



AEROTEST OPERATIONS, INC.

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May 6, 2015

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

Re: Notice of Proof of Financial Protection Pursuant to 10 C.F.R. § 140.17(b)

Reference:

1. Letter from Gary S. Uricchio, American Nuclear Insurers, to Ms. Diane Wood, Autoliv ASP, Inc. dated February 24, 2015, re: Notice of Cancellation, Autoliv ASP, Inc., Nuclear Liability Facility Form Policy No. NF-0014, Nuclear Liability Facility Worker Form Certificate No. NW-0504.

Dear Mr. Olvera,

On February 24, 2015, Autoliv ASP, Inc. ("Autoliv ASP"), the United States parent company of Aerotest Operations, Inc. ("Aerotest"), received the referenced letter from American Nuclear Insurers stating that Nuclear Liability Facility Form Policy No. NF-0014 and Nuclear Liability Facility Worker Form Certificate No. NW-0504 would be cancelled as of 11:59 p.m. on June 5, 2015. These policies have provided the proof of financial protection required under 10 C.F.R. § 140.14(a) for the Aerotest Research and Radiography Reactor ("ARRR"), license No. R-98.

To substitute for these policies after June 5, 2015, and in accordance with 10 C.F.R. § 140.17(b), Aerotest, as the holder of the ARRR license, hereby submits proof of financial protection. As allowed by 10 C.F.R. § 140.14(a)(2), Aerotest will rely on "adequate resources" to provide the financial protection required by 10 C.F.R. § 140.11(a)(2). Based upon ARRR's authorized thermal power level of 250 kilowatts, the required amount of the financial protection is \$1.5 million. Id.

Because the ARRR has been shut down since 2010 and does not currently generate income for Aerotest, Aerotest will rely on its parent company, Autoliv ASP, to demonstrate adequate resources for proof of financial protection. Aerotest has been relying on Autoliv ASP for its financial protection as Autoliv ASP is the named insured on the aforementioned nuclear liability policies. As required by 10 C.F.R. §

A subsidiary of Autoliv ASP, INC.

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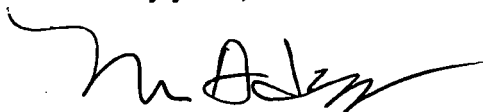
140.15(b)(1), Aerotest is attaching audited financial statements of Autoliv ASP for the past three complete financial calendar years. Since the most recent of these financial statements was prepared more than 90 days prior to the date of this filing, 10 C.F.R. § 140.15(b)(2) requires that similar statements prepared within the previous 90 days be filed and these statements are not required to be certified by a public accountant. Autoliv ASP's first quarter 2015 unaudited financial statements are not complete as of the date of this filing. Autoliv ASP expects its unaudited first quarter 2015 financial statements to be complete by the end of May and will promptly forward them to the NRC at that time.

Also note that the indemnity agreement executed by the Commission pursuant to 10 C.F.R. § 140.20 is based on Aerotest maintaining financial protection in form of liability insurance. As a result, its indemnity agreement will need to be revised to reflect financial protection being provided by demonstration of adequate resources.

The attached financial statements are privileged and confidential commercial and financial information and should be withheld from public disclosure pursuant to 10 C.F.R. § 2.390.

If you have any questions concerning this letter or need further information please contact Kimberly Harshaw, outside counsel for Aerotest, at 202-663-9410.

Sincerely yours,



Michael Anderson
President

cc: Anthony Bowers, Branch Chief, Financial Analysis and International Projects Branch
Office of Nuclear Reactor Regulation

Enclosures

- (1) Business Confidential Financial Statements
- (2) Request to Withhold From Public Disclosure