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SCIENCE ADVANCING HEALTH

November 19, 2015

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Via Federal Express

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Blake D. Welling, Branch Chief
Commercial, Industrial, R&D and Academic Branch
Division of Nuclear Materials Safety
U.S. Nuclear Regulatory Commission, Region I
2100 Renaissance Blvd, Suite 100
King of Prussia, PA 19406-2713

SUBJECT: Application for Approval of Indirect Transfer of Control of Licenses:

- 1) License No. 54-28275-01 (Docket No. 03030788)
- 2) License No. 54-28275-02MD (Docket No. 03030793)

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Dear Mr. Welling,

Nordion (Canada) Inc. ("Nordion" or "the Licensee") holds the above-listed U.S. Nuclear Regulatory Commission ("NRC") byproduct materials licenses ("the Licenses"). Nordion will be part of an internal corporate reorganization that is scheduled to be completed on December 31, 2015. Attachments 1 and 2 to this letter present the plan for the reorganization that affects Nordion. Nordion hereby requests that the NRC review the corporate reorganization plan, and Nordion urges the NRC to determine that the corporate reorganization does not result in a direct or indirect transfer of control under Section 184 of the Atomic Energy Act of 1954, as amended ("AEA"), 42 U.S.C. § 2021. If the NRC determines that the planned corporate reorganization does result in a transfer of control, then Nordion respectfully requests that the NRC expedite its review of this application such that it can issue written approval no later than December 27, 2015, if possible, in order to effect the corporate reorganization on schedule.

The Licensee, a Canadian company headquartered in Ottawa, Ontario, is a leading global provider of gamma technologies and medical isotopes. The Licensee's gamma technologies

REC'D IN LAT 11-20-15

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business focuses on the prevention of disease through sterilizing medical products and devices, as well as food and consumer products. The Licensee produces and installs Cobalt-60 ("Co-60") radiation sources for gamma sterilization systems. It also designs, constructs, installs, and maintains commercial gamma sterilization systems. Separately, its medical isotopes products are widely used by pharmaceutical and biotechnology companies, medical-device manufacturers, hospitals, clinics, and research laboratories. The Licensee's medical isotopes business focuses on products used in the diagnosis and treatment of disease, including cardiac and neurological conditions, and several types of cancer. It sells a variety of isotopes, including those that its customers incorporate into products that are used in medical procedures.

The Canadian Nuclear Safety Commission ("CNSC") regulates Nordion's licensed radioactive materials activities in Canada. For activities in the U.S., Nordion holds the two NRC-issued byproduct materials licenses noted above. Under NRC Materials License No. 54-28275-01, Nordion is authorized to distribute Co-60 in sealed sources, to possess Co-60 in sealed sources at the Licensee's temporary job sites in the United States, to install and/or remove Co-60 in sealed sources from irradiators, to install and service Co-60 irradiators, and to provide training for operating irradiators. Nordion is authorized by NRC Materials License No. 54-28275-02MD to distribute byproduct material from various locations in Canada to specific licensees in the United States.¹

Your office recently consented to the indirect transfer of control of Nordion's two NRC materials licenses on May 4, 2015. That transfer of control was driven by Warburg Pincus LLC, a New York-based private equity firm, acquiring an indirect, majority controlling interest in Nordion's ultimate parent company, Sterigenics-Nordion Topco, LLC ("Topco"). Warburg's controlling interest over Nordion is not changing as a result of the proposed corporate reorganization that is the subject of this letter. Rather, as explained in Attachment 1, and as depicted in Attachment 2, under the proposed corporate reorganization, Nordion would remain an indirect, wholly-owned subsidiary of Topco.

¹ The Licensee also holds NRC Export License No. PXB3.07-R (Docket No. 11006113), and is submitting a similar request to the NRC's Office of International Programs.

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Importantly, the proposed corporate reorganization does not involve any amendment to the Licenses and would not result in any changes to Nordion's name, organization, NRC-licensed activities, or personnel responsible for such licensed activities. Thus, after the corporate reorganization, there will be no change to how Nordion manages any of its activities regarding the possession, use and distribution of byproduct material authorized under the Licenses, and Nordion will continue to have the same equipment, facilities, personnel and procedures needed to protect public health and safety, and to secure the licensed material.

