



AEROTEST OPERATIONS, INC.

3455 FOSTORIA WAY • SAN RAMON, CA 94583 • (925) 866-1212 • FAX (925) 866-1716

August 15, 2017

Via Electronic Mail

Director
Division of Policy and Regulation
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555

**Re: Aerotest Operations, Inc.
Aerotest Radiography and Research Reactor (Docket No. 50-228)
Re: Financial Protection Standby Trust**

This letter is to confirm that a financial protection standby trust for the Aerotest Radiography and Research Reactor (ARRR) has been established as required by the Order Approving Indirect Transfer of Facility Operation License and Conforming Amendment in the above docket, dated February 28, 2017 (Order). It is my understanding that the NRC Staff is seeking confirmation from Aerotest Operations, Inc. (Aerotest) that this provision of the Order had been complied with.

The Order approved the indirect transfer of the ARRR operating license subject to conditions set forth in the Order. Condition III.4.D required that the Funding Agreement between Autoliv, Inc. and Nuclear Labyrinth, LLC provide that prior to the closing of the transaction by which Nuclear Labyrinth acquired Aerotest, Autoliv, Inc. or its subsidiaries would transfer \$1.5 million to the financial protection standby trust for the ARRR.

This is to confirm that the financial protection standby trust for the ARRR contemplated by the Order came into effect with signature of the Grantor Aerotest Operations, Inc. on July 12, 2017, following the signatures by the Trustee BOKF, N.A. on July 6, 2017 and by the Investment Manager Wells Fargo and Co. on July 11, 2017. Prior to the closing of the transaction as of 5 p.m. (Mountain time) on July 17, 2017, I was notified that Wells Fargo had received by wire transfer the \$1.5 million in funds for the financial protection standby trust, as well as the other funds required to be transferred by the Order.


With the indirect license transfer and the establishment of the financial protection standby trust required by the Order, the Standby Trust Agreement entered into by Aerotest Operations, Inc. and Wells Fargo Bank, National Association as of September 20, 2016 is no longer needed. That trust and a guarantee from Aerotest's then-parent company were established in order to

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provide the financial protection for the ARRR required by 10 C.F.R Part 140. With the establishment and funding of the financial protection standby trust required by the Order, the parent guarantee no longer applies and the September 20, 2016 trust is no longer needed. However, because Section 16 of the September 20, 2016 trust agreement only permits the termination of that trust "at the written agreement of the Grantor [Aerotest], the Trustee [Wells Fargo Bank, National Association], and the NRC. Aerotest would appreciate the written agreement from the NRC that the September 20, 2016 trust can be terminated.

Thank you for your consideration. If you need any additional information, please contact me by phone at 801-631-5919 or by email at dmsraven@gmail.com.

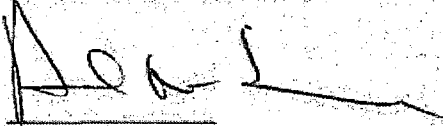
Sincerely,



David M. Slaughter, Ph.D.
President,
Aerotest Operations, Inc.

cc. Jeremy Wachutka, Esq.
Ed Helvenston
Jay E. Silberg, Esq.

I hereby certify under oath that the statements herein contained are true and correct to the best of my knowledge and belief.



David M. Slaughter, Ph.D.
President,
Aerotest Operations, Inc.

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FedEx
ExpressPackage
US AIRBILLFedEx
Tracking
Number

8107 7682 7120

1 From

Date

9-11-17

Sender's
Name

Dr. Mike Slaughter

Phone

925 866-1212

Company

AEROTEST OPERATIONS

Address

3455 POSTORIA WAY

Dept./Floor/Suite/Room

City

SAN RAMON

State

CA

ZIP

94583-1317

2 Your Internal Billing Reference

AOX-NRC

3 To

Recipient's
Name

Document Control Desk

Phone

Company

US Nuclear Regulatory Commission

Address

11555 Rockville Pike

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Dept./Floor/Suite/Room

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Rockville

State

MD

ZIP

20852

Hold Weekday

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REQUIRED. NOT available for
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Hold Saturday

☐ FedEx location address
REQUIRED. Available ONLY for
FedEx Priority Overnight and
FedEx 2Day to select locations.

8107 7682 7120

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Packages up to 150 lbs.
For packages over 150 lbs., use the
FedEx Express Freight US Airbill.

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☐ FedEx First Overnight
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locations. Friday shipments will be delivered on
Monday unless Saturday Delivery is selected.☐ FedEx Priority Overnight
Next business morning.* Friday shipments will be
delivered on Monday unless Saturday Delivery
is selected.☒ FedEx Standard Overnight
Next business afternoon.*
Saturday Delivery NOT available.

2 or 3 Business Days

☐ FedEx 2Day A.M.
Second business morning.*
Saturday Delivery NOT available.☐ FedEx 2Day
Second business afternoon.* Thursday shipments
will be delivered on Monday unless Saturday
Delivery is selected.☐ FedEx Express Saver
Third business day.*
Saturday Delivery NOT available.

5 Packaging

*Declared value limit \$500.

☒ FedEx Envelope*☐ FedEx Pak*☐ FedEx
Box☐ FedEx
Tube☐ Other

6 Special Handling and Delivery Signature Options

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☐ Saturday Delivery
NOT available for FedEx Standard Overnight, FedEx 2Day A.M., or FedEx Express Saver.☐ No Signature Required
Package may be left without
obtaining a signature for delivery.☐ Direct Signature
Someone at recipient's address
may sign for delivery.☐ Indirect Signature
If no one is available at recipient's
address, someone at a neighboring
address may sign for delivery. For
residential deliveries only.

Does this shipment contain dangerous goods?

One box must be checked.

☒ No ☐ Yes
As per attached
Shipper's Declaration.☐ Yes
Shipper's Declaration
not required.☐ Dry Ice
Dry Ice, 9, UN 1845

x kg

Restrictions apply for dangerous goods—see the current FedEx Service Guide.

☐ Cargo Aircraft Only

7 Payment Bill to:

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Obtain recip.
Acct. No.☒ Sender
Acct. No. in Section
1 will be billed.☐ Recipient☐ Third Party☐ Credit Card☐ Cash/Check

Total Packages

Total Weight

lbs.

Credit Card Auth.

*Our liability is limited to US\$100 unless you declare a higher value. See the current FedEx Service Guide for details.

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