

November 26, 2000

Mr. George W. Dawes, Senior Scientist
Molycorp, Inc.
300 Caldwell Avenue
Washington, PA 15301

SUBJECT: PLANS FOR REVIEW OF PART 2 OF THE DECOMMISSIONING PLAN FOR
THE MOLYCORP, WASHINGTON, PA, SITE (TAC L52036)

Dear Mr. Dawes:

On July 14, 2000, you submitted Part 2 of your decommissioning plan (DP) for the Molycorp, Washington, PA, facility. We accepted the DP for review on August 16, 2000. The purpose of this letter is to inform you of our plans for reviewing the DP. The review is proceeding in two phases. Phase 1 of the review, which has already begun, is focusing on compliance with the institutional control (IC) and financial assurance (FA) provisions of the license termination rule (LTR) (10 CFR 20, Subpart E). Phase 2 of the review will address all other aspects of compliance with the LTR. Because compliance with the IC and FA provisions of the LTR is fundamental to a restricted release, Phase 2 of the review will only begin if the staff is satisfied that Molycorp's proposal will comply with these provisions. Consistent with this approach, the development of an environmental impact statement will not be initiated in Phase 1.

While our Phase 1 review is not yet completed, we are closely examining your proposal to use a private corporation as part of your durable institutional controls, as well as your reliance on State and Federal agencies who have not agreed to be parties to these controls.

In addition, we are making plans to hold a meeting with members of the public near the Molycorp, Washington site, to describe the review process, solicit comments on the review process, and provide details about when a notice of opportunity to request a hearing will be published in the Federal Register, regarding Part 2 of the DP. Our goal is to hold the meeting in January 2001. The notice of opportunity for a hearing will be published after the public meeting.

To allow for our review of public comments, we plan to forward our comments resulting from the Phase 1 review to you approximately 45 days after the public meeting.

We are coordinating our review with the Pennsylvania Department of Environmental Protection (PADEP). We informed PADEP of our plans in a letter dated September 27, 2000, and met with representatives of PADEP on November 8, 2000, to discuss this approach. In a letter to Judge Charles Bechhoefer dated November 15, 2000, we informed the Atomic Safety and Licensing Board of these plans. You were included on the distribution for both of these letters.

We will be using the recently-published NUREG-1727, "NMSS Decommissioning Standard Review Plan," to guide our review. A copy of this NUREG is enclosed.

G. Dawes

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We will be contacting you and other stakeholders shortly to discuss arrangements for the public meeting. If you have any questions concerning our plans for the review of the DP, please contact LeRoy Person of my staff at (301) 415-6701.

Sincerely,

/RA/

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

Enclosure: NUREG-1727

cc w/o encl: Molycorp, Washington Dist. List

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

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