



Pillsbury Winthrop Shaw Pittman LLP
1200 Seventeenth Street NW | Washington, DC 20036-3006 | tel 202.663.8000 | fax 202.663.8007

Jay E. Silberg
tel: 202.663.8063
jay.silberg@pillsburylaw.com

June 15, 2016

ATTENTION: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, DC 205550-0001

AEROTEST RADIOGRAPHY AND RESEARCH REACTOR
DOCKET NO. 50-228/LICENSE NO. R-98

RESPONSE TO REQUEST FOR ADDITIONAL INFORMATION RE:
APPLICATION FOR A CHANGE IN METHOD OF PROVIDING FINANCIAL
PROTECTION (TAC NO. MF6254)

Ladies and Gentlemen:

In its January 20, 2016 letter, the NRC requested the Aerotest Operations, Inc. provide additional information with regard to its May 6, 2015 request that it be permitted to change the method of providing financial protection for the Aerotest Research and Radiography Reactor, Facility Operating License No. R-98. Pursuant to discussions between the licensee and Mr. Edward Helvenston, we are enclosing herewith the following documents in support of the request.

1. Consolidated Financial Statements, Autoliv ASP, Inc. ("Autoliv") for the years ending December 31, 2015 and 2014 (proprietary)
2. Draft Parent Company Guarantee Agreement
3. Draft Standby Trust Agreement
4. Draft Chief Executive Officer letter
5. Draft Chief Financial Officer letter, including parent company guarantee financial test (contains proprietary information)
6. Draft Chief Financial Officer letter (redacted)
7. Draft confirmation of Chief Financial Officer's letter

ADZD
NRR

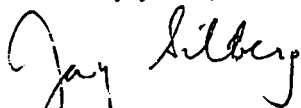
June 15, 2016

Page 2

8. Draft Supplemental Agreement between Trustee and Autoliv
9. Affidavit of Anthony Nellis, Vice President and General Counsel of Autoliv regarding proprietary treatment for financial information in Consolidated Financial Statements and draft Chief Financial Officer letter.

We would appreciate the opportunity to review the draft documents with you before we finalize them so that we can make sure that they meet the NRC's requirements to support the parent company guarantee.

Sincerely yours,



Jay E. Silberg

Counsel for Aerotest Operations, Inc.

Enclosures:

cc: NRC, NRR (Helvenston)
NRC, NRR (Traiforos)
NRC, OGC (Ghosh)

NON PROPRIETARY

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington DC 20555

Re: Aerotest Operations, Inc., Docket No. 50-228
Response to Request for Additional Information Regarding Application for
Change in Method of Providing Financial Protection

Reference 1: Letter from Spyros Traiforos, Project Manager, Research and Test Reactor Licensing Branch re: Aerotest Operations, Inc. – Request for Additional Information Regarding Application for a Change in Method of Providing Financial Protection (TAC No. MF6254) dated January 20, 2016.

I am the chief financial officer of Autoliv ASP, Inc., a corporation (“Autoliv”). In the Request for Information (“RFI”) included with Reference 1, the NRC Staff stated that it needed additional information to enable it to complete a detailed technical review of request of Aerotest Operations, Inc. (“Aerotest”) to rely on its parent company, Autoliv, to provide adequate financial assurance in accordance with 10 C.F.R. § 140.14(a)(2). The NRC Staff further stated that it had determined that the criteria established in Appendix A to 10 C.F.R. Part 30 and guidance in NUREG-1757, “Consolidated Decommissioning Guidance – Financial Assurance, Recordkeeping, and Timeliness” are appropriate for the purpose of evaluating Aerotest’s reliance on the adequate resources of Autoliv. This letter is in support of Aerotest’s use of the financial test outlined in Appendix A to 10 C.F.R. Part 30 to demonstrate financial assurance in accordance with 10 C.F.R. § 140.14(a)(2).

Autoliv guarantees, through the parent company guarantee submitted to demonstrate compliance under 10 CFR § 140.14, that adequate resources are available to provide the financial protection specified in 10 C.F.R. § 140.11(a)(2) for the following facility owned and operated by Aerotest, a subsidiary of Autoliv. The amount of financial protection required for this facility, so guaranteed, is shown for the facility:

Name of Facility: Aerotest Research and Radiography Reactor (“ARRR”)

License Number: R-98

Location of Facility: 3455 Fostoria Way, San Ramon, California, 94583

Amount of Financial Protection: \$1.5 Million

Autoliv is required to file a Form 10-K with the U.S. Securities and Exchange Commission for the latest fiscal year.

The fiscal year of this firm ends on December 31. The figures for the following items marked with an asterisk are derived from Autoliv’s independently audited, year-end financial statements and footnotes for the latest completed fiscal year, ended December 31, 2015. A copy of this firm’s most recent financial statements is enclosed.

