

Fansteel Metals Inc.

March 31, 2022

U.S. Nuclear Regulatory Commission
ATTN: Document Control
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 Conditions 43, 44, and 45 – Annual Update

Document Control:

Pursuant to License SMB-911 Conditions 43, 44, and 45, the licensee, Fansteel Metals (fka FMRI, Inc.), submits the following information:

License Condition 43 (accounting of expenses)

This letter and the enclosed "Table 1 – Accounting of Expenses for Year 2021" (Attachment 1) provide the information required by License Condition 43 regarding Fansteel Metals (fka FMRI) expenses in 2021, including the following:

- a) Expenses incurred by Fansteel Metals ((FKA FMRI) in 2021, using the same line items as provided in Table 15-11 of the Decommissioning Plan ("DP").
- b) The amount spent on each line item during 2021.
- c) Cumulative expenses (i.e., spent in 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021).
- d) Identification of variances, both positive and negative, between the planned expense projected Fansteel Metals (fka FMRI) for 2021 in the most recent previous annual update submitted to the NRC on March 31, 2020 and the actual expense for each line item during 2021.
- e) An explanation of the reasons for variances that exceed 5% of the planned expense for a line item during 2021 (provided as a footnote to Table 1).

Subparagraph (f) of License Condition 43 requests a comparison of the cost of work remaining to the funding remaining under the assurances provided to NRC. The cost of work remaining

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will be left in its current condition. Because of the uncertainties in the funding of Fansteel Metals (FKA FMRI) the cost of work remaining is impossible to estimate beyond what is previously done.

Enclosed is "Revised Table 15-11, Revised Closure Cost Estimate by Year" (Attachment 2) that provides the revised estimated cost estimate to 2023.

Finally, paragraph (g) of License Condition 43 requests an explanation of the reason for all expenses not covered by the line items of Table 15-11. There were no other expenses that are not covered by the line items of Table 15-11 in 2021.

License Condition 44 (accounting of income)

The accounting of income in 2021 from Reorganized Fansteel (i.e., Fansteel Inc. or "Fansteel") showing amounts paid to Fansteel Metals (fka FMRI) following the format used in License Condition 44 is provided below:

- | | | |
|----|----|--|
| a) | \$ | 0.00 - annual mandatory prepayments |
| b) | \$ | 00.00 - annual in monthly payment |
| c) | \$ | 0.00 - additional annual prepayment (1) insurance proceeds, and
(2) re-organized debtor asset sale proceeds |
| d) | \$ | 0.00 - payments under the secondary promissory note |
| e) | \$ | 0.00 - payments under the contingent promissory note |

Subparagraph (f) of License Condition 44 also requests information on any other payments received. Other payments received by Fansteel Metals (fka FMRI) in 2021 are as follows:

- \$ 324000.00 - withdrawn from the Decommissioning Trust
- \$ 00.00 - from the sale of surplus equipment
- \$ 00.00 - from rental income
- \$ 14630.54 - from other income, reimbursement for electric for rental property, restitution etc.)

License Condition 45

As required in License Condition 45, and as discussed above, enclosed is an updated version of Table 15-11 (i.e., "Revised Table 15-11 - Revised Closure Cost Estimate by Year").

License Condition 45 also requests an updated version of Table 15-12 (Reorganized Fansteel Cash Flow by Year) showing actual figures for previous periods, and updated projections using current information. Fansteel Metals (fka FMRI) directs you to Bankruptcy Case #16-01823, Southern District of Iowa for this information.

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

Sincerely,

Jan Burg For Robert Compernelle

Robert Compernelle
President, Fansteel Metals (fka FMRI)

Enclosures

Copy to: (James Smith NRC)
(FMRI File (NRC-033121))

bcc: James Burgess (Fansteel Metals Inc.)

ATTACHMENT 1

Table 1 -Fansteel Metals Inc (FKA FMRI) - Accounting of Expenses for Year 2021 (License Condition 43; Submitted March 31, 2022)

