



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
611 RYAN PLAZA DRIVE, SUITE 400  
ARLINGTON, TEXAS 76011-8064

June 16, 2000

Michael J. Mocniak, Vice President  
Fansteel Incorporated  
Number One Tantulum Place  
North Chicago, Illinois 60064

SUBJECT: NRC AND FANSTEEL MANAGEMENT MEETING CONDUCTED MAY 31, 2000

Dear Mr. Mocniak:

On May 31, 2000, NRC management held an open meeting with Fansteel management regarding the findings from the March 2000 inspection. This inspection included a review of the February 12, 2000, hydrofluoric gas event that hospitalized two operators and the status of Fansteel's proposed Phase II operation schedule. The inspection results were documented in Inspection Report 40-7580/00-01 dated May 2, 2000.

During the meeting, Fansteel provided information, as summarized in Attachment 1, related to program improvement initiatives and plans for moving into Phase II startup operations. Fansteel also reiterated its commitment to issues discussed in a letter dated May 3, 1999, regarding the use and storage of high risk bulk chemicals. We indicated during the meeting that after you have conducted your own readiness review for Phase II operations, the NRC will conduct an inspection of your readiness to proceed with Phase II operations.

Overall, we believe the meeting provided an important exchange of information and a better understanding of our concerns related to your phased startup operations. If you have any questions concerning this letter, please contact Mr. Louis C. Carson II at (817) 860-8221 or Dr. D. Blair Spitzberg at (817) 860-8191.

Sincerely,

***/RA Linda Howell Acting for/***

Dwight D. Chamberlain, Director  
Division of Nuclear Materials Safety

Docket: 40-7580  
License: SMB-911

Attachments:

1. Fansteel discussion slides (2)
2. List of attendees

cc w/copy of licensee's letter dated 05/26/00:

A. Fred Dohmann, General Manager  
Fansteel Incorporated  
Number Ten Tantulum Place  
Muskogee, Oklahoma 74403-9297

Mr. Walter Beckham, City Manager  
City of Muskogee  
229 West Okmulgee  
Muskogee, Oklahoma 74401

Mr. Allyn Davis  
U.S. Environmental Protection Agency, R6  
1445 Ross Avenue  
Dallas, Texas 75202

Mr. Hugh Terrell, Safety Compliance Inspector  
Occupational Safety and Health Administration  
Region 6, Oklahoma Field Office  
Oklahoma City, Oklahoma 73111

Dr. Loren Mason  
Tulsa District Environmental Manager  
U.S. Army Corps of Engineers  
P.O. Box 61  
Tulsa, Oklahoma 74121-0061

Mr. Mark Thomason  
State of Oklahoma Department  
of Environmental Quality (ODEQ)  
Division of Water Quality  
1000 N.E. 10th Street  
Oklahoma City, Oklahoma 73117-1212

Ms. Pamela L. Bishop  
State of Oklahoma Department  
of Environmental Quality  
Waste Management Division  
Radiation Management Section  
1000 N.E. 10th Street  
Oklahoma City, Oklahoma 73117-1212

Fansteel Incorporated

-3-

Mr. Mike Brodrick, Administrator  
State of Oklahoma Department  
of Environmental Quality  
Waste Management Division  
Radiation Management Section  
1000 N.E. 10th Street  
Oklahoma City, Oklahoma 73117-1212

Oklahoma Radiation Control Program Director

bcc w/copy of licensee ltr dtd 05/26/00 to DCD(IE07)

bcc w/copies of licensee ltr dtd 05/26/00 distrib. by RIV:

EWMerschhoff

DDChamberlain

LLHowell

DBSpitzberg

LCCarson II

HMAstwood, FCSS/FCLB (8A33)

PTing, FCSS/FCLB (8A33)

FCDB

MIS System

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LCCarson II: <i>/RA/</i>		DBSpitzberg <i>/RA/</i>		DDChamberlain/ <i>LHowell/</i>			
06/15/00		06/16/00		06/16/00			

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## Phase II

- Current Work
  - Bench and Pilot scale verification of throughput loadings.
  - Dedicated team for pre start-up preparations
  - PI&D review, operating procedures, training, etc.
- Tentative Schedule
  - Critical Path, equipment.
  - Approximately six months to be ready.
  - Note: depending on equipment delivery this could vary +/- two months.

## Administrative Procedures

- Document Control System
  - Management of Change
  - Corrective Actions
  - Reporting Requirements
  - TOPs and SOPs
- Note: Review by RSC, Revisit Hazard Analysis,
- Equipment Safety Reviews, Training, etc.

**LIST OF PERSONS IN ATTENDANCE**

Those who attended the NRC Public Meeting in Arlington, Texas, on May 31, 2000

Licensee

J. Burgess, Plant Operations Manager  
F. Dohmann, General Manager and Assistant  
M. Mocniak, Vice President and General Counsel  
M. Mooring, Radiation Safety Officer and Plant Safety Director

State of Oklahoma

P. Bishop, ODEQ, Radiation Management Section (RMS)  
M. Broderick, ODEQ, RMS, Administrator  
S. Jantzen, Oklahoma Assistant Attorney General

Occupational Safety and Health Administration

R. Banaitis, OSHA Region 6, Safety Compliance Manager

Nuclear Regulatory Commission

H. Astwood, Fuel Cycle Safety and Safeguards (FCSS), Project Manager  
L. Carson II, RIV, Division of Nuclear Material Safety (DNMS), Health Physicist  
D. Chamberlain, RIV, DNMS, Director  
L. Howell, DNMS Senior Materials Analyst / Acting RIV State Liaison Officer  
E. Merschoff, RIV Regional Administrator  
E. Leeds, Acting, FCSS Licensing Branch Chief  
K. Smith, RIV, Regional Counsel  
B. Spitzberg, RIV, DNMS, Branch Chief  
J. Walker, DNMS, Health Physicist