

May 21, 2001

Mr. A. Fred Dohmann,
General Manager
Fansteel, Inc.
Number Ten Tantalum Place
Muskogee, OK 74403-9296

SUBJECT: REVIEW OF FANSTEEL DECOMMISSIONING FUNDING PLAN REVISION DATED
FEBRUARY 27, 2001, (TAC NO. L31479)

Dear Mr. Dohmann:

We have completed the review of your revised decommissioning funding plan dated February 27, 2001, in which you indicated the estimated decommissioning costs for the Muskogee facility in Muskogee, OK. On May 10, 2001, you confirmed by phone that the decommissioning costs are associated with waste disposal in an onsite containment cell and no other disposal procedures are being considered at this time.

The decommissioning cost estimate was submitted in compliance with License Condition 21 of your Source Material license SMB-911, which requires a 13 month review of your decommissioning cost estimate. Furthermore, since the cost estimate has not increased by more the 1 percent, no financial assurance instruments have to be submitted at this time. The cost estimate and funding arrangements meet the requirements of 10 CFR 40.36 and are acceptable.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Leslie C. Fields, Project Manager
Fuel Cycle Licensing Branch
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards

Docket 40-7580
License SMB-911

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Leslie C. Fields, Project Manager
Fuel Cycle Licensing Branch
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Docket 40-7580
License SMB-911

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