

April 17, 2000

Mr. George W. Dawes, Sr. Scientist
Molycorp, Inc.
Molybdenum Group
300 Caldwell Avenue
Washington, PA 15301

SUBJECT: APPROVAL OF AMENDMENT TO EXTEND THE SUBMITTAL DATE FOR
PART 2 OF THE DECOMMISSIONING PLAN AND REVISED
ENVIRONMENTAL REPORT FOR THE MOLYCORP, WASHINGTON, PA, SITE
(TAC L50037)

Dear Mr. Dawes:

I am responding to your letter of January 19, 2000, that submitted a request to amend your source material license (SMB-1393) to extend the submittal date for Part 2 of the decommissioning plan and revised environmental report associated with the Molycorp, Washington, PA, site from April 16, 2000, to July 16, 2000. We completed an acceptance review of this amendment request on April 4, 2000, and we published a notice of this request in the Federal Register on April 17, 2000.

In accordance with 10 CFR 40.42 (g)(2), the U.S. Nuclear Regulatory Commission (NRC) can approve an alternate schedule for submittal of a decommissioning plan if it is determined that the alternate schedule: (1) is necessary to the effective conduct of decommissioning operations; (2) presents no undue risk from radiation to the public health and safety; and (3) is otherwise in the public interest.

We have determined that these conditions have been met as documented in the enclosed safety evaluation report (Enclosure 1).

In addition, we have concluded that this license amendment concerns administrative changes and meets the requirements under the categorical exclusion in accordance with 10 CFR Part 51.22(c)(11), that: (1) there is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite; (2) there is no significant increase in individual or cumulative occupational radiation exposure; (3) there is no significant construction impact; and (4) there is no significant increase in the potential for, or consequences from radiological accidents. Therefore, neither an environmental assessment nor an environmental impact statement is required.

Accordingly, Condition 14.D of License No. SMB-1393 has been changed to read as follows:

14.D Submittal of Site Decommissioning Plan (SDP) - Molycorp, Inc. will submit a SDP to the NRC no later than July 16, 2000. If on site disposal of radioactive waste under the conditions of restricted use is proposed, an environmental report will be submitted by the same date. The SDP will include a decommissioning funding plan (DFP), in accordance

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with 10 CFR 40.36(a), to cover the estimated cost for the preferred decommissioning approach. The licensee is hereby granted a schedular exemption from the requirement of 10 CFR 40.36(c)(2) for the submittal of a DFP until such time as the SDP is submitted.

All other conditions of the license remain unchanged. The revised license is enclosed (Enclosure 2).

If you have any questions, please call our Project Manager for this license, Mr. LeRoy Person at (301) 415-6701.

Sincerely,

/RA/

Larry W. Camper, Chief
Decommissioning Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Enclosures:

1. Safety Evaluation Report
2. Amendment 4 to License
SMB-1393

cc: Molycorp, Washington
Distribution List

License No.: SMB-1393
Docket No.: 040-08778

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14.D conditions of restricted use is proposed, an environmental report will be submitted by the same date. The SDP will include a decommissioning funding plan (DFP), in accordance with 10 CFR 40.36(a), to cover the estimated cost for the preferred decommissioning approach. The licensee is hereby granted a schedular exemption from the requirement of 10 CFR 40.36(c)(2) for the submittal of a DFP until such time as the SDP is submitted.

All other conditions of the license remain unchanged. The revised license is enclosed (Enclosure 2).

If you have any questions, please call our Project Manager for this license, Mr. LeRoy Person at (301) 415-6701.

Sincerely,

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Larry W. Camper, Chief
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- 1. Safety Evaluation Report
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License No.: SMB-1393

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**SAFETY EVALUATION REPORT
LICENSE NO. SMB-1393
EXTENSION OF THE SUBMITTAL DATE FOR PART 2 OF
THE DECOMMISSIONING PLAN AND REVISED ENVIRONMENTAL REPORT
FOR THE MOLYCORP, WASHINGTON, PA, SITE**

INTRODUCTION:

In a letter dated January 19, 2000, Molycorp, Inc. (Molycorp) submitted a request to amend its source material license (SMB-1393) to extend the submittal date for Part 2 of the decommissioning plan (DP) and revised environmental report (ER) associated with the Molycorp, Washington, PA, site from April 16, 2000, to July 16, 2000.

