



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400  
ARLINGTON, TEXAS 76011-8064

May 5, 1997

Ms. Kathleen A. Howard  
Chief Clinical Officer  
Riverton Memorial Hospital  
P. O. Box 1280  
Riverton, Wyoming 82501

SUBJECT: NRC INSPECTION 030-12652/97-01

Dear Ms. Howard:

On March 12, 1997, the NRC conducted an inspection at your facility. The inspection was an examination of activities conducted under the license as they relate to radiation safety and to compliance with the Commission's rules and regulations and the conditions of the license. A telephonic exit briefing was subsequently conducted with you on March 27, 1997.

Within the scope of this inspection no violations or deviations were identified; however, one unresolved item was identified. It was noted that the name of the facility had been changed from Wyoming Medical Services, Inc., dba Riverton Memorial Hospital to Columbia Riverton Memorial Hospital. The review of this issue by your attorney indicated that no change in ownership had occurred. However, your attention is directed to the enclosed NRC Information Notice 89-25 which provides guidance on the type of information that should be considered when making such a determination and the information which must be submitted to the NRC before a change of ownership or control of licensed operations occurs. As discussed with you at the conclusion of the inspection, 10 CFR 30.34(b) prohibits the transfer, either directly or indirectly, of control of any licensed operation unless the Commission, after securing full information, finds that the transfer is in accordance with the provisions of the Act and gives its consent in writing. Because we were unable to confirm certain information relating to the name change during our inspection, you are requested to respond to the questions identified in Attachment 1 of the Notice within 15 days of the date of this letter. Your response should be directed to the Nuclear Materials Licensing Branch at the address shown above. We will review your response and advise you of our findings by separate correspondence.

In addition, your attorney's review indicated that ownership resides with Wyoming Health Services, Inc., not Wyoming Medical Services, Inc. However, your letter dated April 26, 1988, requested that your legal name be changed from Riverton Memorial Hospital to Wyoming Medical Services, Inc. d.b.a. Riverton Memorial Hospital. Consequently, the licensing staff issued the license in this name. Since Region IV received no subsequent amendment request to change the legal name on the license, the license remains issued in the name of Wyoming Medical Services, Inc. Apparently this was the result of an

9705130118 970505  
PDR ADOCK 03019652  
C PDR

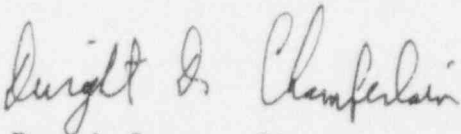


incorrect name being submitted on you license application. You should contact the Nuclear Materials Licensing Branch to amend your license to reflect the proper legal name.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be placed in the NRC Public Document Room (PDR).

Should you have any questions concerning this letter, please contact Robert A. Brown at (817) 860-8130 or Linda Howell at (817) 860-8213.

Sincerely,

  
Ross A. Scarano, Director  
Division of Nuclear Materials Safety  
and Safeguards

Docket No.: 030-19652  
License No.: 49-21004-01

Enclosure:  
NRC Information Notice 89-25, Rev.1

cc:  
Wyoming Radiation Control Program Director

E-Mail report to Document Control Desk (DOCDESK)

bcc to DCD (IE07)

bcc distrib. by RIV:

RIV Regional Administrator

DDChamberlain

CLCain

DBSpitzberg

†LLHowell

FAWenslawski

†RABrown

†NMI&amp;FC/DB

†MIS System

†RIV Nuclear Materials File - 5th Floor

~~W/IFS Form~~DOCUMENT NAME: G:\NMIS.O\RAB\RIVER.LTR *for*

To receive copy of document, indicate in box: "C" = Copy without enclosures "E" = Copy with enclosures "N" = No copy

RIV:NMI&FC/DB	C:NMI&FC/DB	C:NMLB	DD:DNMS	D:DNMS
*RABrown	LLHowell	DBSpitzberg	DDChamberlain	RAScarano
03/28/97	05/12/97	05/12/97	05/15/97	05/15/97

