U.S. Nuclear Regulatory Commission Fiscal Year 2017 Fundamental Classification Guidance Review

A Report to the Information Security Oversight Office

Office of Nuclear Security and Incident Response
Division of Security Operations
Information Security Branch

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U.S. Nuclear Regulatory Commission

Office of Nuclear Security and Incident Response

Message from the Senior Agency Official

In all of its work, the U.S. Nuclear Regulatory Commission (NRC) adheres to the organizational values of integrity, service, openness, commitment, cooperation, excellence, and respect. These organizational values serve as the foundation for the agency's information security program and were integral to the success of the NRC's fiscal year (FY) 2017 fundamental classification guidance review (FCGR).

The protection of information under the Commission's purview that is critical to our Nation's security lies firmly in the integrity of the agency's classification guidance. As such, the NRC develops and maintains its classification guidance to promote a common understanding and consistent application of the topics contained therein and to dispel any misunderstanding or alternate interpretations that may result in over-classification or under-classification. In the agency's effort to be open and transparent and to serve those impacted by the Commission's work, the NRC recognizes that over-classification of information, application of unduly restrictive durations of classification, and failure to promptly declassify information interfere with the public's right to know the business of its Government. In upholding its commitment to public health and safety, security, and the environment, the NRC acknowledges that the publication and routine review of its classification guidance prevents the under-classification of information, which compromises the national security.

The NRC effectively cooperates in the planning, development, and management of classification guidance, including coordination with other Federal agencies and stakeholders, as appropriate. The NRC respects differing views and encourages classification challenges to ensure that the agency is adhering to the spirit and intent of Executive Order 13526, "Classified National Security Information," dated December 29, 2009, (hereafter referred to as the Order) and its implementing directive. In the pursuit of excellence, the agency will continue to maintain a comprehensive set of classification guides and bulletins that clearly articulate what information under the Commission's purview is classified and the appropriate duration of classification.

This periodic review provides the NRC with an opportunity to reflect on the quality of the agency's classification guidance and to initiate continued improvement. The results and ongoing activities detailed in this report improve the quality of the NRC's information security program.

Sincerely,

/RA/

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U.S. Nuclear Regulatory Commission

Office of Nuclear Security and Incident Response

Executive Summary

Review Overview

In completing the FY 2017 FCGR, the NRC conducted a review of the adequacy of its existing classification guidance and emergent classification needs. During the review process, the NRC considered whether information in the agency's classification guides and bulletins should retain its current level of classification or whether any information should be downgraded or declassified. The NRC also considered whether the current duration of classification is appropriate and whether any exemptions from automatic declassification were valid. The NRC verified that each classification guide or bulletin included the general content required by Title 32 of the *Code of Federal Regulations* (CFR) 2001.15, "Classification guides."

The FY 2017 FCGR included an examination of recent classification decisions with a focus on ensuring that classification decisions reflect the intent of the guidance with regard to what information is classified, the appropriate level of classification, the duration of classification, and the associated classification markings. When applicable, the NRC collaborated with other Federal agencies on joint classification guidance and classification guidance that affected another agency's equities. In addition to reviewing the content of the agency's existing classification guidance, the NRC also assessed the adequacy of its processes for developing, maintaining, and disseminating classification guidance under the scope of the FY 2017 FCGR.

Results in Brief

The NRC reviewed 7 of its 13 existing classification guides and bulletins as part of the FY 2017 FCGR and determined that the agency's guidance appropriately implements the standards for classification under Section 1.4 of the Order and an assessment of likely damage under Section 1.2 of the Order. Within the past 5 calendar years (CYs), the NRC had reviewed 4 of its 13 active classification guides and determined that subsequent review was not required during the FY 2017 FCGR. In accordance with the results from the FY 2012 FCGR, the NRC canceled its participation in one joint agency classification guide, which required no additional review during the FY 2017 FCGR. One existing classification guide was neither reviewed during the FY 2017 FCGR nor reviewed within the past five CYs. While the NRC has initiated a review of this classification guide, the review is still in progress and no definitive results were available for publication in this report. Although the FY 2017 FCGR did not result in the consolidation of any classification guides or bulletins, the NRC's systematic review of its existing classification guidance identified the need to develop and publish two new classification guides during the FY 2017 FCGR. At the conclusion of the FY 2017 FCGR in May 2017 the agency had 14 active classification guides and bulletins.

