

October 30, 2020

Via E-Mail & Federal Express

Robert Orlikowski
Materials Licensing Branch Chief
U.S. Nuclear Regulatory Commission – Region III
Nuclear Material Licensing Branch
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4351

RE: Notice of Indirect Change of Control for U.S. Nuclear Regulatory Commission
License 13-32600-01) – I/N Kote – New Carlisle, Indiana

Dear Mr. Orlikowski:

U.S. Nuclear Regulatory Commission (“NRC”) regulations and guidance found 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 Material Licenses” (“NUREG-1556”) and in NRC Regulatory Issue Summary 2014-08, Revision 1, “Regulatory Requirements for Transfer of Control (Change of Ownership) of Specific Material Licenses” require notice to, and request for approval of, NRC for a change of control of a licensee, whether direct or indirect.

On September 28, 2020, ArcelorMittal S.A. (“ArcelorMittal S.A.”), a company incorporated in Luxembourg and listed on the New York Stock Exchange, and Cleveland-Cliffs Inc. (“Cleveland-Cliffs” or “Transferee”), an Ohio corporation listed on the New York Stock Exchange, entered into a definitive agreement (the “Agreement”) pursuant to, and subject to the terms of which, Cleveland-Cliffs will acquire from certain affiliates of ArcelorMittal S.A. (following certain internal reorganizational steps that will take place prior to the closing of the Transaction) all of the outstanding equity interests of ArcelorMittal USA LLC, a Delaware limited liability company (“AMUSA”), and certain other entities (the “Transaction”).

As a consequence, AMUSA’s direct and indirect equity interests in its subsidiaries and certain joint ventures will be indirectly acquired by Cleveland-Cliffs. As further described below, this indirect acquisition by Cleveland-Cliffs will include, *at minimum* the 50% equity interest owned by ArcelorMittal Kote Inc. (“AM Kote”), a direct subsidiary of AMUSA, in I/N Kote L.P. (the “Licensee” or “Transferor”). A separate letter notifying NRC of an indirect change of control for I/N Kote and I/N Tek, L.P. General License 704409, related to the same Transaction, is being filed contemporaneously with this notification.

The closing of the Transaction is expected in the fourth quarter of 2020, contingent upon customary conditions as described in the Agreement and certain approvals, including this submission. The Licensee and Cleveland-Cliffs are hereby notifying, and requesting written consent from, the NRC for an indirect change of control for the license referenced above (the “Subject License”). The information in this notification provides details about the pending indirect change of control; provides specific information requested in Appendix E of NUREG-1556; and describes changes in the organization that exercises control over the licensed program as a result of the Transaction. The only expected changes, as noted

below, are the heightened management controls to be put in place, consistent with Cleveland-Cliffs safety culture.

Indirect Change of Control of the Subject License

As noted above, upon the closing of the Transaction, I/N Kote's 50% equity interest owned by AM Kote, will be indirectly acquired by Cleveland-Cliffs via Cleveland-Cliffs' acquisition of 100% of ArcelorMittal USA LLC's equity interests from ArcelorMittal North America Holdings LLC, a Delaware limited liability company indirectly owned by ArcelorMittal S.A. (via a series of holding companies). For purposes of the Subject License, under either this scenario or the one described below, Cleveland-Cliffs will own indirectly at least 50% of I/N Kote once the Transaction is closed. We equate such acquisitions with an indirect change in control; hence, this submission. As described herein, other than these indirect changes in control, all other aspects of the Subject License will remain unchanged.

In addition and purely in the interest of full disclosure, it is possible that Cleveland-Cliffs may acquire additional equity interests. In the event that occurs, the NRC will be notified, recognizing that such information related to additional equity interests would not impact or change the information that follows relating to the Subject License. Specifically, NS Kote, Inc. (an affiliate of Nippon Steel Corporation; the current owner of 50% of the equity interests in I/N Kote) has notified ArcelorMittal S.A., that in connection with the Transaction, it will exercise its respective rights to sell its equity interests in I/N Kote, which may be acquired by ArcelorMittal S.A. or Cleveland-Cliffs (or any of their respective affiliates), with such acquisition expected to occur concurrently with the closing of the Transaction. If ArcelorMittal S.A. or one of its affiliates acquire such interest in I/N Kote, neither ArcelorMittal S.A. nor any such acquiring affiliate will be involved in the day-to-day operations or sales of I/N Kote. We will advise of any such additional interests if acquired by Cleveland-Cliffs.

