

NOTE TO: File

FROM: Spyros Traiforos, Project Manager for Aerotest

DATE: March 31, 2012

SUBJECT: Minutes from the informal conference call of March 30, 2012, between the licensee (Aerotest Operations, Inc.) and the NRC

Conference call attendees:

NRC

Jessie Quichocho, Chief Research and Test Reactors Licensing Branch
Al Adams
Suzan Uttal, OGC
Tison Campbell
Spyros Traiforos, PM for Aerotest

Aerotest

Dario Brisighella, President, Aerotest Operations, Inc.
Mike Anderson, Corporate Secretary, Aerotest Operations, Inc.
Jay Silberg, Pillsbury, Counsel for Aerotest Operations, Inc.

Purpose

To review the status of the Aerotest deliverables contained in the Aerotest letter dated January 24, 2012. The discussion was limited to generic issues, regulatory processes and scheduler information.

Background Information

In a letter dated January 24, 2012, Aerotest stated that by the end of March 2012, it would inform the NRC that either:

1. Negotiations for acquisition have ended, then submit a decommissioning plan and application for possession – only license amendment to the NRC by the end of April 2012; or
2. Negotiations have resulted in a selected offeror, then submit schedule for submission of a license transfer application and a date to resume commercial operation of reactor.

Discussion

Aerotest stated that they have found a prospective buyer, Nuclear Labyrinth, a company located in Salt Lake City, Utah. The principal of the company is Dr. David Slaughter. Aerotest also stated that they have formulated a framework of an agreement for transferring the license to Nuclear Labyrinth. NRC stated that they wanted a letter of commitment by the owner of Nuclear Labyrinth to proceed with the negotiations for acquiring ARRR. Aerotest committed to provide such information by April 6, 2012. Aerotest also committed to provide in sixty (60) days, i.e. by May 30, 2012, a license transfer application to Nuclear Labyrinth.

At the conclusion of the discussion, NRC management reminded Aerotest that in numerous occasions Aerotest has not lived up to their commitments and deadlines. For example, Aerotest failed to provide the NRC by today, March 30, 2012, with a document identifying the selection of the offeror, as stated in their January 24, 2012 letter and a schedule for filing a license transfer application. Therefore, the NRC stated that it is strongly considering the issuance of an order if Aerotest does not fulfill the above commitments. (After the conference call, NRC received through e-mail a letter dated March 30, 2012, from Mr. Jay Silberg of Pillsbury, Council of Aerotest addressed to the NRC Document Control Center, confirming the April 6, 2012 date.)

As a side issue, NRC also reminded Aerotest that they continue to cease operations as of October 15, 2010, except for testing, sampling and fuel observations to comply with the current reactor license. NRC stated that due to the damaged fuel elements at ARRR, Aerotest should submit timely to the NRC for review a license amendment to relax any upcoming surveillances.