

Reuter-Stokes, Inc.

8499 Darrow Road
Twinsburg, OH 44087
USA

April 4, 2017

U.S. Nuclear Regulatory Commission, Region III
Material Licensing Section
2443 Warrenville Road Suite 210
Lisle, Illinois 60532-4352

SUBJECT: Request for Approval of Indirect Transfer of Control of NRC License
No. SNM-1826 (Docket No. 7002872)

Pursuant to 10 CFR 70.36, Reuter-Stokes, Inc. (Reuter-Stokes) requests that the U.S. Nuclear Regulatory Commission (NRC) consent to the planned indirect transfer of control of Special Nuclear Material License No. SNM-1826 (the License), which authorizes the possession and use of certain NRC-licensed materials at the Reuter-Stokes Facility located at 8499 Darrow Road in Twinsburg, OH 44087. As described below, the indirect transfer of control would result from a reorganization of the oil and gas businesses of Reuter-Stokes' parent company, General Electric Company (GE).

On October 30, 2016, GE entered into a Transaction Agreement and Plan of Merger (Agreement) with Baker Hughes Incorporated (BHI). Pursuant to the Agreement, GE and BHI agreed to combine the GE oil and gas business with BHI. At closing of the transaction, which is expected to occur on July 1, 2017, GE will transfer Reuter-Stokes to the new combined company (Newco LLC). GE will retain control of Reuter-Stokes by holding 62.5% of the voting rights in Bear Newco, Inc. (New Baker Hughes), which serves as the managing member of its wholly-owned subsidiary, EHC Newco, LLC, which, in turn, will be the managing member of Newco LLC and will have the sole voting control of Newco LLC.

Simplified organization charts showing the voting control of Reuter-Stokes before and after the indirect transfer of control are provided as Figures 1 and 2. These organization charts are "simplified" in that they focus only on voting control, and they do not illustrate the non-voting economic interests owned by various GE and BHI affiliated companies.

Enclosure 1 to this letter provides the information required by Volume 15 of NUREG-1556, Revision 1, "Consolidated Guidance About Materials Licenses – Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses" (June 2016), which provides guidance for licensees to use in preparing a notification to NRC of a planned change of control.

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April 4, 2017

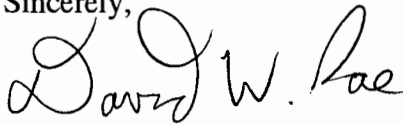
Page 2

The planned indirect transfer of control of Reuter-Stokes does not involve any changes in the operations of Reuter-Stokes and does not change any of its current obligations as the holder of the License. Thus, there are no changes to the information provided to support the issuance of the License as a result of this transaction, other than changed information regarding the new holding companies that will own Reuter-Stokes, directly or indirectly.

Reuter-Stokes will remain under the control of GE, and GE will continue to provide a parent guaranty of the decommissioning financial assurance required for the Reuter-Stokes License. GE affirms that it will continue to assure that Reuter-Stokes continues to have the equipment, facilities, personnel and procedures needed to protect public health and safety, to secure the licensed material, and to meet its requirements under the License.

If you have any questions, please do not hesitate to contact Kimberly Kuhls, Radiation Safety Officer, at 330.963.2477 or cell: 330.351.4788, or kimberly.kuhls@ge.com.

Sincerely,

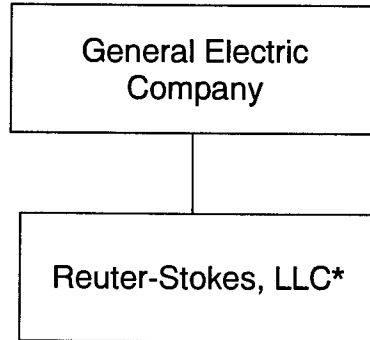
A handwritten signature in cursive script that reads "David W. Rae".

David W. Rae
Vice President
Reuter-Stokes, Inc.

Enclosure 1 "Information Supporting Request for Approval of Indirect Transfer of Control of Special Nuclear Material License No. SNM 1826"

Figure 1:

