

**SAFETY EVALUATION REPORT  
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE  
NUMBER 21-13963-01, NORTH OTTAWA COMMUNITY HOSPITAL**

**DATE:** December 2, 2022

**DOCKET NO.:** 030-02168

**LICENSE NO.:** 21-13963-01

**LICENSEE:** North Ottawa Community Hospital  
1309 Sheldon Road  
Grand Haven, MI 49417

**TECHNICAL REVIEWER:** Laura B. Cender

**SUMMARY AND CONCLUSIONS**

North Ottawa Community Hospital is authorized by NRC License No. 21-13963-01 for the possession and use of byproduct material for purposes permitted by 10 CFR Part 35. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to a direct license transfer submitted by North Ottawa Community Hospital that will result from a conversion of its board of trustees to a non-profit corporation with Mercy Health Partners, a wholly owned subsidiary of Trinity Health – Michigan, a Michigan nonprofit corporation.

The request for consent was reviewed by NRC staff for a direct change in control of a 10 CFR Part 35 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." The NRC staff finds that the information submitted by North Ottawa Community Hospital sufficiently describes and documents the transaction and commitments made by North Ottawa Community Hospital and Mercy Health Partners.

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, Mercy Health Partners will be qualified to use byproduct material for the purpose requested, and will 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 Web Based Licensing System (WBL), North Ottawa Community Hospital has been an NRC licensee since June 8, 1991. The NRC conducted a main office inspection of North Ottawa Community Hospital on June 22, 2021 and an SLIV violation of License Condition 15.A. was identified for the licensee's failure to implement procedures for the safe use of material as committed to in its license application. North Ottawa Community Hospital has taken corrective action regarding this license violation.

The commitments made by North Ottawa Community Hospital and Mercy Health Partners state that Mercy Health Partners:

- 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 change the organization's name listed on the NRC license to Trinity Health Grand Haven Hospital; and
- F. will keep regulatory required surveillance records and decommissioning records;

Following the transaction North Ottawa Community Hospital will become directly controlled by Trinity Health - Michigan. Trinity Health - Michigan is a known organization holding multiple NRC licenses, and as such, for security purposes, is considered as 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 license', 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. Through this additional evaluation the NRC has determined that Trinity Health - Michigan will use licensed material for its intended purpose and not for malevolent use.

North Ottawa Community Hospital is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 21-13963-01.

## **REGULATORY FRAMEWORK**

North Ottawa Community Hospital, License No. 21-13963-01, was issued under 10 CFR Part 35, Medical Uses 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. North Ottawa Community Hospital's request for consent describes a direct change of control resulting from a change of ownership

between North Ottawa Community Hospital and Trinity Health – Michigan, the parent company for Mercy Health Partners and, as such, the transfer requires NRC consent.

## **DESCRIPTION OF TRANSACTION**

The transaction is described in ADAMS accession number ML22213A137. After completion of the sale, Trinity Health - Michigan will become the ultimate parent company of the licensee and will assume direct control of all licensed activities under Materials License No. 21-13963-01. 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 of 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 North Ottawa Community Hospital sufficiently describes and documents the commitments made by North Ottawa Community Hospital and Mercy Health Partners, 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 agreed to by both parties with regard to a direct change of control of byproduct materials license No. 21-13963-01 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.