



AEROTEST OPERATIONS, INC.

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March 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. At this time we are waiting for a financial proposal. At the same time, we continue to work with the decommissioning contractor we have selected. Site characterization work has begun, including, most recently, a meeting at the facility on March 16.

As previously reported, Aerotest has also renewed discussions with X-Ray Industries, Inc., although such discussions have been very preliminary and it is uncertain that they will result in further negotiations. There are no new developments in these discussions to report.

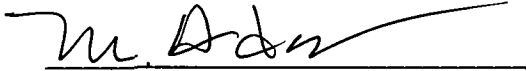
Finally, Aerotest has been approached by an individual with ties to the nuclear industry who purports to represent two entities potentially interested in pursuing a transaction. Non-disclosure agreements have been agreed to with one of these entities. Due diligence materials have been sent to the representative, and although the due diligence visit scheduled at the facility for the week of March 13 was postponed, we believe it will be rescheduled shortly. Because of the level of interest expressed, we are hopeful that a transaction can be negotiated, and we believe that it is in the best interests of the customers and employees of Aerotest, as well as the entities of the U.S. government that are the

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largest ultimate users of the company's services, that a transferee be found that will continue operation of the facility.

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 horizontal line.

Michael S. Anderson
Secretary
Aerotest Operations, Inc.