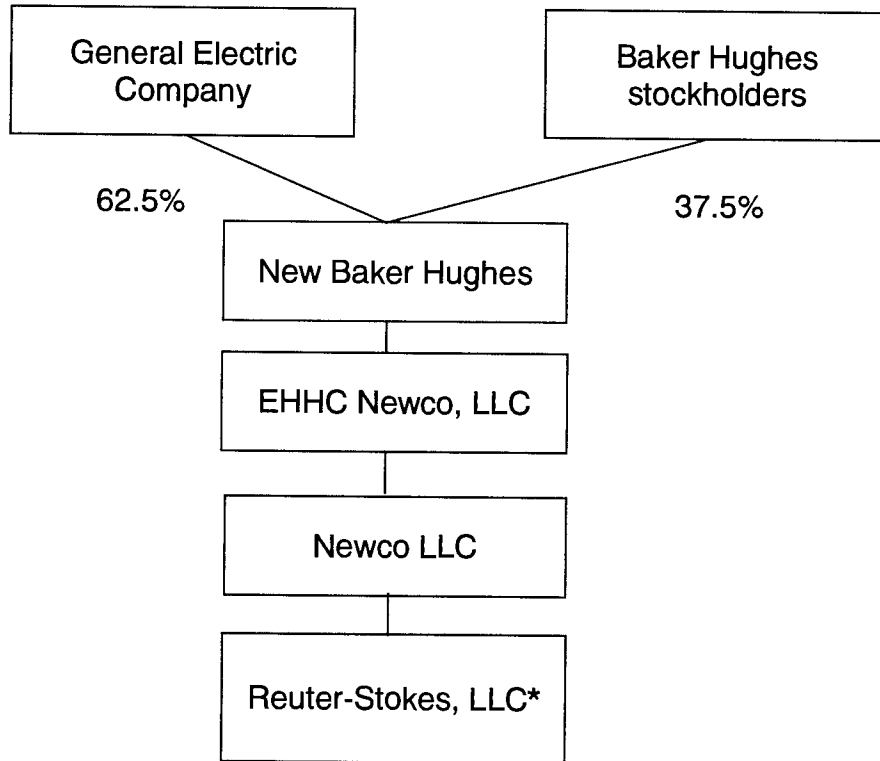
SIMPLIFIED ORGANIZATION CHART (MAY 2017)



*Reflects expected conversion of Reuter-Stokes, Inc. in May 2017 from a corporation to a limited liability company.

Figure 2:

SIMPLIFIED ORGANIZATION CHART (POST-FINAL TRANSFER)



*Reflects expected conversion of Reuter-Stokes, Inc. in May 2017 from a corporation to a limited liability company

Enclosure 1

Information Supporting Request for Approval of
Indirect Transfer of Control of Special Nuclear Material License No. SNM-1826

This information is submitted consistent with “Consolidated Guidance About Materials Licenses – Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses,” U.S. Nuclear Regulatory Commission, NUREG-1556, Vol. 15, Rev. 1 (June 2016).

Section 5.1 DESCRIPTION OF TRANSACTION

1. *A complete clear description of the transaction, including any transfer of stocks or assets, mergers, etc., so that legal counsel is able, when necessary, to differentiate between name changes and changes of ownership.*

Pursuant to 10 CFR 70.36, Reuter-Stokes, Inc. (Reuter-Stokes), requests that the U.S. Nuclear Regulatory Commission (NRC) consent to the indirect transfer of control of Special Nuclear Material License No. SNM-1826 (the License), which authorizes the possession and use of certain NRC-licensed materials at the Reuter-Stokes Facility located at 8499 Darrow Road in Twinsburg, OH 44087. As described below, the indirect transfer of control would result from the reorganization of the oil and gas businesses of Reuter-Stokes’ parent company, General Electric Company (GE).

On October 30, 2016, GE entered into a Transaction Agreement and Plan of Merger (Agreement) with Baker Hughes Incorporated (BHI). Pursuant to the Agreement, GE and BHI agreed to combine the GE oil and gas business with BHI. At closing of the transaction, which is expected to occur on July 1, 2017, GE will transfer Reuter-Stokes to the new combined company (Newco LLC). GE will retain control of Reuter-Stokes by holding 62.5% of the voting rights in Bear Newco, Inc. (New Baker Hughes), which serves as the managing member of its wholly-owned subsidiary, EHC Newco, LLC, which, in turn, will be the managing member of Newco LLC and will have the sole voting control of Newco LLC.

Pre- and post-transaction simplified organizational charts showing the corporate structure of the license holder before and after the indirect transfer of control are shown in Figures 1 through 2 of the letter to which this Enclosure is attached. These organization charts are “simplified” in that they focus only on voting control, and they do not illustrate the non-voting economic interests owned by various GE and BHI affiliated companies.

This indirect transfer of control of Reuter-Stokes does not involve any changes to the operations of Reuter-Stokes and does not change any of its current obligations as the holder of the License. Thus, there are no changes to the information provided to support the issuance of the License as a result of this transaction, other than the changed information regarding the new holding companies that will own Reuter-Stokes, directly or indirectly. Reuter-Stokes will remain under the control of GE, and GE will continue to provide a parent guaranty of the decommissioning financial assurance required for the Reuter-Stokes License.

2. *The new name of the licensed organization. If there is no change, the licensee should so state.*

There will be no change in the name of the licensed organization as a result of the planned transaction.

3. *The new licensee contact and telephone number(s) to facilitate communications.*

The licensee contact and telephone information will remain the same.

