

# P<sub>4</sub> Production, LLC

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DNMS

November 21, 2017

## VIA FEDERAL EXPRESS

U.S. Nuclear Regulatory Commission, Region IV  
Attn: Licensing Assistant  
1600 East Lamar Blvd.  
Arlington, Texas 76011-4511

RE: Application for Consent to Indirect Transfer of Control of  
P4 Production, L.L.C. ("P4") License No. 11-27361-01 (the "License")

Dear Sir or Madam:

Please find enclosed P4's application for consent by the United States Nuclear Regulatory Commission (the "Commission") to the indirect transfer of control of the License resulting from the acquisition of P4's parent company, Monsanto Company ("Monsanto"), by Bayer Aktiengesellschaft ("Bayer AG"). Bayer AG will acquire ownership of Monsanto through a reverse triangular merger, which will result in Monsanto becoming an indirect wholly-owned subsidiary of Bayer AG (the "Transaction"). P4 is a wholly-owned subsidiary of Monsanto, so the Transaction will also result in P4 becoming an indirect wholly-owned subsidiary of Bayer AG. P4 anticipates that the Transaction will be completed in the first quarter of 2018. Prior to and after completion of the Transaction, P4 will remain the holder of the License and will continue to fulfill all responsibilities as the licensee. P4 respectfully requests that the Commission consent by no later than January 15, 2018, to the indirect transfer of control of the License to Bayer AG.

### PUBLIC

- ☐ Immediate Release  
☒ Normal Release

### NON-PUBLIC

- ☐ A.3 Sensitive-Security Related  
☐ A.7 Sensitive Internal  
☐ Other: \_\_\_\_\_

Reviewer: RLZ Date: 11-28-17

No. 601840

November 21, 2017  
U.S. Nuclear Regulatory Commission, Region IV  
Page 2

Please do not hesitate to contact us if you require any additional information to process this request.

Sincerely yours,



Mary. M. Shaffer  
Counsel for P4 Production, L.L.C.  
Senior Assistant General Counsel  
Monsanto Company  
800 North Lindbergh Blvd.  
St. Louis, MO 63167  
[molly.m.shaffer@monsanto.com](mailto:molly.m.shaffer@monsanto.com)  
314-694-3883

Enclosure

With a copy to:

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Telephone: (303) 749-7263  
Fax: (303) 749-7272  
Email: [ali.nelson@huschblackwell.com](mailto:ali.nelson@huschblackwell.com)

Chintan Amin  
Bayer U.S.  
100 Bayer Road, Building 14  
Pittsburgh, PA 15205  
Telephone: (412) 777-2715  
Email: [chintan.amin@bayer.com](mailto:chintan.amin@bayer.com)

No. 601840

**APPLICATION OF P4 PRODUCTION, L.L.C. FOR  
CONSENT TO INDIRECT TRANSFER OF CONTROL OF  
NRC LICENSE NO. 11-27361-01**

**I. INTRODUCTION**

Pursuant to 10 C.F.R. § 30.34(b)(1), P4 Production, L.L.C. (“P4”) hereby requests that the United States Nuclear Regulatory Commission (“NRC” or the “Commission”) consent to the indirect transfer of control of NRC License No. 11-27361-01 resulting from the acquisition of P4’s parent company, Monsanto Company (“Monsanto”), by Bayer Aktiengesellschaft (“Bayer AG” and, together with its consolidated subsidiaries, “Bayer”).

Monsanto, headquartered in St. Louis, Missouri, is a leading supplier of seeds, biotechnology trait products, and herbicides. Monsanto is a publicly-owned company that is listed on the New York Stock Exchange. In 2016, Monsanto employed approximately 20,800 regular employees worldwide.

P4 is a wholly-owned subsidiary of Monsanto. P4 holds License No. 11-27361-01 associated with nuclear material used in sealed sources, rod sources, and sealed neutron sources at its Soda Springs, Idaho facility (the “License”).<sup>1</sup> Prior to and after completion of the transaction described in this application, P4 will remain the holder of the License and will continue to fulfill all responsibilities as the licensee. No amendment to the License is anticipated.

