

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR NRC BYPRODUCT MATERIALS LICENSE
NUMBER 45-17195-01, MARSHALL MILLER & ASSOCIATES, INC.**

DATE: January 7, 2015

DOCKET NO.: 030-12341

LICENSE NO.: 45-17195-01

LICENSEE: Marshal Miller & Associates, Inc.
534 Industrial Park Road, Bluefield, Virginia 24605-0848

TECHNICAL REVIEWER: Dennis Lawyer

SUMMARY AND CONCLUSIONS

Marshal Miller & Associates, Inc. (MMA) is authorized by NRC License 45-17195-01 to possess and use byproduct material for purposes using portable gauging devices for purposes of measuring physical properties and for use in oil, gas, environmental, and mineral well logging activities.

By letter dated November 13, 2014, MMA submitted a request for NRC consent to a direct license transfer resulting from a reorganization of MMA and MMA's parent company Cardno, Inc. (Cardno). Additional information was provided in a letter dated December 3, 2014. After the reorganization, Cardno will become the licensee. The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) accession number ML14335A316 and ML14357A612.

The NRC staff reviewed this request for consent of direct change of control of a 10 CFR Part 30 license using the guidance in NUREG 1556, Volume 15, "Consolidated Guidance About Materials Licenses—Program-Specific 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 MMA sufficiently describes and documents the transaction and commitments made by MMA and approved by Cardno. In addition, MMA requested that the licensee name be changed to Cardno, Inc.

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, Cardno 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 common defense and security.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Licensing Tracking System (LTS), MMA has been an NRC licensee since November 2, 1976. The NRC conducted a main office inspection of MMA March 24, 2014; no violations were identified during this inspection. The commitments made by MMA state that under the proposed transaction there are no plans to change

- A. the radiation safety officer listed in the NRC license;
- B. the personnel involved in licensed activities;
- C. the locations, facilities, and equipment authorized in the NRC license;
- D. the radiation safety program authorized in the NRC license.

The commitments made by MMA also state that MMA will transfer regulatory required decommissioning records to Cardno.

Cardno has had indirect control of MMA since July 2012. Therefore, for security purposes, Cardno is considered a known entity following the guidance provided by the NRC's Office of Federal and State Materials and Environmental Management (FSME) Program's "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 aspect of the review 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. Cardno's qualification as a known entity provides this reasonable assurance.

MMA is not required to have decommissioning financial assurance based on the types and amount of material authorized in NRC Materials License No. 45-17195-01.

REGULATORY FRAMEWORK

MMA's NRC Materials License No. 45-17195-01, 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)(1) 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, the 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 when and how the license will be used has changed. MMA's request for consent describes a direct change of control resulting from a planned reorganization between MMA and Cardno and, as such, the transfer requires NRC consent.

Item 1 of MMA's NRC Material License No. 45-17195-01 lists the name of the licensee. In accordance with 10 CFR 30.38, the licensee requested to amend the license to change the licensee's name from Marshall Miller and Associates, Inc. dba Cardno MM&A to Cardno, Inc.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML14335A316 and ML14357A612. After completion of the reorganization, Cardno will be the licensee and remain in control of all licensed activities under NRC Materials License No. 45-17195-01. There will be no changes in personnel, location, facilities, equipment, procedures, or duties with respect to licensed activities as a result of the reorganization. While MMA does not possess licensed materials in sufficient quantities to require a decommissioning funding plan, MMA commits to transferring all records important to decommissioning to Cardno. 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 NUREG-1556, Volume 15.

TRANSFeree'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS

The NRC staff finds that the information submitted by MMA sufficiently describes and documents the commitments made by transferee Cardno to abide by the transferor, MMA, commitments and is consistent with the guidance in NUREG-1556, Volume 15.

ENVIRONMENTAL REVIEW

This transfer of control involves the amendment of a materials license issued under 10 CFR Part 30, authorizing the use of licensed material in sealed sources. Therefore, an environmental assessment for this action is not required because this action is categorically excluded under 10 CFR 51.22(c)(14)(xi).

CONCLUSION

The NRC staff has reviewed the request for consent submitted by both parties with regard to an direct change of control of NRC Materials License No. 45-17195-01 and, pursuant to 10 CFR 30.34(b), consents to the proposed direct change of control.

Consistent with the guidance in NUREG-1556, Volume 15, the submitted information sufficiently describes the transaction; documents the understanding of the licenses 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 provides that in the future, the transferee will abide by all of the transferor's commitments on the license.

Therefore, the NRC 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.