

July 12, 2004

Mr. A. Fred Dohmann, President
FMRI
10 Tantalum Place
Muskogee, OK 74403

Dear Mr. Dohmann:

I am concerned that FMRI may not commence remediation of the Muskogee site by September 1, 2004 per Fansteel's commitment letter of May 8, 2003, as referenced in Condition 10 of FMRI's license. This letter formed the basis for approval of the decommissioning plan (DP). Furthermore, the letter of March 4, 2004 from E. Jonathan Jackson, FMRI, to James C. Shepherd, NRC, states that "FMRI, Inc. attests: 1) The decommissioning is proceeding pursuant to the NRC-approved Decommissioning Plan. . . ." as the basis for drawing on the standby trust fund. In your letter to Mr. Shepherd, on that same date, you state that you " . . . do not currently anticipate that FMRI will be in a position to commit **additional resources** to the activities contemplated under the Decommissioning Plan" NRC does not interpret this statement as saying FMRI is unable to meet existing obligations. The NRC believes it is critical that FMRI comply with and implement the NRC-approved DP in a timely manner.

Nonetheless, if FMRI now desires to change its commitment to commence remediation by September 1, 2004, it must submit a request to amend License Condition 10. The application should include the justification for not commencing remediation in accordance with the approved DP and the Jackson letter, and a demonstration that FMRI will remediate the site in a timely manner, as agreed to in the settlement negotiations.

To facilitate the review of this amendment request, we request that you meet with the NRC to explain FMRI's position and plans and respond to NRC questions. Because of other staff commitments, this meeting should be held at NRC headquarters during July 2004.

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

Sincerely,

/RA/

Daniel M. Gillen
Deputy Director for the Decommissioning Directorate
Division of Waste Management
and Environmental Protection
Office of Nuclear Materials Safety
and Safeguards

Docket No.: 40-7580
License: SMB-911
TAC#: L60555

cc: GTessitore, Fansteel
RGladstein, DOJ
JCurtiss, Esq.

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*See previous concurrence

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OFFICE	RGN-IV		OGC		DWMEP	
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