



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

December 20, 2022

Joshua Kochale
Radiation Safety Officer
Tracerco
A Business Unit of Johnson Matthey, Inc.
3320 E. 84th Place, Ste. A/B
Merrillville, IN 46410

SUBJECT: TRACERO, A BUSINESS UNIT OF JOHNSON MATTHEY, INC., REQUEST FOR
WRITTEN CONSENT TO DIRECT LICENSE TRANSFER

Dear Mr. Kochale:

By letter dated October 25, 2022 (Agencywide Documents Access and Management System (ADAMS) Accession Number ML22298A190), Tracerco, A Business Unit of Johnson Matthey, Inc., submitted to the U.S. Nuclear Regulatory Commission (NRC) a request for written consent to a direct transfer of control of U.S. NRC Materials License Number 07-28386-01 and to amend the license to reflect the new licensee. In accordance with Section 184 of the Atomic Energy Act of 1954, as amended (AEA), and Title 10 of the *Code of Federal Regulations* (10 CFR) §30.34, the U.S. NRC consents to the transfer.

Tracerco, A Business Unit of Johnson Matthey, Inc., is authorized by the U.S. NRC to possess and use byproduct material under 10 CFR Part 30. By letter dated October 25, 2022, Tracerco, A Business Unit of Johnson Matthey, Inc., requested written consent to the direct transfer of control of its license from the NRC. Because the license was issued under 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material," the NRC must find that the transfer is in accordance with the provisions of the AEA and, if so, must give its consent in writing prior to the transfer, in accordance with Section 184 of the AEA and 10 CFR §30.34(b). Additionally, the NRC staff reviewed the direct transfer of control request using the guidance in NUREG-1556, Volume 15, Revision 1, "Consolidated Guidance About Materials Licenses – Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses," dated June 2016.

10 CFR §30.34(b) states:

- (1) No license issued or granted pursuant to the regulations in [parts 30] 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.
- (2) An application for transfer of license must include:
 - (i) The identity, technical and financial qualifications of the proposed transferee;
and

(ii) Financial assurance for decommissioning information required by [10 CFR] §30.35.

As described in ADAMS package accession number ML22298A190, the direct transfer of control involves Johnson Matthey Inc. and its wholly-owned subsidiary, Tracerco US LLC undergoing an Internal Reorganization which will result in the licenses, licensed activities, and personnel responsible for licensed materials and licensed activities, being transferred from an unincorporated business unit of Johnson Matthey Inc. (presently known as Tracerco) to Tracerco US LLC, a newly-created and wholly-owned subsidiary of Johnson Matthey, Inc. This Internal Reorganization will result in Tracerco US LLC becoming the licensee. The NRC staff finds that the licensee request adequately provides a complete and clear description of the proposed transaction, consistent with 10 CFR §30.34(b) and Chapter 5 and Appendix E of NUREG-1556, Vol. 15, Rev. 1. The sufficiency of the description is evaluated below.

The request for a direct transfer of ownership was posted for public comment on the U.S. NRC website for 30 days in accordance with 10 CFR Part 2, Subpart M, and as described in the U.S. NRC's Regulatory Issue Summary 2014-08, Revision 1. No comments were received from members of the public.

In the request for a direct transfer of ownership, Tracerco, A Business Unit of Johnson Matthey Inc., provided information regarding its current decommissioning financial assurance. The internal reorganization will not affect Tracerco US LLC's compliance with requirements for financial assurance for decommissioning. The current financial assurance instrument, an Irrevocable Standby Letter of Credit, will be transferred to Tracerco US LLC's and a replacement letter of credit in an identical amount will be provided to the U.S. NRC within 30 days in accordance with 10 CFR §30.35(f).

The NRC staff finds that the licensee's request adequately provided information for financial assurance for decommissioning, consistent with 10 CFR §30.34(b) and Chapter 5 and Appendix E of NUREG-1556, Vol. 15, Rev. 1.

Further, the NRC conducted an inspection of Tracerco, A Business Unit of Johnson Matthey Inc., on March 1, 2019, at the licensee's facility in Merrillville, Indiana. The U.S. NRC identified a Severity Level IV violation involving the loss a radioactive source. Applicable corrective actions were made by the licensee to preclude a recurrence.

Additionally, as described in its request, Tracerco US LLC, commits that it:

- A. has not changed the radiation safety officer listed in the U.S. NRC license;
- B. has not changed the personnel involved in licensed activities;
- C. has not changed the locations, facilities, and equipment authorized in the U.S. NRC license;
- D. has not changed the radiation safety program authorized in the U.S NRC license;
- E. will provide a replacement letter of credit; and
- F. will keep regulatory required surveillance records and decommissioning records.

Based on these commitments, the NRC staff finds that the licensee's request adequately documents the constraints, license conditions, requirements, representations, and commitments made by the transferee, consistent with 10 CFR §30.34(b) and Chapter 5 and Appendix E of NUREG-1556, Vol. 15, Rev. 1.

Tracerco US LLC, is considered a known entity for security purposes. Tracerco US LLC, is considered a known entity because it is a wholly-owned subsidiary company of Johnson Matthey, Inc., which holds U.S. NRC Materials License No. 07-28386-01, authorizing the possession of byproduct material for other services.

An environmental assessment for this action is not required because this action is categorically excluded under 10 CFR §51.22(c)(21).

The staff has reviewed the request for a direct transfer of control of U.S. NRC Materials License Number 07-28386-01. The U.S. NRC staff finds that the direct transfer of control is in accordance with Section 184 of the AEA and 10 CFR §30.34(b) and consents to the transfer. Please note that you will need to notify us promptly, in writing, upon consummating the internal reorganization. If the internal reorganization has not been consummated within 30 days of the date of this letter, please notify us in writing.

Future changes in the licensee's name, licensed use, licensed materials, licensed location, persons responsible for licensed material, or other changes to the corporate organizational structure require submission of a request to amend the license or a request to transfer the license. U.S. NRC approval must be received prior to implementation of any such proposed change.

In accordance with 10 CFR §2.390, a copy of this letter will be available electronically for public inspection in the NRC's Public Document Room or from the Publicly Available Records component of the NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC website at: <https://www.nrc.gov/reading-rm/adams.html>. If you have any questions regarding this letter, you may contact Jason M. Kelly, MPH, Health Physicist, at (630) 829-9737 or via electronic mail at Jason.Kelly@nrc.gov.

Sincerely,

Jason M. Kelly, MPH
Health Physicist
Materials Licensing Branch

License No. 07-28386-01
Docket No. 030-31174
Control No. 633322