

July 20, 2016

Mr. Anthony Nellis
President, Aerotest Operations, Inc.
Vice President, Legal Americas, Autoliv ASP, Inc.
1320 Pacific Drive
Auburn Hills, MI 48326

Dr. David M. Slaughter, Chief Executive Officer
Nuclear Labyrinth LLC
10874 South Bay Meadow Circle
Sandy, UT 84092

SUBJECT: AEROTEST OPERATIONS, INC. AND NUCLEAR LABYRINTH LLC
REQUEST FOR ADDITIONAL INFORMATION RE: SUPPLEMENTED 2012
APPLICATION FOR APPROVAL OF INDIRECT TRANSFER OF CONTROL OF
LICENSE OF AEROTEST RADIOGRAPHY AND RESEARCH REACTOR
(TAC NO. MF7221)

Dear Mr. Nellis and Dr. Slaughter:

By letter dated May 30, 2012, as supplemented by letters dated July 19, 2012, October 15, 2012, and January 10, 2013 (available in the U.S. Nuclear Regulatory Commission (NRC) Agencywide Documents Access and Management System (ADAMS) under Accession Nos. ML12180A384, ML122021201, ML12291A508, and ML13015A395, respectively), Aerotest Operations, Inc. (Aerotest) and Nuclear Labyrinth LCC (Nuclear Labyrinth) (together, the Companies), submitted an application requesting NRC consent, pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.80, "Transfer of licenses," for the indirect license transfer of the Aerotest Radiography and Research Reactor (ARRR) Facility Operating License No. R-98. The indirect license transfer would occur as a result of the proposed sale of Aerotest by Autoliv ASP, Inc. to Nuclear Labyrinth. By letter dated July 24, 2013 (ADAMS Accession Nos. ML13120A598 and ML13129A001), the NRC staff denied the Companies' license transfer application on the grounds that the Companies had failed to satisfy the NRC's financial qualifications requirements.

The Companies requested a hearing on the NRC staff's denial and, on August 12, 2014, an NRC Atomic Safety and Licensing Board (ASLB) hearing was conducted, at which the Companies presented new information, relevant to the license transfer application, which had not previously been provided to the NRC staff. A listing of all information considered at the hearing, including new information provided by the Companies, can be found under ADAMS Accession No. ML14248A614. Based on the information presented by the Companies and the NRC staff at the hearing, the Commission issued an order remanding the license transfer application for further consideration by the NRC staff (ADAMS Accession No. ML15357A201). By letter dated April 21, 2016 (ADAMS Accession No. ML16117A259), in response to a request by the NRC staff, the Companies provided additional information further supplementing the original May 30, 2012, application. By letter dated June 16, 2016 (ADAMS Accession No.

ML16176A221), Nuclear Labyrinth provided additional information supplementing the Companies' April 21, 2016 response to the NRC staff's request.

During our review of your application, as supplemented, questions have arisen for which we require additional information and clarification. Please provide responses to the enclosed request for additional information within 30 days of the date of this letter.

In accordance with 10 CFR 50.30(b), "Oath or affirmation," your response must be executed in a signed original document under oath or affirmation. Your response must be submitted in accordance with 10 CFR 50.4, "Written communications." Information included in your response that is considered to be security-related, sensitive, or proprietary, that you seek to have withheld from the public, must be marked in accordance 10 CFR 2.390, "Public inspections, exemptions, requests for withholding." Following receipt of the additional information, we will continue our evaluation of your indirect transfer approval request.

If you need additional time to complete this request, or have any questions regarding this review, please contact Edward Helvenston at (301) 415-4067, or by electronic mail at Edward.Helvenston@nrc.gov.

Sincerely,

/RA/

Spyros A. Traiforos, Project Manager
Research and Test Reactors Licensing Branch
Division of Policy and Rulemaking
Office of Nuclear Reactor Regulation

Docket No. 50-228

Enclosure:
As stated

cc: See next page

Aerotest Operations, Inc.

Docket No. 50-228

cc:

Sandy Warren, General Manager
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California Energy Commission
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Radiologic Health Branch
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Sacramento, CA 95899-7414

Test, Research, and Training
Reactor Newsletter
University of Florida
202 Nuclear Sciences Center
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Jay E. Silberg
Pillsbury Winthrop Shaw Pittman LLP
1200 Seventeenth Street, NW
Washington, DC 20036-3006

ML16176A221), Nuclear Labyrinth provided additional information supplementing the Companies' April 21, 2016, response to the NRC staff's request.

During our review of your application, as supplemented, questions have arisen for which we require additional information and clarification. Please provide responses to the enclosed request for additional information within 30 days of the date of this letter.

