

**LICENSE TRANSFER EVALUATION REPORT  
PROPOSED CHANGE OF CONTROL FOR RADIOACTIVE MATERIALS LICENSE  
NUMBER SNM-1826, REUTER-STOKES, LLC**

**DATE:** January 23, 2020

**DOCKET NO.:** 070-02872

**LICENSE NO.:** SNM-1826

**LICENSEE:** Reuter-Stokes, LLC  
8499 Darrow Road  
Twinsburg, OH 44087

**TECHNICAL REVIEWER:** Frank Tran

**SUMMARY AND CONCLUSIONS**

Reuter-Stokes, LLC is authorized by NRC License SNM-1826 for the possession and use of radioactive material for purposes of research and development, manufacturing, and distribution. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to an indirect license transfer submitted by Reuter-Stokes, LLC that will result from a change in stock between Baker-Hughes, a GE company ("BHGE") and the General Electric Company ("GE"), both are the parent companies of Reuter-Stokes, LLC. Specifically, after June 27, 2019, GE may own less than 50% BHGE's voting stock and Reuter-Stokes, LLC expects that GE will lose control of BHGE, and instead, BHGE will be controlled generally by its shareholders as a public company. The indirect transfer of control is described in Agency Documents Access and Management System (ADAMS) accession number ML19213A278.

The request for consent was reviewed by NRC staff for indirect change in control of a 10 CFR Part 70 license using the guidance in NUREG-1556, Volume 15, "Consolidated Guidance About Materials Licenses - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," Revision 1 dated June 2016. The NRC staff finds that the information submitted by Reuter-Stokes, LLC sufficiently describes and documents the transaction and commitments made by Reuter-Stokes, LLC.

As required by 10 CFR 70.36 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, Reuter-Stokes, LLC 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 Web-Based Licensing system (WBL), Reuter-Stokes, LLC has been an NRC licensee since June 28, 1978. The NRC conducted a main office inspection of Reuter-Stokes, LLC on October 18, 2017, and no violations were identified during this inspection. The commitments made by Reuter-Stokes, LLC states that Reuter-Stokes, LLC (License No. SNM-1826):

- 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 not change the organization's name listed in the NRC license; and
- F. will keep regulatory required surveillance records and decommissioning records.

Baker-Hughes, a GE company ("BHGE") is a parent company of the Reuter-Stokes, LLC before and after the indirect transfer of control. In addition, Reuter-Stokes, LLC will continue to be the licensee after the transfer and continue directly controlling the license. Therefore, for security purposes, Reuter-Stokes, LLC is considered a 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 Application" revised January 29, 2019. 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.

Reuter-Stokes, LLC currently maintains a decommissioning financial assurance. The financial assurance instrument, surety bonds, were reviewed and approved by NRC staff on August 9, 2018 (ADAMS Accession Number ML18218A097).

## **REGULATORY FRAMEWORK**

Reuter-Stokes, LLC's License No. SNM-1826, was issued under 10 CFR Part 70, Domestic Licensing of Special Nuclear Material. The Commission is required by 10 CFR 70.36 to determine if the change of control is in accordance with the provisions of the Act and give its consent in writing.

10 CFR 70.36(a) states: "No license granted under the regulations in this part and no right to possess or utilize special nuclear material granted by any license issued pursuant to the regulations in this part 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. Reuter-Stokes, LLC's request for consent describes an indirect change of control resulting from a change in stock between Baker-Hughes, a GE company ("BHGE") and the General Electric Company ("GE"), both are the parent companies of Reuter-Stokes, LLC. Following the change in stock, GE will be a minority

shareholder and BHGE will be the majority shareholder. Therefore, the control of the NRC license (SNM-1826) is indirectly be transferred from GE to BHGE and, as such, the transfer requires NRC consent.

## **DESCRIPTION OF TRANSACTION**

The transaction is described in ADAMS accession numbers ML19213A278 and ML19289D403. After completion of the changes in stock, Reuter-Stokes, LLC will continue as the licensee and remain in control of all licensed activities under Materials License No. SNM-1826. 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 Reuter-Stokes, LLC sufficiently describes and documents the commitments made by Reuter-Stokes, LLC 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 submitted by Reuter-Stokes, LLC with regard to an indirect change of control of radioactive materials license No. SNM-1826 and approves the application pursuant to 10 CFR 70.36(a).

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 70, that licensed operations will not be inimical to the common defense and security, or to the health and safety of the public.