Cleveland-Cliffs is a known entity. Specifically, Cleveland-Cliffs entities hold or recently have held nuclear materials licenses (collectively, "licenses") issued by NRC and by Agreement State(s). Representative examples of such licenses include:

- Licensee: Tilden Mining Company L.C.; NRC License # 21-26748-01 (expiration: 10/31/2021)
- Licensee: United Taconite LLC; Minnesota License # 1079 (expiration: 11/30/2026)

We wanted to alert you to the Transaction and to ensure that you have the information available to entertain and request approval of transfer of the Subject License. Comparable requests are being submitted to certain Agreement State(s).

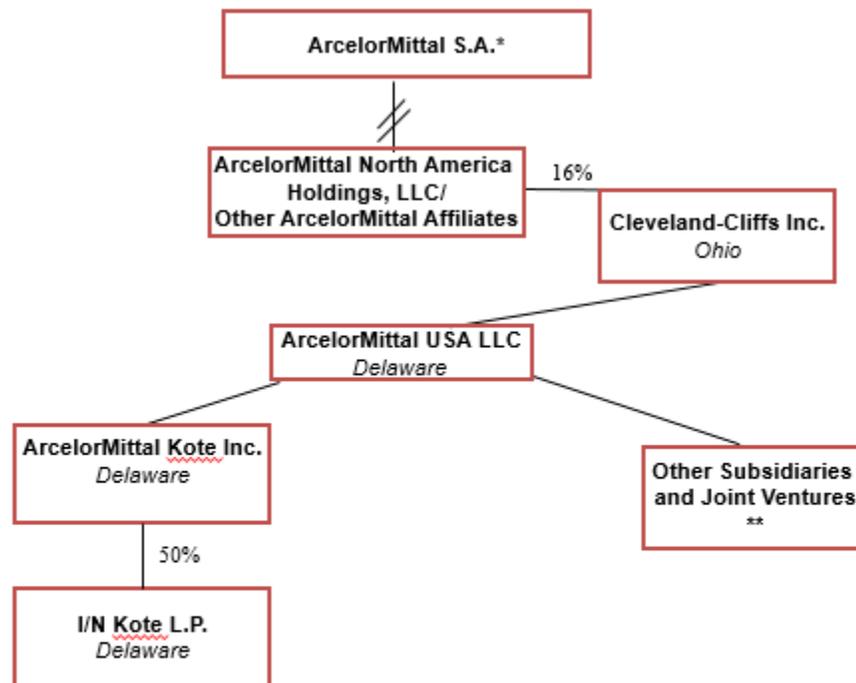
Information Needed by NRC for Transfer of Control (from Appendix E of NUREG-1556)

1. *Describe any planned changes in the organization, including but not limited to, transfer of stocks or assets and mergers, changes in members on Board of Directors, etc. Provide the new licensee name, mailing address, and contact information, including phone numbers. Clearly identify when the amendment request is due to a name change only.*

As noted above and not repeated here, the Transaction involves an indirect change of control of the Licensee based on the transfer of 100% of the equity interests of ArcelorMittal USA LLC to Cleveland-Cliffs.

Prior to the closing of the Transaction, certain affiliates of ArcelorMittal S.A. will complete an internal restructuring pursuant to which, among other things, the current direct parent company of ArcelorMittal USA LLC, ArcelorMittal USA Holdings II LLC will merge with and into ArcelorMittal USA LLC, with ArcelorMittal USA LLC surviving the merger. Following such merger, the direct parent company of ArcelorMittal USA LLC will become ArcelorMittal North America Holdings LLC.

Post-Transaction Organization Chart – As described above, it is possible that Cleveland-Cliffs and ArcelorMittal S.A. (or their respective affiliates) may acquire additional equity interests in I/N Kote.



Note:
 * Certain intermediate holdings are not included in this chart. Only the relevant entities are depicted. All solid lines represent 100% ownership.
 ** Certain subsidiaries and joint ventures are not 100% owned by ArcelorMittal USA LLC.

It is not anticipated that the Licensee’s addresses, contact information or personnel overseeing and implementing the Subject License will change. Further, no name change is contemplated at this time. Should that change, the NRC will be updated accordingly.

2. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel and any changes in the training program.