For informational purposes only, Nordion notes that it holds four NRC-issued National Sealed Source and Device Registry ("NSSDR") certificates,² and an NRC Quality Assurance Program Approval for Radioactive Material Packages (Approval No. 0703, Rev. 10) issued pursuant to 10 C.F.R. Part 71. Transfers of control involving the NSSDR certificates and Quality Assurance Program Approval are not subject to the consent requirements of AEA Section 184 or related NRC regulations, which apply specifically to NRC licenses. Nonetheless, if the NRC determined that the corporate reorganization would result in an indirect transfer of control, then Nordion would inform the NRC's Division of Material Safety, State, Tribal, and Rulemaking Programs and the NRC's Division of Spent Fuel Management, Office of Nuclear Material Safety and Safeguards of this reorganization.³

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² The NSSDR certificates are NR-0220-S-103-S, NR-0220-S-120-S, NR-0220-S-126-S, and NR-0220-D-131-S.

³ The proposed indirect transfer of control does not involve any amendment to Nordion's four NSSDR certificates; *i.e.*, no information on the face of the NSSDR certificates will change as a result of the proposed reorganization. Moreover, there will be no new information or changes to any products, records, service arrangements, labeling, prior commitments, or quality assurance program associated with the NSSDR certificates. The NSSDR certificates thus do not need to be amended in any event due to the proposed reorganization. Similarly, the proposed indirect transfer of control does not involve any changes to the existing Quality Assurance Program or amendments to the NRC approval.

If you have any questions or comments, please contact me at 613-592-3400, ext. 2539, or at richard.wassenaar@nordion.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Wassenaar". The signature is fluid and cursive, with a long horizontal stroke at the end.

Richard Wassenaar
Senior Manager
Transport Licensing and Gamma Radiation Safety
Nordion (Canada) Inc.

Enclosures: Attachment 1, Application for Consent of Transfer of Control of Licenses
Attachment 2, Pre- and Post-Reorganization Simplified Organizations

cc: NRC, OIP
A. Polonsky, Morgan Lewis & Bockius, LLP

I declare under penalty of perjury under the laws of the United States of America that the Application for Approval of Indirect Transfer of Control of License No. 54-28275-01 and License No. 54-28275-02MD is true and correct.

Executed on November 18, 2015.

A handwritten signature in black ink, appearing to read "Richard Wassenaar", is written over a horizontal line.

Richard Wassenaar
Senior Manager
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Nordion (Canada) Inc.
447 March Road
Ottawa, Ontario, Canada K2K1X8
Office: 613592-3400, ext. 2539
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Attachment 1

Application for Approval of Indirect Transfer of Control of Licenses

Nordion License No. 54-28275-01 (Docket No. 03030788)
and License No. 54-28275-02MD (Docket No. 03030793)

This information is submitted consistent with NUREG-1556, Vol. 15, *Consolidated Guidance About Materials Licenses: Program-Specific Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses*, at Section 5.1 through 5.6.

SECTION 5.1. DESCRIPTION OF TRANSACTION

1. *A complete clear description of the transaction, including any transfer of stocks or assets, mergers, etc., so that legal counsel is able, when necessary, to differentiate between name changes and changes of ownership.*

The proposed reorganization will occur in a series of steps that are scheduled to occur in the order described below. Please refer to Attachment 2, “Pre- and Post-Reorganization Simplified Organizations,” for simplified diagrams of the corporate structure before and after the proposed reorganization.

Nordion (Canada) Inc. (“Nordion” or “the Licensee”), a Canadian corporation, is an indirect, wholly-owned subsidiary of the following five U.S. companies, with the ultimate parent company listed first: Sterigenics-Nordion Topco, LLC (“Topco”); Sterigenics-Nordion Holdings, LLC; STHI Holdings, Inc.; STHI Intermediate Holding Corp., and STHI Holding Corp. (“STHI”). The proposed indirect transfer of control would result from the following planned corporate reorganization:

1. Sterigenics Holdings LLC, the immediate, U.S. wholly-owned subsidiary of STHI, and Sterigenics International LLC, the immediate, U.S. indirect, wholly-owned subsidiary of Sterigenics Holdings LLC, form Dutch CV, a Dutch limited partnership.
2. DEROSS Holding BV, an existing affiliate of Nordion, and a Dutch indirect, wholly-owned subsidiary of STHI, incorporates two new entities, called NEW BV 1 and NEW BV 2.
3. DEROSS Holding BV, NEW BV 1 and NEW BV 2 form a Dutch fiscal unit.
4. STHI contributes its shares in 8921903 Canada Inc. to STHI’s direct subsidiary, Sterigenics Holdings LLC, in exchange for capital. 8921903 Canada Inc. is Nordion’s current, direct parent company. Ownership of Nordion follows the shares in 8921903 Canada Inc. throughout the transaction.
5. In turn, Sterigenics Holdings LLC contributes its shares in 8921903 Canada Inc. to Sterigenics Holdings LLC’s direct subsidiary, Sterigenics International LLC, in exchange for capital.
6. In turn, Sterigenics International LLC contributes its shares in 8921903 Canada Inc. to

Sterigenics International LLC's direct subsidiary, Dutch CV, in exchange for partnership interest.

