



January 12, 2007

U.S. Nuclear Regulatory Commission  
ATTN: Mr. James Shepherd, Project Manager  
Decommissioning Branch  
Division of Waste Management  
11545 Rockville Pike  
Two White Flint North  
Rockville, Maryland 20852

Reference: License Condition 42 – Annual Update of Figure 8-3  
License SMB-911; Docket No. 40-7580

Dear Mr. Shepherd:

Pursuant to License Condition 42 of License SMB-911, FMRI Inc. (FMRI) submits the enclosed updated Figure 8-3 showing the estimated Muskogee, Oklahoma Decommissioning Schedule. This figure has been updated from the previous version (i.e., the schedule enclosed in the FMRI letter to NRC dated January 13, 2006) to reflect the impact of recent Fansteel Inc. financial projections submitted to you by letter dated December 4, 2006 and my letter dated December 14, 2006 which confirmed that FMRI would not complete Phase 1 activities by December 31, 2006.

This revised decommissioning schedule projects completion of Pond 3 Phase 1 activities in 2007 and continuance of maintenance and safety controls until sufficient funds are in place to completely address Pond 2 Phase 1 activities in late 2010 and 2011. FMRI has concluded that this course of action is more appropriate for safety and efficiency reasons than having Pond 2 open over several years and remediating and shipping WIP material as available funds allow. Completion of Phase 1 assumes continued minimum payments by Fansteel in accordance with the promissory notes and the continued access of FMRI to the proceeds of the Decommissioning Trust.

This schedule ensures the continued maintenance of environmental and safety controls throughout the decommissioning process. In addition, given that decommissioning may continue beyond 2015 and the uncertainties, e.g., funding projections and groundwater remediation, no attempt to suggest the final decommissioning completion date has been made.

E. Jonathan Jackson  
President, FMRI Inc.  
#Ten Tantalum Place, Muskogee, OK 74403  
Phone 918-687-6303 / Fax 918-687-6112

If you have any questions, please call Keyton Payne or me at (918) 687-6303.

Sincerely,

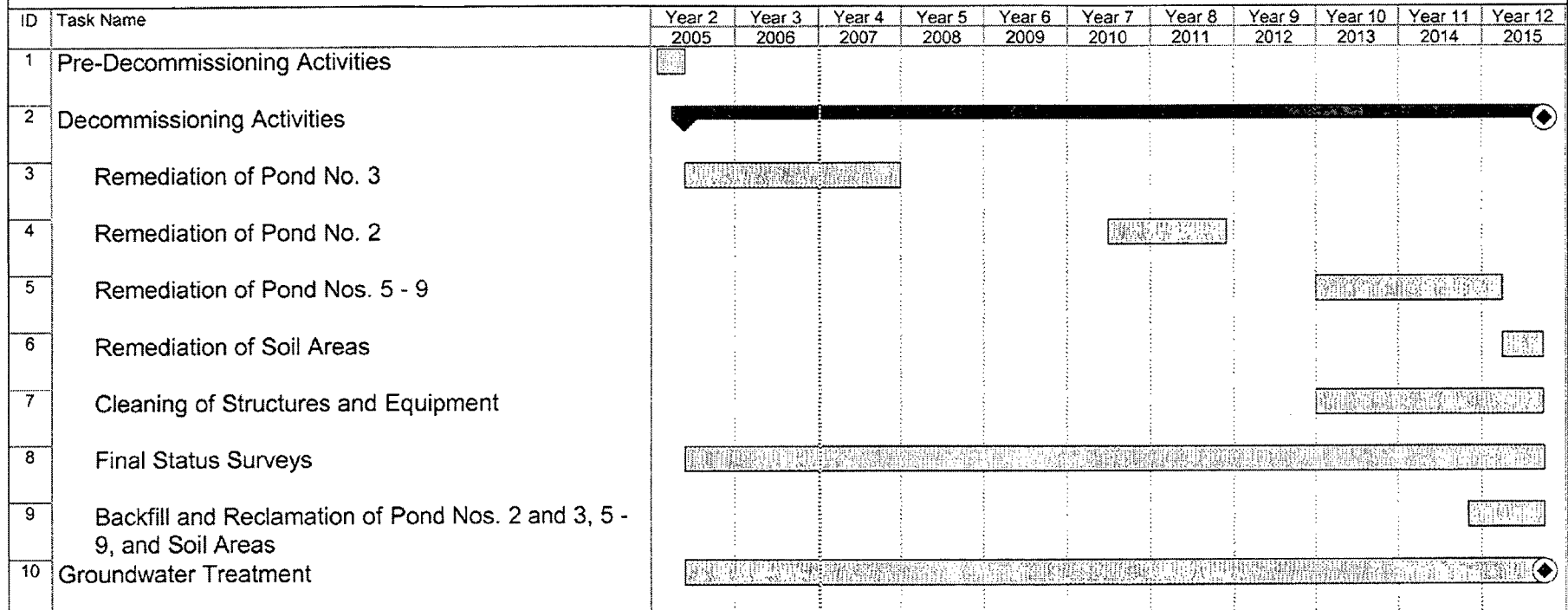
A handwritten signature in black ink, appearing to read "E. Jonathan Jackson". The signature is fluid and cursive, with a long horizontal stroke at the end.

E. Jonathan Jackson  
President, FMRI

Enclosure

Copy to: Blair Spitzberg, NRC Region IV  
Keyton Payne (FMRI)  
Document Control (011306-01)

**FMRI**  
**Muskogee, Oklahoma**  
**Decommissioning Plan**  
**Figure 8-3**  
**(Updated January 2007)**



**Notes:**

- 1) Duration is expressed in work days (5 days per week).
- 2) Decommissioning activities in the form of Groundwater Treatment may extend beyond Year 2015.