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October 10, 2016

ATTENTION: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

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

RESPONSE TO REQUEST FOR ADDITIONAL INFORMATION RE:
OPPORTUNITY TO SUPPLEMENT 2012 LICENSE TRANSFER APPLICATION
(TAC NO. MF7221)

Ladies and Gentlemen:

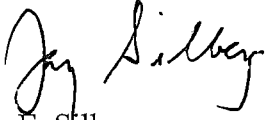
In response to requests from Mr. Ed Helvenston with respect to the Application for Indirect License Transfer of Aerotest Radiography and Research Reactor, Aerotest Operations, Inc. ("Aerotest") and Nuclear Labyrinth LLC ("Nuclear Labyrinth") hereby submit

1. A supplemental response to the Request for Additional Information relating to financial protection subsequent to the indirect license transfer, and
2. Replacement page 12 of the Technical Specifications for the Aerotest Radiography and Research Reactor, reflecting the conforming amendments required by the indirect transfer.

A020
NRR

Should you have any questions or require additional information regarding this submission, please contact Jay Silberg, counsel to Aerotest at 202-663-8063 or jay.silberg@pillsburylaw.com.

Very truly yours,



Jay E. Silberg
Counsel for Aerotest Operations, Inc.

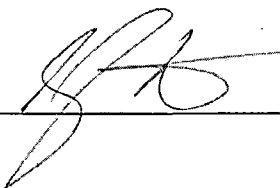
Enclosures

1. Affidavit of Dr. David M. Slaughter
2. Affidavit of Anthony Nellis
3. Technical Specification, replacement page 12
4. Supplemental Response to Request for Additional Information

cc: U.S. NRC Office of Nuclear Reactor Regulation/NRLPO
U.S. NRC Region IV, Regional Administrator
NRC, NRR (Helvenston)
NRC, NRR (Adams)
NRC, OGC (Ghosh)

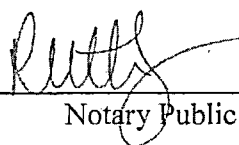
STATE OF MICHIGAN :
: TO WIT:
COUNTY OF OAKLAND :

I, Anthony Nellis, state that I am the President of Aerotest Operations, Inc., and that I am duly authorized to execute and file this response on behalf of Aerotest Operations, Inc. To the best of my knowledge and belief, the statements contained in the enclosures of this letter with respect to Aerotest Operations, Inc. are true and correct.



Subscribed and sworn before me, a Notary Public in and for the State of Michigan and County of Oakland, this 10th day of October, 2016.

WITNESS my Hand and Notarial Seal:

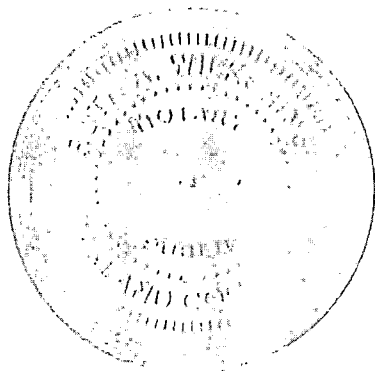


Notary Public

My Commission Expires: 12/21/19

10/10/16

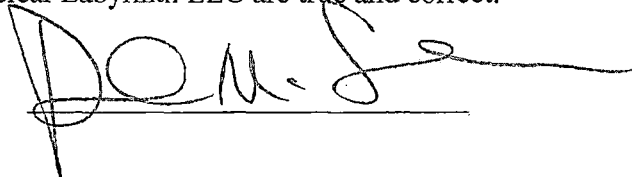
Date



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

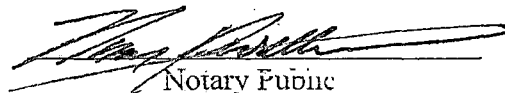
STATE OF UTAH :
: TO WIT:
COUNTY OF SALT LAKE COUNTY :

I, Dr. David Michael Slaughter, state that I am the Chief Executive Officer of Nuclear Labyrinth LLC, and that I am duly authorized to execute and file this response on behalf of Nuclear Labyrinth LLC. To the best of my knowledge and belief, the statements contained in the enclosures of this letter with respect to Nuclear Labyrinth LLC are true and correct.



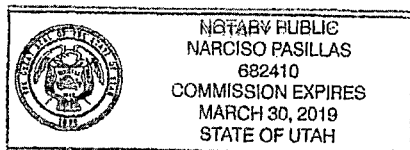
Subscribed and sworn before me, a Notary Public in and for the State of Utah and County of Salt Lake, this 10 day of October, 2016.

WITNESS my Hand and Notarial Seal.


Notary Public

My Commission Expires:

10-10-2016
Date



- 11.4 All fuel transfers in the reactor tank shall be conducted by a minimum staff of three men, and shall include a licensed Senior Operator and a licensed Operator. The staff members shall monitor the operation using appropriate radiation monitoring instrumentation. Fuel transfers outside the reactor tank but within the facility shall be supervised by a licensed Operator.
- 11.5 Not more than one fuel element shall be allowed in the facility which is not in storage or in the core lattice.

12.0 Administrative Requirements

12.1 Organization

- 12.1.1 The Reactor Supervisor shall have responsibility of the reactor facility. In all matters pertaining to reactor operation and to these Technical Specifications, the Reactor Supervisor shall be responsible to the President, Aerotest Operations, Inc. The President, Aerotest Operations, Inc. shall report to the Board of Directors of Aerotest Operations, Inc.
- 12.1.2 The Radiological Safety Officer shall review and approve all procedures and experiments involving radiological safety. He shall enforce rules, regulations and procedures relating to radiological safety, conduct routine radiation surveys and is responsible to the Manager, Aerotest Operations.
- 12.1.3 The Reactor Safeguards Committee shall be composed of not less than five members, of whom no more than three are members of the operating organization. The committee shall meet on call of the chairman and they shall meet at least annually. The committee shall be responsible for, but not limited to the following:
- 12.1.3.1 Reviewing and approving nuclear safety standards associated with the use of the facility;
 - 12.1.3.2 Review and approving all proposed experiments and procedures and changes thereto, and modifications to the reactor and its associated components;

SUPPLEMENTAL RESPONSE TO
REQUEST FOR ADDITIONAL INFORMATION
REGARDING FINANCIAL PROTECTION

By letter dated April 21, 2016, Aerotest Operations, Inc. ("Aerotest") and Nuclear Labyrinth LLC ("Nuclear Labyrinth") (collectively "the Companies") submitted their response to the U.S. Nuclear Regulatory Commission's January 21, 2016 Request for Additional Information Re: Opportunity to Supplement 2012 License Transfer Application. Response #3 was entitled "Method by which Nuclear Labyrinth intends to meet the financial protection requirements of 10 CFR Part 140 after the license transfer." The response stated as follows: "In order to avoid triggering issues relating to foreign ownership, control and domination, the Companies will discuss with the NRC Staff appropriate mechanisms that would make available \$1.5 million for ARRR to meet the requirements of 10 CFR Part 140. These mechanisms could include a third party guarantee, a trust or other appropriate mechanisms." It is the Companies' intent that, prior to the indirect transfer of the ARRR license, \$1.5 million will be placed in a trust to meet the requirements of Part 140 for the ARRR. Subsequent to the placement of these funds in trust and so long as those funds are required to meet the requirements of Part 140, Autoliv, Inc. shall have no rights to, or rights to control, those funds.