

number ten tantalum place muskogee, oklahoma 74401

May 24, 1994

Mr. Dominick Orlando  
Project Manager  
U.S. Nuclear Regulatory Commission  
Low Level Waste Division  
Washington, D.C. 20555-001

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

Dear Mr. Orlando:

By request for License Amendment dated July 8, 1993, Fansteel requested the release of the "Northwest Property Area" (as defined in the Request) for unrestricted use. In conjunction with the Request for License Amendment, Fansteel submitted a three volume report entitled "Radiation Survey and Remedial Assessment - Northwest Property Area". The NRC forwarded comments on Fansteel's submittals under cover of letter dated March 7, 1994.

Please find enclosed a separate volume that constitutes Fansteel's response to the technical comments of the NRC on the Request for License Amendment.

In addition to forwarding technical comments, the NRC's March 7, 1994 letter stated that "the NRC will not authorize the removal of assets covered in the license until there is greater assurance that there are adequate funds available to decommission the entire site". We are unclear as to the basis for this comment and can find no support either in NRC's guidelines for the release of property or in the regulations pertaining to decommissioning funding plans that would support the position stated by the NRC. If we are overlooking a pertinent written policy, guideline, or regulation that would support this statement, we would appreciate a citation to the same.

Fansteel's position is that the Northwest Property Area has already been decommissioned and is eligible for release. Accordingly, there is no requirement for financial assurance for the decommissioning of this property. As to the balance of the property, Fansteel is currently in compliance with the financial assurance requirements of 10 CFR § 40.36(c)(2). We will be submitting on or before June 30, 1994 in conjunction with a license renewal application, a site specific decommissioning funding plan that relates solely to the property to be utilized under license. We believe the eligibility for

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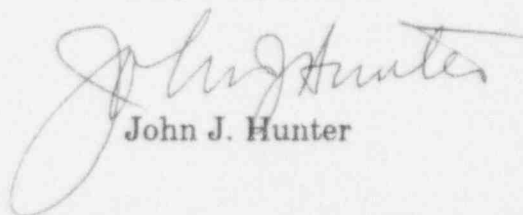
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release of the Northwest Property Area is an entirely separate issue from the adequacy of the decommissioning funding plan for property that will continue to be utilized under the License. We do not wish these two issues to be confused or to be connected. Fansteel's objective, to free the Northwest Property Area for immediate unrestricted use and return to commerce, is consistent with the policy of the NRC and will generate income to Fansteel which ultimately will be of assistance to the company in meeting its obligations to the NRC.

Accordingly, we hope you will act upon our request for License Amendment independently and promptly. We do not expect action on that Request to be delayed while the NRC makes a review of subsequently submitted plans and license renewal requests.

Thank you.

Very truly yours,



John J. Hunter

JJH:sek

cc: D. Berick - Subcommittee on Environment, Energy, and Natural Resources  
A. Davis - U.S. Environmental Protection Agency, Region VI  
D. Dimick - Oklahoma Department of Environmental Quality  
K. Garrity - Fansteel, North Chicago  
J. Harrick - Earth Sciences Consultants, Inc.  
L. Kirk - Oklahoma State Department of Health  
R. McEntee - Fansteel, North Chicago  
M. Mocniak - Fansteel, North Chicago