

AEROTEST OPERATIONS, INC.

3455 FOSTORIA WAY • SAN RAMON, CA 94583 • (925) 866-1212 • FAX (925) 866-1716

September 27, 2010

Document Control Desk
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville MD 20852

Tim McGinty, Director
Division of Policy and Rulemaking
Office of Nuclear Reactor Regulation
Mail Stop O12E1
11555 Rockville Pike
Rockville MD 20852

RE: NRC-2010-0178; Docket No. 50-228; License No. R-98

Description of Anticipated Agreements with the U.S. Department of Energy and the U.S. Department of Defense

By notice published in the Federal Register dated September 17, 2010, the U.S. Nuclear Regulatory Commission determined that good cause had been shown to extend the effectiveness of the Order of July 6, 2010 (the "Order") and therefore ordered the extension of the Order until October 15, 2010, subject to certain conditions. One such condition requires the submission to the NRC Director, Division of Policy and Rulemaking, of a written description of the agreements Aerotest Operations, Inc. ("the Licensee") and X-Ray Industries, Inc. ("XRI") anticipate reaching with the U.S. Department of Energy (the "DOE") and the U.S. Department of Defense (the "DOD") regarding the ultimate disposition of the spent nuclear fuel generated by the Licensee's facility. Additionally, the written description is required to provide an estimated date for completion of the transfer.

The following is the report of the Licensee as of the date indicated above.

The U.S. Department of Energy

As of September 10, 2010, the Licensee and the DOE executed an amendment to the Contract for disposal of spent nuclear fuel generated by the Licensee's facility. See U.S. Department of Energy Contract Amendment to DE-CR01-83NE44484, attached to this report for your convenience. Among other modifications of the contract language, the amendment establishes the fee for the disposal of the spent nuclear fuel generated by the Licensee.

A020

The U.S. Department of Defense

Based on various discussions and communications that occurred among the Licensee, XRI and the DOD between September 3, 2010 and September 23, 2010, the parties anticipate a legal commitment by the DOD to provide for interim storage of the spent nuclear fuel generated at the facility upon cessation of operations and pending permanent disposal by the DOE. The DOD has indicated verbally that it has a legal pathway forward for resolving this outstanding issue, but the parties have yet to review any written proposal.

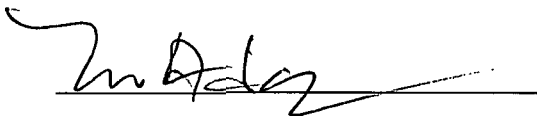
Estimated Date for Completion of the Transfer

Autoliv ASP, Inc., and XRI have executed a stock purchase agreement that would transfer all outstanding shares of stock of Licensee to XRI effective as of the closing of the transaction on October 15, 2010. The parties currently expect that the transfer will take place on the agreed closing date; however, closing of the transaction is contingent on the DOD lawfully committing to the Licensee, in form and substance reasonably acceptable to XRI, to take interim storage of nuclear fuel and all spent fuel elements at the site upon cessation of operations, pending permanent storage and disposal by the DOE.

I, Michael S. Anderson, hereby certify that the content of this letter contains information that is true and correct to the best of my knowledge.

If you have any questions regarding this submittal, please contact Michael S. Anderson, Secretary of Aerotest at (248) 475-0442 or mike.anderson@autoliv.com.

Sincerely,



Michael S. Anderson
Secretary
Aerotest Operations, Inc.

cc: Via Federal Express
C. Montgomery
Mail Stop O12G7
Document Control Desk
U.S. Nuclear Regulatory Commission
11555 Rockville Pike

Rockville MD 20852