Although the FY 2017 FCGR determined that the NRC's classification guidance conforms to current operational and technical circumstances, the review provided the agency with an opportunity to revise seven existing classification guides and bulletins to promote a common understanding and consistent application of the guidance and to dispel any misunderstanding or alternate interpretations that may result in over classification or under-classification. Of the 7 revised classification guides and bulletins, the NRC modified the classification duration associated with 43 topics in 3 of the NRC-authored classification guides and bulletins. Specifically, the NRC removed exemptions from automatic declassification and changed the duration of classification for 41 classified topics in 2 of the 3 classification guides and bulletins. Additionally, the NRC changed two topics in the third classification guide from classified to unclassified.

In its review of the program against the "Scope and Best Practices" provided by the Information Security Oversight Office in its incoming tasking, the NRC identified several areas of improvement. Specifically, the FY 2017 FCGR determined that an index of classification guidance was necessary to ensure that communication about active classification guidance is appropriate, timely, and effective and to facilitate the dissemination of classification guidance, as needed. The FCGR also identified the need to revise the naming convention for the short name of NRC-authored classification guides and bulletins to eliminate confusion with classification guidance issued by other Federal agencies. During the course of the FCGR, the NRC wrote a procedure for the creation and maintenance of agency classification guidance to ensure consistency in the creation of guidance in accordance with the applicable Federal requirements and NRC policy. Although the NRC has concluded the FY 2017 FCGR, the NRC staff continues to engage in training and education related to its classification program, conduct periodic reviews of its existing classification guidance, and evaluate user needs for new or revised classification guidance.

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ABBREVIATIONS AND ACRONYMS

ADAMS	Agencywide Documents Access and Management System
CB	classification bulletin
CFR	*Code of Federal Regulations*
CG	classification guide
CI	counterintelligence
CY	calendar year
DBT	design-basis threat
DHS	U.S. Department of Homeland Security
DOE	U.S. Department of Energy
FCGR	fundamental classification guidance review
FY	fiscal year
ISCAP	Interagency Security Classification Appeals Panel
ISOO	Information Security Oversight Office
ITP	insider threat program
NITTF	National Insider Threat Task Force
NRC	U.S. Nuclear Regulatory Commission
NSI	national security information
SGI	Safeguards Information
TSCM	technical surveillance countermeasures
UCNI	unclassified controlled nuclear information
USEC	United States Enrichment Corporation

I. BACKGROUND

Section 1.9 of the Order directs agency heads to complete a comprehensive review of agency classification guidance, particularly classification guides, to ensure that they reflect current circumstances and to identify classified information that no longer requires protection and, therefore, can be declassified. In accordance with the Order, on March 17, 2016, William A. Cira, the Acting Director of the Information Security Oversight Office (ISOO), tasked the NRC with performing an FCGR in FY 2017.

In accordance with 32 CFR 2001.16(b), at a minimum, reviews must do the following:

- Determine whether the guidance conforms to current operational and technical circumstances.

- Determine whether the guidance meets the standards for classification under Section 1.4 of the Order and an assessment of likely damage under Section 1.2 of the Order.

- Determine whether the dissemination and availability of the guidance are appropriate, timely, and effective.

- Examine recent classification decisions to ensure that classification decisions reflect the intent of the guidance as to what information is classified, the appropriate level of classification, the duration of classification, and associated classification markings.

Additional best practices considered for the review included the following:

- Consider whether information must retain its current level of classification or if it should be downgraded or declassified.

- Consider whether the duration of classification is appropriate and whether the exemption should still apply to information currently exempted from automatic declassification.

- Determine with specificity what information no longer requires protection.

- Reflect past declassification decisions (e.g., those under automatic declassification and those in response to requests under the Freedom of Information Act and Mandatory Declassification Review) in updated classification/declassification guidance.

- Cross-reference information with other guides, both within and outside the agency. (Agencies should make every effort to determine whether multiple guides contain the same classified information. In these instances, instructions should be the same or should highlight any differences, making distinctions in guidance readily known and apparent. Additionally, the guides should cite the cross-referenced guides.)

- Incorporate recent original classification decisions in appropriate security classification guides.

II. METHODOLOGY

The NRC's Office of Nuclear Security and Incident Response, Division of Security Operations, Information Security Branch (hereafter referred to as the Information Security Branch), is responsible for management and oversight of the agency's classified information security program. Upon receipt of the assignment from ISOO in March 2016, the NRC's senior agency official tasked the Information Security Branch with leading a review of the NRC's existing classification guidance and emergent classification needs.

