



October 8, 2021

By Email and FedEx

U.S. Nuclear Regulatory Commission – Region III
ATTN: Bryan A. Parker, Senior Health Physicist
2443 Warrenville Road Suite 210
Lisle, IL 60532-4352

SUBJECT: Request for Consent to Transfer of Control for U.S. Nuclear Regulatory
Commission Materials License Number 24-32292-01

To Whom This May Concern:

Premium Testing & Inspection, Inc. ("Premium") conducts industrial radiographic testing and inspection services under the U.S. Nuclear Regulatory Commission (the "NRC") Radioactive Materials License No. 24-32292-01 (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.

Premium 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, as described below.

Premium holds the License in question in its own name, and has its own management and operational staff who control and conduct the activities covered by the License, and who will not change at the closing of the Transaction. In addition, there will be no changes to Premium'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 Premium's officers.

The Transaction contemplated is a transfer of the equity ownership of Premium by its current shareholders to Rockwood Services Corporation ("Rockwood"). While there will be new board members controlling Premium at closing of the Transaction, the current Chief Executive Officer of Premium, who is also a member of Premium's Board of Directors, will continue on such Board, and the officers of Premium (including the CEO) will remain unchanged. The Transaction will be organized as a merger – whereby a newly formed corporation, PIT Acquisition, Inc. ("PIT Acquisition"), will be merged with and into Premium, with Premium surviving the merger. Thus,

following the transaction, Premium will be wholly owned by Rockwood. Rockwood is a holding company which, through its affiliated companies, already operates in the business of industrial radiographic testing and inspection services. However, Premium will remain a separate operating entity following the Transaction, and will continue to conduct its own operations under the License separately from any other affiliated entities with their own licenses.

The structure and personnel associated with the day-to-day radioactive material licensing at Premium will not change at the closing of the Transaction, nor will Premium's officers. 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, Premium 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 Premium.

However, due to the change in Premium's ownership, Premium asks that the NRC review this notification and 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. The Transaction involves a purchase of the equity interests in Premium by Rockwood, which will become the sole owner of Premium following the Transaction. Rockwood is a holding company which, through its affiliated companies, already operates in the business of industrial radiographic testing and inspection services. Those affiliates include Rockwood's immediate subsidiary Acuren Inspection, Inc., the current holder of NRC Radioactive Materials License No. 22-27593-01.

Premium is owned by a group of shareholders including an individual who currently serves on Premium's Board of Directors. Although Rockwood will invest in and assume sole ownership of Premium, the aforementioned Board member will continue on the Board of Directors controlling Premium at the closing of the Transaction.

Pursuant to an Agreement and Plan of Merger dated October 5, 2021,¹ PIT Acquisition, a wholly-owned subsidiary of Rockwood, will be merged with and into Premium, with Premium surviving the merger. As part of that process, all issued and outstanding shares of stock in Premium will be dissolved; at the same time, all issued and outstanding shares of stock in PIT Acquisition will be converted

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

into shares of stock in post-merger Premium. At the end of the process, Rockwood will be the new sole owner of Premium.

The officers of Premium will remain the same at the closing of the Transaction. While the Board of Directors controlling Premium will be reconstituted in connection with the Transaction, as noted previously, the current CEO of Premium, who is currently on the Board of Directors controlling Premium, will continue on the Board at the closing of the Transaction.

- B. Licensee.** Premium is the current licensee under the License. Following the approval of this notice by the NRC and the closing of the Transaction, Premium will become a wholly owned subsidiary of Rockwood. *Premium, along with all of its direct and indirect subsidiaries, will retain the same names, mailing addresses, operating facilities, and contact information following the Transaction.*

The Transaction will not affect Premium's management structure in regards to the activities carried out under the License, Premium's RSOs, or Premium's officers.

- 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 Premium relating to the License or associated with licensed activities, as a result of the Transaction. Further, Premium 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 Premium's facilities, equipment, and radiation safety program are currently in compliance. There is no known contamination of Premium'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. Premium 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 Premium'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 Premium does not hold a license for a fuel cycle facility.


As a result of the foregoing, Premium 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.

Respectfully submitted,


Steven Corley
Radiation Safety Officer
Premium Inspection & Testing, Inc./Transferor

Acknowledged by Transferee:

A handwritten signature in black ink, appearing to read "Michael Grigsby". The signature is fluid and cursive, with the first name "Michael" written in a larger, more prominent script than the last name "Grigsby".

Michael Grigsby
Vice President, Chief Financial Officer, and Treasurer
Rockwood Services Corporation/Transferee

From: [Steven Corley](#)
To: [Parker, Bryan](#)
Subject: [External_Sender] RE: "EXTERNAL"RE: NRC Direct Change of Control consent
Date: Friday, October 08, 2021 4:13:18 PM
Attachments: [image001.png](#)
[image003.png](#)
[Premium - Final NRC Notification Letter ToC.pdf](#)

Bryan,

As we discussed please see the attached PDF for our formally addressed "9 Questions" from Appendix E of NUREG-1556 concerning the transfer of control.

