

**SAFETY EVALUATION REPORT**  
**PROPOSED CHANGE OF CONTROL FOR BYPRODUCT AND SPECIAL NUCLEAR**  
**MATERIALS LICENSE NUMBER 44-30912-01, R.O.V, TECHNOLOGIES, INC.**

**DATE:** March 09, 2015

**DOCKET NO.:** 030-36563

**LICENSE NO.:** 44-30912-01

**LICENSEE:** R.O.V. Technologies, Inc.  
49 Bennett Drive, Brattleboro, VT 05301

**TECHNICAL REVIEWER:** Laurie A. Kauffman

**SUMMARY AND CONCLUSIONS**

R.O.V. Technologies, Inc. is authorized by NRC License 44-30912-01 for the possession and use of byproduct and special nuclear material for purposes of possession, storage, maintenance, repair and decontamination of contaminated equipment at their facilities located at the above address. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct license transfer submitted by R.O.V. Technologies, Inc. that will result from a sale between R.O.V. Technologies, Inc. and R. Brooks Associates, Inc., a New York corporation doing business as (d/b/a) Rolls-Royce. R.O.V. Technologies, Inc. will become a wholly-owned subsidiary of R. Brooks Associates, Inc. The direct transfer of control is described in Agencywide Documents Access and Management System (ADAMS) accession numbers ML14323A202, ML15023A290 and ML15062A442.

The request for consent was reviewed by NRC staff for a direct change in control of a 10 CFR Part 30 and 10 CFR Part 70 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 R.O.V. Technologies, Inc., sufficiently describes and documents the transaction and commitments made by R. Brooks Associates, Inc., and R.O.V. Technologies, Inc.

As required by 10 CFR 30.34, 10 CFR 70.36, and section 184 of the Atomic Energy Act of 1954, as amended (the Act), NRC staff has reviewed the transfer application and finds that the proposed change in control is in accordance with the Act. The staff finds that, after the change of control, R. Brooks Associates, Inc., 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 the security of licensed material.

**INTRODUCTION:**

By letter dated October 29, 2014 (ADAMS Accession No. ML14323A202), and supplemental information dated January 23, 2015 (ADAMS Accession No. ML15023A290) and February 19, 2015 (ADAMS Accession No. ML15062A442) (hereinafter, the October 29, 2014 letter and supplemental information will be referred to as the "application"), the applicants submitted a request for approval of the change of control of Byproduct and Special Nuclear Materials License 44-30912-01 from R.O.V. Technologies, Inc. to R. Brooks Associates, Inc., d/b/a Rolls-

Royce. As described further below, NRC has determined that the application constitutes a request for a license transfer involving the direct change of control over NRC License No. 44-30912-01.

#### **44-30912-01 LICENSE HISTORY:**

R.O.V. Technologies, Inc. is authorized by NRC License No. 44-30912-01 to possess and use byproduct and special nuclear material for the purposes of storage, maintenance, repair and decontamination of radiologically contaminated equipment at its facilities located in Vermont. R.O.V. Technologies, Inc., was initially issued NRC License No. 44-30912-01 on November 5, 2004.

The R.O.V. Technologies, Inc., warehouse building comprises approximately 22,750 square feet intended for use involving licensed radioactive materials. There are two maintenance enclosures for a total of approximately 800 square feet. HEPA systems support the maintenance enclosures, filtering and circulating air within the restricted area. There is no forced-air exhaust from the contamination control area to the environment. Since November 5, 2004, the Radiation Safety Officer has changed twice throughout the duration of the license. The current version of the license, the seventh amendment thereto, was issued January 8, 2014.

