

40-7580

**Fansteel
Inc.**

number ten tantatum place muskogee, oklahoma 74403-9297
(918) 687-6303 Fax: (918) 687-6112

January 25, 2000

U.S. Nuclear Regulatory Commission
Washington DC 20555

Attn: Document Control Desk

Re: Fansteel, Inc. – Muskogee, Oklahoma License No. SMB 911,
“Reply to Notice of Violation”

Response to notice of violation A:

The following paragraphs are responses to the notice of violation regarding procedural approval by the Radiation Safety Committee.

(1) Reason for violation: (Radiation Safety Procedures)

In response to the notice of violation concerning procedure approval of the radiation safety procedures, Fansteel reads Chapter 4 section 4.1 of the license to be specific to plant processing operations. The radiation safety department is not a part of the processing operation and is addressed in another section; however, Fansteel understands and agrees that standard operating procedures for the radiation safety department is common industry standard and therefore has commit to implementing these procedures. Fansteel does not wish to dispute this violation at this time.

(2) Corrective Action:

These procedures have been developed, approved by the Radiation Safety Committee, and implemented as of 12/16/99. Fansteel will continue implementing any new radiation safety procedures or revisions in the same manner.

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(3) Corrective Actions to avoid reoccurrence:

A procedure will be developed identifying the proper sequence of events during procedural development and modification.

(4) Date of compliance:

The current radiation safety procedures were implemented 12/16/99. The procedure for proper approval of operating procedures will be complete by March 1st 2000.

(1) Reason for Violation: (Ground Water Treatment)

The ground water treatment area was being operated under a temporary operating procedure. Chapter 4 section 4.1 of Fansteel's license contains no requirement for temporary operating procedures. Although, Fansteel's and the agency's interpretation differ, Fansteel acknowledges the need to have the Radiation Safety Committee review all procedures involving plant operation prior to implementation. Fansteel does not choose to dispute this violation at this time.

(2) Corrective Action:

The ground water treatment area is not currently being operated. Prior to starting this system, Fansteel will develop, approve and train employees on the operating procedure for ground water treatment.

(3) Corrective Action to avoid reoccurrence:

A procedure will be written that will identify the proper sequence of steps to take during procedural implementation. This procedure will identify standard operating procedures and temporary operating procedures.

(4) Date of Compliance:

Prior to this system starting, the groundwater treatment procedures will be in place. These procedures will have approval of the Radiation Safety Committee. Fansteel will also put in place a procedure that identifies the proper steps to implement a new procedure or procedural change. This procedure will be in place March the 1st of 2000.

Response to notice of violation B:

The following paragraphs include a response and the follow-up actions taken by Fansteel to reduce additional occurrence.

(1) Reason for Violation: (24hr reporting)

Following the tornado incident June 1, 1999, Fansteel was cautiously restoring utilities and surveying the extent of the tornado damage to mitigate unsafe situations for our workers and the environment. Many buildings had structural damage including the sodium reduction building, which required stabilization. Fansteel understands the true intent of 10 CFR 40.60 is that proper notification be given to the NRC concerning a reportable incident. The regional inspector was made aware of the tornado incident including the sodium reduction damage within the 24hr time period. Fansteel did file a formal written report as required by 10 CFR 40.60. As part of an internal review, Fansteel identified the NRC Operations Center reporting requirement and self reported this error (see correspondence dated October 1st 1999 – section 2.a.). Fansteel understands the requirement and does not wish to contest this violation.

(2) Corrective Action:

Fansteel submitted a correspondence letter dated October 1st 1999 that identifies this deficiency.

(3) Corrective Action to avoid reoccurrence:

Fansteel will discuss the requirements of 10 CFR 40.60 at the next Radiation Safety Committee meeting. The committee will be made aware of the regulation's intent and the proper reporting requirements. A memo concerning reporting of license material will be written and forwarded to management. This will ensure that Fansteel's management is aware of and in agreement with the reporting requirements following the next unforeseen incident.

(4) Date of Compliance:

The corrective actions of this NOV will be implemented by March 1st 2000.

In conclusion, Fansteel hopes the information provided is sufficient in addressing the two N.O.V.s identified in the inspection report. Should you have any questions or require further information concerning this response, please contact me.

Very truly yours,
Fansteel, INC.

A handwritten signature in black ink, appearing to read 'Monty Mooring', with a long horizontal flourish extending to the right.

Monty Mooring

Cc: Mike Mocniak
Dennis LaPoint
J.J. Hunter
J.P. Englert
Heather Astwood
Region IV (Regional Administrator)