

November 18, 1997

MEMORANDUM TO: David L. Meyer, Chief
Rules and Directives Branch
Division of Administrative Services
Office of Administration

FROM: Sher Bahadur, Acting Chief 151
Regulation Development Branch
Division of Regulatory Applications
Office of Nuclear Regulatory Research

AF53-2
(5)

SUBJECT: IMPLEMENTATION OF COMMISSION ACTION: PUBLICATION OF
FINAL RULE

By memorandum dated November 5, 1997, the Secretary of the Commission indicated that the Commission (with all Commissioners agreeing) has approved the final rule on Part 73 set out in SECY-97-228.

Please implement the Commission's action by arranging for publication of the attached final rule in the Federal Register.

Attached is a marked-up copy of the Federal Register Notice showing Commission-requested changes for transmittal to the Office of the Secretary.

Also attached are a Congressional letter package and the SBREFA letters for transmittal to OCA, and two copies of the public announcement for transmittal to OPA.

Attachments:

1. SRM dtd 11/05/97
2. FR Notice + 3 Copies & Diskette
3. Marked-up Copy of FR Notice
4. Congressional Letter Package
5. Public Announcement (2)
6. SBREFA Letter

DISTRIBUTION: w/attachments

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OFFICE	RDB:DRA	RDB:DRA						
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ATTACHMENT 1

SRM DTD. 11/05/97



SECRETARY

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

November 5, 1997

Action: Knapp, RES

Cys: Callan
Thadani
Thompson

IN RESPONSE, PLEASE
REFER TO: M971105B

Norry
Blaha
Paperiello, NMSS
Bangart, SP
Lieberman, EO
Meyer, ADM
Shelton, IRM
Tse, RES
Frattali, RES

MEMORANDUM FOR: L. Joseph Callan
Executive Director for Operations
FROM: John C. Hoyle, Secretary
SUBJECT: STAFF REQUIREMENTS - AFFIRMATION SESSION,
11:30 A.M., AND 3:00 P.M., WEDNESDAY,
NOVEMBER 5, 1997, COMMISSIONERS' CONFERENCE
ROOM, ONE WHITE FLINT NORTH, ROCKVILLE,
MARYLAND (OPEN TO PUBLIC ATTENDANCE)

A. 11:30 A.M. Session

I. SECY-97-232 - Final Rule on Exempt Distribution and Use of a
Radioactive Drug Containing One Microcurie of Carbon 14 Urea
(Parts 30 and 32)

The Commission approved a final rule amending 10 CFR Parts 30 and 32 to permit the exempt distribution and use of capsules containing one microcurie carbon-14 urea for "in vivo" diagnostic use. The staff should incorporate the following comments and the editorial changes provided in the attachment.

The staff response to comment 3 should be reviewed and revised by a staff Health Physicist with expertise in radiological assessments to ensure it accurately and clearly responds to the comment.

The Health and Safety Effects section of the Regulatory Analysis should be revised to clarify that individual and collective dose estimates do not consider the radiation dose received by the patient, and that the collective dose of 5 person-rem over a 50 year period discussed in paragraph 4 is not an annual dose.

Following incorporation of these comments and the editorial changes provided in the attachment, the Federal Register notice should be reviewed by the Rules Review and Directives Branch in the Office of Administration and forwarded to the Office of the Secretary for signature and publication.

(EDO) (RES)

(SECY Suspense:

12/5/97)

9700042

B. 3:00 P.M. Session

I. SECY-97-228 - Final Amendments to 10 CFR Part 73, "Changes to Nuclear Power Plant Security Requirements"

The Commission approved a final rule amending 10 CFR Part 73 to change certain physical security requirements associated with an internal threat. The staff should coordinate the finalization of the public announcement with the Office of Public Affairs and issue a press release related to this rulemaking.

Following incorporation of the editorial changes provided in the attachment, the Federal Register notice should be reviewed by the Rules Review and Directives Branch in the Office of Administration and forwarded to the Office of the Secretary for signature and publication.

(EDO) (RES)

(SECY Suspense: 12/5/97)

9500117

Attachments:
As stated

cc: Chairman Jackson
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
EDO
OGC
CIO
CFO
OCAA
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR - Advance
DCS - P1-17

Editorial Changes to the Final Rule in SECY-97-232

Changes to the Federal Register Notice

1. On page 1, line 4, replace 'a minimal' with 'an insignificant.'
2. On page 9, paragraph 2, line 8, delete the 's' on 'procedures.'
3. On page 12, paragraph 1, line 6, delete 'nothing will prevent' and insert 'are not required to' after 'manufacturers.' Also, delete 'from' and replace 'indicating' with 'indicate.'
4. On page 13, paragraph 2, line 1, replace 'no significant' with 'an insignificant.' In line 2, replace 'or' with 'and.'
5. On page 14, item (2), line 2, replace 'be prohibited by this rulemaking' with 'continue to require a specific license pursuant to Part 35 under this rulemaking.'
6. On page 14, last paragraph, line 5, delete the comma.
7. On page 16, last paragraph, line 2, delete 'not' and in line 3, replace 'significant' with 'insignificant.'
8. On page 22, paragraph 1, line 4, replace 'no significant' with 'an insignificant.'

Changes to the Regulatory Analysis

1. On page 3, paragraph 5, line 6, replace 'a minimal' with 'an insignificant.'
2. On page 7, first full paragraph, line 13, replace 'or' with 'and.' Also, add at the end of the paragraph: The routine exposure of patients was not considered when calculating the individual or collective doses resulting from the diagnostic tests.
3. On page 7, last paragraph, line 5, delete 'annual' and in line 6, delete 'next.' Also in line 6, delete the 's' on 'years' and insert 'period' after 'year.'
4. On page 8, last paragraph, last line, replace 'negligible' with 'insignificant.'

Changes to the Environmental Assessment

1. On page 1, paragraph 1, line 4, replace 'a minimal' with 'an insignificant.'

2. On page 1, paragraph 2, line 4, replace 'negligible' with 'insignificant.'
3. On page 2, paragraph 2, line 7, replace 'a minimal' with 'an insignificant.'
4. On page 2, last paragraph, line 1, replace 'no significant' with 'an insignificant.'
5. On page 3, paragraph 2, add at the end of the paragraph:
This is far below the EPA reporting level of 1 mrem/year required under the Clean Air Act for routine exposures to a member of the public, and the 4 mrem/year EPA limit for public drinking water.
6. On page 4, last paragraph, line 9, replace 'a minimal' with 'an insignificant.'

Changes to the Congressional Letters

1. In paragraph 2, line 5, replace 'a minimal' with 'an insignificant.'

Changes to the Public Announcement

1. On page 1, paragraph 3, lines 4 and 5, replace 'a minimal' with 'an insignificant' and insert 'diagnostic use of the' before 'drug.'
2. On page 2, paragraph 1, line 5, the 'C' in 'carbon-14' should be lower case.

