

**SAFETY EVALUATION REPORT
PROPOSED TRANSFER OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 20-31340-01, CB&I Federal Services LLC**

DATE: June 1, 2017

DOCKET NO.: 030-37850

LICENSE NO.: 20-31340-01

LICENSEE: CB&I Federal Services LLC
150 Royall Street
Canton, Massachusetts 02021

TECHNICAL REVIEWER: Laurie A. Kauffman

SUMMARY AND CONCLUSIONS

CB&I Federal Services LLC is authorized by NRC License 20-31340-01 for the possession and use of byproduct, source, and special nuclear material for purposes of receipt, storage, use and/or possession incident to any activities, such as (1) decontamination of facilities, equipment or containers; (2) solidification and treatment of wastes; (3) packaging for transport; (4) any activity related to site characterization; and (5) transport in packages or containers approved for use under the provisions of 10 CFR 71, for transfer to licensees authorized to receive materials, in accordance with the terms and conditions of licenses issued by the U.S. Nuclear Regulatory Commission or an Agreement State. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to an indirect license transfer submitted by CB&I Federal Services LLC that will result from a sale between Chicago Bridge & Iron Company N.V. (CB&I) and The Veritas Capital Fund V, L.P and The Veritas Capital Fund VI, L.P. CB&I Federal Services LLC (Licensee), is currently a wholly-owned subsidiary of CB&I Government Solutions Inc., which is a wholly-owned subsidiary of The Shaw Group Inc. (Shaw), which is a wholly-owned subsidiary of CB&I US Holding Company, Inc., which is a wholly-owned subsidiary of Chicago Bridge & Iron Company N.V. (CB&I). CB&I is the ultimate parent company of the Licensee. On February 27, 2017, CB&I and Shaw entered into a purchase agreement (Agreement) with CSVS Acquisition Corp., which is an indirect wholly-owned subsidiary of The Veritas Capital Fund V, L.P., The Veritas Capital Fund VI, L.P, and affiliates (Veritas), under which CSVS Acquisition Corp. is to acquire the Capital Services business segment of CB&I (Transaction). As a result of the Transaction, ultimate corporate control over the Licensee, CB&I Federal Services LLC, will transfer from CB&I to Veritas. Specifically, the agreement calls for Shaw to create a new holding company, into which CB&I Government Solutions, Inc. and its subsidiaries, including the Licensee, will be contributed. CSVS Acquisition Corp. will acquire this holding company from Shaw, and the holding company will exist as a subsidiary of CSVS Acquisition Corp. CSVS Acquisition Corp. is a wholly-owned subsidiary of CSCV Holding Corp., which in turn, is a wholly-owned subsidiary of CSCV Holdings LLC, a single-member LLC managed by Veritas.

The indirect transfer of control is described in Agency Documents Access and Management System (ADAMS) package accession number ML17089A535 [which includes a letter dated March 15, 2017 (ML17089A536), a request for additional information dated April 6, 2017 (ML17100A317), a response letter dated March 15, 2017 (received May 1, 2017)

(ML17121A229) and a response letter dated April 24, 2017 (received May 1, 2017) (ML17121A236)].

The request for consent was reviewed by NRC staff for an indirect change of control of a 10 CFR Part 30, 10 CFR Part 40, and 10 CFR Part 70 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," published June 2016. The NRC staff finds that the information submitted by CB&I Federal Services LLC sufficiently describes and documents the transaction and commitments made by The Veritas Capital Fund V, L.P., The Veritas Capital Fund VI, L.P and CB&I Federal Services LLC.

As required by 10 CFR 30.34, 10 CFR 40.46, 10 CFR 70.36, 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 is in accordance with the Act. The staff finds that, after the transfer of control, CB&I Federal Services LLC 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, CB&I Federal Services LLC has been an NRC licensee since January 5, 2009. The NRC conducted a main office inspection of CB&I Federal Services LLC on June 21, 2016 and a temporary job site location on July 8, 2016, and no violations were identified during this inspection. The commitments made by CB&I and CB&I Federal Services LLC state that CB&I Federal Services LLC (License No. 20-31340-01) were that it:

- 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 change the organization's name listed in the NRC license following the closing of the Transaction and after a name has been determined. The licensee intends to separately submit an application to the NRC for a license amendment to reflect this name change shortly after closing, once a new name of the company is identified; and
- F. will keep regulatory required surveillance records and decommissioning records.

Veritas has one subsidiary that possess an active NRC license: Excelitas Illumination Technologies Inc., which holds License No. 20-02804-03E. This license authorizes the licensee to distribute electron tubes, containing not more than 30 microcuries of krypton-85, to persons exempt from licensing pursuant to 10 CFR 30.15, or equivalent provisions of the regulations of any Agreement State. ([ADAMS Accession No. ML12335A369]). Therefore, for security purposes, Veritas 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.

CB&I Federal Services LLC is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 20-31340-01.

REGULATORY FRAMEWORK

CB&I Federal Services LLC's License No. 20-31340-01, was issued under 10 CFR Part 30, Rules of General Applicability to Domestic Licensing of Byproduct Material, under 10 CFR Part 40, Domestic Licensing of Source Material, and under 10 CFR 70 Domestic Licensing of Special Nuclear Material. The Commission is required by 10 CFR 30.34(b), 10 CFR 40.46, and 10 CFR 70.36 to determine if the transfer of control is in accordance with the provisions of the Act and give its consent in writing.

10 CFR 30.34(b)(1) 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."

10 CFR 40.46(a) states: "No license issued or granted pursuant to the regulations in this part 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 this act, and shall give its consent in writing."

10 CFR 70.36(a) states: "No license granted under the regulations in this part and no right to possess or utilize special nuclear material granted by any license issued pursuant to the regulations in this part 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. CB&I Federal Services LLC's request for consent describes an indirect transfer of control resulting from a planned sale between Chicago Bridge & Iron Company N.V. (CB&I) and The Veritas Capital Fund V, L.P and The Veritas Capital Fund VI, L.P. Following the completion of the sale, CB&I Federal Services LLC's will indirectly become a wholly-owned subsidiary of Veritas Capital (Veritas) and, as such, the transfer requires NRC consent. Following the completion of the sale, CB&I Federal Services LLC will change the organization's name listed on the NRC license following the closing of the Transaction and after a name has been determined. The licensee intends to separately submit an application to the NRC for a license amendment to reflect this name change shortly after closing, once a new name of the company is identified.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS package accession number ML17089A535 [which includes a letter dated March 15, 2017 (ML17089A536), a request for additional information dated April 6, 2017 (ML17100A317), a response letter dated March 15, 2017 (received May 1, 2017) (ML17121A229) and a response letter dated April 24, 2017 (received May 1, 2017) (ML17121A236)]. The NRC staff finds that the request for consent provides a complete and clear description of the transaction, and is consistent with the guidance provided in Appendix F of NUREG-1556, Volume 15.

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

The NRC staff finds that the information submitted by CB&I Federal Services LLC sufficiently describes and documents the commitments made by the transferee, 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 submitted by both parties with regard to an indirect transfer of control of byproduct materials license No. 20-31340-01 and approves the application pursuant to 10 CFR 30.34(b), 10 CFR 40.46, and 10 CFR 70.36.

The submitted information sufficiently describes the transaction; documents the understanding of the license and 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 transferee 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 of control would not alter the previous findings, made under 10 CFR Part 30, 10 CFR Part 40, and 10 CFR Part 70, that licensed operations will not be inimical to the common defense and security, or to the health and safety of the public.