

**Statement of**  
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**Before the**  
**United States Senate**  
**Committee on Environment and Public Works**  
**Subcommittee on Clean Air and Nuclear Safety**

**Security of Our Nation's Nuclear Plants**

**February 28, 2008**

Mr. Chairman and Members of the Committee, I am Chris Crane, Executive Vice President of Exelon Corporation and Chief Operating Officer of Exelon Generation. Thank you for the opportunity to appear before you today to discuss the security of the nation's commercial nuclear power plants. While others will provide the Committee with a broad industry perspective, I want to discuss what we are doing to ensure that Exelon's nuclear plants are safe, and why the public can have complete confidence in our continued ability to protect our plants.

**BACKGROUND**

Exelon Generation is the largest owner and operator of commercial nuclear power plants in the United States. We have 17 reactors at 10 sites in Illinois, Pennsylvania and New Jersey. Exelon Nuclear employs over 7,000 highly skilled and dedicated people, including many who live within the 10-mile emergency planning zone around our plants. In addition, over a thousand security personnel are employed to protect these plants 24 hours a day. I would like to stress that although we had a security related issue at Peach Bottom that was completely unacceptable, that event should not disparage the excellent work that is being performed by the thousands of dedicated employees at Exelon each and every day. I am extremely proud of the efforts of these individuals.

Exelon's nuclear plants – and the other U.S. commercial nuclear reactors – continue to be the best-protected industrial facilities in the United States. Since the events of 9/11, Exelon alone has spent in excess of \$160 million in security enhancements, and we have added many additional security officers to each of our plants.

Exelon is also proud of our sustained performance and continued commitment to safety and operating excellence. Our plants are among the industry best in terms of capacity factor and safe operation. These high capacity factors ensure that we can provide economic and reliable electricity to millions of consumers. But more than production, safety is “priority one” for all of us.

## SECURITY AT PEACH BOTTOM

It is because of our strong commitment to safety that I was outraged and extremely disappointed when I saw a video that showed clear images of sleeping security guards in a ready room at our Peach Bottom Atomic Power Station in Pennsylvania. I will explain what our investigation revealed and the actions that we have taken, but first I would like to spend a moment describing the ready room and the duties of the security personnel who work in that room.

Contrary to some of the published reports, the ready room is not a guard post. Instead, the ready room can best be described as a staging area for security personnel that would respond to assist the team that is actually at physical posts in the event of an incident. Some compare it to individuals on duty at a firehouse. And although the overall security of the plant and the health and safety of the public were never at risk due to the extensive “defense in depth” security structure at the plant, such behavior on the part of our security officers is contrary to Exelon standards and expectations and is completely unacceptable. Equally disturbing was the realization that a “subculture” existed where this behavior was tolerated and accepted among certain members of the security guard force. We have since taken specific and aggressive steps to address these issues.

Upon becoming aware of this issue, we launched a comprehensive investigation at Peach Bottom and immediately made changes in site security procedures to ensure that our security officers are attentive and focused on their duties at all times. Those changes included increasing the number of management and supervisory oversight checks at various locations (e.g., ready rooms and bullet resistant enclosures), increasing the randomness of communication radio checks at guard posts, and installing video cameras in the ready rooms that provide continuous live feeds to security shift supervision.

To begin to address the cultural issue, on September 21, Exelon terminated its contract with Wackenhut to provide and manage security services at Peach Bottom, and we began a careful screening process to determine which Peach Bottom officers met our standards and should be hired as part of the new Exelon Nuclear Security organization. On November 1, after completing this screening process, we welcomed the new security officers into Exelon Nuclear, emphasizing to each and every officer our specific expectations for them to embrace Exelon’s values and performance standards. These standards include

safety, integrity and accountability and, as with all Exelon Nuclear employees, the requirement that they embrace the imperative to continually challenge others and question what does not seem right to ensure that our organization continues to improve.

To ensure the continued commitment to these values and that our expectations are met, we have applied our proven Exelon Nuclear Management Model to the new security organization and have established our own standards of operation. We now manage our own security force at Peach Bottom and are in the process of transitioning to a similar structure at the rest of our nuclear facilities. The hallmark of our management model is a high level of accountability both for managers and employees. It is the framework that is the cornerstone of our entire business.

Our actions at Peach Bottom are working to ensure that a culture exists within our security organization where individuals feel free to raise issues of importance to our company. We recently asked an independent third party to conduct an assessment of the safety conscious work environment within our security organization. This assessment identified that the safety conscious work environment within Peach Bottom Security ranked in the top industry quartile. Importantly, every one of the safety conscious work environment survey respondents indicated they would inform management or would document a potential nuclear safety issue or concern. We performed an extensive and detailed review of that independent assessment and are taking several additional actions to further enhance the Peach Bottom Security safety conscious work environment. These actions include continuous communications on the importance of identifying and then fixing the problems.

