



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555

OCT 27 1992

Docket No. 40-8778  
License No. SMB-1393

Molycorp Inc.  
ATTN: Ms. Barbara K. Dankmyer  
Resident Manager  
300 Caldwell Avenue  
Washington, Pennsylvania 15301

Dear Ms. Dankmyer:

SUBJECT: MOLYCORP, INC. - RENEWAL OF SOURCE MATERIAL LICENSE NO. SMB-1393

In your letter dated August 19, 1992, Molycorp, Inc. requested the renewal of License No. SMB-1393 for storage (possession only) of source material at your Washington, Pennsylvania facility.

This renewal also involves certain changes to Molycorp's license. These changes include: 1) a new street address for the licensee; 2) a new expiration date for the license; 3) a change in the description of the form of natural thorium; 4) an increase in the possession limit; 5) a change in the authorized use; and 6) the incorporation of a schedule for decommissioning. The Nuclear Regulatory Commission staff has reviewed the renewal request and has found these changes acceptable. All other conditions of your license shall remain the same.

This renewal incorporates the following changes to Molycorp's license:

Item 2 - Licensee Address

The street address for Molycorp's corporate office has changed. This change incorporates the correct street address of Molycorp's corporate office based on the information you provided by telephone on September 9, 1992.

Item 4 - Expiration Date

The expiration date of the license is changed to September 1, 1997. This change is consistent with the 5 year period normally allotted for license renewals. This expiration date is well after Molycorp's current schedule for completing all decommissioning work at this site. We anticipate, therefore, that Molycorp will request license termination well in advance of the new expiration date.

Item 7A - Physical Form

The physical form is changed to clarify that natural thorium is present both in the form of slag; and in soils contaminated with slag. At this site, slag is currently stored in a slag storage pile, however, surface and sub-surface soil across portions of the site is also contaminated with slag.

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PDR ADOCK 0400877B  
C PDR

Item 8A - Possession Limit

The possession limit for natural thorium is changed from  $3.9 \times 10^4$  kg (88,000 lbs) to  $11 \times 10^4$  kg (242,508 lbs). The amount of source material stored on site has not changed since the most recent renewal. This change more accurately bounds the total quantity of source material possessed on site in the form of contaminated slag and soil and corrects an earlier transcription error in the units.

Item 9A - Authorized Use

The authorized use of licensed material is expanded to include storage, transfer, and decommissioning in accordance with an approved Site Decommissioning Plan. This change broadens the authorized use of licensed material from storage only.

License Condition 14 - Schedule for Decommissioning

This change incorporates Molycorp's schedule for decommissioning the Washington, Pennsylvania facility as requested by the licensee. In response to your September 25, 1992 letter, License Condition 14.D. also grants a schedular exemption for the submittal of a decommissioning funding plan with this renewal. This schedule is incorporated as a new license condition and includes the following milestones:

- A. Submittal of Site Characterization Plan (SCP) - Molycorp, Inc. will submit a SCP to the NRC by November 15, 1992.
- B. Submittal of Decommissioning Alternatives and Potential Costs - Molycorp, Inc. will provide the NRC with a list and analysis of potential decommissioning and disposal alternatives by March 1, 1993. The cost of each alternative will be estimated to the best of Molycorp's ability at the time of submittal. A revised version of the report will be included in the Site Decommissioning Plan.
- C. Submittal of Site Characterization Report (SCR) - Molycorp, Inc. will provide a report detailing the site characterization results to the NRC no later than eight (8) months after the SCP has been approved in writing by the NRC staff.
- D. Submittal of Site Decommissioning Plan (SDP) - Molycorp, Inc. will submit a SDP to the NRC no later than six (6) months after initial submittal of a SCR. The SDP will include a decommissioning funding plan, 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 decommissioning funding plan until such time as the SDP is submitted or by September 30, 1994, whichever is sooner.
- E. Completion of Decommissioning - Molycorp, Inc. will have completed site clean up and disposal of the source material in accordance with the approved SDP. Molycorp will have notified the NRC in writing of this completion of decommissioning activities prior to May 30, 1995.

OCT 27 1992

This schedule of decommissioning milestones is premised on Molycorp's submittal of an adequate SCR and SDP and on NRC's timely review of those documents. NRC recognizes that the deadlines may be extended, if necessary, for delays caused by factors beyond the licensee's control.

The NRC staff has considered the potential for environmental impact of this renewal and has determined that the changes to the license will not result in any significant environmental impact. Having made this determination, we have further concluded that the renewal involves an action which is administrative and procedural in nature and, as provided by the categorical exclusion of 10 CFR 51.22(c)(11), an environmental assessment need not be prepared in connection with the issuance of this license renewal.

