



AEROTEST OPERATIONS, INC.

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

January 5, 2024

Brooke P Clark
Deputy General Counsel
U.S. Nuclear Regulatory Commission
Office of the General Counsel
Mail Stop O-15 D-21
Washington, DC 20555-0001

Subject:

- Follow up on November 10, 2023 letter to Marian Zober. I was following up on ADAMS and did not see the letter posted. I then noticed both the General Counsel and Chief Financial Officer positions on the US Nuclear Regulatory Commission Organizational chart dated December 4, 2023 had changed.
- Follow up on October 5, 2023 letter to Marian Zober was cc'd on addressed to Senator Cynthia Lummis and Senator Alex Padilla requesting help to recover the fees paid to the NRC, the damage to the fuel because of the NRC's inadequate oversight, and my operational costs for 5 years since buying the business in 2017 as the actual reactor and operations did not match the public records available at the NRC. Requesting 4.5 million in NRC Credit and \$2 Million in Cash to purchase replacement fuel.
- Letter from Marian Zober dated May 5, 2023, ADAMS ML23124A084. Denial under 10 CFR 14.37 Your claim did not reveal that you suffered any damage to or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the Nuclear Regulatory Commission acting within the scope of their office or employment.
- NRC OIG Memorandum describing the NRC actions associated with Aerotest Operation entitled "Inadequate Oversight of Non-Power Reactor (OIG Case No. 21-0012)".
- Special Inquiry into the U.S. Nuclear Regulatory Commission's Oversight of Research and Test Reactors" ADAMS ML23272A039

Dear NRC Deputy, General Counsel Brooke P Clark:

As the President of Aerotest Operations, I requested the investigation by the NRC OIG concerning the Aerotest Operations' circumstances and lack of effective oversight by the NRC. Their preliminary findings were also a contributing factor in calling for the special Inquiry. In the October 5, 2023, letter I attached the report entitled "Special Inquiry into the U.S. Nuclear Regulatory Commission's Oversight of Research and Test Reactors"

OGLD

NRC/DGC

and a copy of the memorandum report produced by the NRC OIG describing the NRC actions associated with Aerotest Operation entitled "Inadequate Oversight of Non-Power Reactor (OIG Case No. 21-0012)".

Our Damage as outlined in the October 5, 2023 letter was approx. \$13 Million. I am asking you to approve that the NRC pay Aerotest operations \$2 Million Cash to replace the damaged fuel and \$4.5 million in NRC Fee Credit which will help me in getting the reactor recommissioned, the license renewed and to continue the business of neutron radiography interrogating critical manufactured parts and producing critical short-lived radioisotopes for medicine.

At this point, I am asking the NRC to approve payment of about ½ of the damages that Aerotest Operations, Inc. suffered because of Inadequate Oversight by the NRC. I am willing to take a 4.5 million dollars in credit against future NRC costs but would need 2 million cash to purchase replacement fuel. Aerotest Operations is also responsible for the damage and will purchase the remaining 2 million in fuel needs.

If the NRC does not approve this settlement before January 31, 2024, my next step will be to retain legal help and suing for the full approx. \$13 Million plus attorney's fees.

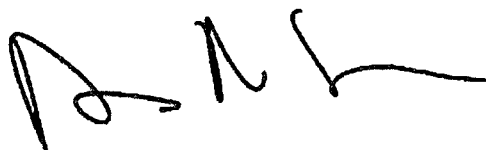
I incorporate the following items into this letter that have been sent to NRC previously.

