

October 28, 2005

Mr. E. Jonathan Jackson, President
FMRI
10 Tantalum Place
Muskogee, OK 74403

SUBJECT: FMRI'S DECOMMISSIONING PLANS

Dear Mr. Jackson:

Since Spring of 2005, FMRI has been decommissioning Pond 3. This activity has been primarily funded by borrowing from the Decommissioning Trust account in accordance with the Settlement Agreement. Recently, FMRI increased its rate of borrowing to support this activity, but the White Mesa site has not yet received authorization from the state of Utah to accept the material. As of September 30, 2005 there is approximately five hundred eighty thousand dollars available to FMRI until waste disposition commences; this is about the amount borrowed in each of the preceding two month. Therefore, please provide FMRI's plans for continuing decommissioning activities and still retaining sufficient funds for shipment and disposition costs at White Mesa in the event there is a continued delay in approval by Utah. You should provide the details of planned activities and expenditures for each month from October 2005 through March 2006.

While the U.S. Nuclear Regulatory Commission (NRC) recognizes that FMRI will update its schedule in January, in accordance with License Condition 42, the information provided in Figure 8-3 is not of sufficient detail to respond to this question. In previous discussions, FMRI stated that waste shipments would start in September, 2005. As of the date of this letter, no shipments have occurred. Therefore, please provide FMRI's contingency plans in the event that Utah does not grant the authorization to White Mesa by February, 2006.

If you have any questions on this matter, please contact me at (301) 415 6712 or jcs2@nrc.gov.

Sincerely,

/RA/

J. C. Shepherd, Project Engineer
Decommissioning Directorate
Division of Waste Management and
Environmental Protection
Office of Nuclear Materials Safety
And Safeguards

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

cc: GTessitore, Fansteel
RGladstein, DOJ

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

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