

NRC FORM 7
(02-2016)
10 CFR 110



U. S. NUCLEAR REGULATORY COMMISSION

APPROVED BY OMB: NO. 3150-0027

EXPIRES: 11/30/2018

**APPLICATION FOR NRC EXPORT OR IMPORT
LICENSE, AMENDMENT, RENEWAL,
OR CONSENT REQUEST(S)**
(See Instructions on Pages 4 and 5)

Estimated burden per response to comply with this mandatory collection request: 2.4 hours. This submittal is reviewed to ensure that the applicable statutory, regulatory, and policy considerations are satisfied. Send comments regarding burden estimate to the FOIA, Privacy, and Information Collections Branch (T-5 F53), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by e-mail to Infocollections.Resource@nrc.gov, and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202, (3150-0027), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

PART A. FOR NRC USE ONLY		<input checked="" type="checkbox"/> PUBLIC OR <input type="checkbox"/> NON-PUBLIC	DATE RECEIVED 04/28/2020 JMS
LICENSE NUMBER XSOU8842/01	DOCKET NUMBER 11006256	ADAMS ACCESSION NUMBER	

PART B. TO BE COMPLETED FOR ALL LICENSES, AMENDMENTS, RENEWALS, OR CONSENT REQUESTS

(If more space is needed to complete any of the items, use Pages 3-4 first, and then attach additional sheets, if necessary.)

1. NAME AND ADDRESS OF APPLICANT/LICENSEE Southern Ionics Minerals, LLC 2649 Zero Bay Rd Patterson, GA 31557	1a. NAME OF APPLICANT'S CONTACT James Renner	1b. APPLICANT'S REFERENCE NUMBER
	1c. PHONE NUMBER 912 215 9318	1d. FAX NUMBER
	1e. E-MAIL ADDRESS james.renner@chemours.com	

2. TYPE OF ACTION REQUESTED (Check One)		CONSENT REQUEST (Parts B, C)	
<input type="checkbox"/> EXPORT (Parts B, C, E)	<input type="checkbox"/> IMPORT (Parts B, D, E)	<input checked="" type="checkbox"/> AMENDMENT/RENEWAL	<input type="checkbox"/> CONSENT REQUEST
		Current License Number:	
XSOU8842 name change of licensee			

3. CONTRACT NUMBER(S)	4. FIRST SHIPMENT DATE March 2017	5. LAST SHIPMENT DATE December 31, 2022	6. PROPOSED EXPIRATION DATE December 31, 2022
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PART C. TO BE COMPLETED FOR EXPORT LICENSES, AMENDMENTS, OR RENEWALS

(If more space is needed to complete any of the items, use Pages 3-4 first, and then attach additional sheets, if necessary.)

7. NAME(S) / ADDRESS(ES) OF SUPPLIERS AND/OR OTHER PARTIES TO THE EXPORT None Name change from Southern Ionics Minerals, LLC to The Chemours Company FC, LLC	8. NAME(S) / ADDRESS(ES) OF INTERMEDIATE FOREIGN CONSIGNEE(S) GHC Minerals Pty Ltd. 27 Hillwood Avenue Warwick, WA 6024 Australia and Zhanjiang Dongya Minerals Co., Ltd. B3-B6, No. 118 Hai Tian Auto Configuration Market Chikan, Zhanjiang Guang Dong 524000 China Other intermediate consignees in the existing license may be deleted.	9. NAME(S) / ADDRESS(ES) OF ULTIMATE FOREIGN CONSIGNEE(S) Yongzhou Xiang River Rare Earth Co., Ltd. Guanyin Jintanzhen Qiyang County Hunan Province China Other ultimate consignees in the existing license may be deleted.
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7a. FUNCTION(S) PERFORMED/SERVICE(S) PROVIDED None	8a. INTERMEDIATE USE(S) None. Freight forwarding to ultimate consignee.	9a. ULTIMATE END USE(S) Production of Rare Earth oxides. See Additional Information.
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10. DESCRIPTION OF RADIOACTIVE MATERIALS, SEALED SOURCES, NUCLEAR FACILITIES, EQUIPMENT, OR COMPONENTS; FOR NUCLEAR EQUIPMENT INCLUDE TOTAL DOLLAR VALUE OF EQUIPMENT FOR EXPORT Natural uranium and natural thorium as trace constituents of Rare Earth Mineral Sand. See Additional Information.	10a. MAX TOTAL VOLUME / ELEMENT WGT (KG), OR TOTAL ACTIVITY (TBq) Total element weight to be exported: U(nat) 41,392 kg Th(nat) 271,829 kg	10b. MAX ENRICHMENT OR WGT % No enrichment. Natural uranium and natural thorium.	10c. MAX ISOTOPE WGT (KG) NA
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11. FOREIGN OBLIGATIONS (BY COUNTRY AND BY PERCENTAGE OF MAXIMUM TOTAL VOLUME) None

