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September 13, 2006

Licensing Assistance Team  
Division of Nuclear Materials Safety  
U.S. Nuclear Regulatory Commission, Region I  
475 Allendale Road  
King of Prussia, PA 19406-1415

License No: 47-25327-01  
Expiration Date: June 30, 2015  
Docket No: 030-33817

2006 SEP 14 AM 10:10

RECEIVED  
REGION I

Subject: Request for NRC Consent to Transfer of Control in Connection with Sale of Assets by American Fiber Resources, L.L.C. to SFK Pulp Recycling U.S., Inc.

Ladies and Gentlemen:

American Fiber Resources, L.L.C. ("AFR") currently holds Nuclear Regulatory Commission License No. 47-25327-01 for fixed gauging devices containing nuclear material for use at its facilities located at 702 AFR Drive, Fairmont, West Virginia.

SFK Pulp Recycling U.S., Inc. ("SFK") has signed a purchase agreement proposing to buy substantially all of the assets of AFR. Consequently, SFK is requesting NRC's prior written approval for a transfer of control of the license now held by AFR to be effective upon the sale of AFR's assets to SFK (which the parties have tentatively scheduled for October 2, 2006).

SFK has reviewed the license, including the referenced application dated June 9, 2005, and the only change that will be required is to substitute SFK Pulp Recycling U.S., Inc. as the licensee. Enclosed is the information required for a transfer of control application (as identified in NUREG-1556). As indicated in these responses, SFK does not plan any other changes. The gauge will continue to be located at the specified facilities in West Virginia, Brad Morgan will continue to be the Radiation Safety Officer, and SFK will abide by the operating procedures and other conditions in the license.

If you have any questions regarding technical aspects of this application, please contact the current and future Radiation Safety Officer Brad Morgan at (304) 368-2289, and if you have any questions regarding legal aspects of this application, please contact our regulatory counsel Vicki Harding at (313) 393-7324.

Sincerely,

**SFK PULP RECYCLING U.S. INC.**

By: André Bernier  
André Bernier  
President

cc: Brad Moran, RSO  
Vicki R. Harding, Esq.  
American Fiber Resources, L.L.C.  
André de Mauricev, Osler, Hoskin & Harcourt LLP

**INFORMATION NEEDED FOR TRANSFER OF CONTROL APPLICATION  
(NUREG-1556, VOLUME 4, APPENDIX C)**

License No: 47-25327-01  
Expiration Date: June 30, 2015  
Docket No: 030-33817

Transferor: American Fiber Resources, L.L.C. ("AFR")  
Transferee: SFK Pulp Recycling U.S., Inc. ("SFK")

1. New name of the licensed organization: SFK Pulp Recycling U.S., Inc.
2. Licensee contact and telephone number: the same – Brad Morgan, RSO, (304) 368-2289
3. Personnel: SFK will replace AFR, so there will be new officers of the corporation. (Andre Bernier is President of SFK.) However, the only personnel named in the license is Brad Morgan as the Radiation Safety Officer, and he will continue as the Radiation Safety Officer for SFK.
4. The transferor will not have any business remaining after the sale, and will not require an NRC license.
5. The transaction is a sale of substantially all of the assets of AFR to SFK, including AFR's business and the West Virginia facility identified in the license.
6. SFK does not plan any changes in organization, location, facility, equipment or procedures (i.e. operating or emergency procedures).
7. SFK does not plan any changes in the use, possession, location, or storage of the licensed materials.
8. SFK does not plan any changes in organization, location, facilities, equipment, procedures, or personnel that would require a license amendment (other than the substitution of SFK for AFR as licensee).
9. AFR received a Notice of Violation dated February 7, 2006, citing a failure to comply with audit and training requirements. AFR agreed to perform the required tasks and to enter them into its work order system as a reminder of the periodic requirements. SFK will take over the records and continue to perform the annual audits and to provide training in accordance with AFR's commitment.
10. Decommissioning: N/A
11. Contamination / decontamination: N/A
12. Decontamination plans: N/A

13. SFK confirms that it will abide by the commitments and representations previously made to the NRC by AFR in connection with the license, including continuing the corrective actions identified in the Notice of Violation dated February 7, 2006.
14. The transfer of control described in this application is conditioned on the closing of the sale of AFR's assets to SFK (currently scheduled for October 2, 2006). AFR and SFK agree that transfer of control of the licensed material and activity is also conditioned upon the consent of the NRC to a transfer of control as contemplated by this application.
15. SFK confirms that it will abide by all constraints, conditions, requirements, representations, and commitments identified in the existing license.

