

01/21/2025

VIA ELECTRONIC MAIL: R3-DRSSMail.Resource@nrc.gov

Region III
U. S. Nuclear Regulatory Commission
DRSS/Materials Licensing Branch
2056 Westings Avenue, Suite 400
Naperville, IL 60563-2657

Re: Transfer of Control: License Number 21-32634-01

Dear Sir or Madam:

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. §2234 (“**AEA**”), and NUREG-1556, Vol. 15, Rev. 1, Harbor Beach Community Hospital (“**Licensee**”) submits this notification to the U.S. Nuclear Regulatory Commission (“**NRC**”) to obtain the NRC’s written consent to the indirect transfer of control of Materials License No. 21-32634-01 (the “**License**”), in connection with an agreement between Harbor Beach Healthcare (“**HBH**”), a Michigan nonprofit corporation, the sole member of Licensee, and Scheurer Healthcare Network (“**Scheurer**”) whereby Scheurer shall become the sole corporate member of Licensee (the “**Membership Substitution**”). As discussed in more detail below, Licensee will remain the licensee for the License, and the parties do not plan to institute any material changes to the personnel, duties, locations, facility, equipment, activities or materials designated in the License. David A. Dubriwny, D.O., RSO, will continue to provide oversight of the licensed activities post-closing.

Background

Licensee, a Michigan nonprofit corporation, operates a licensed acute care hospital located at 210 S First St., Harbor Beach, MI 48441, that provides a range of inpatient, outpatient, and emergency services to the surrounding community. As part of its operations, Licensee holds the following NRC-issued radioactive materials license authorizing the receipt, acquisition, possession, and/or transfer byproduct, source, and/or special nuclear material:

- Materials License Number 21-32634-01 for licensed materials used and stored at 210 S First St., Harbor Beach, MI 48441.

Pursuant to the Membership Substitution, Scheurer will become the sole member of Licensee.

Following the Membership Substitution, which is expected to close in the first quarter of 2025, Licensee will have a newly appointed Board of Trustees, and otherwise will continue to operate in substantially the same manner as operated prior to the Membership Substitution, with no material changes to the personnel, duties, locations, facility, equipment, activities or materials designated in the License. Accordingly, Licensee requests your prior written consent to the indirect transfer of control of the License pursuant to the Membership Substitution.

Description of transaction

Pursuant to NRC guidance, the following information is provided in support of the request to transfer indirect control of the License from HBH to Scheurer:

- 1. Describe any planned changes in the organization, including but not limited to, transfer of stocks or assets and mergers, change in members on Board of Directors, etc. Provide the new licensee's name, mailing address, and contact information, including phone numbers. Clearly identify when the amendment request is due to a name change only. Include copy of pre-and post-transaction organizational chart showing corporate structure of license holder and parent company.**

Response: Licensee is formed as a nonprofit corporation under the Michigan Nonprofit Corporation Act and presently has HBH as its sole corporate member. Pursuant to the Membership Substitution, Scheurer will become the sole corporate member of Licensee. The parties anticipate that the transaction will close in the first quarter of 2025. A chart depicting the organizational structure of Licensee pre- and post-Membership Substitution is attached.

Notably, upon consummation of the Membership Substitution, although Scheurer will become the sole member of Licensee, Licensee will continue to (i) own and operate its acute care hospital and related facilities; (ii) maintain its own provider numbers, accreditations, and licenses, including the License; (iii) furnish services substantially similar to the services that it is currently furnishing; and (iv) operate under its current federal tax identification number.

The Membership Substitution contemplates a continuation of current personnel, duties, locations, facility, equipment, activities and materials of the Licensee. The parties submit that the proposed indirect transfer of control of the License does not present an unreasonable risk to public health and safety and is in accordance with the AEA. Furthermore, as noted above, Licensee intends to continue operating the licensed facility in substantially the same manner as it is currently operated with no material changes to the personnel, duties, locations, facility, equipment, activities or materials designated in the License.

Further information regarding the Membership Substitution may be obtained from:

Hall, Render, Killian, Heath & Lyman, P.C.
Attn: Andrew J. Heberling
101 W Big Beaver Rd, Suite 745
Troy, MI 48084
(248) 457-7807

- 2. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel and any changes in the training program.**

Response: Any future changes in personnel will be those that occur in the ordinary course of business. Further, there are no expected changes to the training program supporting the licensed program. Licensee does not anticipate any changes to the authorized users or any other personnel identified in Licensee's most recent license applications as responsible for radiation safety or the use of licensed material. The parties do not plan to make any changes in the materials, activities or duties that relate to, or are designated in the License.

- 3. Describe any changes in the location, facilities, equipment, radiation safety program, use, possession, waste management, or other procedures that relate to the licensed program.**

Response: The parties do not plan to change the location, facility, equipment, radiation safety program, use, possession, waste management, or other procedures that relate to the License or the Licensee radiation safety program.

- 4. Describe the status of the licensee's facilities, equipment, and radiation safety program, including any known contamination and whether decontamination will occur prior to transfer. Include the status of calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records.**

Response: All required surveillance has been performed and documented. At the present time, surveillance items and records, including calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records are current, and the program is expected to remain current through the indirect transfer of control. There is no known reportable contamination at this time. The parties will maintain a surveillance program post-Membership Substitution that meets applicable requirements.

