

Jan O. Wenzel
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November 15, 2007

VIA UNITED PARCEL SERVICE

Willie J. Lee
Health Physicist
US Nuclear Regulatory Commission
Region 1
475 Allendale Road
King of Prussia, PA 19406

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Re: The Mercy Hospital of Pittsburgh (Nos. 37-01321-02 and 37-01321-04)
Transfer Agreement by and among Catholic Health East, Pittsburgh
Mercy Health System, Inc., The Mercy Hospital of Pittsburgh, Mercy
Primary Care, Inc., Emergency Medicine Association of Pittsburgh,
Mercy Physician Group, Mercy Neurosurgery Group and UPMC d/b/a
University of Pittsburgh Medical Center

Dear Mr. Lee:

On February 23, 2007, we submitted a response to a request for information by the US Nuclear Regulatory Commission ("NRC") regarding the proposed transaction between the above-captioned entities (copy attached at Exhibit A). The NRC was formally notified of the proposed transaction by letter dated November 30, 2006 (copy attached at Exhibit B). As a result of the lengthy delay while the parties awaited the approval of the Federal Trade Commission ("FTC"), the NRC requested that the notice action be voided and that the parties re-submit at a later date.

On October 12, 2007, the parties received the approval of the FTC to proceed with the transaction. The Closing of the transaction has now been scheduled for December 28, 2007 with the transaction to be effective at **12:01 a.m. on January 1, 2008**. At the request of the NRC, we are re-notifying the NRC of the proposed transaction and are re-submitting our response to the NRC's February 8, 2007 request for information. The basic structure of the transaction has not changed. Our responses are set forth below in the order outlined in the NRC's request.

141330/141331

NMSS/RGN1 MATERIALS-002

A. Provide a complete description of the transaction (transfer of stocks or assets, etc. ...).

Pittsburgh Mercy Health System, Inc. ("PMHS"), a Pennsylvania nonprofit corporation, is the parent corporation and sole corporate member of The Mercy Hospital of Pittsburgh ("Mercy Hospital") and Mercy Primary Care, Inc. ("Mercy Primary Care"), each Pennsylvania nonprofit corporations exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code with primary offices located at 1400 Locust Street, Pittsburgh, Pennsylvania 15219. Mercy Primary Care is the sole corporate member of Mercy Physician Group and Mercy Neurosurgery Group, each Pennsylvania nonprofit corporations exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code (Mercy Hospital, Mercy Primary Care, Mercy Physician Group and Mercy Neurosurgery Group, collectively the "Mercy Entities"). Mercy Hospital is licensed by the Department of Health as a general acute care hospital, and is located in Pittsburgh, Pennsylvania. Mercy Hospital is also licensed by the NRC (Numbers 37-01321-02 and 37-01321-04).

UPMC d/b/a University of Pittsburgh Medical Center ("UPMC") is a Pennsylvania nonprofit corporation exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code with primary offices located at 200 Lothrop Street, Pittsburgh, Pennsylvania 15213. UPMC is governed by its Board of Directors and serves as the parent corporation of an academic medical center that includes acute care and specialty hospitals, physician practice corporations and various other business components.

The transaction will be accomplished by substituting UPMC in place of PMHS as the sole corporate member of Mercy Hospital and substituting Mercy Hospital as the sole corporate member of Mercy Primary Care (with Mercy Primary Care continuing to hold the membership interests in or regarding Mercy Physician Group and Mercy Neurosurgery Group). The name of Mercy Hospital will be changed to "UPMC Mercy" and UPMC Mercy will continue as a Catholic hospital pursuant to a relationship that UPMC has entered into with the Roman Catholic Diocese of Pittsburgh. PMHS will continue to hold the membership interests in or regarding certain other subsidiaries (including without limitation Mercy Jeannette Hospital) that are not involved in the transaction.

It is expected that Mercy Hospital will continue, as of the effective date of the transaction, to maintain and hold its existing licenses, including the materials licenses, without any transfer or change in the ownership or authority over the licenses. Mercy Hospital (to be renamed "UPMC Mercy") will continue as the corporate entity holding its licenses and the corporate entity responsible to the NRC.

B. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for any new personnel.

There is no actual or anticipated change in personnel or duties that relate to the licensed program as of the effective date of the transaction or immediately thereafter.

C. Describe any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program.

There is no actual or anticipated change in the organization, location, facilities, equipment or procedures that relate to the licensed program as of the effective date of the transaction or immediately thereafter.

D. 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.

The Nuclear Medicine Department's surveillance is conducted in accordance with 10 CFR Part(s) 20 and 35. The surveys currently include daily area monitoring for ambient exposures and monitoring at least weekly for removable contamination. Any staff likely to receive exposures at 10% of the MPD (Maximum Permissible Dose) or the ALI (Annual Limit of Intake) are continuously monitored by whole body and finger ring badges. The Radiation Safety Officer and/or the consulting physicist review all monitoring results. The consulting physicist conducts quarterly reviews of the program and then reports his/her findings to the radiation safety committee at the quarterly meeting. There are no excessive exposures or residual contaminations present now and it is expected that there will be none at the effective date of the transaction.