Editorial Changes to the Final Rule in SECY-97-228

Changes to the Federal Register notice:

1. On page 2, paragraph 1, line 2, replace 'revising' with 'that would revise.' In line 6, replace 'are as follows' with 'involve changes to.'
2. On page 5, paragraph 2, line 4, insert 'who are cleared for unescorted access' after 'employees.' In paragraph 3, line 4, replace 'discriminate' with 'distinguish.' In the last paragraph, line 3, replace 'of these' with 'commenter.'
3. On page 8, paragraph 2 under item 5, line 2, replace 'making' with 'make' and in line 4, insert a comma after 'been.'
4. On page 11, last line, replace 'assume' with 'assuming.'

Changes to the Congressional letters:

1. In line 1, replace the last 'the' with 'an' so that it reads '... copy of an amendment to'

ATTACHMENT 2
FEDERAL REGISTER NOTICE

NUCLEAR REGULATORY COMMISSION

10 CFR Part 73

RIN: 3150 - AF11

Changes to Nuclear Power Plant Security Requirements

AGENCY: Nuclear Regulatory Commission.

ACTION: Final rule.

SUMMARY: The Nuclear Regulatory Commission (NRC) is revising its regulations to delete certain security requirements associated with an internal threat. This action follows the NRC's reconsideration of nuclear power plant physical security requirements to identify those requirements that are marginal to safety, redundant, or no longer effective. This action will reduce the regulatory burden on licensees without compromising physical protection against radiological sabotage required for public health and safety.

EFFECTIVE DATE: (45 days from date of publication in the Federal Register).

FOR FURTHER INFORMATION CONTACT: Dr. Sandra Frattali, Office of Nuclear Regulatory Research, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, telephone (301) 415-6261, e-mail sdf@nrc.gov.

SUPPLEMENTARY INFORMATION:

Background

On February 20, 1997, the NRC published a proposed rule in the Federal Register (62 FR 7721) that would revise the NRC's regulations associated with an internal threat to nuclear power plants that are contained in 10 CFR Part 73, "Physical Protection of Plants and Materials." The five changes, which provide significant relief to licensees without compromising the physical security of the plants, involve changes to

1. Search requirements for on-duty guards, § 73.55(d)(1);
2. Requirements for vehicle escort, § 73.55(d)(4);
3. Control of contractor employee badges, § 73.55(d)(5);
4. Maintenance of access lists for each vital area, § 73.55(d)(7)(i)(A); and
5. Key controls for vital areas, § 73.55(d)(8).

The Commission received 9 letters commenting on the proposed rule. Eight were from utilities and one was from an industry group. Copies of the letters are available for public inspection and copying for a fee at the Commission's Public Document Room, located at 2120 L Street, NW (Lower Level), Washington, DC.

Discussion

The public comments supported the proposed rulemaking in general. Seven of the nine commenters recommended additional relief from the vehicle escort

provisions. One commenter recommended additional relief from the search requirements for armed guards. Two commenters recommended changes to the regulations without support that were outside the scope of this rulemaking.

For three of the changes in the proposed rule, only the language that had been changed was provided in the proposed rule language. The language that did not change in those paragraphs was inadvertently omitted. This language has been put back in the final rule. The three paragraphs affected are: search requirements for on-duty guards, § 73.55(d)(1); requirements for vehicle escort, § 73.55(d)(4); and maintenance of access lists for each vital area, § 73.55(d)(7)(i)(A).

The comments are discussed below.

Comment Resolution

1. Search Requirements for On-duty Guards (§ 73.55(d)(1)).

Under the current regulations, armed security guards who leave the protected area as part of their duties must be searched for firearms, explosives, and incendiary devices upon re-entry into the protected area. Requiring a guard to go through an explosives detector or searching packages carried by the guard protects against the introduction of contraband. Because an armed guard carries a weapon onsite, passage of the guard through the metal detector, the principal purpose of which is to detect firearms, serves little purpose. The guard has to either remove the weapon while passing through the detector or be subject to a hands on search. Either approach makes little sense for the guard who is authorized to carry a weapon onsite. Further, removing and handling the guard's weapon could present a safety risk to the

guard and other personnel. This rule will allow armed security guards who are on duty and have exited the protected area to reenter the protected area without being searched for firearms (by a metal detector).

Comment. All commenters supported this action. One commenter recommended that the words "on official business" be removed.

Response. The term "on official business" has been replaced by the term "on duty." The rationale given in the proposed rule to eliminate the searches would also apply when the guard reenters the protected area at other times, for example, after lunch where the lunch area is outside the protected area, as is the case at some facilities. The meaning of "on duty" is not meant to extend to "on call" or to personal activities.

The amended rule allows armed security guards who are on duty and have exited the protected area to reenter the protected area without being searched for firearms (by a metal detector). Note that the rule says "reenter." This means that the guards have been searched on their initial entry into the protected area. Unarmed guards and watchpersons will continue to meet all search requirements. All guards will continue to be searched for explosives and incendiary devices because they are not permitted to carry these devices into the plant.

2. Requirements for Vehicle Escort (§ 73.55(d)(4)).

The present requirement that a searched, licensee-owned vehicle within the protected area must be escorted by a member of the security organization, even when the driver is badged for unescorted access, does not contribute significantly to the security of the plant. Under the current regulations, all vehicles must be searched prior to entry into the protected area except

under emergency conditions. Also under the current regulations, all vehicles must be escorted by a member of the security organization while inside the protected area except for "designated licensee vehicles." "Designated licensee vehicles" are those vehicles that are limited in their use to onsite plant functions and remain in the protected area except for operational, maintenance, repair, security, and emergency purposes. Under the current requirement, all other vehicles that are not "designated licensee vehicles" must be escorted at all times while in the protected area even when they are driven by personnel with unescorted access.

Comment. Seven commenters were concerned that the proposed rule would only allow a vehicle to be unescorted when being operated by licensee employees having unescorted access. These commenters wanted this extended to contractor employees who are cleared for unescorted access as well.

Response. This change has been made. Since both licensee employees and contractor employees are subject to equivalent access authorization programs, the level of trustworthiness is deemed to be equivalent. There is no compelling reason to distinguish between the two. The amended rule eliminates the requirement for escort of licensee-owned or leased vehicles entering the protected area for work-related purposes provided these vehicles are driven by personnel who have unescorted access. This change provides burden relief to licensees without significantly increasing the level of risk to the plant.

Comment. Five comments were made that limiting unescorted vehicles to those that were licensee-owned was unduly restrictive, and wanted this extended to licensee owned- or leased vehicles. One commenter wanted it further extended to contractor or vendor owned or leased vehicles.

Response. The rule language was changed to allow for licensee-leased vehicles to be unescorted when driven by personnel who have unescorted access. The NRC staff recognizes that licensees may lease rather than buy vehicles. However, the staff believes that this provision should not be extended indiscriminately to contractor or vendor vehicles because licensees have no knowledge or control over how contractor or vendor vehicles may be used for purposes other than those for which the licensee has contracted.

