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From: Mazza, Jan
Sent: Monday, August 12, 2019 2:08 PM
To: alex@oklo.com; c@oklo.com
Cc: Norman, Robert; Lynch, Steven
Subject: SGI Phone call and draft RAIs
Attachments: Oklo_SGI_Rev1_RAI_Draft_8-12-2019.docx

Hi Caroline and Alex,
I have attached the draft questions that Rob and I would like to discuss during the conference call. I sent a meeting invitation to you for tomorrow at 11:00am ET (8:00am PT) since Alex said that was a good time for you. Can you please confirm that you are available?

Thanks - Jan

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OFFICE OF NEW REACTORS
DRAFT REQUEST FOR ADDITIONAL INFORMATION
REGARDING REQUEST FOR NRC APPROVAL OF
SAFEGUARDS INFORMATION HANDLING AND PROTECTION PLAN, REVISION 1
OKLO, INC.
PROJECT NO. 99902046

The following requests for additional information are based on the U.S. Nuclear Regulatory Commission (NRC) staff's review of Oklo, Inc.'s (Oklo's) Safeguards Information (SGI) Handling and Protection Plan, Revision 1 (Plan). This requested information is necessary to demonstrate Oklo's compliance with Title 10 of the Code of Federal Regulations (10 CFR) Part 73, "Physical Protection of Plants and Materials," and 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities." The response to these requests will inform the NRC's determination on the effectiveness of Oklo's Plan.

- RAI-1** The Regulations in 10 CFR 73.21(a)(1)(i) require licensees to establish, implement, and maintain an information protection system for the protection of SGI. Regulatory Guide 5.79 states that this can be accomplished, in part, by establishing an independent audit of the protection system on a 12-month cycle and establishing a system for SGI-related records review and retention. Section 3, "Performance Requirements," of the Plan (page 7) item (3) states, "Establishes an independent audit of the protection system on a 12-month cycle," item (5) states, "Establishes a system for SGI-related records review and retention," and item (6) states, "Establishes procedures to describe information security violations and appropriate corrective actions."
- a. The reviewer was unable to locate the guidance for establishing an independent audit of the protection system on a 12-month cycle within the Plan as stated in Section 3 of the Plan. Explain the relevance of the referenced entry. Identify the location of that guidance within the Oklo Plan or revise the Plan to include a statement that an independent audit will be established. This information is necessary for the NRC staff to determine that Oklo has processes and procedures in place to prevent the unauthorized disclosure of SGI.
 - b. The reviewer was unable to locate the guidance for establishing a system for SGI-related records review and retention within the Plan as stated in Section 3 of the Plan. It is unclear to the NRC staff whether the referenced entry is intended to mean, "Protection of information" as prescribed by 10 CFR 73.57(f)," as it relates to fingerprint criminal history records, or if the Plan's reference is intended to imply a broader application to all SGI-related documents and records as would be prescribed by 10 CFR 73.22(a) and 10 CFR 73.22(i). Identify the location of that guidance within the Oklo Plan or revise the Plan to reflect the true meaning for "SGI-related records review and retention." This information is necessary for the NRC staff to determine that Oklo has processes and procedures in place to protect fingerprint criminal

history records, or if Oklo intended to broaden the scope of the "SGI-related records review and retention" section of the Plan.

- c. Section 3 (paragraph 2) of the Plan makes reference to the initiation of an inquiry, by the SGI Manager, for suspected unauthorized disclosures involving SGI. It also makes reference to the documentation of that inquiry into a safeguards events log. Clarify whether the SGI Manager or other Oklo member would take any action, as a result of the inquiry, beyond documenting the results of the inquiry. Describe what impact, if any, can the results of an inquiry have on an Oklo member's access or potential access to SGI. 10 CFR 73.22(b). This information is necessary for the NRC staff to determine that Oklo has processes and procedures in place to maintain strict control of SGI in order to prevent unintentional disclosure to unauthorized individuals.

RAI-2 The Regulations in 10 CFR 73.21(a)(1)(i) require licensees to establish, implement, and maintain an information protection system for the protection of SGI. Section 5.5, "Safeguards Organization (paragraph 1) of the Plan states, "The Chief Operating Officer at Oklo will appoint a Safeguards Manager, who will be responsible for maintaining and enforcing the Plan. The Safeguards Manager may also serve as the reviewing official (see Section 5.3), and otherwise must be approved for SGI access by the reviewing official." Section 5.5 (paragraph 2) of the Plan states, "The Safeguards Manager will be responsible for training Oklo employees and contractors who have been approved for SGI access to properly handle SGI according to the Plan."

- a. The NRC has issued Orders to entities who seek access to Safeguards Information (e.g., EA-06-203) stating that, "The reviewing official can only make SGI access determinations for other individuals but cannot approve other individuals to act as reviewing officials. Only the NRC can approve a reviewing official; therefore, if a Licensee wishes to have a new or additional reviewing official, the NRC must approve that individual before he/she can act as a reviewing official," (ADAMS Accession No. ML061510049). Upon the completion of its review of the Oklo Plan, similar Orders will be issued to Oklo. Clarify the responsibilities of the SGI Manager and Reviewing Official. Update the Plan, as necessary.
- b. Will Oklo employees, that do not have access to SGI, receive training on immediate actions to take in the event that they overhear information that is said to be SGI, or if they discover a SGI document of open security container that is unattended. 10 CFR 73.21(a)(1) state that any person that acquires SGI shall ensure that it is protected against unauthorized disclosure. Absent that level of awareness, how will all Oklo staff be made aware of their responsibilities as it relates to SGI?

This information is necessary for NRC staff to determine that Oklo has the appropriate organization in place with clear demarcation of responsibilities, as well as the procedures needed to address a situation where SGI is unintentionally disclosed to unauthorized individuals.

RAI-3 Section 6 of the Plan states that Oklo may use "option 1 or option 3, without further approval from the NRC. Contingent upon the issuance of an NRC Order that's related to certain SGI, NRC approval would be needed before the use of option 3 can be employed. 10 CFR 30.9 (Not a question, but rather an informational statement).