

Attachment B



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

FEB 11 2020

Bruce F. Karie
Radiation Safety Officer
Acuren Inspection, Inc.
ADBA/WIT Pipeline
ADBA/TEI
ADBA/Acuren Pipeline
ADBA/Lehigh Testing Laboratories
4566 Abrahamson Road
Duluth, MN 55811

**SUBJECT: CONSENT TO INDIRECT CHANGE OF CONTROL FOR ACUREN INSPECTION,
INC., NRC LICENSE NO. 22-27593-01**

Dear Mr. Karie:

By letter dated October 28, 2019, Acuren Inspection, Inc. submitted to the U. S. Nuclear Regulatory Commission (NRC) a Request for Consent to indirect Change of Control of NRC Material License No. 22-27593-01. The letter is available electronically from the Agencywide Documents Access and Management System (ADAMS) at Accession No. ML19302F502.

Based on the information provided, we understand that as a result of a proposed changes the majority of the equity ownership of Rockwood, a holding company, the parent company of Acuren Inspection, Inc., will be transferred from its current shareholders to a group of new investors. Therefore, the control of the licensee, Acuren Inspection, Inc., will indirectly be transferred from its current shareholders to the group of new investors. We further understand Acuren Inspection, Inc. will remain a wholly owned subsidiary of Rockwood and that this transfer will not result in any change to the licensee name, licensed materials, persons using licensed material, location of use of licensed material, or persons responsible for the licensee's radiation safety program.

Based on the above understandings and as more fully detailed in the attachment which documents the NRC staff's review of the request, we have no objection to the proposed 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 merger agreement confirming completion of the transaction. With this information, we can issue an administrative amendment to your NRC license to reflect the transaction, if necessary. If this planned merger has not been consummated within 30 days of the date of this letter, please notify us in writing.

An environmental assessment for this action is not required, since this action is categorically excluded under Title 10 of the *Code of Federal Regulations* (CFR) Section 51.22(c).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public

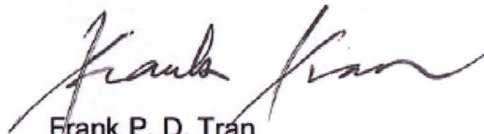
B. Karie

-2-

Document Room or from the NRC's ADAMS, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have questions regarding this letter, please contact Frank Tran at 630-829-9623 or frank.tran@nrc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Tran", with a stylized flourish at the end.

Frank P. D. Tran
Health Physicist

License No. 22-27593-01
Docket No. 030-38913
Control No.: 616854

Enclosure: As stated

**LICENSE TRANSFER EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR RADIOACTIVE MATERIALS LICENSE
NUMBER 22-27593-01, ACUREN INSPECTION, INC.**

DATE: February 11, 2020

DOCKET NO.: 030-38913

LICENSE NO.: 22-27593-01

LICENSEE: Acuren Inspection, Inc.
4566 Abrahamson Road
Duluth, MN 55811

TECHNICAL REVIEWER: Frank Tran

SUMMARY AND CONCLUSIONS

Acuren Inspection, Inc. is authorized by NRC License 22-27593-01 for the possession and use of radioactive material for industrial radiographic operations. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to an indirect change of control submitted by Acuren Inspection, Inc. that will result from a change in the owners of the majority equity ownership of Rockwood, a holding company, the parent company of Acuren Inspection, Inc. Rockwood will be controlled generally by a new group of investors. The indirect transfer of control is described in Agency Documents Access and Management System (ADAMS) accession number ML19302F502.

The request for consent was reviewed by NRC staff for indirect change in control of a 10 CFR Part 30 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 Acuren Inspection, Inc. sufficiently describes and documents the transaction and commitments made by Acuren Inspection, Inc.

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, Acuren Inspection, 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 Web-Based Licensing system (WBL), Acuren Inspection, Inc. has been an NRC licensee since May 24, 2016. The NRC conducted an onsite inspection of Acuren Inspection, Inc. on August 26, 2019, and no violations were identified during this inspection. The commitments made by Acuren Inspection, Inc. states that Acuren Inspection, Inc. (License No. 22-27593-01):

- 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.

