

September 27, 1996

MEMORANDUM TO: Robert C. Pierson, Chief
Licensing Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

THRU: Mike Tokar, Section Chief Original signed by:
Licensing Section 2
Licensing Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

FROM: Robert Hogg Original signed by:
Licensing Section 2
Licensing Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

SUBJECT: MEETING SUMMARY: FANSTEEL, INC.

Please find attached a meeting summary which describes the details of the conversations FCLB staff had with representatives from Fansteel, Inc., during our meeting on September 17, 1996. Attending the meeting were FCLB staff and representatives of the licensee. If you have any questions about the attached information please call me at (301) 415-6751.

Attachment: As stated

Docket 40-7580
License SMB-911

cc: Mr. John J. Hunter, Corporate Manager of
Process Engineering and Facilities
Construction
Fansteel, Inc.
Number Ten Tantalum Place
Muskogee, OK 74403-9296

Distribution

Docket 40-7580

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

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THRU: Mike Tokar, Section Chief *Michael Tokar*
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OPEN MEETING SUMMARY
FANSTEEL, INC.

On September 17, 1996, the staff from the Fuel Cycle Licensing Branch (FCLB) met with representatives of Fansteel, Inc., to discuss current licensing issues, including the status of the license amendment and the license renewal. Fansteel management requested the meeting to discuss issues related to the licensing of their facility in Muskogee, Oklahoma, licensed under 10 CFR Part 40. In attendance at the meeting were FCLB staff and Fansteel management and contractor staff.

Fansteel inquired as to the progress and status of the amendment review. The amendment request was submitted by Fansteel in January, 1994, to allow Fansteel to further process stored material, designated "Work in Progress (WIP)" material. The WIP material consists of sludges and residues from previous extraction processes, which are currently stored in lined retention ponds on the Muskogee site. The staff informed Fansteel that the license amendment review has been completed and that the resolution of financial assurance instrument wording remains the only impediment to issuing the amendment.

NRC staff described the financial instrument review process. NRC staff indicated that both Financial Assurance instruments contain "non-standard language," i.e., language that differs from the suggested language provided in NRC guidance. The licensee said that their representative at the American Nation Bank and Trust Company of Chicago, who have issued a \$750,000 Letter of Credit (LOC) has been instructed to amend the LOC as requested by the NRC staff. Additionally, the licensee stated that the Standby Trust Agreement would be amended as requested by the staff. Finally, the staff described the "non-standard language" in the LOC issued by the Northern Trust Company. The staff said that this LOC is currently under review by DWM contractors. Fansteel suggested that they request that the Northern Trust Company amend and reissue the LOC to remove the non-standard language. The staff said that such a revision would be inappropriate at this time since the review has not been completed. Upon completion of the review the staff will forward the findings to Fansteel.

The staff is continuing its review of the renewal application based on the revised application information provided by the licensee in March 1996, that included an addendum to the Fansteel Decommissioning Plan (DP), and Fansteel's stated desire to have NRC evaluate the DP as their preferred decommissioning option. Fansteel requested the NRC staff include the evaluation of the preferred option during a site inspection by NRC staff on April 22 and 23, 1996. NRC staff said that, due to the new information, the Environmental Assessment (EA) has increased in scope to include the on-site containment cell and the DP.

Fansteel inquired about the schedule for the renewal review. The staff has contracted the review of the new DP with SAIC and expects a draft EA by January 1997. If, during the EA review, the staff determines that there is a significant impact the staff will develop an Environmental Impact Statement (EIS). Fansteel asked if NRC would coordinate an EIS with the United States

ATTACHMENT

Department of Energy (DOE), if an EIS was necessary. Specifically, Fansteel is pursuing an alternative involving DOE taking title and possession of the containment cell after site closure. The staff informed Fansteel that it would be necessary for Fansteel to have a firm commitment from DOE prior to NRC considering an alternative including DOE involvement as described.