E. 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.

The transaction **does not** involve a decommissioning of the facility. Records concerning the licensed program will continue to be kept at Mercy Hospital (to be renamed "UPMC Mercy") with no change in those personnel whose duties include the retention of such records.

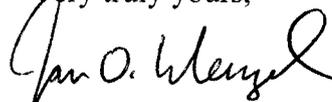
F. Confirm that the transferee will abide by all constraints, conditions, requirements and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.

The transaction **does not** involve a transfer of the licensed program. As described in our response to Question A, above, Mercy Hospital (to be renamed "UPMC Mercy") will continue to maintain and hold its existing licenses, including the materials licenses, without any transfer or change in the ownership or authority over the licenses.

US Nuclear Regulatory Commission
November 15, 2007
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We hope that we have answered your requests for additional information to your satisfaction. Please let us know if there is any additional information that you may require in connection with the proposed transaction. If you or your staff have any questions, please feel free to contact me at 412-562-1838.

Very truly yours,



Jan O. Wenzel

Enclosures

cc: Kenneth A. Eshak, CEO (w/encl.)
Rebecca O'Connor, Esquire (w/encl.)
Dale S. Webber, Esquire (w/encl.)
Stephen H. Nimmo, Esquire (w/encl.)
Bryant B. Wesley, Esquire (w/encl.)

EXHIBIT A

Jan O. Wenzel
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February 23, 2007

VIA FAX AND UNITED PARCEL SERVICE

Willie J. Lee
Health Physicist
US Nuclear Regulatory Commission
Region 1
475 Allendale Road
King of Prussia, PA 19406

Re: The Mercy Hospital of Pittsburgh (Nos. 37-01321-02 and 37-01321-04)
Transfer Agreement by and among Catholic Health East, Pittsburgh
Mercy Health System, Inc., The Mercy Hospital of Pittsburgh, Mercy
Primary Care, Inc., Emergency Medicine Association of Pittsburgh,
Mercy Physician Group, Mercy Neurosurgery Group and UPMC d/b/a
University of Pittsburgh Medical Center

Dear Mr. Lee:

This letter is submitted in response to your February 8, 2007 request for information regarding the planned transaction between the above-captioned entities. We formally notified the US Nuclear Regulatory Commission ("NRC") of the planned transaction by letter dated November 30, 2006, and, by letter dated December 26, 2006, we further notified the NRC that closing of the transaction would not take place effective January 1, 2007 as previously anticipated. The parties are still hopeful that the closing of the transaction will take place in the first or second quarter of 2007. However, a final determination regarding the closing date of the transaction has not yet been made. We will further notify the NRC once a closing date has been established.

Given the uncertainty regarding a final closing date, our below responses to the NRC's request for information may require supplementation at a later date. Our initial responses are set forth below in the order outlined in the NRC's request.

A. Provide a complete description of the transaction (transfer of stocks or assets, etc. ...).

Pittsburgh Mercy Health System ("PMHS"), a Pennsylvania nonprofit corporation, is the parent corporation and sole corporate member of The Mercy Hospital of Pittsburgh ("Mercy Hospital") and Mercy Primary Care, Inc. ("Mercy Primary Care"), each Pennsylvania nonprofit corporations exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code with primary offices located at 1400 Locust Street, Pittsburgh, Pennsylvania 15219. Mercy Primary Care is the sole corporate member of Mercy Physician Group and Mercy Neurosurgery Group, each Pennsylvania nonprofit corporations exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code (Mercy Hospital, Mercy Primary Care, Mercy Physician Group and Mercy Neurosurgery Group, collectively the "Mercy Entities"). Mercy Hospital is licensed by the Department of Health as a general acute care hospital, and is located in Pittsburgh, Pennsylvania. Mercy Hospital is also licensed by the Nuclear Regulatory Commission (Numbers 37-01321-02 and 37-01321-04).

UPMC d/b/a University of Pittsburgh Medical Center ("UPMC") is a Pennsylvania nonprofit corporation exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code with primary offices located at 200 Lothrop Street, Pittsburgh, Pennsylvania 15213. UPMC is governed by its Board of Directors and serves as the parent corporation of an academic medical center that includes acute care and specialty hospitals, physician practice corporations and various other business components.

It is currently intended that the transaction will be accomplished by substituting UPMC in place of PMHS as the sole corporate member of Mercy Hospital and substituting Mercy Hospital as the sole corporate member of Mercy Primary Care (with Mercy Primary Care continuing to hold the membership interests in or regarding Mercy Physician Group and Mercy Neurosurgery Group). The name of Mercy Hospital will be changed to "UPMC Mercy" and UPMC Mercy will continue as a Catholic hospital pursuant to a relationship that UPMC will enter into with the Roman Catholic Diocese of Pittsburgh. PMHS will continue to hold the membership interests in or regarding certain other subsidiaries (including without limitation Mercy Jeannette Hospital) that are not involved in the transaction.