This license renewal does not involve significant new safety concerns, a significant increase in the probability or consequences of an accident, or a significant increase in radioactive effluents or potential radiation exposure. We have concluded that this license renewal will not be inimical to the common defense and security, or present an undue risk to the health and safety of the public.

The license renewal incorporating the above changes, along with the Safety Evaluation Report, and the finding justifying the categorical exclusion are enclosed.

A facsimile of the draft copy of the proposed license conditions was sent to you on October 16, 1992. Your facsimile response on October 19, 1992, indicated your agreement to the license conditions. Please carefully review the enclosed document including the new license conditions. If you have any questions, immediately notify me at (301) 504-2560.

Sincerely,  
/s/

John H. Austin, Chief  
Decommissioning and Regulatory  
Issues Branch  
Division of Low-Level Waste Management  
and Decommissioning  
Office of Nuclear Material Safety  
and Safeguards

Enclosures:

- 1. Renewed License SMB-1393
- 2. Safety Evaluation Report
- 3. Categorical Exclusion

cc:

- R. Shoemaker, Molycorp
- G. Dawes, Molycorp
- B. Belanger, EPA Region III
- J. Yusko, PADER-RP
- W. Dornsife, PA Bureau of Radiation Protection
- J. Kinneman, Region I

SUBJECT ABSTRACT: MOLYCORP, INC. - RENEWAL OF SOURCE MATERIAL  
\*SEE PREVIOUS CONCURRENCE

OFC	LLDR*	LLDR*	LLDR*	OGC *	LLDR	
NAME	CGlenn/cv	JCopeland	MWeber	RFonner	JAustin	
DATE	9/21/92	9/21/92	9/22/92	9/30/92	10/27/92	

8A

**MATERIALS LICENSE**

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 39, 40 and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	
<p>1. Molycorp, Inc.</p> <p>2. 1201 West 5th Street, P.O. Box 54945 Los Angeles, CA 90054</p>	<p>3. License number           SMB-1393                                   Amendment No. 1</p> <hr/> <p>4. Expiration date           September 1, 1997</p> <hr/> <p>5. Docket or Reference No.   40-08778</p>

6. Byproduct, source, and/or special nuclear material	7. Chemical and/or physical form	8. Maximum amount that licensee may possess at any one time under this license
A. Natural Thorium	A. Slags and Contaminated Soils	A. 11 x 10 <sup>4</sup> kg

9. Authorized use:

A. For storage, transfer, and decommissioning in accordance with an approved Site Decommissioning Plan.

10. Licensed material may be stored only at the licensee's facilities at Caldwell and Green Streets, Washington, Pennsylvania.

11. The licensee shall comply with the provisions of Title 10, Chapter 1, Code of Federal Regulations, Part 19, "Notices, Instructions and Reports to Workers: Inspection and Investigations" and Part 20, "Standards for Protection Against Radiation."

12. Licensed material shall be used by, or under the supervision of, George W. Dawes.

13. Except as specifically provided otherwise by this license, the licensee shall possess and use licensed material described in Items 6, 7, and 8 of this license in accordance with statements, representations, and procedures contained in letters dated November 27, 1973 and January 30, 1974, application dated December 26, 1974 and letters dated July 13, 1976, July 11, 1980, November 19, 1980, August 19, 1992, September 21, 1992 and September 25, 1992. The Nuclear Regulatory Commission's regulations shall govern the licensee's statements in applications or letters, unless the statements are more restrictive than the regulations.

