

April 28, 2003

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

SUBJECT: RESULTS OF PRELIMINARY REVIEW OF FANSTEEL'S
DECOMMISSIONING PLAN DATED JANUARY 2003

Dear Mr. Tessitore:

The staff has completed its initial review of the decommissioning plan (DP) submitted by Fansteel on January 16, 2003. The staff does not object to the proposed approach to decommissioning the Muskogee site. However, the staff concluded that the DP does not contain sufficient information to conduct a detailed review at this time. In particular, Section 8 of the DP states it is a conceptual plan and specific decommissioning activities may differ from what is presented. Several other chapters begin with statements indicating that the plans will be developed. In addition, the radiological status of the site is incomplete and out of date. Because of these limitations on the radiological information presented, the staff cannot verify the ability of the plan to effect remediation of all contamination at the site. Furthermore, considering that the remediation criterion for thorium, the controlling isotope, is the same as in the previous plan -- 10 pCi/g -- Fansteel has not demonstrated how the estimated cost of remediation has been reduced to less than half the previous Fansteel estimate that was used in its bankruptcy filing.

Within thirty (30) days of the date of this letter, Fansteel should submit a schedule by which it intends to respond to this letter. Note that Fansteel has several options in its response: it may obtain and provide the additional information identified herein and resubmit the DP; it may notify NRC it is implementing the existing DP; or it may develop a different approach to decommissioning the site that meets the requirements of 10 CFR Part 20 Subpart E. The schedule Fansteel submits will be incorporated as a condition in the license.

More details of the NRC review are in the attachment. If Fansteel elects to amend this DP, and resubmit it for review, it should address all of these comments. It should place particular emphasis on the following in the revised submittal:

- A complete, current characterization of the site, including:
 - saturated and unsaturated zones throughout the site
 - areas under all buildings, and
 - all areas with surface or subsurface piping

- A revised area classification (impacted or non-impacted) supported by the updated characterization
- The specific approach to be used in decommissioning each area
- All “plans” identified as “ ... will be ...[written]” (DQO, QA/QC, Decommissioning Funding Plan, Contractor Work Plan, etc.)
- A detailed schedule of decommissioning activities, including additional remediation necessary to define the current extent of radiological contamination
- A revised cost estimate to remediate the site, including:
 - cost for additional characterization activities
 - cost for remediation of all contamination, including any identified during characterization
 - a comparison of the cost estimate with the funds set aside for decommissioning
 - a detailed cost/expenditure plan to support the decommissioning activities

Fansteel, and perhaps its contractors, should meet with the staff to discuss the review in depth, and to better understand the staff’s needs for additional information before finalizing its response.

If you have any questions on this matter, please contact Mr. James Shepherd, of my staff, at (301) 415 6712 or jcs2@nrc.gov.

Sincerely,

/RA/

Daniel M. Gillen, Chief
Decommissioning Branch
Division of Waste Management
Office of Nuclear Material Safety and Safeguards

Docket No.: 40-7580
License: SMB-911

Enclosures: 1. Comments on Fansteel Decommissioning Plan of January 2003

cc: Walter Beckham
Pamela Bishop
Mike Broderick
George Brozowski
James Curtiss, Esq.
A. F. Dohmann
Phillip Fielder
Richard Gladstein, Esq.
Timothy Hartsfield
Sarah Penn, Esq
Quang Pham
Kevin Sampson
Susan Webster

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