



J-6

October 2<sup>nd</sup>, 2017

VIA-EMAIL

To: Mr. Dennis Lawyer  
Health Physicist  
U.S. Nuclear Regulatory Commission

From: Victor Aviles  
Radiation Safety Officer and Quality Manager  
Argos San Juan, Corp.

Re: Mail Control No. 600436

Reference is hereby made to your email from September 5, 2017 at 2:14 p.m., whereby you requested additional information in connection with our request to amend the Nuclear Regulatory Commission License No. 52-25066-01, Docket No. 03031302 in order to change the name under the license from Essroc San Juan, Inc. to Argos San Juan, Corp.

Below find a transcript of the text and questions presented in your email and our responses and comments to each such question in **bold**. We are also including a number of exhibits to this response letter in order to clarify and provide the information requested in your email.

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It appears that there may have been an indirect change of control of the license. It appears that in May 2015, Cementos Argos purchased a 60% ownership in Wetvan Overseas, which was the parent company of Essroc San Juan. Questions 1-20 concern new indirect change of control. If our understanding is correct, please submit information on how the ownership has changed and an chart showing Essroc San Juan's parent companies. Please answer question 21 in all cases in a separate response letter.

**Response:** By way of background, on February 9, 2017, Wetvan Overseas, Ltd. ("Wetvan"), an indirect subsidiary of Cementos Argos S.A., acquired 100% of all issued and outstanding shares of Essroc San Juan, Inc. from Essroc Cement Corp. pursuant to a Stock Purchase Agreement dated February 8, 2017 (the "Purchase Agreement"). Effective on August 1, 2017, Essroc San Juan Inc. changed its name to

600436



**Argos San Juan, Corp. Note that in an unrelated transaction in April 30, 2015 Cementos Argos, S.A. indirectly acquired 60% of Wetvan.**

In accordance with 10 CFR 30.34(b)(1), no license issued or granted pursuant to the regulations in this part shall be transferred, 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. Section 5 of NRC's guidance document "Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses" NUREG-1556, Volume 15, Revision 1, (NUREG-1556, Vol. 15), provides guidance on transfer of control applications. NUREG-1556, Vol. 15, Appendix E, addresses the information that the NRC needs to complete a review for a transfer of control. Please review the applicable parts of Section 5, NUREG-1556, Volume 15, and provide a response addressing the items below. You will need to respond via letter, signed by both the transferor and the transferee.

In order to continue our review of your request, the following additional information is needed:

1. State whether or not the new owner, (It appears to be Cementos Argos) has a current State or Federal government license, registration or authorization for other operations within the scope of the proposed licensed activities. For example, state if the new owners have a license for radioactive materials or have held one in the past either with the NRC or any other governmental body. If not, provide evidence of any registration, business license, professional engineering license, etc. so that we may establish that you are a known entity and that the materials will be used as described in the license. If Cementos Argos or other owned company were listed on an NRC or other license as an authorized user or radiation safety officer, please provide that information.

**Response: Argos USA Corp. and Argos Cement, LLC, which are indirect subsidiaries of Cementos Argos S.A. and affiliates of Argos San Juan, Corp. currently hold multiple radioactive materials licenses for various locations in the United States. A sample of such licenses by location is included in Exhibit A to this letter.**

2. Provide the date the transfer of control occurred.

**Response: February 9, 2017.**



3. Describe any planned changes in the organization, including but not limited to, transfer of stocks or assets and mergers, change in members on Board of Directors, etc. It is most important that NRC make a determination regarding the “control” of the program and materials. This can only be done if we have a full description of the transfer that occurred.

**Response: The change in ownership did not result in a change associated with the materials, persons using the licensed material or persons responsible for radiation safety at the Dorado facility and equipment, nor the radiation safety program. As of the date of this letter, there are no planned changes in the organization. The current members of the board of directors are: Arnold Gomez, Camilo Restrepo, Rafael Velez and Oswaldo Oller.**

4. Provide a description of the organization pre-transfer and post-transfer. Pre and Post organizational charts are most helpful in describing the organization and the changes that occurred as a result of the transfer.

**Response: Attached as Exhibit B-1 is an organizational chart pre-transfer and Exhibit B-2 is an organizational chart ad of the date hereof.**

5. Provide the new licensee name, mailing address, and contact information, including phone numbers, email addresses, and fax numbers.

**Response: The licensee is the same legal entity that currently holds the license that has changed its name effective on August 1, 2017 to Argos San Juan, Corp. I continue to be the Radiation Safety Officer and my new email address is: victor.aviles@argos.co. All other information remains the same.**

6. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel and any changes in the training program.

**Response: There has been no change in the personnel related to the licensed program and there has been no change to the training program.**

7. Describe any changes in the location, facilities, equipment, radiation safety program, use, possession, waste management, or other procedures that relate to the licensed program.



**Response: There has been no change to the licensed program.**

8. Describe the status of the licensee's facilities, equipment, and radiation safety program, including any known contamination and whether decontamination will occur prior to transfer. Include the status of calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records.

**Response: We continue to comply with the radiation safety program, which requires semi-annual inspection surveys. The last inspection survey was conducted in March 2017 and we were in compliance with the parameters subject to the inspection. If you need additional information regarding the inspection we can provide the information on confidential basis.**

9. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.

**Response: No transfer is required given that the same entity will continue to hold the license. Such documentation is located at the facility of the company in Dorado, Puerto Rico.**

10. Confirm that both transferor and transferee agree to transferring control of the licensed material and activity, and the conditions of transfer, and that the transferee has been made aware of any open inspection items and its responsibility for possible resulting enforcement actions.