With operations in the U.S. dating to the mid-19th century, Bayer AG, headquartered in Leverkusen, Germany, is currently a leading supplier of prescription and non-prescription pharmaceuticals, crop protection products, and seeds. Bayer AG is listed on the Frankfurt Stock Exchange and all other German stock exchanges. Additional information regarding Bayer’s corporate profile and structure is included in Bayer AG’s 2016 annual report to its shareholders (<http://www.annualreport2016.bayer.com>). At the end of 2016, Bayer had approximately 115,200 employees worldwide and employed approximately 15,800 employees in North America. Bayer currently has U.S. operations licensed and regulated by the Commission.<sup>2</sup>

Pursuant to an Agreement and Plan of Merger dated September 14, 2016, by and between Monsanto (a Delaware corporation); Bayer AG (a German stock corporation); and KWA Investment Co. (a Delaware corporation and an indirect wholly-owned subsidiary of Bayer AG) (the “Merger Agreement”), Bayer AG will acquire ownership of Monsanto through a reverse triangular merger, which will result in Monsanto becoming an indirect wholly-owned subsidiary of Bayer AG (the “Transaction”). (The Merger Agreement can be found at <https://www.sec.gov/Archives/edgar/data/1110783/000119312516714915/d234658dex21.htm>.)

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<sup>1</sup> Monsanto holds License No. 24-32488-01 associated with byproduct materials used in research and development activities conducted at its St. Louis, Missouri facilities. A separate application to the Commission regarding License No. 24-32488-01 is also being filed.

<sup>2</sup> Bayer CropScience LP, a wholly-owned subsidiary of Bayer AG, currently holds at least two NRC licenses: No. 24-03830-01 for operations in Kansas City, Missouri and No. 47-04373-01 for operations in Institute, West Virginia.



P4 is a wholly-owned subsidiary of Monsanto, so the Transaction will also result in P4 becoming an indirect wholly-owned subsidiary of Bayer AG. P4 anticipates that the Transaction will be completed in the first quarter of 2018.

## **II. INFORMATION REQUIRED FOR INDIRECT TRANSFER OF CONTROL APPLICATION**

In accordance with NUREG-1556 Volume 15 Revision 1, P4 provides the following information regarding the Transaction to allow the Commission to review the proposed indirect transfer of control.

### **A. CHANGES IN ORGANIZATION**

The indirect transfer of control will take place upon the completion of a reverse triangular merger pursuant to which KWA Investment Co., an indirect wholly-owned Bayer AG subsidiary, will be merged with and into Monsanto, with Monsanto surviving the merger and retaining its name. Upon completion of the Transaction (anticipated in the first quarter of 2018), Monsanto will be a wholly-owned subsidiary of Bayer AG. Monsanto will not be directly owned by Bayer AG. Instead, there will be additional wholly-owned subsidiaries between Bayer AG and Monsanto. P4 will continue to be wholly-owned by Monsanto.

No immediate changes to P4's officers are anticipated. In addition, P4 is manager-managed and no immediate change to the manager is anticipated.

No name change will occur as of the effective date of the Transaction. In addition, the Transaction will not result in any change in P4's contact information, including its phone number, mailing address, or email address as of the effective date of the Transaction.

### **B. CHANGES IN PERSONNEL OR DUTIES**

The Transaction will not result in any changes in P4 personnel having control over the licensed activities, including the personnel named in the License and the duties of such personnel. In addition, the Transaction will not result in any changes to the training, qualifications and experience, and responsibilities required of new personnel, nor in any changes to P4's training program.

### **C. CHANGES IN LOCATION, FACILITIES, EQUIPMENT, RADIATION SAFETY PROGRAM, USE, POSSESSION, WASTE MANAGEMENT, OR OTHER PROCEDURES**

Related to the License, the Transaction will not result in any changes in P4's location, facilities, equipment, radiation safety program, use, possession, waste management, or other procedures, including the place of use and potentially affected adjacent areas, the nature and amount of licensed materials used and possessed, and the purpose for such use and possession.