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If you need additional time to complete this request, or have any questions regarding this review, please contact Edward Helvenston at (301) 415-4067, or by electronic mail at Edward.Helvenston@nrc.gov.

Sincerely,
/RA/
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 Research and Test Reactors Licensing Branch
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 As stated

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ADAMS Accession No.: ML16182A397 * concurrence via e-mail NRR-088

OFFICE	NRR/DPR/PRLB/PM*	NRR/DPR/PRLB/PM	NRR/DPR/LA*
NAME	EHelvenston	STraiforos	NParker
DATE	7/5/16	7/5/16	7/5/16
OFFICE	NRR/DPR/PRLB/BC	NRR/DPR/PRLB/PM	
NAME	AAdams	STraiforos	
DATE	7/20/16	7/20/16	

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OFFICE OF NUCLEAR REACTOR REGULATION

REQUEST FOR ADDITIONAL INFORMATION

RE: SUPPLEMENTED APPLICATION FOR INDIRECT LICENSE TRANSFER OF

AEROTEST RADIOGRAPHY AND RESEARCH REACTOR

LICENSE NO. R-98; DOCKET NO. 50-228

By application dated May 30, 2012 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML12180A384), as supplemented by letters dated July 19, 2012 (ADAMS Accession No. ML122021201), October 15, 2012 (ADAMS Accession No. ML12291A508), January 10, 2013 (ADAMS Accession No. ML13015A395), April 21, 2016 (ADAMS Accession No. ML16117A259), and June 16, 2016 (ADAMS Accession No. ML16176A221) (collectively, "the application"), pursuant to Section 184 of the Atomic Energy Act of 1954, as amended, and Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.80, "Transfer of licenses," Aerotest Operations, Inc. (Aerotest) and Nuclear Labyrinth LLC (Nuclear Labyrinth) (together, the Companies), requested the U.S. Nuclear Regulatory Commission's (NRC's) consent to the indirect transfer of control of the Facility Operating License No. R-98 for the Aerotest Radiography and Research Reactor (ARRR), due to the proposed acquisition of Aerotest by Nuclear Labyrinth. During our review of your application, questions have arisen for which we require additional information and clarification. Please provide responses to the following request for additional information (RAI) within 30 days of the date of this letter.

1. The regulations in 10 CFR 50.80(b)(1), require, in part, that an application for transfer of an operating license shall include as much of the information described in 10 CFR 50.34 with respect to the technical qualifications of the proposed transferee as would be required by those sections if the application were for an initial license. NUREG-1537, Part 1, "Guidelines for Preparing and Reviewing Applications for the Licensing of Non-Power Reactors: Format and Content," Section 12.1.4, "Selection and Training of Personnel," states that the applicant should provide information regarding the selection and training of personnel. The license transfer application dated May 30, 2012, states that, except for the installation of Dr. David Slaughter as president of Aerotest, the management team of the ARRR would be expected to remain the same following completion of the license transfer. The application also stated that no changes in ARRR organization would be expected. Please clarify whether all current ARRR personnel, including individuals responsible for licensed activities involving reactor operation and safety, will be offered employment by Nuclear Labyrinth.
2. By letter dated December 10, 2012 (ADAMS Accession No. ML12339A189), the NRC staff requested that the Companies supplement the original application for indirect transfer by providing additional information. In particular, RAI No. 7 stated:

Enclosure

By letter dated July 5, 2012, the NRC staff requested that Aerotest and Nuclear Labyrinth supplement the application for indirect transfer by providing additional information. In particular, it was stated in RAI 6, that, "Attachment 10, Conforming Amendments, is based on a previous application for license transfer that was never approved. Submit Attachment 10 using the current license and technical specifications, marked up to clearly show all insertions, deletions and revisions."

You provided in your response to the NRC staff RAI dated July 19, 2012, an Attachment 2, "Conforming Amendments," containing a revised License Amendment and Technical Specifications. In reviewing your response, the NRC staff observed that the submitted License Amendment was No. 2, while the current license of record is Amendment No. 4. As a result, the proposed conforming license amendment does not contain the changes made in Amendment Nos. 2, 3 and 4. Examples include the lack of reference to the Physical Security Plan in Section 2.C introduced through Amendment 3.

Please provide a proposed license amendment and technical specifications, based on your current license, marked up to clearly show all insertions, deletions and revisions.

Exhibit 9 of your response, dated January 10, 2013, contained a proposed markup of the current license. However, your response did not include proposed technical specification (TS) change pages based on your current TSs of record. Although the marked-up TS pages show updates through License Amendment No. 4, issued January 28, 1981, consistent with the TSs of record, the pagination of the marked-up TS pages differs from the TSs of record. Please provide proposed TS change pages, based on the pages of the current TSs of record, marked up to clearly show all insertions, deletions, and revisions.