The Information Security Branch initiated the FY 2017 FCGR by querying NRC staff members who have derivative classification authority and subject matter experts about the adequacy of the agency's existing classification guidance. When staff determined that a revision or development of classification guidance was necessary, the Information Security Branch convened individual working groups unique to each topic or subject area. Working groups included subject matter experts and derivative classifiers from NRC headquarters and regional facilities; users of classification guidance, both internal and external to the NRC, including NRC licensees; and other government agencies, as appropriate. In accordance with ISOO's incoming tasking guidance, working groups balanced the contributions of subject matter experts with sufficient experience in narrow specializations with the participation of management and staff within the Information Security Branch who have a broader organizational vision of the NRC's classification program. Working groups had sufficient authority to obtain the information they required and the formality to enforce deadlines and compliance, while having enough flexibility to adapt to the unforeseeable outcomes of research and discussion.

During the review process, the NRC considered whether information contained in the agency's classification guides and bulletins should retain its current level of classification or whether any information should be downgraded or declassified. The NRC also considered whether the current duration of classification is appropriate and whether any exemptions from automatic declassification were valid. In accordance with 32 CFR 2001.15, "Classification guides," the NRC verified that each classification guide or bulletin, at a minimum:

- Identifies the subject matter of the classification guide or bulletin.

- Identifies the original classification authority by name and position, or personal identifier.

- Identifies an agency point-of-contact or points-of-contact for questions regarding the classification guide or bulletin.

- Provides the date of issuance or last review.

- States precisely the elements of information to be protected.

- States which classification level applies to each element of information, and, when useful, specify the elements of information that are unclassified.

- States, when applicable, special handling caveats.

- States a concise reason for classification which, at a minimum, cites the applicable classification category or categories in section 1.4 of the Order.

- Prescribes a specific date or event for declassification, the marking ''50X1–HUM'' or ''50X2–WMD'' as appropriate, or one or more of the exemption codes listed in 32 CFR 2001.26(a)(2), provided that:

    1. the exemption has been approved by the Interagency Security Classification Appeals Panel (ISCAP) under section 3.3(j) of the Order;

    2. the ISCAP is notified of the intent to take such actions for specific information in advance of approval and the information remains in active use; and

    3. the exemption code is accompanied with a declassification date or event that has been approved by the ISCAP.

The FY 2017 FCGR included an examination of recent classification decisions with a focus on ensuring that classification decisions reflect the intent of the guidance as to what is classified, the appropriate level of classification, the duration of classification, and associated classification markings. The review also dispositioned recent "Classification Issue/Comment Sheets" submitted by users of the agency's various classification guides and bulletins. When applicable, the Information Security Branch collaborated with other Federal agencies on joint classification guidance and classification guidance that affected another agency's equities. In addition to reviewing the content of the agency's existing classification guidance, the Information Security Branch also assessed the adequacy of the NRC's processes for developing, maintaining, and disseminating classification guidance under the scope of the FY 2017 FCGR.

The NRC apprised ISOO of its progress during the FCGR and gave ISOO detailed periodic updates in written correspondence on October 25, 2016 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML16231A351), and February 15, 2017 (ADAMS Accession No. ML17013A411). Additionally, during the FY 2017 FCGR, ISOO conducted an onsite review of the NRC's Classified National Security Information Program from March 6–10, 2017. The NRC incorporated ISOO's observations and recommendations for the agency's classification and declassification guidance into the activities of the FY 2017 FCGR.

III. RESULTS

At the time the NRC received the incoming tasking from ISOO to conduct an FY 2017 FCGR in March 2016, the agency maintained 13 active classification guides and bulletins, including 7 joint agency classification guides. The NRC staff reviewed 7[1] of the agency's 13 classification guides and bulletins under the scope of the FY 2017 FCGR. Because of resource constraints, the NRC focused its review efforts on those classification guides and bulletins that had not been reviewed in the past five CYs. Within the past 5 CYs, the NRC had reviewed 4 of its 13 active classification guides and determined that subsequent review was not required during the FY 2017 FCGR. In accordance with the results from the FY 2012 FCGR, the NRC canceled its participation in one joint agency classification guide, which required no additional review during the FY 2017 FCGR. One existing classification guide was neither reviewed during the FY 2017 FCGR nor reviewed within the past five CYs. While the NRC has initiated a review of this classification guide, the review is still in progress and no definitive results were available for publication in this report. Although the FY 2017 FCGR did not result in the consolidation of any classification guides or bulletins, the NRC's systematic review of its existing classification guidance identified the need to develop and publish two new classification guides during the FY 2017 FCGR. At the conclusion of the FY 2017 FCGR in May 2017 the agency had 14 active classification guides and bulletins.