Rockwood, a holding company, is the parent company of the Acuren Inspection, Inc. before and after the indirect transfer of control. In addition, Acuren Inspection, Inc. will continue to be the licensee after the transfer and continue directly controlling the license. Therefore, for security purposes Acuren Inspection, Inc. 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.

Acuren Inspection, Inc. is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 22-27593-01.

REGULATORY FRAMEWORK

Acuren Inspection, Inc.'s License No. 22-27593-01, was issued under 10 CFR Part 30, Rules of General Applicability to Domestic Licensing of Byproduct Material. The Commission is required by 10 CFR 30.34 to determine if the change of control is in accordance with the provisions of the Act and 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, 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. Acuren Inspection, Inc.'s request for consent describes an indirect change of control resulting from a change in the ownership of Rockwood, a holding company, the parent company of Acuren Inspection, Inc. Following the change of the owners of the majority of the equity ownership of Rockwood, there will be new board members for Rockwood's Board of Directors controlling Rockwood at closing of the proposed Transaction. Therefore, the control of the NRC license (22-27593-01) is indirectly be

transferred from Rockwood's current shareholders to a group of new investors and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML19302F502. After completion of the changes in the ownership of Rockwood, the parent company of Acuren Inspection, Inc., Acuren Inspection, Inc. will continue as the licensee and remain in control of all licensed activities under Materials License No. 22-27593-01. 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 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 Acuren Inspection, Inc. sufficiently describes and documents the commitments made by Acuren Inspection, Inc. 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 Acuren Inspection, Inc. with regard to an indirect change of control of radioactive materials license No. 22-27593-01 and approves the application pursuant to 10 CFR 30.34(b).

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

Exhibit B



August 23, 2021

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555-0001

Docket: 03-06415
License: 42-08456-02

cc: Regional Administrator, NRC Region IV

RE: Reply to a Notice of Violation

Pursuant to 10 CFR 2.201, Century Inspection, Inc. ("Century") submits this written statement and explanation in response to the two Notices of Violation provided with your letter dated July 20, 2021. As set forth in greater detail below, Century will either correct the violations as soon as is practicable, or believes it has already come into compliance.

Violation 1 – Indirect Change of Control Authorization

As noted by the Notice of Violation, on December 20, 2019, Century's ultimate corporate parent, Rockwood Service Corporation ("Rockwood") underwent a merger resulting in a change of majority ownership of Rockwood (the "Transaction"). In the course of that Transaction, the new corporate ownership of Rockwood endeavored to ensure proper NRC approval and consent to the merger prior to its completion, but was not previously aware of Century's Radioactive Materials License No. 42-08459-02 (the "Century License") as a license requiring such consent.

For background, Century is (and prior to the Transaction, was) wholly owned by Acuren Inspection, Inc. ("Acuren"). Acuren is, in turn, wholly owned by Rockwood. The Transaction involved a change of control of Rockwood, which in turn represented an indirect change of control of both Acuren and Century. At the time of the Transaction, Rockwood and Acuren focused on Radioactive Materials Licenses held by Acuren itself, including dozens of licenses issued by state regulators along with a single NRC-issued license bearing License No. 22-27593-01 (the "Acuren License"). Accordingly, along with extensive efforts to ensure the state-level licenses received proper clearance for the proposed Transaction, on October 28, 2019 Acuren submitted to the NRC a notification of the anticipated indirect change of control of the Acuren License, seeking NRC review and consent to the consummation of the Transaction. That submittal is enclosed as Attachment A. The NRC subsequently approved the proposed Transaction and that approval is enclosed as Attachment B.

During the course of negotiation and seeking to close the Transaction, the Century License was inadvertently not identified alongside the Acuren License (and state-level licenses) as an item



requiring regulatory approval. Acuren and Rockwood were aware of the need to obtain regulatory approvals for the proposed indirect change of control, and where the need for such approvals was identified, the proper procedures were followed. Accordingly, the root cause of the violation was an inadvertent oversight. Because the issue has now been identified to Century's management as a required item to be addressed in the event of future transactions, and Century's management can now ensure proper notice and authorization of any such changes, Century believes that the root cause of the violation has now been corrected.

