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License No. R-98

March 23, 2011

U.S. Nuclear Regulatory Commission

Attn: Document Control Desk

Washington, D.C. 20555-0001

Aerotest Radiography and Research Reactor

Docket No. 50-228

First Response to NRC Letter of February 26, 2011

Ladies and Gentlemen:

This letter and its attached affidavit provide the initial response to U.S. Nuclear Regulatory Commission ("NRC") letter dated February 26, 2011 in the above docket. The NRC letter, also called a Confirmatory Action Letter ("CAL"), describes the actions Aerotest Operations, Inc. ("Aerotest") has taken or will take regarding operations, amending the license, staffing, decommissioning planning, and managing and funding disposition of fuel associated with the Aerotest Radiography and Research Reactor ("ARRR"). The CAL requested that Aerotest inform the NRC of any differences in understanding; provide prior notice to the NRC of any changes, deviations or incomplete commitments; and confirm completion of actions.

Aerotest, as set forth below and as supported in the attached affidavit, provides the following clarifications, changes, deviations, and completed actions with respect to the CAL.

1. Aerotest continues to negotiate with potential buyers of ARRR. Aerotest signed a Non-Disclosure Agreement with an agent of a potential buyer and that entity has commenced due diligence reviews of ARRR.

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NRR



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2. Current operations and status of ARRR remain as described in paragraph 1 of Aerotest letter of January 7, 2011.
3. Current staffing of ARRR remain as described in paragraph 2 of Aerotest letter of January 7, 2011.
4. After reviewing proposals from two decommissioning contractors, EnergySolutions, Inc. ("EnergySolutions") was selected as the decommissioning contractor in January 2011. A contract with EnergySolutions was signed in late February 2011. Site characterization, including a historical site assessment, commenced on March 16, 2011. EnergySolutions reports that it is updating its schedule for preparing a decommissioning plan. Aerotest plans to submit a request for a possession only license in conjunction with the decommissioning plan. A letter stating that ARRR has permanently ceased operations would be submitted at that same time, if appropriate.
5. Aerotest is developing a decommissioning funding plan in parallel with the EnergySolutions preparation of the decommissioning plan.
6. Fuel management options were discussed in a meeting with EnergySolutions on March 17, 2011. Several options for fuel management, including the approach recently approved by the NRC for the Zion Station, are being evaluated. EnergySolutions reports that it plans to provide an assessment of the options within 90 days. Aerotest is developing a fuel management funding plan in parallel with the EnergySolutions work. While Aerotest secured necessary agreements from the U.S. Department of Energy ("DOE") with regard to used nuclear fuel that would be appropriate for continuing operations, additional negotiations with DOE may be necessary, depending on the fuel management option selected for decommissioning.
7. While Aerotest has no plans to commence research or N-ray work at the ARRR, Aerotest is unaware of any regulatory approvals required prior to resuming such work.

The CAL was received by Aerotest management on March 14, 2011. This letter is submitted within fourteen days of that date.

Aerotest will provide its next update no later than the end of June 2011. In the event that negotiations on the sale of ARRR produce measurable results, such as signing a letter of intent or purchase and sale agreement, Aerotest will provide an update on the divestiture effort within fourteen days of such an event.

This undersigned affirms the accuracy of the contents of this letter to best of his



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knowledge and belief. If you have any questions regarding this submittal, please contact the undersigned at (202) 663-9086 (robert.haemer@pillsburylaw.com) or Michael S. Anderson; Secretary of Aerotest at (248) 475-0442 (mike.anderson@autoliv.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Robert B. Haemer".

Robert. B. Haemer

Counsel for Aerotest Operations, Inc.

cc: U.S. NRC Office of Nuclear Reactor Regulation/NRLPO
U.S. NRC Region IV, Regional Administrator
NRC, NRR (C. Montgomery)
NRC, OGC (S. Uttal)

AFFIDAVIT OF DARIO BRISIGHELLA

I, Dario Brisighella, President Aerotest Operations, Inc., do hereby affirm and state:

1. I am authorized to execute this affidavit on behalf of Aerotest Operations, Inc. (hereinafter referred to as "Aerotest").
2. I provide this affidavit pursuant to the actions described in the NRC letter to Aerotest of February 26, 2011, also known as a Confirmatory Action Letter ("CAL").
3. Aerotest has signed a Non-Disclosure Agreement with an agent of a potential buyer and that entity has commenced due diligence reviews of ARRR.
4. Current operations and status of Aerotest Radiography and Research Reactor ("ARRR") remain as described in paragraph 1 of Aerotest letter of January 7, 2011.
5. Current staffing of ARRR remain as described in paragraph 2 of Aerotest letter of January 7, 2011.
6. After reviewing proposals from two decommissioning contractors, EnergySolutions, Inc. ("EnergySolutions") was selected as the decommissioning contractor in January 2011. A contract with EnergySolutions was signed in late February 2011.
7. EnergySolutions commenced site characterization, including a historical site assessment, on March 16, 2011. EnergySolutions reports that it is updating its schedule for preparing a decommissioning plan. Aerotest plans to submit a request for a possession only license in conjunction with the decommissioning plan. A letter stating that ARRR has permanently ceased operations would be submitted at that same time, if appropriate.
8. Aerotest is developing a decommissioning funding plan in parallel with the EnergySolutions preparation of the decommissioning plan.
9. Fuel management options were discussed in a meeting with EnergySolutions on March 17, 2011. Several options for fuel management, including the approach recently approved by the NRC for the Zion Station, are being evaluated. EnergySolutions reports that it plans to provide an assessment of the options within 90 days. Aerotest is developing a fuel management funding plan in parallel with the EnergySolutions work. While Aerotest secured necessary agreements from the U.S. Department of Energy ("DOE") with regard to used nuclear fuel that would be appropriate for continuing operations, additional negotiations with DOE may be necessary, depending on the fuel management option selected for decommissioning.
10. Aerotest has no plans to commence research or N-ray work at the ARRR. Aerotest is not aware of any regulatory approvals required prior to resuming such work.

11. I received the CAL on March 14, 2011 and forwarded it to other Aerotest management at that time.

Dario Brisighella, being duly sworn, states that I am President of Aerotest, that I am authorized on the part of said Company to sign and file with the U. S. Nuclear Regulatory Commission this affidavit, and that all the matter and facts set forth herein are true and correct to the best of my knowledge.



Dario Brisighella
President, Aerotest Operations, Inc.

Subscribed and sworn to before me, a Notary Public, in and for the county and state above named, this 23 day of March, 2011.



Notary Public in and for the State of Utah

My Commission Expires: Apr 2, 2014

