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**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
2100 RENAISSANCE BOULEVARD, SUITE 100
KING OF PRUSSIA, PA 19406-2713**

July 28, 2021

EA-21-093

Ms. Pamela B. Cowan
Senior Vice President
and Chief Operating Officer
Holtec Decommissioning International, LLC
1 Holtec Blvd., Krishna P. Singh Technology Campus
Camden, NJ 08104

**SUBJECT: HOLTEC DECOMMISSIONING INTERNATIONAL, LLC, OYSTER CREEK
NUCLEAR GENERATING STATION - DISCRETIONARY SECURITY
DECOMMISSIONING INSPECTION REPORT NO. 05000219/2021403**

Dear Ms. Cowan:

This letter refers to the discretionary inspection conducted by the U.S. Nuclear Regulatory Commission (NRC) at Holtec Decommissioning International, LLC's (HDI's) Oyster Creek Nuclear Generating Station (Oyster Creek) on May 17 - 20, 2021, and June 10 - 17, 2021, with continued in-office review through July 15, 2021. This inspection examined activities related to the physical protection program to ensure it was designed and implemented in a manner that protects against the design basis threat (DBT) of radiological sabotage. On July 15, 2021, the inspectors presented the inspection results to Mr. J. Scott Thomson, Chief Operating Officer, Holtec Security International, and other members of the staff.

Based on the results of this inspection, apparent violations (AVs) were identified and some are being considered for escalated enforcement action, including a civil penalty, in accordance with the NRC Enforcement Policy. The current Enforcement Policy is available on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>.

**Enclosure Contains Sensitive Unclassified Non-Safeguards
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The enclosed inspection report provides a description of the AVs. Note that the NRC does not discuss the number of security-related apparent violations that are potentially characterized above Severity Level IV. In addition, please be advised that the number and characterization of AVs described in the enclosed inspection report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

Before the NRC makes its enforcement decision, we request that you provide information in writing regarding HDI's corrective actions. The written response should include: (1) the reason for the AVs or, if contested, the basis for disputing the AVs; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. You should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the AVs. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," at <https://www.nrc.gov/docs/ML0612/ML061240509.pdf>, may be helpful.

The written response should be sent to the NRC within 30 days of the date of this letter. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. You should clearly mark the response as a "Response to Apparent Violations in NRC Report No. 05000219/2021403; EA-21-093," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, NRC Region I, 2100 Renaissance Boulevard, Suite 100, King of Prussia, PA 19406. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a pre-decisional enforcement conference (PEC).

In lieu of providing a written response, you may choose to provide your perspective on this matter, including the significance, cause, and corrective actions, as well as any other information that you believe the NRC should take into consideration by: (1) requesting a PEC to meet with the NRC and provide your views in person or (2) requesting Alternative Dispute Resolution (ADR) mediation.

If you choose to request a PEC, the meeting should be held within 30 days of the date of this letter. The conference will include an opportunity for you to provide your perspective on these matters and any other information that you believe the NRC should take into consideration before making an enforcement decision. The topics discussed during the PEC may include information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned.

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In lieu of a PEC, you may also request ADR with the NRC in an attempt to resolve this issue. ADR is a general term encompassing various techniques for resolving conflicts using a neutral third party. The technique that the NRC has decided to employ is mediation; a voluntary, informal process in which a trained neutral mediator works with parties to help them reach resolution. If the parties agree to use ADR, they select a mutually agreeable neutral mediator who has no stake in the outcome and no power to make decisions. Mediation gives parties an opportunity to discuss issues, clear up misunderstandings, be creative, find areas of agreement, and reach a final resolution of the issues. Additional information concerning the NRC ADR program can be obtained at <http://www.nrc.gov/about-nrc/regulatory/enforcement/adr.html>. The Institute on Conflict Resolution (ICR) at Cornell University has agreed to facilitate the NRC program as a neutral third party. Please contact ICR at 877-733-9415 within 10 days of the date of this letter if you are interested in pursuing resolution of this issue through ADR. The ADR mediation session should be held within 45 days of the date of this letter.

The PEC or the ADR would be closed to public observation because they would involve security related information. However, the time and date of the PEC or ADR will be publicly announced. Please contact Fred Bower, Chief, Security, Emergency Preparedness, and Incident Response Branch, NRC Region I, at 610-337-5200 or Fred.Bower@nrc.gov within **10** days of the date of this letter to notify the NRC which of the above options you choose.

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's Public Document Room or from the Publicly Available Records (PARS) component of the NRC Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

However, the material enclosed herewith 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 material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from 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.

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Please contact Kenneth Hussar at 610-337-5084 if you have any questions regarding this matter.

Sincerely,

Blake Welling, Director
Division of Radiological Safety and Security

Docket No: 50-219
License No: DPR-16

Enclosure:
Inspection Report No. 05000219/2021403

cc w/encl (via BOX):

J. Dwyer, Manager, Nuclear Security

P. Baldauf, Assistant Commissioner, Air Quality, Energy and Sustainability

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SUBJECT: DISCRETIONARY SECURITY DECOMMISSIONING INSPECTION REPORT NO. 05000219/2021403, HOLTEC DECOMMISSIONING INTERNATIONAL, LLC, OYSTER CREEK NUCLEAR GENERATING STATION DATED JULY 28, 2021

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ADAMS ACCESSION NUMBER: **ML21202A231** (Cover letter w/o enclosure) (Publicly Available)

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DATE	7/21/2021	7/21/2021	07/20/2021	7/21/2021	7/21/2021	7/28/2021

* concurrence via e-mail

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