

**STATEMENT FOR PEACH BOTTOM HEARING
OCTOBER 16, 2007**

Good morning. I am Marsha Gamberoni, Director, Division of Reactor Safety in the Region I office of the U. S. Nuclear Regulatory Commission. With me is Marjorie McLaughlin, our State Liaison Officer.

The NRC has the responsibility for regulatory activities related to radiation protection and nuclear safety for nuclear facilities and for protection of the common defense and security related to uses of radioactive materials. Our headquarters is located in Rockville, Maryland and we have four Regional offices. My office, Region I is located in King of Prussia and is responsible for conducting inspection, enforcement, investigation, licensing and emergency response programs for nuclear reactors, fuel facilities, and material licensees within the northeast United States. We provide continuous oversight of 16 nuclear reactor sites (26 operating reactors) through our Reactor Oversight Process to verify that they are operated in accordance with the rules and regulations.

I am here this morning to provide a brief overview of our findings from an inspection we recently conducted at the Peach Bottom nuclear power plant.

The NRC takes our responsibilities seriously for ensuring NRC licensees maintain effective programs for safety, security, and emergency preparedness. Many changes have occurred post 9-11. Although we have limits on disclosure of security-related information, we are being as open as possible. We must balance the goal of openness with the need to ensure the continued safe and secure operation of the Peach Bottom Nuclear Power Plant.

On Sept. 20th, the NRC announced that we were sending an Augmented Inspection Team, also known as an AIT, to Peach Bottom to look into information that security officers at the facility may have been inattentive while on duty. An Augmented Inspection is one type of reactive inspection that the NRC conducts. This inspection augments our baseline or routine inspections that we conduct as part of our Reactor Oversight Process. We developed a specific charter and objectives for this review.

We made the determination to conduct an AIT after videos surfaced showing several plant guards apparently sleeping when they were supposed to be ready to respond to a security event at the facility.

Our inspection, which involved eight NRC staff with different technical and investigative backgrounds, was concluded on Sept. 28th.

I'll mention that we communicated our inspection activities with both the Commonwealth of Pennsylvania and the State of Maryland. An engineer from the Pennsylvania Department of Environmental Protection observed the inspection.

I'd now like to summarize the preliminary results of the NRC's initial review:

- We have confirmed that multiple security guards were inattentive on multiple occasions. The guards involved were stationed in what is known as a plant "ready room," that is, a room where guards are stationed so that they could be called upon if needed.

■ We have found that Exelon, the company that operates Peach Bottom, did not do a good enough job of getting across the message that inattentiveness would not, in any way, shape or form, be tolerated. Also, we have determined that there were missed opportunities by security supervisors and by the plant's Behavioral Observation Program to identify inattentiveness. Further, we believe the company failed to provide sufficient stimuli for the guards.

■ We did not find that security was significantly degraded as a result of the guard inattentiveness. It is important to note that nuclear power plants do not rely on a single guard or set of guards. Rather, security is maintained via a foundation of overlapping and integrated defensive strategies. The guards in question were just one part of the plant's security program. Although our reviews are ongoing, at this time we have confirmed the security program at Peach Bottom provided reasonable assurance that the health and safety of the public was adequately protected at all times.

■ We have learned that overtime was apparently not a factor in the inattentiveness.

and

■ We have found that Exelon has instituted prompt corrective actions in response to the inattentiveness issues identified. These include regular and random checks on guard alertness, changes in the configuration of the plant ready room, and training on expectations.

The extra steps that have been taken will strengthen the defensive strategy.

We held a public meeting with Exelon on October 9th near the site and provided the results I just covered. Following the business portion of the meeting we addressed questions from members of the public. Within 30 days of the meeting, we will issue a report summarizing our findings.

But the NRC has more work to do and we recognize that. Our overall review of the guard inattentiveness issue is ongoing. In line with that, we have sent a letter to Exelon asking for more information on issues related to inattentiveness and the willingness of staff to raise concerns within the contractor and licensee organizations. In addition, we are awaiting the company's root cause analysis of the issues, which we will independently review. We will be performing a follow-up inspection in the near future to review Exelon's root cause analysis and determine our regulatory position. We will also review the implementation of the announced transition to an in-house security force.

On a related note, we have sent an advisory to the nuclear industry, reminding it of its need to adhere to requirements for effective processes and procedures to be in place, to make certain, individuals performing security duties are ready, at a moment's notice, to carry out those responsibilities. On a national basis, the NRC resident onsite inspectors have conducted additional reviews at each site. At Peach Bottom there are two full time resident inspectors stationed at the site.

The bottom line is that the NRC considers it thoroughly inexcusable for a guard to be unprepared to respond to a plant event at any time. In the past, we have issued fines and notices of violations for inattentiveness.

Going forward, we will continue our reviews to understand the cause and extent of inattentiveness issues. We also need to explore the reasons why these issues are not effectively raised or identified by Wackenhut or Exelon. As you know a previous concern about inattentive security officers at Peach Bottom was raised to the NRC in March of 2007. Those concerns were reviewed and could not be confirmed. A self-assessment and independent review of the NRC Region's and Exelon's handling of the issues are being conducted.

With that, I am now ready to take your questions regarding our review of this issue.