



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, DC 20555 - 0001

September 21, 2012

Herley Industries, Inc.
Attn: John McClay, Division President
10 Sonar Drive
Woburn, MA 01801

Mail Control No. 579127

SUBJECT: REQUEST FOR ADDITIONAL INFORMATION

Dear Mr. McClay:

This refers to your letter dated August 28, 2012, concerning Nuclear Regulatory Commission (NRC) Exempt-Distribution Materials License No. 20-13270-02E and the acquisition of Herley New England, a Division of Herley Industries, Inc., by Kratos Defense & Security Solutions, Inc.

The Code of Federal Regulations, Title 10, Part 30, Section 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."

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," contains guidance in Section 5 concerning changes of control.

We currently do not have sufficient information to completely review the implications of this acquisition. In order to continue our review we ask that you provide the following additional information:

1. As stated in Section 5.1 of NUREG-1556, Volume 15, the licensee needs to include the new name of the licensed organization or state that there has been no name change. If appropriate, the licensee should include the new licensee contact and telephone number(s) to facilitate communications.
2. Section 5.2 states: Before approval of a change of control, NRC requires that changes in personnel be documented, reviewed, and approved. Changes in personnel that need to be documented include individuals having control over licensed activities. This may include, in some cases, officers of a corporation or other management individuals who are listed on the license or referred to in the supporting documentation.
3. Section 5.6 states: With regard to open inspection items and/or enforcement actions, the transferee should confirm, in writing, that it is knowledgeable of and accepts full responsibility for open inspection items and/or any resulting enforcement actions. Alternatively, the transferee may propose other measures for meeting these requirements, or the transferor may provide a commitment to close out all such actions

with NRC before license transfer. Please provide a description of action to be taken to resolve open inspection and enforcement issues, if any exist. If none, please so state.

4. A copy of your possession & use license from the State of Massachusetts, and/or a copy of correspondence to indicate that the state has approved Herley's continued possession and use of byproduct material.

In addition, please provide the exact company name and address that should appear on the license.

Any correspondence regarding your application should reference the control number specified above.

In accordance with 10 CFR 2.390 of NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in NRC's Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

If you have any questions, please contact me at (301) 415-5477 or electronic mail: richard.struckmeyer@nrc.gov.

Sincerely,

/RA/

Richard K. Struckmeyer
Licensing Branch
Division of Materials Safety and
State Agreements
Office of Federal and State Materials and
Environmental Management Programs

Docket No. 030-04746

Lic. No. 20-13270-02E

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Sincerely,
/RA/
 Richard K. Struckmeyer
 Licensing Branch
 Division of Materials Safety and
 State Agreements
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Docket No. 030-04746
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| NAME | RStruckmeyer | | |
| DATE | 09/21/2012 | | |

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