- Senator Cynthia Lummis and Senator Alex Padilla letter Dated October 5, 2023, that your predecessor was cc'd on
 - Enclosures:
 - OIG Case No. 21-012 Memorandum report
 - Special Inquiry into the U.S. Nuclear Regulatory Commission's Oversight of Research and Test Reactors ADAMS ML23272A039
- Senator Cynthia Lummis and Senator Alex Padilla letter Dated June 21, 2023, that your predecessor was cc'd on ADAMS ML23177A256
 - Enclosures:
 - OIG Case No. 21-012 Case Summary Reports (4/1/21, 7/1/21, 8/25/21, 1/3/22, 4/4/22 and 7/1/22)
- Senator Cynthia Lummis and Senator Alex Padilla letter Dated May 24, 2023, that your predecessor was cc'd on ADAMS ML23157A066
 - Background Information
 - 5/30/12 Nuclear Labyrinth, LLC put in an application for direct transfer of License of Aerotest Operations ARRR license R-98
 - 7/24/13 NRC denied the Indirect Transfer
 - 8/13/13 Aerotest Operations, Inc and Nuclear Labyrinth, LLC put in a joint demand for a hearing on the Denial (Docket 50-228-LT)
 - 2/28/17 Order Issued Approving the Indirect Transfer (Docket id NRC-2012-0286)
 - 7/17/17 Sales and Transfer of ownership to Nuclear Labyrinth, LLC
 - 1/22/19 Letter to Maureen E. Wylie, NRC CFO for reimbursement for NRC fees for activities that were not performed in a satisfactory manner. (ML19030A581)

- 11/11/20 Letter to Cherish K Johnson, NRC CFO Reply to Maureen E. Wylie's letter on detailed information by invoice for activities that were not performed in a satisfactory manner. (ML20325A176)
 - 1/19/21 NRC IG Office Investigation Begins (IG's office copied on documents to NRC starting on 1/22/19)
 - 4/30/21 Letter from Cherish K Johnson denying reimbursement of NRC Fees for activities associated with the fees that were not performed in a satisfactory manner. (ML21056A317)
 - 3/29/23 Letter to Marian Zober, Deputy General Counsel, NRC claiming \$9,836,645.97 in damages from the NRC (ML23094A070)
 - 5/2/23 FOIA Request OIG Case 21-012 (8/17/22)
 - 5/4/23 Letter from Marian Zober, Deputy General Counsel, NRC denying claiming of \$9,836,645.97 in damages from the NRC (ML23124A084)
 - 5/12/23 Received the IG report 21-012 dated 8/17/22 showing NRC's Inadequate Oversight in 5 areas.
 - Enclosures:
 - OIG Case No. 21-012 Report dated 8-17-22
- Letter to your predecessor dated March 29, 2023, ADAMS ML23094A070.
 - Referenced items:
 - Attached thirteen-page print-out of Documents in ADAMS with ADAMS number, date, to and from information. (Attached)
 - Letters to Maureen E Wylie, former NRC CFO (Attached)
 - Letters to Cherish K. Johnson, former NRC CFO (Attached)
 - Adjunct hearing on Transfer of License from Former parent company Autoliv to Current Parent Company Nuclear Labyrinth, LLC (NRC has this information)
 - NRC IG's office investigation on wrongdoing on the NRC's part from January 2021 to Current. (Need to get information from the NRC IG Office)
 - Aerotest Operations Root-Cause Analysis for the Damaged Aluminum Cladded Fuel. (3-17-2018) (Attached)

If any additional information or clarification is required, please contact me at dmsraven@gmail.com or (801) 631-5919.

Respectfully,



David M Slaughter, PhD
AO President, Reactor Administrator, General Manager. NRC-RO and Manager
CEO Nuclear Labyrinth LLC.

Enclosure:

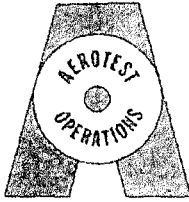
Marian Zabler Letter Dated November 10, 2023
Senator Cynthia Lummis and Senator Alex Padilla letter Dated October 5, 2023

CC:

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

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Washington, DC 20530-0001

Jennifer Golder
Acting Chief Financial Officer
U.S. Nuclear Regulatory Commission
Office of the Chief Financial
Officer Division of the Comptroller
Labor Administration and Fee Billing
Branch Mail Stop T9 850
Washington, DC 20555-0001



AEROTEST OPERATIONS, INC.

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

November 10, 2023

Marian Zober
Deputy General Counsel
U.S. Nuclear Regulatory Commission
Office of the General Counsel
Mail Stop O-15 D-21
Washington, DC 20555-0001

Subject:

- Follow up on October 5, 2023 letter you were cc'd on addressed to Senator Cynthia Lummis and Senator Alex Padilla requesting help to I am asking you to help recover the fees paid to the NRC, the damage to the fuel because of the NRC's inadequate oversight, and my operational costs for 5 years since buying the business in 2017 as the actual reactor and operations did not match the public records available at the NRC. Requesting 4.5 million in NRC Credit and \$2 Million in Cash to purchase replacement fuel
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Dear NRC Deputy, General Counsel Marian Zober:

Since my letter to you dated March 29, 2023, ADAMS ML23094A070 Requesting \$2 Million in cash to replace damaged fuel and \$3 Million in Credit with the NRC, new information is available to show Inadequate Oversight by the NRC caused damaged to other non-power nuclear facilities.