Line Item No.	Description	Year 2021:			Percent Variance	Yrs 2004, through 2021
		Projected in revised Table 15-11 on 3/31/20	Actual	Better (Worse)		Cumulative Actual
Site maintenance activities						
1	Site maintenance costs in preparation for decommissioning	-	-	-		\$ -
2	Miscellaneous costs, legal & other consulting services	\$ 25,000	\$ 24,000	\$ 1,000	(4)	4,346,506.00
		\$ 25,000	\$ 24,000	\$ 1,000		4,346,506.00
Site plans & maintenance						
3	Prepare decommissioning plans and reports (Funded Cost)	\$ -	\$ -	\$ -		648,988.00
4	Facility oversight through facility closure in about 10 years	\$ 250,000	\$ 196,364	\$ 53,636	(21)	6,010,878.00
5	Preparation of Environmental Report	\$ -	\$ -	\$ -		\$ -
6	NRC review of decommissioning plans and reports (Funded Cost)	\$ -	\$ -	\$ -		236,899.00
7	NRC oversight & misc. through facility closure over 10 years (Funded Cost)	\$ -	\$ -	\$ -	#DIV/0!	2,477,833.00
8	Health Physics support through facility closure over 10 years (Funded Cost)	\$ 14,000	\$ 11,330	\$ 2,670	(19)	540,784.00
9	NRC oversight of groundwater treatment	\$ -	\$ -	\$ -		\$ 125,000.00
10	Survey activities (Funded Cost)	\$ -	\$ -	\$ -		\$ -
11	Decontaminate all buildings (Funded Cost)	\$ -	\$ -	\$ -		\$ -
12	Decontaminate equipment (Funded Cost)	\$ -	\$ -	\$ -		\$ -
		264000.00	207694.00	56306.00		10,040,382.00
WIP disposition						
13	Ponds 2&3 Residues (WIP), Excavation, on-site hauling, and drying (Funded Cost)	\$ -	\$ -	\$ -		2,398,709.00
14	Ponds 2&3 Residues transportation (Funded Cost)	\$ -	\$ -	\$ -	#DIV/0!	3,838,238.00
15	Ponds 2&3 Residues disposition (Funded Cost)	\$ -	\$ -	\$ -	#DIV/0!	1,858,544.00
16	Backfill where removed Ponds 2 & 3 Residues (WIP residues) (Funded Cost)	\$ -	\$ -	\$ -		\$ -
		\$ -	\$ -	\$ -		8,095,491.00
CaF2 disposal						
17	Ponds 5,6,7,8, & 9 Residues – Excavation, on-site hauling, and drying (Funded Cost)	\$ -	\$ -	\$ -	#DIV/0!	\$ -
18	Ponds 5,6,7,8, & 9 Residues transportation (Funded Cost)	\$ -	\$ -	\$ -	#DIV/0!	\$ -
19	Ponds 5,6,7,8, & 9 Residues disposal (Funded Cost)	\$ -	\$ -	\$ -	#DIV/0!	\$ -
20	Backfill where removed Ponds 5,6,7,8, & 9 Residues (Funded Cost)	\$ -	\$ -	\$ -		\$ -
		\$ -	\$ -	\$ -		\$ -
Soil disposal						
21	Radiologically contaminated soils, Excavation & on-site hauling (Funded Cost)	\$ -	\$ -	\$ -		\$ -
22	Radiologically contaminated soils transportation (Funded Cost)	\$ -	\$ -	\$ -		\$ -
23	Radiologically contaminated soils disposal (Funded Cost)	\$ -	\$ -	\$ -		\$ -
24	Backfill where removed radiologically contaminated soils (Funded Cost)	\$ -	\$ -	\$ -		\$ -
		\$ -	\$ -	\$ -		\$ -
Groundwater treatment						
25	Groundwater treatment for 3 years during decommissioning of WIP	\$ -	\$ -	\$ -		1,410,000.00
26	Groundwater treatment for 17 years after decommissioning of WIP	\$ 110,000	\$ 96,533	\$ 13,467	(12)	\$ 2,424,611.00
		\$ 110,000	\$ 96,533	\$ 13,467	(12)	3,834,611.00
	Total Decommissioning Expenses	\$ 399,000	\$ 328,227	\$ 70,773	(18)	26,316,990.00

Explanation of Variances that Exceed 5% of the Planned Expenses by Line Item:

ATTACHMENT 2

Revised Table 15-11

Fansteel Metals (fka FMRI) Revised Closure Cost Estimate by Year (License Condition 45; Submitted March 31, 2022)

