

July 12, 2001

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, D.C. 20555

Reference: Docket No. 50-228

Gentlemen:

As Vice President Finance and Treasurer of OEA, Inc., I am pleased to submit this letter as support of our use of the financial test to demonstrate financial assurance, as specified in 10 CFR Part 50. Please also accept this letter as OEA's guarantee of the decommissioning of the facility owned and operated by our wholly-owned subsidiary, Aerotest Operations, Inc., San Ramon, California. The current cost estimate in 2001 dollars for decommissioning the Aerotest Radiography and Research Reactor, which holds NRC License R-98, is \$3,600,000. This includes a 25% contingency factor of \$420,000. Data related to this estimate is attached.

Please note Aerotest Operations, Inc. is a wholly owned subsidiary of OEA, Inc. OEA, Inc. is a wholly owned subsidiary of Autoliv ASP. Each of these legal entities are U.S. companies, audited annually by independent public accounting firm, with over 90% of their assets in the United States. Autoliv ASP's parent Autoliv Inc is New York Stock Exchange listed, Securities and Exchange Department regulated, independently audited company.

The financial test (Alternative I) is as follows:

1.	Decommissioning cost estimates for the facility (Lic. R-98)	\$ 3,600,000
*2.	Total liabilities	\$ 110,212,000
*3.	Tangible net worth	\$ 132,390,000
*4.	Net worth	\$ 133,251,000
*5.	Current assets	\$ 91,158,000
*6.	Current liabilities	\$ 64,483,000
*7.	Net working capital	\$ 26,675,000
*8.	The sum of net income plus depreciation, depletion, and amortization	\$ 19,837,000
*9.	Total assets in United States	\$ 243,463,000

MooH

	<u>YES</u>	<u>NO</u>
10. Is line 3 at least \$10 million?	<u>X</u>	_____
11. Is line 3 at least 6 times line 1?	<u>X</u>	_____
12. Is line 7 at least 6 times line 1?	<u>X</u>	_____
13. Are at least 90 percent of the firm's assets located in the United States?	<u>X</u>	_____
	<u>YES</u>	<u>NO</u>
14. Is line 9 at least 6 times line 1?	<u>X</u>	_____
15. Is line 2 divided by line 4 less than 2.0?	<u>X</u>	_____
16. Is line 8 divided by line 2 greater than 0.1?	<u>X</u>	_____
17. Is line 5 divided by line 6 greater than 1.5?	_____	1.414 <u>X</u>

The figures for the items above marked with an asterisk were derived from Aerotest Operations, Inc.'s audited parent for the fiscal year ended December 31, 2000. Please allow me to note the unaudited numbers for the first six months of 2001 report \$7.4 million in Pre-Tax Income and improved working capital ratios (Current Assets \$88,779,000, Current Liabilities \$ \$32,426,000, Answer to question 17 now "Yes" at 2.738).

I hereby certify that the content of this letter is true and correct to the best of my knowledge.

Sincerely,

OEA, Inc.

William J. Campbell

William J. Campbell
Vice President Finance and Treasurer OEA, Inc.

cc: Ray Tsukimura
Aerotest Operations, Inc.

2001 ADJUSTED ESTIMATE

DECOMMISSIONING COST AEROTEST RADIOGRAPHY AND RESEARCH REACTOR San Ramon, California

Pursuant to 10CFR50.33 (k), which sets forth the requirements for developing decommissioning funding for nuclear reactors, an analysis was performed to determine the cost to decommission the Aerotest Radiography and Research Reactor (ARRR). The ARRR is operated under USNRC License R-98 described in NRC Docket No. 50-228.

Located in San Ramon, California, the ARRR is operated by Aerotest Operations, Inc., a wholly owned subsidiary of OEA, Inc. The ARRR is a 250 thermal kilowatt research reactor which is used for the production of neutron radiographs, and for the occasional irradiation of samples. The facility is comprised of a TRIGA reactor contained in a water filled, below ground aluminum tank. Unlike any TRIGA research facilities, the ARRR does not contain a pneumatic irradiation capability, does not have an associated hot cell on site, does not have an irradiation pool, nor does it have contaminated hot lab facilities which could be used for the separation of irradiated samples.

In the development of this cost estimate, extensive use was made of NUREG/CR-1756 Vol. 1 Technology, Safety and Costs of Decommissioning Reference Nuclear Research and Test Reactors. Particular note was taken of the data prepared for the reference Research Reactor inasmuch as the nuclear core design is the same (a TRIGA) as the ARRR. The principal differences between the reference Research Reactor and the ARRR are the power level (1000kW vs. 250KW for the ARRR), and the special facilities (hot lab, hot cell, and pneumatic rabbit) which the ARRR does not have.

Costs were developed for decommissioning the ARRR and were compared with those given in Table 11.1-1 of NUREG/CR-1756. After allowances were made for the relative simplicity of the ARRR, the agreement between our estimate and the table are quite good.

Summary of Estimated Costs for Decommissioning the ARRR are as follows:

<u>Cost Category</u>	<u>Est. Costs (\$1990)</u>	<u>Current (\$2001)</u>	<u>% of Total</u>
Disposal of Radioactive Material			
Neutron Activated Material	\$ 20,400	\$1,000,000	
Contaminated Material	18,500	300,000	
Radioactive Wastes	<u>12,000</u>	<u>200,000</u>	
Total Disposal Costs	\$ 50,900	\$1,500,000	41.7
Staff Labor	200,000	1,000,000	27.8
Energy	17,000	170,000	4.7
Spec. Tools & Equipment	26,000	200,000	5.6
Misc. Supplies	7,600	100,000	2.8

<u>Cost Category</u>	<u>Est. Costs (\$1990)</u>	<u>Current</u>	<u>% of Total</u>
Nuc. Insurance	6,000	30,000	.8
Lic. Fees	<u>17,000</u>	<u>180,000</u>	<u>5.0</u>
Subtotal	\$ 324,500	<u>\$1,680,000</u>	<u>46.7</u>
Contingency (25%)	<u>81,125</u>	<u>\$ 420,000</u> 2,100,000	<u>11.7</u>
Total Decommissioning Cost	<u>\$ 405,625</u>	<u>\$3,600,000</u>	<u>100.0</u>
<u>Other Costs</u>			
Spent Fuel Shipment	\$ 74,800	\$ 200,000	
Facility Rehab.	<u>60,000</u>	<u>100,000</u>	
Subtotal	134,800	300,000	
Contingency (25%)	<u>33,700</u>	<u>75,000</u>	
Total Other Possible Costs	<u>\$168,500</u>	<u>\$ 375,000</u>	
Grand Total Decommissioning Costs		<u>\$3,975,000</u>	