

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS  
WASHINGTON, D.C. 20555

January 24, 2001

**NRC REGULATORY ISSUE SUMMARY 2001-04  
ISSUANCE OF UPDATED GUIDANCE ON THE TRANSFER OF  
OWNERSHIP OR CONTROL OF LICENSED ACTIVITIES  
(NUREG-1556, VOLUME 15)**

ADDRESSEES:

All material and fuel cycle licensees.

INTENT:

The U.S. Nuclear Regulatory Commission (NRC) is issuing this regulatory issue summary (RIS) to inform addressees of the availability of NUREG-1556, "Consolidated Guidance About Materials Licenses," Volume 15, "Program-Specific Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Material Licenses." NUREG-1556, Volume 15 supercedes all previous guidance that has been issued concerning changes in ownership or control of licensed activities. This RIS requires no action nor written response.

BACKGROUND:

Information Notice (IN) 89-25, Unauthorized Transfer of Ownership or Control of Licensed Activities, dated March 7, 1989, was the first of a series of documents issued to provide guidance to licensees on the proper way to transfer ownership or control of licensed activities. IN 89-25 reminded licensees of their responsibility to obtain written consent from the NRC *prior* to undertaking such an action, in accordance with the regulations in Title 10 of the *Code of Federal Regulations* (10 CFR), Parts 30.34(b), 40.46, and 70.36. Other instructive documents that have been issued include:

1. Information Notice 89-25, "Unauthorized Transfer of Ownership or Control of Licensed Activities", Rev. 1, dated December 7, 1994;
2. Information Notice 97-30, "Control of Licensed Material During Reorganizations, Employee-Management Disagreements and Financial Crises", dated June 3, 1997;

ML003779855

3. Information Notice 93-100, Reporting Requirements for Bankruptcy”, dated December 22, 1993;
4. Inspection Procedure 87103, “Inspection of Material Licensees Involved in an Incident or Bankruptcy Filing”, (including Appendix B) dated June 11, 1997;
5. Policy & Guidance Directive 1-13, “Processing Material License Applications Involving Change of Ownership”, Rev 2, dated August 22, 1994; and
6. Policy & Guidance Directive 8-11, “NMSS Procedures for Reviewing Declarations of Bankruptcy”, dated August 27, 1996.

The updated and consolidated guidance provided in NUREG-1556, Volume 15 supersedes the documents listed in this section.

SUMMARY OF ISSUE:

NUREG-1556, Volume 15 provides licensees new, consolidated guidance on the procedure for the proper transfer of ownership or control of licensed activities. Licensees may obtain a copy from one of the following sources:

Mail to: Office of the Chief Information Officer  
Reproduction and Distribution  
Services Section  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

E-mail: [DISTRIBUTION@nrc.gov](mailto:DISTRIBUTION@nrc.gov)

Facsimile: 301-415-2289

World Wide Web: <http://www.nrc.gov/NRC/NUREGS/indexnum.html>

Attached to this RIS is a copy of Appendix F of NUREG-1556, Volume 15. Appendix F contains some of the information needed for changes of ownership or control. Note that Appendix F does not contain a comprehensive list of actions needed to properly execute changes of ownership or control; however, it is included with this RIS to illustrate the kind of information needed for license transfer actions.

Although this RIS requires no specific action nor written response, it is expected that recipients will review it, and consider actions as appropriate to ensure compliance with U.S. Nuclear Regulatory Commission requirements concerning the transfer of control or ownership of licensed activities. If you have any questions about the information in this RIS, please contact one of the technical contacts listed below or the appropriate regional office.

***/RA/***

Donald A. Cool, Director  
Division of Industrial and  
Medical Nuclear Safety  
Office of Nuclear Material Safety  
and Safeguards

Technical Contacts: John Pelchat, Region II  
(404) 562-4729  
E-mail: jmp2@nrc.gov

Loren Hueter, Region III  
(630) 829-9829  
E-mail: ljh1@nrc.gov

David Everhart, Region I  
(610) 337-6936  
E-mail: dbe@nrc.gov

Attachments:

1. Copy of Appendix F: Information Needed for Change of Control
2. List of recently issued Regulatory Issue Summaries

Although this RIS requires no specific action nor written response, it is expected that recipients will review it, and consider actions as appropriate to ensure compliance with U.S. Nuclear Regulatory Commission requirements concerning the transfer of control or ownership of licensed activities. If you have any questions about the information in this RIS, please contact one of the technical contacts listed below or the appropriate regional office.

