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November 12, 2007

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Betsy Ullrich  
Senior Health Physicist; Commercial and R&D Branch  
Division of Nuclear Materials Safety  
US Nuclear Regulatory Commission; Region 1  
475 Allendale Road  
King of Prussia, PA 19406-1415

Q-5

Re: Docket No. 030-30067 Lic. No.: 29-28053-01 **Control No. 140110**

**SUBJECT: XenoBiotic Laboratories, Inc. [XBL]**  
**Additional Information Concerning Financial Assurance Documents**  
{Followup to your discussion with USB Account Trustee, V.P. Rick Barnes}

Dear Ms. Ullrich,

This letter is in followup to your conversation with U.S. Bank (USB) Vice President, Rick Barnes, during the week of October 29, 2007. As I understand Mr. Barne's comments, your call was prompted by my letter dated October 22, 2007 in which I appended his comments explaining that the Standby Trust Agreement, and the account with funds in excess of \$225,000. are, indeed, a Trust and not an escrow account.

This letter will confirm that the conversation you had with Mr. Barnes represents the understanding between XBL and U.S. Bank as Trustee for XenoBiotic Laboratories, Inc., and that any prior reference to an "escrow" account was erroneous, and can be disregarded. The letter from USB, sent to you by XBL on October 22<sup>nd</sup> should be taken as the definitive comments from XBL. I am hopeful that this will provide clarification as needed, and allow us to finalize the updated Trust records, and provide the assurance needed by the NRC.

XBL appreciates the assistance and guidance as provided by your office in the past, and looks forward to your comments. You can reach me at 609-799-2295 x215, or our address of record below, if additional information or further clarification is needed at this time.

Sincerely yours,

Neil J. Lewis, Ph.D.  
Vice President and Radiation Safety Officer

Encl: correspondence of 10/22/07

cc: Jinn Wu, Ph.D., President, XBL  
Christine B. Micale, Controller, XBL

140110

NMSS/RGN1 MATERIALS-002



(610) 337-5040  
VIA UPS BLUE LABEL

October 22, 2007

Betsy Ullrich  
Senior Health Physicist; Commercial and R&D Branch  
Division of Nuclear Materials Safety  
US Nuclear Regulatory Commission; Region 1  
475 Allendale Road  
King of Prussia, PA 19406-1415

Re: Docket No. 030-30067 Lic. No.: 29-28053-01 **Control No. 140110**

**SUBJECT: XenoBiotic Laboratories, Inc. Request for Additional Information Concerning  
Financial Assurance Documents, Control No. 140110**  
{Reply to your letter dated October 3, 2007}

Dear Ms. Ullrich,

This letter is in response to your letter, dated October 3, 2007, and my phone message of October 22, 2007 regarding clarification of the Standby Trust Agreement. I have appended a letter from U.S. Bank as Trustee for XenoBiotic Laboratories, Inc. providing a clarification of the relationship between U.S. Bank Corporate Trust Services. We are hopeful that this letter of explanation provides the necessary information you are seeking to allow the current information, as recently updated and submitted to NRC, to be accepted as suitably providing the financial assurance required.

This will confirm that

- 1a. XBL no longer has a Certificate of Deposit to provide the financial assurance (FA) for our STA, and has modified the updated documents to reflect the shift to the Fidelity Institutional Government Money Market Fund III Funds #657.
- 1b. The funds are part of XBL's Financial Assurance, as noted on September 4, 2007.
2. The funds are held in an account established by the Standby Trust Agreement and should be titled: "Xenobiotic Laboratories, Inc. U.S. Bank as Trustee" as explained in the attached letter provided by U.S. Bank. The funds held in the account are held pursuant to the Standby Trust Agreement and are accessible per the terms of the Agreement.

Kindly contact me at 609-799-2295 x215 or our address of record below, if there are any further questions, or if additional information is needed at this time.

Sincerely yours,

Neil J. Lewis, Ph.D.  
Vice President and Radiation Safety Officer

cc: Jinn Wu, Ph.D., President, XBL  
Christine B. Micale, Controller, XBL



**Corporate Trust Services**  
21 South Street, 3<sup>rd</sup> Floor  
Mail Station: NJ3201  
Morristown, NJ 07960

October 19, 2007

Nuclear Regulatory Commission  
Region I  
475 Allendale Road  
King of Prussia, Pennsylvania, 19408-1415  
Attn: Betsy Ullrich, Senior Health Physicist

Re: XenoBiotic Laboratories, Inc., License No. 29-28053-01, U.S. Bank National Association A/C [REDACTED]

Dear Ms. Ullrich,

In regard to your letter of October 3, 2007, addressed to Neil J. Lewis, Ph.D of XenoBiotic Laboratories, Inc., I believe there is a little confusion as to the account that is maintained by U.S. Bank National Association under the Standby Trust Agreement with XenoBiotic Laboratories, Inc.

Your letter refers to an escrow account that is part of the standby trust. The account that is maintained by U.S. Bank under the Standby Trust Agreement is not a separate escrow account, but is however the account that was established by the Standby Trust Agreement. The confusion is due to the fact that when this account was opened on the bank's system it was improperly titled as an escrow account. The account should have been titled "XENOBOTIC LABORATORIES, INC U.S. BANK AS TRUSTEE": This change has been made and will be reflected on the upcoming October bank statement. The funds held in this account are held pursuant to the Standby Trust Agreement and are accessible to XenoBiotic Laboratories, Inc. per the terms of the Agreement.

Should the above explanation not completely address the concerns in October 3<sup>rd</sup> letter please contact the undersigned at your convenience by telephone at (973) 898-7161, or mail per the address in this letter.

Very truly yours,

Rick Barnes  
Vice President

Cc: XenoBiotic Laboratories, Inc.

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VERIFIED BY: ngd p212  
DATE: 10/22/07