\*Previously concurred

OFFICIAL RECORD COPY

E-Mail report to Document Control Desk (DOCDESK)

bcc to DCD (IE07)

bcc distrib. by RIV:

RIV Regional Administrator

DDChamberlain

CLCain

DBSpitzberg

↓ LLHowell

FAWenslawski

↓ RABrown

↓ NMI&amp;FC\DB

↓ MIS System

↓ RIV Nuclear Materials File - 5th Floor

~~W/FS Form~~DOCUMENT NAME: G:\NMIS.O\RAB\RIVER.LTR *for*

To receive copy of document, indicate in box: "C" = Copy without enclosures "E" = Copy with enclosures "N" = No copy

RIV:NMI&FC\DB	C:NMI&FC\DB	C:NMLB	DD:DNMS	D:DNMS
*RABrown	LLHowell	DBSpitzberg	DDChamberlain	RAScarano
03/28/97	05/1/97	05/2/97	05/5/97	05/5/97

\*Previously concurred

OFFICIAL RECORD COPY

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS  
WASHINGTON, D.C. 20555

December 7, 1994

NRC INFORMATION NOTICE 89-25, REV. 1: UNAUTHORIZED TRANSFER OF OWNERSHIP  
OR CONTROL OF LICENSED ACTIVITIES

Addressees

All fuel cycle and material licensees.

Purpose

NRC is issuing this revised information notice to clarify previous guidance concerning the information to be submitted to NRC, prior to a change of ownership or control. The notice also incorporates recent information from NRC's Office of the General Counsel (OGC) concerning the transferee's liability for open inspection issues and potential enforcement actions from past violations; and responsibility for decontamination activities and decommissioning of the site. It is expected that recipients will review this notice, distribute it to responsible staff, and consider actions as appropriate, to ensure compliance with NRC requirements concerning the transfer of control of licensed activities. However, suggestions contained in this notice are not new NRC requirements; therefore, no written response is required.

Background

This information notice was originally issued to inform licensees of their responsibility to provide timely notification to NRC before the planned transfer of ownership or control of licensed activities and obtain prior written consent to such action from NRC, as specified in Title 10 of the Code of Federal Regulations, 10 CFR 30.34(b), 40.46, and 70.36. Specific guidance was also provided outlining the information to be submitted by licensees concerning changes of ownership or control resulting from mergers, buy-outs, or majority stock transfers.

Discussion

Section 30.34(b) states: "No license issued or granted pursuant to the regulations in this part, 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." Similar regulations are contained in 10 CFR 40.46 and 70.36. Thus, the regulations are very clear that control of licenses cannot be transferred without prior written permission from the Commission.

Although it is not NRC's intent to interfere with the business decisions of licensees, it is necessary for licensees to provide timely notification to NRC whenever such decisions could involve changes in the corporate structure responsible for management oversight, control, or radiological safety of licensed materials. Full information on changes of ownership or control of licensed activities should be submitted to the appropriate NRC regional or Headquarters office, 90 days prior to the proposed action. The purpose of such notification is to allow NRC to assure that: (1) radioactive materials are possessed, used, owned, or controlled only by persons who have valid NRC licenses; (2) materials are properly handled and secured; (3) persons using such materials are capable, competent, and committed to implement appropriate radiological controls; (4) licensees provide adequate financial assurance for compliance with NRC requirements; and (5) public health and safety are not compromised by the use of such materials. Although the burden of notification is on the existing licensee, it may still be necessary for the transferee<sup>1</sup> to provide supporting information or to independently coordinate the change in ownership or control with the appropriate NRC office.

