



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

November 4, 2021

James J. Kochkodan, M.D.
Radiation Safety Officer
Beaumont Hospital – Taylor
Department of Radiology
10000 Telegraph Rd.
Taylor, MI 48180

SUBJECT: BEAUMONT HOSPITAL - TAYLOR REQUEST FOR WRITTEN CONSENT TO
INDIRECT LICENSE TRANSFER

By letter dated September 16, 2021 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML21259A257), Beaumont Hospital – Taylor submitted to the U.S. Nuclear Regulatory Commission (NRC) a request for written consent to an indirect transfer of control of NRC Materials License No. 21-17789-01. In accordance with Section 184 of the Atomic Energy Act of 1954, as amended (AEA), and 10 CFR 30.34, the NRC consents to the transfer.

Beaumont Hospital – Taylor is authorized by the NRC for the possession and use of byproduct material under Part 30. By letter dated September 16, 2021, Beaumont Hospital – Taylor requested written consent to the indirect transfer of control of its license from the NRC. Because the license was issued under 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material," the NRC must find that the transfer is in accordance with the provisions of the AEA and, if so, must give its consent in writing prior to the transfer, in accordance with Section 184 of the AEA and 10 CFR 30.34(b). Additionally, the NRC staff reviewed the indirect transfer of control request 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.

10 CFR 30.34(b) states:

- (1) No license issued or granted pursuant to the regulations in Parts 30 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.
- (2) An application for transfer of license must include:
 - (i) The identity, technical and financial qualifications of the proposed transferee; and
 - (ii) Financial assurance for decommissioning information required by 10 CFR 30.35.

As described in ADAMS Accession No. ML21259A257, the indirect transfer of control will result from a transaction under which Spectrum Health System (Spectrum) will (1) become the sole corporate member of Beaumont Hospital – Taylor and (2) remain the ultimate parent entity of the existing Spectrum subsidiaries. At closing, Spectrum will change its legal name to “BHS System”. The transaction will result in a new parent entity for Beaumont Hospital – Taylor. However, all of the licensees will remain wholly-owned subsidiaries of Beaumont Hospital – Taylor, and no assets or licenses will be transferred as a result of the transaction. The licensees and their respective licenses will remain unchanged other than the upstream change in the parent level ownership. The NRC staff finds that the licensee request adequately provides a complete and clear description of the proposed transaction, consistent with 10 CFR 30.34(b) and Chapter 5 and Appendix E of NUREG-1556, Vol. 15, Rev. 1. The sufficiency of the description is evaluated below.

The request for an indirect transfer of ownership was posted for public comment on the NRC website for 30 days in accordance with 10 CFR Part 2, Subpart M and as described in NRC’s Regulatory Issue Summary 2014-08, Revision 1. No comments were received from the members of the public.

In the request for an indirect transfer of ownership, Beaumont Hospital – Taylor provided information regarding its current decommissioning funding plans. Based on the information provided, Beaumont Hospital – Taylor is not required to have financial assurance for decommissioning because of the types and amount of material authorized in its license. The NRC staff finds that the licensee’s request adequately provided information for financial assurance for decommissioning, consistent with 10 CFR 30.34(b) and Chapter 5 and Appendix E of NUREG-1556, Vol. 15, Rev. 1.

Further, the NRC conducted an inspection of Beaumont Hospital – Taylor on March 15, 2016, at their authorized place of use. The NRC identified no violations.

Additionally, as described in its request, Spectrum commits that it:

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

Based on these commitments, the NRC staff finds that the licensee request adequately documents the constraints, license conditions, requirements, representations, and commitments made by the transferee, consistent with 10 CFR 30.34(b) and Chapter 5 and Appendix E of NUREG-1556, Vol. 15, Rev. 1.

Spectrum holds several NRC licenses, including NRC License Nos. 21-00243-06 and SNM-1432. The NRC staff used 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. Therefore, for security purposes, Spectrum is considered a known entity because it has current NRC licenses.

An environmental assessment for this action is not required because this action is categorically excluded under 10 CFR 51.22(c)(21).

The staff has reviewed the request for an indirect transfer of control of NRC License No. 21-17789-01. The NRC staff finds that the indirect transfer of control is in accordance with Section 184 of the AEA and 10 CFR 30.34(b) and consents to the transfer. Please note that you will need to notify us promptly, in writing, after the transaction has been finalized and include a signed copy of the sales agreement confirming completion of the transaction. If this planned sale has not been consummated within 30 days of the date of this letter, please notify us in writing.

Future changes in the licensee's name, licensed use, licensed materials, licensed location, persons responsible for licensed material, or other changes to the corporate organizational structure require submission of a request to amend the license or a request to transfer the license. NRC approval must be received prior to implementation of any such proposed change.

In accordance with 10 CFR 2.390, a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC website at <https://www.nrc.gov/reading-rm/adams.html>. If you have any questions regarding this letter, please contact Cassandra Frazier at 815-439-8392 or via electronic mail at cassandra.frazier@nrc.gov.

Sincerely,

Cassandra F. Frazier
Senior Health Physicist
Materials Licensing Branch

License No. 21-17789-01
Docket No. 030-13321