

R. Michael McEntee
Vice President and
Chief Financial Officer

Fansteel

October 23, 2003

BY FACSIMILE AND U.S. MAIL

Daniel M. Gillen, Chief
Decommissioning Branch
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Mail Stop T-7F27
Washington, DC 20555-0001

Re: **Docket No. 40-7580, License No. SMB-911**
Certification of Financial Assurance

Dear Mr. Gillen:

Pursuant to our discussions with your staff, please find enclosed a form of "Certification of Financial Assurance," to be executed by Fansteel on the effective date of Fansteel's plan of reorganization. On the effective date, the amount of financial assurance will be approximately \$39.4 million. Fansteel will transmit the Certification to the NRC within 30 days of its execution.

If you have any questions regarding this submission, please contact me at (847) 689-4900, extension 200.

Sincerely,



R. Michael McEntee

Enclosure

cc: James C. Shepherd, NRC/NMSS
NRC Document Control Desk
Maria E. Schwartz, Esq., NRC/OGC
Richard Gladstein, Esq., DOJ
Alan Tenenbaum, Esq., DOJ
Jeffrey S. Sabin, Esq., Schulte Roth & Zabel LLP
James R. Curtiss, Esq., Winston & Strawn LLP

CERTIFICATION OF FINANCIAL ASSURANCE

Source of Financial Assurance: Fansteel Inc.
 Number One Tantalum Place
 North Chicago, Illinois 60064

Facility Location: Number Ten Tantalum Place
 Muskogee, Oklahoma 74403
 NRC License Number SMB-911

Issued to: U.S. Nuclear Regulatory Commission

I certify that FMRI Inc., a subsidiary of Reorganized Fansteel, is licensed to possess, for the purpose of conducting activities related to characterization and decommissioning of contaminated facilities, equipment, and land, the following types of source material licensed under 10 C.F.R. Part 40 in the following amounts:

<u>Type of Material</u>	<u>Amount of Material</u>
Natural uranium and thorium	400 tons as elemental uranium and thorium
A. Natural Uranium (in the form of tin slags, ores, concentrates, process residues, and uranium oxides)	A. 43,000 kg uranium
B. Natural Thorium (in the form of tin slags, ores, concentrates, process residues, and uranium oxides)	B. 71,000 kg thorium
C. Natural Uranium (as a contaminant in soil and sediment)	C. 4,000 kg uranium
D. Natural Thorium (as a contaminant in soil and sediment)	D. 2,500 kg thorium

I also certify that decommissioning funding in the amount of \$ 39.4 million shall be provided in the form of notes issued by Reorganized Fansteel to FMRI (a Primary Note in the amount of \$30.6 million, and a Secondary Note in the amount of \$4.2 million), and proceeds of the Decommissioning Trust established as NRC-mandated financial assurance (approximately \$4.6 million). The notes are described in Chapter 15 of the Decommissioning Plan approved by the NRC on [date], as well as the "Joint Reorganization Plan of Fansteel Inc. and Subsidiaries."

Gary L. Tessitore, President and
Chief Executive Officer

Date