

September 19, 1989

William T. Russell
Regional Administrator
Region I
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Re: Docket Nos. 030-05980, 030-05981, 030-05982,
030-08115 and 030-08116 (PA 89-19)

Dear Mr. Russell:

This letter supplements the filing dated September 18, 1989, in which Safety Light Corporation ("Safety Light") requested an extension of thirty (30) days in which to submit the Trust Agreement referenced in the Order, dated August 31, 1989, issued by the Nuclear Regulatory Commission ("NRC").

Subsequent to filing our submittal on Monday, I learned that counsel for UXR Industries, Inc. ("UXR"), Mannoeh Weisman, has withdrawn from the above-captioned proceeding. At this time, UXR is without legal counsel. Safety Light now must proceed in attempting to meet the NRC's requests which includes the establishment of a Trust and the submission of the Work Plan. Mannoeh Weisman had retained IT Corporation for all prior technical work submitted to the NRC. Safety Light now must establish a business relationship with IT Corporation, and execute a new contract with IT Corporation, and establish a schedule to perform the Work Plan.

As stated in previous submittals, on September 8th, Safety Light retained Washington D.C. counsel for this proceeding as part of its effort to improve communications with the NRC and to be more responsive to NRC's concerns. On September 11, the NRC granted Safety Light an extension until October 2nd to determine whether to submit an answer and to request a hearing in this proceeding. Since that date, Safety Light has communicated daily with the NRC to keep the agency apprised of its efforts to schedule the preparation of the Work Plan and to prepare a joint Trust Agreement with UXR. This letter summarizes these discussions.

Safety Light has commenced drafting the Trust Agreement. Safety Light learned only yesterday, that UXR did not have counsel

who could participate in this process. Safety Light will now proceed to finalize a draft Trust Agreement that will be comparable to the example set forth in 40 C.F.R. § 264. It is anticipated that the draft of the Trust Agreement will be completed in the next seven (7) days and will be available for review by the Trustee who will administer it.

Safety Light has had preliminary discussions with several financial institutions concerning the Trust Agreement. Safety Light is also exploring the advisability of appointing a lawyer as Trustee. Safety Light expects to inform the NRC within the next two (2) weeks as to whom is the Trustee. Shortly thereafter, Safety Light intends to submit the Trust Agreement for NRC review. Once the Trust Agreement is approved by the NRC, Safety Light will then establish the Trust Account and make an initial deposit of 50 percent of the prior month's profits.

Safety Light's primary concern is the level of funding that it can dedicate to the Trust. In light of the withdrawal of USR's counsel, Safety Light must now fully fund the Work Plan. In the past four (4) months, Safety Light has expenditures of more than \$150,000 for legal and technical services related to these proceedings. Safety Light has not yet been able to ascertain what economic liability it may have for litigation services performed on its behalf in an effort to establish the liability of the insurance carriers with regard to this issue. This litigation is ongoing and necessary to ensure that the Trust is fully funded. Safety Light is also accruing substantial expenses in attempting to comply with all aspects of the NRC's recent orders.

Safety Light's available revenues to fund the Trust Agreement are not only being depleted by the foregoing, but are also subject to various fluctuations in the tritium market. The price of tritium increased substantially in 1988 and is expected to increase again in October 1989. The price increases adversely affect Safety Light's profits.

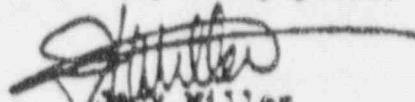
Because Safety Light is unable to project its available revenues for the next twelve (12) months, Safety Light proposes that it will commit 50 percent of its monthly profits to the Trust. During the period in which Safety Light is funding the Trust, Safety Light shall freeze the salaries of its officers and shall undertake to maintain its operating expenses at a reasonable level.

In light of the foregoing, Safety Light has attempted to respond to the NRC's oral request for a status report on its activities and a statement of its intention to proceed with the

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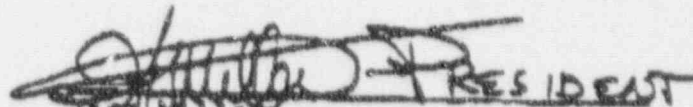
establishment of the Trust and preparation of the Work Plan. Safety Light urges the NRC to grant the requested extensions to allow Safety Light and the agency to continue ongoing discussions and achieve a settlement on these matters.

Very truly yours,


Jack Miller
President

State of Pennsylvania }
County of Columbia } ss. 1

Jack Miller, being duly sworn, deposes and says that he has read the foregoing letter; that to the best of his knowledge and belief, the statements and facts stated therein are true and accurate.


PRESIDENT
Jack Miller

Subscribed and sworn to before
me this 19th day of September 1989.




Cindy Whitfield Litter
Notary Public

My Commission Expires

Notary Seal
Cindy Whitfield Litter, Notary Public
South Centre Twp., Columbia County
My Commission Expires Dec. 31, 1991
Member, Pennsylvania Association of Notaries

cc: James Fiaberman
Director, Office of Enforcement
U.S. Nuclear Regulatory Commission