

February 13, 2002

Mr. Gary L. Tessitore  
Chief Executive Officer  
Fansteel, Inc.  
Number One Tantalum Place  
North Chicago, Illinois 60064

SUBJECT: FANSTEEL, INC. ACKNOWLEDGMENT OF FANSTEEL, INC. BANKRUPTCY  
NOTIFICATION (TAC NO. L31592)

Dear Mr. Tessitore:

This acknowledges your letter dated January 15, 2002, informing NRC that Fansteel, Inc. and most of its US subsidiaries filed for bankruptcy under Chapter 11 in Federal Bankruptcy Court on January 15, 2002. Your request has been assigned Technical Assignment Control (TAC) Number L31592. Please reference this number in any future correspondence associated with this request. This letter closes out TAC No. L31577.

Please be informed that the bankruptcy filing does not relieve Fansteel of its obligations to comply with NRC requirements, including those relating to security and control of licensed material; decontamination and decommissioning of contaminated facilities; and retention of personnel required by NRC requirements (e.g., the General Manager, authorized users, etc.). We would like to note that most facility processes have been placed in a stand-by mode since November 22, 2001.

If the Muskogee facility General Manager leaves your employ, you must first properly secure, dispose of, or transfer all licensed material, and you must inform NRC of this situation. If you need to close a building, you must first properly secure, dispose of, or transfer all licensed material that was in the building. NRC licenses remain in full effect even beyond their stated expiration date, until terminated in writing by NRC.

You may not (1) transfer control of your license without prior written NRC approval, or (2) transfer licensed material except as authorized by NRC regulations. You should ensure that your attorney and any trustee involved in the bankruptcy proceeding are aware of these obligations. Any person who takes control of licensed activities or possession of the licensed material including any contaminated equipment or property transferred by the licensee must first obtain an NRC license.

Please notify us immediately if you are unable to meet any of these conditions. Also, please notify us when the bankruptcy proceeding is completed.

In addition, a copy of your submittal has been forwarded to the License Fee and Accounts Receivable Branch, Office of the Chief Financial Officer, who will contact you separately if the appropriate license fee has not been submitted for your request, or for billing if your request is subject to full cost fee recovery.

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).

Thank you for your cooperation in this matter. You may contact Michael Lamastra, Licensing Project Manager, at (301) 415-6267 or Thomas Fredrichs, Project Manager - Financial Analyst, at (301) 415-5971, if you have any questions or information concerning the status of your license or activities.

Sincerely,

**/RA/**

Melvyn Leach, Chief  
Fuel Cycle Licensing Branch  
Division of Fuel Cycle Safety and Safeguards  
Office of Nuclear Material Safety and Safeguards

Docket No.: 40-7580

License: SMB-911

February 13, 2002

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Melvyn Leach, Chief  
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 Division of Fuel Cycle Safety and Safeguards  
 Office of Nuclear Material Safety and Safeguards

Docket No.: 40-7580  
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