3. Control of Contractor Employee Badges (§ 73.55(d)(5)).

Contractor employees with unescorted access are required to return their badges when leaving the protected area. Current regulatory practice allows licensee employees to leave the protected area with their badges if adequate safeguards are in place to ensure that the proper use of the badge is not compromised or that a system such as biometrics is in place to ensure that only the proper person uses the badge for gaining access to the protected area. Because contractors and licensees are subject to the same programs required for unescorted access, there is no reason to employ more stringent badge control requirements for contractor employees.

This amended rulemaking allows contractor employees to take their badges offsite under the same conditions as licensee employees.

Comment. All commenters supported this provision.

Response. The final rule will be published as proposed, with a sentence added to ensure that the integrity of the access controls are not adversely affected.

Comment. One commenter wanted the physical differentiation between contractor and employee badges eliminated.

Response. This comment provided no reason for changing the current requirement of having employee and contractor badges distinguishable. Further the staff has no reason to make such a change. Because of this and the fact that this comment is outside the scope of this rulemaking this change is not being made.

4. Maintenance of Access Lists for Each Vital Area (§ 73.55(d)(7)(i)(A)).

Maintaining separate access lists for each vital area and reapproval of these lists on a monthly basis is of marginal value. At many sites, persons granted access to one vital area also have access to most or all vital areas. Licensees presently derive little additional benefit from maintaining discrete lists of individuals allowed access to each separate vital area in the facility. Also, licensee managers or supervisors are required to update the access lists at least once every 31 days to add or delete individuals from these lists as appropriate. There is also a requirement to reapprove the list every 31 days. However, reapproval of all individuals on the lists at least every 31 days, to validate that the lists have been maintained accurately is unnecessarily burdensome.

This rulemaking replaces separate access authorization lists for each vital area of the facility with a single list of all persons who have access to any vital area. It also changes the requirement to reapprove the list at least once every 31 days to quarterly. Reapproval consists of a review to ensure that the list is current and that only those individuals requiring routine access to a vital area are included. Because a manager or supervisor must update the list, conducting this comprehensive reapproval every 31 days is of marginal value.

Comment. All commenters supported these provisions.

Response. The final rule will be published as proposed.

The Commission desires to remind licensees that they are responsible for properly controlling access, and that the changes to § 73.55(d)(7)(i)(A) do not remove their responsibility to establish procedures to ensure that persons no longer needing unescorted access are not granted such access.

5. Key Controls for Vital Areas (§ 73.55(d)(8)).

Under the current regulations, licensees must change or rotate all keys, locks, combinations, and related access control devices at least once every twelve months. The rule also requires that these be changed whenever there is a possibility they have been compromised, or when an individual with access to the keys, locks, or combinations has been terminated for reasons of trustworthiness, reliability, or inadequate work performance. Additionally requiring such change every 12 months has been determined by the NRC to be only marginal to security.

This amended rule removes the requirement for changing access control devices at least every 12 months while retaining the requirement to make changes for cause, and when an access control device has been, or there is a suspicion that it may have been, compromised.

Comment. One commenter requested that the words "inadequate work performance" in the rule language be removed or defined.

Response. The NRC sees no need to define "inadequate work performance" because the term characterizes many factors and judgements involving removal for cause. Further, the comment is outside the scope of this rulemaking.

Regulatory Action

The final rule will be promulgated with the changes made to the proposed rule in response to the public comments. Two of the public comments were not accommodated because they requested changes to the regulations that were not put forward in the proposed rule.

Environmental Impact: Categorical Exclusion

The Commission has determined that this final rule is the type of action described as a categorical exclusion in 10 CFR 51.22(c)(3)(i). Therefore, neither an environmental impact statement nor an environmental assessment has been prepared for this final rule.

Paperwork Reduction Act Statement

This final rule amends information collection requirements that are subject to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.). These requirements were approved by the Office of Management and Budget, approval number 3150-0002.

Because the rule will reduce existing information collection requirements, the public burden for this collection of information is expected to be decreased by 100 hours per licensee. This reduction includes the time required for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments on any aspect of this collection of

information, including suggestions for further reducing the burden, to the Information and Records Management Branch (T-6 F33), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by Internet electronic mail to BJS1@NRC.Gov; and to the Desk Officer, Office of information and Regulatory Affairs, NEOB-10202, (3150-0002), Office of Management and Budget, Washington, DC 20503.

Public Protection Notification

The NRC may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Regulatory Analysis

A discussion of each of the five changes in this final rule is provided above in the supplementary information section. The costs and benefits for each of the changes in this rulemaking are as follows.

1. Search Requirements for On-duty Guards (§ 73.55(d)(1)).

The regulatory burden on licensees will be reduced by eliminating unnecessary weapon searches of guards who are already allowed to carry a weapon on site, which will result in better utilization of licensee resources. There will be no reduction in plant security, and there is no reduction in the total size of the security force. Further, the potential safety risk to personnel caused by removing and handling a guard's weapon will be eliminated.

2. Requirements for Vehicle Escort (73.55(d)(4)).

The regulatory burden on licensees will be reduced by requiring fewer vehicle escorts, which will allow personnel to be utilized more effectively or for other purposes. Resources could be redirected to areas in which they will be more cost effective. The decrease in security will be marginal, because unescorted access will be restricted to vehicles owned or leased by the licensee being driven by personnel with unescorted access.

Assuming the number of such entries of licensee owned or leased vehicles driven by personnel having unescorted access is 10 per day per site, the average time needed for escort is 3 hours, and the cost per hour for security personnel is \$30 (loaded), a rough estimate of the potential savings per site per year is about \$330,000 (10 escorts/day/site x 365 days/year x 3 hrs/escort x \$30/hr). With 75 sites, the savings to the industry per year will be approximately \$24,000,000.

3. Control of Contractor Employee Badges (§ 73.55(d)(5)).

The regulatory burden on licensees will be reduced by a more effective use of security personnel, who will no longer need to handle badges for contractor personnel who have unescorted access. There will be no reduction in plant security because adequate safeguards will be in place to ensure that badges are properly used and not compromised, and a system such as biometrics is in place to ensure that only the proper person uses the badge to gain access to the protected area.

Assuming that two security persons per working shift change, 5 shifts per day, one hour per shift are relieved from the duties of controlling contractor employee badges during an outage lasting 3 months. Further,

assuming that the cost per hour for security personnel is \$30 (loaded), a rough estimate of the potential savings per site per year is about \$27,000 (10 hours/day x 90 days/year x \$30 hr). With 75 sites, the savings to the industry per year will be approximately \$2,000,000.

4. Maintenance of Access Lists for Each Vital Area (§ 73.55(d)(7)(i)(A)).

The regulatory burden on licensees will be reduced because licensees will have to keep only one access list for all vital areas and reapprove it quarterly, rather than keep individual access lists for each vital area that must be reapproved monthly.

