

SAFETY EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR BYPRODUCT MATERIALS LICENSE
NUMBERS 19-19822-01 AND 29-30863-01, ATC GROUP SERVICES, LLC

DATE: October 7, 2019

DOCKET NOS.: 030-19282 and 030-36466

LICENSE NOS.: 19-19822-01 and 29-30863-01

LICENSEE: ATC Associates, Inc.
9231 Rumsey Road
Columbia, Maryland 21045

ATC Group Services LLC
3 Terrie Lane, Suite 4
Burlington, New Jersey 08016

TECHNICAL REVIEWER: Betsy Ullrich, Senior Health Physicist

SUMMARY AND CONCLUSIONS

ATC Associates, Inc. is authorized by NRC License No. 19-19822-01 and ATC Group Services, LLC is authorized by NRC License No. 29-30863-01 for the possession and use of byproduct material for purposes of moisture and density measurements at temporary job sites in areas where the NRC maintains jurisdiction. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to an indirect license transfer. This request was submitted by ATC Group Services' and ATC Associates' majority parent, Atlas Technical Consultants Holdings LP (Atlas) and Boxwood Merger Corp. (Boxwood).

The transfer will result from the acquisition of the majority of shares of a newly-created intermediate parent company, Atlas TC Holdings LLC, by Boxwood. As a result, Boxwood will indirectly become the majority owner of ATC Group Services, LLC and ATC Associates, Inc. Atlas will retain a minority interest through voting rights in Boxwood and shares of Atlas TC Holdings LLC. The indirect transfer of control is described Agency Documents Access and Management System (ADAMS) accession number ML19226A359.

The request for consent was reviewed by NRC staff for an indirect change in control of a 10 CFR Part 30 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" dated June 2016. The NRC staff finds that the information submitted by Atlas and Boxwood sufficiently describes and documents the transaction and commitments made by Boxwood and Atlas.

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, ATC Group Services, LLC and ATC Associates, Inc. will remain qualified to use byproduct material for the purpose requested, and will continue to 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 Licensing Tracking System (LTS), ATC Associates has been an NRC licensee since 1981 at the Maryland location and ATC Group Services has been an NRC licensee since 2004 at the New Jersey location. The NRC conducted a main office inspection of the Columbia, Maryland location on August 27, 2019, and no violations were identified. The Burlington, New Jersey location was inspected on February 21, 2014, and no violations were identified during that inspection.

The commitments made by Boxwood and Atlas state that ATC Group Holdings, LLC, License Nos. 19-19822-01 and 29-30863-01:

- A. will not change the radiation safety officers listed in the NRC licenses;
- B. will not change the personnel involved in licensed activities;
- C. will not change the locations, facilities, and equipment authorized in the NRC licenses;
- D. will not change the radiation safety program authorized in the NRC licenses;
- E. will not change the organization's name listed in the NRC licenses; and
- F. will keep regulatory required surveillance records and decommissioning records.

Boxwood is a publicly traded company headquartered in Santa Monica, California, with shares listed on the Nasdaq stock exchange. At the closing of the planned transaction, Boxwood indirectly will have a controlling stake in the licensees through ownership of a majority of the shares of an intermediate parent of the licensees, named Atlas TC Holdings LLC. The current owners plan to retain a minority interest in the licensees through holding of voting rights in Boxwood and equity shares of Atlas TC Holdings LLC. The planned transaction will not impact the day-to-day operation of the Licensees. Because it does not currently possess an NRC or Agreement State radioactive materials licenses, Boxwood is considered an unknown entity following the guidance provided by the NRC's Nuclear Material Safety and Safeguards (NMSS) "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. The NRC will perform a visit as soon as practicable, without undue risk to the public health and safety because of the transferee's commitments and the retention of persons using licensed materials, persons responsible for radiation safety, licensed materials, and locations.

Neither ATC Associates, Inc. nor ATC Group Services LLC are required to have decommissioning financial assurance based on the types and amount of material authorized in License Nos. 19-19822-01 and 29-30863-01.

REGULATORY FRAMEWORK

ATC Associates, Inc. and ATC Group Services LLC License Nos. 19-19822-01 and 29-30863-01, respectively, were issued under 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material." The NRC is required by 10 CFR 30.34(b) to determine if the change of control is in accordance with the provisions of the Act and, if so, 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, Vol. 15, Rev. 1. The central issue is whether the authority over the license has changed. The request for consent describes an indirect change of control resulting from a planned sale of a majority of upstream equity from the current majority parent, Atlas, to Boxwood, a publicly traded company. Following the acquisition, ATC Group Services LLC and ATC Associates, Inc. will indirectly be majority-owned by Boxwood, and the current owner, Atlas, will become a minority owner. As such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML19226A359. After completion of the sale, ATC Group Services LLC and ATC Associates, Inc. will continue as the licensees and remain in control of all licensed activities under Materials License Nos. 19-19822-01 and 29-30863-01. 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 F 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 Atlas and Boxwood sufficiently describes and documents the commitments made by Atlas and Boxwood and is consistent with the guidance in NUREG-1556, Volume 15.

ENVIRONMENTAL REVIEW

An environmental assessment for this action is not required because this approval of the described transfer of control and associated administrative license amendment are categorically excluded under 10 CFR 51.22(c)(21).

CONCLUSION

The staff has reviewed the request for consent submitted by both parties with regard to an indirect change of control of byproduct materials license Nos. 19-19822-01 and 29-30863-01 and consents to the indirect transfer of control pursuant to 10 CFR 30.34(b).

Consistent with the guidance in NUREG-1556, Volume 15, Revision 1, 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.

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.