

nmc Diagnostic Services, Inc.

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March 29, 1996

Licensing Assistance Section
Nuclear Materials Safety Branch
U.S. Nuclear Regulatory Comm. - Reg. 1
475 Allendale Road
King of Prussia, PA 19406

Dear Sir/Madam:

In follow up to your letter dated November 20, 1995, this letter is to provide you advance notice of a proposed transaction involving the parent company of the holder of licenses issued by your agency. Specifically sometime after July 1, 1996 W.R. Grace & Co. ("Grace") the ultimate parent company of National Medical Care, Inc. ("NMC"), which is the indirect parent company of NMC Diagnostics, Inc. ("NMC Diagnostic"), will be undergoing certain corporate changes. NMC is currently a wholly owned subsidiary of W.R. Grace & Co.-Conn, Inc. ("Grace-Conn") which, in turn is a wholly owned subsidiary of Grace. The upcoming corporate change will be as follows: it is currently expected that, on an as yet undetermined date in July or August 1996, Grace will undergo certain internal corporate changes with the result that Grace will be the direct parent of NMC and immediately subsequent, Grace will then merge with a wholly owned subsidiary of Fresenius Medical Care AG, a German company. As a result of the above described merger, the Grace shareholders will own 44.8% of Fresenius Medical Care AG, which will, in turn, own all of the stock of the new Grace which will continue to own all of the stock of NMC.

The effect of the transaction will be that Grace will no longer be the ultimate parent company of NMC. Please refer to Exhibit A (attached) which summarizes NMC's corporate structure immediately prior to the merger and Exhibit B (attached) which summarizes NMC's corporate structure subsequent to the merger. Regardless of the change on the Grace level, **NMC's corporate structure downward to the branch level will remain as it is currently.**

NMC Diagnostic, a wholly owned subsidiary of NMC, currently holds multiple NRC licenses (**Exhibit C**). Following the transaction, NMC will continue to own 100% of the shares of NMC Diagnostic, and NMC Diagnostic's senior and local management is expected to remain unchanged. More importantly, there is expected to be no impact on patients because all direct patient care personnel and policies will remain intact.

Based on the foregoing, please advise what, if any, additional notification is required beyond this letter to notify you of the above described transfer of stock of NMC Diagnostic's ultimate parent corporation, and whether any additional requirements are imposed by your agency due to this transfer. In the interim, NMC Diagnostic requests that your agency regard this letter as meeting any advance notification requirements relevant to this transfer.

In addition and with reference to your November 20, 1995 letter, you should be aware of the following:

1. The new name of the licensed operation. If there is no change, the licensee should so state.
A. There will be no change in the name of the licensed operation.
2. The new licensee contact and telephone number(s) to facilitate communications.
A. There will be no change in the licensee contact and telephone number.
3. Any changes in personnel having control over licensed activities (e.g., officer of a corporation) and any changes in personnel named in the license such as radiation safety officer, authorized users, or any other persons identified in previous license applications as responsible for radiation safety for use of licensed material. The licensee should include information concerning the qualifications, training, and responsibilities of new individuals.
A. There are no anticipated changes in personnel having control over licensed activities.
4. An indication of whether the transferor will remain in non-licensed business without the license.
A. Not applicable.
5. A complete, clear description of the transaction, including any transfer of stocks or assets, mergers, etc., so that legal counsel is able, when necessary, to differentiate between name changes of ownership.
A. Please refer to letter test.
6. A complete description of any planned changes in organization, location, facility, equipment, or procedures (i.e., changes in operation or emergency procedures).
A. None anticipated at facility level.
7. A detailed description of any changes in the use, possession, location or storage of the licensed materials.
A. No changes in the use, possession, location or storage of the licensed materials based on the transfer of the ultimate parent corporation.
8. Any changes in organization, location, facilities, equipment procedures, or personnel that would require a license amendment even without the change of ownership.
A. None expected except as disclosed in letter text.
9. An indication of whether all surveillance items and records (e.g., calibrations, leak tests, surveys; inventories, and accountability requirement) will be current at the time of transfer. A description of the status of all surveillance requirements and records should also be provided.
A. It is anticipated that all items will remain current.
10. Confirmation that all records concerning the safe and effective decommissioning of the facility, pursuant to 10 CFR 30.35(g), 40.36(f), 70.25(g), and 72.30(d); public dose; and waste disposal by release to sewers, incineration, radioactive material spills, and on-site burials, have been transferred to the new licensee, if licensed activities will continue at the same location, or to the NRC for license terminations.
A. Licensed activities will continue as the same locations (Exhibit C).
11. A description of the status of the facility. Specifically, the presence or absence of contamination should be documented. If contamination is present, will decontamination occur before transfer? If not, does the successor company agree to assume full liability for the decontamination of the facility of site.