Assuming that the time to reapprove each of the individual lists is 1 hour per month, that a combined list will take 1.5 hours per month, that the average number of vital areas per site is 10, and that the cost of a clerk including overhead is \$30 per hour (loaded), a rough estimate of the potential savings per site per year is about \$3,400 [(1x10 vital areas/month x 12 months/yr - 1.5x1 combined vital area/quarter x 4 quarters/yr) x \$30/hr]. With 75 sites, the savings to the industry per year will be approximately \$260,000.

5. Key Controls for Vital Areas (§ 73.55(d)(8)).

The regulatory burden on the licensees will be reduced because fewer resources will be needed to maintain the system.

Assuming that, of approximately 60 locks that are changed each year under the current requirement, half of them were changed because an individual was removed for cause or the lock may have been compromised, 30 locks remain in need of change. Assuming that it takes a locksmith 10 hours to change all 30 locks at a cost (loaded) of \$45 per hour, a rough estimate of the potential

savings per site per year is about \$450 (10 hrs/year x \$45/hr). With 75 sites, the savings to the industry per year will be approximately \$34,000.

Regulatory Flexibility Certification

As required by the Regulatory Flexibility Act as amended, 5 U.S.C. 605(b), the Commission certifies that this final rule, if adopted, will not have a significant economic impact on a substantial number of small entities. This final rule will affect only licensees authorized to operate nuclear power reactors. These licensees do not fall within the scope of the definition of "small entities" set forth in the Regulatory Flexibility Act, or the Small Business Size Standards set out in regulations issued by the Small Business Administration Act, 13 CFR Part 121.

Small Business Regulatory Enforcement Fairness Act

In accordance with the Small Business Regulatory Enforcement Fairness Act of 1996, the NRC has determined that this action is not a major rule and has verified this determination with the Office of Information and Regulatory Affairs, Office of Management and Budget.

Backfit Analysis

The Commission has determined that the backfit rule, 10 CFR 50.109, does not apply to this final amendment because this amendment will not impose new requirements on existing 10 CFR Part 50 licensees. The changes to physical

security are voluntary and should the licensee decide to implement this amendment, will be a reduction in burden to the licensee. Therefore, a backfit analysis has not been prepared for this amendment.

List of Subjects in 10 CFR Part 73

Criminal penalties, Hazardous materials transportation, Export, Incorporation by reference, Import, Nuclear materials, Nuclear power plants and reactors, Reporting and recordkeeping requirements, Security measures.

For the reasons set out in the preamble and under the authority of the Atomic Energy Act of 1954, as amended; the Energy Reorganization Act of 1974, as amended; and 5 U.S.C. 552 and 553; the NRC is adopting the following amendments to 10 CFR Part 73.

PART 73 -- PHYSICAL PROTECTION OF PLANTS AND MATERIALS

1. The authority citation for Part 73 continues to read as follows:

AUTHORITY: Secs. 53, 161, 68 Stat. 930, 948, as amended, sec. 147, 94 Stat. 780 (42 U.S.C. 2073, 2167, 2201); sec. 201, as amended, 204, 88 Stat. 1242, as amended, 1245, sec. 1701, 106 Stat. 2951, 2952, 2953 (42 U.S.C. 5841, 5844, 2297f).

Section 73.1 also issued under secs. 135, 141, Pub. L. 97-425, 96 Stat. 2232, 2241 (42 U.S.C. 10155, 10161). Section 73.37(f) also issued under sec. 301, Pub. L. 96-295, 94 Stat. 789 (42 U.S.C. 5841 note). Section 73.57 is issued under sec. 606, Pub. L. 99-399, 100 Stat. 876 (42 U.S.C. 2169).

2. Section 73.55 is amended by revising paragraphs (d)(1), (d)(4), (d)(5), (d)(7)(i)(A), and (d)(8) to read as follows:

§ 73.55 Requirements for physical protection of licensed activities in nuclear power reactors against radiological sabotage.

* * * * *

(d) ***

(1) The licensee shall control all points of personnel and vehicle access into a protected area. Identification and search of all individuals unless otherwise provided herein must be made and authorization must be checked at these points. The search function for detection of firearms, explosives, and incendiary devices must be accomplished through the use of both firearms and explosive detection equipment capable of detecting those devices. The licensee shall subject all persons except bona fide Federal, State, and local law enforcement personnel on official duty to these equipment searches upon entry into a protected area. Armed security guards who are on duty and have exited the protected area may reenter the protected area without being searched for firearms. When the licensee has cause to suspect that an individual is attempting to introduce firearms, explosives, or incendiary devices into protected areas, the licensee shall conduct a physical pat-down search of that individual. Whenever firearms or explosives detection equipment at a portal is out of service or not operating satisfactorily, the licensee shall conduct a physical pat-down search of all persons who would otherwise have been subject to equipment searches. The individual responsible

for the last access control function (controlling admission to the protected area) must be isolated within a bullet-resisting structure as described in paragraph (c)(6) of this section to assure his or her ability to respond or to summon assistance.

* * * * *

(4) All vehicles, except under emergency conditions, must be searched for items which could be used for sabotage purposes prior to entry into the protected area. Vehicle areas to be searched must include the cab, engine compartment, undercarriage, and cargo area. All vehicles, except as indicated below, requiring entry into the protected area must be escorted by a member of the security organization while within the protected area and, to the extent practicable, must be off loaded in the protected area at a specific designated materials receiving area that is not adjacent to a vital area. Escort is not required for designated licensee vehicles or licensee-owned or leased vehicles entering the protected area and driven by personnel having unescorted access. Designated licensee vehicles shall be limited in their use to onsite plant functions and shall remain in the protected area except for operational, maintenance, repair, security and emergency purposes. The licensee shall exercise positive control over all such designated vehicles to assure that they are used only by authorized persons and for authorized purposes.

(5) A numbered picture badge identification system must be used for all individuals who are authorized access to protected areas without escort. An individual not employed by the licensee but who requires frequent and extended access to protected and vital areas may be authorized access to such areas

without escort provided that he or she displays a licensee-issued picture badge upon entrance into the protected area which indicates:

- (i) Non-employee no escort required;
- (ii) areas to which access is authorized; and
- (iii) the period for which access has been authorized.

Badges shall be displayed by all individuals while inside the protected area. Badges may be removed from the protected area when measures are in place to confirm the true identity and authorization for access of the badge holder upon entry into the protected area.

* * * * *

(7) ***

(i) ***

(A) Establish a current authorization access list for all vital areas.

The access list must be updated by the cognizant licensee manager or supervisor at least once every 31 days and must be reapproved at least quarterly. The licensee shall include on the access list only individuals whose specific duties require access to vital areas during nonemergency conditions.