The FY 2017 FCGR determined that the NRC's guidance meets the standards for classification under Section 1.4 of the Order and an assessment of likely damage under Section 1.2 of the Order. Although the FY 2017 FCGR determined that the NRC's classification guidance conforms to current operational and technical circumstances, the review gave the agency an opportunity to revise seven existing classification guides and bulletins. The NRC identified that revisions to existing classification guidance were necessary to promote a common understanding and consistent application of the guidance and to dispel any misunderstanding or alternate interpretations that may result in over-classification or under-classification. Of the 7 revised classification guides and bulletins, the NRC modified the classification duration associated with 43 national security information (NSI) topics contained in 3 of the NRC-authored classification guides and bulletins. Specifically, the NRC removed exemptions from automatic declassification and changed the duration of classification for 41 classified topics in 2 of the 3 classification guides and bulletins. Additionally, the NRC changed two topics in the third classification guide from classified to unclassified. The information in this section describes the NRC's revisions to existing classification guidance, cancellation of existing classification guidance, and development of new classification guidance.

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[1] In the NRC's periodic updates to ISOO on the status of the FY 2017 FCGR, the agency reported an increased number of classification guides and bulletins reviewed. These updates incorrectly included the cancellation of the NRC's participation in CG-PGD-5, "Joint NRC/DOE Classification Guide for Uranium Isotope Separation by the Gaseous Diffusion Process," dated December 1995, as a result of the FY 2012 FCGR. In addition, the updates incorrectly included the two new classification guides developed as a result of the FY 2017 FCGR (CG-NRC-CI-1, "Classification Guide for the United States Nuclear Regulatory Commission Counterintelligence Program," issued June 16, 2016, and CG-NRC-ITP-1, "Classification and Designation Guide for the United States Nuclear Regulatory Commission Insider Threat Program," issued August 30, 2016).

Revision of Existing Classification Guidance

In accordance with the instructions provided by ISOO for the FY 2017 FCGR, the NRC systematically reviewed three of its existing NRC-authored classification guides and bulletins, and subsequently issued the following revised classification guidance in CY 2016 and CY 2017:

- **CB-NRC-DBT-1, "Classification Guidance for the U.S. Nuclear Regulatory Commission Theft or Diversion Design Basis Threat for Category I Fuel Cycle Facilities"**

  Review of CB-DBT-1, "Classification Guidance for the U.S. Nuclear Regulatory Commission Theft or Diversion Design Basis Threat for Category I Fuel Cycle Facilities," issued March 2, 2016, determined that the guidance conforms to current operational and technical circumstances and meets the standards for classification under Section 1.4 of the Order and an assessment of likely damage under Section 1.2 of the Order. Based on operational feedback from NRC staff, and in an effort to align with the classification guidance provided by other federal agencies, the NRC reviewed and, where necessary, updated the classification guidance provided in CB-DBT-1. On January 11, 2017, the NRC issued Change 1 to CB-NRC-DBT-1[2], "Classification Guidance for the U.S. Nuclear Regulatory Commission Theft or Diversion Design Basis Threat for Category I Fuel Cycle Facilities," to promote a common understanding and consistent application of the classification guidance in CB-DBT-1 and to dispel any misunderstanding or alternate interpretations that may result in over-classification or under-classification. Change 1 to CB-NRC-DBT-1 cross-references the related classification guidance, making distinctions in guidance readily known and apparent.

  During the onsite review of the NRC's Classified National Security Information Program in March 2017 the ISOO team identified an error in the declassification instructions associated with the classified topics in Change 1 to CB-NRC-DBT-1. Specifically, 28 NSI topics in Change 1 to the classification bulletin instructed derivative classifiers to apply a 25X8[3] exemption from automatic declassification at the onset of classification. The declassification event for each of the aforementioned 28 NSI topics in Change 1 to CB-NRC-DBT-1 occurs when the DBT element addressed by the topic is superseded and no vulnerabilities exist as a result of changing to the superseded topic.

  In accordance with 32 CFR Part 2001, "Classified National Security Information," approved declassification guides are the sole basis for the exemption from automatic declassification of specific information as provided in Section 3.3(b) of

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[2] The short name of the classification bulletin was changed from CB-DBT-1 to CB-NRC-DBT-1 to align with the NRC's updating naming convention for NRC-issued classification guidance.

