

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR NRC BYPRODUCT MATERIALS LICENSE
NUMBER 52-24862-01, SPEC GROUP PSC.**

DATE: June 22, 2016

DOCKET NO.: 030-29474

LICENSE NO.: 52-24862-01

LICENSEE: SPEC GROUP PSC
PMB 278, Guaynabo, Puerto Rico 00968-3022

TECHNICAL REVIEWER: Dennis Lawyer

SUMMARY AND CONCLUSIONS

Under NRC Materials License 52-24862-01, Geotechnical & Material Testing Services is authorized to possess and use byproduct material in portable gauges for measuring physical properties of materials at their facility and at temporary job sites in the NRC's areas of regulatory jurisdiction.

By letter received April 25, 2016, Agencywide Documents Access and Management System (ADAMS) Accession Number ML16120A104, SPEC GROUP PSC requested the NRC's consent to a direct transfer of control of the above license. SPEC GROUP PSC was formed by a current employee of the licensee to purchase Geotechnical & Materials Testing Services business. The request for consent was reviewed by NRC staff for a direct change of 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 SPEC GROUP PSC sufficiently describes and documents the transaction and commitments made by SPEC GROUP PSC.

As required by 10 CFR 30.34, 40.41, and 70.32 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, SPEC GROUP PSC 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 security of licensed material.

SAFETY AND SECURITY REVIEW

According to the NRC's Web Based Licensing (WBL), Geotechnical & Materials Testing Services has been an NRC licensee since September 5, 1986. The NRC conducted a main office inspection of Geotechnical & Materials Testing Services on April 15, 2015, for NRC Materials License No. 52-24862-01, and no violations were identified during the inspection. The commitments made by SPEC GROUP PSC state that under the proposed transaction there are no plans to change:

- A. the personnel involved in licensed activities, other than appointment of a new Radiation Safety Officer (RSO);
- B. the locations, facilities, and equipment authorized in the NRC licenses;
- C. the radiation safety program authorized in the NRC licenses; or
- D. the maintenance of required surveillance records and decommissioning records.

The organization's name possessing the material will be SPEC Group PSC. SPEC GROUP PSC has stated they will change the Radiation Safety Officer because the previous RSO is departing with the previous company, Geotechnical & Material Testing Services. The proposed RSO has been an authorized user under the license for 19 years. SPEC Group PSC also submitted with this request that the proposed RSO obtained additional radiation safety officer training on March 31, 2016. The NRC staff has reviewed this information and has concluded that the proposed Radiation Safety Officer is qualified.

The staff used 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 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. A pre-licensing visit was performed on June 6, 2016, to obtain additional observation and information. A review of the available information and the pre-licensing visit provided a basis of confidence that SPEC GROUP PSC would use the radioactive material as specified on the license.

SPEC GROUP PSC is not required to have decommissioning financial assurance based on the types and amount of material authorized in NRC Materials License No. 52-24862-01.

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.

SPEC GROUP PSC's NRC Materials License No. 52-24862-01, 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. 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 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. SPEC GROUP PSC's request for consent describes a direct change of control of the NRC licenses held by Geotechnical & Materials Testing Services, resulting from a sale between Geotechnical & Materials Testing Services Technologies and SPEC GROUP PSC on April 27, 2016. Following the completion of the sale, SPEC GROUP PSC became the licensee and, as such, the transfer required NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in the transfer application at ADAMS accession number ML16120A104. After completion of the sale, SPEC GROUP PSC Industries, Inc. will continue as the licensee and remain in control of all licensed activities under NRC Materials License No. 52-24862-01. 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 Geotechnical & Materials Testing Services Technologies Inc. sufficiently describes and documents the commitments made by SPEC GROUP PSC, and is consistent with the guidance in NUREG-1556, Volume 15.

ENVIRONMENTAL REVIEW

An environmental assessment for this action is not required because this action is categorically excluded under 10 CFR 51.22(c)(21).

CONCLUSION

The NRC staff has reviewed the request for consent submitted by SPEC GROUP PSC with regard to a direct change of control of NRC Materials License No. 52-24862-01 pursuant to 10 CFR 30.34(b), and consents to the direct transfer of control.

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, that in the future, 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 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.