SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE NUMBER 10-31353-01, NOVA ENGINEERING AND ENVIRONMENTAL, LLC

DATE: December 16, 2019

DOCKET NO.: 030-37885

LICENSE NO.: 10-31353-01

LICENSEE: NOVA Engineering and Environmental, LLC
3900 Kennesaw 75 Parkway, Suite 100
Kennesaw, Georgia 30144

TECHNICAL REVIEWER: Betsy Ullrich, Senior Health Physicist

SUMMARY AND CONCLUSIONS

NOVA Engineering and Environmental, LLC is authorized by NRC License No. 10-31353-01 for the possession and use of byproduct material for purposes of measuring physical properties of materials. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to an indirect license transfer submitted by NOVA Engineering and Environmental, LLC (NOVA) that resulted from a transfer of all equity interests from NOVA to Watkins Associated Holdings, LLC. NOVA was a privately-held company that is now a wholly-owned subsidiary of Watkins Associated Holdings, LLC. Watkins Associated Holdings, LLC is a wholly-owned subsidiary of Watkins Associated Industries, Inc. The indirect transfer of control is described in Agency Documents Access and Management System (ADAMS) accession numbers ML19231A233, ML19263C085 and ML19263C085.

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, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated November 2000. The NRC staff finds that the information submitted by NOVA sufficiently describes and documents the transaction and commitments made by Watkins Associated Industries, Inc. and NOVA.

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 was in accordance with the Act. The staff finds that, after the change of control, NOVA 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 Licensing Tracking System (LTS), NOVA has been an NRC licensee since January 12, 2009. The NRC conducted a main office inspection of NOVA on July 29, 2014, and no violations were identified. The commitments made by Watkins Associated Industries, Inc. and NOVA confirmed NOVA (License No. 10-31353-01):

A. did not change the radiation safety officer listed in the NRC license;

B. did not change the personnel involved in licensed activities;

C. did not change the locations, facilities, and equipment authorized in the NRC license;

D. did not change the radiation safety program authorized in the NRC license;

E. did not change the organization's name listed in the NRC license; and

F. will keep regulatory required surveillance records and decommissioning records.

Neither Watkins Associated Industries, Inc. nor Watkins Associated Holdings, LLC currently have subsidiaries that perform licensed activities. Therefore, for security purposes, neither 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. Therefore, a pre-licensing visit was performed on December 3, 2019, and additional information was gathered about Watkins Associated Industries, Inc. that provided reasonable assurance that licensed materials will continue to be used as intended by NOVA.

NOVA is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 10-31352-01.

REGULATORY FRAMEWORK

NOVA's License No. 10-31352-01 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. As discussed in NUREG-I 556, Volume 15, 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. NOVA's request for consent describes an indirect change of control resulting from a planned sale between NOVA and Watkins Associated Holdings, LLC. Following completion of the sale, NOVA became a wholly-owned subsidiary of Watkins Associated Holdings, LLC and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession numbers ML19231A233, ML19263C085 and ML19263C085. After completion of the sale, NOVA continued as the licensee and remains in control of all licensed activities under Materials License No. 10-31352-01. 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 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 NOVA sufficiently describes and documents the commitments made by of Watkins Associated Holdings, LLC (through its parent company, Watkins Associated Industries, Inc.) and NOVA, 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 change of control of byproduct materials license No. 10-31352-01 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.

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.

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SUNSI Review Complete: Betsy Ullrich

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