[3] In accordance with the Order and 32 CFR Part 2001, 25X8 is the exemption applicable to information, the release of which should clearly and demonstrably be expected to reveal information that would seriously impair current national security emergency preparedness plans or reveal current vulnerabilities of systems, installations, or infrastructures relating to the national security.

the Order. Additionally, declassification guides are the sole basis for the continued classification of information under Section 3.3(h) of the Order. At the time of ISOO's onsite review, the NRC's current declassification guide approved by the ISCAP, dated November 2012, allowed the agency to exempt "certain NRC information concerning the DBT that has cumulatively retained credibility and could lead an adversary to the current protection level" from automatic declassification after 25 years under Section 3.3(b)(8) of the Order. However, the current ISCAP-approved declassification guide does not allow the NRC to incorporate exemptions from automatic declassification into its classification guidance under Section 2.2(e) of the Order. Specifically, at this time, the NRC does not have the authority to exercise the ISCAP-approved 25X8 exemption at the onset of classification. Rather, the NRC can only exercise the ISCAP-approved 25X8 exemption at the time that classified information is reviewed for automatic declassification.

As a result, on April 4, 2017, the NRC published and disseminated clarifying declassification guidance associated with CB-NRC-DBT-1 that instructs derivative classifiers to use a declassification date of January 11, 2042, for the 28 applicable NSI topics. The declassification date of January 11, 2042, is 25 years from the date of signature of the classification bulletin, the longest classification duration allowable at the onset of classification under 32 CFR Part 2001. At the time the documents classified against CB-NRC-DBT-1 become eligible for automatic declassification, the NRC can apply the aforementioned 25X8 exemption, if necessary, as authorized in the approved declassification guide.

- **CG-NRC-TSCM-3, "Classification Guide for the United States Nuclear Regulatory Commission Technical Surveillance Countermeasures Program"**

    Review of CG-TSCM-2, "NRC Classification Guide for the Technical Surveillance Countermeasures (TSCM) Inspection Program," issued February 2009, determined that the classification guidance was outdated and did not provide sufficient details on those elements of information that require protection. As such, the Information Security Branch and subject matter experts from the NRC staff developed CG-NRC-TSCM-3[4], issued July 27, 2016, to supersede CG-TSCM-2. In accordance with 32 CFR Part 2001, the NRC benchmarked with other agencies that previously developed classification guidance for their respective TSCM programs to ensure the consistency and uniformity of classification decisions. Various topics in CG-NRC-TSCM-3 cross-reference information contained in other guides, both within and outside the NRC. Review of CG-NRC-TSCM-3 prior to issuance determined that the revised guidance conforms to current operational and technical circumstances and meets the standards for classification under Section 1.4 of the Order and an assessment of likely damage under Section 1.2 of the Order.

    During the onsite review of the NRC's Classified National Security Information Program in March 2017 the ISOO team identified an error in the declassification

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[4]   The short name of the classification guide was changed from CG-TSCM-2 to CG-NRC-TSCM-3 to align with the NRC's updating naming convention for NRC-issued classification guidance.

instructions associated with several of the classified topics in CG-NRC-TSCM-3. Specifically, 13 NSI topics in CG-NRC-TSCM-3 incorrectly instructed derivative classifiers to apply 25X1[5] and 25X2[6] exemptions from automatic declassification at the onset of classification with a declassification date of 50 years from the date of origin of the document. In accordance with 32 CFR Part 2001, approved declassification guides are the sole basis for the exemption from automatic declassification of specific information as provided in Section 3.3(b) of the Order and the sole basis for the continued classification of information under Section 3.3(h) of the Order. At the time of ISOO's onsite review, the current ISCAP-approved declassification guide issued in November 2012 does not allow the NRC to exempt information from automatic declassification under 25X1 and 25X2, nor does it allow the NRC to incorporate exemptions from automatic declassification into its declassification guide under Section 2.2(3) of the Order.

As a result, the NRC revised the declassification instructions associated with the 13 applicable NSI topics detailed in CG-NRC-TSCM-3 and published Change 1 to CG-NRC-TSCM-3, "Classification Guide for the United States Nuclear Regulatory Commission Technical Surveillance Countermeasures Program," issued May 12, 2017. Under Change 1 to CG-NRC-TSCM-3, the 13 affected NSI topics no longer reflect any exemptions from automatic declassification; instead, the declassification instructions associated with these topics are 25 years from the date of origin of the document, which is the longest classification duration allowable at the onset of classification under 32 CFR Part 2001. Additionally, although CG-NRC-TSCM-3 articulated the rationale for classification, Change 1 to CG-NRC-TSCM-3 includes the concise reason for classification as described in Section 1.4 of the Order.