Section 5.2 CHANGES OF PERSONNEL

Any changes in personnel having control over licensed activities (e.g., officers of a corporation and any changes in personnel named in the license such as radiation safety officer, authorized users, or any other persons identified in previous license applications as responsible for radiation safety or use of licensed material). The licensee should include information concerning the qualifications, training and responsibilities of new individuals.

The indirect transfer of control of Reuter-Stokes as a result of the transfer of its ownership to new holding companies does not involve planned changes in the management personnel of Reuter-Stokes. In particular, no changes in personnel directly responsible for radiation safety or use of licensed material are planned as a result of this transaction. Any future changes in management personnel will be those that occur in the ordinary course of business.

Section 5.3 CHANGES OF LOCATION, EQUIPMENT & PROCEDURES

A description of any planned changes in location, facility, equipment, or procedures.

There are no planned changes in the location, facility, equipment, or procedures relating to the License as a result of the planned transaction.

Section 5.4 SURVEILLANCE RECORDS

An indication of whether all surveillance items and records (e.g., calibrations, leak tests, surveys, inventories, and accountability requirements) will be current at the time of transfer. A description of the status of all surveillance requirements and records should also be provided.

Reuter-Stokes will remain the NRC licensee after completion of the planned transaction. Surveillance items and records required by the License will be implemented and maintained as described therein.

Section 5.5 DECOMMISSIONING AND RELATED RECORDS TRANSFERS

1. *Confirmation that all records concerning the safe and effective decommissioning of the facility have been transferred to the new licensee if licensed activities will continue at the same location.*

Reuter-Stokes will continue to maintain all records concerning the safe and effective decommissioning of the facility.

2. *A description of the status of the facility. Specifically, the presence or absence of contamination should be documented. If contamination is present, will decontamination occur before transfer? If not, is the transferee knowledgeable of the extent and levels of contamination and applicable decommissioning requirements, and does the transferee agree to assume full liability for the decontamination of the facility or site?*

Reuter-Stokes is and will continue to be knowledgeable of the extent and levels of contamination and applicable decommissioning requirements, and it will retain full liability for the decontamination of the facility or site.

3. *A description of how the parties agree to assume the responsibility for decontamination and decommissioning.*

Reuter-Stokes will continue to be responsible for decontamination and decommissioning associated with NRC-licensed activities. Financial assurance for this responsibility is provided by parent company guaranty from GE. The required financial information and certifications related to the parent guarantees provided by GE are documented by annual filings, in accordance with NRC's regulations and guidance. This information was last provided by GE to the NRC by letter dated March 18, 2016 (ADAMS Accession Number ML16102A361). The NRC concluded that GE had satisfied the NRC's financial assurance in a Safety Evaluation transmitted by letter dated October 5, 2016 (ADAMS Accession Numbers ML16273A548 and ML16273A547). An annual update of this information is being provided contemporaneously.

Section 5.6 TRANSFEREE'S COMMITMENT TO ABIDE BY THE TRANSFEROR'S COMMITMENTS

Confirmation that the transferee agrees to abide by all constraints, license conditions, requirements, representations, and commitments previously made by the transferor. These include, but are not limited to: information submitted in support of license amendment; maintenance of decommissioning records and completion of corrective actions for open inspection items and enforcement actions.

With regard to open inspection items, etc., the transferee should confirm, in writing, that it is knowledgeable of and accepts full responsibility for open inspection items and/or any resulting enforcement actions; or the transferee may propose alternative measures for meeting the requirements; or the transferor may provide a commitment to close out all such actions before license transfer.

Reuter-Stokes agrees to abide by all commitments and representations previously made by Reuter-Stokes in connection with the License. These commitments and representations remain unaffected by the proposed change in ownership. To the extent that future changes to such commitments are proposed, such changes will be subject to review and approval consistent with NRC requirements. Reuter-Stokes is knowledgeable of and accepts full responsibility for any open inspection items and/or any resulting enforcement actions, and its commitments to do so are unaffected by the proposed change in ownership.

U.S. Nuclear Regulatory Commission, Region III
Material Licensing Section
2443 Warrenville Road Suite 210
Lisle, Illinois 60532-4352

FedEx

Express

earthsmart

FedEx carbon-neutral
envelope shipping

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Ref:	Date: 31Mar17	SHIPPING:	6.77
Dep:	Wgt: 1.00 LBS	SPECIAL:	0.04
		HANDLING:	0.00
		TOTAL:	6.81

Svcs: STANDARD OVERNIGHT
TRCK: 5776 9023 3176

ORIGIN ID: SKYA (330) 963-2445
MARIA JUDSON
G.E. ENERGY
8499 DARROW ROAD
TWINSBURG, OH 44097
UNITED STATES US

SHIP DATE: 31MAR17
ACTWGT: 1.0 LB MAN
CAD: 0227293/CAFE2912
BILL SENDER

TO MATERIAL LICENSING SECTION
USNRC
2443 WARRENVILLE ROAD, SUITE 210

LISLE IL 60532

INV: REF: DEPT:
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