

SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR NRC BYPRODUCT MATERIALS LICENSE
NUMBERS 06-02269-03 AND 06-02269-04G, SILKORSKY AIRCRAFT CORPORATION

DATE: November 10, 2015

DOCKET NOS.: 030-03779 and 030-17749

LICENSE NOS.: 06-02269-03 and 06-02269-04G

LICENSEE: Sikorsky Aircraft Corporation.
6900 Main Street, Stratford, Connecticut

TECHNICAL REVIEWER: Dennis Lawyer

SUMMARY AND CONCLUSIONS

Sikorsky Aircraft Corporation (Sikorsky) holds two byproduct materials licenses issued by the U.S. Nuclear Regulatory Commission (NRC). Under NRC Materials License 06-02269-03, Sikorsky may possess, store, test, install, remove, and use byproduct materials for aircraft emergency lights and helicopter blade-failure detection gauges. Under NRC Materials License 06-02269-04G, Sikorsky may distribute devices containing byproduct material to persons generally licensed pursuant to 10 CFR 31.5 or equivalent provisions of the regulations of any Agreement state.

By letter dated September 21, 2015, Sikorsky requested NRC consent to an indirect transfer of control of the above licenses. The proposed indirect transfer of control would result from the sale of Sikorsky, through stocks, from United Technologies Corporation to Lockheed Martin Corporation (Lockheed). Sikorsky, currently a United Technologies Company, will be owned by Lockheed. The letter was signed by Annette McNeely, Director, EH&S, Sikorsky and Jon D. Ames, Director –Facilities and ESH of Lockheed. The indirect transfer of control is described in Agency Documents Access and Management System (ADAMS) accession number ML15274A391.

The NRC staff reviewed this request for consent 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—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 Sikorsky sufficiently describes and documents the transaction and commitments made by Sikorsky and acknowledged and agreed by Lockheed.

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, Sikorsky 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), Sikorsky has been an NRC licensee since July 22, 1992. The NRC conducted a main office inspection of Sikorsky on January 18-19, 2012; no violations were identified during this inspection. The commitments made by Sikorsky 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;
- E. the organization's name listed in the NRC license;

The commitments made by Sikorsky also state that they will maintain regulatory required decommissioning records and that surveillance records remain current and records are maintained.

Lockheed is currently a NRC licensee. Therefore, for security purposes, Lockheed 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. Lockheed's qualification as a known entity provides this reasonable assurance.

Sikorsky is not required to have decommissioning financial assurance based on the types and amount of material authorized in NRC Materials License No. 06-02269-03 and 06-02269-04G.

REGULATORY FRAMEWORK

Sikorsky's NRC Materials License Nos. 06-02269-03 and 06-02269-04G, were issued under 10 CFR Part 30, Rules of General Applicability to Domestic Licensing of Byproduct Material.

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, 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. Sikorsky's request for consent describes an indirect change of control resulting from a planned sale between United Technologies and Lockheed and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in the September 21, 2015 letter, which is available at ADAMS accession number ML15274A391. After completion of the sale, Sikorsky will continue as the licensee and remain in control of all licensed activities under NRC Materials License No. 06-02269-03 and 06-02269-04G. 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 Sikorsky sufficiently describes and documents the commitments made by transferee, Lockheed to abide by the transferor, United Technologies commitments 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 is categorically excluded under 10 CFR 51.22(c)(14)(xi) and 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 Nos. 06-02269-03 and 06-02269-04G and approves the application pursuant to 10 CFR 30.34(b).

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 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.