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**APPLICATION FOR NRC EXPORT OR IMPORT
LICENSE, AMENDMENT, RENEWAL, OR CONSENT REQUEST(S) (Continued)**

LICENSE NUMBER XSOU884/01	DOCKET NUMBER 11006256	ADAMS ACCESSION NUMBER	<input checked="" type="checkbox"/> PUBLIC OR <input type="checkbox"/> NON-PUBLIC
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PART D. TO BE COMPLETED FOR IMPORT LICENSES, AMENDMENTS, OR RENEWALS

(If more space is needed to complete any of the items, use Pages 3-4 first, and then attach additional sheets, if necessary.)

12. NAME(S) / ADDRESS(ES) OF FOREIGN SUPPLIERS AND/OR OTHER PARTIES TO IMPORT	13. NAME(S) / ADDRESS(ES) OF INTERMEDIATE CONSIGNEE(S)	14. NAME(S) / ADDRESS(ES) OF ULTIMATE U. S. CONSIGNEE(S)	
12a. NRC EXPORT LICENSE NUMBER(S) (if applicable)	13a. LICENSE NUMBER(S) / EXPIRATION DATE(S)	14a. LICENSE NUMBER(S) / EXPIRATION DATE(S)	
	13b. INTERMEDIATE USE(S)	14b. ULTIMATE END USE(S)	
15. DESCRIPTION OF RADIOACTIVE MATERIALS, SEALED SOURCES, NUCLEAR FACILITIES	15a. MAX TOTAL VOLUME / ELEMENT WGT (KG), OR TOTAL ACTIVITY (TBq)	15b. MAX ENRICHMENT OR WGT %	15c. MAX ISOTOPE WGT (KG)

16. FOREIGN OBLIGATIONS (BY COUNTRY AND BY PERCENTAGE OF MAXIMUM TOTAL VOLUME)

PART E. TO BE COMPLETED FOR ALL LICENSES, AMENDMENTS, RENEWALS OR CONSENT REQUEST(S)

17. ADDITIONAL INFORMATION PROVIDED ON PAGES 3, 4, AND/OR ON SEPARATE SHEETS? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	17a. COPIES OF RECIPIENTS' AUTHORIZATIONS PROVIDED? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO see Additional Information
18. CERTIFICATION: I, the applicant's authorized official, hereby certify that this application is prepared in conformity with Title 10, Code of Federal Regulations, and that all information provided is correct to the best of my knowledge.	
18a. PRINT NAME AND TITLE OF AUTHORIZED OFFICIAL Stuart Forrester, Mineral Operations Director	18b. SIGNATURE – AUTHORIZED OFFICIAL Stuart Forrester Digitally signed by Stuart Forrester Date: 2020.03.20 07:31:56 -04'00'
18c. DATE March 12, 2020	

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(02-2016)
10 CFR 110

U. S. NUCLEAR REGULATORY COMMISSION

APPLICATION FOR NRC EXPORT OR IMPORT LICENSE, AMENDMENT, RENEWAL, OR CONSENT REQUEST(S) (Continued)

LICENSE NUMBER <div style="font-size: 1.2em; font-weight: bold;">XSOU8842/01</div>	DOCKET NUMBER <div style="font-size: 1.2em; font-weight: bold;">11006256</div>	ADAMS ACCESSION NUMBER 	<input checked="checked" type="checkbox"/> PUBLIC OR <input type="checkbox"/> NON-PUBLIC
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ADDITIONAL INFORMATION (Reference applicable block numbers from page 1 and/or page 2 for each entry)

9a. Ultimate End Uses. The foreign consignee will process Rare Earth Mineral Sand under Chinese government issued licenses for the purpose of producing rare earth oxides and elements. Non-rare earth zirconium and titanium minerals may be used for producing zirconium and titanium oxides. Naturally occurring uranium and thorium are to be disposed of as regulated waste by the foreign consignee.

