



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

April 27, 2001

Docket No. 03005980

License No. 37-00030-02

William E. Lynch  
Vice President  
Safety Light Corporation  
4150-A Berwick Road  
Bloomsburg, PA 17815

SUBJECT: DISPOSITION OF INSURANCE SETTLEMENT FUNDS

Dear Mr. Lynch:

I appreciated your telephone call on April 23, 2001, wherein you provided a status regarding two legal activities associated with the Safety Light Corporation (SLC) in Bloomsburg, Pennsylvania. With regard to your recent settlement with the Allendale Insurance Company, this letter confirms our understanding that SLC will shortly receive approximately \$487,500 from Allendale. Based on the December 1994 Settlement Agreement, it is the NRC's expectation that these funds be deposited into the NRC-administered trust fund, for expenses related to radiological remediation and decommissioning of the Bloomsburg, PA facility.

You also provided an update on your legal challenge against IT Corporation. We understand that you have filed in court to seek a remedy for contracted work IT performed at the SLC site for the removal and sorting of waste from two underground silos. Please be advised that it is the NRC's position that neither money received from the recent settlement with Allendale nor any of the other money, which has accumulated under the terms of your settlement agreement with the NRC shall be used to pay legal fees associated with your actions against IT Corporation.

We request that you respond in writing to Marie Miller, Project Manager for the SLC site, if our understanding of the above matters is incorrect. Otherwise, no reply is needed. Thank you for your cooperation.

Sincerely,

***Original signed by George Pangburn***

George Pangburn, Director  
Division of Nuclear Materials Safety

cc:  
Larry Harmon, SLC  
C. Richter White, SLC  
David Allard, PADEP  
James F. Kopenhaver, PADEP  
bcc:

W. Lynch  
Safety Light Corporation

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J. Parrott, NMSS  
S. Lewis, OGC

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