As the President of Aerotest Operations, I requested the investigation by the NRC OIG concerning the Aerotest Operations' circumstances and lack of effective oversight by the NRC. Their preliminary findings were also a contributing factor in calling for the special Inquiry. In the October 5, 2023, letter I attached the report entitled "Special Inquiry into the U.S. Nuclear Regulatory Commission's Oversight of Research and Test Reactors" and a copy of the memorandum report produced by the NRC OIG describing the NRC actions associated with Aerotest Operation entitled "Inadequate Oversight of Non-Power Reactor (OIG Case No. 21-0012)".

Our Damage as outlined in the October 5, 2023 letter was approx. \$13 Million. I am asking you to approve that the NRC pay Aerotest operations \$2 Million Cash to replace the damaged fuel and \$4.5 million in NRC Fee Credit which will help me in getting the reactor recommissioned, the license renewed and to continue the business of neutron radiography interrogating critical manufactured parts and producing critical short-lived radioisotopes for medicine.

At this point, I am asking the NRC to approve payment of about ½ of the damages that Aerotest Operations, Inc. suffered because of Inadequate Oversight by the NRC. I am willing to take a 4.5 million dollars in credit against future NRC costs but would need 2 million cash to purchase replacement fuel. Aerotest Operations is also responsible for the damage and will purchase the remaining 2 million in fuel needs.

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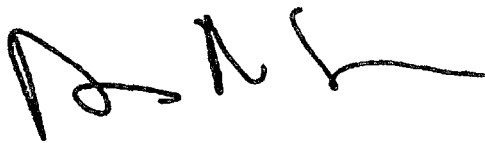
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Respectfully,



David M Slaughter, PhD
 AO President, Reactor Administrator, General Manager. NRC-RO and Manager
 CEO Nuclear Labyrinth LLC.

Enclosure: Senator Cynthia Lummis and Senator Alex Padilla letter Dated October 5,
2023

CC:

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

Merrick B. Garland
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001

23-115



AEROTEST OPERATIONS, INC.

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

October 5, 2023

US Senator Cynthia Lummis
Russell Senate Office Building
Washington, DC 20510

US Senator Alex Padilla
112 Hart Senate Office Building
Washington, DC 20510

Subject: NRC's Inadequate Oversight at Aerotest Operations, Inc. (a Small Business) and Request for your Assistance in Obtaining Restitution from the NRC.

Dear Senator Lummis and Senator Padilla:

As the President of Aerotest Operations, I requested the investigation by the NRC OIG concerning the Aerotest Operations' circumstances and lack of effective oversight by the NRC. Their preliminary findings were also a contributing factor in calling for the special Inquiry. I have attached the report entitled "Special Inquiry into the U.S. Nuclear Regulatory Commission's Oversight of Research and Test Reactors" and a copy of the memorandum report produced by the NRC OIG describing the NRC actions associated with Aerotest Operation entitled "Inadequate Oversight of Non-Power Reactor (OIG Case No. 21-0012)".

As you will read, this report substantiates the NRC's inadequate oversight at Aerotest Operations, Inc. It also substantiates that the lack of adequate oversight was not just limited to Aerotest Operations, Inc. and their findings suggested a widespread problem. Pages 17-23 have the details on the NRC's Inadequate oversight at Aerotest Operations, Inc.

I am asking you to help recover the fees paid to the NRC, the damage to the fuel because of the NRC's inadequate oversight, and my operational costs for 5 years since buying the business in 2017 as the actual reactor and operations did not match the public records available at the NRC. I am a legitimate small business and those records in part were used in the due diligence that convinced me of the viability of the reactor operation and business. I am also asking for help in getting the reactor recommissioned, the license renewed and to continue the business of neutron radiography interrogating critical manufactured parts and producing critical short-lived radioisotopes for medicine. I am willing to take a 4.5 million dollars in credit against future NRC costs but would need 2 million cash to purchase replacement fuel. Aerotest Operations is also responsible for the damage and will purchase the remaining 2 million in fuel needs.

