

**SAFETY EVALUATION REPORT  
PROPOSED CHANGE OF CONTROL FOR NRC BYPRODUCT MATERIALS LICENSE  
NUMBER 47-16720-01, PRESTON MEMORIAL HOSPITAL**

**DATE:** August 13, 2014

**DOCKET NO.:** 030-11644

**LICENSE NO.:** 47-16720-01

**LICENSEE:** Preston Memorial Hospital  
300 South Price Street  
Kingwood, West Virginia 26537

**TECHNICAL REVIEWER:** Maryann Abogunde

**SUMMARY AND CONCLUSIONS**

Preston Memorial Hospital is authorized by NRC License 47-16720-01 for the possession and use of byproduct material for procedures permitted by 10 CFR 35.100 and 35.200 at 300 South Price Street, Kingwood, West Virginia. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to an indirect license transfer submitted by Preston Memorial Hospital that resulted from an acquisition involving Monongalia Health System, Inc. (MHS) and Preston Memorial Hospital Corporation (PMHC), both of which are West Virginia nonprofit corporations. Preston Memorial Hospital is operated by PMHC. Effective February 27, 2014, MHS acquired Preston Memorial Hospital and became its parent company. All assets and liabilities of Preston Memorial Hospital became assets and liabilities of MHS. The indirect transfer of control is described in Agency Document Access and Management System (ADAMS) accession numbers ML14091B075, ML14143A177, and ML14195A392.

The request for consent was reviewed by NRC staff for an indirect change in control of a 10 CFR Part 30 license using the guidance in NUREG 1556, Volume 15, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated November 2000. The NRC staff finds that the information submitted by Preston Memorial Hospital sufficiently describes and documents the transaction and commitments made by MHS and Preston Memorial Hospital.

As required by 10 CFR 30.34 and section 184 of the Atomic Energy Act of 1954, as amended (the Act), NRC staff has reviewed the application and finds that the proposed change in control is in accordance with the Act. The staff finds that, after the change of control, Preston Memorial Hospital will remain qualified to use byproduct material for the purpose requested, and will continue to have the equipment, facilities, and procedures needed to protect public health and safety, and promote the security of licensed material.

## **SAFETY AND SECURITY REVIEW**

According to data obtained from the NRC's Web-Based Licensing, Preston Memorial Hospital has been an NRC licensee since January 6, 1976. The NRC conducted a main office inspection of Preston Memorial Hospital on November 13, 2012, and no violations were identified during this inspection. The commitments made by MHS and Preston Memorial Hospital state that, absent NRC approval, Preston Memorial Hospital (License No. 47-16720-01):

- A. will not change the radiation safety officer listed in the NRC license;
- B. will not change the personnel involved in licensed activities;
- C. will not change the locations, facilities, and equipment authorized in the NRC license;
- D. will not change the radiation safety program authorized in the NRC license;
- E. will not change the organization's name listed in the NRC license; and
- F. will keep regulatory required surveillance records and decommissioning records.

MHS is the sole member of Monongalia County General Hospital Company (MGH), both of which are West Virginia nonprofit corporations. MGH operates an acute care hospital and related facilities located in Morgantown, Monongalia County, West Virginia. MHS is the parent company of Monongalia General Hospital, an NRC licensee since March 21, 1975, and to three other entities: Monongalia Emergency Medical Services, Mon HealthCare Equipment & Supplies, and the Village at Heritage Point, none of which perform any NRC licensed activities. Monongalia General Hospital is the keystone of MHS and its NRC license authorizes uses including that listed on the Preston Memorial Hospital license. MHS's affiliation is well established. Therefore, for security purposes, MHS is considered a known entity following the guidance provided by the NRC's Office of Federal and State Materials and Environmental Management Programs (FSME) 'Checklist to provide a basis for confidence that radioactive materials will be used as specified on the license', September 3, 2008 revision. The purpose of this checklist is for the NRC to obtain reasonable assurance from new license applicants or NRC licensees transferring control of licensed activities that the licensed material will be used for its intended purpose and not for malevolent use.

Preston Memorial Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in NRC Materials License No. 47-16720-01.

## **REGULATORY FRAMEWORK**

Preston Memorial Hospital's NRC Materials License No. 47-16720-01, was issued under 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material." The Commission is required by 10 CFR 30.34 to determine if the change of control is in accordance with the provisions of the Act and give its consent in writing.

10 CFR 30.34(b) states: “No license issued or granted pursuant to the regulations in this part and parts 31 through 36, and 39 nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing.”

As previously indicated, the staff evaluation is based on guidance in NUREG-1556, Volume 15. As discussed in NUREG-1556, Volume 15, NRC is generally using the term “change of control” rather than the statutory term “transfer” to describe the variety of events that could require prior notification and written consent of the NRC. The central issue is whether the authority over the license has changed. Preston Memorial Hospital’s request for consent describes an indirect change of control resulting from an acquisition involving two West Virginia nonprofit corporations, MHS and PMHC. As a result of the proposed merger, Preston Memorial Hospital, a hospital operated by PMHC, will join Monongalia General Hospital as a member hospital of MHS. Furthermore, as of the effective date of the proposed merger, MHS became the parent company of Preston Memorial Hospital, and all assets and liabilities of Preston Memorial Hospital became assets and liabilities of MHS. Preston Memorial Hospital will remain a separate entity and continue to operate as was prior to the affiliation, and retains its name, tax ID number, and Board of Directors, with MHS holding certain reserve powers. MHS will abide by all the constraints, conditions, requirements or the NRC license and NRC regulations, as well as any commitments made by Preston Memorial Hospital.

## **DESCRIPTION OF TRANSACTION**

The transaction is described in ADAMS accession numbers ML14091B075, ML14143A177, and ML14195A392. After completion of the merger, Preston Memorial Hospital will continue as the licensee and remain in control of all licensed activities under NRC Materials License No. 47-16720-01. The NRC staff finds that the request for consent adequately provides a complete and clear description of the transaction, and is consistent with the guidance provided in Appendix F of NUREG-1556, Volume 15.

## **TRANSFeree’S COMMITMENT TO ABIDE BY THE TRANSFEROR’S COMMITMENTS**

The NRC staff finds that the information submitted by Preston Memorial Hospital sufficiently describes and documents the commitments made by MHS and Preston Memorial Hospital, and is consistent with the guidance in NUREG-1556, Volume 15.

## **ENVIRONMENTAL REVIEW**

An environmental assessment for this action is not required since this action, which is the approval of an indirect transfer of control, is categorically excluded from further environmental review under 10 CFR 51.22(c)(21)).

## **CONCLUSION**

The NRC staff has reviewed the request for consent submitted by both parties with regard to an indirect change of control of NRC Materials License No. 47-16720-01, and, pursuant to 10 CFR 30.34(b), consents to the proposed indirect transfer of control.

The submitted information sufficiently describes the transaction; documents the understanding of the license and commitments; demonstrates that personnel have the experience and training to properly implement and maintain the license and that they will maintain the existing records; and, in the future, will abide by all existing commitments to the license, consistent with the guidance in NUREG-1556, Volume 15.

Therefore, the staff concludes that the proposed change in control would not alter the previous findings, made under 10 CFR Part 30, that licensed operations will not be inimical to the common defense and security, or to the health and safety of the public.