After the transaction is complete, R. Brooks Associates, Inc., d/b/a Rolls-Royce, will own the Brattleboro facility and control the operations there. The application also states that, if the NRC grants consent to the proposed transfer, the proposed transferee intends to retain the name of R.O.V. Technologies, Inc. for the short term. After existing clients become familiar with the new ownership, a license amendment may be submitted to reflect R. Brooks Associates, Inc., d/b/a Rolls Royce, as the licensee. R. Brooks Associates, Inc., is a subsidiary of Rolls-Royce Control Systems Holdings Company, which is a wholly owned subsidiary of Rolls-Royce North America Ventures, Inc., which is a wholly owned, indirectly held, subsidiary of Rolls-Royce Holdings PLC, a British company listed on the London Stock exchange. All of Rolls-Royce North America Holding Inc. (RRNAH), which maintains a Secret-level facility security clearance pursuant to a Special Security Agreement (SSA), and R.O.V. Technologies, Inc., likewise will fall under the SSA umbrella. R.O.V. Technologies, Inc., will operate under RRNAH's existing SSA like all other U.S. subsidiaries of Rolls-Royce. Under the management and supervision of the Government Security Committee, which consists of independent outside directors, established pursuant to the SSA, RRNAH will ensure that there will be no undue foreign influence, access, management or control from directors or board members of Rolls-Royce in connection with any classified or secret information, and/or special nuclear materials.

#### **REGULATORY FRAMEWORK:**

License 44-30912-01 was issued under 10 CFR Part 30, Domestic Licensing of Byproduct Material and 10 CFR Part 70, Domestic Licensing of Special Nuclear Material. The Commission is required by 10 CFR 30.34(b) and 10 CFR 70.36 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 this Act, and shall give its consent in writing.

10 CFR 70.36(a) states:

No license granted under the regulations in this part and no right to possess or utilize special nuclear material granted by any license issued pursuant to the regulations in this part 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 the full information, find that the transfer is in accordance with the provisions of the Act, and shall give its consent in writing.

10 CFR 70.36(b) states:

10 CFR 70.36(b) requires that an application for transfer of license must include: (1) the identity, technical, and financial qualification of the proposed transferee and (2) financial assurance for decommissioning information required by 10 CFR 70.25.

The staff's evaluation is based on guidance in NUREG-1556, Volume 15 and regulations pertaining to specific licenses in 10 CFR Parts 30 and 70. 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 events that would require prior notification and written consent of the NRC.

Notice of the application (*Notice of Transfer and Change of Control for Material License 44-30912-01, R.O.V. Technologies, Inc., Brattleboro, Vermont*), was placed on the NRC Web site, <http://www.nrc.gov>, as required by 10 CFR 2.1301 on November 25, 2014. No requests for hearing or comments were submitted.

The new President, Mr. John A. Stringer, has been involved in regulatory activities, including industrial radiography firms. Therefore, for security purposes, R. Brooks Associates, Inc., d/b/a Rolls-Royce, 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 from NRC licensees transferring control of licensed activities that the licensed material will be used for its intended purpose and not for malevolent use.

#### **CHANGE OF CONTROL:**

As described in NUREG-1556, Volume 15, "control" means the authority to decide when and how a license (licensed material or activities) will be used; a change of control occurs when new persons or entities gain the authority to direct when and how a license will be used. R.O.V. Technologies, Inc.'s request for consent describes a transfer of ownership of the Brattleboro facility and its associated operations, including the licensed activities, to R. Brooks Associates, Inc., d/b/a Rolls-Royce. The transaction will involve the direct sale of the business including the name, licensed property, facilities, and equipment, including all radiological and other equipment

necessary for the administration of the radiation safety program. Specifically, the transfer will involve a Stock and Asset Purchase Agreement where R. Brooks Associates (1) will acquire all of the issued and outstanding shares of the capital stock of R.O.V. Technologies, Inc., and (2) will acquire the land located at 49 Bennett Drive, Brattleboro, Vermont, and all buildings and fixtures. The transaction does not involve a merger of corporate or any other entities. Following the completion of the transaction, R. Brooks Associates, Inc., d/b/a Rolls-Royce, will be in direct control of all licensed activities. Because the proposed transaction will result in R. Brooks Associates, d/b/a Rolls-Royce, gaining direct control of all licensed activities under License No. 44-30912-01, the proposed transaction is a direct change of control requiring NRC consent.

After the purchase of the Brattleboro facility, R. Brooks Associates, Inc., d/b/a Rolls-Royce, intends to retain the name of R.O.V. Technologies, Inc. for the short term. After existing clients become familiar with the new ownership, a license amendment may be submitted to reflect R. Brooks Associates, Inc., d/b/a Rolls Royce, as the licensee. This name change will not result in any change to the licensed materials currently possessed, persons using the licensed material, location of use of the licensed material, or persons responsible for the licensee's radiation safety program.