Steven Corley
Radiography SME/RSO/ASNT Level III

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From: Parker, Bryan <Bryan.Parker@nrc.gov>
Sent: Thursday, October 7, 2021 2:46 PM
To: Steven Corley <SCorley@pitinc.com>
Subject: "EXTERNAL"RE: NRC Direct Change of Control consent

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hey Steven,

To answer your questions – the NRC **will** need to provide consent for this change-of-control (CoC) per 10 CFR 30.34(b)(1). However, I cannot provide such consent here. From our earlier discussion (and the info provided below), this CoC appears very straightforward and involves a “known entity” (Rockwood/Acuren) acquiring Premier and taking over its NRC license. So I do not foresee a problem with consent being granted once an action to review it is initiated and completed.

Therefore, Premier needs to formally address the “9 Questions” in Appendix E of NUREG-1556, Volume , which you referred to , and provide that information to the NRC in writing so that we may open an action to review and provide consent to the transfer. As discussed, once we open an action, it will be posted to the NRC website for a period of 30 days for public comment (again, I’ve never seen ANY of these be commented on), and then we will proceed with the review and consent.

Also, as discussed, if the transaction between Premier and Rockwood is scheduled to occur while the NRC is still reviewing the matter, it is not the NRC’s intention to interfere with business matters. Therefore, the transaction should not be delayed solely for the purpose of awaiting NRC’s consent if that happens to be the case.

If the transaction goes thru while the matter is still under review by NRC, please provide that information to your reviewer as well as soon as practicable.

As discussed, you may provide me with the CoC consent request by email. Simply attach PDF documents to an email to me. The documents should be **SIGNED** by both parties involved – Premier and Rockwood/Acuren, as appropriate.

I hope that helps. Please let me know if you have any further questions.

Thanks.

Bryan

Bryan A. Parker

Senior Health Physicist

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678-828-7050

630-515-1078 (fax)



From: Steven Corley <SCorley@pitinc.com>

Sent: Thursday, October 07, 2021 3:23 PM

To: Parker, Bryan <Bryan.Parker@nrc.gov>

Subject: [External_Sender] NRC Direct Change of Control consent

Bryan,

I appreciate you taking the time earlier today to discuss the NRC's radioactive materials license requirements in light of a contemplated transaction. As we discussed on the call, Premium Inspection & Testing, Inc. ("Premium"), operating under NRC Materials License No. 24-32292-01, Amendment No. 14, for its Missouri operations, has entered into an agreement in which, upon closing, it will be purchased by Rockwood Services Corporation ("Rockwood"). Rockwood already owns other companies that operate in this same business and hold their own materials licenses, including Acuren Inspection, Inc. – another current NRC licensee. Thanks for sending the document my way, Information Needed for Transfer of Control Application, as a guide. I utilized it in compiling the facts of the transaction below:

In the proposed transaction, Premium's current shareholders will sell their interest in Premium to Rockwood, so that Premium will become a wholly-owned subsidiary of Rockwood. Otherwise, Premium will continue to operate as a separate entity under its own materials license. Other than the change in ownership, and a change in some of the members of the board of directors, nothing else will change at Premium. Premium will continue to go by the same name; Premium's corporate officers, management, and employees will stay the same; Premium will remain headquartered in Baton Rouge, and its other locations will also remain the same; the RSOs will stay the same; and there will not be any changes in Premium's activities or operations under the license.

I understand based on our call that in these circumstances, NRC will consent to this transaction involving a change of control of Premium Inspection & Testing, Inc. Can you please reply confirming that the NRC consents to Premium closing this transaction, or that the agency doesn't need to consent to the transaction?

Steven Corley
Radiography SME/RSO/ASNT Level III

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**[https://link.edgepilot.com/s/9d04fc28/C8too2tdEoKW5TOoPoOZJw?
u=http://www.pitinc.com/](https://link.edgepilot.com/s/9d04fc28/C8too2tdEoKW5TOoPoOZJw?u=http://www.pitinc.com/)**

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From: [Tomczak, Tammy](#)
To: [Pavon, Sandy](#)
Cc: [Pavon, Martha](#)
Subject: FW: Please open CoC action
Date: Tuesday, October 12, 2021 6:34:36 AM
Attachments: [External_Sender RE EXTERNALRE NRC Direct Change of Control consent .msg](#)

Good morning, Sandy and Martha,

Can you please add the attached to ADAMS?

Thank you!!
Tammy

From: Parker, Bryan <Bryan.Parker@nrc.gov>
Sent: Friday, October 08, 2021 4:23 PM
To: Tomczak, Tammy <Tammy.Tomczak@nrc.gov>
Subject: Please open CoC action

Hey Tammy,

Please open a change-of-control (CoC) action from the attached request from Premium Inspection. It needs to be posted for 30 days on the website.

Per SUNSI, it can be marked "Publicly-Available, Non-Sensitive."

Let me know if you have any questions.

Thanks.
Bryan

Bryan A. Parker
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