

April 2, 2018

Dr. David M. Slaughter  
President and Reactor Administrator  
Aerotest Operations, Inc.  
3455 Fostoria Way  
San Ramon, CA 94583

SUBJECT: AEROTEST OPERATIONS, INC. - REQUEST FOR WITHHOLDING  
INFORMATION FROM PUBLIC DISCLOSURE RE: RESPONSE TO REQUEST  
TO AEROTEST OPERATIONS, INC. TO SUPPLEMENT THE LICENSE  
RENEWAL APPLICATION (CAC/DOCKET/EPID NO. 000955/05000228/  
L-2017-RNW-0027)

Dear Dr. Slaughter:

By letter dated December 20, 2017 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML17363A294), Aerotest Operations, Inc. (Aerotest), submitted a response to the U.S. Nuclear Regulatory Commission (NRC) staff's letter dated October 24, 2017 (ADAMS Accession No. ML17277B261), requesting additional information regarding Aerotest's application for renewal of the Aerotest Radiography and Research Reactor (ARRR) operating license. Aerotest's December 20, 2017, response to the NRC staff's request for additional information (RAI) included an affidavit, executed by you, requesting that proprietary financial information identified in the RAI response be withheld from public disclosure.

The NRC staff reviewed Aerotest's December 20, 2017, RAI response and affidavit, and concluded that the affidavit and information sought to be withheld from public disclosure did not meet the requirements of Title 10 of the *Code of Federal Regulation* (10 CFR) 2.390, "Public inspections, exemptions, requests for withholding." Therefore, by letter dated February 2, 2018 (ADAMS Accession No. ML18010A562), the NRC staff requested that Aerotest inform the NRC staff of its plans for revising its RAI response and request for withholding proprietary information, to resolve the deficiencies identified in the letter dated February 2, 2018.

By letter dated February 21, 2018 (ADAMS Accession No. ML18054A141), in response to the NRC staff's February 2, 2018, letter, Aerotest resubmitted the following information originally submitted by its letter dated December 20, 2017, and also submitted affidavits, executed by you, requesting that the following information be withheld from public disclosure pursuant to 10 CFR 2.390 because it contains proprietary and sensitive business information:

1. The document entitled "Appendix A: Description of Aerotest Operations' Activities," in its entirety (this document is a proprietary supplement to Aerotest's non-proprietary December 20, 2017, response to RAI GEN-2).
2. The financial information contained in Table 15.1, in its entirety, of Chapter 15 of the updated ARRR safety analysis report (SAR), dated December 20, 2017.

By letter dated February 28, 2018 (ADAMS Accession No. ML18066A075), Aerotest resubmitted the following information originally submitted by its letter dated December 20, 2017, and also submitted an additional affidavit, executed by you, requesting that the following information be withheld from public disclosure pursuant to 10 CFR 2.390 because it contains proprietary and sensitive business information:

3. The bracketed financial information found in Chapter 15 of the updated ARRR SAR, dated December 20, 2017.

The February 21, and February 28, 2018, affidavits stated that the submitted information should be considered exempt from mandatory public disclosure for the following reasons:

- i. This information is and has been held in confidence by Aerotest Operations.
- ii. This information is of a type that is customarily held in confidence by Aerotest, and there is a rational basis for doing so because the information includes sensitive business information pertaining to the strategic nature of research, development and investigative services.
- iii. The information is being transmitted to the NRC 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 Aerotest by disclosing certain business decisions Aerotest has made or is considering and the analysis that went behind those decisions. Development and evaluation of this commercial information was achieved at, and disclosure could lead to additional, significant cost to Aerotest.

The NRC staff has reviewed your February 21, and February 28, 2018, submittals in accordance with the requirements of 10 CFR 2.390, and on the basis of the statements in the affidavit, has determined that the submitted information sought to be withheld contains proprietary commercial information and should be withheld from public disclosure.

Therefore, the submitted information marked as proprietary will be withheld from public disclosure pursuant to 10 CFR 2.390(b)(5) as well as Section 103(b) of the Atomic Energy Act of 1954, as amended.

Withholding from public inspection shall not affect the right, if any, of persons properly and directly concerned to inspect the documents. If the need arises, the NRC staff may send copies of this information to its consultants working in this area. The NRC staff will ensure that the consultants have signed the appropriate agreements for handling proprietary information.

If the basis for withholding information from public inspection should change in the future such that the information could then be made available for public inspection, Aerotest should promptly notify the NRC. Aerotest also should understand that the NRC may have cause to review this determination in the future if, for example, the scope of a Freedom of Information Act request includes your information. In all review situations, if the NRC makes a determination adverse to the above, Aerotest will be notified in advance of any public disclosure.

D. Slaughter

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If you have any questions regarding this review, please contact me at (301) 415-4067, or by electronic mail at [Edward.Helvenston@nrc.gov](mailto:Edward.Helvenston@nrc.gov).

Sincerely,

*/RA/*

Edward Helvenston, Project Manager  
Research and Test Reactors Licensing Branch  
Division of Licensing Projects  
Office of Nuclear Reactor Regulation

Docket No. 50-228  
License No. R-98

cc: See next page

Aerotest Operations, Inc.

Docket No. 50-228

Sandra Warren, General Manager  
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California Energy Commission  
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Test, Research and Training  
Reactor Newsletter  
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SUBJECT: AEROTEST OPERATIONS, INC. - REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE RE: RESPONSE TO REQUEST TO AEROTEST OPERATIONS, INC. TO SUPPLEMENT THE LICENSE RENEWAL APPLICATION DATE: APRIL 2, 2018

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ADAMS Accession No. ML18074A111 \*concurrence via e-mail NRR-088

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DATE	3/19/18	3/19/18	3/30/1018	4/2/18

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