



November 28, 2007

Keith I. McConnell, Deputy Director
Decommissioning and Uranium Recovery Licensing Directorate
Division of Waste Management and Environmental Protection
Office of Federal and State Materials and Environmental Management Programs
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subject: License SMB-911; Docket No. 40-7580
Meeting with NRC to Discuss Decommissioning at the Muskogee Site

Dear Mr. McConnell:

This letter is in reply to your November 2, 2007 letter to me requesting a meeting to discuss a number of issues relating to remediation of the Muskogee facility. FMRI, Inc. ("FMRI") is available to meet with you within the suggested 60 days of the date of your letter, but would be pleased to accommodate any scheduling issues your staff may have because of the upcoming holidays. I will contact the NRC Project Manager to arrange a mutually agreeable schedule for the meeting.

While a complete discussion of the matters raised in your letter would be appropriate for the meeting, I wanted to note a few issues which may require clarification in advance:

1. FMRI insurance recoveries to date, all of which were deposited into the Decommissioning Trust (b)(4)
2. (b)(4)
3. FMRI expects to update its decommissioning schedule by January 15, 2008 in accordance with License Condition 42. This schedule is expected to show that the

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Information in this record was deleted in accordance with the Freedom of Information Act, exemptions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

Act, exemptions

~~This letter contains confidential and proprietary information.~~

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last shipment of Pond 3 WIP material would arrive at Denison Mines in May 2008. The amount shipped would constitute 62% of the WIP material onsite by weight. Thereafter maintenance of environmental and safety, controls including groundwater treatment, would continue until other decommissioning activities are resumed.

FMRI looks forward to meeting with you to discuss its decommissioning of the Muskogee site.

Sincerely,



E. Jonathan Jackson
President, FMRI, Inc.

✓ cc: James C. Shepherd, NRC

~~This letter contains confidential and proprietary information.~~

ATTACHMENT 1 (to FMRI November 28, 2007 Response Letter to NRC)

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, 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 regarding decommissioning schedule and expected payments under various Fansteel notes (e.g., contained in Figure 8-3, Table 15-11, and Table 15-12 of the Muskogee Decommissioning Plan which is required by Conditions 42 and 45 of License Number SMB-911), Fansteel has made certain financial information, including projections 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

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appropriate regulatory purposes and not further disclosed without prior consent. As President of FMRI, my duties include the review of this information. 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 and its financial relationship to FMRI. The NRC's November 2, 2007 letter to FMRI stated that because a meeting to discuss such issues may involve discussions of proprietary financial information, it may be closed to members of the public. That letter was marked "Official Use Only – Proprietary Information." FMRI's November 28, 2007 letter to the NRC contains certain information which could potentially affect Fansteel's negotiating strategy and competitive position and 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:

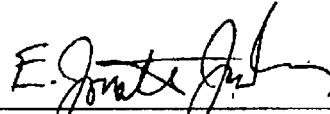
- (i) Based upon my position as President of FMRI, I understand that this information is of a type that is customarily held in confidence by Fansteel and other public companies, and these materials, which are related to internal business projections not normally made public, could reveal aspects of Fansteel's financial projections, which could adversely affect Fansteel in financial negotiations and other dealings with its customers, and assist Fansteel's competitors. I understand that public discussion of matters related to potential insurance recoveries could affect Fansteel's negotiating position with the involved insurance companies. I further

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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.

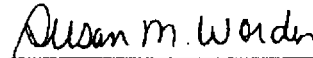
3. Accordingly, it is requested that the designated information be withheld from public disclosure pursuant to 10 C.F.R. §§ 2.390(a)(4) and 9.17(a)(4).



E. Jonathan Jackson
President of FMRI, Inc.

Subscribed and sworn to me, a Notary Public, this 3rd day of December 2007.

My Commission expires: 4/11/2010



(Notary Public)