- **CG-UUSA-1, "NRC Classification Guide for Louisiana Energy Services doing business as URENCO USA Gas Centrifuge Safeguards & Security"**

  Review of CG-LCP-3B, "Joint NRC/DOE Classification Guide for Louisiana Energy Services Gas Centrifuge Safeguards & Security," issued January 31, 2008, identified that several classification topics did not apply to the licensee's site, and the applicable topics did not provide sufficient details about those elements of information that require protection. As such, the Information Security Branch, subject matter experts from the NRC staff, and participants from the licensee developed CG-UUSA-1, issued January 7, 2016, to supersede CG-LCP-3B. Although CG-LCP-3B was a joint classification guide with the Department of Energy (DOE), during the development of CG-UUSA-1, it was determined that the NRC is the appropriate authority for NSI related to the safeguards and security of Louisiana Energy Services doing business as URENCO USA. With concurrence of the NRC, DOE cancelled CG-LCP-3B on May 17, 2016, and directed that documents created after March 1, 2016, be

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[5]   In accordance with the Order and 32 CFR Part 2001, 25X1 is the exemption applicable to information, the release of which should clearly and demonstrably be expected to reveal the identity of a confidential human source, a human intelligence source, a relationship with an intelligence or security service of a foreign government or international organization, or a non-human intelligence source; or impair the effectiveness of an intelligence method currently in use, available for use, or under development.

[6]   In accordance with the Order and 32 CFR Part 2001, 25X2 is the exemption applicable to information, the release of which should clearly and demonstrably be expected to reveal information that would assist in the development, production, or use of weapons of mass destruction.

reviewed for classification against CG-UUSA-1. Review of CG-UUSA-1 prior to issuance determined that the revised guidance conforms to current operational and technical circumstances and meets the standards for classification under Section 1.4 of the Order and an assessment of likely damage under Section 1.2 of the Order.

Based on feedback from users of the guide, the NRC issued Change 1 to CG-UUSA-1, "NRC Classification Guide for Louisiana Energy Services doing business as URENCO USA Gas Centrifuge Safeguards & Security," on April 12, 2016. The NRC subsequently issued Change 2 to CG UUSA 1, "NRC Classification Guide for Louisiana Energy Services doing business as URENCO USA Gas Centrifuge Safeguards & Security," on July 27, 2016. The NRC issued both changes to promote a common understanding and consistent application of the classification guidance in CG-UUSA-1 and to dispel any misunderstanding or alternate interpretations that may result in over-classification or under-classification. Specifically, submission and disposition of "Classification Issue/Comment Sheets" submitted by users of CG-UUSA-1, prompted the NRC to change two topics from classified to unclassified upon issuance of Change 1 to CG-UUSA-1. Where applicable, CG-UUSA-1 cross-references CG-LCP-4A, "Joint NRC/DOE Classification and Official Use Only Guide for Louisiana Energy Services Gas Centrifuge Plant," issued June 26, 2002, for technical information related to NRC-licensed activities that may require classification.

As the primary author, DOE, in coordination with the NRC, reviewed or issued the following classification guides during the FY 2017 FCGR:

- **CG-GEP-1, "Joint NRC/DOE Classification Guide for General Electric Procurement Activities"**

    Review of CG-GEP-1, issued December 10, 2009, determined that the guide did not require any updates.

- **CG-LCP-4A "Joint NRC/DOE Classification and Official Use Only Guide for Louisiana Energy Services Gas Centrifuge Plant"**

    Review of CG-LCP-4A determined that no topics in the guide required revision; however, the boilerplate language in the introduction of the guide was updated to reflect current policy requirements. The revised CG-LCP-4A is currently in DOE's technical quality assurance process.

- **CG-RDD-2, "Joint DOE/DHS/NRC Classification Guide for Radiological Dispersal Devices and Radiation Exposure Devices"**

    Classification Guide CG-RDD-2, issued December 8, 2016, supersedes CG-RDD-1, "Joint DOE/DHS/NRC Classification Guide for Radiological Dispersal Devices and Radiation Exposure Devices," issued September 21, 2009. As the primary author, DOE coordinated the revision of this classification guide with the U.S. Department of Homeland Security (DHS) and the NRC. Review of CG-RDD-2 identified 36 NSI topics and confirmed that all of these topics are exempt from automatic declassification, as approved by the ISCAP.

- **CG-US-SILEX-2, "Joint DOE/NRC Classification Guide for Enrichment of Uranium by the SILEX Process in the United States"**

  Change 1 to Classification Guide CG-US-SILEX-2, issued November 8, 2016, supersedes CG-US-SILEX-2, "Joint DOE/NRC Classification Guide for Enrichment of Uranium by the SILEX Process in the United States," issued August, 20, 2012. As the primary author, DOE coordinated the revision of this classification guide with the NRC. CG-US-SILEX-2, Change 1, does not contain any NSI topics.

