



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION IV  
611 RYAN PLAZA DRIVE, SUITE 400  
ARLINGTON, TEXAS 76011-8064**

February 11, 2000

Michael J. Mocniak, Vice President  
Fansteel Incorporated  
Number One Tantulum Place  
North Chicago, Illinois 60064

**SUBJECT: FANSTEEL'S PHASE II STARTUP PLAN AND RESPONSE TO NRC  
INSPECTION REPORT 40-7580/99-02 AND NOTICE OF VIOLATION**

Dear Mr. Mocniak:

This refers to your letter dated January 20, 2000, which outlines your plans for a staged startup of Phase II operations of your rare earth recovery facility. These plans were discussed in a telephonic conference call held on January 20, 2000, between Dr. Dennis LaPoint of your staff and Dr. D. Blair Spitzberg of my staff. We have reviewed Fansteel's Phase II startup plan and have no further questions at this time. As discussed in our telephonic conference, we will review the implementation of your commitments and plans for the Phase II startup during our readiness inspection that is scheduled for March 13-17, 2000.

We have also reviewed your letter dated January 25, 2000, in response to our letter and Notice of Violation dated December 23, 1999. Your reply is responsive to the concerns raised in our Notice of Violation. We will review the implementation of your corrective actions during the March 2000 inspection to determine that full compliance has been achieved and will be maintained.

If you have any questions concerning this letter, please contact Mr. Louis C. Carson II at (817) 860-8221 or Dr. D. Blair Spitzberg at (817) 860-8191.

Sincerely,

/RA Linda Howell Acting for/

Dwight D. Chamberlain, Director  
Division of Nuclear Materials Safety

Docket: 40-7580  
License: SMB-911

cc w/copy of licensee's letters dated 01/20 & 01/25/00:  
Dennis J. LaPoint, Acting General Manager  
Fansteel Incorporated  
Number Ten Tantulum Place  
Muskogee, Oklahoma, 74403-9297

Mr. Walter Beckham, City Manager  
City of Muskogee  
229 West Okmulgee  
Muskogee, Oklahoma 74401

Mr. Allyn Davis  
U.S. Environmental Protection Agency, R6  
1445 Ross Avenue  
Dallas, Texas 75202

Mr. Hugh Terrell, Safety Compliance Inspector  
Occupational Safety and Health Administration  
Region 6, Oklahoma Field Office  
Oklahoma City, Oklahoma 73111

Dr. Loren Mason  
Tulsa District Environmental Manager  
U.S. Army Corps of Engineers  
P.O. Box 61  
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Mr. Mark Thomason  
State of Oklahoma Department  
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Division of Water Quality  
1000 N.E. 10th Street  
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Ms. Pamela L. Bishop  
State of Oklahoma Department  
of Environmental Quality  
Waste Management Division  
Radiation Management Section  
1000 N.E. 10th Street  
Oklahoma City, Oklahoma 73117-1212

Fansteel Incorporated

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Mr. Mike Brodrick, Administrator  
State of Oklahoma Department  
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Waste Management Division  
Radiation Management Section  
1000 N.E. 10th Street  
Oklahoma City, Oklahoma 73117-1212

Oklahoma Radiation Control Program Director

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- DDChamberlain
- LLHowell
- DBSpitzberg
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