



March 31, 2020

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

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

License Condition 43 (accounting of expenses)

This letter and the enclosed "Table 1 - Accounting of Expenses for Year 2019" (Attachment 1) provide the information required by License Condition 43, regarding FMRI expenses in 2019, including the following:

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

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FMRI, Inc., #1 Ten Tantalum Place, Muskogee, OK 74403, Phone 918-687-6303 / Fax 918-687-6112

Rockville, Maryland 20852  
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11545 Rockville Pike

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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 will be left in its current condition. Because of the uncertainties in the funding of 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 of \$17,044,034.00 for the decommissioning work remaining to be incurred in 2020 and out years. This correlates to an increase in total decommissioning cost estimate (i.e., including previous years expenses) to a total of \$42,946,045 which is \$1,341,045 more than the original estimate of \$41,605,000 on which the financial assurance mechanism was based. The revised estimate is based on full funding and a shorter time span.

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 2019.

#### License Condition 44 (accounting of income)

The accounting of income in 2019 from Reorganized Fansteel (i.e., Fansteel Inc. or "Fansteel") showing amounts paid to FMRI following the format used in License Condition 44 is provided below: Fansteel is funding FMRI monthly.

- |    |    |  |
|----|----|--|
| a) | \$ | 0.00 - annual mandatory prepayments  |
| b) | \$ | 256,500.00 - annual in monthly payment   |
| c) | \$ | 0.00 - additional annual prepayment (1) insurance proceeds, and<br>(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 FMRI in 2019 are as follows:

- \$ 81000.00 - withdrawn from the Decommissioning Trust
- \$ 7078.90 - from the sale of surplus equipment
- \$ 49,500.00 - from rental income
- \$ 0.00 - from interest income

#### License Condition 45

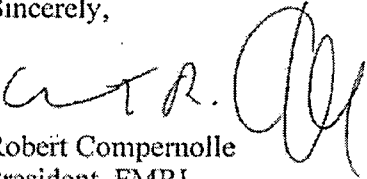
As required in License Condition 45, and as discussed above, enclosed is an updated version of Table 15-11 (i.e., "Revised Table 15-11 - Revised Closure Cost Estimate by Year").

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. FMRI encloses an updated version of Table 15-12 (i.e., "Revised Table 15-12 -Reorganized Fansteel Cash Flow by Year") showing actual figures for previous periods, and updated projections using current information. 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,

  
Robert Compennolle  
President, FMRI

Enclosures

Copy to: (Greg Chapman NRC)  
(FMRI File (NRC-033120))

bcc:

James Burgess (FMRI)

# ATTACHMENT 1

Table 1 - FMRI - Accounting of Expenses for Year 2017 (License Condition 43; Submitted March 31, 2018)

Line Item No.		Year 2017:				Yrs 2004, through 2017:	
		Projected in revised Table 15-11 on 3/31/17	Actual	Better (Worse)	Percent Variance	Cumulative Actual	
<b>Site maintenance activities</b>							
1	Site maintenance costs in preparation for decommissioning					\$	
2	Miscellaneous costs, legal & other consulting services	\$ 100,000	\$ 20,000	\$ 80,000	(80)	\$	4,245,985.00
		\$ 100,000	\$ 20,000	\$ 80,000			4,245,985.00
<b>Site plans &amp; maintenance</b>							
3	Prepare decommissioning plans and reports (Funded Cost)						648,988.00
4	Facility oversight through facility closure in about 10 years	\$ 300,000	\$ 224,332	\$ 75,668	(25)	\$	5,037,664.00
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)	\$ 350,000	\$ 211,139	\$ 138,861	(40)		2,335,507.00
8	Health Physics support through facility closure over 10 years (Funded Cost)	\$ 25,000	\$ 13,640	\$ 11,360	(45)		487,802.00
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)					\$	
		675000.00	449111.00	225889.00			8,871,859.00
<b>WIP disposition</b>							
13	Ponds 2&3 Residues (WIP), Excavation, on-site hauling, and drying (Funded Cost)	\$ 40,000	\$ 40,000	\$ -			2,398,709.00
14	Ponds 2&3 Residues transportation (Funded Cost)	\$ 300,000	\$ 237,182	\$ 62,818	(21)		3,838,238.00
15	Ponds 2&3 Residues disposition (Funded Cost)	\$ 170,000	\$ 137,087	\$ 32,913	(19)		1,857,544.00
16	Backfill where removed Ponds 2 & 3 Residues (WIP residues) (Funded Cost)					\$	
		\$ 510,000	\$ 414,269	\$ 95,731			8,095,491.00
<b>CaF2 disposal</b>							
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)						
		\$ -	\$ -	\$ -			\$ -
<b>Soil disposal</b>							
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)						
		\$ -	\$ -	\$ -			\$ -
<b>Groundwater treatment</b>							
25	Groundwater treatment for 3 years during decommissioning of WIP						1,410,000.00
26	Groundwater treatment for 17 years after decommissioning of WIP	\$ 160,000	\$ 142,837	\$ 17,163	(11)	\$	1,949,322.00
		\$ 160,000	\$ 142,837	\$ 17,163	(11)		3,359,322.00
	<b>Total Decommissioning Expenses</b>	\$ 1,445,000	\$ 1,026,217	\$ 418,783	(29)		24,572,657.00