Upon Century's management becoming aware of the lack of NRC authorization for the Century License's indirect change of control on August 16, 2021, Century began the process of completing submittal documentation regarding the Transaction and its closing, so that the Transaction and the indirect change of control may be reviewed and approved by the NRC, and to allow any necessary modifications of the Century License to reflect such changes. Century intends to submit this documentation to the NRC within two weeks from the date of this response – by September 7, 2021 – and will comply with further NRC requests necessary to bring this issue into compliance. Full compliance will be achieved once NRC review and approval is issued.

Violation 2 – Security-Related Information

Security-Related Information

Security-Related Information

Security-Related Information



Security-Related Information

[REDACTED]

As noted above, Century intends to follow up on the first violation identified above within two weeks of this letter. If you have any questions or require additional information in the meantime, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Keen Ritter".

Keenan W. Ritter
Radiation Safety Officer
Century Inspection, Inc.

Attachment A



Acuren Inspection, Inc.
4566 Abrahamson Rd
Duluth, MN 55811

Phone: 218-336-4668
Cell: 262-649-7066

Materials Engineering & Testing

October 28, 2019

U.S. Nuclear Regulatory Commission – Region III
ATTN: Materials Licensing
2443 Warrenville Road Suite 210
Lisle, IL 60532

SUBJECT: Request for Consent to Transfer of Control for U.S. Nuclear Regulatory
Commission Materials License Number 22-27593-01

To Whom This May Concern:

Acuren Inspection, Inc. ("Acuren") conducts industrial radiographic testing and inspection services under the U.S. Nuclear Regulatory Commission (the "NRC") Radioactive Materials License No. 22-27593-01 (the "License"). Pursuant to 10 C.F.R. §§ 30.34(b), and the Nuclear Regulatory Commission Consolidated Guidance About Materials Licenses, NUREG-1556 Volume 15 ("NRC Guidance"), licensees must notify NRC that they are undergoing a possible transfer of control for purposes of obtaining NRC consent to the transfer. Accordingly, we are writing to provide notice to the NRC of an anticipated transaction (the "Transaction") to allow the NRC to review and consent to the Transaction.

Acuren respectfully requests that the NRC conduct an expedited review of this notice and provide a response as soon as is practicable. The expedited review is necessary due to the timing associated with closing of the contemplated transaction involving Acuren's parent company, Rockwood Services Corporation ("Rockwood") as described below.

Acuren has been working harmoniously with the NRC for over 30 years as its business has grown. It values its relationship with the agency. Acuren believes it has been proactive on licensing matters, and it has made safety – particularly on licensing – a key corporate value.

Acuren holds the License in question in its name and in the name of several of its other brands (ADBA/WIT Pipeline, ADBA/TEI, ADBA/Acuren Pipeline, and ADBA/Lehigh Testing Laboratories). Acuren has its own management and operational staff who control and conduct the activities covered by the License, who will not change at the closing of the Transaction. In addition, there will be no changes to Acuren's day-to-day activities or operations covered by the License as a result of the Transaction, nor will the Transaction result in changes to Acuren's Board of Directors or officers. Further, upon closing of the Transaction, Acuren will continue to be wholly owned by the same corporate parent.

Acuren is a wholly owned subsidiary of Rockwood, a holding company. The Transaction contemplated is a transfer of the majority of the equity ownership of Rockwood by its current shareholders to a group of new investors. While there will be new board members controlling Rockwood at closing of the Transaction, the current Chairman of Rockwood's Board of Directors will continue on such Board, and the officers of Rockwood will remain unchanged. The Transaction will be organized as a merger – whereby a newly formed corporation, [ASP Acuren Merger Sub, Inc.] (“[ASP Merger Sub]”), will be merged with and into Rockwood. The principal investors of [ASP Merger Sub] are funds managed by [American Securities LLC] (“[American Securities]”). [American Securities] is a New York-based private investment firm managing approximately \$23 billion of cumulative committed equity capital. [American Securities] is an actively engaged investor who works with management on strategic decisions, aspiring to build world-class companies by partnering with and providing resources to support existing management teams while allowing its investments to operate in a manner consistent with their prior practices. See [<https://www.american-securities.com/>] for more information.

