

Autoliv

April 12, 2006

Marvin Mendonca
Senior Project Manager
Mail Stop 012-G13
Operational Experience and Non-Power Reactors Branch
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation
United States Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Via Facsimile (301) 415-2279

Re: Divestiture Plan Regarding Indirect Transfer of the Aerotest Radiography and Research Reactor (ARRR), Docket No. 50-228 License No. R-98

Dear Mr. Mendonca:

Pursuant to our earlier correspondence and discussions, the following is a report of Aerotest's activities in support of its divestiture plan. As a preliminary matter, I would like to report that Aerotest continues to meet the provisions of the negation plan proposed in my letter of January 29, 2004. All directors of Aerotest Operations, Inc., its parent company and the parent of its parent company continue to be U.S. citizens. No non-U.S. director of any company in the Autoliv family of companies has taken any role, no matter how minor, in the operations of Aerotest.

I have reported in earlier correspondence, we have been unable to identify potential buyers of the business with the exception of two customers of Aerotest, each of which has, in the past, expressed an interest in evaluating a purchase of the business. The President of Aerotest has discussed a potential sale of the business with each of these customers on several occasions. One entity has changed of senior management is no longer pursuing any current acquisitions. The other has reevaluated its need for the facility and appears to be no longer interested.

In late November 2005, Mr. Tsukimura and I met with staff members from the offices of Senator Feinstein and Representative Pombo to explain the ownership issue and to seek any congressional assistance that might be available to resolve it. The representatives of both the Senator and the Congressman committed to assist in resolving this problem, and we understand that a letter has been sent from the Senator's office to the NRC. Although we are not privy to that correspondence we hope that it will provide the beginnings of a possible solution of this license transfer situation.

Thus far in 2006, revenue and earnings for the Aerotest have remained relatively consistent with last year. Aerotest's testing services continue to be predominately related

Michael S. Anderson
Vice President for Legal Affairs
and General Counsel

Phone: (248) 475-0442
Fax: (248) 475-9296

American Technical Center
1320 Pacific Drive
Auburn Hills, MI 48326

Phone: (248) 475-9000

to government contracts, virtually all in the defense field, and in most cases Aerotest continues to be the only source of these testing services.

We will continue to comply with the negation plan contained in my January 29, 2004 letter, and to report to you at 60 day intervals concerning progress on our divestiture plan. I would be happy to answer any question you may have about the foregoing. Please feel free to contact me at your convenience.

Very truly yours,



Michael S. Anderson
Vice President for Legal Affairs
and General Counsel

cc: R. Tsukimura