

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 21-26266-01, SOUTH HAVEN COMMUNITY HOSPITAL**

DATE: March 30, 2017

DOCKET NO.: 030-32015

LICENSE NO.: 21-26266-01

LICENSEE: South Haven Community Hospital
955 South Bailey Avenue
South Haven, MI 49090-0489

TECHNICAL REVIEWER: Jennifer L. Bishop

SUMMARY AND CONCLUSIONS

South Haven Community Hospital is authorized by NRC License 21-26266-01 for the possession and use of byproduct material for medical uses of radioactive material. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct license transfer submitted by Bronson Health Care Group that will result from a sale between South Haven Community Hospital and Bronson Health Care Group. South Haven Community Hospital is a community owned hospital. On November 8, 2016, the community voted to be affiliated with Bronson Health care group. The direct transfer of control is described in Agency Documents Access and Management System (ADAMS) accession number ML17023A275.

The request for consent was reviewed by NRC staff for a direct change in 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 South Haven Community Hospital sufficiently describes and documents the transaction and commitments made by Bronson Health Care Group and South Haven Community Hospital.

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, South Haven Community Hospital 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 promotes the security of licensed material.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Web Based Licensing System (WBL), South Haven Community Hospital has been an NRC licensee since March 20, 1991. The NRC conducted a main office inspection of South Haven Community Hospital on December 16, 2013, and no violations were identified during this inspection. The commitments made by Bronson Health Care Group and South Haven Community Hospital state that South Haven Community Hospital (License No. 21-26266-01):

- A. will not change the radiation safety officer listed in the NRC license;
- B. will not change the personnel involved in licensed activities;
- C. will not change the locations, facilities, and equipment authorized in the NRC license;
- D. will not change the radiation safety program authorized in the NRC license; and
- E. will keep regulatory required surveillance records and decommissioning records.

Bronson Health Care Group currently owns several hospitals that have NRC licenses, including Bronson Methodist Hospital. Therefore, for security purposes, Bronson Health Care Group 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.

South Haven Community Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 21-26266-01.

REGULATORY FRAMEWORK

South Haven Community Hospital's License No. 21-26266-01, was issued under 10 CFR Part 30, Rules of General Applicability to Domestic Licensing of Byproduct Material. The Commission is required by 10 CFR 30.34 to determine if the change of control is in accordance with the provisions of the Act and give its consent in writing.

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. As discussed in NUREG-I 556, Volume 15, Revision 1, 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. South Haven Community Hospital's request for consent describes a direct change of control resulting from a planned sale between South Haven Community Hospital and Bronson Health Care Group. South Haven Community Hospital is a community owned hospital. On November 8, 2016, the community voted to be affiliated with Bronson Health care group and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML17023A275. After completion of the merger, South Haven Community Hospital will continue as the licensee and remain in

control of all licensed activities under Materials License No. 21-26266-01. 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 E 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 South Haven Community Hospital sufficiently describes and documents the commitments made by Bronson Health Care Group and South Haven Community Hospital, 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)(14)(xi).

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. 21-26266-01 and approves the application pursuant to 10 CFR 30.34(b).

The 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.

Therefore, the staff concludes that the proposed 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.