



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

October 17, 2019

EA-19-060

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

SUBJECT: FMRI OFFICE OF INVESTIGATIONS REPORT NO. 4-2013-028

Dear Mr. Compernelle:

This letter refers to an investigation initiated by the U.S. Nuclear Regulatory Commission's (NRC's) Office of Investigations (OI) on June 11, 2013, regarding the use and accounting of the proceeds from the Reorganized Fansteel Promissory Notes (Primary, Secondary, and Contingent Notes) towards decommissioning activities as required by Title 10 of the *Code of Federal Regulations* (10 CFR) 40.46(g). The NRC determined that the Fansteel Promissory Notes were an acceptable financial assurance basis for decommissioning the Muskogee site (Agencywide Documents Access and Management System [ADAMS] Accession No. ML033250083) and were FMRI's primary source of funding. FMRI is a subsidiary of Fansteel and serves as a special purpose vehicle to fulfill obligations under the NRC license (i.e., to decommission the Muskogee Site). Fansteel established FMRI as part of the settlement of its environmental obligations in Fansteel's 2002 bankruptcy. The NRC license (SMB-911) was transferred from Fansteel to FMRI consistent with that settlement.

In September 2016, FMRI's parent, Fansteel, Inc., again filed for Chapter 11 bankruptcy protection. The NRC is working closely with the Department of Justice to represent the NRC's interests in this bankruptcy proceeding and to ensure reasonable assurance of adequate protection of public health and safety at the Muskogee Site. For this reason, we have concluded not to pursue further investigation or enforcement proceedings at this time. The NRC expects licensee management to provide adequate oversight and compliance with all applicable regulatory requirements.

You are not required to respond to this letter. However, should you choose to respond, your response should be sent to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington DC 20555-0001, within 30 days of the date of this letter. Please clearly mark your response as a "Reply to Letter dated October 17, 2019, EA-19-060".

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room and from the NRC's Agency-wide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Please note that final NRC investigation documents, such as the OI report described above, may be made available to the public under the Freedom of Information Act (FOIA) subject to

redaction of information appropriate under the FOIA. Requests under the FOIA should be made in accordance with 10 CFR 9.23, Requests for Records. Additional information is available on the NRC website at <http://www.nrc.gov/reading-rm/foia/foia-privacy.html>.

Should you have any questions regarding this letter, please contact Mr. Bill VonTill, Branch Chief, Uranium Recovery and Materials Decommissioning Branch, Division of Decommissioning, Uranium Recovery, and Waste Programs, Office of Nuclear Materials Safety and Safeguards at (301) 415-0598.

Sincerely,

A handwritten signature in black ink, appearing to be 'PK' followed by a long horizontal stroke. Below the signature, the word 'for' is written in a small, cursive script.

Patricia K. Holahan, Director
Division of Decommissioning, Uranium Recovery
and Waste Programs
Office of Nuclear Materials Safety
and Safeguards

Docket: 04007580
License: SMB-911

cc: Oklahoma Department of Environmental Quality

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