

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR NRC BYPRODUCT MATERIALS LICENSE
NUMBER 45-17195-01, CARDNO, INC.**

DATE: January 18, 2017

DOCKET NO.: 030-12341

LICENSE NO.: 45-17195-01

LICENSEE: Cardno, Inc.
534 Industrial Park Road, Bluefield, Virginia

TECHNICAL REVIEWER: Dennis Lawyer

SUMMARY AND CONCLUSIONS

Cardno, Inc. holds a byproduct material license issued by U.S. Nuclear Regulatory (NRC). Under NRC Materials License 45-17195-01, Cardno, Inc. is authorized to possess and use byproduct material for purposes of using portable gauging devices for measuring physical properties of materials and for use in oil, gas, environmental, and mineral well logging activities at temporary job sites in the NRC's areas of regulatory jurisdiction.

By letter dated November 9, 2016, Agencywide Documents Access and Management System (ADAMS) Accession Number ML16335A401, Cardno, Inc. requested the NRC's consent to a direct transfer of control of the above license to Marshall Miller & Associates, Inc. (MM&A). Cardno Inc. plans to transfer all of its mining operations, including all of the activities requiring the material license, to MM&A, a Virginia corporation. All assets and facilities associated with licensed operations will be transferred to MM&A as part of a stock purchase agreement.

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, Revision 1, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated June 2016. The NRC staff finds that the information submitted by Cardno, Inc. sufficiently describes and documents the transaction and commitments made by Cardno, Inc. and MM&A.

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, MM&A will be qualified to use byproduct material for the purpose requested, and will 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 the data obtained from the NRC's Web Based Licensing (WBL), Cardno, Inc. has been an NRC licensee since January 1, 2015. The NRC conducted a main office inspection of Cardno, Inc. on December 12, 2016, for NRC Materials License No. 45-17195-01 and one violation was identified during the inspection. The violation concerned the security requirements

on portable gauges and Cardno, Inc. performed immediate corrective actions to correct the violation. The commitments made by Cardno, Inc. and MM&A state that under the proposed transaction there are no plans to change:

- A. the radiation safety officer listed on 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; or
- E. the maintenance of required surveillance records and decommissioning records.

The license will be transferred to MM&A and the name on the license will reflect the new company name. A pre-licensing visit was performed on December 12, 2016, because MM&A is not considered a known entity. The pre-licensing visit followed 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. The purpose of this aspect of the review is for the NRC to obtain reasonable assurance from new license applicants or NRC license transferees that the licensed material will be used for its intended purpose and not for malevolent use. Based on the pre-licensing visit the NRC has confirmed that there is reasonable assurance that MM&A will use the licensed material for its intended purpose and not for malevolent use.

Cardno, Inc. is not required to have decommissioning financial assurance based on the types and amount of material authorized in NRC Materials License No. 45-17195-01.

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.

Cardno, Inc.'s NRC Materials License No. 45-17195-01, 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, Revision 1. The central issue when determining whether a license is transferred is whether the authority over the license has changed. Cardno Inc.'s request for consent describes a direct transfer of control of the NRC license held by Cardno Inc., resulting of sale of stock from Cardno

Inc. to MM&A. Following the sale, MM&A will become the licensee, and, as such, the transfer requires the NRC's consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML16335A401. After completion of the sale, MM&A will become the licensee and will be in control of all licensed activities under NRC Materials License No. 45-17195-01. 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 section 5 of NUREG-1556, Volume 15, Revision 1.

TRANSFeree'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS

The NRC staff finds that the information submitted by Cardno, Inc. sufficiently describes and documents the commitments made by MM&A, and is consistent with the guidance in NUREG-1556, Volume 15, Revision 1.

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 Cardno, Inc. with regard to a direct change of control of NRC Materials License No. 45-17195-01 pursuant to 10 CFR 30.34(b), and consents to the proposed direct 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 will abide by all existing commitments in the license, consistent with the guidance in NUREG-1556, Volume 15, Rev 1.

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.