

May 9, 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 reviewed the information provided by Fansteel in its letter of May 8, 2003, supplementing the January 2003 decommissioning plan (DP) for the Muskogee, Oklahoma, facility. The staff has determined that the phased remediation of the site, the accelerated schedule, and the changes to decommissioning proposed by Fansteel are acceptable. The staff has also concluded that Fansteel submitted sufficient information to proceed with the detailed technical review of the DP. During the review additional questions may arise to which Fansteel should be prepared to respond in a timely manner.

Because of its bankruptcy proceeding, Fansteel has requested that the Nuclear Regulatory Commission (NRC) complete its review of all phases of the DP by October 31, 2003. The staff plans to write the safety evaluation report and environmental assessment, and make a recommendation regarding approval by that date. However, as you are aware, any recommended licensing action requires a 30 day period for public comment and opportunity for hearing before it is made final. This schedule presumes complete and timely responses by Fansteel to any requests for additional information. To that end, Fansteel should update its decommissioning schedule and funding plan to reflect the phased approach within ten days of the date of this letter. NRC approval of the DP will be subject to confirmation of a plan of reorganization acceptable to government officials with authority. Any request for transfer of license is a separate licensing action that must follow confirmation of an acceptable plan of reorganization.

If you have any questions on this letter, you may contact Mr. James Shepherd, of my staff, at 301-415-6712 or jcs2@nrc.gov.

Sincerely,
/RA/ C. Craig for

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

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

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

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 reviewed the information provided by Fansteel in its letter of May 8, 2003, supplementing the January 2003 decommissioning plan (DP) for the Muskogee, Oklahoma, facility. The staff has determined that the phased remediation of the site, the accelerated schedule, and the changes to decommissioning proposed by Fansteel are acceptable. The staff has also concluded that Fansteel submitted sufficient information to proceed with the detailed technical review of the DP. During the review additional questions may arise to which Fansteel should be prepared to respond in a timely manner.

Because of its bankruptcy proceeding, Fansteel has requested that the Nuclear Regulatory Commission (NRC) complete its review of all phases of the DP by October 31, 2003. The staff plans to write the safety evaluation report and environmental assessment, and make a recommendation regarding approval by that date. However, as you are aware, any recommended licensing action requires a 30 day period for public comment and opportunity for hearing before it is made final. This schedule presumes complete and timely responses by Fansteel to any requests for additional information. To that end, Fansteel should update its decommissioning schedule and funding plan to reflect the phased approach within ten days of the date of this letter. NRC approval of the DP will be subject to confirmation of a plan of reorganization acceptable to government officials with authority. Any request for transfer of license is a separate licensing action that must follow confirmation of an acceptable plan of reorganization.

If you have any questions on this letter, you may contact Mr. James Shepherd, of my staff, at 301-415-6712 or jcs2@nrc.gov.

Sincerely,
/RA/ C. Craig for
 Daniel M. Gillen, Chief
 Decommissioning Branch
 Division of Waste Management
 Office of Nuclear Material Safety and Safeguards

Docket No.: 40-7580

License: SMB-911

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

TAC# L52087

ML031290264

Distribution: DSpitzberg/RIV JGreeves JKennedy MMoriarty/FCSS/NMSS

MRodgers/PMDA/NMSS

* See Previous Concurrence

OFC	DCB:		DCB:		DCB:		DCB:	
NAME	JShepherd*		CBurkhalter*		TFredrichs*		CCraig*	
DATE	05/ 09 /03		05/09 /03		05 /09 /03		05/09/03	

OFC	OGC		DCB	
NAME	MSchwartz		DGillen*	
DATE	05/09/03		05/09/03	