A. The status of the facility will not change as a result of the transfer of the ultimate parent corporation.

12. A description of any decontamination plans, including financial assurance arrangements of the transferee, as specified in 10 CFR 30.35, 40.36 and 70.25. This should include information about how the transferee and transferor propose to divide the transferor's assets, and responsibility for any cleanup needed at the time of transfer.

A. The status of the facility will not change as a result of the transfer of the ultimate parent corporation.

13. Confirmation that the transferee agrees to abide by all commitments and representations previously made to NRC by the transferor. These included, but are not limited to: maintaining decommissioning records required by 10 CFR 30.35(g); implementing decontamination activities and decommissioning of the site; and completing corrective actions for open inspection items and enforcement actions.

A. Licensee agrees to abide by all commitments and representations previously made to the NRC.

With respect to contamination of facilities and equipment, the transferee should confirm, in writing, that it accepts full liability for the site, and should provide evidence of adequate resources to fund decommissioning; or the transferor should provide a commitment to decontaminate the facility before change of control or ownership.

A. Licensee agrees to abide by all commitments and representations previously made to the NRC.

With regard to open inspection items, etc., the transferee should confirm, in writing, that it accepts full responsibility for open inspection items and/or any resulting enforcement actions; or the transferee proposes alternative measures for meeting the requirements; or the transferor provides a commitment to close out all such actions with NRC before license transfer.

A. Licensee agrees to abide by all commitments and representations previously made to the NRC.

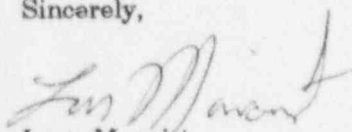
14. Documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions.

A. License operations will not change as a result of the transfer of the ultimate parent corporation.

15. A commitment by the transferee to abide by all constraints, conditions, requirements, representations, and commitments identified in the existing license. If not, the transferor must provide a description of its program, to ensure compliance with the license and regulations.

Please provide by **April 21, 1996**, a written opinion from your agency outlining any additional steps, if any, that need to be taken to comply with your agency's requirements, along with copies of the pertinent regulations, any applications or other forms that may be required and the time frame for filing such notices, forms or approval requests.

Sincerely,



Leon Maraist
Vice President

EXHIBIT A
NATIONAL MEDICAL CARE CORPORATE STRUCTURE

Immediately Prior To Merger
(Following Certain Grace Corporate Reorganizations)