BACKGROUND:

The Molycorp, Washington, PA, site is located 35 miles southwest of the City of Pittsburgh in Canton Township, less than ½ mile southwest of the City of Washington, PA. Molycorp produced a Ferro columbium alloy from an ore that contained natural thorium. The operation resulted in the production of thorium-bearing slag that was used as fill over portions of the site and stored in an above ground, vegetated slag pile (10,000 yd³). Thorium is the primary contaminant. However, the unprocessed ore may have contained small amounts of uranium. Average thorium concentrations over most of the site are between 100 and 200 P.I./g. In some locations, the contamination extends up to ten feet in the subsurface soil. The average concentration of thorium in the slag pile is 1200 P.I./g. Estimates of total waste volumes range from 60,000 cubic yards to 150,000 cubic yards.

Molycorp submitted its original DP in July 1995. The DP proposed on site storage followed by permanent disposal of the waste from both the Washington and York sites in an impoundment on the Washington site. Because onsite disposal would have exceeded the Site Decommissioning Management Plan (SDMP) criteria (criteria designated for use prior to the new License Termination Rule (LTR)(10 CFR 20 Subpart E)), U.S. Nuclear Regulatory Commission (NRC) staff requested that Molycorp submit an ER as part of the DP. The licensee supplemented the 1995 DP with an ER in April 1997. NRC staff began a review of the ER, prior to the finalization of the LTR. The ER review is on hold pending its revision to address the new LTR.

Because the July 1995 DP was determined not to conform to the interim SDMP criteria, and as such, could not be grand fathered under the provisions of the LAR, an NRC letter dated February 16, 1999, directed Molycorp to revise its DP to meet the requirements of the LAR. After consultation with NRC staff, the licensee stated its intention to submit the DP in two parts. Part 1 of the DP would address cleanup of the contaminated portion of the site and comply with the SDMP Action Plan criteria. Part 2 would address disposal of material from York and Washington in an impoundment on the Washington site and would comply with the LAR. NRC staff agreed to this approach and a revised DP (Part 1) was submitted on June 30, 1999. NRC completed an acceptance review of the Part 1 DP on October 19, 1999. The licensee also committed to provide Part 2 of the DP for review by April 16, 2000. This commitment was documented in Amendment 3 to the license.

EVALUATION:

In accordance with 10 CFR 40.42 (g)(2), the NRC can approve an alternate schedule for submittal of a decommissioning plan if it is determined that the alternate schedule: (1) is necessary to the effective conduct of decommissioning operations; (2) presents no undue risk from radiation to the public health and safety; and (3) is otherwise in the public interest. Compliance with each of these criteria is evaluated below:

The Alternate Schedule is Necessary to the Effective Conduct of Decommissioning Operations:

10 CFR 20.1403 establishes the criteria for termination of a license under conditions of restricted release. As stated in Molycorp's application, Molycorp is one of the first sites in the country to actively pursue decommissioning under the restricted release provisions of this regulation. 10 CFR 20.1403(d)(1) requires licensees proposing to decommission by restricting use of the site to seek advice from affected parties concerning matters identified in this regulation. 10 CFR 20.1403(d)(2) provides requirements for obtaining and documenting this advice. In its application, Molycorp states that considerable interaction is required not only with NRC, but also with the Commonwealth of Pennsylvania and the Molycorp Site Specific Advisory Board (SSAB). NRC staff has attended several meetings of the SSAB and agrees that additional time is needed to conduct these consultations. These consultations will have a direct impact on the content and quality of the DP and therefore on the ultimate conduct of decommissioning operations.

The Alternate Schedule Presents No Undue Risk from Radiation to the Public Health and Safety

NRC staff has reviewed the controls currently required by the license and has determined that these controls will provide adequate protection of the public health and safety and the extension presents no undue risk.

The Alternate Schedule is Otherwise in the Public Interest

The staff has concluded that it is in the public interest to provide additional time to conduct the consultations described above. The proposed extension will allow more time for the SSAB to evaluate the proposed institutional controls and financial assurance and to provide its input to Molycorp for consideration in Molycorp's DP. In addition, the proposed extension should support NRC's goal of limiting future requests for additional information during NRC's review and thereby expedite the review process.

CONCLUSION

The staff has concluded that the requirements of 10 CFR 40(g)(2) have been met and the proposed amendment should be approved.