10. Description of Radioactive Materials. The radioactive material to be exported is source material in the form of natural uranium (U-nat) and natural thorium (Th-nat). These elements are naturally-occurring constituents of the crystal lattice of the rare earth minerals monazite and xenotime. Rare Earth Mineral Sand (REMS), a concentrate of monazite and xenotime, is a co-product of the separation of the minerals zircon, rutile, and ilmenite from ancient beach sands. Thus, U-nat and Th-nat are unintended and unavoidable contaminants in Rare Earth Mineral Sand (REMS). REMS is processed by the ultimate consignee to produce rare earth oxides for use in industry.

17a. Copies of Recipients' Authorizations Provided.

Copies of the License to Import Monazite for the intermediate foreign consignee and ultimate foreign consignee were provided with the original License application. Customers confirmed no changes to licenses have occurred or are required.

License to Import Monazite (2016) 477

Issued to intermediate consignee Zhangjiang Dongya Minerals Co., Ltd. by Environmental Protection Department of Guangdong Province.

License to Import Monazite (2016) 131

Issued to ultimate consignee Yongzhou Xiang River Rare Earth Co., Ltd. by Environmental Protection Department of Hunan.



SIM

Via E-Mail and Priority Mail

April 13, 2020

Office of International Programs
U.S. Nuclear Regulatory Commission
11555 Rockville, Pike
Rockville, Maryland 20852
Mail Stop: O14-A20

attn: Joanne Savoy, Licensing Assistant Office of International Programs
Export Controls and Nonproliferation Branch
301-287-9092 Joanne.Savoy@nrc.gov

Andrea Jones, Office of International Programs
301-287-9072; Andrea.Jones2@nrc.gov

**Re: Amendment Request for XSOU8842 Licensee Name Change;
Supplemental Information Regarding SIM Corporate Acquisition;
Self-Reporting of Possible Violation of 10 CFR 110.50(d); and
Corrective Action Taken**

Dear Ms. Savoy:

On March 24, 2020 Southern Ionics Minerals LLC requested amending U.S. Nuclear Regulatory Commission (NRC) Specific License XSOU8842 in anticipation of a name change from Southern Ionics Minerals LLC (SIM) to The Chemours Company FC, LLC. (Chemours), and also to remove certain consignees from the License. This letter provides supplemental information regarding the corporate acquisition underlying the requested name change; self-reports a possible violation of 10 CFR 110.50(d) and articulates the reasons therefor; and informs the Commission of corrective actions taken to remedy the possible violation.

We hope that this letter enables the swift resolution of the requested amendment and any apparent violation of 10 CFR 110.50(d). We will promptly supplement any further information requested by the Commission.

Supplemental Information Regarding the Requested Name Change and Acquisition of SIM by Chemours

This information is submitted consistent with NUREG-1556, Vol. 15, *Consolidated Guidance About Materials Licenses: Program-Specific Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses*, at Sections 5.1 through 5.6. While the guidance in this NUREG does not expressly apply to Part 110 licenses, we believe that it is the best available guidance to providing full and complete information to NRC regarding the acquisition.

Section 5.1 Description of Transaction

1. A complete clear description of the transaction, including any transfer of stocks or assets, mergers, etc., so that legal counsel is able, when necessary, to differentiate between name changes and changes of ownership.

On or about August 1, 2019 Southern Ionics Inc. conveyed 100% of the membership interests of Southern Ionics Minerals, LLC (SIM) to Chemours pursuant to a Membership Interest Purchase Agreement by and between The Chemours Company FC, LLC and Southern Ionics Incorporated (the previous parent company of Southern Ionics Minerals LLC). The terms of that Agreement provided for the transfer of SIM's membership interests to The Chemours Company FC, LLC.

2. The new name of the licensed organization. If there is no change, the licensee should so state.

SIM did not change its name following the acquisition by Chemours and continues to do business as a Mississippi LLC doing business in Georgia and managing all aspects of radioactive material production and export. SIM's amendment request for a change of name was submitted in anticipation of changing the Licensee name to Chemours to facilitate use of the Chemours accounting system, as explained in the March 24, 2020 Amendment request.