7. In turn, Dutch CV contributes its shares in 8921903 Canada Inc. to Dutch CV's direct subsidiary, DEROSS Holding BV, in exchange for share premium.
8. In turn, DEROSS Holding BV contributes its shares in 8921903 Canada Inc. to DEROSS Holding BV's direct subsidiary, New BV 2, in exchange for share premium.

The result of these corporate actions is depicted in Attachment 2.

The proposed indirect transfer of control does not involve any amendment to NRC License No. 54-28275-01 and NRC License No. 54-28275-02MD ("the Licenses"), or any changes to the Licensee's name, organization, or personnel responsible for licensed activities.

2. *The new name of the licensed organization. If there is no change, the licensee should so state.*

There will be no change in the name of the Licensee in connection with the proposed reorganization.

3. *The new licensee contact and telephone number(s) to facilitate communications.*

The Licensee contact and telephone information will remain the same. The contact information is as follows:

Luc Desgagne, Senior Licensing Coordinator
Nordion (Canada) Inc.
447 March Road
Ottawa, Ontario, Canada K2K 1X8
Phone: (613) 592-3400 ext. 2108
E-mail: luc.desgagne@nordion.com

SECTION 5.2. CHANGES OF PERSONNEL

1. *Any changes in personnel having control over licensed activities (e.g., officers of a corporation and any changes in personnel named in the license such as radiation safety officer, authorized users, or any other persons identified in previous license applications as responsible for radiation safety or use of licensed material). The licensee should include information concerning the qualifications, training and responsibilities of new individuals.*

There are no planned changes in personnel having control over licensed activities.

2. *An indication of whether the transferor will remain in non-licensed business without the license.*

STHI is the effective transferor in the proposed reorganization. Following the reorganization, STHI will remain in its position as an indirect parent of the Licensee, and Nordion will have the following additional indirect parents: Sterigenics Holdings LLC, Sterigenics International LLC, Dutch CV, DEROSS Holding BV, and NEW BV 2. Each of these six entities will remain in non-licensed business, and the Licenses will continue to be held by Nordion.

SECTION 5.3. CHANGES OF LOCATION, EQUIPMENT & PROCEDURES

1. *A complete description of any planned changes in organization, location, facility, equipment, or procedures (i.e., changes in operating or emergency procedures).*

There are no planned changes in the organization, location, facility, equipment, or procedures in connection with the proposed reorganization.

2. *A detailed description of any changes in the use, possession, location or storage of the licensed materials.*

There are no planned changes in the use, possession, location or storage of the radioactive materials to occur in connection with the reorganization.

3. *Any changes in organization, location, facilities, equipment, procedures, or personnel that would require a license amendment even without the change of ownership.*

There are no planned changes in the organization, facilities, equipment, procedures, or personnel that would require an amendment to the Licenses, even without the change of ownership.

SECTION 5.4. SURVEILLANCE RECORDS

1. *An indication of whether all surveillance items and records (e.g., calibrations, leak tests, surveys, inventories, and accountability requirements) will be current at the time of transfer. A description of the status of all surveillance requirements and records should also be provided.*

To the extent such records are required to be maintained under the Licenses, the proposed reorganization will have no effect on the surveillance records. All licensed activities and related records are current and will continue on an ongoing basis without interruption as required under the Licenses. Such records will continue to be maintained in their existing state and in accordance with applicable requirements.

SECTION 5.5 DECOMMISSIONING AND RELATED RECORDS TRANSFERS

1. *Confirmation that all records concerning the safe and effective decommissioning/closure of the facility; public dose and waste disposal by release to sewers, incineration, radioactive material spills, and on-site burials, have been transferred to the new licensee if licensed activities will continue at the same location.*

Nordion does not own or operate any facilities in the United States. Therefore, Nordion is not subject to any NRC decommissioning-related recordkeeping requirements. The Licensee's facilities are in Canada and are regulated by the Canadian Nuclear Safety Commission. All of the records applicable to the safe and effective decommissioning and closure of Nordion's Canadian facilities will remain in the same physical location.