The structure and personnel associated with the day-to-day radioactive material licensing at Acuren will not change at the closing of the Transaction, nor will Acuren's officers or its Board of Directors. As described in this letter, all activities under the License, and the direction of the activities under the License, have historically been conducted by, and today are in the control of, Acuren and its management. The Transaction will not affect this long-standing operational principle, nor the management structure related to the activities carried out under the License that has developed at Acuren.

After reviewing the regulations and the NRC Guidance, it is unclear to Acuren if the Transaction will constitute a transfer of control. However, out of an abundance of caution, Acuren asks that NRC treat this notification as an application for transfer of control, and provide its consent to the Transaction pursuant to 10 C.F.R. §§ 30.34(b) and 40.46. The information required to obtain consent to a transfer of control, as described in Appendix E of the NRC Guidance, is set forth below.

- 1. Describe any planned changes in the organization, including but not limited to, transfer of stocks or assets and mergers, change in members on Board of Directors, etc. Provide the new licensee name, mailing address, and contact information, including phone numbers. Clearly identify when the amendment request is due to a name change only.**

- A. Transaction.** Acuren is a wholly-owned subsidiary of Rockwood. The Transaction involves upstream restructuring of the equity interests in Rockwood, Acuren's parent company. Acuren will remain wholly owned by Rockwood following the Transaction.

Rockwood is owned by a group of shareholders including an individual who currently serves as Chairman of Rockwood's Board of Directors. A transaction is being undertaken in which a new group of investors will invest in, and assume majority ownership of, Rockwood. The aforementioned Chairman will remain a

substantial investor and will continue on the Board of Directors controlling Rockwood at the closing of the Transaction.

Pursuant to an Agreement and Plan of Merger dated October 22, 2019,¹ [ASP Merger Sub], a subsidiary of [ASP Acuren Intermediate Holdings, Inc.] (“[ASP Holdings]”), will be merged with and into Rockwood, with Rockwood surviving the merger. As part of that process, all issued and outstanding shares of stock in Rockwood will be dissolved; at the same time, all issued and outstanding shares of stock in [ASP Merger Sub] will be converted into shares of stock in post-merger Rockwood. At the end of the process, [ASP Holdings] will be the new sole owner of Rockwood. Attached hereto as **Exhibit 1** is a diagram of the Transaction.

Approximately 70% of the stock of Rockwood is currently owned or controlled by various passive investors. These passive investors will collectively become the indirect owners of approximately 10-15% of the ownership interests in [ASP Holdings] following the Transaction.

The remaining approximately 30% of the stock of Rockwood is currently owned or controlled by the Chairman of the Board of Directors. He will become the indirect owner of an approximately 10-15% ownership interest in [ASP Holdings] following the Transaction.

Following consummation of the Transaction, the remaining 70-80% of the ownership interest in [ASP Holdings] will be held indirectly by investment funds affiliated with [American Securities]. Acuren will remain a wholly owned subsidiary of Rockwood following the Transaction.

The officers of Rockwood will remain the same at the closing of the Transaction. While the Board of Directors controlling Rockwood will be reconstituted in connection with the Transaction, as noted previously, the current Chairman of the Board of Directors of Rockwood will continue on the Board of Directors controlling Rockwood at the closing of the Transaction.

- B. Licensee.** Acuren is the current licensee under the License. Several Acuren brands are also listed in the license (ADBA/WIT Pipeline, ADBA/TEI, ADBA/Acuren Pipeline, and ADBA/Lehigh Testing Laboratories). As of the date of this notice and prior to the closing of the Transaction, Acuren is a wholly owned subsidiary of Rockwood. Following the approval of this notice by the NRC and the closing of the Transaction, Acuren will remain a wholly owned subsidiary of Rockwood. *Acuren, along with all of its direct and indirect subsidiaries, will retain the same names, mailing addresses, and contact information following the Transaction.*

¹ Consummation of the Transaction, and the corresponding restructuring of ownership interests in Rockwood, will not occur until closing occurs under the terms of the Agreement and Plan of Merger.

The Transaction will not affect Acuren's management structure in regards to the activities carried out under the License, Acuren's officers, Acuren's Board of Directors, or Rockwood's role and authority as its sole owner.

