

Essroc Cement Corp. 3251 Bath Pike Nazareth PA, 18064 Tel 610-837-6725 Fax 610-837-6725 essroc.com us.i-nova.net

July 19, 2016

Patricia Pelke US Nuclear Regulatory Commission Region III 2443 Warrenville Road, Suite 210 Lisle, IL 60532-4352

Certified Mail No.

Re: Essroc Cement Corp. Speed, IN License No. 13-26609-01

Dear Mr. Reichhold:

Italcementi S.p.A., the ultimate parent of U.S.-based Essroc Cement Corp. (Essroc), is in the process of being acquired by HeidelbergCement AG ("HC"), the owner of U.S.-based, Lehigh Hanson, Inc. The U.S. Federal Trade Commission approved the transaction on June 17, 2016, conditional on Essroc and Lehigh Hanson divesting of certain facilities within 120 days after the transaction closing. Essroc's Speed, Indiana plant is not among the facilities the FTC is requiring to be divested.

We understand that HC is targeting a global closing of the transaction on July 1, 2016. While the closing will mean a change in the ultimate parent of Essroc, there are no current plans to change Essroc's name, legal status or management of the licensed program. In a conversation on June 17, 2016 wil your office, we discussed whether the change in Essroc's ultimate parent will require a "Change of Control" modification for its NRC license. To assist in your consideration of this matter, Essroc provides the responses below to your questions.

Question 1: Provide a complete description of the transaction (transfer of stocks or assets, or merger). Indicate whether the name has changed and include the new name. Include the name and telephone number of a licensee contact who NRC may contact if more information is needed.

Response 1: On July 1, 2016, HeidelbergCement AG ("HeidelbergCement"), the parent of Lehigh Hanson, Inc., completed the acquisition of a 45% shareholding in Italcementi S.p.A. ("Italcementi"), the parent of Essroc Cement Corp. ("Essroc"), from Italmobiliare S.p.A. ("Italmobiliare"). All conditions for the closing of the transaction have been fulfilled following the approval by the relevant competition authorities.

On 28 July 2015, HeidelbergCement and Italmobiliare entered into a share purchase agreement about the acquisition of a 45% shareholding in Italcementi. With the July 1, 2016 closing of the transaction, HeidelbergCement acquired 157.17 million ordinary shares, representing 45% of the share capital of Italcementi.

The acquisition of the 45% stake in Italcementi triggers the obligation to execute a mandatory tender offer to the remaining shareholders of Italcementi. The tender offer is expected to be completed in the second half of 2016, and as a result, Italcementi will be a wholly owned subsidiary of Heidelberg Cement

As of the time of closing, Essroc is being managed by Lehigh Hanson. Essroc will maintain its corporate identity and name for the foreseeable future. In the event that management of the company decides at a later date to change Essroc's name or legal status, we will re-visit notice, consent and assignment requirements at that time.

The NRC may contact Essroc's General Counsel, Carol Lowry, at 610-837-3353, in the event the NRC would like additional information on the transaction.

Question 2: Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel

Response 2: HC has not informed Essroc that there will be any changes in personnel or duties relating to the licensed program as a result of the HC acquisition.

Question 3: Describe any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program.

Response 3: HC has not informed Essroc that there will be any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program. It is likely that Lehigh Hanson's U.S. North regional headquarters (located in Fogelsville, PA) and Essroc's headquarters (located in Bath, PA) will be consolidated and higher-level management will change as the two sister organizations begin to work together.

Question 4: Describe the status of the surveillance program (surveys, wipe tests, quality control) at the present time and the expected status at the time that control is to be transferred.

Response 4: The Speed facility has complied with all requirements related to its license. At the present time we are improving on the system by adding a backup RSO, as we discussed via phone. We are not aware of any intentions by HC to change Essroc's surveillance program.

Question 5: Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.

Response 5: Since Essroc will remain the licensee, there will be no change in the management of records associated with the licensed program.

Question 6: Confirm that the transferee will abide by all constraints, conditions, requirements and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.

Response 6: Essroc will continue to abide by all constraints, conditions, requirements and commitments of the licensed program.

Question 7: Provide documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of transfer; and the transferee is made aware of all open inspection items and its responsibility for the possible resulting enforcement actions.

Response: Once the HC global closing has occurred, Essroc will confirm that management within Lehigh Hanson's environmental department are briefed regarding the Speed, Indiana licensed program.

If you have any questions regarding this information, please contact me via email: <u>luis.rodriguez@essroc.com</u> or via telephone: 610-837-3336.

Sincerely, Essroc Cement Corp.

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Luis H. Rodríguez Corporate Environmental Engineer

Cc: Patricia Pelke (NRC)

Tomczak, Tammy

From:
Sent:
То:
Subject:
Attachments:

Pelke, Patricia Tuesday, July 19, 2016 3:04 PM Tomczak, Tammy FW: Document for Posting 4850_001.pdf

Hi Tammy,

Please get the attached letter into ADAMs and it needs to be added to the pending folder for CN 591202 and posted as a COC. Also, please reassign from Bill to Kevin on 7/19. Please place the document into the pending folder and send to Kevin. Let me know if you have any questions – thanks.

From: Luis.Rodriguez@essroc.com [mailto:Luis.Rodriguez@essroc.com] Sent: Tuesday, July 19, 2016 11:53 AM To: Pelke, Patricia <Patricia.Pelke@nrc.gov> Subject: [External_Sender] Document for Posting

Dear Patricia,

Attached is the revised version of the letter.

Please let me know if you have any questions.

Regards,

Luis



Luis Rodriguez Corporate Environmental Engineer Essroc Cement Corp. 3251 Bath Pike Nazareth, PA 18064 Phone: (610)-837-3336 Email address : <u>luis.rodriguez@essroc.com</u>



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