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U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
11555 Rockville Pike
Rockville MD 20852
via courier

Aerotest Radiography and Research Reactor
Docket No. 50-228
Confirmation of Changes in Decommissioning Plan Submittal Date

Ladies and Gentlemen:

This letter documents discussion of current efforts in response to U.S. Nuclear Regulatory Commission ("NRC") letters dated February 26, 2011 and May 24, 2011 in the above docket. The NRC letter of February 26, 2011, also called a Confirmatory Action Letter ("CAL"), described the actions Aerotest Operations, Inc. ("Aerotest") had taken or was planning to 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. In accordance with the CAL, starting in March 23, 2011, Aerotest has notified the NRC of any changes, deviations or incomplete commitments and confirmed completion of actions.

On December 9, 2011, Aerotest and its counsel had a teleconference with the NRC Staff and its counsel. This teleconference was initiated by the NRC following several discussions between the NRC and Aerotest starting on November 21, 2011. In that teleconference, Aerotest provided several updates regarding divestiture and the impact on decommissioning planning of spent fuel management. This letter confirms that discussion.

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1. Status of Divesture Efforts

With regard to divesture of ARRR, three potential buyers have each signed a Non-Disclosure Agreement ("NDA"). Aerotest has received two written offers outlining the terms for acquisition of the ARRR. One entity continues due diligence reviews and is expected to submit a written offer by the middle of January 2012. Based on that schedule, Aerotest estimates that negotiations with current buyers will end by the end of February 2012. Based on these dates, Aerotest, by the end of March 2012, will submit to the NRC either (1) a request for a possession only license ("POL") or (2) a schedule for submitting a license transfer application.

Previously, in the Aerotest letter of June 14, 2011, Aerotest stated that it "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." For the reasons discussed in section 2 below, Aerotest must delay the submittal of the decommissioning plan; therefore, Aerotest now expects the negotiations with current buyers will complete before the decommissioning plan is submitted.

In the Aerotest letter of June 14, 2011, Aerotest stated that "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." Because discussions with current potential buyers are ongoing and are expected to end before the decommissioning plan is submitted, Aerotest is not required to submit a POL application at this time.

2. Decommissioning Plan Status

The CAL required that Aerotest interview two decommissioning contractors and select one in January 2011. Aerotest interviewed two decommissioning contractors in January 2011. In the Aerotest letter of June 14, 2011, Aerotest stated that "[a] contract with EnergySolutions was signed in late February 2011." Besides requiring Aerotest to select a decommissioning contractor, the CAL stated that Aerotest "estimated that preparation of the decommission plan will take between 180 and 270 days." In the affidavit of Michael Anderson dated November 28, 2011 submitted by Aerotest's letter of November 29, 2011, Aerotest stated that EnergySolutions had provided a draft decommissioning plan.

In Aerotest's letter of June 14, 2011, Aerotest stated that "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." Such additional input from EnergySolutions has in fact been received, warranting the revision of the estimate for submitting a decommissioning plan.



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In Aerotest's letter dated November 29, 2011 and the affidavit attached thereto, Aerotest stated that EnergySolutions prepared a draft decommissioning plan that recommends delaying submittal of the decommissioning plan until after fuel is removed from the ARRR site. During the teleconference on December 9, 2011, Aerotest explained that the EnergySolution's draft decommissioning plan assumes that fuel will remain on site and that decontamination would not begin until after the spent fuel had left the site. Aerotest stated its intent is not to submit the current draft to the NRC until after it is appropriately revised to address spent fuel management on-site. The NRC staff agreed that such a decommissioning plan that did not address SAFSTOR for spent fuel retained on site for a long period would probably not be suitable for docketing.

The NRC guidance in Guidelines for Preparing and Receiving Applications for the Licensing of Non-Power Reactors (NUREG-1537), Part 1, was discussed during the teleconference on December 9, 2011. Specifically, Aerotest asked the NRC to provide additional guidance for decommissioning a non-power reactor with spent fuel on site as called for in NUREG-1537, Part 1, § 17.1.5. The NRC Staff stated the NRC would schedule a public meeting to discuss guidance appropriate for commencing decommissioning of ARRR with spent fuel on site. Aerotest stated that after such a public meeting, Aerotest would prepare appropriate comments to EnergySolutions to revise the draft decommissioning plan. Therefore, as stated in Aerotest letter dated November 29, 2011, Aerotest expects there will be a delay in submitting a decommissioning plan until some time after such a public meeting and the decommissioning plan is revised.

Aerotest will provide its next update on December 13, 2011.

The 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,

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 (S. Traiforos)
NRC, OGC (S. Uttal)