- I paid fees to the NRC of \$3,120,792.82 from 2005-2020 for inadequate oversight. This was detailed in a Letter dated November 11, 2020, to Cherish K Johnson, NRC, CFO (ADAMS ML20325A176)
- I experienced \$ 4,000,000.00 in damage to our fuel that could have been prevented with the correct oversight from the NRC. This was detailed in a letter dated March 29, 2023, to Marian Zober, NRC General Counsel (ADAMS ML23094A070)
- I spend \$2,980,424.97 and loss profit of \$2,856,221.00 for a total loss of \$5,836,645.97 from 2019 -2023 not being able to restart the reactor as it was not as described in NRC inspections and public records. This was detailed in a letter dated March 29, 2023, to Marian Zober, NRC General Counsel (ADAMS ML23094A070)

Here are some excerpts from the report entitled Special Inquiry into the U.S. Nuclear Regulatory Commission's Oversight of Research and Test reactor. "

In Findings on Page II

"The agency's RTR program failed to identify and address problems with the NIST test reactor and other RTRs, specifically: (A) the NRC failed to identify problems with fuel movement, including precursors to later events; (B) the NRC's inspection practices often lacked direct observation of activities important to safety; (C) RTRs other than the NIST reactor experienced significant fuel oversight issues; and, (D) the agency's RTR program has not been substantively updated for at least two decades, and does not reflect the agency's risk-informed and safety culture positions. The OIG's findings highlight future challenges for the agency's oversight programs for RTRs and advanced reactors."

In SUMMARY OF FINDINGS on Page III

"A. The NRC's approach to inspections at the NIST test reactor prior to the February 2021 event resulted in the failure to identify and address fuel movement problem areas that were potential event precursors. From 2016 through 2020, the NRC inspected NIST audit reports, fuel movement records, and fuel movement procedures that had indications of potential problems. However, the NRC failed to follow up on NIST audit committee reports identifying deficiencies with safety culture and operator training and requalification that contributed to the event. The NRC also failed to identify records that revealed unlatched fuel elements and procedures that lacked adequate steps to ensure fuel elements were latched.

B. The NRC's oversight of RTRs lacked direct observation of activities important to safety. The OIG found that the NRC staff's routine inspections at NIST were scheduled primarily based on the annual frequency requirements stated in staff guidance documents, rather than by considering the timing of fuel movement or other planned activities that

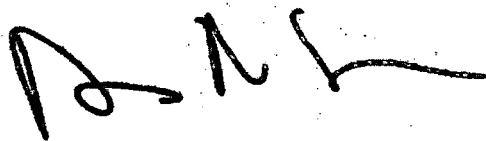
would have allowed inspections through direct observation. As a result, the NRC had not directly observed the fuel element latch checks following fuel movement at the NIST test reactor in the five years prior to the event. An unlatched fuel element was the direct cause of the 2021 event.

C. The NRC's oversight practices were not unique to NIST and were implemented in the same manner at two other RTRs that experienced fuel issues. The OIG also found inadequate technical specifications and dated license bases that contributed to these fuel issues. Additionally, in one instance, the NRC failed to act for at least five years to address damaged fuel as described in NRC inspection reports.

D. The agency's RTR inspection program policy and guidance are outdated because they do not implement risk-informed approaches and safety culture elements. The last major revision to the safety inspection program was in 2004. Additionally, the 2004 safety inspection procedures underestimate the resources needed to complete all requirements that are defined in policy as "mandatory activities."

If any additional information or clarification is required, please contact me at dmsraven@gmail.com or (801) 631-5919.

Respectfully,



David M Slaughter, PhD
President

Enclosures:

- OIG Case No. 21-012 Memorandum report
- Special Inquiry into the U.S. Nuclear Regulatory Commission's Oversight of Research and Test Reactors

CC:

Brooke P. Clark
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Commissioners Christopher T. Hanson, Jeff Baran, David A. Wright, Annie Caputo, and Bradley R. Crowell

Howard K Osborne
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