



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD – SUITE 102
KING OF PRUSSIA, PA 19406-1415

4/29/2025

James J. Kuhn, President
Atlantic Testing Laboratories, Ltd.
301 St. Anthony Street
Utica, NY 13501

**SUBJECT: ATLANTIC TESTING LABORATORIES, LTD., ACCEPTANCE OF
NOTIFICATION OF TRANSFER OF CONTROL, MAIL CONTROL NO. 645809**

Dear James Kuhn:

By letter dated March 19, 2025 (Agencywide Documents Access and Management System (ADAMS) Accession Number ML25080A177), Atlantic Testing Laboratories, Ltd. ("ATL" or "Licensee") submitted to the U.S. Nuclear Regulatory Commission (NRC) a request for written consent to an indirect transfer of control of NRC Materials License number 31-16897-02. 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.

ATL is authorized by the NRC for the possession and use of byproduct material under Part 30. By letter dated March 19, 2025, ATL 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 package accession number ML25080A175, the indirect transfer of control will result from an equity purchase transaction, scheduled to close on or about April 30,

2025, whereby the stockholders of ATL will sell all the issued and outstanding equity of ATL to Phenna Atlantic Holdings, LLC ("Phenna Atlantic"). As a result of this transaction, the Licensee will remain the same legal entity but will be owned by Phenna Atlantic. Phenna Atlantic is a wholly owned subsidiary of Phenna Group Holdings, LLC, a Delaware limited liability company ("Phenna Group") that was formed to acquire ATL as part of this transaction. The NRC staff finds that the Licensee's 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 members of the public.

In the request for an indirect transfer of ownership, Atlantic Testing Laboratories, Ltd. provided information regarding its current decommissioning funding plans. Based on the information provided, ATL 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 ATL on 10/22/2024 at Utica, NY. The NRC identified one violation for failing to conduct program reviews in accordance with 10 CFR 20.1101(c).

Additionally, as described in its request, ATL commits that:

- A. the Licensee will remain the same legal entity but will be owned by Phenna Atlantic;
- B. the Licensee's name and tax identification numbers will remain the same;
- C. the transaction will not impact control over licensed activities;
- D. senior management and operations under the License will remain unchanged;
- E. Licensee will retain the same materials, facilities, procedures, and personnel, including the same radiation safety officer;
- F. operations will be located at the same physical address as listed on the license;
- G. ATL and Phenna Atlantic both confirm that they have agreed to the indirect transfer;
- H. the Licensee will continue to abide by all constraints, conditions, requirements, representations and commitments identified in and attributed to existing licensed activities after closing of the transaction; and
- I. the Licensee, under the new parent company, owns and controls Agreement State licenses with the New York State Dept. of Health; Radioactive Materials License Nos. C2867, C6167, C2866, C2125, C3241, C2864, C3173, C3174, C2863, C2868, & C2865.

Based on these commitments, the NRC staff finds that the Licensee's 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.

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," revised February 1, 2018. 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, Phenna Atlantic is considered a known entity because the company has multiple agreement state licenses for the purposes and types of radioactive materials authorized by the NRC license.

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 31-16897-02. 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 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 Juan Ayala or Scott Wilson at 610-337-5000 or via electronic mail at R1DRSSMail.Resource@nrc.gov.

Thank you for your cooperation in this matter.

Sincerely,

Scott Wilson, Senior Health Physicist
Commercial, Industrial, R&D
and Academic Branch
Division of Radiological Safety and Security
Region I

Mail Control Number: 645809
Docket Number: 03019366
License Number: 31-16897-02

cc: Scott McCasland, Radiation Safety Officer
John Sidd, Counsel - Hancock Estabrook, LLC

SUBJECT: ATLANTIC TESTING LABORATORIES, LTD., ACCEPTANCE OF
NOTIFICATION OF TRANSFER OF CONTROL, MAIL CONTROL NO. 645809
DATED APRIL 29, 2025

SUNSI Review Complete: SWilson

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DATE	April 29, 2025		4/29/2025	

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