



March 13, 2006

U.S. Nuclear Regulatory Commission, Region IV  
ATTN: Mr. Leonard D. Wert, Jr., Director  
Division of Nuclear Materials Safety  
611 Ryan Plaza Drive, Suite 400  
Arlington, Texas 76011-4005

Reference: Further Reply to a Notice of Violation; NOV-05-01  
License SMB-911; Docket No. 40-07580

Dear Mr. Wert:

This letter is in reply to your letters of September 12, 2005 and December 15, 2005, which responded to FMRI Inc.'s ("FMRI") August 23 and October 11, 2005 letters relating to a Notice of Violation issued by the Nuclear Regulatory Commission ("NRC") on July 26, 2005.

Your December 15, 2005 letter stated that the NRC would support a management meeting with FMRI. As you are aware, this meeting was held on February 15, 2005. As a result of this meeting, FMRI is proposing additional corrective actions to achieve compliance with the license for the Muskogee facility, SMB-911, and to prevent the recurrence of such violation.

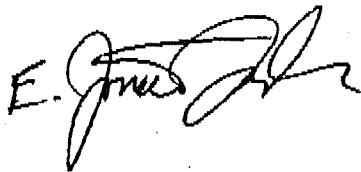
FMRI proposes to modify a portion of License Condition 45 to eliminate the requirement for FMRI to provide the updated financial projections for Fansteel Inc. contained in Table 15-12 of the Decommissioning Plan for the Muskogee, Oklahoma site. Such modification will be achieved by the submission of a proposed license amendment to be filed at NRC

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headquarters within 30 days of this letter. The modified license condition will provide assurance of the public health and safety. Issuance of the requested license amendment will also assure that License Condition 45 is not violated in the future.

We are hopeful that the submission of the amendment application will allow the NRC to close out its consideration of the subject violation.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Jonathan Jackson". The signature is fluid and cursive, with a large initial "E" and a long, sweeping underline.

E. Jonathan Jackson

cc: Blaire Spitzberg  
James C. Shepherd  
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