



AEROTEST OPERATIONS, INC.

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

February 21, 2011

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

**RE: Docket No. 50-228 Aerotest Radiography and Research Reactor
License No. R-98**

Pursuant to its letter of January 7, 2011 to the U.S. Nuclear Regulatory Commission (the "NRC"), Aerotest Operations, Inc. is providing this letter to report the status of its efforts to divest itself of the Aerotest Radiography and Research Reactor ("ARRR").

Aerotest is continuing discussions with a publicly traded corporation that provides nuclear services whereby the entity would take possession and stewardship of the facility, but Aerotest would retain title to the reactor fuel until such time as the U.S. Department of Energy would accept it for permanent storage.

Aerotest has also renewed discussions with X-Ray Industries, Inc., although such discussions are very preliminary and it is uncertain that they will result in further negotiations.

Finally, Aerotest has been approached by an individual with ties to the nuclear industry who purports to represent two entities potentially interested in pursuing a transaction. The parties have signed a non-disclosure agreement, Aerotest has provided basic information about the facility and we are awaiting the commencement of due diligence investigations by the potential buyer(s). This opportunity is obviously very preliminary and it is uncertain whether discussions will proceed further.

*AO20
NRR*

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.

On behalf of Aerotest Operations, Inc., I certify that the content of this letter contains information that is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "M. Anderson", is written over a solid horizontal line.

Michael S. Anderson
Secretary
Aerotest Operations, Inc.