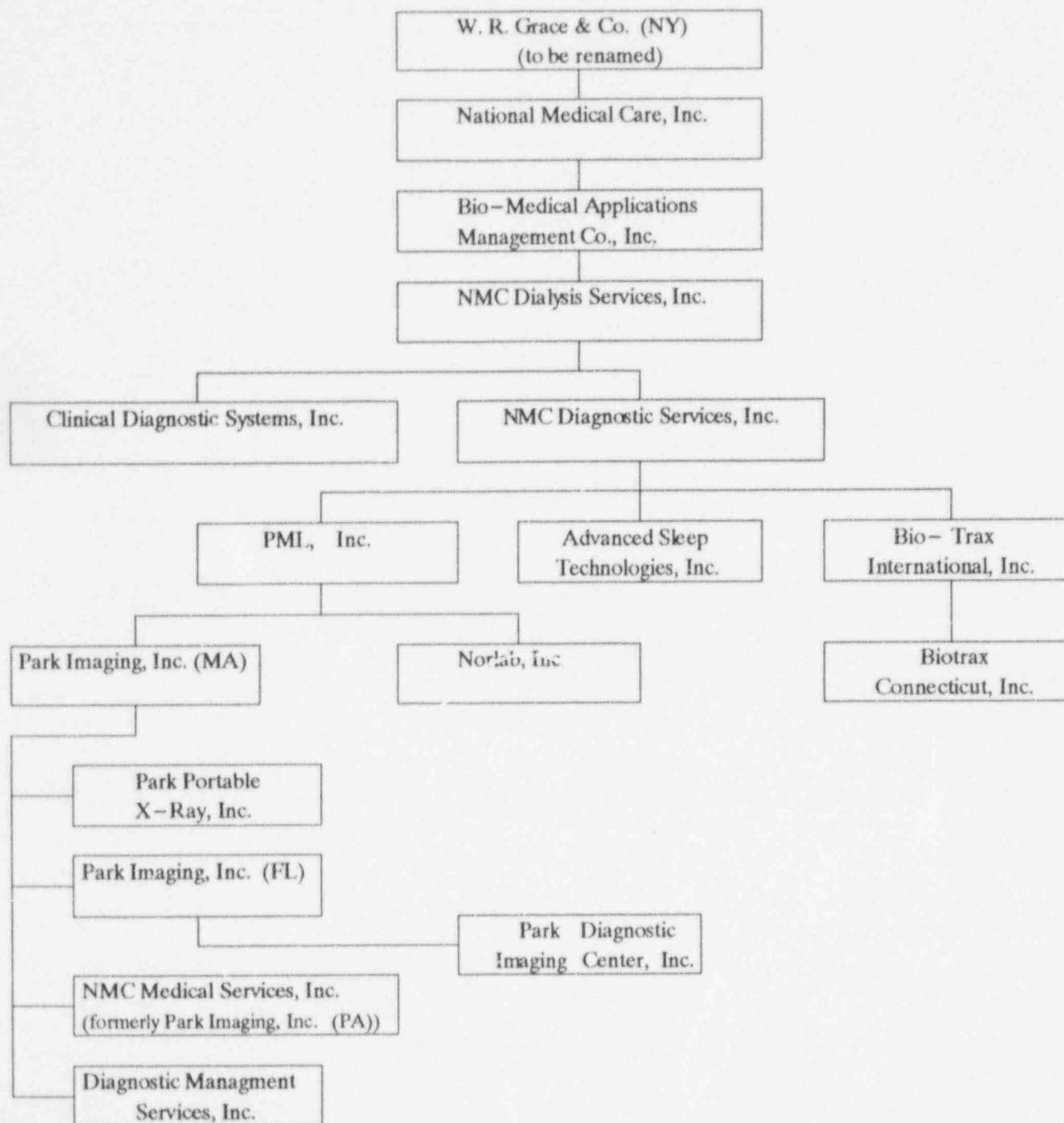
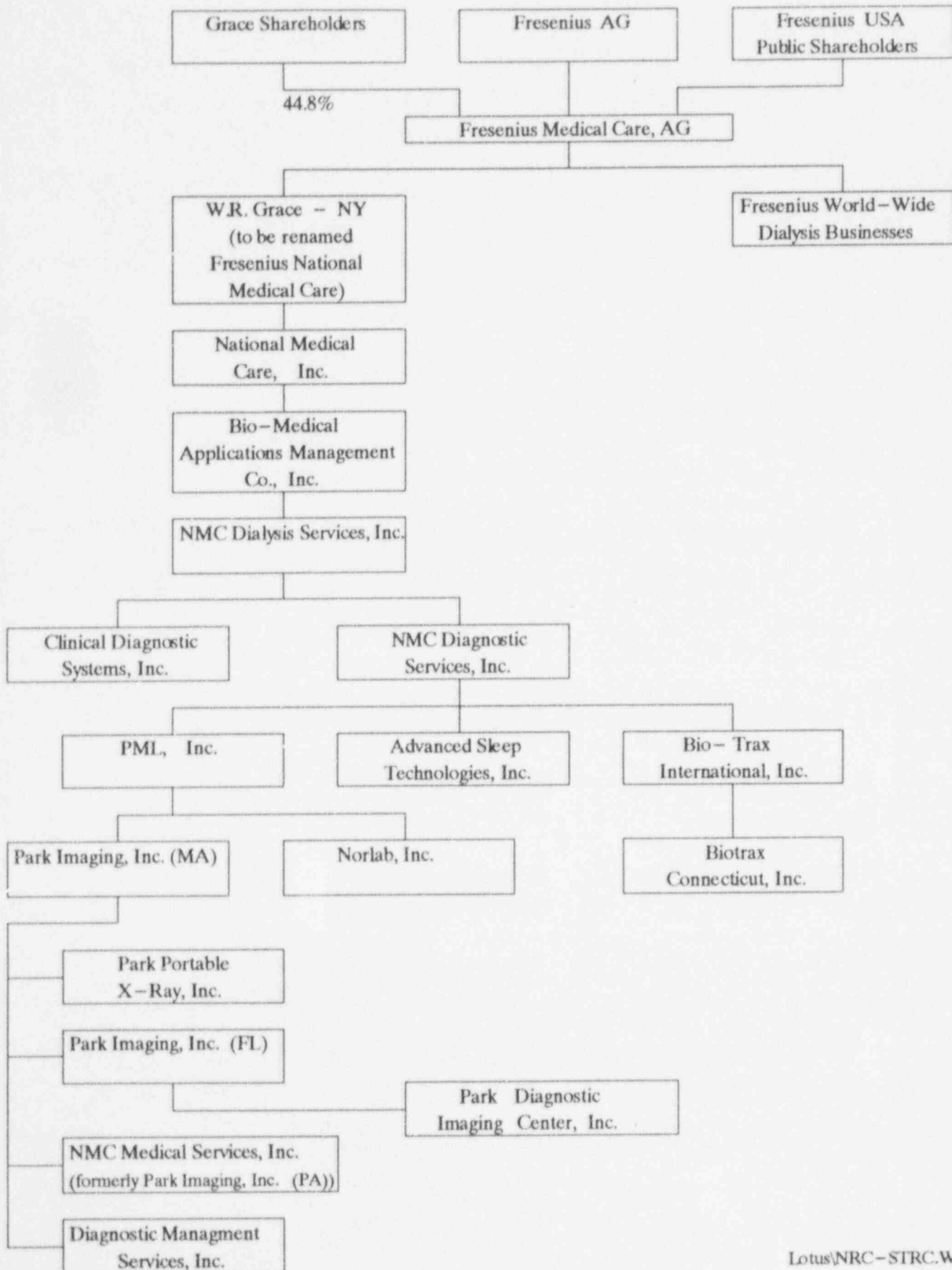


