



OFFICIAL USE ONLY — SECURITY-RELATED INFORMATION

**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

May 9, 2017

EA-17-044

Mr. Anthony E. McFadden
Site Manager
GE-Hitachi Nuclear Energy
7555 East Collins Road
Morris, IL 60450

SUBJECT: NRC SECURITY INSPECTION REPORT NO. 07200001/2016401(DNMS) AND
EXERCISE OF ENFORCEMENT DISCRETION - GENERAL ELECTRIC-HITACHI
MORRIS OPERATION INDEPENDENT SPENT FUEL STORAGE INSTALLATION

Dear Mr. McFadden:

On March 28, 2017, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at your General Electric-Hitachi Morris Operation (GEHMO) Independent Spent Fuel Storage Installation (ISFSI) located near Morris, Illinois; and the inspectors discussed the results of the inspection with you and members of your security management staff. The enclosed report represents the results of this inspection.

The inspection examined activities conducted under your license as they relate to security and compliance with the NRC's rules and regulations and with the conditions of your license. As part of the inspection, the inspectors used Temporary Instruction (TI) 2800/041, "10 CFR Part 37, Physical Protection of Category 1 and Category 2 Quantities of Radioactive Material at Facilities with a 10 CFR Part 73 Physical Protection Program," and reviewed select procedures and records, observed activities, and interviewed personnel.

Based on the results of this inspection, one security-related violation of NRC requirements was identified and is documented in the subject inspection report. Due to special circumstances involving the violation, the NRC determined that discretion to not cite the violation was appropriate in accordance with Section 3.5, "Violations Involving Special Circumstances," of the NRC's Enforcement Policy. Therefore, after consultation with the Director, Office of Enforcement, and the Regional Administrator, I have been authorized to exercise enforcement discretion for this violation and the NRC is not taking enforcement action for the noncompliance. This enforcement discretion is applicable only for this past non-compliance, which has since

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been corrected, and going forward violations at your facility of the requirements of 10 CFR Part 37 will be subject to enforcement action in accordance with the Enforcement Policy.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public Inspections, Exemptions, Requests for Withholding," of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records System (PARS) component of the NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC's website at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

However, the enclosed inspection report contains security-related information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the inspection report will not be made available electronically for public inspection in the NRC Public Document Room or from the PARS component of the NRC's ADAMS. If you choose to provide a response and security-related information is necessary to provide an acceptable response, please mark your entire response "Security-Related Information—Withhold from public disclosure under 10 CFR 2.390" in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

We will gladly discuss any questions you may have regarding this inspection.

Sincerely,

/RA/

John B. Giessner, Director
Division of Nuclear Materials Safety

Docket No. 072-00001
License No. SNM-2500

Enclosure:
IR 07200001/2016401(DNMS) (Non-Public)

cc w/encl: J. Klinger, State Liaison Officer,
Illinois Emergency Management Agency

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Letter to Anthony McFadden from John Giessner dated May 9, 2017

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MORRIS OPERATION INDEPENDENT SPENT FUEL STORAGE INSTALLATION

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