



UNITED STATES  
**NUCLEAR REGULATORY COMMISSION**  
REGION I  
475 ALLENDALE ROAD  
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

October 16, 2002

Docket No. 03005980  
Control No. 130953

License No. 37-00030-02

Kerry Ann McArdle, Esq  
Robertson, Freilich, Bruno & Cohen, LLC  
One Riverfront Plaza  
Fourth Floor  
Newark, NJ 07102

**SUBJECT: SAFETY LIGHT CORPORATION, TRANSFER OF ALLENDALE INSURANCE SETTLEMENT FUNDS TO EXISTING NRC-ADMINISTERED TRUST FUND, CONTROL NO. 130953**

Dear Ms. McArdle, Esq:

This letter replies to your letter dated March 14, 2002, submitted for your client, Safety Light Corporation (SLC), regarding the first party insurance proceeds recovered by SLC in the litigation initiated by Allendale Insurance Company. Your letter also requested a formal waiver of certain clauses of the Settlement Agreement between Safety Light and NRC, based on your interpretation of Paragraphs two and eight of this 1994 Settlement Agreement, and the return of the draft document related to the establishment of a second trust. As documented in your letter, and as discussed on October 16, 2002, between William Lynch, Vice President, SLC and Marie Miller, of my staff, we acknowledge SLC's agreement to deposit the remaining insurance proceeds into the existing NRC-Administered Trust Fund established for Nuclear Regulatory Commission License No. 37-00030-02.

Regarding your request for a formal waiver from NRC to complete the wire transfer of the remaining insurance proceeds, we have reviewed the Safety Light, USR Companies and NRC 1994 Settlement Agreement and your March 14, 2002 letter. While the agreement appears to indicate that two separate funds would be required, an official or formal waiver is not needed. Rather, as a party to this agreement, and anticipating expenditure of funds for decommissioning costs at Safety Light, we are documenting that NRC does not object to the placement of the remaining funds from the Allendale Insurance proceeds into the existing NRC-Administered Trust Fund established by the 1994 Settlement Agreement.

Your timely action on this matter is appreciated, so that pending decommissioning costs will be dispositioned according to the 1994 Settlement Agreement and your existing NRC-Administered Trust Agreement. Because a second trust agreement is not required, we are returning the draft documents prepared by your office for this purpose. If you have any questions concerning this matter, please contact Ms. Miller, Safety Light Project Manager or J. Bradley Fewell, NRC Regional Counsel at 610-337-5205 or 610-337-5301, respectively.

In accordance with 10 CFR 2.790, a copy of this letter without the enclosure will be placed in the NRC Public Document Room and will be accessible from the NRC Web site at

K. McArdle, Esq  
Robertson, Freilich, Bruno & Cohen, LLC

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<http://www.nrc.gov/reading-rm.html>. The enclosure is being returned, because it is a draft document that does not require an NRC action.

Sincerely,

***Original signed by Ronald R. Bellamy***

Ronald R. Bellamy, Chief  
Decommissioning and Laboratory Branch  
Division of Nuclear Materials Safety

Enclosure:  
Draft Second Trust Agreement

cc w/o enc:  
William Lynch, SLC  
Larry Harmon, SLC  
Robert Maiers, PADEP  
James Kopenhaver, PADEP  
Sheri A. Minnick, EPA RIII

K. McArdle, Esq  
Robertson, Freilich, Bruno & Cohen, LLC

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bcc w/o enc:

E. Pogue, NMSS  
M. Schwartz, OGC  
C. Mullins, OGC

DOCUMENT NAME: C:\ORPCheckout\FileNET\ML022900584.wpd

Enclosure Returned As Draft Document: **Not To Be Released** to the Public

To receive a copy of this document, indicate in the box: "C" = Copy w/o attach/encl "E" = Copy w/ attach/encl "N" = No copy

OFFICE	DNMS/RI	C	DNMS/RI	N	RC/RI		
NAME	MMiller /MMiller/		RBellamy /RB/		J. Bradley Fewell /BF/		
DATE	10/16/02		10/16/02		10/16/02		

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