



20-02237-03E
DOCKET NUMBER:
030-04621

Don Coleman
President, Beverly Microwave Division

Nuclear Regulatory Commission
Materials Safety and Inspection Branch
Division of Industrial and Medical Nuclear Safety
Office of Nuclear Material Safety and Safeguards
Washington, DC 20555
Attention: Michael Perkins

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VIA FAX AND OVERNIGHT MAIL

December 13, 2010

Re: License No. 20-02237-03E Transfer of Control Amendment Application

Dear Mr. Perkins:

Enclosed please find a Transfer of Control Amendment Application concerning Communications & Power Industries' NRC License No. 20-02237-03E in connection with a contemplated purchase of all CPI stock by an affiliate of Veritas Capital. The licensed activities, including the facility, equipment, use, possession, location and storage of licensed materials and the personnel responsible for the licensed materials will not be changed or affected by this new corporate structure.

The parties plan to consummate the purchase as soon as practicable, with the intention to close within the next two months. Your prompt attention to this matter would therefore be greatly appreciated.

If I can be of assistance with your review of the application, please feel free to contact me at 978-279-0663.

Sincerely,

Don Coleman

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MAIL CONTROL :)

Information for Transfer of Control Amendment Application Submitted in Connection With NRC License No. 20-02237-03E

1. The new name of the licensed organization.

The name will remain The Beverly Microwave Division of Communications and Power Industries, Inc.

2. The new licensee contact and telephone number(s) to facilitate communications.

The contact for questions will be Michael Grabko, Radiation Safety Officer – (978) 279-0282.

The contact for questions relating to the new corporate structure will be Don Coleman – (978) 279-0663.

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.

There will be no changes to the personnel listed in the current license.

4. An indication of whether the transferor will remain in non-licensed business without the license.

The company intends to retain its current unlicensed activities.

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 transfer of control.

Pursuant to the Merger Agreement, at the closing, Catalyst Acquisition, Inc., an indirect wholly owned subsidiary of The Veritas Capital Fund IV, L.P. ("Veritas") that was formed for the purpose of the merger, will be merged with and into CPI International, Inc. ("CPI"). CPI will be the surviving corporation in the merger and will be an indirect wholly owned subsidiary of Veritas as a result of the merger. The Beverly Microwave Division of Communications and Power Industries, Inc. (the current licensee) will remain a subsidiary of Communications and Power Industries, Inc. (the principal operating subsidiary of CPI) after the merger, and as a result of the merger will also be an indirect wholly owned subsidiary of Veritas. The former shareholders of CPI will receive cash as a result of the merger.

The Beverly Microwave Division of Communications and Power Industries, Inc. will keep its name and remain the licensee.

6. A complete description of any planned changes in organization, location, facility, equipment, or procedures (i.e., changes in operating or emergency procedures).

There are currently no planned changes in organization, location, facility, equipment, or procedures.

7. A detailed description of any changes in the use, possession, location, or storage of the licensed materials.

There are currently no planned 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 the transfer of control.

There are currently no planned changes in organization, location, facility, equipment, procedures, or personnel that would require a license amendment even in the absence of the transfer of 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.

All surveillance items and records are current and will be current at the time of the transfer of control.

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.

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, will be maintained at the same location by CPI.

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?

All site contamination surveys are current, and there is no known contamination outside the restricted area where work with licensed material is performed. Accordingly, there is no plan to perform any

decontamination other than weekly surveys and maintenance. The successor company agrees to assume full liability for the decontamination of licensed materials at 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.

Renewed in the amount of \$360,000.

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.

CPI agrees to abide by all commitments and representations previously made to NRC set forth in NRC License No. 20-02237-03E.

14. 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.

There are no known open radioactive materials inspection items or any resulting enforcement actions.

Pursuant to Section 7.4(a) of the Merger Agreement, excerpted below, CPI agrees to retain control of the licensed material and activity. There are no known open radioactive materials inspection items.

Excerpted from Section 7.4(a) of the Merger Agreement:

(a) Upon the terms and subject to the conditions of this Agreement, each of the parties hereto shall . . . (ii) use its reasonable best efforts to take, or cause to be taken, all appropriate action, and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate and make effective the Merger and the transactions contemplated by this Agreement, including, without limitation, using its reasonable best efforts to obtain all Permits, consents, approvals, authorizations, qualifications and orders of Governmental Entities and parties to contracts with the Company and the Subsidiaries as are necessary for the consummation of the Merger and the transactions contemplated by this Agreement and to fulfill the conditions to the Merger. In case, at any time after the Effective Time,

any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and directors of each party to this Agreement shall use their reasonable best efforts to take all such action.

15. A commitment by the transferee to abide by all constraints, conditions, requirements, representations, and commitments identified in the existing license. Lacking this, the transferee must provide a description of its program, to ensure compliance with the license and regulations.

CPI agrees to abide by all constraints, conditions, requirements, representations, and commitments identified in the existing NRC License No. 20-02237-03E.