- 5. If current decommissioning funding plans (DFP) will be changed as a result of the transfer, the revised DFP should be submitted. If other financial assurance documents will be changed as a result of the transfer, confirm that all financial assurance instruments associated with the license will be held in the transferee's name before the license is transferred, and as required by 10 CFR 30.35(f), the licensee must, within 30 days, submit financial instruments reflecting such changes.**

Response: There are no DFPs or other financial assurance documents associated with the License, as the quantity of licensed materials at Licensee are below the regulatory thresholds that require decommissioning financial assurance.

- 6. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records**

include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.

Response: The parties confirm that Licensee will continue to possess and maintain all records concerning the safe and effective decommissioning of the facility following the Membership Substitution. The parties further confirm that Scheurer will have access to such records. Decommissioning will not occur before the indirect transfer of control. Further, Scheurer understands applicable decommissioning requirements and accepts responsibility for the decommissioning of the licensed facility, should Scheurer choose to decommission the licensed facility in the future.

- 7. Confirm that both transferor and transferee agree to transferring control of the licensed material and activity, and the conditions of transfer, and that the transferee has been made aware of any open inspection items and its responsibility for possible resulting enforcement actions.***

Response: HBH and Scheurer expressly agree to the transfer of indirect control of the licensed material and activity, and the conditions of transfer. Scheurer has been made aware of the license requirements, its responsibility for any open inspection items and its responsibility for any related enforcement actions. At this time, there are no open inspection items related to the License.

- 8. Confirm that the transferee will abide by all constraints, conditions, requirements, representations, and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.***

Response: Scheurer will abide by all constraints, conditions, requirements, commitments and representations identified in the License or previously made by HBH to NRC with respect to the License.

- 9. The transferee, in the case of fuel cycle facilities, shall provide documentation showing that it is financially qualified to conduct normal operations. The information can be in the form of income statements and balance sheet forecasts.***

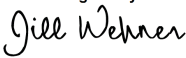
Response: Not applicable.

Conclusion

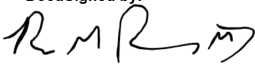
Based on the foregoing, Licensee and Scheurer respectfully request NRC's prior written consent to the indirect transfer of control described herein, effective as of the date the Membership Substitution closes.

Thank you in advance for your consideration and assistance with this matter. Should you have any questions, please do not hesitate to contact the above identified individual.

Sincerely,

DocuSigned by:

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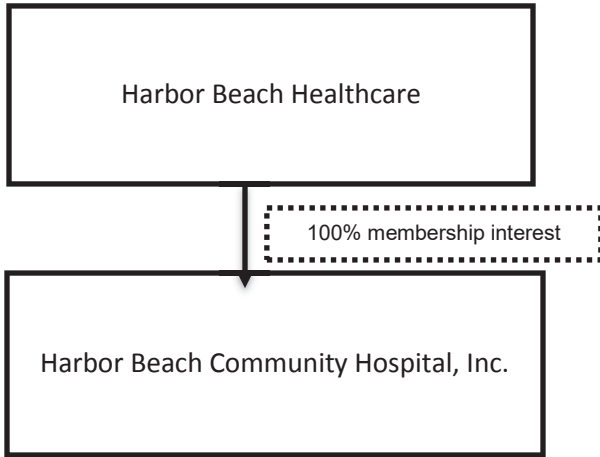
Jill Wehner
President & CEO
Harbor Beach Community Hospital, Inc.

DocuSigned by:

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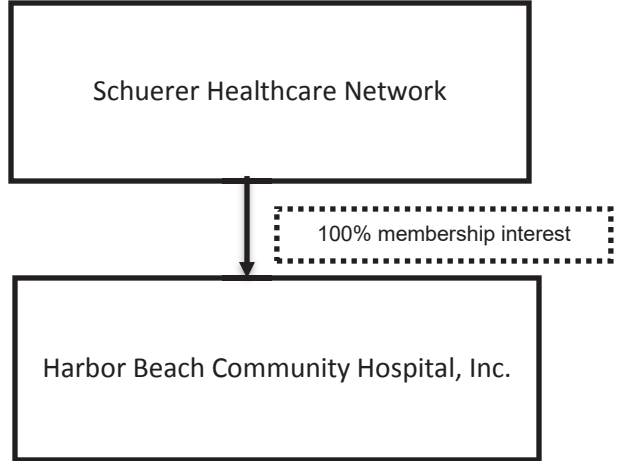
Ross Ramsey, M.D.
President & CEO
Schuerer Healthcare Network

Pre- and Post-Membership Substitution Organizational Chart

Before Membership Substitution



After Membership Substitution



From: [Tammy Tomczak](#)
To: [Martha Pavon](#)
Cc: [Sandy Pavon](#)
Subject: FW: Consent for Transfer of Control
Date: Thursday, January 23, 2025 9:18:15 AM
Attachments: NRC_Consent_Letter_-_Harbor_Beach_Community_Hospital_Inc._-_4929-2861-0313_v2.docx.pdf

Good morning, Martha

Can you please add the attached to ADAMS?

Thank you!!

Tammy

From: Joseph Siemen <SiemenJ@scheurer.org>
Sent: Thursday, January 23, 2025 9:15 AM
To: R3-DRSSMail Resource <R3-DRSSMail.Resource@nrc.gov>
Subject: [External_Sender] Consent for Transfer of Control

To whom it may concern:

Please see the attached Consent for Transfer of Control paperwork. If you have any questions and/or concerns regarding this please do not hesitate to reach out to me.

Thank You,

Joe Siemen