

**REQUEST FOR ADDITIONAL INFORMATION
FOR TRANSFER OF CONTROL OF
SOURCE MATERIAL LICENSE SUC-1591
FOR
WATER REMEDIATION TECHNOLOGY, LLC
DOCKET 40-9059**

- 1. Comment:** Additional information is needed to understand the status of current operating uranium removal systems regarding contamination and ambient radiation levels.

Basis: The U.S. Nuclear Regulatory Commission (NRC), per 10 CFR 40.36(f), requires all records to be transferred to the new licensee before licensed activities are transferred or assigned. As such, guidance in Section 5.5 of NUREG-1556, Volume 15, Revision 1, indicates that the application should include a description of the status of the licensed facility, with regard to ambient radiation levels and fixed and/or removable contamination as a result of NRC-licensed activities and a certification from the transferee that they accept full responsibility for the decommissioning of the site, including any contaminated facilities and equipment.

Further, License Condition 12 of Source Material License No. SUC-1591, requires Water Remediation Technology, LLC (WRT) to:

“...register, track the status of, and inform the NRC of all Client’s facilities it enters into contracts with to provide uranium removal services, so that the number of such Client facilities, uranium removal systems, and their locations can be readily determined at any given time, including those operating under a general license pursuant to 10 CFR 40.22 and those operating under this specific license. Notification to NRC shall be made by the last day of the month for any uranium removal system that becomes operational in the preceding month. The notification must contain the name and location of the Client’s facility where the uranium removal system has facilities. The facility description shall, to the extent feasible, incorporate the information requested in Tables A.3.4 and A.3.5 of Appendix A, NUREG-1757, Volume 3, Revision 1.”

To date, WRT has registered with NRC uranium removal systems in Virginia and New Jersey for Source Material License SUC-1591. These registration packages were transferred to those states after they became Agreement States. Following this transfer, NRC has no current registrations for uranium removal systems in non-Agreement States. However, WRT’s application, under the section titled, “NUREG-1556, Section 9 Requirements,” Item 3 titled, “Addresses Where Licensed Material Will Be Used or Possessed,” page 4, states there are two actively operating uranium removal systems under its license. Further, the enclosed spreadsheet containing points of contact for WRT’s operating uranium removal systems lists an unlicensed uranium removal system

in a non-Agreement State (i.e., Connecticut). WRT should (a) clarify the information related to the locations of actively operating uranium removal systems and (b) provide a description of the ambient radiation levels and fixed and/or removable contamination at operating uranium removal systems in non-Agreement States as a result of NRC-licensed activities or the transferee should certify its awareness of the aforementioned radiation levels and contamination.

Path Forward: Provide (a) a clarification of the number and location of operating uranium removal systems, and any associated registrations, if necessary, and (b) a description of the ambient radiation levels and fixed and/or removable contamination resulting from NRC-licensed activities at each of these facilities, if any, or a certification from the transferee of its awareness of the aforementioned radiation levels and contamination.

2. **Comment:** To evaluate the transfer of control application, NRC staff needs to understand the complete corporate chain structure both before and after the proposed transfer.

Basis: 10 CFR Part 40.46, "Inalienability of licenses," requires:

- (a) No license issued or granted pursuant to the regulations in this part 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 this act, and shall give its consent in writing.
- (b) An application for transfer of license must include:
 - (1) The identity, technical and financial qualifications of the proposed transferee; and
 - (2) Financial assurance for decommissioning information required by § 40.36 or Appendix A to this part, as applicable.

The application contained information showing the corporate structure after the proposed transfer but did not provide this information for the existing corporate structure, prior to the transfer.

Path Forward: To fulfill the identity requirement, provide additional information to show the existing corporate chain structure of the licensee which includes all companies above and below the licensee.

3. **Comment:** To evaluate the transfer of control application, NRC staff needs additional financial information to understand the financial qualifications of the licensee.

Basis: 10 CFR Part 40.46, "Inalienability of licenses," requires:

- (a) No license issued or granted pursuant to the regulations in this part 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 this act, and shall give its consent in writing.

- (b) An application for transfer of license must include:
 - (1) The identity, technical and financial qualifications of the proposed transferee; and
 - (2) Financial assurance for decommissioning information required by § 40.36 or Appendix A to this part, as applicable.

The application contained consolidated financial statements but did not provide information necessary to evaluate the licensee's financial position by itself. As NRC regulates the licensee and not the other companies, the financial statements for the licensee are required and are to include the last two years of audited financial statements and pro-forma financial statements for the next three years.

Path Forward: Provide standalone financial statements for the licensee, not consolidated financial statements.