**Response: There was no transfer of the license or activity since the entity that held the license pre-transfer will continue to operate post-transfer. Wetvan acquired the stock of a going concern entity and therefore, except as otherwise agreed by the parties in the Purchase Agreement, it is the ultimate responsible for the operations of its subsidiary Essroc San Juan, Inc. (now Argos San Juan, Corp.)**

11. Confirm that the transferee will abide by all constraints, conditions, requirements, representations, and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.



**Response: Essroc San Juan, Inc. (now Argos San Juan, Corp.) will continue to abide by all constrains, conditions, requirements, representations and commitments of the licensed program.**

12. Describe any planned changes in the organization, including but not limited to, transfer of stocks or assets and mergers, change in members on Board of Directors, etc. Provide the new licensee name, mailing address, and contact information, including phone numbers. Clearly identify when the amendment request is due to a name change only.

**Response: Please refer to the responses to questions 3 and 5 above. The amendment requested relates to a change of name from Essroc San Juan, Inc. to Argos San Juan, Corp.**

13. Provide a description of the organization pre-transfer and post-transfer including the relationship to the parent company if applicable. Pre and post organizational charts are most helpful in describing the organization and the changes that occurred as a result of the transfer.

**Response: Please refer to the response to question 4 above and Exhibit B-1 and Exhibit B-2.**

14. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel and any changes in the training program.

**Response: Please refer to the response to question 6 above.**

15. Describe any changes in the location, facilities, equipment, radiation safety program, use, possession, waste management, or other procedures that relate to the licensed program.

**Response: Please refer to the response to question 7 above.**

16. Describe the status of the licensee's facilities, equipment, and radiation safety program, including any known contamination and whether decontamination will occur prior to transfer. Include the status of calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records.



**Response: Please refer to the response to question 8 above.**

17. If current decommissioning funding plans (DFP) will be changed as a result of the transfer, the revised DFP should be submitted. If other financial assurance documents will be changed as a result of the transfer, confirm that all financial assurance instruments associated with the license will be held in the transferee's name before the license is transferred, and as required by 10 CFR 30.35(f), the licensee must, within 30 days, submit financial instruments reflecting such changes.

**Response: There will be no changes to any DFP or any other financial assurance documents.**

18. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.

**Response: Please refer to the response to question 9 above.**

19. Confirm that both transferor and transferee agree to transferring control of the licensed material and activity, and the conditions of transfer, and that the transferee has been made aware of any open inspection items and its responsibility for possible resulting enforcement actions.

**Response: Please refer to the response to question 10 above.**

20. Confirm that the transferee will abide by all constraints, conditions, requirements, representations, and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.

**Response: Please refer to the response to question 11 above.**

21. The protocol on how we write licenses has changed. Please submit individually each manufacturer, model number, the maximum activity per source, and maximum activity you wish to be licensed for each device. As this would not be public information, please include this item in a different letter.

**Response: Since we are not requesting a new license but rather an amendment to the existing license we respectfully believe that an additional letter would not**



**be required. The only amendment requested is the change of name on the existing license from Essroc San Juan, Inc. to Argos San Juan, Corp.**

22. Please provide the current management contact, title, phone number, and email address for Argo San Juan, Corp.

**Response: Mr. Arnold Gomez, General Manager, 787.883.3500, agomez@argos.com.co**

Shall you require any additional information regarding the foregoing you can contact me directly or contact Mr. Arnold Gomez at the number or email set forth above.

Respectfully,

A handwritten signature in black ink, appearing to read "Victor Aviles".

Mr. Victor Aviles

c. Arnold Gomez



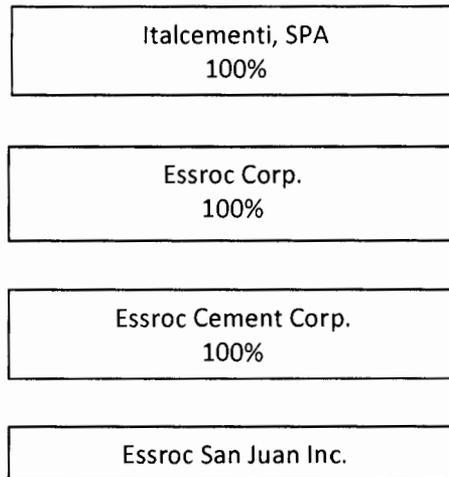
**EXHIBIT A**

| <b>Location</b> | <b>Licensee</b>       | <b>Type of License</b>         | <b>Issuing Entity</b>  |
|-----------------|-----------------------|--------------------------------|--|
| Alabama         | Argos Cement, LLC     | Radiation Control Registration | Alabama Department of Public Health                                      |
| Alabama         | Argos Cement, LLC     | Radioactive Material License   | Alabama Department of Public Health                                      |
| South Carolina  | Argos Cement, LLC     | Radioactive Material License   | South Carolina Department of Health and Environmental Control            |
| Atlanta         | Argos Cement, LLC     | Radioactive Material License   | Georgia Department of Natural Resources Radioactive Material Program     |
| Florida         | Argos Cement, LLC     | Radiation Machine Registration | Bureau of Radiation Control of the State of Florida Department of Health |
| Florida         | Argos USA Corp.       | Radioactive Materials License  | Bureau of Radiation Control of the State of Florida Department of Health |
| West Virginia   | Argos USA Corporation | Materials License              | U.S. Nuclear Regulatory Commission                                       |



**EXHIBIT B-1**

Essroc San Juan Inc. Corporate Chart – before Wetvan’s Acquisition



Essroc San Juan Inc. was a wholly owned subsidiary of Essroc Cement Corp., which in turn is owned by Essroc Corp., which is a wholly owned subsidiary of Italcementi, SPA.



**EXHIBIT B-2**

Essroc San Juan Inc. (now Argos San Juan, Corp.) Corporate Chart – after Wetvan’s Acquisition