* * * * *

(d)(8) All keys, locks, combinations, and related access control devices used to control access to protected areas and vital areas must be controlled to reduce the probability of compromise. Whenever there is

evidence or suspicion that any key, lock, combination, or related access control devices may have been compromised, it must be changed or rotated. The licensee shall issue keys, locks, combinations and other access control devices to protected areas and vital areas only to persons granted unescorted facility access. Whenever an individual's unescorted access is revoked due to his or her lack of trustworthiness, reliability, or inadequate work performance, keys, locks, combinations, and related access control devices to which that person had access, must be changed or rotated.

* * * * *

Dated at Rockville, Maryland, this ____ day of _____, 1997.

For the Nuclear Regulatory Commission.

John C. Hoyle,
Secretary of the Commission.

ATTACHMENT 3

**MARKED-UP COPY OF
FEDERAL REGISTER NOTICE**

NUCLEAR REGULATORY COMMISSION

10 CFR Part 73

RIN: 3150 - AF11

Changes to Nuclear Power Plant Security Requirements

AGENCY: Nuclear Regulatory Commission.

ACTION: Final rule.

SUMMARY: The Nuclear Regulatory Commission (NRC) is revising its regulations to delete certain security requirements associated with an internal threat. This action follows the NRC's reconsideration of nuclear power plant physical security requirements to identify those requirements that are marginal to safety, redundant, or no longer effective. This action will reduce the regulatory burden on licensees without compromising physical protection against radiological sabotage required for public health and safety.

EFFECTIVE DATE: (45 days from date of publication in the Federal Register).

FOR FURTHER INFORMATION CONTACT: Dr. Sandra Frattali, Office of Nuclear Regulatory Research, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, telephone (301) 415-6261, e-mail sdf@nrc.gov.

SUPPLEMENTARY INFORMATION:

Background

On February 20, 1997, the NRC published a proposed rule in the Federal Register (62 FR 7721) ~~revising that would revise~~ the NRC's regulations associated with an internal threat to nuclear power plants that are contained in 10 CFR Part 73, "Physical Protection of Plants and Materials." The five changes, which provide significant relief to licensees without compromising the physical security of the plants, ~~are as follows. involve changes to~~

1. Search requirements for on-duty guards, § 73.55(d)(1);
2. Requirements for vehicle escort, § 73.55(d)(4);
3. Control of contractor employee badges, § 73.55(d)(5);
4. Maintenance of access lists for each vital area, § 73.55(d)(7)(i)(A); and
5. Key controls for vital areas, § 73.55(d)(8).

The Commission received 9 letters commenting on the proposed rule. Eight were from utilities and one was from an industry group. Copies of the letters are available for public inspection and copying for a fee at the Commission's Public Document Room, located at 2120 L Street, NW (Lower Level), Washington, DC.

Discussion

The public comments supported the proposed rulemaking in general. Seven of the nine commenters recommended additional relief from the vehicle escort

provisions. One commenter recommended additional relief from the search requirements for armed guards. Two commenters recommended changes to the regulations without support that were outside the scope of this rulemaking.

For three of the changes in the proposed rule, only the language that had been changed was provided in the proposed rule language. The language that did not change in those paragraphs was inadvertently omitted. This language has been put back in the final rule. The three paragraphs affected are: search requirements for on-duty guards, § 73.55(d)(1); requirements for vehicle escort, § 73.55(d)(4); and maintenance of access lists for each vital area, § 73.55(d)(7)(i)(A).

The comments are discussed below.

Comment Resolution

1. Search Requirements for On-duty Guards (§ 73.55(d)(1)).

Under the current regulations, armed security guards who leave the protected area as part of their duties must be searched for firearms, explosives, and incendiary devices upon re-entry into the protected area. Requiring a guard to go through an explosives detector or searching packages carried by the guard protects against the introduction of contraband. Because an armed guard carries a weapon onsite, passage of the guard through the metal detector, the principal purpose of which is to detect firearms, serves little purpose. The guard has to either remove the weapon while passing through the detector or be subject to a hands on search. Either approach makes little sense for the guard who is authorized to carry a weapon onsite. Further, removing and handling the guard's weapon could present a safety risk to the

guard and other personnel. This rule will allow armed security guards who are on duty and have exited the protected area to reenter the protected area without being searched for firearms (by a metal detector).

Comment. All commenters supported this action. One commenter recommended that the words "on official business" be removed.

Response. The term "on official business" has been replaced by the term "on duty." The rationale given in the proposed rule to eliminate the searches would also apply when the guard reenters the protected area at other times, for example, after lunch where the lunch area is outside the protected area, as is the case at some facilities. The meaning of "on duty" is not meant to extend to "on call" or to personal activities.

The amended rule allows armed security guards who are on duty and have exited the protected area to reenter the protected area without being searched for firearms (by a metal detector). Note that the rule says "reenter." This means that the guards have been searched on their initial entry into the protected area. Unarmed guards and watchpersons will continue to meet all search requirements. All guards will continue to be searched for explosives and incendiary devices because they are not permitted to carry these devices into the plant.

2. Requirements for Vehicle Escort (§ 73.55(d)(4)).

The present requirement that a searched, licensee-owned vehicle within the protected area must be escorted by a member of the security organization, even when the driver is badged for unescorted access, does not contribute significantly to the security of the plant. Under the current regulations, all vehicles must be searched prior to entry into the protected area except

under emergency conditions. Also under the current regulations, all vehicles must be escorted by a member of the security organization while inside the protected area except for "designated licensee vehicles." "Designated licensee vehicles" are those vehicles that are limited in their use to onsite plant functions and remain in the protected area except for operational, maintenance, repair, security, and emergency purposes. Under the current requirement, all other vehicles that are not "designated licensee vehicles" must be escorted at all times while in the protected area even when they are driven by personnel with unescorted access.

Comment. Seven commenters were concerned that the proposed rule would only allow a vehicle to be unescorted when being operated by licensee employees having unescorted access. These commenters wanted this extended to contractor employees ~~who are cleared for unescorted access~~ as well.

Response. This change has been made. Since both licensee employees and contractor employees are subject to equivalent access authorization programs, the level of trustworthiness is deemed to be equivalent. There is no compelling reason to ~~discriminate~~ ~~distinguish~~ between the two. The amended rule eliminates the requirement for escort of licensee-owned or leased vehicles entering the protected area for work-related purposes provided these vehicles are driven by personnel who have unescorted access. This change provides burden relief to licensees without significantly increasing the level of risk to the plant.

Comment. Five comments were made that limiting unescorted vehicles to those that were licensee-owned was unduly restrictive, and wanted this extended to licensee owned- or leased vehicles. One ~~of these~~ commenter wanted it further extended to contractor or vendor owned or leased vehicles.

Response. The rule language was changed to allow for licensee-leased vehicles to be unescorted when driven by personnel who have unescorted access. The NRC staff recognizes that licensees may lease rather than buy vehicles. However, the staff believes that this provision should not be extended indiscriminately to contractor or vendor vehicles because licensees have no knowledge or control over how contractor or vendor vehicles may be used for purposes other than those for which the licensee has contracted.