- 2. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel and any changes in the training program.**

There will be no changes to personnel at Acuren relating to the License or associated with licensed activities, as a result of the Transaction. Further, Acuren will retain the same day-to-day management personnel in respect of the activities carried out under the License and reporting structure.

- 3. Describe any changes in the location, facilities, equipment, radiation safety program, use, possession, waste management, or other procedures that relate to the licensed program.**

There will be no changes in the locations, facilities, equipment or procedures used for activities under the License as a result of the Transaction.

- 4. Describe the status of the licensee's facilities, equipment, and radiation safety program, including any known contamination and whether decontamination will occur prior to transfer. Include the status of calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records.**

The status of Acuren's facilities, equipment, and radiation safety program are currently in compliance. There is no known contamination of Acuren's facilities or equipment.

- 5. If current decommissioning funding plans (DFP) will be changed as a result of the transfer, the revised DFP should be submitted. If other financial assurance documents will be changed as a result of the transfer, confirm that all financial assurance instruments associated with the license will be held in the transferee's name before the license is transferred, and as required by 10 CFR 30.35(f), the licensee must, within 30 days, submit financial instruments reflecting such changes.**

This item is not applicable. Acuren is not required to maintain decommissioning funding plans or provide financial assurance under the License.

- 6. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.**

Based on the nature of Acuren's licensed operations, decommissioning of facilities is not applicable.

7. **Confirm that both transferor and transferee agree to transferring control of the licensed material and activity, and the conditions of transfer, and that the transferee has been made aware of any open inspection items and its responsibility for possible resulting enforcement actions.**

Confirmed.

8. **Confirm that the transferee will abide by all constraints, conditions, requirements, representations, and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.**

Confirmed.

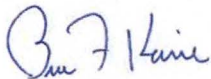
9. **The transferee, in the case of fuel cycle facilities, shall provide documentation showing that it is financially qualified to conduct normal operations. The information can be in the form of income statements and balance sheet forecasts.**

This item is not applicable because Acuren does not hold a license for a fuel cycle facility.

As a result of the foregoing, Acuren asks that the NRC provide its consent to the Transaction pursuant to 10 C.F.R. §§ 30.34(b) and 40.46.

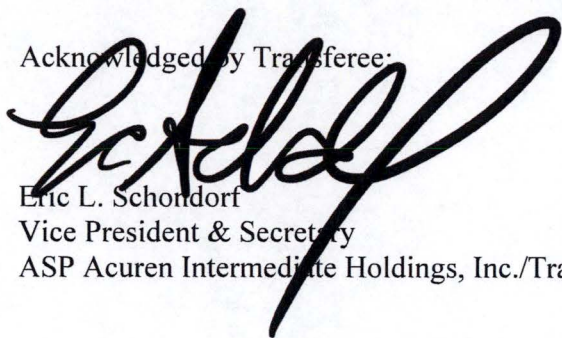
Thank you for your prompt assistance with this request. We plan to follow up on this submittal in the near future to see if the NRC may have questions on it. If you have any questions or require additional information about this notice in the meantime, please contact David A. Franchina of McGuireWoods LLP, 201 North Tryon Street, Suite 3000, Charlotte, NC 28202, who can be reached by phone at 704-343-2297, or email at DFranchina@mcguirewoods.com.

Respectfully submitted,



Bruce F. Karie
Corporate Director of Radiation Safety
Acuren Inspection, Inc./Transferor

Acknowledged by Transferee:

A large, stylized handwritten signature in black ink, which appears to read "Eric L. Schondorf". The signature is written over the printed name and title.