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

NO EXCEEDANCE

# ATTACHMENT 2

Revised Table 5-11  
FMRI Revised Closure Cost Estimate by Year (License Condition 45; Submitted March 31, 2020)

	Pre Approval			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Subtotal	On going	Total
	2002* (Actual)	2003 (Actual)	Subtotal (2002 - 2003)	2004 (Actual)	2005 (Actual)	2006 (Actual)	2007 (Actual)	2008 (Actual)	2009 (Actual)	2010 (Actual)	2011 (Actual)	2012 (Actual)	2013 (Actual)	2014 (Actual)	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Projected	(2004 - 2019)	later years 2020 to 2023	
Site maintenance activities (fine item number)																							
(1) Site maintenance costs in preparation for decommissioning	164,000	1,448,000	1,600,000	424,038	200,658	\$ 209,889	850,118	384,577	673,810	87,221	232,227	136,000	260,059	579,483	145,990	132,915	20,000	38,521	14,000	25,000	438,038	141,000	1,600,000
(2) Miscellaneous costs, legal & other consulting services	160,000	250,000	410,000	424,038	200,658	209,889	850,118	384,577	673,810	87,221	232,227	136,000	260,059	579,483	145,990	132,915	20,000	38,521	14,000	25,000	438,038	141,000	989,038
	314,000	1,698,000	2,010,000																				2,588,038
Site plans & maintenance																							
(3) Prepare decommissioning plans and reports				90,302	211,002	\$ 347,884															648,988		648,988
(4) Facility oversight through facility closure in about 10 years				570,785	430,986	\$ 457,588	445,593	440,872	304,530	241,141	236,051	137,883	552,738	135,813	310,693	548,872	224,332	283,573	230,422	250,000	5,551,659	208,114	6,760,773
(5) Preparation of Environmental Report		200,000	200,000																				200,000
(6) NRC review of decommissioning plans and reports				102,649	88,250	\$ 48,000															236,899		236,899
(7) NRC oversight & misc. through facility closure over 10 years				180,408	198,827	\$ 176,238	222,904	188,771	168,249	34,731	44,927	136,000	42,268	193,308	179,565	348,061	211,139	142,328			2,477,833	320,000	2,797,833
(8) Health Physics support through facility closure over 10 years					45,000	\$ 102,600	59,068	31,322	11,073	33,061	28,791	107,723		11,330	15,620	30,656	13,840	16,902	12,870	14,000	517,574	85,000	672,574
(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	824,144	872,065	1,130,690	1,727,583	661,765	1,613,861	308,933	907,709	506,606	695,024	340,541	505,878	927,569	449,111	442,801	243,292	264,000	9,557,652	2,384,114	12,142,066
WIP disposition																							
(13) Ponds 283 Residues (WIP). Excavation, on-site hauling, and drying					425,672	699,899	197,420	349,288	101,750	312,735	100,615	50,000			26,654	34,745	40,000				2,398,709	70,000	2,468,709
(14) Ponds 283 Residues transportation						8,625	1,380,822	1,090,893	181,523				41,206	211,038	430,617	290,330	237,182				3,838,238	953,324	4,791,562
(15) Ponds 283 Residues disposal							734,613	514,876	62,032					102,285	153,169	183,482	136,067				1,858,644		2,412,012
(16) Backfill where removed Ponds 2 & 3 Residues (WIP residues)																					20,000		20,000
					425,672	708,554	2,312,855	1,925,057	335,305	372,735	100,615	50,000	41,206	313,324	610,440	484,568	415,269				8,095,491	1,596,792	9,692,283
CE2 disposal																							
(17) Ponds 5,6,7,8, & 9 Residues - Excavation, on-site hauling, and drying																					345,408		345,408
(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
																					8,396,339		8,396,339
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	187,641	180,803	187,962	182,079	142,837				1,410,000		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	187,641	180,803	187,962	182,079	142,837	124,121	106,819	110,000	2,180,062	524,000	2,704,062
				282,000	282,000	282,000	282,000	282,000	282,000	282,000	282,000	282,000	187,641	180,803	187,962	182,079	142,837	124,121	106,819	110,000	3,590,062	524,000	4,114,062
Total Revised Decommissioning Cost Estimate	314,000	1,896,000	2,210,000	1,630,182	1,880,396	2,331,433	4,481,556	3,253,399	1,704,976	1,050,869	922,511	974,606	1,063,930	1,414,151	1,430,270	1,707,141	1,027,217	605,443	363,911	399,000	21,681,543	17,044,034	38,725,577