July 19, 2002

Charles A. Patrizia, Esq.
Paul, Hastings, Janofsky & Walker LLP
1299Pennsylvania Ave. NW.
Wash DC 20004-2400

Re: Demand for Indemnity, and to Pay Costs of Investigation and Remediation re: Former Nuclear Facility in Hicksville, N.Y.

Dear Mr. Patrizia:

We are in receipt of your letter dated July 16, 2002, seeking indemnity and remediation costs. The sixth and final paragraphs of your letter referred to an earlier June 17, 2002 letter to us on this subject, *i.e*., indemnification for the Hicksville nuclear facility. It would appear that at the time of your writing you were unaware of our response on July 9, 2002, to the June 17 letter from William P. Barr, Executive Vice President and General Counsel of Verizon who had first written demanding indemnification for Hicksville. Likely by now you have received a copy of our response to Mr. Barr, but in the event otherwise, I am enclosing one.

As you will note, our July 9 letter requested further information and materials that would be necessary for us to consider any claim for indemnity and other expenses. Our July 9 letter also suggested that the Department of Energy might, more likely than the NRC, be the successor authority to any Atomic Energy Commission authorities or obligations with regard to the Hicksville facility. Your description of Hicksville's operations and cost plus contracts makes that appear even more likely since the authorities transferred to NRC by Congress are purely regulatory in nature and do not involve contracting for production of materials or conducting the national weapons program. Further it appears on the face of your letter that the regulatory authority over the Hicksville facility lay not with any agency of the United States government but with the State of New York whose Labor Department released the site for unrestricted use.

In any event, should you believe that you can provide documents, materials and information that would support your pursuit of this matter with us, you may be assured that it will receive appropriate agency consideration. We do not now have a sufficient basis to recommend that the Commission authorize retention of legal services by GTE Operations Support, Inc. (GTEOSI) or agree to GTEOSI's demand for payment of the costs of investigation and remediation or indemnification of any costs related to third party claims.

We will hold your request open pending further information from you.

Sincerely,

/RA/

John F.Cordes, Jr.
Solicitor

Enclosure: As stated

July 19, 2002

Charles A. Patrizia, Esq.
Paul, Hastings, Janofsky & Walker LLP
1299Pennsylvania Ave. NW.
Wash DC 20004-2400

Re: Demand for Indemnity, and to Pay Costs of Investigation and Remediation re: Former Nuclear Facility in Hicksville, N.Y.

Dear Mr. Patrizia:

We are in receipt of your letter dated July 16, 2002, seeking indemnity and remediation costs. The sixth and final paragraphs of your letter referred to an earlier June 17, 2002 letter to us on this subject, *i.e*., indemnification for the Hicksville nuclear facility. It would appear that at the time of your writing you were unaware of our response on July 9, 2002, to the June 17 letter from William P. Barr, Executive Vice President and General Counsel of Verizon who had first written demanding indemnification for Hicksville. Likely by now you have received a copy of our response to Mr. Barr, but in the event otherwise, I am enclosing one.

As you will note, our July 9 letter requested further information and materials that would be necessary for us to consider any claim for indemnity and other expenses. Our July 9 letter also suggested that the Department of Energy might, more likely than the NRC, be the successor authority to any Atomic Energy Commission authorities or obligations with regard to the Hicksville facility. Your description of Hicksville's operations and cost plus contracts makes that appear even more likely since the authorities transferred to NRC by Congress are purely regulatory in nature and do not involve contracting for production of materials or conducting the national weapons program. Further it appears on the face of your letter that the regulatory authority over the Hicksville facility lay not with any agency of the United States government but with the State of New York whose Labor Department released the site for unrestricted use.

In any event, should you believe that you can provide documents, materials and information that would support your pursuit of this matter with us, you may be assured that it will receive appropriate agency consideration. We do not now have a sufficient basis to recommend that the Commission authorize retention of legal services by GTE Operations Support, Inc. (GTEOSI) or agree to GTEOSI's demand for payment of the costs of investigation and remediation or indemnification of any costs related to third party claims.

We will hold your request open pending further information from you.

Sincerely,
/RA/
John F.Cordes, Jr.
Solicitor

Enclosure: As stated
bcc: M. Johnston, DOE
B. McRae, DOE

ADAMS Accession No.: ML_____
DOCUMENT NAME:C:\ORPCheckout\FileNET\ML022000357.wpd

To receive a copy of this document, indicate in the box: "C" = Copy without enclosures **"E"** = Copy with enclosures **"N"** = No copy

OFFICE	OGC/LC		OGC/LC					
NAME	MNORDLINGER		JCORDES					
DATE	07/ /2		07/ /2		07/ /2		07/ /2	

OFFICIAL RECORD COPY

July 9, 2002

Mr. William P. Barr
Executive Vice President and General Counsel
Verizon
1095 Avenue of the Americas
New York, NY 10036

Re: Verizon's Demand for Defense and Indemnity for Hicksville Nuclear Facility for lawsuits:
Gilbert Stevens, et al. v. Verizon Communications, Inc et al.,United States District Court, E.D.N.Y., No. 02 CV 2543, and
Melvin Schwinger, et al. v. Verizon, Inc., United States District Court, E.D.N.Y., No. 02 CV 2017

Dear Mr. Barr:

NRC General Counsel Karen Cyr has asked me to respond to your letter to her dated June 14, 2002, with respect to the *Stevens* and *Schwinge*r lawsuits and your demand for defense and indemnity with respect to the former nuclear facility in Hicksville, New York.

At my request members of the NRC staff have conducted a document search for any agreement of indemnification between the Atomic Energy Commission (AEC) and Sylvania Electric or Sylvania-Corning Nuclear Corporation particularly with respect to the Hicksville, New York facility. Our staff as yet has found no such document or any reference to such a document covering those corporations or the licenses granted them by the AEC. We are unable to proceed with any consideration of your request or ultimate referral to the Commission of this matter without this information. We would appreciate your providing us any pertinent materials or information in your possession.

It is possible that DOE, not NRC, is the successor to AEC 's authority with regard to any operations at the Hicksville facility. We note your reference to a separate notice and demand letter to the Department of Energy (DOE) with reference to Contract AT(30-1)-1293 pursuant to which you state that Sylvania Electric and Sylcor manufactured fuel and supplied it to the AEC. While your letter notes that a copy of your letter to DOE was enclosed, it did not appear among the documents that we received. Since it might be helpful to us to have it in our continuing efforts to find any relevant documents, we would appreciate your sending it.

Sincerely,

/RA/

John F. Cordes, Jr.

Solicitor