

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

September 15, 2003

SUBJECT: SCHEDULE FOR ISSUANCE OF LICENSE AMENDMENTS FOR THE
MUSKOGEE FACILITY

Dear Mr. Tessitore:

I am writing in response to your letter of August 28, 2003, requesting a meeting to discuss any outstanding questions or concerns that the U.S. Nuclear Regulatory Commission (NRC) staff may have regarding Fansteel's submissions. You stated that you were writing in an attempt to minimize the need for extensive additional requests for information (RAIs). Your August 28th letter stresses the importance Fansteel places on "the NRC completing its technical review of the DP so as to be able to decide whether a FONSI and SER should be issued on or before October 31, 2003," in order for Fansteel to be in a position to emerge from bankruptcy in early 2004.

In an attempt to meet the October deadline and in light of Fansteel's expressed willingness to accept license conditions in lieu of RAIs, the NRC staff has decided to replace technical RAIs on the Decommissioning Plan (DP) with license conditions. The NRC staff currently is preparing a number of these license conditions. However, the staff is preparing RAIs on the financial information in addition to the request that was made in our August 29, 2003 letter to provide copies (or drafts) of the Notes and Indemnity Agreement Fansteel proposes as a substitute for the financial instruments required by NRC regulation. If NRC does not receive complete and timely responses to the RAIs and the draft, the October 31st date will be further jeopardized.

In response to your request for a meeting, after Fansteel has reviewed the proposed license conditions, the RAIs and the draft Trust Agreement, a meeting may be useful to ensure that NRC's informational needs are fully met. In the interim, if you or your staff have any questions about the license conditions, the RAIs or the draft Trust Agreement, please feel free to contact Jim Shepherd, of my staff.

You may contact Mr. Shepherd 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

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
Laura Davis Jones, Esq.
Jeffrey Sabin, Esq.
Frances Gecker, Esq.

Mr. G. Tessitore

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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 of 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	Jeffrey Sabin, Esq.	Frances Gecker, Esq.	

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OFC	DCB:		DCB:		DCB:	
NAME	TFredrichs		CBurkhalter		CCraig	
DATE	09/11/03		09/11/03		09/13/03	
OFC	OGC		DCB			
NAME	MSchwartz		DGillen			
DATE	09/12/03		09/15/03			