14. Schedule for Decommissioning Site:

A. Submittal of Site Characterization Plan (SCP) - Molycorp, Inc. will submit a SCP to the NRC by November 15, 1992.

**MATERIALS LICENSE  
SUPPLEMENTARY SHEET**

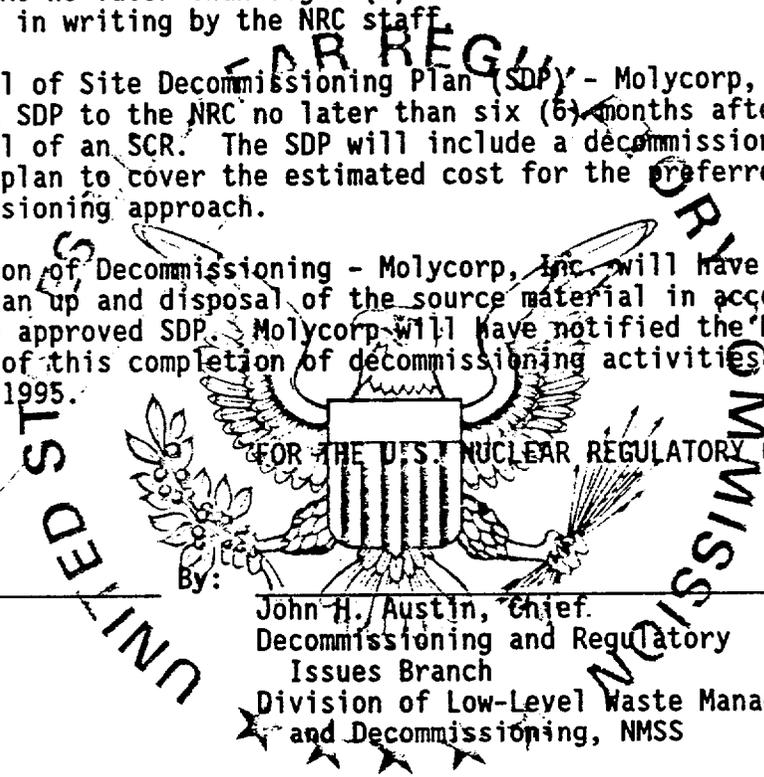
License number

SMB-1393, Amendment No. 1

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40-08778

- Submittal of Decommissioning Alternatives and Potential Costs - Molycorp, Inc. will provide the NRC with a list and analysis of potential decommissioning and disposal alternatives by March 1, 1993. The cost of each alternative will be estimated to the best of Molycorp's ability at the time of submittal. A revised version of the report will be included in the Site Decommissioning Plan.
- Submittal of Site Characterization Report (SCR) - Molycorp, Inc. will provide a report detailing the site characterization results to the NRC no later than eight (8) months after the SCP has been approved in writing by the NRC staff.
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- Completion of Decommissioning - Molycorp, Inc. will have completed site clean up and disposal of the source material in accordance with the approved SDP. Molycorp will have notified the NRC in writing of this completion of decommissioning activities prior to May 30, 1995.



Date: \_\_\_\_\_

By: \_\_\_\_\_

John H. Austin, Chief  
Decommissioning and Regulatory  
Issues Branch  
Division of Low-Level Waste Management  
and Decommissioning, NMSS

Distribution: Central File #40-8778 NMSS r/f LLDR r/f CGlenn  
 JAustin JSurmeier PLohaus TCJohnson MWeber JCopeland  
 JKinneman, RI WBrach RBangart  
 PDR YES \_\_\_ NO \_\_\_ Category: Proprietary \_\_\_ or CF Only \_\_\_  
 ACNW YES \_\_\_ NO \_\_\_

\*SEE PREVIOUS CONCURRENCE

OFC	LLDR *	LLDR *	LLDR *	<i>NSC Operator</i>	LLDR	
NAME	CGlenn	JCopeland	MWeber	<i>R. Palmer</i>	JAustin	
DATE	9/21/92	9/21/92	9/22/92	9/23/92	9/ /92	

DOC: G:RENEWAL

OFFICIAL RECORD COPY

- B. Submittal of Decommissioning Alternatives and Potential Costs - Molycorp, Inc. will provide the NRC with a list and analysis of potential decommissioning and disposal alternatives by March 1, 1993. The cost of each alternative will be estimated to the best of Molycorp's ability at the time of submittal. A revised version of the report will be included in the Site Decommissioning Plan.
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FOR THE U.S. NUCLEAR REGULATORY COMMISSION

151

Date: OCT 27 1992 By: \_\_\_\_\_

John H. Austin, Chief  
 Decommissioning and Regulatory  
 Issues Branch  
 Division of Low-Level Waste Management  
 and Decommissioning, NMSS

Distribution: Central File #40-8778 NMSS r/f LLDR r/f CGlenn  
 JAustin JSurmeier PLohaus TCJohnson MWeber JCopeland  
 JKinneman, RI WBrach RBangart L Bell  
 PDR YES  NO  Category: Proprietary  or CF Only   
 ACNW YES  NO

\*SEE PREVIOUS CONCURRENCE

OFC	LLDR*	LLDR*	LLDR*	OCC	LLDR*	
NAME	CGlenn	JCopeland	MWeber	JBonner	JAustin	
DATE	9/21/92	9/21/92	9/22/92	9/20/92	10/27/92	



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555

OCT 27 1992

8B

DOCKET NO. 40-8778  
LICENSE NO. SMB-1393  
LICENSEE: MOLYCORP, INC.  
SUBJECT: SAFETY EVALUATION REPORT, LICENSE RENEWAL APPLICATION DATED  
AUGUST 19, 1992

Background

By application/letter dated August 19, 1992, Molycorp Inc. requested that the renewal application for Source Material License No. SMB-1393 be revised and that the license be renewed. This renewal also requested the incorporation of certain changes to the license for Molycorp's site in Washington, Pennsylvania.

Discussion

The changes to Molycorp's license include: 1) a new street address for the licensee; 2) a new expiration date for the license; 3) a change in the description of the form of natural thorium; 4) an increase in the possession limit; 5) a change in the authorized use; and 6) the incorporation of a schedule for decommissioning. The Nuclear Regulatory Commission staff has reviewed the renewal request and has found these changes acceptable. All other conditions of your license shall remain the same.

