

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 06-17892-01, New Milford Hospital**

DATE: January 13, 2015

DOCKET NO.: 030-13596

LICENSE NO.: 06-17892-01

LICENSEE: New Milford Hospital
21 Elm Street
New Milford, Connecticut 06776

TECHNICAL REVIEWER: Robert Gallagher

SUMMARY AND CONCLUSIONS

New Milford Hospital is authorized by U.S. Nuclear Regulatory Commission (NRC) License 06-17892-01 for the possession and use of byproduct material for purposes of medical diagnosis and therapy. The NRC staff reviewed a request for consent¹ to a direct license transfer submitted by New Milford Hospital that resulted from a merger between New Milford Hospital and The Danbury Hospital. The Danbury Hospital possesses a separate NRC license for its existing facility, [NRC Materials License No. 06-08544-01, Docket No. 03001274], and that license is not being impacted by the New Milford Hospital transfer of control. New Milford Hospital and The Danbury Hospital were both subsidiaries of the Western Connecticut Health Network, Inc. Following the merger and acquisition by the Danbury Hospital, on October 1, 2014, New Milford Hospital ceased to exist as a legal entity and has become a separate campus of The Danbury Hospital named The Danbury Hospital d/b/a New Milford Hospital. The transfer of control is described in Agency Documents Access and Management System (ADAMS) package accession number ML14262A353 [letter dated September 3, 2014 (ML14262A355) and letter dated December 2, 2014 (ML14352A166)].

The request for consent was reviewed by NRC staff for a direct 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 New Milford Hospital sufficiently describes and documents the transaction and commitments made by The Danbury Hospital and New Milford Hospital.

¹ By letter dated September 3, 2014, New Milford Hospital notified the NRC that it planned to merge into The Danbury Hospital, and following the merger New Milford Hospital would cease to exist as a legal entity. The NRC staff construed the notification as a request for consent to transfer New Milford Hospital to The Danbury Hospital d/b/a New Milford Hospital under 10 CFR 30.34(b)(1).

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 merger, The Danbury Hospital d/b/a New Milford 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 promotes the security of licensed material.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Licensing Tracking System (LTS), New Milford Hospital has been an NRC licensee authorized to use byproduct material for medical purposes since December 13, 1977; The Danbury Hospital has been an active NRC licensee since June 22, 1962. The NRC conducted a main office inspection of New Milford Hospital on May 1, 2013, and no violations were identified during this inspection. The last inspection of The Danbury Hospital was conducted on May 20, 2014, and no violations were identified during this inspection. The commitments made by New Milford Hospital and The Danbury Hospital state that, absent NRC approval, The Danbury Hospital d/b/a New Milford Hospital (License No. 06-17892-01):

- 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.

Western Connecticut Health Network, Inc., the parent company of both New Milford Hospital and The Danbury Hospital, will remain the parent company of The Danbury Hospital d/b/a New Milford Hospital. New Milford Hospital had a Board of Directors comprised of the same individuals as the Board of Directors of The Danbury Hospital (i.e., they were mirror Boards) and, as a result of the merger, the separate Board of Directors for the New Milford Hospital will cease to exist. Therefore, for security purposes, The Danbury Hospital d/b/a New Milford Hospital 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.

New Milford Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 06-17892-01. Under the merger, the transferee, The Danbury Hospital has assumed the assets and liabilities of the transferor, New Milford Hospital.

REGULATORY FRAMEWORK

New Milford Hospital's License No. 06-17892-01 was issued under 10 CFR Part 30, Rules of General Applicability to Domestic Licensing of Byproduct Material. The NRC is required by 10 CFR 30.34(b) to determine if the change of control is in accordance with the provisions of the Act and give its consent to the transaction 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 the license has changed. New Milford Hospital's request for consent describes a direct change of control resulting from a planned merger between New Milford Hospital and The Danbury Hospital. The licensee's existing parent company, Western Connecticut Health Network, Inc., remains as the parent company of the surviving entity. Following the completion of the merger, New Milford Hospital will become The Danbury Hospital d/b/a New Milford Hospital operating as a separate campus of The Danbury Hospital.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS package accession number ML14262A353 [letter dated September 3, 2014 (ML14262A355) and letter dated December 2, 2014 (ML14352A166)]. After completion of the merger, New Milford Hospital will cease to exist; the licensee will become The Danbury Hospital d/b/a New Milford Hospital and will remain in control of all licensed activities under NRC Materials License No. 06-17892-01. 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 New Milford Hospital and The Danbury Hospital sufficiently describes and documents the commitments made by both parties, and is consistent with the guidance in NUREG-1556, Volume 15.

ENVIRONMENTAL REVIEW

An environmental assessment for this action is not required since this consent to the described transfer of control and the associated administrative license amendment are categorically excluded under 10 CFR 51.22(c)(21).

CONCLUSION

The staff has reviewed the request for transfer of control submitted by both parties with regard to a change of control of byproduct materials License No. 06-17892-01 and, pursuant to 101 CFR 30.34(b), consents to the direct change 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 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.