#### **CHANGES OF PERSONNEL:**

The application indicates that, with the exception of the replacement of the current president, personnel currently employed by R.O.V. Technologies, Inc. will not be changed as part of the change of control. The application explicitly states that the current Radiation Safety Officer (RSO) for R.O.V. Technologies, Inc. will continue after the change of control. The RSO has primary responsibility for the technical adequacy and correctness of the radiation protection and as low as reasonably achievable (ALARA) program and has continuing responsibility for surveillance and supervisory action in the enforcement of the program. NRC staff reviewed the qualification records of the RSO and concluded that these qualifications were in compliance with the education, training, and experience for RSO identified in Section 8.7.1 of NUREG-1556, Volume 18, "Consolidated Guidance About Materials Licenses; Program-Specific Guidance About Service Provider Licenses." The NRC staff finds that key personnel that have control over licensed material, specifically the RSO, will not change. The preservation of key personnel satisfies the requirements of 10 CFR Parts 30 and 70 and is consistent with the guidance in NUREG-1556, Volume 15. Specifically, in accordance with 10 CFR 30.33(a) and 70.23(a), the license would continue to be for a purpose authorized by the Act, and the licensee would continue to be qualified by reason of training and experience to use the licensed material in such manner as to protect health and minimize danger to life or property.

#### **CHANGES OF LOCATION, EQUIPMENT AND PROCEDURES:**

The application indicates that there will be no changes to the location of operations, equipment or procedures as a result of this change of control. After the change of control, R. Brooks Associates, Inc., d/b/a Rolls-Royce, proposes to continue operating the Brattleboro facility under the current procedures. As the location, equipment, and procedures for the site will remain unchanged and have been previously reviewed and found acceptable by the NRC, the staff determined that the proposed equipment, facilities and procedures are adequate to protect health and minimize danger to life or property and the documentation submitted with the application meets the requirements of 10 CFR 30.33(a) and 70.23(a) and is consistent with the guidance in NUREG-1556, Volume 15.

## **SURVEILLANCE RECORDS:**

The application states that all surveillance for the R.O.V. Technologies, Inc. facility located in Brattleboro, Vermont has been performed, documented, and reviewed by R. Brooks Associates, Inc., d/b/a Rolls-Royce, and found acceptable. Based on that statement in the application, the staff concludes that there are no outstanding surveillance items and that no corrective actions are needed.

## **DECOMMISSIONING, RELATED RECORDS TRANSFERS, AND FINANCIAL ASSURANCE:**

NUREG-1556, Volume 15, recommends that license transfer applications include: (1) information that ensures the proper transfer and maintenance of records important to the safe and effective decommissioning of facilities involved in licensed activities; and (2) a description of the status of the licensed facility with regard to ambient radiation levels and fixed and/or removable contamination as a result of NRC licensed activities. The application should confirm that the transferee accepts full responsibility for the decommissioning of the site, including any contaminated facilities and equipment.

### **Record Transfer:**

Under the transaction, R. Brooks Associates, Inc., d/b/a Rolls-Royce, will gain direct control of all of R.O.V. Technologies, Inc.'s records related to the Brattleboro site and the License will be transferred to the possession and control of R. Brooks Associates, Inc., d/b/a Rolls-Royce. The application states that R. Brooks Associates, Inc., d/b/a Rolls-Royce and its parent companies of Rolls-Royce commit to maintain the records for the Brattleboro, Vermont Site and the License and to continue diligent monitoring and recordkeeping in full compliance with NRC rules and regulations and the laws of the United States of America after the change of control. Based on the application and consistent with the guidance in NUREG-1556, Volume 15, the NRC staff finds that records will continued to be maintained as required by 10 CFR 30.51 and 70.51.