***/RA/***

Donald A. Cool, Director  
Division of Industrial and  
Medical Nuclear Safety  
Office of Nuclear Material Safety  
and Safeguards

Technical Contacts: John Pelchat, Region II  
(404) 562-4729  
E-mail: jmp2@nrc.gov

Loren Hueter, Region III  
(630) 829-9829  
E-mail: ljh1@nrc.gov

David Everhart, Region I  
(610) 337-6936  
E-mail: dbe@nrc.gov

**Attachments:**

1. Copy of Appendix F: Information Needed for Change of Control
2. List of recently issued Regulatory Issue Summaries

**Distribution:**

Accession No. ML003779855

Template No. :NRC 052

\*See previous concurrence

OFFICE	DNMS/RI	N	DNMS/RI		MSIB		MSIB		IMNS	
NAME	DEverhart *		GPangburn *		AWilliamson		JHickey *		DCool *	
DATE	11/01/01		11/06/01		12/20/00		12/20/00		12/21/00	

OFFICIAL RECORD COPY

## APPENDIX F: "INFORMATION NEEDED FOR CHANGE OF CONTROL"

### Definitions:

**Control:** Control of a license is in the hands of the person or persons who are empowered to decide when and how that license will be used. That control is to be found in the person or persons who, because of ownership or authority explicitly delegated by the owners, possess the power to determine corporate policy and thus the direction of the activities under the license.

**Transferee:** A transferee is an entity that proposes to purchase or otherwise gain control of a U.S. Nuclear Regulatory Commission-licensed operation.

**Transferor:** A transferor is an NRC licensee selling or otherwise giving up control of a licensed operation.

### Information Needed for Transfer of Control

Licensees must provide full information and obtain NRC's *prior written consent* before transferring control of the license. Provide the following information concerning changes of control by the applicant (transferor and/or transferee, as appropriate). If any items are not applicable, so state.

1. Provide a complete description of the transaction (transfer of stocks or assets, or merger). Indicate whether the name has changed and include the new name. Include the name and telephone number of a licensee contact whom the NRC may contact if more information is needed.
2. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel.
3. Describe any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program.
4. Describe the status of the surveillance program (surveys, wipe tests, quality control) at the present time and the expected status at the time that control is to be transferred.
5. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels, and fixed and/or removable contamination, including methods and sensitivity.
6. Confirm that the transferee will abide by all constraints, conditions, requirements and commitments of the transferor, or that the transferee will submit a complete description of the proposed licensed program.

Source: NUREG 1556, Vol 15, Appendix F.

LIST OF RECENTLY ISSUED  
NRC REGULATORY ISSUE SUMMARIES

Regulatory Issue Summary No.	Subject	Date of Issuance	Issued to
2001-03	Changes, Tests, and Experiments	Pending	All U.S. NRC Part 50 and Part 72 licensees and Part 72 Certificate of Compliance holders.
2001-02	Guidance on Risk-Informed Decisionmaking in License Amendment Reviews	01/18/01	All holders of operating licenses for nuclear power reactors, except those who have permanently ceased operations and have certified that fuel has been permanently removed from the reactor vessel.
2001-01	Eligibility of Operator License Applicants	01/18/01	All holders of operating licenses for nuclear power reactors, except those who have permanently ceased operations and have certified that fuel has been permanently removed from the reactor vessel.
2000-25	Potential Deficiency in Qualification of Okonite Single-Conductor Electrical Control Cables	12/26/00	All holders of OLs for pressurized-water reactors (PWRs), except those who have permanently ceased operations and have certified that fuel have been permanently removed from the reactor vessel
2000-24	Concerns about Offsite Power Voltage Inadequacies and Grid Reliability Challenges Due to Industry Deregulation	12/21/00	All holders of OLs for pressurized-water reactors (PWRs), except those who have permanently ceased operations and have certified that fuel have been permanently removed from the reactor vessel
2000-23	Recent Changes to Uranium Recovery Policy	11/30/00	All holders of materials licenses for uranium and thorium recovery facilities

OL = Operating License  
CP = Construction Permit