



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

March 28, 2022

Rob Kreizenbeck
Senior Vice President of Operations
Verso Paper
P.O. Box 191
Norway, MI 49870

**SUBJECT: VERSO PAPER, REQUEST FOR WRITTEN CONSENT TO INDIRECT
LICENSE TRANSFER**

Dear Mr. Kreizenbeck:

By letter dated January 31, 2022 (Agencywide Documents Access and Management System (ADAMS) Accession Number ML22032A214), Verso Paper, submitted to the U.S. Nuclear Regulatory Commission (NRC) a request for written consent to an indirect transfer of control of U.S. NRC Materials License Number 21-24692-01. In accordance with Section 184 of the Atomic Energy Act of 1954, as amended (AEA), and Title 10 Code of Federal Regulations (10 CFR) §30.34, the U.S. NRC consents to the transfer.

Verso Paper, is authorized by the U.S. NRC to possess and use byproduct material under 10 CFR Part 30. By letter dated January 31, 2022, Verso Paper, requested written consent to the indirect transfer of control of its license from the U.S. NRC. Because the license was issued under 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material," the U.S. 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 U.S. 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 package accession number ML22032A214, the indirect transfer of control will result from a merger acquisition of Verso Corporation. Verso Paper is now operating under the legal name of Verso Corporation. West Acquisition Meger Sub Inc. (a wholly owned subsidiary of BillerudKorsnäs, Inc.) will merge with and into Verso Corporation. Verso Corporation will survive the merger as a wholly owned subsidiary of BillerudKorsnäs, Inc. (a wholly owned subsidiary of BillerudKorsnäs, AB). Verso Corporation will become an indirect, wholly owned subsidiary of BillerudKorsnäs, Inc., and in turn, BillerudKorsnäs, AB. 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 U.S. NRC website for 30 days in accordance with 10 CFR Part 2, Subpart M, and as described in the U.S. NRC's Regulatory Issue Summary 2014-08, Revision 1. No comments were received from members of the public.

In the request for an indirect transfer of ownership, Verso Paper provided information regarding its current decommissioning funding plans. Based on the information provided, Verso Paper, is not required to have financial assurance for decommissioning because of the types and amount of material authorized in its license. The U.S. 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 Verso Paper, on May 20, 2019, at the licensee's facility in Quinnesec, Michigan. The U.S. NRC identified a Severity Level IV violation involving the failure to inventory all licensed devices. The licensee's corrective actions at the time of the inspection served to correct this violation.

Additionally, as described in its request, BillerudKorsnäs, AB, commits that it:

- A. will not change the personnel involved in licensed activities;
- B. will not change the locations, facilities, and equipment authorized in the U.S. NRC license;
- C. will not change the radiation safety program authorized in the U.S NRC license; and
- D. will keep regulatory required surveillance records and decommissioning records.

Based on these commitments, the U.S. 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.

BillerudKorsnäs, AB, is considered an unknown entity for security purposes because it does hold other U.S. NRC or Agreement State Material Licenses. 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. Because BillerudKorsnäs, AB, is considered an unknown entity, a Pre-Licensing Site Visit was held on March 22, 2022. Information obtained during the Pre-Licensing Site Visit further supported a basis for confidence that licensed material will be used for its intended purpose.

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 U.S. NRC Materials License Number 21-24692-01. The U.S. 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 merger agreement confirming completion of the transaction. If this planned merger 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. U.S. 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, you may contact Jason M. Kelly, MPH, Health Physicist, at (630) 829-9737 or via electronic mail at Jason.Kelly@nrc.gov.

Sincerely,

Jason M. Kelly, MPH
Health Physicist
Materials Licensing Branch

License No. 21-24692-01
Docket No. 030-29166
Control No. 629958