



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

September 24, 2021

Kelly J. Deering
Radiation Safety Officer
Hemlock Semiconductor Operations, LLC
P.O. Box 80
Hemlock, MI 48626

SUBJECT: AMENDMENT NO. 15 TO RADIOACTIVE MATERIALS LICENSE FOR HEMLOCK SEMICONDUCTOR OPERATIONS, LLC, NRC LICENSE NO. 21-32682-01

Dear Ms. Deering:

Enclosed is Amendment No. 15 to your U.S. Nuclear Regulatory Commission (NRC) Materials License No. 21-32682-01 in accordance with your July 14, 2021 request.

You also notified us of an indirect transfer of control of NRC License No. 21-32682-01. In accordance with Section 184 of the Atomic Energy Act of 1954, as amended (AEA), and 10 CFR 30.34, the NRC approved the indirect transfer of control.

Hemlock Semiconductor Operations, LLC is authorized by the NRC for the possession and use of byproduct material under Part 30. By letters dated July 14, 2021 and September 13, 2021, Hemlock Semiconductor Operations, LLC notified NRC of an indirect transfer of control of its license. Because the license was issued under 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material," the NRC must find that the transfer is in accordance with the provisions of the AEA and, if so, must give its consent in writing prior to the transfer, in accordance with Section 184 of the AEA and 10 CFR 30.34(b). Additionally, the NRC staff reviewed the indirect transfer of control request using the guidance in NUREG-1556, Volume 15, Revision 1, "Consolidated Guidance About Materials Licenses – Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated June 2016.

10 CFR 30.34(b) states:

- (1) No license issued or granted pursuant to the regulations in parts 30 through 36, and 39 nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing.
- (2) An application for transfer of license must include:
 - (i) The identity, technical and financial qualifications of the proposed transferee; and

The enclosed document contains sensitive security-related information.
When separated from this cover letter this letter is uncontrolled.

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- (ii) Financial assurance for decommissioning information required by 10 CFR 30.35.

As described in the letters dated July 14, 2021 (ML21195A204) and September 13, 2021 (ML21257A112), the indirect transfer of control resulted from Corning Inc. purchased DuPont's share of Hemlock Semiconductor Operations, LLC on September 9, 2020. Based on the purchase, Corning Inc. increased its ownership in Hemlock Semiconductor Operations, LLC from 40.25% to 80.5%. As the 80.5% owner, Corning Inc. has the authority to appoint the majority of the directors of Hemlock Semiconductor Operations, LLC and therefore it indirectly has control of Hemlock Semiconductor Operations, LLC. The remaining 19.5% of Hemlock Semiconductor Operations, LLC has been owned by Shin-Estu. Because the transfer of control occurred on September 9, 2020 and the notification is dated July 14, 2021, this was for approval of an indirect license transfer, without receiving prior written consent from the Commission. The NRC staff finds that the licensee notification adequately provides a complete and clear description of the proposed transaction, consistent with 10 CFR 30.34(b) and Chapter 5 and Appendix E of NUREG-1556, Vol. 15, Rev. 1. The sufficiency of the description is evaluated below.

The amendment request including the notification of an indirect transfer of control was listed on the NRC website (<https://www.nrc.gov/about-nrc/regulatory/adjudicatory/hearing-license-applications.html>) in August 2021 in accordance with Section 189 of the Atomic Energy Act to ensure that the public is given notice and, thus, the opportunity to request a hearing if their interest may be affected by the request. No comments from the public have been received.

In the notification for an indirect transfer of ownership, Hemlock Semiconductor Operations, LLC provided information regarding its current decommissioning funding plans. Based on the information provided, Hemlock Semiconductor Operations, LLC is not required to have financial assurance for decommissioning because of the types and amount of material authorized in its license.

Further, the NRC conducted an inspection of Hemlock Semiconductor Operations, LLC on June 20, 2018 at 12334 Geddes Road, Hemlock, Michigan. The NRC identified no violations.