NON PROPRIETARY

Financial Test I (in millions)

1. Financial Protection required by 10 C.F.R. § 140.11(a)(2)		
a. Financial Protection amounts covered by this parent company guarantee	\$ 1.5	
b. All decommissioning amounts covered by other NRC or Agreement State parent company guarantees or self-guarantee	N.A.	
c. All amounts covered by parent company guarantees, self-guarantees, or financial tests of other Federal or State agencies (e.g., EPA)	N.A.	
TOTAL	\$ 1.5	
*2. Total liabilities (if any portion of the financial protection amount is included in total liabilities on your firm's financial statements, you may deduct the amount of that portion from this line and add that amount to lines 3 and 4)	\$ [REDACTED]	
*3. Tangible net worth**	\$ [REDACTED]	
*4. Total net worth***	\$ [REDACTED]	
*5. Current assets	\$ [REDACTED]	
*6. Current liabilities	\$ [REDACTED]	
*7. Net working capital (line 5 minus line 6)	\$ [REDACTED]	
*8. The sum of net income plus depreciation, depletion, and amortization	\$ [REDACTED]	
*9. Total assets in United States	\$ [REDACTED]	
	<u>Yes</u>	<u>No</u>
10. Is line 3 at least \$21 million?	_ <u>x</u> _	_ _
11. Is line 3 at least 6 times line 1?	_ <u>x</u> _	_ _
12. Is line 7 at least 6 times line 1?	_ <u>x</u> _	_ _
13. Are at least 90 percent of firms' assets located in the United States? If not, complete line 14.	_ _	_ _
14. Is line 9 at least 6 times line 1?	_ <u>x</u> _	_ _

Guarantor must meet two of the following three ratios:

NON PROPRIETARY

15. Is line 2 divided by line 4 less than 2.0? X

16. Is line 8 divided by line 2 greater than 0.1? X

17. Is line 5 divided by line 6 greater than 1.5? X

Notes:

* Denotes figures derived from financial statements.

** Tangible net worth is defined as net worth minus all intangible assets and excluding the net book value of the nuclear facility and site.

*** Excluding the net book value and goodwill of the nuclear facility and site.

CONFIDENTIAL

**NON PROPRIETARY
PROPRIETARY**

I hereby certify that the content of this letter is true and correct to the best of my knowledge.

[Name]

[Title]

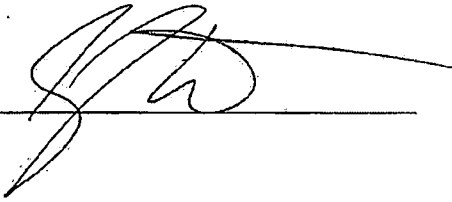
[Date]

DRAFT

AFFIDAVIT

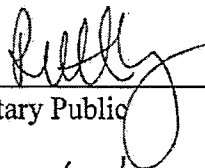
I, Anthony J. Nellis, hereby affirm and state as follows:

1. I hold the title of Vice President, Legal for Autoliv ASP. Inc. ("Autoliv"), and I'm authorized to execute this affidavit on behalf of Autoliv.
2. The attached draft letter from the chief financial officer of Autoliv (Re: Aerotest Operations, Inc., Docket No. 50-228, Response to Request for Additional Information Regarding Application for Change in Method of Providing Financial Protection) and the Consolidated Financial Statements of Autoliv for the Years Ended December 31, 2015 and 2014, contain proprietary commercial information related to the financial condition of Autoliv. This information should be held in confidence by the NRC and withheld from public disclosure. The draft letter has been marked to show the information which should be held in confidence by the NRC and withheld from public disclosure. The entirety of the Consolidated Financial Statements should be should be held in confidence by the NRC and withheld from public disclosure
3. In making this application for withholding of proprietary information of which it is the owner, Autoliv believes that the information qualifies for withholding under the exemption from disclosure set forth in the Freedom of Information Act ("FOIA"), 5 U.S.C. Section 552(b)(4), the Trade Secrets Act, 18 U.S.C. Section 1905, and NRC regulations 10 CFR 9.17(a)(4) and 2.390(a)(4) for trade secrets and commercial information because:
 - i. This information is and has been held in confidence by Autoliv;
 - ii. This information is of a type that is customarily held in confidence by Autoliv, and there is a rational basis for doing so because the information includes sensitive business information pertaining to the financial condition of Autoliv;
 - iii. The information is being transmitted to the NRC voluntarily and in confidence.
 - iv. This information is not available in public sources and could not be gathered readily from other publicly available information.
 - v. Public disclosure of this information would create substantial harm to the competitive position of Autoliv by disclosing certain business information that is not available to Autoliv's customers and competitors.
 - vi. Public disclosure of the information sought to be withheld is likely to cause substantial harm to Autoliv's competitive position. The precise value of the information is difficult to quantify, but clearly is substantial.
 - vii. Autoliv competitive advantage will be lost if its competitors are able to use Autoliv's financial information in their own commercial activities. The value of this information to Autoliv would be lost if the information were disclosed to the public.



Subscribed and sworn before me, a Notary Public, in and for the State of Michigan, this 15th day of June 2016.

Witness my hand and Notarial Seal.



Notary Public

My Commission Expires: 12/21/19

6/15/16

Date:

RUTH A. WILKENING
Notary Public, State of Michigan
County of Oakland
My Commission Expires Dec. 21, 2019
Acting in the County of Oakland