It is expected that Mercy Hospital will continue, as of the effective date of the transaction, to maintain and hold its existing licenses, including the materials licenses, without any transfer or change in the ownership or authority over the licenses. Mercy Hospital (to be renamed "UPMC Mercy") will continue as the corporate entity holding its licenses and the corporate entity responsible to the NRC.

B. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for any new personnel.

There is no actual or anticipated change in personnel or duties that relate to the licensed program as of the effective date of the transaction or immediately thereafter.

C. Describe any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program.

There is no actual or anticipated change in the organization, location, facilities, equipment or procedures that relate to the licensed program as of the effective date of the transaction or immediately thereafter.

D. 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.

The Nuclear Medicine Department's surveillance is conducted in accordance with 10 CFR Part(s) 20 and 35. The surveys currently include daily area monitoring for ambient exposures and monitoring at least weekly for removable contamination. Any staff likely to receive exposures at 10% of the MPD (Maximum Permissible Dose) or the ALI (Annual Limit of Intake) are continuously monitored by whole body and finger ring badges. The Radiation Safety Officer and/or the consulting physicist review all monitoring results. The consulting physicist conducts quarterly reviews of the program and then reports his/her findings to the radiation safety committee at the quarterly meeting. There are no excessive exposures or residual contaminations present now and it is expected that there will be none at the effective date of the transaction.

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The transaction **does not** involve a decommissioning of the facility. Records concerning the licensed program will continue to be kept at Mercy Hospital (to be renamed "UPMC Mercy") with no change in those personnel whose duties include the retention of such records.

F. 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.

The transaction **does not** involve a transfer of the licensed program. As described in our response to Question A, above, Mercy Hospital (to be renamed "UPMC Mercy") will continue to maintain and hold its existing licenses, including the materials licenses, without any transfer or change in the ownership or authority over the licenses.

US Nuclear Regulatory Commission

February 23, 2007

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We hope that we have answered your requests for additional information to your satisfaction. Please feel free to contact us at (412) 562-1838 if you should have any questions.

Very truly yours,


Jan O. Wenzel

cc: Kenneth A. Eshak, CEO
Rebecca O'Connor, Esquire
Dale S. Webber, Esquire
Stephen H. Nimmo, Esquire

EXHIBIT B

ministries and Catholic healthcare mission of Sisters of Mercy, Regional Community of Pittsburgh, a religious institute of the Roman Catholic Church.

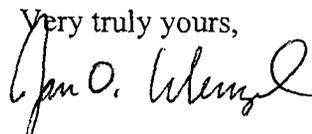
Pittsburgh Mercy Health System is the parent corporation and sole corporate member of Mercy Hospital of Pittsburgh ("Mercy Hospital"). Mercy Hospital is licensed by the Department of Health as a general acute care hospital, and is located in Pittsburgh, Pennsylvania. Mercy Hospital is licensed by the Nuclear Regulatory Commission (Numbers 37-01321-02 and 37-01321-04) and the Pennsylvania Department of Environmental Protection (Numbers PA-0093 and AC10-01364).

PROPOSED ARRANGEMENT

It is intended that UPMC d/b/a University of Pittsburgh Medical Center ("UPMC") will replace Pittsburgh Mercy Health System as the sole corporate member of Mercy Hospital as of the effective date, and that Mercy Hospital's name will change to "UPMC Mercy." Pittsburgh Mercy Health System will continue to hold the membership interests in or regarding certain other subsidiaries (including without limitation Mercy Jeannette Hospital) that are not involved in the transaction.

Please note that the transaction does not involve a merger or consolidation of Mercy Hospital and UPMC or any UPMC subsidiary. It is expected that Mercy Hospital will continue, as of the effective date of the transaction, to (i) operate as a general acute care hospital; (ii) maintain its own existing licenses, provider numbers, tax payer identification numbers and accreditations; (iii) have the same medical staff, bylaws and structure as exists immediately prior to the transaction; (iv) furnish the services it is currently furnishing; and (v) operate as an organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. It is our understanding that written notification of a transfer of control of a license is required. Mercy Hospital will continue to hold the materials licenses, without any transfer or change in the ownership or authority over the licenses. As such, we are providing you with this notice on a courtesy basis.

Please let us know if there are any forms or documents that you may require to be completed, and, if so, provide us with copies of same. We look forward to working with you to take any necessary steps to effect the transaction. If you or any of your staff have any questions, please feel free to contact me at (412) 562-1838.

Very truly yours,

Jan O. Wenzel

cc: Kenneth A. Eshak, CEO
Rebecca O'Connor, Esquire
Dale S. Webber, Esquire
Stephen H. Nimmo, Esquire

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

11/15/2007, and to inform you that the initial processing which includes an administrative review has been performed.

AMEND. 37-01321-02 / 37-01321-04
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

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** 141330/141331
When calling to inquire about this action, please refer to this control number.
You may call us on (610) 337-5398, or 337-5260.