3. Control of Contractor Employee Badges (§ 73.55(d)(5)).

Contractor employees with unescorted access are required to return their badges when leaving the protected area. Current regulatory practice allows licensee employees to leave the protected area with their badges if adequate safeguards are in place to ensure that the proper use of the badge is not compromised or that a system such as biometrics is in place to ensure that only the proper person uses the badge for gaining access to the protected area. Because contractors and licensees are subject to the same programs required for unescorted access, there is no reason to employ more stringent badge control requirements for contractor employees.

This amended rulemaking allows contractor employees to take their badges offsite under the same conditions as licensee employees.

Comment. All commenters supported this provision.

Response. The final rule will be published as proposed, with a sentence added to ensure that the integrity of the access controls are not adversely affected.

Comment. One commenter wanted the physical differentiation between contractor and employee badges eliminated.

Response. This comment provided no reason for changing the current requirement of having employee and contractor badges distinguishable. Further the staff has no reason to make such a change. Because of this and the fact that this comment is outside the scope of this rulemaking this change is not being made.

4. Maintenance of Access Lists for Each Vital Area (§ 73.55(d)(7)(i)(A)).

Maintaining separate access lists for each vital area and reapproval of these lists on a monthly basis is of marginal value. At many sites, persons granted access to one vital area also have access to most or all vital areas. Licensees presently derive little additional benefit from maintaining discrete lists of individuals allowed access to each separate vital area in the facility. Also, licensee managers or supervisors are required to update the access lists at least once every 31 days to add or delete individuals from these lists as appropriate. There is also a requirement to reapprove the list every 31 days. However, reapproval of all individuals on the lists at least every 31 days, to validate that the lists have been maintained accurately is unnecessarily burdensome.

This rulemaking replaces separate access authorization lists for each vital area of the facility with a single list of all persons who have access to any vital area. It also changes the requirement to reapprove the list at least once every 31 days to quarterly. Reapproval consists of a review to ensure that the list is current and that only those individuals requiring routine access to a vital area are included. Because a manager or supervisor must update the list, conducting this comprehensive reapproval every 31 days is of marginal value.

Comment. All commenters supported these provisions.

Response. The final rule will be published as proposed.

The Commission desires to remind licensees that they are responsible for properly controlling access, and that the changes to § 73.55(d)(7)(i)(A) do not remove their responsibility to establish procedures to ensure that persons no longer needing unescorted access are not granted such access.

5. Key Controls for Vital Areas (§ 73.55(d)(8)).

Under the current regulations, licensees must change or rotate all keys, locks, combinations, and related access control devices at least once every twelve months. The rule also requires that these be changed whenever there is a possibility they have been compromised, or when an individual with access to the keys, locks, or combinations has been terminated for reasons of trustworthiness, reliability, or inadequate work performance. Additionally requiring such change every 12 months has been determined by the NRC to be only marginal to security.

This amended rule removes the requirement for changing access control devices at least every 12 months while retaining the requirement to ~~making~~ ~~make~~ changes for cause, and when an access control device has been, or there is a suspicion that it may have been ~~compromised~~ compromised.

Comment. One commenter requested that the words "inadequate work performance" in the rule language be removed or defined.

Response. The NRC sees no need to define "inadequate work performance" because the term characterizes many factors and judgements involving removal for cause. Further, the comment is outside the scope of this rulemaking.

Regulatory Action

The final rule will be promulgated with the changes made to the proposed rule in response to the public comments. Two of the public comments were not accommodated because they requested changes to the regulations that were not put forward in the proposed rule.

Environmental Impact: Categorical Exclusion

The Commission has determined that this final rule is the type of action described as a categorical exclusion in 10 CFR 51.22(c)(3)(i). Therefore, neither an environmental impact statement nor an environmental assessment has been prepared for this final rule.

Paperwork Reduction Act Statement

This final rule amends information collection requirements that are subject to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.). These requirements were approved by the Office of Management and Budget, approval number 3150-0002.

Because the rule will reduce existing information collection requirements, the public burden for this collection of information is expected to be decreased by 100 hours per licensee. This reduction includes the time required for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments on any aspect of this collection of

information, including suggestions for further reducing the burden, to the Information and Records Management Branch (T-6 F33), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by Internet electronic mail to BJS1@NRC.Gov; and to the Desk Officer, Office of information and Regulatory Affairs, NEOB-10202, (3150-0002), Office of Management and Budget, Washington, DC 20503.

Public Protection Notification

The NRC may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Regulatory Analysis

A discussion of each of the five changes in this final rule is provided above in the supplementary information section. The costs and benefits for each of the changes in this rulemaking are as follows.

1. Search Requirements for On-duty Guards (§ 73.55(d)(1)).

The regulatory burden on licensees will be reduced by eliminating unnecessary weapon searches of guards who are already allowed to carry a weapon on site, which will result in better utilization of licensee resources. There will be no reduction in plant security, and there is no reduction in the total size of the security force. Further, the potential safety risk to personnel caused by removing and handling a guard's weapon will be eliminated.

2. Requirements for Vehicle Escort (73.55(d)(4)).

The regulatory burden on licensees will be reduced by requiring fewer vehicle escorts, which will allow personnel to be utilized more effectively or for other purposes. Resources could be redirected to areas in which they will be more cost effective. The decrease in security will be marginal, because unescorted access will be restricted to vehicles owned or leased by the licensee being driven by personnel with unescorted access.

Assuming the number of such entries of licensee owned or leased vehicles driven by personnel having unescorted access is 10 per day per site, the average time needed for escort is 3 hours, and the cost per hour for security personnel is \$30 (loaded), a rough estimate of the potential savings per site per year is about \$330,000 (10 escorts/day/site x 365 days/year x 3 hrs/escort x \$30/hr). With 75 sites, the savings to the industry per year will be approximately \$24,000,000.

3. Control of Contractor Employee Badges (\$ 73.55(d)(5)).

The regulatory burden on licensees will be reduced by a more effective use of security personnel, who will no longer need to handle badges for contractor personnel who have unescorted access. There will be no reduction in plant security because adequate safeguards will be in place to ensure that badges are properly used and not compromised, and a system such as biometrics is in place to ensure that only the proper person uses the badge to gain access to the protected area.

Assuming that two security persons per working shift change, 5 shifts per day, one hour per shift are relieved from the duties of controlling contractor employee badges during an outage lasting 3 months. Further, assume

~~assuming~~ that the cost per hour for security personnel is \$30 (loaded), a rough estimate of the potential savings per site per year is about \$27,000 (10 hours/day x 90 days/year x \$30 hr). With 75 sites, the savings to the industry per year will be approximately \$2,025,000.

4. Maintenance of Access Lists for Each Vital Area (\$ 73.55(d)(7)(i)(A)).

The regulatory burden on licensees will be reduced because licensees will have to keep only one access list for all vital areas and reapprove it quarterly, rather than keep individual access lists for each vital area that must be reapproved monthly.