## Information Needed for Transfer of Control Application

Licensees must provide full information and obtain NRC's *prior written consent* before transferring control of the license; some licensees refer to this as "transferring 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. The new name of the licensed organization. If there is no change, the licensee should so state.
2. The new licensee contact and telephone number(s) to facilitate communications.
3. Any changes in personnel having control over licensed activities (e.g., officers of a corporation) and any changes in personnel named in the license such as radiation safety officer, authorized users, or any other persons identified in previous license applications as responsible for radiation safety or use of licensed material. The licensee should include information concerning the qualifications, training, and responsibilities of new individuals.
4. An indication of whether the transferor will remain in non-licensed business without the license.
5. A complete, clear description of the transaction, including any transfer of stocks or assets, mergers, etc., so that legal counsel is able, when necessary, to differentiate between name changes and transferring control.
6. A complete description of any planned changes in organization, location, facility, equipment, or procedures (i.e., changes in operating or emergency procedures).
7. A detailed description of any changes in the use, possession, location, or storage of the licensed materials.
8. Any changes in organization, location, facilities, equipment, procedures, or personnel that would require a license amendment even without transferring control.
9. An indication of whether all surveillance items and records (e.g., calibrations, leak tests, surveys, inventories, and accountability requirements) will be current at the time of transfer. Provide a description of the status of all surveillance requirements and records.
10. Confirmation that all records concerning the safe and effective decommissioning of the facility, pursuant to 10 CFR 30.35(g), 40.36(f), 70.25(g), and 72.30(d); public dose; and waste disposal by release to sewers, incineration, radioactive material spills, and on-site burials, have been transferred to the new licensee, if licensed activities will continue at the same location, or to the NRC for license terminations.

## APPENDIX C

11. A description of the status of the facility. Specifically, the presence or absence of contamination should be documented. If contamination is present, will decontamination occur before transfer? If not, does the successor company agree to assume full liability for the decontamination of the facility or site?
12. A description of any decontamination plans, including financial assurance arrangements of the transferee, as specified in 10 CFR 30.35, 40.36, and 70.25. Include information about how the transferee and transferor propose to divide the transferor's assets, and responsibility for any cleanup needed at the time of transfer.
13. Confirmation that the transferee agrees to abide by all commitments and representations previously made to NRC by the transferor. These include, but are not limited to: maintaining decommissioning records required by 10 CFR 30.35(g); implementing decontamination activities and decommissioning of the site; and completing corrective actions for open inspection items and enforcement actions.

With regard to contamination of facilities and equipment, the transferee should confirm, in writing, that it accepts full liability for the site, and should provide evidence of adequate resources to fund decommissioning; or the transferor should provide a commitment to decontaminate the facility before transferring control.

With regard to open inspection items, etc., the transferee should confirm, in writing, that it accepts full responsibility for open inspection items and/or any resulting enforcement actions; or the transferee proposes alternative measures for meeting the requirements; or the transferor provides a commitment to close out all such actions with NRC before license transfer.

14. Documentation that the transferor and transferee agree to transfer control of the licensed material and activity, and the conditions of transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions.
15. A commitment by the transferee to abide by all constraints, conditions, requirements, representations, and commitments identified in the existing license. If not, the transferee must provide a description of its program, to ensure compliance with the license and regulations.

**References:** The information above is contained in IN 89-25, Revision 1, "Unauthorized Transfer of Ownership or Control of Licensed Activities." See the Notice of Availability (on the inside front cover of this report) to obtain copies.

This is to acknowledge the receipt of your letter/application dated

9/13/2006, and to inform you that the initial processing which includes an administrative review has been performed.

Amendment 47-25327-01  
There were no administrative omissions. Your application was assigned to a technical reviewer. Please note that the technical review may identify additional omissions or require additional information.

Please provide to this office within 30 days of your receipt of this card

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A copy of your action has been forwarded to our License Fee & Accounts Receivable Branch, who will contact you separately if there is a fee issue involved.

Your action has been assigned **Mail Control Number** 139394.  
When calling to inquire about this action, please refer to this control number.  
You may call us on (610) 337-5398, or 337-5260.