



PHILOTECHNICS, LTD.

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REGION 1

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January 26, 2007

TN 07-01XX

J-8

Jim Schmidt  
Security and Industrial Branch  
Division of Nuclear Materials Safety  
U.S. Nuclear Regulatory Commission  
475 Allendale Road  
King of Prussia, PA 19406-1415

03030941

RE: (1) **NRC** # 37-28329-01, 600 State Street, Clairton, PA, Standby Trust Amend 4  
(2) \$46,007 Surety Bond, dated 4/29/05

Dear Mr. Schmidt

We are in the process of amending our standby trust agreement to incorporate the higher funding amount from \$62,969.00 to 89,366.00. This amendment has taken longer to obtain due largely in part to a reorganization our trustee recently underwent. The reorganization resulted in the Philotechnics account being transferred to a new customer service rep in a different city. We trust that since the amendment process has been a routine operation in the past, that the standby trust amendment will be finalized shortly.

I'd like to address one other matter related to decommissioning plan funding. Philotechnics would like to close out the above referenced surety bond. This bond is no longer required by our decommissioning funding plan because it has been replaced by a letter of credit (SunTrust Bank Letter of Credit Number F848531). To close the surety bond out we will need documentation from the NRC stating that the bond is no longer required by the decommissioning funding plan or the NRC. Could you assist me with this letter?

I'll be in touch next week to discuss the above matters.

Sincerely,

PHILOTECHNICS, LTD.

Brian Morris  
General Counsel

Attachment: Surety Bond, dated 4/29/05

138391

NUCLEAR MATERIALS-002

**NMSS Decommissioning SRP - Appendix F - Rev 0 9/15/00****9.4 MODEL SURETY BOND****PAYMENT SURETY BOND**Date bond executed: 4/29/05Effective date: 4/28/05Principal: [Insert legal name and business address of licensee] Philotechnics, Ltd.Type of organization: [Insert "proprietorship," "partnership," or "corporation"] CorporationState of incorporation: (if applicable) DelawareNRC license number, name and address of facility, and amount for decommissioning activities guaranteed by this bond: NRC #37-28329-01 600 State Street, Clairton, PA 15025Surety: [Insert name and business address] ACSTAR Insurance Company, 233 Main Street, New Britain, CT 06050Type of organization: [Insert "proprietorship," "partnership," or "corporation"] CorporationState of incorporation: (if applicable) IllinoisSurety's qualification in jurisdiction where licensed facility is located. Licensed

Surety's bond number: [REDACTED]

Total penal sum of bond: \$46,007.00 forty-six thousand seven & 00/100

Know all persons by these presents, that we, the Principal and Surety hereto, are firmly bound to the U.S. Nuclear Regulatory Commission (hereinafter called NRC) in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety; but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

WHEREAS, the U.S. Nuclear Regulatory Commission, an agency of the U.S. Government, pursuant to the Atomic Energy Act of 1954, as amended, and the Energy Reorganization Act of 1974, has promulgated regulations in Title 10, Chapter I of the Code of Federal Regulations, Part [insert 30, 40, 70, or 72], applicable to the Principal, which require that a license holder or an applicant for a facility license provide financial assurance that funds will be available when needed for facility decommissioning;

**NONNEGOTIABLE**