

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 07-17618-01, Nanticoke Memorial Hospital**

DATE: February 20, 2020

DOCKET NO.: 030-13060

LICENSE NO.: 07-17618-01

LICENSEE: Nanticoke Memorial Hospital
801 Middleford Road
Seaford, DE 19973

TECHNICAL REVIEWER: Robin Elliott

SUMMARY AND CONCLUSIONS

Nanticoke Memorial Hospital (NMH) is authorized by U.S. Nuclear Regulatory Commission (NRC) License 07-17618-01 for the possession and use of byproduct material for purposes of diagnostic imaging studies permitted by 10 CFR 35.100 and 200. The NRC staff reviewed a request for consent to an indirect license transfer submitted by NMH. Effective January 1, 2020, NMH and Peninsula Regional Health System (PRHS) formalized a Membership Substitution affiliation where PRHS became the sole corporate member of NMH. Prior to the membership substitution, both parties agreed to delay the transfer of licensed activities until NRC written consent has been obtained. The NMH Board of Directors serves as the local board for NMH and the members of the NMH Board serve on the PRHS Board. The indirect transfer of control is described in Agency Documents Access and Management System (ADAMS) package accession number ML19357A276. The ADAMS package consists of the following documents: letter dated December 16, 2019, (ML19357A277), an email with attachments dated December 30, 2019, (ML20037A296), and an email dated January 11, 2020, (ML20016A285).

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," dated June 2016. The NRC staff finds that the information submitted by NMH sufficiently describes and documents the transaction and commitments made by PRHS and NMH.

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 NMH 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 promote the common defense and security of licensed material.

SAFETY AND SECURITY REVIEW

According to data obtained from the NRC's Web-Based Licensing System (WBL), NMH has been an NRC licensee since December 28, 1983. The NRC conducted a main office inspection of NMH on September 20, 2019, and no violations were identified during this inspection. The commitments made by PRHS and NMH state that NMH (License No. 07-17618-01):

- 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.

Effective January 1, 2020, PRHS became the sole corporate member of NMH. PRHS conducts licensed activities under a State of Maryland License No. MD-45-001-03 since July of 1971. Therefore, for security purposes, PRHS is considered a known entity following the guidance provided by the NRC's Office of Nuclear Material Safety and Safeguards' "Checklist to provide a basis for confidence that radioactive materials will be used as specified on the application," January 29, 2019 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.

NMH is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 07-17618-01.

REGULATORY FRAMEWORK

NMH's License No. 07-17618-01, was issued under 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material." The NRC is required by 10 CFR 30.34 to determine if the change of control is in accordance with the provisions of the Act and, if so, 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.

As previously indicated, the staff evaluation is based on guidance in NUREG-1556, Volume 15, Revision 1. The central issue is whether the authority over the license has changed. NMH's request for consent describes an indirect change of control resulting from a membership substitution from NMH's former sole corporate member to PRHS. Following the membership

substitution, the NMH Board of Directors will serve as the local board for NMH and members from the NMH Board will serve on the PRHS Board .

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS package accession number ML19357A276. After completion of the membership substitution, NMH will continue as the licensee and remain in control of all licensed activities under Materials License No. 07-17618-01. 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, Revision 1.

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

The NRC staff finds that the information submitted by NMH sufficiently describes and documents the commitments made by PRHS and NMH 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)(21).

CONCLUSION

The staff has reviewed the request for consent submitted by NMH with regard to an indirect change of control of byproduct materials license No. 07-17618-01 and pursuant to 10 CFR 30.34(b) consents to the indirect transfer of control.

Consistent with the guidance in NUREG-1556, Volume 15, Revision 1, 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.