3. The new licensee contact and telephone number(s) to facilitate communications.

The Licensee contact and telephone information did not immediately change after the acquisition, but is now as noted in the March 24 Amendment request:

James F. Renner, P.G. , Manager of Environmental Stewardship
The Chemours Company FC, LLC
2649 Zero Bay Road Patterson, GA 31557
(912) 215-9318
Email: james.renner@chemours.com

Section 5.2. Changes of Personnel

1. Any changes in personnel having control over licensed activities (e.g., officers of a corporation and any changes in personnel named in the license such as radiation safety officer, authorized users, or any other persons identified in previous license applications as responsible for radiation safety or use of licensed material). The licensee should include information concerning the qualifications, training and responsibilities of new individuals.

There were no changes in personnel having control over licensed activities following SIM's acquisition by Chemours. Please refer to the pre- and post-acquisition organizational charts (attached).

5.3 Changes of Location, Equipment, and Procedures

1. A complete description of any planned changes in organization, location, facility, equipment, or procedures (i.e., changes in operating or emergency procedures).

There were no changes in the organization, location, facility, equipment, operational or emergency procedures in connection with the asset purchase.

2. A detailed description of any changes in the use, possession, location or storage of the licensed materials.

There were no changes in the use, possession, location, or storage of licensed radioactive materials in connection with the asset purchase.

3. Any changes in organization, location, facilities, equipment, procedures, or personnel that would require a license amendment even without the change of ownership.

There were no changes in the organization, facilities, equipment, procedures, or personnel that would otherwise require a license amendment even without the change of asset ownership.

5.4 Surveillance Records

1. An indication of whether all surveillance items and records (e.g., calibrations, leak tests, surveys, inventories, and accountability requirements) will be current at the time of transfer. A description of the status of all surveillance requirements and records should also be provided.

To the extent such records are required to be maintained under Export License XSOU8842, the asset acquisition had no effect on the surveillance records. All licensed activities and related records are currently maintained and will continue to be maintained on an ongoing basis without interruption, as required under the Export License. Such records will continue to be maintained in their existing state and location in accordance with applicable regulations.

5.5 Decommissioning and Related Records Transfers

1. Confirmation that all records concerning the safe and effective decommissioning/closure of the facility; public dose and waste disposal by release to sewers, incineration, radioactive material spills, and on-site burials, have been transferred to the new licensee if licensed activities will continue at the same location.

Specific Export License XSOU8842 and Part 110 regulations do not impose any decommissioning-related recordkeeping requirements. SIM's mineral processing facility is licensed by the NRC Agreement State of Georgia and is regulated by the Georgia Department of Natural Resources under Radioactive Materials License GA 1678-1. All of the records applicable to the safe and effective decommissioning and closure of SIM's Georgia facility will remain in the same physical location. Decommissioning financial assurance required by the State of Georgia Radioactive Materials License was previously accomplished by parent company guarantee of Southern Ionics Inc. Following Chemours' acquisition of SIM, Chemours posted a bond to provide the required financial assurance (attached).

2. A description of the status of the facility. Specifically, the presence or absence of contamination should be documented. If contamination is present, will decontamination occur before transfer? If not, is the transferee knowledgeable of the extent and levels of contamination and applicable decommissioning requirements, and does the transferee agree to assume full liability for the decontamination of the facility or site?

The status of the SIM's Georgia mineral processing facility remains unchanged after the asset acquisition by Chemours, and the liability for any decommissioning or decontamination activities for the Licensee's facilities in Georgia have been assumed by Chemours in the form of a surety bond (attached).

5.6 Transferee's Commitment to Abide by the Transferor's Commitments

Confirmation that the transferee agrees to abide by all commitments and representations previously made by the transferor. These include, but are not limited to: maintaining decommissioning records; implementing decontamination activities and decommissioning of the site; and completing corrective actions for open inspection items and enforcement actions.

The asset sale to Chemours did not change SIM's existing commitments under the License. Following the acquisition, SIM continues to abide by all constraints, license conditions, requirements, representations and commitments identified in and attributed to License XSOU8842, including the identities of intermediate and ultimate foreign consignees, and all similar representations and commitments of the State of Georgia Radioactive Materials License 1678-1. The Licensee agrees to continue to accept full responsibility for any inspections conducted by NRC or the State of Georgia.