NRC licensees planning to transfer ownership, to change the corporate status, or to change control of licensed activities are required to provide sufficient prior notice and full information about the change to NRC, and to obtain written consent from the Commission before the transfer. Failure to comply with this requirement may adversely affect the public health and safety and interfere with NRC's ability to inspect licensed activities. Cases where change of ownership or control has occurred without prior written consent from NRC will be treated as noncompliance with the provisions of 10 CFR 30.34 (or the similar provisions of 10 CFR 40.46, and 70.36), and will be referred to the inspection staff and/or Office of Investigations, as appropriate. The failure to receive required NRC approval prior to a change in ownership or control of licensed activities is considered to be a Severity Level III violation and may warrant escalated enforcement action, to include civil penalties and orders,

---

<sup>1</sup>A Transferee is an organization proposing purchase or otherwise gaining control of an NRC-licensed operation.



if indicated by the circumstances, against one or both of the parties involved. Willful failure to obtain prior NRC approval of the transfer may result in referrals to the Department of Justice for consideration of criminal prosecution.

Licensees should note that a license cannot be sold or transferred by itself to a transferee. In situations where a licensed company is purchased in its entirety, and the transferor<sup>2</sup> will not continue in business as a separate entity, the purchase can be approved if the license is amended to reflect any name changes, compliance with financial assurance requirements, personnel changes, or any other change that would normally require an amendment. If there are no changes, an amendment may not be necessary and the transferee and transferor will be notified by letter that NRC has no objection to the sale, based on written statements from the transferee/transferor confirming that no changes in the licensed operation will occur as a result of the sale.

In case where a licensed operation is purchased from a transferor, who continues in business as a separate entity (without the license), the transferee must submit an application for an amendment to the license to reflect the change in identity of the licensee, compliance with financial assurance requirements, and any other pertinent changes in the operation. The transferee can use the transferor's docketed documents as a basis for preparing the license amendment application. Usually a new license will not be issued. However, the transferee can always apply for a new license by providing a complete application. If a new license is issued, the transferor must request termination of its license as a separate action.

In order to maintain their availability, records important to the safe and effective decommissioning of the facility and all records concerning public dose and waste disposal need to be transferred to the new licensee or to NRC in cases of terminations. Therefore, no transfers or changes of ownership or license terminations will be authorized until all information or records concerning decommissioning of the facility, radiation doses to the public and waste disposal, such as releases to sewers, incineration, radioactive spills, and on-site burials, have been transferred to the new licensee, if licensed activities will continue at the same location, or to NRC for license terminations.

---

<sup>2</sup>A Transferor is an NRC licensee selling or otherwise giving up control of a licensed operation.

Attachment 1 outlines the information needed by the NRC to approve changes of ownership or control. This information notice requires no specific action nor written response. If you have any questions about the information in this notice, please contact the technical contact listed below or the appropriate regional office.

Carl J. Paperiello, Director  
Division of Industrial and  
Medical Nuclear Safety  
Office of Nuclear Material Safety  
and Safeguards

Technical contact: Susan L. Greene, NMSS  
(301) 415-7843

Attachments:

1. Information Needed for Change of Ownership
2. List of Recently Issued NMSS Information Notices
3. List of Recently Issued NRC Information Notices



### INFORMATION NEEDED FOR CHANGE OF OWNERSHIP APPLICATION

The applicant should provide the following information concerning changes of ownership or control by the applicant (transferor and/or transferee, as appropriate):

1. The new name of the licensed organization. If there is no change, the licensee should so state.
2. The new licensee contact and telephone number(s) to facilitate communications.
3. 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.
4. An indication of whether the transferor will remain in non-licensed business without the license.
5. 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.
6. A complete description of any planned changes in organization, location, facility, equipment, or procedures (i.e., changes in operating or emergency procedures).
7. A detailed description of any changes in the use, possession, location or storage of the licensed materials.
8. Any changes in organization, location, facilities, equipment, procedures, or personnel that would require a license amendment even without the change of ownership.
9. 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.

10. Confirmation that all records concerning the safe and effective decommissioning of the facility, pursuant to 10 CFR 30.35(g), 40.36(f), 70.25(g), and 72.30(d); 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, or to the NRC for license terminations.
11. 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, does the successor company agree to assume full liability for the decontamination of the facility or site?
12. A description of any decontamination plans, including financial assurance arrangements of the transferee, as specified in 10 CFR 30.35, 40.36, and 70.25. This should include information about how the transferee and transferor propose to divide the transferor's assets, and responsibility for any cleanup needed at the time of transfer.
13. Confirmation that the transferee agrees to abide by all commitments and representations previously made to NRC by the transferor. These include, but are not limited to: maintaining decommissioning records required by 10 CFR 30.35(g); implementing decontamination activities and decommissioning of the site; and completing corrective actions for open inspection items and enforcement actions.