Management engagement with security officers at Peach Bottom has significantly improved to ensure our expected standards, behaviors and attentiveness is being met. We have increased the oversight performed by our senior plant personnel at key security locations. In addition, key security personnel will provide oversight and interact directly with the guard force both day and night. This will ensure (1) direct observation of the work, (2) face-to-face communication with the security officers to ensure that concerns are addressed on a timely basis, (3) effective use of the corrective action program, and (4) increased trust between management and the workforce.

The security transition at Peach Bottom has gone well. The security officers feel that they are a part of the Exelon and Peach Bottom team. We have high expectations for these individuals, and they are meeting those expectations. We will not tolerate less than top performance.

## EXELON SECURITY FLEET WIDE

Following the Peach Bottom event, we determined that we could manage security and ensure accountability in a more effective way across our entire fleet by providing more direct oversight. As we have already done at Peach Bottom, we are in the process of bringing “in-house” the security operations at all of our nuclear plants. This security transition at our other nine nuclear plants is being phased in and is scheduled for completion in July of this year.

Even prior to implementing the transition, we have made changes to modify our fleet-wide procedures and conduct training to emphasize compliance, expectations and awareness. We have also shortened security post rotations, conducted an assessment of each security post and facility to determine if conditions could negatively impact attentiveness or vigilance, and implemented appropriate mitigation measures where necessary. In addition, to verify the effectiveness of these changes, security shift management conduct random security post checks twice per shift.

As has always been the case, the design and operation of each of our plants include a “defense in depth” approach. The security officers are highly trained paramilitary personnel who are qualified in force protection and anti-terrorism techniques. Extensive physical barriers and fencing limit access to the plant and the reactor. In addition, the containment building, the reactor vessel and the nuclear fuel itself serve as additional layers of protection against any release of radiation to the public. These multiple layers of defense, along with the guard force, protect the public from any potential exposure to radiation.

## ALLEGATION REVIEW PROCESS

Before concluding, I would like to comment on the review process for all allegations that are referred to us from the NRC. On average, we receive 28 referred allegations per year at our 10 sites. We substantiate or partially substantiate, on average, six allegations per year, suggesting that we do not shy away from substantiating referred allegations.

As you have heard, we had an opportunity to address the inattentiveness issue at Peach Bottom in late April, when the NRC referred to us an allegation stating that “Peach Bottom security officers were sleeping while on duty in the bullet resistant enclosures (BREs), and in other areas, due to fatigue from working excessive overtime and from not being able to adjust to 12 hour shift schedules.” We investigated that allegation and were not able to substantiate the concern. That is regrettable. However, had we had the videotape at that time, I assure you that we would have acted on that information with as much rigor as we did when we ultimately were told that there were guards sleeping in the “ready room” and subsequently obtained the video.

We have always used a robust, proceduralized allegation review and response process containing many checks and balances to ensure that all referred allegations are thoroughly evaluated. For example, all NRC-referred allegations are reviewed with corporate senior management. This team includes senior management in Licensing and Regulatory Affairs, Human Resources, Nuclear Oversight and the Legal department. This group ensures independence and helps establish scope and depth.

Qualified investigators are then appointed that are both independent from the organization where the issue is alleged and are technical experts in the area of concern. Our procedure contains guidance for the investigators in preparing for and conducting their investigations. This guidance requires that investigations must be of sufficient depth to establish the scope of the problem and to identify potential generic implications. The scope must be sufficient to ascertain if the problem is systemic in nature. Once the investigation is concluded, Licensing performs an independent challenge of the facts presented by the investigators. Senior management then reviews the report. If the allegation is validated, appropriate corrective actions are identified and tracked in our corrective action system.

As a result of the issue at Peach Bottom, we have taken steps to revise our procedure, including a revision to ensure that the population of individuals interviewed (e.g., shifts, teams, crews, departments) is adequate to determine if the problem is isolated to a specific shift/team/crew or if it is present at the department or site level.

## CONCLUSION

Exelon is committed to the safe operation of our plants and to providing strong security programs at each site. We have devoted, and will continue to devote, significant financial and personnel resources to assuring that our sites comply fully with all NRC requirements. In addition, we have established high performance expectations for our security forces. Those performance expectations include notifying management immediately of any concerns regarding the performance of their colleagues. We continue to work closely with the NRC and with federal, state and local law enforcement agencies to ensure that we have a fully integrated plan to respond to events and guarantee effective security at our sites.

Mr. Chairman and Members of the Committee, thank you again for the opportunity to appear before you today. I look forward to answering any questions that you may have.