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License No. R-98
June 14, 2011

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, D.C. 20555-0001

**Aerotest Radiography and Research Reactor
Docket No. 50-228
Response to NRC Letter of May 24, 2011**

Ladies and Gentlemen:

This letter provides a response to U.S. Nuclear Regulatory Commission ("NRC") letter dated May 24, 2011 in the above docket. On February 26, 2011, the NRC issued a Confirmatory Action Letter ("CAL") in this docket, describing the actions Aerotest Operations, Inc. ("Aerotest") agreed it had 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"). As requested by the CAL, Aerotest's letter of March 23, 2011, informed the NRC of any differences in understanding; provided prior notice to the NRC of any changes, deviations or incomplete commitments at the time; and confirmed completion of actions. The March 23 Aerotest letter stated that the next update under the CAL would be provided no later than the end of June 2011.

Paragraph 1 of the NRC's May 24, 2011 letter requested that Aerotest provide at 14 day intervals an update of the progress of divestiture efforts and "an estimate of when current discussions with potential buyers will be complete." The NRC May 24, 2011 letter was received by Aerotest on May 31, 2011 and this response is provided within fourteen days of receipt as requested.

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Aerotest remains in confidential discussions with potential buyers of ARRR. Aerotest signed a Non-Disclosure Agreement with an agent of a potential buyer and that entity has continued its due diligence reviews. While it is prevented by this and previous Non-Disclosure Agreements from discussing specific terms, Aerotest has communicated to the potential acquirers the status of the facility and the need to pursue any negotiations expeditiously, especially in consideration of the timeframes for commencing decommissioning agreed to under the CAL. Therefore, as stated in the CAL as clarified, Aerotest expects that either current discussions with potential buyers will be completed before the decommissioning plan is submitted or Aerotest will terminate the discussions in order to facilitate commencement of decommissioning.

Paragraph 4 of the NRC letter of May 24, 2011 states, in part, "Please confirm to the NRC staff that the estimate for submitting a decommissioning plan to the NRC of 180 to 270 days from March 16, 2011, remains valid." As clarified in the Aerotest letter of March 23, 2011, EnergySolutions has been engaged to develop a decommissioning plan and is updating the schedule for preparing this plan. In that letter, Aerotest committed to update the schedule for submitting a decommissioning plan to the NRC by the end of June 2011. At this time, Aerotest continues to estimate submitting a decommissioning plan no later than December 12, 2011, but the estimate may be revised in the future to reflect additional input from EnergySolutions.

In addition, paragraph 4 of the NRC letter of May 24, 2011 states, in part, "If discussions with current potential buyers are not successful, you should submit your application for a possession-only license amendment no later than 30 days after discussions with the current potential buyers comes to an end." Aerotest will submit an application for a possession-only license amendment either in conjunction with submitting the decommissioning plan or within 30 days of when discussions with current potential buyers end, whichever occurs first.

Aerotest will provide its next update by June 28, 2011.



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This undersigned affirms the accuracy of the contents of this letter to best of his 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", with a long horizontal flourish extending to the right.

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)