### **Contamination Status:**

The application indicates that R. Brooks Associates, Inc., d/b/a Rolls-Royce, and its parent companies are in agreement to accept the facility "as is" on the date of the transfer. The NRC staff finds that the submitted information sufficiently demonstrates that R. Brooks Associates, Inc., d/b/a Rolls-Royce, along with its parent companies, understands the current status of the contamination levels at the facilities, consistent with the guidance in NUREG-1556, Volume 15.

### **Decommissioning Commitment:**

The application indicates that R. Brooks Associates, Inc., d/b/a Rolls-Royce, and its parent companies agree to abide by all of the constraints, conditions, requirements, representations and commitments of the License after the transfer of control. There are no unresolved enforcement or inspection issues currently related to the license in question. The NRC staff finds that the application sufficiently describes R. Brooks Associates' commitment to decommissioning of the facilities, in accordance with NUREG-1556, Volume 15.

### **Financial Assurance:**

In accordance with 10 CFR 30.35 and 10 CFR 70.25, R.O.V. Technologies, Inc. is required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 44-30912-01. R.O.V. Technologies, Inc. elected to submit a site-

specific decommissioning cost estimate. The cost estimate was first approved on August 30, 2004. In a letter dated May 13, 2005 (ML051330489), the NRC accepted the Letter of Credit, dated September 20, 2004 and a Standby Trust Agreement, dated October 4, 2004, augmented by the submittal dated March 18, 2005. In a letter dated December 2, 2013 (ML13347B119), the NRC approved R.O.V. Technologies, Inc.'s, new financial assurance instruments. In addition, the NRC reviewed R.O.V. Technologies, Inc.'s, financial assurance instrument as part of the renewal of License No. 44-30912-01, amendment number 7, dated January 8, 2014. The above financial assurance will remain in effect until the license is amended. Based on the application, R. Brooks Associates, Inc., d/b/a Rolls-Royce, will submit an amendment request along with a financial assurance mechanism to the NRC. R. Brooks Associates, Inc., d/b/a Rolls-Royce, indicated that they will provide a financial assurance instrument in the same amount.

The NRC staff finds that the submitted information sufficiently describes R. Brooks Associates' ability to decommission and to provide adequate financial surety consistent with the guidance in NUREG-1556, Volume 15 and the requirements of 10 CFR Parts 30.35 and 70.25.

#### Financial Qualification:

R. Brooks Associates, Inc., d/b/a Rolls-Royce, a wholly owned subsidiary of Rolls-Royce, is publicly traded. A credit opinion and rating is issued annually on the Standard and Poor's (S&P) Rating Services and the Moody's Investors Services ("Moody's") websites. According to S&P's Rating Services and Moody's credit opinions and ratings, the outlook for Rolls-Royce, which is also available on the Rolls-Royce website <http://www.rolls-royce.com>, is considered "A/Stable/A-1" for S&P and has a rating level of "A3" at Moody's. The NRC staff finds that the submitted information sufficiently describes R. Brooks Associates' ability to provide adequate financial qualification consistent with the guidance in Sections 3.0 and 5.0 of NUREG-1556, Volume 15, and the requirements of 10 CFR 70.36.

#### **TRANSFEREE'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS:**

In the application, R. Brooks Associates, Inc., d/b/a Rolls-Royce, and its parent companies agreed to abide by all constraints, conditions, requirements, representations, and commitments of the license after the transaction. The NRC staff finds that the information submitted by R.O.V. Technologies, Inc., sufficiently describes and documents the commitments made by R. Brooks Associates, Inc., d/b/a Rolls-Royce, and is consistent with the guidance in NUREG-1556, Volume 15.

#### **ENVIRONMENTAL REVIEW:**

This NRC action is not subject to environmental review. This action is categorically excluded from environmental review pursuant to 10 CFR 51.22(c)(21).

**CONCLUSIONS:**

The staff has reviewed the application submitted by both parties R.O.V. Technologies, Inc. and R. Brooks Associates, Inc., d/b/a Rolls-Royce, with regard to a direct change of control of Byproduct and Special Nuclear Materials License 44-30912-01, and consents to the proposed transfer pursuant to 10 CFR 30.34 and 70.36.

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 pursuant to 10 CFR 30.33(a) and 10 CFR Part 70.23(a) that licensed operations will not be inimical to the common defense and security, or to the health and safety of the public.