No changes to personnel, including the Radiation Safety Officer (“RSO”), or duties of the personnel, are currently planned by the Transferee.

- 3. Describe any changes in the location, facilities, equipment, radiation safety program, use, possession, waste management, or other procedures that relate to the licensed program will result from the change of control.*

No changes to the location, facilities, equipment, radiation safety program, use, possession, waste management, or other procedures that relate to the licensed program will result from this indirect change of control of Licensee, except that Cleveland-Cliffs recently has undertaken, with respect to its Tilden site, the implementation of heightened management control for materials subject to NRC or Agreement State licenses, including an oversight committee. This management framework is expected to be applied, as appropriately tailored, to the Subject License.

- 4. Describe the status of the licensee’s facilities, equipment, and radiation safety program, including any known contamination and whether decontamination will occur prior to transfer. Include the status of calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records.*

Except as noted above (with respect to heightened management controls), nothing regarding Licensee’s radiation safety program, including facilities and equipment, will change as a result of the indirect change of control result from this Transaction. The Licensee confirms that there are no contaminated areas at the licensed facility that will require decontamination prior to transfer. Current operations are anticipated to stay the same post-closing, so decommissioning will not be required. The Licensee confirms that all required surveillance items, including calibrations, leak tests, surveys, wipe tests, training, quality control and related records, have been performed, documented, and reviewed.

- 5. If current decommissioning funding plans (DFP) will be changed as a result of the transfer, the revised DFP should be submitted. If other financial assurance documents will be changed as a result of the transfer, confirm, that all financial assurance instruments associated with the license will be held in the Transferee’s name before the license is transferred, and as required by 10 CFR 30.35(f), the Licensee must, within 30 days, submit financial instruments reflecting such changes.*

Not applicable.

- 6. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the Transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.*

All records associated with the Subject License will remain with the Licensee following the Transaction.

- 7. Confirm that both Transferor and Transferee agree to transferring control of the licensed material and activity, and the conditions of transfer, and that the Transferee has been made aware of any open inspection items and its responsibility for possible resulting enforcement actions.*

Both the Transferor and Transferee agree to the transfer of control of the licensed material and activities. The Licensee confirms that there are no open inspection items associated with the Subject License.

8. *Confirm that the Transferee will abide by all constraints, conditions, requirements, representations, and commitments of the Transferor or that the Transferee will submit a complete description of the proposed licensed program.*

The Transferee agrees that it will abide by all constraints, conditions, requirements, representations, and commitments of the Transferor with respect to the Subject License.

9. *The Transferee, in the case of fuel cycle facilities, shall provide documentation showing that it is financially qualified to conduct normal operations. The information can be in the form of income statements and balance sheet forecasts.*

The Subject License is not a fuel cycle facility license.

Changes in the Organization that Exercises Control over the Licensed Program.

While there will be an indirect change in control of Licensee based on the nature of the Transaction, the written program to implement the Subject License will not change, except as noted above to reflect heightened management structures. The RSO will not change.

We thank the NRC in advance for its support of this request, and stand ready to answer any questions to facilitate the prompt processing of this submission for a timely closing. To that end, if you have any questions concerning this request, please do not hesitate to contact the RSO, John Franiak at 574-654-1243 or John.Franiak@arcelormittal.com or James Kochevar at 906-475-3522 or james.kochevar@clevelandcliffs.com.

Very truly yours,



Paul M. Liebenson
Secretary, I/N Kote L.P.



James M. Kochevar
Vice President, Iron Ore Operations, Cleveland-Cliffs Inc.

CC: John Franiak, Radiation/Laser Safety Officer, I/N Kote
James Graham, Executive Vice President, Chief Legal Officer & Secretary, Cleveland-Cliffs Inc.
Elise N. Zoli, Global Head, Future of Energy, Renewables+ & Sustainability Initiative, Jones Day

Song, Taehoon

From: Tomczak, Tammy
Sent: Monday, November 02, 2020 9:51 AM
To: Song, Taehoon; Pavon, Sandy
Subject: FW: I/N Tek and I/N Kote Notices of Change of Control
Attachments: IN Kote - Specific NRC License - request for change of control (signed 30 Oct 20).pdf; IN Tek_IN Kote - General NRC License - request for change of control (signed 30 Oct 20).pdf

Good morning, Tae and Sandy,

Can you please add the attached into ADAMS as two separate documents?