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- E. Completion of Decommissioning - Molycorp, Inc. will have completed site clean up and disposal of the source material in accordance with the

approved SDP. Molycorp will have notified the NRC in writing of this completion of decommissioning activities prior to May 30, 1995.

On September 25, 1992, Molycorp requested a scheduler exemption from the requirement of 10 CFR 40.36(c)(2) for the submittal of a decommissioning funding plan with this renewal. The licensee proposed to submit a decommissioning funding plan at the time the SDP is submitted to NRC. This exemption would allow Molycorp to complete site characterization, develop clean-up criteria, and evaluate options for remediating the site before submitting a decommissioning funding plan. Due to the large volume of contaminated material onsite, Molycorp is also exploring options, such as, offsite disposal in a mine cavity, or reprocessing contaminated material to recover its thorium and/or lanthanide content to reduce the volume of material requiring disposal. To ensure that a funding plan is developed in a reasonable timeframe, the staff suggests the incorporation of a September 30, 1994 deadline for the submittal of a decommissioning funding plan. On September 25, 1992, the staff telephoned the Resident Manager of Molycorp's Washington, Pennsylvania facility regarding the incorporation of the September 30, 1994 deadline, and Molycorp's Resident Manager agreed that this deadline was reasonable. This deadline will ensure that a funding plan is in place in the event the SDP submittal is delayed. The staff believes this exemption is justified, since these activities are likely to have a significant affect on the cost estimates for a decommissioning funding plan.

In discussions with the licensee in the course of this renewal, the staff emphasized that this decommissioning schedule is enforceable and every effort should be made to meet these milestones.

Conclusion-Recommendation

This license renewal does not involve significant new safety concerns, a significant increase in the probability or consequences of an accident, or a significant increase in radioactive effluents or potential radiation exposure. We have concluded that this license renewal will not be inimical to the common defense and security, or present an undue risk to the health and safety of the public.

The staff concludes that the renewal, which incorporates the changes discussed above, can be issued without undue risk to the workers and public. Approval of the renewal application is recommended.

NRC Region I has no objection to this proposed action.

151  
John H. Austin, Chief  
Decommissioning and Regulatory  
Issues Branch  
Division of Low-Level Waste Management  
and Decommissioning  
Office of Nuclear Material Safety  
and Safeguards

SUBJECT ABSTRACT: MOLYCORP, INC. - RENEWAL OF SOURCE MATERIAL  
\*SEE PREVIOUS CONCURRENCE

OFC	LLDR*	LLDR*	LLDR*	OGC <i>[Signature]</i>	LLDR <i>[Signature]</i>	
NAME	CGlenn/cv	JCopeland	MWeber	R <i>[Signature]</i>	JAustin	
DATE	9/21/92	9/21/92	9/22/92	9/20/92	10/27/92	

OCT 27 1992

Docket No. 40-8778  
License No. SMB-1393

LICENSEE: MOLYCORP, INC.

INSTALLATIONS: 300 Caldwell Avenue  
Washington, Pennsylvania 15301

SUBJECT: CATEGORICAL EXCLUSION UNDER THE PROVISION OF 10 CFR  
51.22(c)(11)

By application/letter dated August 19, 1992, Molycorp, Inc. requested that the renewal application for Source Material License No. SMB-1393 be revised and that the license be renewed. This renewal also requested the incorporation of certain changes to the license for Molycorp's site in Washington, Pennsylvania.

The staff concluded that this renewal meets the conditions that: (i) there is no significant change in the types, or significant increase in the amounts of effluents that may be released offsite, (ii) there is no significant increase in individual or cumulative occupational radiation exposure, (iii) there is no significant construction impact, (iv) there is no significant increase in the potential for, or consequences from radiological accidents.

Therefore, in accordance with 10 CFR 51.22(c)(11), an environmental assessment or an environmental impact statement is not warranted for this action.

FOR THE U. S. NUCLEAR REGULATORY COMMISSION

*151*  
John H. Austin, Chief  
Decommissioning and Regulatory  
Issues Branch  
Division of Low-Level Waste Management  
and Decommissioning  
Office of Nuclear Material Safety  
and Safeguards

Distribution: Central File NMSS r/f RBangart EWBrach JAustin  
JSurmeier MWeber CGlenn RFonner JCopeland LLDR r/f  
TCJohnson LBell

PDR: Yes  No  Category: Proprietary  or CF Only

ACNW: Yes  No

SUBJECT ABSTRACT: MOLYCORP, INC. - RENEWAL OF SOURCE MATERIAL  
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OFC	LLDR*	LLDR*	LLDR*	OGC *	LLDR	
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