

**SAFETY EVALUATION REPORT
PROPOSED TRANSFER OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 47-08019-01, REYNOLDS MEMORIAL HOSPITAL**

DATE: April 10, 2017

DOCKET NO.: 030-03384

LICENSE NO.: 47-08019-01

LICENSEE: Reynolds Memorial Hospital, Inc.
800 Wheeling Avenue
Glen Dale, West Virginia

TECHNICAL REVIEWER: Robert Gallagher

SUMMARY AND CONCLUSIONS

Reynolds Memorial Hospital, Inc. is authorized by NRC License Number 47-08019-01 for the possession and use of byproduct material for purposes of medical diagnosis. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request from Reynolds Memorial Hospital, Inc. (RMH) for written consent to an indirect license transfer, which results from a merger between Reynolds Memorial Healthcare System, Inc., Reynolds Memorial Hospital, Inc., and West Virginia University Hospitals, Inc. On September 30, 2016, RMH, Reynolds Memorial Healthcare System, Inc. (RMHS), and West Virginia University Hospitals, Inc. (WVUH) entered into an Agreement and Plan of Reorganization and Affiliation ("Agreement"), pursuant to which: (1) RMHS, the sole corporate member of RMH, merged with and into RMH, with RMH surviving the merger, and (2) WVUH became the sole corporate member of RMH. As a result of this transaction, WVUH replaced RMHS as RMH's sole corporate member, but RMH retained its separate legal existence and corporate name. The indirect transfer of control is described in two letters from RMH, available in the Agency Documents Access and Management System (ADAMS) at accession numbers ML16348A322 (letter dated November 17, 2016) and ML17082A524 (letter dated March 15, 2017).

Prior to entering the Agreement, legal counsel from the NRC and WVUH agreed to the insertion of language in the definitive agreement between RMHS, RMH, and WVUH, which provided that WVUH would not exercise control over the materials license until such time as the NRC provides written consent to the indirect transfer of control of the license.

NRC staff reviewed the request for consent for an indirect transfer of control of a 10 CFR Part 30 license using the guidance in NUREG 1556, Volume 15, Rev. 1, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated March 2016. The NRC staff finds that the information WVUH and RMH submitted sufficiently describes and documents the transaction and commitments made by WVUH and RMH.

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 transfer of control of the license is in accordance with the Act. The staff finds that, after the transfer of control, RMH 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 promote the security of licensed material.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Licensing Tracking System (LTS), Reynolds Memorial Hospital, Inc. has been an NRC licensee since January 5, 1962. The NRC conducted a main office inspection of Reynolds Memorial Hospital, Inc. on October 8, 2015 and did not identify any violations during this inspection. The commitments made by West Virginia University Hospitals, Inc. and Reynolds Memorial Hospital, Inc. state that Reynolds Memorial Hospital, Inc. (License No. 47-08019-01):

- 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;
- E. will not change the organization's name listed in the NRC license; and
- F. will keep regulatory required surveillance records and decommissioning records.

Reynolds Memorial Hospital, Inc. possess active NRC License Number 47-08019-01, which was first issued on January 5, 1962. West Virginia University Hospital possess active NRC License Number 47-23066-02 which was first issued on April 9, 1985. The West Virginia Legislature incorporated WVUH as a non-stock, not-for-profit corporation on July 1, 1984. Therefore, for security purposes, Reynolds Memorial Hospital, Inc. and West Virginia University Hospitals, Inc. are considered as known entities per the guidance from 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.

Pursuant to 10 CFR 30.25(a)(1), Reynolds Memorial Hospital is not required to submit decommissioning financial assurance information because of the types and amount of material authorized in License Number 47-08019-01.

REGULATORY FRAMEWORK

The NRC issued Reynolds Memorial Hospital's License Number 47-08019-01, 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 transfer of control is in accordance with the provisions of the Act, and to 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. The central issue is whether the authority over the license has changed. Reynolds Memorial Hospital’s request for consent describes an indirect transfer of control resulting from a merger between Reynolds Memorial Hospital, Inc. and West Virginia University Hospitals, Inc. and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession numbers ML16348A322 (letter dated November 17, 2016) and ML17082A524 (letter dated March 15, 2017). After completion of the merger, Reynolds Memorial Hospital will continue as the licensee and remain in control of all licensed activities under Materials License Number 47-08019-01. The NRC staff finds that the November 2016 request for consent and March 2017 letter 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.

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

The NRC staff finds that the information Reynolds Memorial Hospital, Inc. submitted sufficiently describes and documents the commitments made by West Virginia University Hospitals, Inc. 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)(21).

CONCLUSION

The staff has reviewed the request for consent RMH and WVUH submitted with regard to an indirect transfer of control of byproduct Materials License Number 47-08019-01 and approves the application for transfer 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.

Therefore, the staff concludes that the proposed transfer in control would not alter the previous findings, made under 10 CFR Part 30, that the licensed operations will not be inimical to the common defense and security, or to the health and safety of the public.