

**SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBER 24-24576-01, ALLIANT TECHSYSTEMS (ATK) OPERATIONS, LLC,
LAKE CITY ARMY AMMUNITION PLANT**

DATE: September 10, 2020

DOCKET NO.: 030-28929

LICENSE NO.: 24-24576-01

LICENSEE: Alliant Techsystems (ATK) Operations, LLC
Lake City Army Ammunition Plant
P.O. Box 1000
Independence, MO 64051-1000

TECHNICAL REVIEWER: Jason M. Kelly, MPH, Health Physicist

SUMMARY AND CONCLUSIONS

Alliant Techsystems (ATK) Operations, LLC, is authorized by NRC License 24-24576-01 for the possession and use of byproduct material for purposes of performing level or density measurements using fixed gauging devices in accordance with Title 10 of *the Code of Federal Regulations* (10 CFR), Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material."

The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct change of control submitted by Olin Winchester, LLC on behalf of Alliant Techsystems (ATK) Operations, LLC, that will result from a direct transfer of the licensed material and activities and radiation safety program permitted under NRC License No. 24-24576-01 from Alliant Techsystems (ATK) Operations, LLC to Olin Winchester, LLC following the assignment of a contract to operate the Lake City Army Ammunition Plant to Olin Winchester, LLC. The direct transfer was made necessary following the assignment of a contract for managing the licensed operations at Lake City Army Ammunition Plant from Alliant Techsystems (ATK) Operations, LLC, to Olin Winchester, LLC, effective October 1, 2020. After the transaction, the licensee's name will be changed to Olin Winchester, LLC. The direct transfer of control is described in Agency Documents Access and Management Systems (ADAMS) accession numbers ML20077J908 and ML20204A877.

The request for consent was reviewed by NRC staff for a direct 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 Olin Winchester, LLC, sufficiently describes and documents the transaction and commitments made by Olin Winchester, LLC, and Alliant Techsystems (ATK) Operations, LLC.

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, Olin Winchester, LLC, 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), Alliant Techsystems (ATK) Operations, LLC, has been an NRC licensee since November 27, 1985. The NRC conducted a main office inspection of Alliant Techsystems (ATK) Operations, LLC, on April 11, 2017, and no violations were identified during this inspection. The commitments made by Olin Wincheshter, LLC, and Alliant Techsystems (ATK) Operations, LLC, state that that Olin Winchester, LLC:

- 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; and
- E. will keep regulatory required surveillance records and decommissioning records.

Alliant Techsystems (ATK) Operations, LLC, is an NRC licensee who was issued NRC License No. 24-24576-01 for the possession and use of byproduct material for purposes of performing level or density measurements using fixed gauging devices. Alliant Techsystems (ATK) Operations, LLC, and Olin Winchester, LLC, have entered into an agreement for the direct transfer of control of NRC License No. 24-24576-01 to Olin Winchester, LLC. Olin Winchester, LLC, is a Delaware limited liability company registered in the state of Missouri. Olin Winchester, LLC, maintains licenses and registrations with the Missouri Department of Health and Senior Services and the U.S. Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives. Olin Winchester, LLC, is a subsidiary of Olin Corporation, which is a publicly traded company listed on the New York Stock Exchange with public filings with the U.S. Securities and Exchange Commission. After the transfer, the licensed material and activities authorized in NRC License No. 24-24576-01 will continue to be used in accordance with license conditions and commitments listed in the license. Therefore, for security purposes Olin Winchester, LLC, 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 Application," revised January 29, 2019. 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.

Alliant Techsystems (ATK) Operations, LLC, is not required to have decommissioning financial assurance based on the types and amount of material authorized in NRC License No. 24-24576-01.

REGULATORY FRAMEWORK

Alliant Techsystems (ATK) Operations, LLC's License No. 24-24576-01, 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. Alliant Techsystems (ATK) Operations, LLC's request for consent describes a direct change of control of NRC License No. 24-24576-01 to Olin Winchester, LLC resulting from a change in the assignment of the contract to manage operations at Lake City Army Ammunition Plant, and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession numbers ML20077J908 and ML20204A877. After completion of the transfer, Olin Winchester, LLC, will continue as the licensee and remain in control of all licensed activities under Materials License No. 24-24576-01. 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 in 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 Alliant Techsystems (ATK) Operations, LLC, sufficiently describes and documents the commitments made by Olin Winchester, LLC, and Alliant Techsystems (ATK) Operations, LLC, 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 a direct change of control of byproduct materials license No. 24-24576-01 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.