Cancellation of Existing Classification Guidance

In accordance with the results from the FY 2012 FCGR, the NRC canceled its participation in the following joint agency classification guide:

- **CG-PGD-5 "Joint NRC/DOE Classification Guide for Uranium Isotope Separation by the Gaseous Diffusion Process"**

  The FY 2012 FCGR recommended that the NRC and DOE delete all 37 safeguards and security-related topics that were originally inserted at the request of the NRC from CG-PGD-5 and reissue the guide as a DOE-only guide. Specifically, CG-PGD-5 contains 37 topics that point to topics in either CG-SS-4, "Classification and [Unclassified Controlled Nuclear Information] UCNI Guide for Safeguards and Security Information," issued September 12, 2000, or NRC guidance. Personnel delegated with derivative classification authority at the United States Enrichment Corporation (USEC) indicated that they use the topics in CG-PGD-5 rather than in CG-SS-4 at the direction of the NRC. After DOE and the NRC reviewed the topics in CG-PGD-5, they determined that no adverse impact would result from removing these topics from CG-PGD-5 and gave USEC approval to use CG-SS-4 for the classification of security-related gaseous diffusion information. Because the NRC agreed that topics in CG-SS-4 would adequately protect the information classified by the safeguards and security topics currently in CG-PGD-5, these topics could be removed from CG-PGD-5. Therefore, it no longer needed to be a joint guide. As a result, DOE removed the 37 topics from CG-PGD-5 and directed personnel delegated with derivative classification authority to use CG-SS-4 (now CG-SS-5, "Classified and Unclassified Controlled Nuclear Information Guide for Safeguards and Security Information," issued July 22, 2016) to make classification determinations for gaseous diffusion-related safeguards and security information.

  Based on a recommendation from the CY 2012 FCGR, all of the safeguards and security topics were removed from the revised CG-PGD-5 (now CG-PGD-6, "DOE Classification Guide for Uranium Isotope Separation by the Gaseous Diffusion Process," issued April 18, 2017). As a result, CG-PGD-6, is no longer a joint guide; instead, it is a DOE-only guide. Upon issuance, CG-PGD-6 superseded CG-PGD-5, and the NRC will remove CG-PGD-5 from the agency's CY 2017 publication of the index of active classification guidance.

Development of New Classification Guidance

In accordance with the instructions provided by ISOO for the FCGR, the NRC systematically reviewed its existing classification guidance and subsequently identified the need to develop and publish the following new classification guides in CY 2016 and CY 2017:

- **CG-NRC-CI-1 "Classification Guide for the United States Nuclear Regulatory Commission Counterintelligence Program"**

  Prior to the issuance of CG-NRC-CI-1, the NRC did not have any classification guidance related to its counterintelligence (CI) program. In accordance with 32 CFR Part 2001, the NRC benchmarked with other agencies that previously developed classification guidance for their respective CI programs to ensure the consistency and uniformity of classification decisions. Various topics in CG-NRC-CI-1 cross-reference information contained in other guides, both within and outside the NRC. Review of CG-NRC-CI-1 prior to issuance determined that the newly developed guidance conforms to current operational and technical circumstances and meets the standards for classification under Section 1.4 of the Order and an assessment of likely damage under Section 1.2 of the Order.

- **CG-NRC-ITP-1 "Classification and Designation Guide for the United States Nuclear Regulatory Commission Insider Threat Program"**

  Prior to the issuance of CG-NRC-ITP-1, the NRC used the National Insider Threat Task Force (NITTF) classification guide titled, "U.S. Insider Threat Security Classification Guide, Version 1.0," dated December 16, 2013; however, the NITTF classification guide is scheduled to be rescinded in CY 2017. In accordance with 32 CFR Part 2001, the NRC aligned CG-NRC-ITP-1 with the 2016 draft classification guidance prepared by the NITTF, and benchmarked with other agencies that previously developed classification guidance for their respective insider threat programs (ITPs), to ensure the consistency and uniformity of classification decisions. Various topics in CG-NRC-ITP-1 cross-reference information contained in other guides, both within and outside the NRC. Review of CG-NRC-ITP-1 prior to issuance determined that the newly developed guidance conforms to current operational and technical circumstances and meets the standards for classification under Section 1.4 of the Order and an assessment of likely damage under Section 1.2 of the Order.

IV. AREAS OF IMPROVEMENT

In reviewing its information security program against the "Scope and Best Practices" provided by ISOO in its incoming tasking, the NRC identified several areas of improvement for its program.