	Pre Approval			Year 1 2004 (Actual)	Year 2 2005 (Actual)	Year 3 2006 (Actual)	Year 4 2007 (Actual)	Year 5 2008 (Actual)	Year 6 2009 (Actual)	Year 7 2010 (Actual)	Year 8 2011 (Actual)	Year 9 2012 (Actual)	Year 10 2013 (Actual)	Year 11 2014 (Actual)	Year 12 2015 (Actual)	Year 13 2016 (Actual)	Year 14 2017 (Actual)	Year 15 2018 (Actual)	Year 16 2019 (Actual)	Year 17 2020 (Actual)	Year 18 2021 (Actual)	Subtotal (2004 - 2021)	On going later years 2022 to 2023	Total		
	2002* (Actual)	2003 (Actual)	Subtotal (2002 - 2003)																							
Site maintenance activities (line item number)																										
(1) Site maintenance costs in preparation for decommissioning	154,000	1,446,000	1,600,000																							
(2) Miscellaneous costs, legal & other consulting services	160,000	250,000	410,000	424,038	200,658	\$ 209,889	859,118	384,577	573,810	87,221	232,227	136,000	260,059	579,483	145,990	132,915	20,000		38,521	14,000	24,000	24,000	4,346,506	24,000	4,780,506	
	314,000	1,696,000	2,010,000	424,038	200,658	209,889	859,118	384,577	573,810	87,221	232,227	136,000	260,059	579,483	145,990	132,915	20,000		38,521	14,000	24,000	24,000	4,346,506	24,000	6,380,506	
Site plans & maintenance																										
(3) Prepare decommissioning plans and reports				90,302	211,002	\$ 347,684																	648,988		648,988	
(4) Facility oversight through facility closure in about 10 years				570,785	430,986	\$ 457,568	445,593	440,672	304,539	241,141	236,051	137,883	552,736	135,813	310,693	548,872	224,332	283,573	230,422	262,855	196,364	6,010,878	260,000	6,270,878		
(5) Preparation of Environmental Report		200,000	200,000																				236,899		200,000	
(6) NRC review of decommissioning plans and reports				102,649	86,250	\$ 48,000																	236,899		236,899	
(7) NRC oversight & misc. through facility closure over 10 years				160,408	198,827	\$ 175,238	222,904	189,771	198,249	34,731	44,927	136,000	42,288	193,398	179,565	348,061	211,139	142,326				2,477,833		2,477,833		
(8) Health Physics support through facility closure over 10 years					45,000	\$ 102,500	59,086	31,322	11,073	33,061	26,791	107,723	-	11,330	15,620	30,656	13,640	16,902	12,870	11,880	11,330	529,454	12,000	541,454		
(9) NRC oversight of groundwater treatment												125,000										125,000	1,000,000		1,125,000	
(10) Survey activities																							-	400,000		400,000
(11) Decontaminate all buildings																							-	400,000		400,000
(12) Decontaminate equipment																							-	400,000		400,000
	-	200,000	200,000	924,144	972,065	1,130,990	727,583	661,765	513,861	308,933	307,769	506,606	595,024	340,541	505,878	927,589	449,111	442,801	243,292	274,735	207,694	10,029,051	2,072,000	12,301,051		
WIP disposition																										
(13) Ponds 2&3 Residues (WIP), Excavation, on-site hauling, and drying					425,672	699,929	197,420	349,288	101,750	372,735	100,515	50,000			26,654	34,746	40,000					2,398,709	70,000	2,468,709		
(14) Ponds 2&3 Residues transportation						8,625	1,380,822	1,060,893	181,523	-	-	41,206	211,039	430,617	286,330	237,182						3,838,238	953,324	4,791,562		
(15) Ponds 2&3 Residues disposition							734,613	514,876	52,032	-	-		102,285	153,169	163,482	138,087						1,858,544	553,468	2,412,012		
(16) Backfill where removed Ponds 2 & 3 Residues (WIP residues)																							20,000	20,000	20,000	
	-	-	-	-	425,672	708,554	2,312,855	1,925,057	335,305	372,735	100,515	50,000	41,206	313,324	610,440	484,558	415,269					8,095,491	1,596,792	9,692,283		
CaF2 disposal																										
(17) Ponds 5,6,7,8, & 9 Residues - Excavation, on-site hauling, and drying																							-	345,406	345,406	
(18) Ponds 5,6,7,8, & 9 Residues transportation																							-	4,227,003	4,227,003	
(19) Ponds 5,6,7,8, & 9 Residues disposal																							-	4,673,930	4,673,930	
(20) Backfill where removed Ponds 5,6,7,8, & 9 Residues																							-	150,000	150,000	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,396,339	9,396,339	
Soil disposal																										
(21) Radiologically contaminated soils, Excavation & on-site hauling																								137,789	137,789	
(22) Radiologically contaminated soils transportation																								1,336,300	1,336,300	
(23) Radiologically contaminated soils disposal																								1,477,700	1,477,700	
(24) Backfill where removed radiologically contaminated soils																								50,000	50,000	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,001,789	3,001,789	
Groundwater treatment																										
(25) Groundwater treatment for 3 years during decommissioning of WIP				282,000	282,000	282,000	282,000	282,000	282,000	282,000	282,000	282,000	167,641	180,803	167,962	162,079	142,837	124,121	106,619	148,016	96,533	1,410,000	100,000	1,410,000		
(26) Groundwater treatment for 17 years after decommissioning of WIP				282,000	282,000	282,000	282,000	282,000	282,000	282,000	282,000	282,000	167,641	180,803	167,962	162,079	142,837	124,121	106,619	148,016	96,533	2,424,611	100,000	2,524,611		
	-	-	-	282,000	282,000	282,000	282,000	282,000	282,000	282,000	282,000	282,000	167,641	180,803	167,962	162,079	142,837	124,121	106,619	148,016	96,533	3,834,611	100,000	3,934,611		
Total Revised Decommissioning Cost Estimate	314,000	1,896,000	2,210,000	1,630,182	1,880,396	2,331,433	4,181,556	3,253,399	1,704,976	1,050,889	922,511	974,606	1,063,930	1,414,151	1,430,270	1,707,141	1,027,217	605,443	363,911	446,751	328,226	26,305,659	16,190,920	42,496,579		