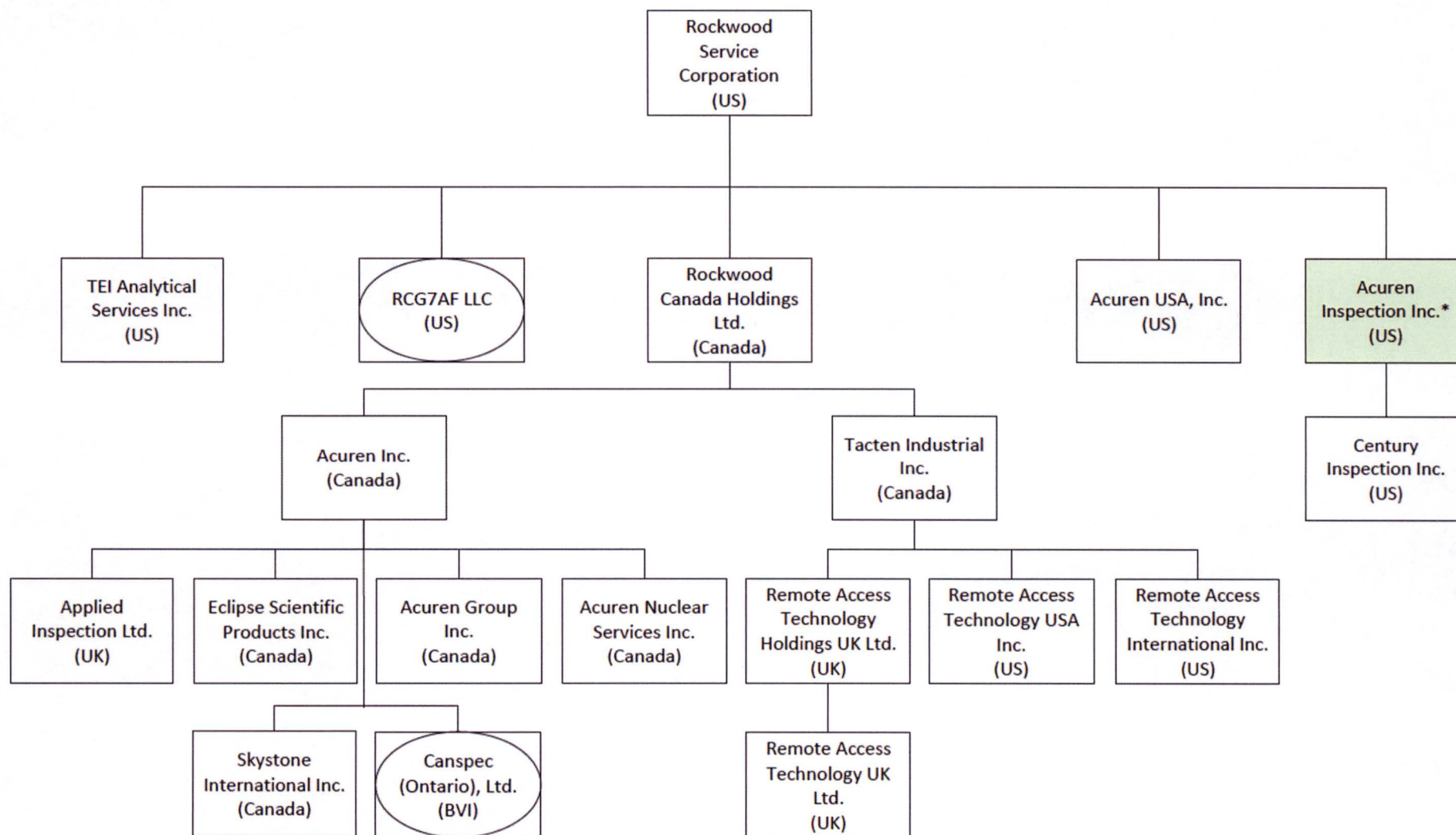
Eric L. Schondorf

Vice President & Secretary

ASP Acuren Intermediate Holdings, Inc./Transferee

Rockwood Service Corporation

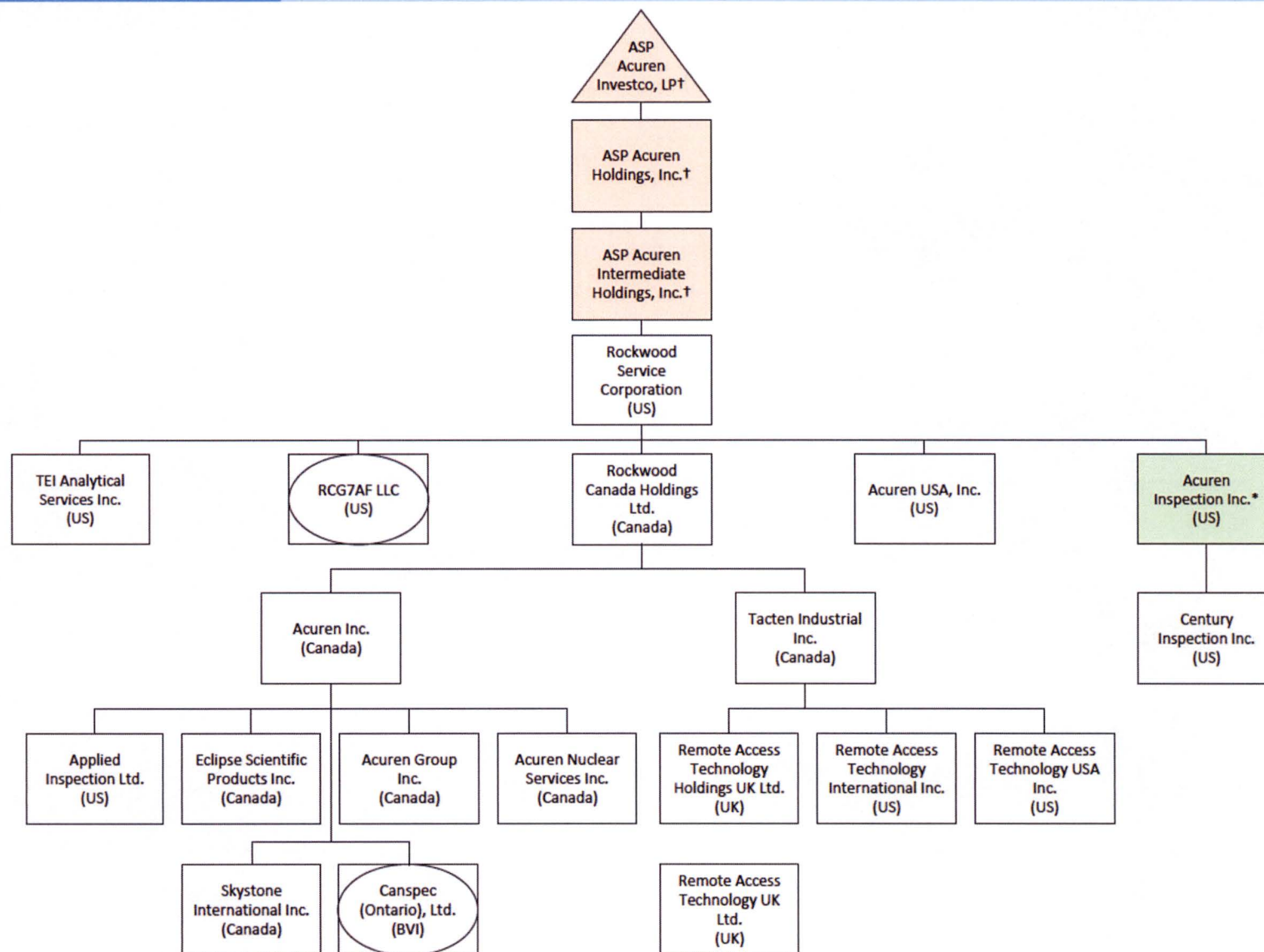
Pre-Merger Structure



*Licensee under U.S. Nuclear Regulatory Commission Radioactive Materials License No. 22-27593-01.

Rockwood Service Corporation

Post-Merger Structure



†American Securities purchaser entities.

*Licensee under U.S. Nuclear Regulatory Commission Radioactive Materials License No. 22-27593-01.

Attachment B



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

FEB 11 2020

Bruce F. Karie
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Acuren Inspection, Inc.
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4566 Abrahamson Road
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Based on the above understandings and as more fully detailed in the attachment which documents the NRC staff's review of the request, we have no objection to the proposed 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 merger agreement confirming completion of the transaction. With this information, we can issue an administrative amendment to your NRC license to reflect the transaction, if necessary. If this planned merger has not been consummated within 30 days of the date of this letter, please notify us in writing.