#### **D. STATUS OF FACILITIES, EQUIPMENT, AND RADIATION SAFETY PROGRAM**

To P4's knowledge, there is no contamination of P4's facilities or equipment that would exceed the Commission's criteria of free release for unrestricted use and no decontamination is therefore planned to occur prior to the effective date of the Transaction.

The Transaction does not affect P4's surveillance records. P4's licensed facilities and equipment have been operated and will continue to be operated pursuant to P4's radiation safety program, with all calibrations, leak tests, area surveys, wipe tests, trainings, and quality control measures performed, documented, and reviewed (including the results, if appropriate) as required. All surveillance items and records are expected to be current as of the effective date of the Transaction. In addition, P4 has maintained and will continue to maintain records of all activities relating to its facilities, equipment, and radiation safety program.

#### **E. CHANGES IN DECOMMISSIONING FUNDING PLANS**

P4 is not obligated to have a decommissioning funding plan ("DFP") or to maintain financial assurance documentation for the License. Therefore, the Transaction will not trigger a need to update a DFP or financial assurance documentation.

#### **F. TRANSFER OF DECOMMISSIONING RECORDS**

The Transaction will not affect P4's decommissioning records. Because P4 will continue to operate as the licensee, all records relating to the License, including those required for safe and effective decommissioning, will remain the property of P4 after the effective date of the Transaction. P4 will continue to maintain records as required by law and by its License.

#### **G. CONFIRMATION OF AGREEMENT TO INDIRECT TRANSFER**

Both Monsanto and Bayer AG agree to the Transaction and, as a result, the indirect transfer of control of the licensed material and activity to Bayer AG. Bayer AG has been made aware of its responsibility and the responsibility of its subsidiaries with any ownership interest and/or control of Monsanto, P4, and/or the License for any open inspection items and/or any resulting enforcement actions against P4 relating to the License. To P4's knowledge, there are no open inspection items.

#### **H. CONFIRMATION OF TRANSFEREE'S AGREEMENT TO ABIDE BY CONSTRAINTS, CONDITIONS, REQUIREMENTS, REPRESENTATIONS, AND COMMITMENTS**

The Transaction does not create a new licensee and does not change any of P4's existing commitments under the License. P4 will continue to abide by all constraints, conditions, requirements, representations, and commitments of its License. Once the Transaction is complete, Bayer AG, as the new indirect parent of Monsanto, will abide by, and will ensure that its subsidiaries with any ownership interest and/or control of Monsanto, P4, and/or the License



will abide by, all such constraints, conditions, requirements, representations, and commitments of P4. Accordingly, a letter from Bayer AG to the Commission confirming Bayer AG's commitment is attached hereto as Exhibit A.

## **I. FINANCIAL QUALIFICATIONS**

No fuel cycle facility is involved in the Transaction, so submission of documentation regarding Bayer AG's financial qualifications is not required.

## **III. CONSISTENCY OF INDIRECT TRANSFER WITH PUBLIC INTEREST**

Pursuant to the Atomic Energy Act of 1954, the Commission must find that the transfer of control will not be "inimical to the common defense and security, and would not constitute an unreasonable risk to the health and safety of the public." The indirect transfer of control of NRC License No. 11-27361-01 resulting from Monsanto's acquisition by Bayer AG meets this standard for the following reasons:

- One of Bayer AG's wholly-owned subsidiaries, Bayer CropScience LP, currently holds at least two NRC licenses: No. 24-03830-01 for operations in Kansas City, Missouri and No. 47-04373-01 for operations in Institute, West Virginia. The Commission has therefore already determined that Bayer AG's indirect ownership and control of corporations that are licensed to use byproduct and source material is acceptable for purposes of those activities.
- The Transaction will not result in any changes in P4's corporate officers or personnel having control over the licensed activities, including the personnel named in the License and the duties of such personnel. In addition, P4 is manager-managed and no immediate change to the manager is anticipated.