List of Classification Guidance in Use

In accordance with 32 CFR 2001.15, each agency shall maintain a list of its classification guides in use. In conducting the FY 2017 FCGR, the NRC sought to determine whether the dissemination and availability of the guidance are appropriate, timely, and effective. The Information Security Branch, with input from the NRC staff with derivative classification authority, determined that publication of an index of classification guidance was necessary to ensure that communication about active classification guidance is appropriate, timely, and effective and to facilitate the dissemination of classification guidance, as needed. In September 2016 the NRC issued INDEX-NRC-16-1, "Index of United States Nuclear Regulatory Commission Classification and Designation Guidance," with a commitment to publish an updated index at least annually. The index includes NRC classification and Safeguards Information (SGI) designation guidance, joint guidance issued by the NRC and other agencies or countries, and other agencies' classification guidance that the NRC uses. Additionally, the index lists all active guidance and indicates recent changes to guidance. Active guidance includes current guides and bulletins that agencies use to make decisions on classification or designation of information, or both. NRC staff delegated original classification authority, derivative classification authority, derivative declassification authority, and SGI designator authority were directed to consult the index before completing classification actions.

Naming Convention for Classification Guidance

In accordance with 32 CFR Part 2001, the NRC benchmarked with other agencies that previously developed classification guidance for similar topical areas or programs to ensure the consistency and uniformity of classification decisions. While benchmarking with other agencies, the NRC staff determined that the naming convention for the short name of NRC-authored classification guides and bulletins should be revised to eliminate confusion with classification guidance issued by other Federal agencies. As a result, the agency will use the following naming convention for NRC-authored classification guidance, beginning with those classification guides and bulletins revised during the FCGR. The short title of all NRC-authored classification guides and bulletins will be XX-NRC-YY-Z where:

- XX is replaced by CG if the content is a classification guide, and XX is replaced by CB if the content is a classification bulletin.

- YY is replaced by two to five letters that uniquely reflect the title of the guide.

- Z is replaced by the current version number of the classification guide, beginning with "1."

Process for Creating and Maintaining Classification Guidance

During the FCGR, the staff self-identified that, although the Information Security Branch is responsible for the development of classification guidance within the NRC, no guidance or procedures exist on the development of classification guidance. As a result, the Information Security Branch issued "Office Procedure—Creation and Maintenance of Classification Guidance," effective February 2017. The office procedure and its associated appendices provide consistent guidance on the creation and maintenance of agency classification guidance in accordance with the applicable Federal requirements and NRC-developed management directives. In close coordination with the original classification authority and subject matter experts, both within and external to the NRC, the Information Security Branch developed the office procedure to facilitate the creation of comprehensive and effective classification guidance.

V. UNRESOLVED/OPEN ITEMS

Although the NRC has concluded the FY 2017 FCGR, the agency continues to engage in training and education related to the classification program, conduct periodic reviews of its existing classification guidance, and evaluate user needs for new or revised classification guidance.

Training and Education

Although the NRC meets the training and education requirements in the Order and 32 CFR Part 2001, the FCGR highlighted the need for additional training and education in the following areas:

- **Education on the Use of the "Classification Issue/Comment Sheet"**

  During the FY 2017 FCGR, the value of the "Classification Issue/Comment Sheet" became evident to disposition issues identified in existing classification guidance external to the formal classification challenge process. All NRC-issued classification guides include a "Classification Issue/Comment Sheet" for users of the guide to submit classification issues and concerns, as well as a proposed solution. Upon receipt, the Information Security Branch analyzes the issue and proposed solution and subsequently proposes a recommendation and incorporates the solution into revised classification guidance. The Information Security Branch receives "Classification Issue/Comment Sheets" infrequently; however, the disposition of the identified issues and comments helps improve the quality of the agency's classification guidance. The NRC plans to expand staff and stakeholder education and awareness on the use of the "Classification/Issue Comment Sheet."

- **Guide-Specific Training**

  Although agency personnel receive generic training in the responsibilities of a derivative classification authority, including training in the use of classification guidance, the Information Security Branch identified additional guide-specific training that needs to be developed and administered to applicable staff members with derivative classification authority. Guide-specific training should include performance-based tests for each classification guide and classification bulletin so that staff members with derivative classification authority are adequately prepared to apply the guidance. To date, DOE develops guide-specific training for the DOE/NRC joint guidance, but the NRC has developed guide-specific training only for NRC-authored classification guides and bulletins in limited circumstances. The Information Security Branch will initiate the development of guide-specific training for NRC-authored classification guides and bulletins beginning in FY 2018.

Periodic Reviews of Existing Classification Guidance

Although the NRC has made significant progress on the review and revision of the agency's classification guidance to date, the staff continues to initiate periodic reviews of existing classification guidance.

User Needs for Additional Classification Guidance

Although the NRC has made significant progress on the development of the agency's classification guidance to date, the staff continues to evaluate user need requests for new or revised classification and declassification guidance.