We trust that the additional information above addresses questions and concerns regarding the acquisition of SIM by Chemours and the application to amend License XSOU8842 to change the name from Southern Ionics Minerals LLC to The Chemours Company FC, LLC.

As there is no change in intermediate or ultimate foreign consignees, except to eliminate inactive consignees from the license, we respectfully request that NRC expedite review of this application and issuance of the amended license so we may maintain existing customer commitments.

Apparent Violation of 10 CFR 110.50(d)

Upon reflecting on the facts and circumstances of SIM's becoming a wholly owned subsidiary of Chemours, notwithstanding that no changes were made to management, personnel, or operational procedures, we have come to the recognition that the acquisition likely constituted a "change in identity" of SIM for the purposes of 10 CFR 110.50(d), which required NRC approval.

Pursuant to 10 CFR 110.50(d) a specific export license may be transferred, disposed of, or assigned to another person only with the approval of the Commission by license amendment. Our requested amendment to change the company's name fell short of providing adequate information for NRC to assess whether the company's identity had also changed. This letter is intended to correct that oversight and to disclose a possible violation of 10 CFR 110.50(d).

Without any changes having been made to SIM's name or business organization, we did not consider Chemours' asset acquisition to be a "transfer" or "assignment" of SIM's export license "to another person." We understand, however, that a change in ownership could represent a change in legal identity, and that NRC must secure full information to conclude that the change is in accordance with the provisions of the Atomic Energy Act.

Reasons for Apparent Non-Compliance with 10 CFR 110.50(d)

As previously stated in our March 24 Amendment Request, SIM was founded as a wholly-owned subsidiary of Southern Ionics Inc., a Mississippi corporation. On August 1, 2019 Southern Ionics Inc. sold its interest in SIM's assets to Chemours. With reference to the attached pre- and post-acquisition organizational charts, it is evident that no changes were made to personnel responsible for conducting the licensed activity.

For the following reasons, SIM believed that the change in ownership did not result in a change in identity for the purposes of 10 CFR 110.50(d) or change in control over the company's licensed export functions:

- The legal entity SIM, as a Mississippi LLC doing business in Georgia, continued unchanged after sale;
- There was no change in possession of the material to be exported;
- As apparent from the Attachments, there was no change of authority for producing, exporting, or otherwise managing licensed material to be exported, and all personnel responsible for making business decisions, producing, and exporting rare earth mineral sands (REMS) retained their roles and responsibilities; and

- SIM maintained separate control over its accounting, inventory control, and invoicing systems independently of the Chemours centralized accounting system.

For all of these reasons SIM did not consider its acquisition by Chemours to substantially alter its identity or its control over exporting REMS.

Corrective Actions Taken

SIM has taken the following corrective action: A consignment of material headed to the port for export under License XSOU8842 has been halted and the material will be returned to the Georgia licensed facility for storage pending the resolution of all issues concerning the License.

SIM has followed the template of NUREG 1556 Vol 15 in providing detailed information regarding its acquisition by Chemours to fully inform the NRC of the transaction.

The Date When Full Compliance Will Be Achieved


Full compliance will be achieved on the date that NRC approves the Amendment requested to change the named licensee from SIM to Chemours.

Conclusion

The undersigned is hereby re-submitting its application for a name change amendment, supplemented with additional information concerning the corporate acquisition underlying the requested amendment. We are also disclosing a possible violation of 10 CFR 110.50(d) and are articulating the circumstances surrounding our good faith, but mistaken, belief in the continuity of our business identity. We have halted a pending export shipment and will not resume shipments until any issues surrounding License XSOU8842 are resolved and an amended License is issued.

We hope that this letter articulates why the NRC can have confidence that the Licensee can continue to responsibly engage in export activities under NRC jurisdiction in the future with the integrity such activities demand. Please advise if there is any further information required.

Sincerely,



James F. Renner, P.G.
Manager of Environmental Stewardship

Digitally signed by
Stuart Forrester
Date: 2020.04.13
19:58:44 -04'00'

Stuart Forrester
Mineral Operations Director

Attached:

- NRC Form 7 requesting amendment for licensee name change (as previously submitted)
- Org Chart – Southern Ionics Minerals (prior to acquisition by Chemours)
- Org Chart – Southern Ionics Minerals (following acquisition by Chemours)
- Payment Surety Bond for site decommissioning per GAEPD Radioactive Materials License