

SAFETY EVALUATION REPORT
PROPOSED TRANSFER OF CONTROL FOR NRC BYPRODUCT MATERIALS LICENSE
NUMBER 47-23076-01, FURMANITE AMERICA, INC.

DATE: February 3, 2016

DOCKET NO.: 030-20243

LICENSE NO.: 47-23076-01

LICENSEE: Furmanite America, Inc. dba Huntington Testing & Technology
1200 Airport Road, Huntington, West Virginia

TECHNICAL REVIEWER: Dennis Lawyer

SUMMARY AND CONCLUSIONS

Furmanite America, Inc. (Furmanite) holds a byproduct materials license issued by U. S. Nuclear Regulatory Commission (NRC). Under NRC Materials License 47-23076-01, Furmanite is authorized to possess and use byproduct material to perform industrial radiography at temporary job sites in the NRC's areas of regulatory jurisdiction.

By letter dated December 22, 2015, Agencywide Documents Access and Management System (ADAMS) Accession Number ML15357A237, Furmanite requested the NRC's consent to an indirect transfer of control of the above license. Currently, Furmanite is a wholly-owned subsidiary of Furmanite Worldwide, Inc. Furmanite Worldwide, Inc. is a wholly-owned subsidiary of Furmanite Corporation, a publically held company. A merger of Furmanite Corporation with and into TFA, Inc. is planned. TFA, Inc. is a wholly-owned subsidiary of Team, Inc., a publically held company. TFA, Inc. was formed solely to merge with and into Furmanite Corporation. After the completion of the merger, the licensee, Furmanite, will remain a wholly owned subsidiary of Furmanite Worldwide, Inc. Furmanite Worldwide, Inc. will be a wholly owned subsidiary of TFA, Inc. TFA, Inc. will be a wholly owned subsidiary of Team, Inc.

The request for consent was reviewed by NRC staff for an indirect transfer of control of the 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 Furmanite sufficiently describes and documents the transaction and commitments made by Furmanite and Team, 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 transfer of control is in accordance with the Act. The staff finds that, after the transfer of control, Furmanite 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.

Furmanite also requested a license amendment to change the name of the licensee from Huntington Testing & Technology, the trade name, to Furmanite America, Inc., the name of the legal entity. The license amendment will be controlled under a separate licensing action.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Licensing Tracking System (LTS), Furmanite has been an NRC licensee since April 17, 2013, and the NRC license has been in existence since April 30, 1985. The NRC conducted a main office inspection of Furmanite on August 18-19, 2014, and no violations were identified during this inspection. The commitments made by Furmanite state that under the proposed transaction there are no plans to change:

- A. the radiation safety officer listed in the NRC licenses;
- B. the personnel involved in licensed activities, except for the NRC management contact;
- C. the locations, facilities, and equipment authorized in the NRC licenses;
- D. the radiation safety program authorized in the NRC licenses;
- E. the organization's name listed in the NRC licenses, except to correct the name to Furmanite America, Inc., which is requested even if transfer of control does not occur; or
- F. the maintenance of required surveillance records and decommissioning records.

Upon transfer, the new NRC management contact will be replaced with Mr. Art Victorson, President Team, Inc. – IHT Division.

Team, Inc., the ultimate parent company for Furmanite, has a wholly owned subsidiary, Team Industrial Services, Inc. which holds material license, NRC License No. 42-32219-01. This license also authorizes industrial radiography. Therefore, for security purposes, Team, Inc. 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 (ADAMS Accession No ML082630238). 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. Team Inc.'s status as a known entity provides this assurance.

Furmanite is not required to have decommissioning financial assurance based on the types and amount of material authorized in NRC Materials License No. 47-23076-01.

REGULATORY FRAMEWORK

Section 184 of the Atomic Energy Act of 1954, as amended, prohibits the transfer of control of any license unless the Commission finds that the transfer is in accordance with the Act and consents to the transfer in writing.

Furmanite's NRC Materials License No. 47-23076-01, was 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. The central issue when determining whether a license is transferred is whether the authority over the license has changed. Furmanite's request for consent describes an indirect transfer of control of the NRC license held by Furmanite, resulting from a planned merger of Furmanite Corporation. Following the completion of the merger, Furmanite will become an indirect wholly owned subsidiary of Team, Inc., and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML15357A237. After completion of the merger, Furmanite will continue as the licensee and remain in control of all licensed activities under NRC Materials License No. 47-23076-01. As discussed above, 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 Furmanite sufficiently describes and documents the commitments made by Furmanite 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)(21).

CONCLUSION

The NRC staff has reviewed the request for consent submitted by Furmanite with regard to an indirect transfer of control of NRC Materials License No. 47-23076-01 and, pursuant to 10 CFR 30.34(b), consents to the proposed indirect transfer of control.

The submitted information sufficiently describes the transaction, documents the licensee's commitments, and demonstrates that personnel have the experience and training to properly implement and maintain the license and that they will maintain the existing records. The submitted information also demonstrates that the licensee and its parent companies will abide by all existing commitments in the license, consistent with the guidance in NUREG-1556, Volume 15.

Therefore, the staff concludes that the proposed transfer of 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. The name change will be reviewed and controlled under a different licensing action.