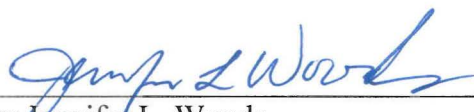
Because the Commission has already approved Bayer AG's control of licensed operations and because of the lack of significant changes that P4 will experience due to the Transaction, P4 requests that the Commission find that the indirect transfer of control to Bayer AG pursuant to the Transaction is not "inimical to the common defense and security, and would not constitute an unreasonable risk to the health and safety of the public."

## **IV. CONCLUSION**

For the reasons stated above, P4 respectfully requests that the Commission consent by no later than January 15, 2018, to the indirect transfer of control of NRC License No. 11-27361-01 resulting from Monsanto's acquisition by Bayer AG. As set forth in the attached commitment letter, Bayer AG joins in this request.

Respectfully submitted,

**P4 PRODUCTION, L.L.C.**

By:   
Name: Jennifer L. Woods  
Its: Assistant Secretary

*mms*

Attachment:

Exhibit A      Bayer AG Commitment Letter



U.S. Nuclear Regulatory Commission, Region IV  
Attn: Licensing Assistant  
1600 East Lamar Blvd.  
Arlington, Texas 76011-4511  
USA

**PUBLIC**

- ☐ Immediate Release  
☒ Normal Release

**NON-PUBLIC**

- ☐ A.3 Sensitive-Security Related  
☐ A.7 Sensitive Internal  
☐ Other: \_\_\_\_\_

Reviewer: RTC Date: 11-28-17

**Application for Consent to Indirect Transfer of Control of  
P4 Production, L.L.C. ("P4") License No. 11-27361-01 (the "License")**

Dear Sir or Madam:

In accordance with NUREG-1556 Volume 15 Revision 1, this letter is filed to support P4's application (the "Application") seeking the consent of the U.S. Nuclear Regulatory Commission (the "Commission") to the indirect transfer of control of the License resulting from the acquisition of P4's parent company, Monsanto Company ("Monsanto"), by Bayer Aktiengesellschaft ("Bayer AG"). Bayer AG will acquire ownership of Monsanto through a reverse triangular merger, which will result in Monsanto becoming an indirect wholly-owned subsidiary of Bayer AG (the "Transaction"). P4 is a wholly-owned subsidiary of Monsanto, so the Transaction will also result in P4 becoming an indirect wholly-owned subsidiary of Bayer AG.

In support of the Application, Bayer AG hereby represents that:

1. I am authorized to file this letter with the Commission on behalf of Bayer AG.
2. Bayer AG agrees to the Transaction and, as a result, the indirect transfer of control of the licensed material and activity to Bayer AG.
3. Once the Transaction is complete, Bayer AG, as the new indirect parent of P4, will abide by, and will ensure that its subsidiaries with any ownership interest and/or control of Monsanto, P4, and/or the License will abide by, all constraints, license conditions, requirements, representations, and commitments identified in and attributed to P4 in the License.

7. November 2017

Prof. Dr. Kai van Laak

Bayer AG  
Corporate Health, Safety  
and Sustainability

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Vorstand:  
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Hartmut Klusik  
Kemal Malik  
Erica Mann  
Dieter Weinand

Vorsitzender des Aufsichtsrats:  
Werner Wenning

Sitz der Gesellschaft:  
Leverkusen  
Amtsgericht Köln  
HRB 48248





Page 2 of 2

4. Bayer AG is aware of and agrees to its responsibility and the responsibility of its subsidiaries with any ownership interest and/or control of Monsanto, P4, and/or the License for any open inspection items and/or any resulting enforcement actions against P4 relating to the License.
5. Bayer AG concurs in P4's request that the Commission consent by no later than December 1, 2017, to the indirect transfer of control of the License to Bayer AG.

Please do not hesitate to contact me if you need any additional information with respect to this letter or the Application.

Bayer AG

A handwritten signature in blue ink, appearing to read "Kai van Laak".

Prof. Dr. Kai van Laak

Senior Vice President  
Corporate Health, Safety and  
Sustainability



ORIGIN ID:ALNA (314) 694-3883  
MARY M. (MOLLY) SHAFFER  
MONSANTO COMPANY  
800 N. LINDBERGH BLVD  
E2NE  
ST. LOUIS, MO 63167  
UNITED STATES US

SHIP DATE: 21NOV17  
ACTWGT: 1.00 LB  
CAD: 2071974/INET3920

BILL SENDER

TO LICENSING ASSISTANT  
US NUCLEAR REG COMM., REG. IV  
1600 EAST LAMAR BLVD.

