemental requirements that implement the DBT, among other things. In 2003, the NRC issued orders to licensees requiring enhancements to the level of security at nuclear power reactors by upgrading physical protection, access authorization (including improved background checks), security force training and qualification, security force work hours (fitness for duty), and protection against the DBT. More information about these enhancements can be found at <http://www.nrc.gov/reading-rm/doc-collections/fact-sheets/security-enhancements.html>

The NRC has conducted force-on-force exercises (simulated commando-style attacks on nuclear power plants, using the DBT as the basis for the mock adversary force) for over twenty years to assess and improve, as necessary, the defensive strategies at licensed facilities. Licensee employees have been used in the role of the mock adversary since force-on-force testing was initiated in 1982. Sometimes, the teams were made up of security force members from the site being tested, sometimes they were security force members from other licensee facilities within the same corporate structure, and sometimes they were from other security forces altogether, including other licensees and law enforcement agencies.

The NRC temporarily suspended these exercises immediately following the terrorist attacks of September 11, 2001. When these exercises were resumed in 2003, the NRC increased the exercise frequency at nuclear power reactors from once every eight years to once every three years and developed guidance on the training and characteristics of the individuals who serve on the mock adversary force, renamed the Composite Adversary Force. Based on the initial round of exercises, the NRC identified the need for a CAF to improve the offensive abilities, consistency, and effectiveness of the exercise advisory force. The CAF, in consultation with the NRC, now plans and conducts mock attacks to test the capabilities of the licensees' security programs.

In developing the resources to staff the CAF, the NRC considered several options, including (1) continuing to use licensee employees, (2) establishing a dedicated force made up of NRC staff or other Federal personnel, and (3) establishing a dedicated force made up of industry personnel. In considering these options, the staff wanted to ensure that the CAF would have sufficient skills and training and the ability to carry out their duties with professionalism and without undue influence. The NRC staff evaluated the impacts and benefits of each, then recommended the establishment of a CAF based on industry personnel, with adversary force standards and guidelines for the industry as a group. The Commission approved this option, in which the industry is responsible for selection and training of a pool of personnel for the adversary force cadre.

The NEI then selected Wackenhut as the CAF through a competitive process. In selecting Wackenhut to provide the CAF, NEI chose a contractor with an extensive history of training and qualifying security officers for the nuclear industry which should ensure a high level of skill for the exercises. In addition, Wackenhut's familiarity with nuclear power plant designs should make them a more worthy and knowledgeable adversary force. Wackenhut will need to satisfy the standards established by the NRC for physical fitness, training, and knowledge of attack strategies (offensive and defensive) to ensure that the CAF will be better trained than previous adversary forces.

The NRC staff considered the possible conflict of interest, in general and specifically with respect to NEI's selection of Wackenhut to staff the CAF. The Commission deliberated on the issue before deciding that the industry could be permitted to use its own employees as mock adversaries. The Commission then directed the staff to ensure that there would be a separation of functions, including appropriate management and administrative controls in place within the Wackenhut organization to provide adequate independence between the CAF and the nuclear reactor security force. The NEI, in a letter dated September 10, 2004, committed to the NRC that: (a) the manager of the CAF will report directly to the Chief Executive Officer for Wackenhut, (b) CAF members will be selected from all sites, including those where security is provided by Wackenhut's competitors, and (c) a CAF member will not participate in exercises at his or her home site. In addition, NRC will continue to assess the performance of the adversary force and require improvements if appropriate, up to and including developing an NRC-contracted adversary force.

The NRC will also independently evaluate licensee performance in force-on-force exercises at each site on a triennial basis, using the CAF to provide a consistent, capable, and effective adversary. The CAF will not perform an evaluative role in the exercises. CAF members will arrive on site at about the same time that the NRC evaluation team arrives and will coordinate closely with the NRC evaluation team and the NRC's subject matter expert contractors before and during the exercises. Any indication that CAF members are not performing objectively and rigorously in their roles will be promptly identified and addressed by the NRC.

Issue 2) Removal of Detailed Results of Security Inspections from the NRC Web Site

This issue stems from the Commission's decision to limit the amount of detailed information accessible to the public concerning the results of security inspections and enforcement related to security. The detailed findings, even when generalized in a color-coded format that identifies weaknesses in certain areas of security, could be exploited by terrorists to target the licensees found to have areas needing improvement.

The Commission deliberated for many months on how to balance its commitment to openness with the concern that some key information is sensitive and might be misused by those who wish us harm. While we have worked diligently to share sensitive information with licensees, Federal agencies, and State and local governments to enhance protection of the public, we have also enhanced our efforts to ensure that we do not release information that could be exploited by adversaries in sabotaging nuclear facilities or stealing nuclear materials. The Commission has overall responsibility for public health and safety and the common defense and security with regard to the civilian utilization of nuclear material. Therefore, we must weigh the information that is made public in that context. Accordingly, the Commission determined that security findings in the Reactor Oversight Process and similar programs for other facilities will no longer be made public. However, the staff plans to develop a publicly available report that would provide some general information about plant performance assessment in the physical protection and security area without revealing any site specific details or compromising security.