



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

October 19, 2016

Ms. Emily Martin, General Manager
Global Supply Chain
GE-Hitachi Nuclear Energy
3901 Castle Hayne Road
Wilmington, NC 28402

**SUBJECT: NRC SECURITY INSPECTION REPORT NO. 07200001/2015401(DNMS) –
GENERAL ELECTRIC-HITACHI MORRIS OPERATION INDEPENDENT SPENT
FUEL STORAGE INSTALLATION**

Dear Ms. Martin:

On September 7, 2016, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection of the physical security program at your General Electric-Hitachi Morris Operation (GEHMO) Independent Spent Fuel Storage Installation (ISFSI) located near Morris, Illinois. On September 7, the NRC inspectors discussed the results of this inspection with Mr. T. McFadden 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 reviewed select procedures and records, observed activities, and interviewed personnel. Additionally, the NRC inspectors reviewed corrective actions for a Safety Conscious Work Environment (SCWE) issue that had been identified by the inspectors early in the inspection. The NRC inspectors verified that appropriate actions have been taken to address this issue.

Based on the results of this inspection, the inspectors identified two Severity Level IV violations of NRC requirements. Because your staff entered the issues into the corrective action program, the violations are being treated as Non-Cited Violations (NCVs), consistent with Section 2.3.2.a of the Enforcement Policy. These NCVs are described in the subject inspection report.

If you contest the violations or the significance of the NCVs, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with copies to the Regional Administrator, RIII; and the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Enclosure Contains Sensitive Unclassified Non-Safeguards Information. When separated from enclosure, this transmittal document is decontrolled.

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E. Martin

- 2 -

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/

Michael A. Kunowski, Chief
Materials Control, ISFSI, and
Decommissioning Branch
Division of Nuclear Materials Safety

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

Enclosure:
IR 07200001/2015401(DNMS) (Non Public)

cc w/encl: T. McFadden, Site Manager, GEHMO
J. Klinger, State Liaison Officer,
Illinois Emergency Management Agency

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Letter to Emily Martin from Michael A. Kunowski dated October 19, 2016

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GENERAL ELECTRIC-HITACHI NUCLEAR ENERGY MORRIS OPERATIONS
INDEPENDENT SPENT FUEL STORAGE INSTALLATION

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