



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

February 25, 2017

Mr. Robert Compernelle
President, FMRI
FMRI, Inc.
Number 10 Tantalum Place
Muskogee, OK 74403

SUBJECT: RESPONSE TO FMRI REQUEST TO UTILIZE DECOMMISSIONING TRUST FUNDS FOR TRANSPORTATION AND RECLAMATION COSTS

Dear Mr. Compernelle:

By letter dated January 18, 2017, FMRI, Inc. (FMRI) submitted a request for the NRC to authorize use of Decommissioning Trust funds to pay for the transportation and reclamation costs of stockpiled Work-In-Progress (WIP) materials (Agencywide Documents Access and Management System (ADAMS) Accession No. ML17034A375). As you are aware, the NRC previously authorized use of the funds in the Trust for transportation and reclamation of the stockpile of bagged WIP materials at the Muskogee site in order to alleviate the hazard associated with these materials. FMRI agreed to replenish the Trust, consistent with the August 17, 2015, Forbearance Agreement, to pre-fund the future transportation and reclamation of WIP materials that continued to be excavated and stockpiled at the site. While the Forbearance Agreement expired in September 2016, FMRI has continued to excavate and transport stockpiled WIP materials for reclamation without replenishing the Trust. The NRC is aware that Fansteel has filed for Chapter 11 bankruptcy, and that Fansteel is seeking authorization from the bankruptcy court to continue to supply minimal funding to ensure public health and safety at the FMRI site during the pendency of the bankruptcy proceeding.

Given the circumstances noted above, the NRC understands that it may be necessary to use the funds in the Trust during this time to continue to pay for the transportation and reclamation of stockpiled WIP materials. Therefore, the NRC agrees to authorize the Trust to pay the outstanding and upcoming invoices for transportation and reclamation of the currently stockpiled WIP materials. The NRC will continue to monitor FMRI's funding to ensure that funds remain to dispose of stockpiled materials. Please provide us with any contractual revisions that affect the costs for transportation and reclamation.

R. Compernelle

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In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of the ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Please contact Mr. Greg Chapman if you have any questions concerning the above. He can be reached at (301) 415-8718 or via e-mail at Gregory.Chapman@nrc.gov.

Sincerely,

/RA/

John R. Tappert, Director
Division of Decommissioning, Uranium
Recovery, and Waste Programs
Office of Nuclear Material Safety
and Safeguards

Docket No. 40-7580
License No. SMB-911

cc: Molly Marsh, NRC/OGC
Pam Dizikes, Oklahoma Department of
Environmental Quality
Richard Gladstein, Department of Justice

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Please contact Mr. Greg Chapman if you have any questions concerning the above. He can be reached at (301) 415-8718 or via e-mail at Gregory.Chapman@nrc.gov.

Sincerely,

/RA/

John R. Tappert, Director
Division of Decommissioning, Uranium
Recovery, and Waste Programs
Office of Nuclear Material Safety
and Safeguards

Docket No. 40-7580
License No. SMB-911

cc: Molly Marsh, NRC/OGC
Pam Dizikes, Oklahoma Department of
Environmental Quality
Richard Gladstein, Department of Justice

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