



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001**

August 23, 2024

Christopher Scott, General Counsel
CZ-USA
P.O. Box 171073
Kansas City, KS 6617-0073

SUBJECT: CZ-USA REQUEST FOR WRITTEN CONSENT TO LICENSE TRANSFER

By letter dated March 7, 2024 (Agencywide Documents Access and Management System (ADAMS Accession No. ML24074A333) and supplemented on April 12, 2024 (ADAMS Accession No. ML24176A204), CZ-USA submitted to the U.S. Nuclear Regulatory Commission (NRC) a request for written consent to an indirect transfer of control of NRC Exempt Distribution License Number 15-35680-01E and updating a distribution location. In accordance with Section 184 of the Atomic Energy Act of 1954, as amended (AEA), and Title 10 of the *Code of Federal Regulations* (10 CFR) Section 30.34, the NRC consents to the transfer.

CZ-USA is authorized by the NRC to distribute byproduct material under 10 CFR Part 30 in accordance with its Exempt Distribution License. By letter dated April 12, 2024, CZ-USA (through its parent company COLT CZ Group North America, Inc.), requested written consent to the indirect transfer of control CZ-USA's 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 numbers ML24074A333 and ML24176A204,

Colt CZ Group North America, Inc., recently acquired Colt's Manufacturing Company, LLC ("Colt"). Since the acquisition, Colt CZ Group North America, Inc. has determined that it intends to transfer control of CZ-USA's licensed materials and activities to Colt. The NRC staff finds that the 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 NRC posted the request for transfer of ownership on its website for 30 days public comment period 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 members of the public.

Based on the information provided, CZ-USA 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 CZ-USA on 12/13/2023 at 3327 N. 7th Street Trafficway, Kansas City, Kansas. The NRC identified no violations.

Additionally, as described in its request, CZ USA commits that it:

- will not change the locations, facilities, and equipment authorized in the NRC license;
- will not change the radiation safety program authorized in the NRC license.

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.

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

The NRC staff has reviewed the request for transfer of control of License Number 15-35680-01E. The NRC staff finds that the 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. The NRC's approval must be received prior to implementation of any such proposed change.

In accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," a copy of this letter and its enclosure 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 the Sealed Source and Device Registration, you can contact Alessandro Flores Saenz at (301) 415-4091 or by electronic mail at Alessandro.FloresSaenz@nrc.gov. For questions related to your Exempt Distribution License, you may contact me at (301) 415-8342, or by electronic mail at Vanessa.Cox@nrc.gov.

Sincerely,

A handwritten signature in black ink that reads "Vanessa Cox". The signature is written in a cursive, flowing style.

Vanessa Cox, Project Manager
Materials Safety and Licensing Branch
Division of Material Safety, State, Tribal,
and Rulemaking Programs
Office of Nuclear Material Safety
and Safeguards

License No. 15-35680-01E
Docket No. 030-39314
Mail Control No. 640006

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DATE: August 23, 2024

ADAMS Accession Number: ML24170A370

OFFICE	MSST/MSLB	MSST/MSLB	OGC	MSST/MSLB
NAME	VCox	CTyler	TJones	MHammond
DATE	06/14/2024	06/18/2024	06/25/2024	08/22/2024
OFFICE	MSST/MSLB	MSST/MSLB	MSST/MSLB	
NAME	AFloresSaenz	JRolland	VCox	
DATE	8/23/2024	8/23/2024	08/23/2024	

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