

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 04-24888-01, G.E. INSPECTION SERVICES (GE-IS)**

DATE: May 1, 2018
DOCKET NO.: 030-38303
LICENSE NO.: 04-24888-01
LICENSEE: G.E. Inspection Services (GE-IS)
1211 Kona Drive
Rancho Dominguez, CA 90220
TECHNICAL REVIEWER: Frank Tran

SUMMARY AND CONCLUSIONS

G.E. Inspection Services (GE-IS) is authorized by NRC Materials License No. 04-24888-01 for the possession and use of byproduct material for purposes of industrial radiography, material analyzing, and radiation instrument calibration. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to an indirect license transfer submitted by G.E. Inspection Services (GE-IS) that will result from a sale between General Electric, the parent company of G.E. Inspection Services (GE-IS), and ABB Inc. G.E. Inspection Services (GE-IS) is currently a wholly-owned subsidiary of General Electric. General Electric will sell the entirety (100%) of G.E. Inspection Services (GE-IS) to ABB Inc. and G.E. Inspection Services (GE-IS) will become a wholly-owned subsidiary of ABB Inc. The indirect transfer of control is described in Agency Documents Access and Management System (ADAMS) accession number ML18074A042.

The request for consent was reviewed by NRC staff for an indirect change in control of a 10 CFR Part 30 license using the guidance in NUREG 1556, Volume 15, Revision 1, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses." The NRC staff finds that the information submitted by G.E. Inspection Services (GE-IS) sufficiently describes and documents the transaction and commitments made by ABB Inc. and General Electric.

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 change in control is in accordance with the Act. The staff finds that, after the change of control, G.E. Inspection Services (GE-IS) 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 (WBL), G.E. Inspection Services (GE-IS) has been an NRC licensee since June 22, 2010. The NRC conducted a main office inspection of G.E. Inspection Services (GE-IS) on March 29, 2017, and no violations were identified during this inspection. The commitments made by ABB Inc. and General Electric state that G.E. Inspection Services (GE-IS) (License No. 04-24888-01):

- 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.

ABB Inc. has possessed a radioactive material license issued by the State of Ohio, License No. 03214250003, authorized for manufacturing sealed sources and devices, providing services (installation, removal, leak test, repair, etc.), radiation survey instrument calibration, and research and development. Therefore, for security purposes, ABB Inc. is considered a known entity following the guidance provided by the NRC's Office of Nuclear Material Safety and Safeguards (NMSS) "Checklist to provide a basis for confidence that radioactive materials will be used as specified on the license", June 2016 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.

G.E. Inspection Services (GE-IS) is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 04-24888-01.

REGULATORY FRAMEWORK

G.E. Inspection Services' (GE-IS) License No. 04-24888-01, was issued 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 change of control is in accordance with the provisions of the Act and 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, Revision 1. As discussed in NUREG-1556, Volume 15, Revision 1, NRC is generally using the term "change of control" rather than the statutory term "transfer" to describe the variety of events that could require prior notification and written consent of the NRC. The central issue is whether the authority over the license has changed. G.E. Inspection Services (GE-IS)'s request for consent describes an indirect change of control resulting from a planned sale between G.E. Inspection Services' (GE-IS) parent company, General Electric, and ABB Inc. Following the completion of the sale, G.E. Inspection Services (GE-IS) will become a wholly-owned subsidiary of ABB Inc. and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML18074A042 and ML18113A973. After completion of the sale, G.E. Inspection Services (GE-IS) will continue as the licensee and remain in control of all licensed activities under Materials License No. 04-24888-01. The NRC staff finds that the request for consent 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, Revision 1.

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

The NRC staff finds that the information submitted by G.E. Inspection Services (GE-IS) sufficiently describes and documents the commitments made by ABB Inc. and General Electric, and is consistent with the guidance in NUREG-1556, Volume 15, Revision 1.

ENVIRONMENTAL REVIEW

An environmental assessment for this action is not required since this action is categorically excluded under 10 CFR 51.22(c)(14)(xi).

CONCLUSION

The staff has reviewed the request for consent submitted by both parties with regard to an indirect change of control of byproduct materials license No. 04-24888-01 and approves the application 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, Revision 1.

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