



December 4, 2006

SENT VIA OVERNIGHT CARRIER

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

Reference: License SMB-911; Docket No. 40-7580
License Condition 45 – Table 15-12 Update

Dear Mr. Shepherd:

Pursuant to License SMB-911 Condition 45, FMRI, Inc. ("FMRI") encloses an updated version of Table 15-12 (*i.e.*, "Revised Table 15-12 –Reorganized Fansteel Cash Flow by Year") showing actual figures for previous periods, and updated projections using current information (Attachment 1). This table is based upon information recently supplied by Fansteel, Inc. ("Fansteel"). As the footnote in the attached table notes, forecasts of future financial results over an extended period of time are extremely difficult. As you know, License Condition 45 also requires the annual submittal of an updated Table 15-11 ("Revised Closure Cost Estimate by Year"). FMRI most recently submitted to the NRC the updated Table 15-11 by letter dated March 31, 2006.

The time that was required to obtain the updated financial projections from Fansteel has been previously addressed in FMRI correspondence to the NRC dated March 30, 2005, April 18, 2005, August 23, 2005, October 11, 2005, January 13, 2006, March 13, 2006, and March 31, 2006 and was discussed during meetings with NRC on April 29, 2005 and February 15, 2006. FMRI requested by letter dated March 31, 2006 a modification to a portion of License Condition 45 to eliminate the requirement for FMRI to provide the updated financial projections for Fansteel Inc. used to update Table 15-12. The NRC denied this license amendment request by letter to FMRI dated July 27, 2006. Most recently, on November 20, 2006, the NRC requested that FMRI address a related notice of violation within 15 days of the date of the letter. In accordance with the possible corrective actions identified in the November 20, 2006 letter, the

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

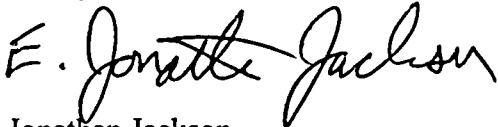
**The Attachment 1 to this Letter Contains Confidential Financial Information
Withhold from Public Disclosure in Accordance With 10 CFR 2.390**

purpose of this letter is twofold: (1) to provide the information required by License Condition 45; and (2) to respond to the November 20, 2006 letter.

Pursuant to 10 C.F.R. § 2.390, FMRI requests that the NRC withhold the Table 15-12 update from public disclosure in accordance with 10 C.F.R. § 2.390. An affidavit addressing the confidentiality of the Fansteel projections is also enclosed as Attachment 2.

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

Sincerely,



E. Jonathan Jackson
President, FMRI

Enclosures

Copy to: Keyton Payne, Blair Spitzberg
File (NRC-120406-01)

Enclosures: Updated Revised Table 15-12, Affidavit of E. Jonathan Jackson

E. Jonathan Jackson, President, FMRI, Inc.
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ATTACHMENT 2

STATE OF ILLINOIS)
)
COUNTY OF LAKE)
_____)

Affidavit of E. Jonathan Jackson

I, E. Jonathan Jackson, being first duly sworn according to law, under oath, depose and state:

1. I am the President of FMRI Inc. ("FMRI"), a wholly owned subsidiary of Fansteel, Inc. Fansteel has certain prescribed, bankruptcy court-approved, financial obligations to its subsidiary FMRI, Inc. ("FMRI"), the Nuclear Regulatory Commission ("NRC") licensee, including the payments on notes issued by Fansteel, related to the remediation of FMRI's Muskogee, Oklahoma site. Payments under the notes are partially dependent on Fansteel operating cash flows and cash on hand. To permit FMRI to fulfill its regulatory responsibilities for its Muskogee, Oklahoma site, namely the updating of information contained in Table 15-12 of the Muskogee Decommissioning Plan which is required by Condition 45 of License Number SMB-911, Fansteel has made certain financial projections for the years 2007 through 2013 and supplied them to FMRI with a stipulation that release to a third party (including the NRC) be made only after assurance that such information would be held in confidence, used for appropriate regulatory purposes and not further disclosed without prior consent. As President of FMRI, my

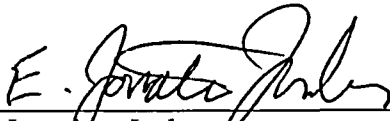
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duties include the review of the information which is to be submitted to the NRC in conjunction with the proposed revision of Table 15-12 to the FMRI Decommissioning Plan. I am authorized by Fansteel to execute this affidavit in support of the request to withhold such information from public disclosure.

2. The information consists of commercial financial information related to the operation of Fansteel. This information constitutes confidential and proprietary commercial information that should be held in confidence by the NRC, pursuant to 10 C.F.R. § 9.17(a)(4) and 10 C.F.R. § 2.390, for the following reasons:

- (i) Based upon my position as President of FMRI, I understand that this information is of a type that is customarily held in confidence by Fansteel and other public companies, and these materials, which are internal business projections not normally made public, could reveal Fansteel's financial projections, which could adversely affect Fansteel in financial negotiations and other dealings with its customers, and assist Fansteel's competitors. I further understand that the information contained therein has not been and will not be released to the general public and was intended to remain confidential in order to preserve its value and usefulness and protect Fansteel from a potential violation of the securities laws.
- (ii) Since its emergence from bankruptcy, this information is and has been held in confidence by Fansteel. Based on Fansteel's actions in this matter, the disclosure of the subject information outside the company is strictly limited and controlled.
- (iii) This information is being transmitted to the NRC in confidence.

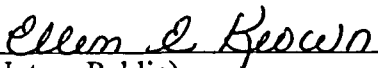
- (iv) To the best of my knowledge, this information is not available through public sources, and could not be gathered readily from other publicly available information.
 - (v) I understand that public disclosure of this information would create substantial harm to the competitive interests of Fansteel by disclosing sensitive financial information to competitors and other parties whose interests may be adverse to those of Fansteel.
 - (vi) The entire document contains commercial financial information which cannot meaningfully be segregated from non-confidential material.
3. Accordingly, it is requested that the designated information be withheld from public disclosure pursuant to 10 C.F.R. §§ 2.390(a)(4) and 9.17(a)(4).



E. Jonathan Jackson
President of FMRI, Inc.

Subscribed and sworn to me, a Notary Public, this 1 day of December 2006.

My Commission expires: 4/11/2010



(Notary Public)