Assuming that the time to reapprove each of the individual lists is 1 hour per month, that a combined list will take 1.5 hours per month, that the average number of vital areas per site is 10, and that the cost of a clerk including overhead is \$30 per hour (loaded), a rough estimate of the potential savings per site per year is about \$3,420 [(1x10 vital areas/month x 12 months/yr-1.5x1 combined vital area/quarter x 4 quarters/yr) x \$30/hr]. With 75 sites, the savings to the industry per year will be approximately \$256,500.

5. Key Controls for Vital Areas (\$ 73.55(d)(8)).

The regulatory burden on the licensees will be reduced because fewer resources will be needed to maintain the system.

Assuming that, of approximately 60 locks that are changed each year under the current requirement, half of them were changed because an individual was removed for cause or the lock may have been compromised, 30 locks remain in need of change. Assuming that it takes a locksmith 10 hours to change all 30 locks at a cost (loaded) of \$45 per hour, a rough estimate of the potential

savings per site per year is about \$450 (10 hrs/year x \$45/hr). With 75 sites, the savings to the industry per year will be approximately \$33,750.

Regulatory Flexibility Certification

As required by the Regulatory Flexibility Act as amended, 5 U.S.C. 605(b), the Commission certifies that this final rule, if adopted, will not have a significant economic impact on a substantial number of small entities. This final rule will affect only licensees authorized to operate nuclear power reactors. These licensees do not fall within the scope of the definition of "small entities" set forth in the Regulatory Flexibility Act, or the Small Business Size Standards set out in regulations issued by the Small Business Administration Act, 13 CFR Part 121.

Small Business Regulatory Enforcement Fairness Act

In accordance with the Small Business Regulatory Enforcement Fairness Act of 1996, the NRC has determined that this action is not a major rule and has verified this determination with the Office of Information and Regulatory Affairs, Office of Management and Budget.

Backfit Analysis

The Commission has determined that the backfit rule, 10 CFR 50.109, does not apply to this final amendment because this amendment will not impose new requirements on existing 10 CFR Part 50 licensees. The changes to physical

security are voluntary and should the licensee decide to implement this amendment, will be a reduction in burden to the licensee. Therefore, a backfit analysis has not been prepared for this amendment.

List of Subjects in 10 CFR Part 73

Criminal penalties, Hazardous materials transportation, Export, Incorporation by reference, Import, Nuclear materials, Nuclear power plants and reactors, Reporting and recordkeeping requirements, Security measures.

For the reasons set out in the preamble and under the authority of the Atomic Energy Act of 1954, as amended; the Energy Reorganization Act of 1974, as amended; and 5 U.S.C. 552 and 553; the NRC is adopting the following amendments to 10 CFR Part 73.

PART 73 -- PHYSICAL PROTECTION OF PLANTS AND MATERIALS

1. The authority citation for Part 73 continues to read as follows:

AUTHORITY: Secs. 53, 161, 68 Stat. 930, 948, as amended, sec. 147, 94 Stat. 780 (42 U.S.C. 2073, 2167, 2201); sec. 201, as amended, 204, 88 Stat. 1242, as amended, 1245, sec. 1701, 106 Stat. 2951, 2952, 2953 (42 U.S.C. 5841, 5844, 2297f).

Section 73.1 also issued under secs. 135, 141, Pub. L. 97-425, 96 Stat. 2232, 2241 (42 U.S.C. 10155, 10161). Section 73.37(f) also issued under sec. 301, Pub. L. 96-295, 94 Stat. 789 (42 U.S.C. 5841 note). Section 73.57 is issued under sec. 606, Pub. L. 99-399, 100 Stat. 876 (42 U.S.C. 2169).

2. Section 73.55 is amended by revising paragraphs (d)(1), (d)(4), (d)(5), (d)(7)(i)(A), and (d)(8) to read as follows:

§ 73.55 Requirements for physical protection of licensed activities in nuclear power reactors against radiological sabotage.

* * * * *

(d) * * *

(1) The licensee shall control all points of personnel and vehicle access into a protected area. Identification and search of all individuals unless otherwise provided herein must be made and authorization must be checked at these points. The search function for detection of firearms, explosives, and incendiary devices must be accomplished through the use of both firearms and explosive detection equipment capable of detecting those devices. The licensee shall subject all persons except bona fide Federal, State, and local law enforcement personnel on official duty to these equipment searches upon entry into a protected area. Armed security guards who are on duty and have exited the protected area may reenter the protected area without being searched for firearms. When the licensee has cause to suspect that an individual is attempting to introduce firearms, explosives, or incendiary devices into protected areas, the licensee shall conduct a physical pat-down search of that individual. Whenever firearms or explosives detection equipment at a portal is out of service or not operating satisfactorily, the licensee shall conduct a physical pat-down search of all persons who would otherwise have been subject to equipment searches. The individual responsible

for the last access control function (controlling admission to the protected area) must be isolated within a bullet-resisting structure as described in paragraph (c)(6) of this section to assure his or her ability to respond or to summon assistance.

* * * * *

(4) All vehicles, except under emergency conditions, must be searched for items which could be used for sabotage purposes prior to entry into the protected area. Vehicle areas to be searched must include the cab, engine compartment, undercarriage, and cargo area. All vehicles, except as indicated below, requiring entry into the protected area must be escorted by a member of the security organization while within the protected area and, to the extent practicable, must be off loaded in the protected area at a specific designated materials receiving area that is not adjacent to a vital area. Escort is not required for designated licensee vehicles or licensee-owned or leased vehicles entering the protected area and driven by personnel having unescorted access. Designated licensee vehicles shall be limited in their use to onsite plant functions and shall remain in the protected area except for operational, maintenance, repair, security and emergency purposes. The licensee shall exercise positive control over all such designated vehicles to assure that they are used only by authorized persons and for authorized purposes.

(5) A numbered picture badge identification system must be used for all individuals who are authorized access to protected areas without escort. An individual not employed by the licensee but who requires frequent and extended access to protected and vital areas may be authorized access to such areas

without escort provided that he or she displays a licensee-issued picture badge upon entrance into the protected area which indicates:

- (i) Non-employee no escort required;
- (ii) areas to which access is authorized; and
- (iii) the period for which access has been authorized.

Badges shall be displayed by all individuals while inside the protected area. Badges may be removed from the protected area when measures are in place to confirm the true identity and authorization for access of the badge holder upon entry into the protected area.

* * * * *

(7) * * *

(i) * * *

(A) Establish a current authorization access list for all vital areas. The access list must be updated by the cognizant licensee manager or supervisor at least once every 31 days and must be reapproved at least quarterly. The licensee shall include on the access list only individuals whose specific duties require access to vital areas during nonemergency conditions.