ARLINGTON TX 76011

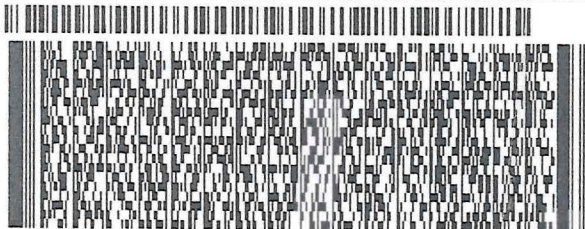
(817) 860-8100

REF:

INV:  
PO:

DEPT:

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FedEx  
Express



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0201

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TX-US DFW



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A 3336  
11.22

PAVED

Extremely Lightweight



## ACKNOWLEDGEMENT - RECEIPT OF CORRESPONDENCE

<b>Name and Address of Applicant and/or Licensee</b>  Mr. David M. Matyus Radiation Safety Officer P4 Production, LLC P.O. Box 816 Soda Springs, Idaho 83276-0816	<b>Date</b> 12/06/2017
	<b>License Number(s)</b> 11-27361-01
	<b>Mail Control Number(s)</b> 601840
	<b>Licensing and/or Technical Reviewer or Branch</b> CHill

This is to acknowledge receipt of your: ☒ Letter and/or ☐ Application Dated: 11/21/2017

The initial processing, which included an administrative review, has been performed.

☒ Amendment ☐ Termination ☐ New License ☐ Renewal

☐ There were no administrative omissions identified during our initial review.

☐ This is to acknowledge receipt of your application for renewal of the material(s) license identified above. Your application is deemed timely filed, and accordingly, the license will not expire until final action has been taken by this office.

☐ Your application for a new NRC license did not include your taxpayer identification number. Please complete and submit NRC Form 531, Request for Taxpayer Identification Number, located at the following link: <http://www.nrc.gov/reading-rm/doc-collections/forms/nrc531.pdf>  
Follow the instructions on the form for submission.

☐ The following administrative omissions have been identified:

--

Your application has been assigned the above listed MAIL CONTROL NUMBER. When calling to inquire about this action, please refer to this control number. Your application has been forwarded to a technical reviewer. Please note that the technical review, which is normally completed within 180 days for a renewal application (90 days for all other requests), may identify additional omissions or require additional information. If you have any questions concerning the processing of your application, our contact information is listed below:

Region IV  
U. S. Nuclear Regulatory Commission  
DNMS/NMSB - B  
1600 E. Lamar Boulevard  
Arlington, TX 76011-4511  
(817) 200-1209 or (817) 200-1140

✓ 12/6/17



BETWEEN:

Accounts Receivable/Payable  
and  
Regional Licensing Branches

[ FOR ARPB USE ]  
INFORMATION FROM WBL

Program Code: 03120  
Status Code: Pending Amendment  
Fee Category: 3P  
Exp. Date: 06/30/2018  
Fee Comments:  
Decom Fin Assur Req: N

## License Fee Worksheet - License Fee Transmittal

### A. REGION

#### 1. APPLICATION ATTACHED

Applicant/Licensee: P4 Production, LLC  
Received Date: 11/27/2017  
Docket Number: 3032303  
Mail Control Number: 601840  
License Number: 11-27361-01  
Action Type: Amendment

#### 2. FEE ATTACHED

Amount: \_\_\_\_\_

Check No.: \_\_\_\_\_

#### 3. COMMENTS

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

*Carol L. Hise*  
12/6/17

### B. LICENSE FEE MANAGEMENT BRANCH (Check when milestone 03 is entered / / )

1. Fee Category and Amount: \_\_\_\_\_

2. Correct Fee Paid. Application may be processed for:

Amendment: \_\_\_\_\_

Renewal: \_\_\_\_\_

License: \_\_\_\_\_

3. OTHER \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_