With regard to contamination of facilities and equipment, the transferee should confirm, in writing, that it accepts full liability for the site, and should provide evidence of adequate resources to fund decommissioning; or the transferor should provide a commitment to decontaminate the facility before change of control or ownership.

With regard to open inspection items, etc., the transferee should confirm, in writing, that it accepts full responsibility for open inspection items and/or any resulting enforcement actions; or the transferee proposes alternative measures for meeting the requirements; or the transferor provides a commitment to close out all such actions with NRC before license transfer.

14. Documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions.

15. A commitment by the transferee to abide by all constraints, conditions, requirements, representations, and commitments identified in the existing license. If not, the transferee must provide a description of its program, to ensure compliance with the license and regulations.

LIST OF RECENTLY ISSUED  
NMSS INFORMATION NOTICES

Information Notice No.	Subject	Date of Issuance	Issued to
94-81	Accuracy of Bioassay and and Environmental Sampling Results	11/25/94	All U.S. Nuclear Regulatory Commission licensees.
93-60, Supp. 1	Reporting Fuel Cycle and Materials Events to the NRC Operations Center	10/20/94	All 10 CFR Part 70 fuel cycle licensees.
94-74	Facility Management Responsibilities for Purchased or Contracted Services for Radiation Therapy Programs	10/13/94	All U.S. Nuclear Regulatory Commission Medical Licensees.
94-73	Clarification of Critical- ity Reporting Criteria	10/12/94	All fuel fabrication facilities.
94-70	Issues Associated with Use of Strontium-89 and Other Beta Emitting Radiopharma- ceuticals	09/29/94	All U.S. Nuclear Regulatory Commission Medical Licensees.
94-65	Potential Errors in Manual Brachytherapy Dose Calculations Generated Using a Computerized Treatment Planning System	09/12/94	All U.S. Nuclear Regulatory Commission medical licensees.
94-64	Reactivity Insertion Transient and Accident Limits for High Burnup Fuel	08/31/94	All holders of OLs or CPs for nuclear power reactors and all fuel fabrication licensees.
94-47	Accuracy of Information Provided to NRC during the Licensing Process	06/21/94	All U.S. Nuclear Regulatory Commission Material Licensees.

LIST OF RECENTLY ISSUED  
NRC INFORMATION NOTICES

Information Notice No.	Subject	Date of Issuance	Issued to
94-83	Reactor Trip Followed by Unexpected Events	12/06/94	All holders of OLs or CPs for nuclear power reactors.
94-82	Concerns Regarding Essential Chiller Reliability during Periods of Low Cooling Water Temperature	12/05/94	All holders of OLs or CPs for nuclear power reactors.
94-81	Accuracy of Bioassay and Environmental Sampling Results	11/25/94	All U.S. Nuclear Regulatory Commission licensees.
94-80	Inadequate DC Ground Detection in Direct Current Current Distribution Systems	11/25/94	All holders of OLs or CPs for nuclear power reactors.
94-79	Microbiologically Influenced Corrosion of Emergency Diesel Generator Service Water Piping	11/23/94	All holders of OLs or CPs for nuclear power reactors.
94-78	Electrical Component Failure due to Degrada- tion of Polyvinyl Chloride Wire Insulation	11/21/94	All holders of OLs or CPs for nuclear power reactors.
94-77	Malfunction in Main Gen- erator Voltage Regulator Causing Overvoltage at Safety-Related Electrical Equipment	11/17/94	All holders of OLs or CPs for nuclear power reactors.
94-76	Recent Failures of Charging/ Safety Injection Pump Shafts	10/26/94	All holders of OLs or CPs for pressurized water reactors.

OL = Operating License  
CP = Construction Permit