Additionally, as described in its request, Hemlock Semiconductor Operations, LLC commits that it:

- A. will not change the radiation safety officer listed in the NRC license;
- B. will not change the personnel involved in licensed activities;
- C. will not change the locations, facilities, and equipment authorized in the NRC license;
- D. will not change the radiation safety program authorized in the NRC license;
- E. will not change the organization's name listed in the NRC license; and

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F. will keep regulatory required surveillance records and decommissioning records.

Based on these commitments, the NRC staff finds that the licensee request adequately documents the constraints, license conditions, requirements, representations, and commitments made by Hemlock Semiconductor Operations, LLC, consistent with 10 CFR 30.34(b) and Chapter 5 and Appendix E of NUREG-1556, Vol. 15, Rev. 1. Corning Inc. is a majority owner of Hemlock Semiconductor Operations, LLC before and after the transfer. Hemlock Semiconductor Operations, LLC will continue to be the licensee after the transfer.

Future changes in the licensee's name, licensed use, licensed materials, licensed location, persons responsible for licensed material, or other changes to the corporate organizational structure require submission of a request to amend the license or a request to transfer the license. NRC approval must be received prior to implementation of any such proposed change.

An environmental assessment for this action is not required because this action is categorically excluded under Title 10 of the *Code of Federal Regulations* (CFR) Section 51.22(c).

Please review the enclosed document carefully and be sure that you understand all conditions. If there are any errors or questions, please notify the U.S. NRC Region III office at (630) 829-9887 so that we may provide appropriate corrections and answers.

You will be periodically inspected by NRC. Failure to conduct your program in accordance with NRC regulations, license conditions, and representations made in your license application and supplemental correspondence with NRC will result in enforcement action against you. This could include issuance of a notice of violation; or imposition of a civil penalty; or an Order suspending, modifying, or revoking your license as specified in the NRC Enforcement Policy. Since serious consequences to employees and the public can result from failure to comply with NRC requirements, prompt and vigorous enforcement action will be taken when dealing with licensees who do not achieve the necessary meticulous attention to detail and the high standard of compliance that NRC expects of its licensees.

The NRC's Safety Culture Policy Statement became effective in June 2011. While a policy statement and not a regulation, it sets forth the agency's *expectations* for individuals and organizations to establish and maintain a positive safety culture. You can access the policy statement and supporting material that may benefit your organization on NRC's safety culture Web site at <https://www.nrc.gov/about-nrc/regulatory/enforcement/safety-culture.html>. We strongly encourage you to review this material and adapt it to your particular needs in order to develop and maintain a positive safety culture as you engage in NRC-regulated activities.

NRC's Regulatory Issue Summary (RIS) RIS 2005-31 provides criteria to identify security related sensitive information and guidance for handling and marking of such documents. This ensures that potentially sensitive information is not made publicly available through NRC's ADAMS, the NRC's electronic document system. Pursuant to NRC's RIS 2005-31 and in accordance with 10 CFR 2.390 of the NRC's "Rules of Practice and Procedure," the enclosed license document is exempt from public disclosure because its disclosure to unauthorized individuals could present a security vulnerability. The RIS may be located on the NRC's Generic

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Communications Web page under “Regulatory Issue Summaries” at <https://www.nrc.gov/reading-rm/doc-collections/gen-comm/>, and the link for frequently asked questions regarding protection of security-related sensitive information may be located at <https://www.nrc.gov/reading-rm/sensitive-info/faq.html>.

A copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the NRC’s ADAMS, accessible from the NRC Web site at <https://www.nrc.gov/reading-rm/adams.html>.

Sincerely,

Frank P. Tran

Digitally signed by Frank P. Tran
Date: 2021.09.24 12:51:27
-05'00'

Frank P. D. Tran
Health Physicist
Materials Licensing Branch

Docket No.: 030-37611
License No.: 21-32682-01
Control No.: 627262

Enclosure: Amendment No. 15 to NRC License No. 21-32682-01