Thank you,
Tammy

From: Orlikowski, Robert <Robert.Orlikowski@nrc.gov>
Sent: Monday, November 02, 2020 9:47 AM
To: Tomczak, Tammy <Tammy.Tomczak@nrc.gov>
Subject: FW: I/N Tek and I/N Kote Notices of Change of Control

Good morning Tammy,

Can you please enter these into the system for processing?

Thanks,

Bob

From: Liebenson, Paul M <Paul.Liebenson@arcelormittal.com>
Sent: Friday, October 30, 2020 2:06 PM
To: Orlikowski, Robert <Robert.Orlikowski@nrc.gov>
Cc: Graham, James <james.graham@clevelandcliffs.com>; James.kochevar@clevelandcliffs.com; Zoli, Elise N. <ezoli@jonesday.com>; Thompson, Stephen <Stephen.Thompson@arcelormittal.com>; Franiak, John <John.Franiak@arcelormittal.com>; Vande Hey, Therese <Therese.VandeHey@arcelormittal.com>
Subject: [External_Sender] I/N Tek and I/N Kote Notices of Change of Control

Dear Mr. Orlikowski,

As indicated in my October 28, 2020 email below, I am attaching two additional notifications for transfer of control on behalf of I/N Tek and I/N Kote (License No. 704409) and I/N Kote (License No. 13-32600-01).

Again, thank you for your time and attention to these requests.

Kind regards,

Paul

Paul M. Liebenson | Regional General Counsel & Compliance Officer, North America

ArcelorMittal USA

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From: Orlikowski, Robert <Robert.Orlikowski@nrc.gov>
Sent: Thursday, October 29, 2020 6:29 AM
To: Liebenson, Paul M <Paul.Liebenson@arcelormittal.com>
Cc: Graham, James <james.graham@clevelandcliffs.com>; james.kovechar@clevelandcliffs.com; Zoli, Elise N. <ezoli@jonesday.com>; Thompson, Stephen <Stephen.Thompson@arcelormittal.com>; Vande Hey, Therese <Therese.VandeHey@arcelormittal.com>
Subject: RE: ArcelorMittal USA Notices of Change of Control

****This Message originated from a Non-ArcelorMittal source****

Good morning Mr. Liebenson,

I am replying to confirm that we have received the two notices and will process into our system.

Respectfully,

Bob

Robert Orlikowski
Materials Licensing Branch Chief
Division of Nuclear Material Safety, Region III
U.S. Nuclear Regulatory Commission
Office: 630.829.9834
Mobile: 763.443.0487

From: Liebenson, Paul M <Paul.Liebenson@arcelormittal.com>
Sent: Wednesday, October 28, 2020 4:07 PM
To: Orlikowski, Robert <Robert.Orlikowski@nrc.gov>
Cc: Graham, James <james.graham@clevelandcliffs.com>; james.kovechar@clevelandcliffs.com; Zoli, Elise N. <ezoli@jonesday.com>; Thompson, Stephen <Stephen.Thompson@arcelormittal.com>; Vande Hey, Therese <Therese.VandeHey@arcelormittal.com>
Subject: [External_Sender] ArcelorMittal USA Notices of Change of Control

Dear Mr. Orlikowski:

Attached to this email are two formal Notices of Change of Control for two of ArcelorMittal's operations in Northwest Indiana. These letters are related to the transaction announced by ArcelorMittal and Cleveland-Cliffs in late September. As explained more fully in the letters, I am submitting them on behalf of ArcelorMittal USA LLC's Indiana Harbor plant (License No.13-32359-01) and ArcelorMittal Burns Harbor LLC's plant (License No. 13-32359-01). Please note that we anticipate sending two additional letters for IN/Tek & IN/Kote (License No. 704409) and IN/Kote (License No. 13-32600-01) as early as tomorrow (October 29). ArcelorMittal and Cleveland-Cliffs, the transferee entity, anticipate closing before the end of the year. Accordingly, we wanted to get these requests to you quickly and stand ready to answer any questions you might have that will help facilitate your review process.

Thank you in advance for your assistance with these requests. Please do not hesitate to reach out to me or to the individuals identified in the letters if you have any questions.

Sincerely yours,

Paul

Paul M. Liebenson | Regional General Counsel & Compliance Officer, North America

ArcelorMittal USA

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