EXHIBIT B
NATIONAL MEDICAL CARE CORPORATE STRUCTURE

Structure After Merger



DIAGNOSTIC SERVICES DIVISION - 1996 REGULATORY NOTIFICATIONS (FRESENIUS)
NUCLEAR REGULATORY COMMISSION - REGION I
EXHIBIT C

LOCATION	LICENSE # (if applicable)	LETTER SENT TO:
MASSACHUSETTS		
NMC Diagnostic Services, Inc.		Licensing Assistance Section
Lexington, MA 02173	20-18449-01	Nuclear Materials Safety Branch
Boston, MA 02134	20-18449-01	U.S. Nuclear Regulatory Commission
Wareham, MA 02571	20-18449-01	Region 1
Orleans, MA 02153	20-18449-01	475 Allendale Road
North Andover, MA 01845	20-18449-02	King of Prussia, PA 19406
Salem, MA 01970	20-18449-02	
Acton, MA 01720	20-18449-02	
Worcester, MA 01805	20-18449-02	
Dedham, MA 02026	20-18449-02	
Danvers, MA 01923	20-18449-02	
S. Dartmouth, MA 02748	20-18449-02	
Stoughton, MA 02072	20-18449-02	
Taunton, MA 02780	20-18449-02	
Gloucester, MA 01930	20-28078-01	
Lowell, MA 01852	20-28078-01	
Newburyport, MA 01950	20-28078-01	
Pittsfield, MA 01201	20-28078-01	
Brookline, MA 02146	20-28078-01	
Quincy, MA 02748	20-28078-01	
S. Weymouth, MA 02190	20-28078-01	
Brockton, MA 02401	20-28078-01	
Plymouth, MA 02360	20-28078-01	
New Bedford, MA 02740	20-28078-01	
NEW JERSEY		
NMC Diagnostic Services, Inc.		Licensing Assistance Section
Union, NJ 07083	20-18449-05	Nuclear Materials Safety Branch
Oakhurst, NJ 07755	20-18449-06	U.S. Nuclear Regulatory Commission
Trenton, NJ 08619	20-18449-06	Region 1
Vorhees, NJ 08043	20-18449-04	475 Allendale Road
Cinnaminson, NJ 08077	2930171-01	King of Prussia, PA 19406
Haddon Heights, NJ 08035	2930171-01	
Haddonfield, NJ 08033	2930171-01	
Mount Holly, NJ 08060	2930171-01	
Vineland, NJ 08360	2930171-01	

**DIAGNOSTIC SERVICES DIVISION - 1996 REGULATORY NOTIFICATIONS (FRESENIUS)
NUCLEAR REGULATORY COMMISSION - REGION I
EXHIBIT C**

LOCATION	LICENSE # (if applicable)	LETTER SENT TO:
PENNSYLVANIA NMC Diagnostic Services, Inc. formerly Mediq Imaging Services Langhorne, PA 19047 NMC Diagnostic Services, Inc. formerly ImageAmerica of PA Lancaster, PA 17604 Bala Cynwyd, PA 19004 Malvern, PA 19355 Philadelphia, PA 19152 Yardley, PA 19067 Scranton, PA 18503	37-28196-01 37-28331-01 37-28331-01 37-28331-01 37-28331-01 37-28331-01 37-28331-01	Licensing Assistance Section Nuclear Materials Safety Branch U.S. Nuclear Regulatory Commission Region 1 475 Allendale Road King of Prussia, PA 19406 Same as previous