* * * * *

(d)(8) All keys, locks, combinations, and related access control devices used to control access to protected areas and vital areas must be controlled to reduce the probability of compromise. Whenever there is

evidence or suspicion that any key, lock, combination, or related access control devices may have been compromised, it must be changed or rotated. The licensee shall issue keys, locks, combinations and other access control devices to protected areas and vital areas only to persons granted unescorted facility access. Whenever an individual's unescorted access is revoked due to his or her lack of trustworthiness, reliability, or inadequate work performance, keys, locks, combinations, and related access control devices to which that person had access, must be changed or rotated.

* * * * *

Dated at Rockville, Maryland, this ____ day of _____, 1997.

For the Nuclear Regulatory Commission.

John C. Hoyle,
Secretary of the Commission.

ATTACHMENT 4

CONGRESSIONAL LETTER PACKAGE



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

The Honorable James M. Inhofe, Chairman
Subcommittee on Clean Air, Wetlands, Private
Property and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Enclosed for the information of the Subcommittee is a copy of an amendment to 10 CFR Part 73 to be published in the Federal Register.

The amendment deletes certain security requirements associated with an internal threat following NRC's reconsideration of nuclear power plant physical security requirements to identify those that are marginal to safety, redundant, or no longer effective. The effect of this action is to reduce the regulatory burden on licensees without compromising physical protection against radiological sabotage required for public health and safety.

Sincerely,

Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure:
Federal Register Notice

cc: Senator Bob Graham

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OFC	OCA	
NAME	DKRathbun	
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

The Honorable Dan Schaefer, Chairman
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Committee on Commerce
United States House of Representatives
Washington, DC 20515

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Enclosure:
Federal Register Notice

cc: Representative Ralph Hall

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The Honorable Dan Schaefer, Chairman
Subcommittee on Energy and Power
Committee on Commerce
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Enclosed for the information of the subcommittee is a copy of the amendment to 10 CFR Part 73 to be published in the Federal Register.

The amendment deletes certain security requirements associated with an internal threat following NRC's reconsideration of nuclear power plant physical security requirements to identify those that are marginal to safety, redundant, or no longer effective. The effect of this action is to reduce the regulatory burden on licensees without compromising physical protection against radiological sabotage required for public health and safety.

Sincerely,

Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure:
Federal Register Notice

cc: Representative Ralph Hall

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ATTACHMENT 5

PUBLIC ANNOUNCEMENT

PUBLIC ANNOUNCEMENT

The Nuclear Regulatory Commission (NRC) is revising 10 CFR Part 73 to delete certain security requirements associated with an internal threat. This action follows reconsideration by the NRC of nuclear power plant physical security requirements to identify those that are marginal to safety, redundant, or no longer effective. The effect of this action is to reduce the regulatory burden on licensees without compromising physical protection against radiological sabotage required for public health and safety.

The five changes being made are as follows:

1. Under current regulations, armed security guards who leave the protected area as part of their duties must be searched for firearms, explosives, and incendiary devices upon re-entry into the protected area. Because an armed guard carries a weapon on site, passage of the guard through the metal detector, the principal purpose of which is to detect firearms, serves little purpose. This rulemaking allows armed security guards who are on duty and have exited the protected area to reenter the protected area without being searched for firearms (by a metal detector). Unarmed guards and watchpersons will continue to meet all search requirements. All guards will continue to be searched for explosives and incendiary devices because they are not permitted to carry these devices into the plant.

2. The present requirement for a searched vehicle within the protected area to be escorted by a member of the security organization, even when the driver is badged for unescorted access, may not contribute significantly to the security of the plant. Under current regulations, all vehicles must be searched prior to entry into the protected area except under emergency conditions. Further, all vehicles must be escorted by a member of the

security organization upon entry into the protected area except for "designated licensee vehicles." "Designated licensee vehicles" are those vehicles that are limited in their use to onsite plant functions and remain in the protected area except for operational, maintenance, repair, security, and emergency purposes. Under this requirement, vehicles that are not "designated licensee vehicles" must be escorted at all times while in the protected area even when they are driven by personnel with unescorted access. This rule eliminates the requirement for escort of vehicles entering the protected area for work-related purposes provided that these licensee owned or leased vehicles are driven by personnel who have unescorted access.

3. Current regulatory practice allows licensee employees to leave the protected area with their badges if adequate safeguards are in place to ensure that the security of the badge is not jeopardized. Because contractors and licensees are subject to the same programs required for unescorted access, there is no reason to employ more stringent badge control requirements for contractor employees. This rule allows contractor employees to take their badges offsite under the same conditions that apply to licensee employees.

4. Maintaining separate access lists for each vital area and reapproval of these lists on a monthly basis may be of marginal value. At many sites, persons granted access to one vital area also have access to most or all vital areas. Therefore, licensees presently derive little additional benefit from maintaining discrete lists of individuals allowed access to each separate vital area in the facility. This rulemaking replaces separate access authorization lists for each vital area of the facility with a single list of all persons who have access to any vital area. The rulemaking also requires the list to be reapproved quarterly. The reapproval consists of a review to

ensure that the list is up to date and that only those individuals requiring routine access to a vital area are included. Given the relatively low turnover of staff at a site and the requirement for a manager or supervisor to continue to update the list at least every 31 days, conducting this comprehensive reapproval every 31 days is of marginal value.

5. Under current regulation, licensees change or rotate all keys, locks, combinations, and related access control devices at least once every 12 months. Because the rule also requires that these be changed whenever there is a possibility of their being compromised, requiring change at least every 12 months is considered to be only marginal to security. This rulemaking removes the requirement for change every 12 months while retaining the requirement for changing for cause, that is when an access control device has been compromised or there is a suspicion that it may be compromised.

ATTACHMENT 6
SBREFA LETTER



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

Mr. Robert P. Murphy
General Counsel
General Accounting Office
Room 7175
441 "G" Street, N.W.
Washington, DC 20548

Dear Mr. Murphy:

Pursuant to Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996, 5 U.S.C. 801, the Nuclear Regulatory Commission (NRC) is submitting final amendments to the Commission's rules in 10 CFR Part 73. NRC is revising its regulations to delete certain security requirements associated with an internal threat following its reconsideration of nuclear power plant physical security requirements to identify those requirements that are marginal to safety, redundant, or no longer effective. This action will reduce the regulatory burden on licensees without compromising physical protection against radiological sabotage required for public health and safety.

We have determined that this rule is not a "major rule" as defined in 5 U.S.C. 804(2). We have confirmed this determination with the Office of Management and Budget.

Enclosed is a copy of the final rule that is being transmitted to the Office of the Federal Register for publication. This final rule will become effective 45 days after it is published in the Federal Register.

Sincerely,

Dennis K. Rathbun, Director
Office of Congressional Affairs

Enclosure: Final Rule

Mr. Robert P. Murphy
General Counsel
General Accounting Office
Room 7175
441 "G" Street, N.W.
Washington, DC 20548

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Office of Congressional Affairs

Enclosure: Final Rule

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**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

The Honorable Al Gore
President of the United
States Senate
Washington, DC 20510

Dear Mr. President:

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

The Honorable Newt Gingrich
Speaker of the United States
House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

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