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**VIA OVERNIGHT DELIVERY**

January 14, 2008

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 12, 2007). The revised decommissioning schedule was discussed during our January 9, 2007 meeting. The updated Figure 8-3 also discusses a number of assumptions to better assure that the bases for the schedule are understood.

This revised decommissioning schedule projects completion of Pond 3 Phase 1 activities in 2008 and continuance of maintenance and safety controls until sufficient funds are in place to completely address Pond 2 Phase 1 activities in late 2010 or 2011. Completion of Pond 2 is scheduled for 2012. The remainder of active decommissioning, including completion of the final survey is scheduled for 2015. Groundwater monitoring and treatment, as necessary, will continue beyond that date.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Jonathan Jackson'.

E. Jonathan Jackson  
President, FMRI

Enclosure

Copy to: Blair Spitzberg, NRC Region IV  
James Burgess (FMRI)  
Rob Miller (OMEGA)  
Document Control (011408)

E. Jonathan Jackson  
President, FMRI Inc.  
#Ten Tantalum Place, Muskogee, OK 74403  
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FMRI  
Muskogee, Oklahoma  
Decommissioning Plan  
Figure 8-3  
(Updated January 2008)

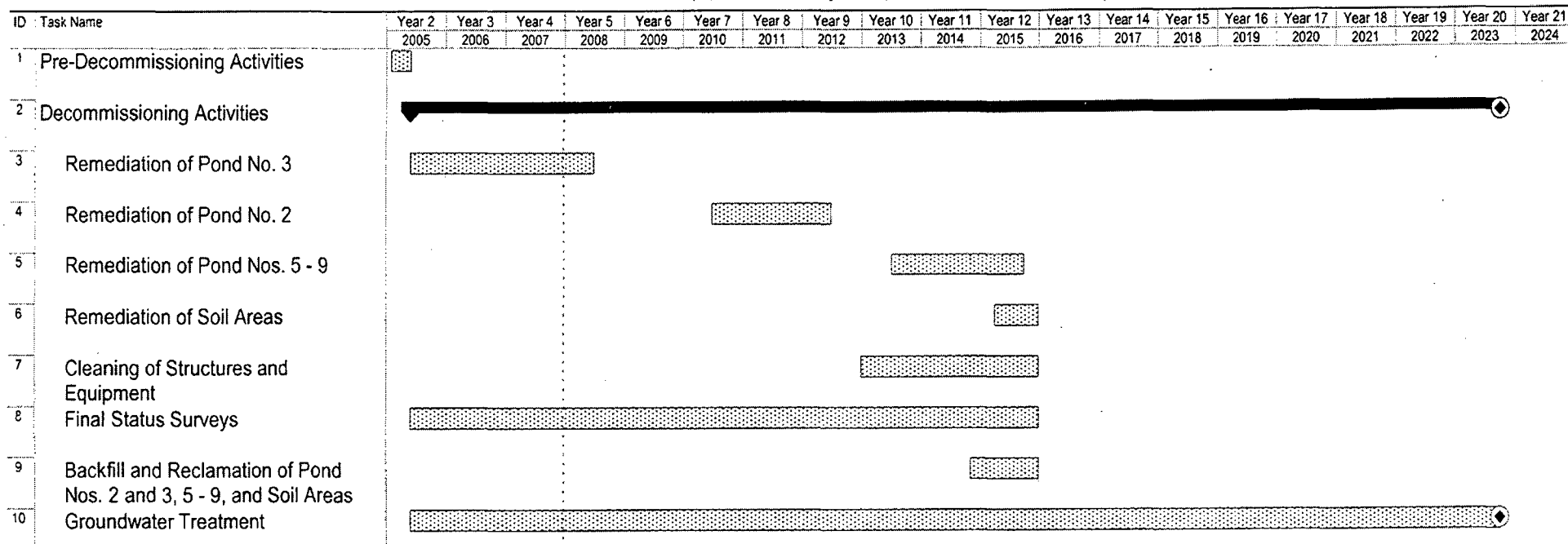


Figure 8-3 assumptions:

- FMRI has full access to Subaccounts 1 and 2 of the Decommissioning Trust. FMRI must repay trust borrowings with any cash assets in excess of 6 months operating costs. At the start of remediation of Pond 2, FMRI will have minimal start-up funds. At that time, FMRI will have funds available to it from Subaccount 2 of the trust (as well as Subaccount 1) sufficient to initiate Pond 2 remediation.
- Shipments for reclamation of WIP material from Pond 2 will take place in 2011 and 2012. The current reclamation contract expires at the end of 2008, with an option to extend for 1 year if mutually agreeable.
- The continuation of groundwater monitoring and/or treatment until 2023 is in accordance with the DP. The DP assumed such monitoring and/or treatment for up to 10 years following the completion of active remediation.
- Minimum payments by Fansteel on the Primary and Secondary notes and no additional insurance recoveries, prepayments or additional sale of equipment by FMRI. Also remaining balance of primary note is paid on December 31, 2013.
- Phase 2 and Phase 3 schedules are not limited by funding considerations.