

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE**

Date: 24-March-2017
Docket No.: 030-35055
License No.: 34-26653-02
Licensee: David Close Consulting
Address: 1412 Willowood Ct., Painesville, OH 44077
Technical Reviewer: Sara A. Forster, M.S., Materials Licensing Branch, Division of Nuclear Materials Safety

SUMMARY AND CONCLUSIONS:

David Close Consulting ("the licensee" and "the transferor") is authorized by NRC License No. 34-26653-02 for the possession and use of byproduct material. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct license transfer submitted by the licensee that would result from purchase of the licensee/transferor by National Physics Consultants ("the transferee"). The transferee is equally owned by three partners, including Sharon L. Long and C. Kelly Stoneberg, who are both listed as Authorized Users on the licensee's license. Ms. Long is also the Radiation Safety Officer (RSO) and owner associated with a similar-scope radioactive materials license, NRC License No. 34-26655-02. The direct transfer of control is described in the December 15, 2016 request letter (Agency Documents Access and Management System (ADAMS) accession number ML16362A444).

The request for consent was reviewed by NRC staff for a direct change in control of a Title 10 *Code of Federal Regulations* (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," revision 1, dated June 2016. The NRC staff finds that the information submitted by the licensee sufficiently describes and documents the transaction and commitments made by the licensee, the transferor, and the transferee.

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, the licensee 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 to promote the security of licensed material.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Web Based Licensing (WBL) System, the licensee has held an NRC license since October 18, 1995. The NRC most recently conducted inspections of the licensee on May 12, 2015 and October 20, 2009, and identified no violations during those inspections. In the licensee's request for NRC consent to the direct transfer of control, commitments made by the transferee and the transferor state that the licensee:

- A. other than the Radiation Safety Officer (RSO), will not change the personnel authorized in the NRC license;

- B. will not change the organization, locations, facilities, equipment, or procedures authorized in the NRC license, but will transfer those activities to another NRC license;
- C. will transfer the radiation safety program to the authority of another NRC license; and
- D. will transfer regulatory required surveillance records and decommissioning records to the other NRC license.

As noted above, Ms. Long, part-owner of National Physics Consultants, the transferee, holds NRC radioactive materials license 34-26655-02 that is within the scope of proposed licensed activities. Accordingly, the transferee 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. The purpose of this checklist 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.

The licensee is not required to have decommissioning financial assurance based on the types and amount of material authorized by License No. 34-26653-02.

REGULATORY FRAMEWORK

License No. 34-26653-02, was issued under 10 CFR Part 30, Rules of General Applicability to Domestic Licensing of Byproduct Material. Under 10 CFR 30.34(b), for licenses "issued or granted pursuant to the regulations in [Parts 30] through 36," the Commission is required to determine if the change of control is in accordance with the provisions of the Act, and give its consent in writing. Specifically, no 10 CFR Part 30 licenses, "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." The review was completed in accordance with NUREG 1556, Volume 15, revision 1, and informed by 63 *Federal Register* 66721, "10 CFR Parts 2 and 51, RIN 3150-AG09, Streamlined Hearing Process for NRC Approval of License Transfers, Nuclear Regulatory Commission, Final Rule," dated Dec. 3, 1998.

DESCRIPTION OF TRANSACTION

In letter dated December 15, 2016, David Close Consulting ("the licensee") and National Physics Consultants ("the transferee"), notified the U.S. Nuclear Regulatory Commission that the transferee, via a direct transfer, planned to acquire 100 percent of the licensee's assets. The transaction is described in ADAMS accession number ML16362A444. After completion of the acquisition, the transferee would take ownership of all licensed activities authorized under NRC Materials License No. 34-26653-02, with no significant changes to key responsible personnel, licensed facilities, or equipment.

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 NUREG-1556, Volume 15, revision 1, Appendix E, "Information Needed for Transfer of Control."

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

The NRC staff finds that the commitments and information submitted by David Close Consulting and National Physics Consultants, under letter dated December 15, 2016 (ML16362A444) are consistent with the guidance outlined 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 staff has reviewed the request for consent submitted by both parties with regard to an indirect change of control of byproduct materials license No. 34-26653-02 and approves the application pursuant to 10 CFR 30.34(b).

Submitted information sufficiently describes the transaction; documents the understanding of the license 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, in the future, will abide by all existing commitments to the license, consistent with the guidance in NUREG-1556, Volume 15, revision 1.

In accordance with the above analysis, the staff concludes that the proposed change in control would not alter previous findings, that licensed operations will not be inimical to the common defense and security, or to the health and safety of the public.