

March 7, 2003

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

Re: Stevens et al. v. Verizon Communications Inc., No. 02 CV 2543 (EDNY); Schwinger et al. v. Verizon Communications Inc., No. 02 CV 2017 (EDNY); Demand for Indemnity--
Filing of Amended Complaints and Further Contract Information

Dear Mr. Patrizia:

I am in receipt of your most recent letter, dated February 10, 2003, and have reviewed it and the materials you have provided. Nothing in them alters the conclusion set out in prior letters from this office that there is no basis to conclude that the Hicksville site was covered by an indemnification agreement to which the Nuclear Regulatory Commission is the successor. Our records, which include most but not all facilities for which there were Atomic Energy Commission (AEC) licenses, do not reveal any such agreement.

There was a period when the AEC licensed its contractors, but the NRC was not heir to those licenses or contractors. Moreover, while there was within the materials you provided a 1966 release which appears to reflect the possible prior existence of an indemnification clause for third party liability arising in the specified performance of the referenced contract, it was apparently of very limited scope and duration. There was no indication in the release or elsewhere of the size, duration or nature that could be identified as related to an Agreement for Facility Indemnification executed pursuant to the Price-Anderson Act.

As I am sure you are aware, the Price-Anderson Act required that the AEC conclude indemnification agreements for facilities constructed and operated pursuant to licenses issued under Sections 103 and 104 of the Atomic Energy Act. Congress granted the AEC discretionary authority also to indemnify certain specified types of licensees where the AEC believed it warranted for the same reasons that underlay the obligatory Section 103 and 104 indemnifications. That authority was rarely exercised and never to our knowledge to cover private sector commercial licensees of the type for which NRC is the successor agency. Decommissioning and remediation costs at the site are never covered under the provisions of the Price-Anderson Act which bars payment for onsite damages, including damages covered by the Workers Compensation Act.

In light of the foregoing, I must inform you that we can take no action in this matter unless you are able to produce the indemnification agreement which would authorize us to make payments from federal funds.

C. Patrizia, Esq.

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Should you wish to correspond further on this matter, I would ask you to direct your correspondence to John F. Cordes, the Solicitor in this office.

Sincerely,

/RA/

Karen D. Cyr
General Counsel

C. Patrizia, Esq.

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Should you wish to correspond further on this matter, I would ask you to direct your correspondence to John F. Cordes, the Solicitor in this office.

Sincerely,

Karen D. Cyr
General Counsel

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