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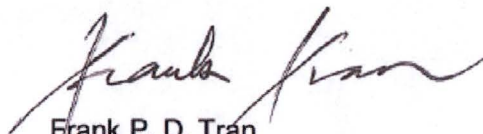
B. Karie

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If you have questions regarding this letter, please contact Frank Tran at 630-829-9623 or frank.tran@nrc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Tran", with a stylized flourish at the end.

Frank P. D. Tran
Health Physicist

License No. 22-27593-01
Docket No. 030-38913
Control No.: 616854

Enclosure: As stated

**LICENSE TRANSFER EVALUATION REPORT
PROPOSED CHANGE OF CONTROL FOR RADIOACTIVE MATERIALS LICENSE
NUMBER 22-27593-01, ACUREN INSPECTION, INC.**

DATE: February 11, 2020

DOCKET NO.: 030-38913

LICENSE NO.: 22-27593-01

LICENSEE: Acuren Inspection, Inc.
4566 Abrahamson Road
Duluth, MN 55811

TECHNICAL REVIEWER: Frank Tran

SUMMARY AND CONCLUSIONS

Acuren Inspection, Inc. is authorized by NRC License 22-27593-01 for the possession and use of radioactive material for industrial radiographic operations. The U.S. Nuclear Regulatory Commission (NRC) staff reviewed a request for consent to an indirect change of control submitted by Acuren Inspection, Inc. that will result from a change in the owners of the majority equity ownership of Rockwood, a holding company, the parent company of Acuren Inspection, Inc. Rockwood will be controlled generally by a new group of investors. The indirect transfer of control is described in Agency Documents Access and Management System (ADAMS) accession number ML19302F502.

The request for consent was reviewed by NRC staff for indirect change in control of a 10 CFR Part 30 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 Acuren Inspection, Inc. sufficiently describes and documents the transaction and commitments made by Acuren Inspection, Inc.

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, Acuren Inspection, 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 Web-Based Licensing system (WBL), Acuren Inspection, Inc. has been an NRC licensee since May 24, 2016. The NRC conducted an onsite inspection of Acuren Inspection, Inc. on August 26, 2019, and no violations were identified during this inspection. The commitments made by Acuren Inspection, Inc. states that Acuren Inspection, Inc. (License No. 22-27593-01):

- 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.

Rockwood, a holding company, is the parent company of the Acuren Inspection, Inc. before and after the indirect transfer of control. In addition, Acuren Inspection, Inc. will continue to be the licensee after the transfer and continue directly controlling the license. Therefore, for security purposes Acuren Inspection, Inc. 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.

Acuren Inspection, Inc. is not required to have decommissioning financial assurance based on the types and amount of material authorized in License No. 22-27593-01.

REGULATORY FRAMEWORK

Acuren Inspection, Inc.'s License No. 22-27593-01, was issued under 10 CFR Part 30, Rules of General Applicability to Domestic Licensing of Byproduct Material. The Commission is required by 10 CFR 30.34 to determine if the change of control is in accordance with the provisions of the Act and 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, 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. Acuren Inspection, Inc.'s request for consent describes an indirect change of control resulting from a change in the ownership of Rockwood, a holding company, the parent company of Acuren Inspection, Inc. Following the change of the owners of the majority of the equity ownership of Rockwood, there will be new board members for Rockwood's Board of Directors controlling Rockwood at closing of the proposed Transaction. Therefore, the control of the NRC license (22-27593-01) is indirectly be

transferred from Rockwood's current shareholders to a group of new investors and, as such, the transfer requires NRC consent.

DESCRIPTION OF TRANSACTION

The transaction is described in ADAMS accession number ML19302F502. After completion of the changes in the ownership of Rockwood, the parent company of Acuren Inspection, Inc., Acuren Inspection, Inc. will continue as the licensee and remain in control of all licensed activities under Materials License No. 22-27593-01. 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 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 Acuren Inspection, Inc. sufficiently describes and documents the commitments made by Acuren Inspection, Inc. 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 Acuren Inspection, Inc. with regard to an indirect change of control of radioactive materials license No. 22-27593-01 and approves the application pursuant to 10 CFR 30.34(b).

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