2. *A description of the status of the facility. Specifically, the presence or absence of contamination should be documented. If contamination is present, will decontamination occur before transfer? If not, is the transferee knowledgeable of the extent and levels of contamination and applicable decommissioning requirements, and does the transferee agree to assume full liability for the decontamination of the facility or site?*

Nordion does not own or operate any facilities in the United States. The status of the Licensee's Canadian facilities will remain unchanged after the reorganization, and the liability for any decommissioning or decontamination activities for the Licensee's facilities in Canada will remain with the Licensee.

- 3. A description of any decontamination plans, including financial surety arrangements of the transferee. This should include information about how the transferee and transferor propose to divide the transferor's assets and responsibility for any cleanup needed at the time of transfer.*

Nordion does not own or operate any facilities in the United States. Therefore, Nordion is not subject to any NRC decommissioning funding financial assurance requirements. The proposed reorganization would have no effect on the Licensee's obligations or ability to meet the requirements of its decommissioning responsibilities for its facilities in Canada.

SECTION 5.6. TRANSFEE'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS

Confirmation that the transferee agrees to abide by all commitments and representations previously made by the transferor. These include, but are not limited to: maintaining decommissioning records; implementing decontamination activities and decommissioning of the site; and completing corrective actions for open inspection items and enforcement actions.

With regard to contamination of facilities and equipment, the transferee should confirm, in writing, that it accepts full liability for the site, and should provide evidence of adequate resources to fund decommissioning; or the transferor should provide a commitment to decontaminate the facility before the change of control or ownership.

With regard to open inspection items, etc., the transferee should confirm, in writing, that it accepts full responsibility for open inspection items and/or any resulting enforcement actions; or the transferee proposes alternative measures for meeting the requirements; or the transferor provides a commitment to close out all such actions with NRC before license transfer.

The indirect change in control resulting from the proposed reorganization would not create a new licensee and would not change the Licensee's existing commitments under the Licenses.

Following the proposed reorganization, the Licensee agrees to continue to abide by all constraints, license conditions, requirements, representations and commitments identified in and attributed to the Licenses, including any decommissioning and decommissioning funding obligations. The Licensee agrees to continue to accept full responsibility for open inspection items and any resulting enforcement action. The proposed reorganization will not affect the Licensee's commitments and representations.

1. *Documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of the transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions.*

The proposed reorganization would not create a new licensee and would not change the Licensee's existing commitments under the Licenses. The Licensee is aware of and will continue to be responsible for all open inspection items and the Licensee will remain responsible for any possible resulting enforcement actions.

2. *A commitment by the transferee to abide by all constraints, conditions, requirements, representations, commitments identified in the existing licenses. If not, the transferee must provide a description of its program to ensure compliance with the license and regulations.*

The indirect change in control resulting from the reorganization would not create a new licensee and would not change the Licensee's existing commitments under the License. Following the reorganization, the Licensee agrees to continue to abide by all constraints, conditions, requirements, representations, and commitments identified in the Licenses.

Attachment 2

**PRE- AND POST-REORGANIZATION SIMPLIFIED
ORGANIZATIONS**

FIGURE 1: PRE-REORGANIZATION SIMPLIFIED ORGANIZATION

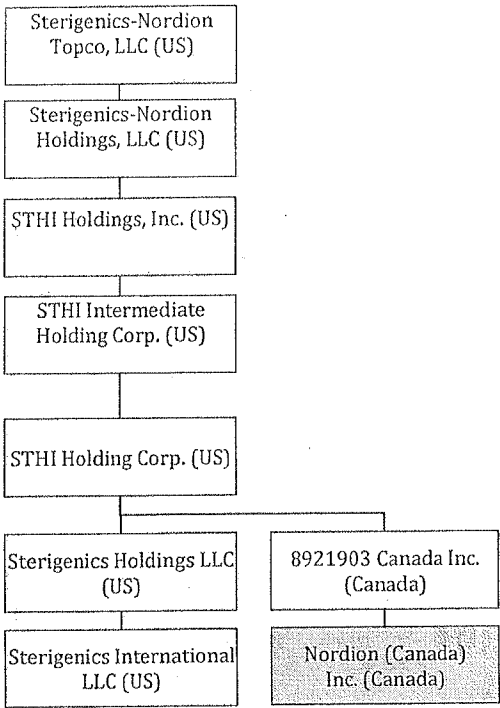


FIGURE 2: POST-REORGANIZATION SIMPLIFIED ORGANIZATION

