

**OFFICE OF THE SECRETARY  
CORRESPONDENCE CONTROL TICKET**

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<b>ACTION OFFICE:</b>	ED/GC		

<b>AUTHOR:</b>	Robert Haemer
<b>AFFILIATION:</b>	DC
<b>ADDRESSEE:</b>	Annette Vietti-Cook
<b>SUBJECT:</b>	Request for extension to consider the proposed denial of a renewal request

<b>ACTION:</b>	Appropriate
<b>DISTRIBUTION:</b>	RF

<b>LETTER DATE:</b>	09/04/2009
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<b>SPECIAL HANDLING:</b>	
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Pillsbury Winthrop Shaw Pittman LLP

2300 N Street, NW | Washington, DC 20037-1122 | tel 202.663.8000 | fax 202.663.8007

Robert B. Haemer

tel 202.663.9086

robert.haemer@pillsburylaw.com

License No. R-98

September 4, 2009

Secretary

U.S. Nuclear Regulatory Commission

Washington, D.C. 20555-0001

Attn: Rulemakings and Adjudication Staff

**Aerotest Radiography and Research Reactor**

**Docket No. 50-228**

**Request for Extension To Consider The Proposed Denial of A Renewal Request**

Ladies and Gentlemen:

By letter dated July 9, 2009, the Director, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission ("the Director") informed Aerotest Operations, Inc. ("Aerotest") that he was proposing to deny Aerotest's application for renewal of the license for the Aerotest Radiograph and Research Reactor ("ARRR"), Facility Operating License No. R-98. The Director's letter stated that Aerotest had the right to demand a hearing within 20 days of the date of the letter. On July 24, 2009, in response to Aerotest's July 21, 2009 request for extension, the Director extended the date to request a hearing until September 8, 2009.

The Director's July 9 letter stated that the reason for the proposed denial was the Nuclear Regulatory Commission's ("NRC's") determination that Aerotest had allegedly failed to comply with the NRC's requirements relating to foreign ownership, control, or domination.

On June 18, 2009, Autoliv ASP, Inc. (parent corporation of Aerotest) and X-Ray Industries, Inc. (the "Parties") entered into a non-binding letter of intent for the sale of the ARRR to X-Ray Industries, Inc. Throughout the summer, due diligence for this potential acquisition has proceeded, including meetings with the NRC by representatives of the Parties. Additional time is needed to complete the due diligence and commercial negotiations.

Received SECY/C&R

Date: 9/16/09

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On April 6, 2009, representatives of Aerotest met with the NRC to discuss issues related to the ARRR license. One of the ultimate customers for the services of the Aerotest reactor participated in that meeting. Recently, it has been determined that additional discussions between this ultimate customer, the NRC, and the Parties would be needed to complete the due diligence and would materially aid the successful completion of the commercial negotiations. Therefore, pursuant to 10 C.F.R. §§ 2.103(b)(2) and 2.346(b), Aerotest requests an additional 60-day extension (to November 9, 2009) to consider whether to request a hearing with respect to the proposed denial.

The 60 days requested is expected to provide time for the Parties to facilitate additional discussions with this ultimate customer and complete negotiations for the sale of the ARRR.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert B. Haemer", with a long, sweeping horizontal line extending to the right.

Robert. B. Haemer

Counsel for Aerotest Operations, Inc.

cc: U.S. NRC Office of Nuclear Reactor Regulation/NRLPO  
U.S. NRC Region IV, Regional Administrator  
NRC, NRR (C. Montgomery)  
NRC, OGC (C. Safford)