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September 15, 2000

Mr. Larry Camper, Chief Decommissioning Branch United States Nuclear Regulatory Commission One White Flint North 11555 Rockville Pike Rockville, MD 28052

Subject: Removal and Disposal of Above Ground Waste at the Molycorp Washington, Pa. Facility

Dear Mr. Camper,

The purpose of this letter is to inform NRC of Molycorp's plans to remove all above ground waste from the Washington, PA, site and dispose of the waste at the Envirocarc facility in Clive, Utah. The above ground waste includes the thorium storage pile, the roll-off containers, and drums containing cuttings from past site-characterization. There will be no significant excavation of material below the existing ground level since the roll-offs and drums are in containers and the pile was originally placed directly on the ground surface. The transfer of low-level waste offsite for disposal at a licensed waste disposal facility is authorized by License Condition 15.F in Amendment No. 5 to License SMB-1393.

Molycorp has reviewed License Amendment No. 5 for commitments that are required to be met prior to transferring the above ground waste to Envirocare. License Condition 15.D requires the submittal of a final set of Radiation Protection Procedures before conducting decommissioning operations at the Molycorp Washington site. A final set of procedures was provided to NRC on August 3, 2000.

License Conditions 15.A and 15.B pertain to the excavation of contamination. Molycorp interprets this to apply to the excavation of material below the natural ground surface, which is the major activity discussed in the decommissioning plan, not the removal of above ground waste. Therefore, we do not believe that Molycorp is required to meet License Conditions 15.A and 15.B before transferring the above ground material to Envirocare. It is clear that these conditions must be met before beginning below ground excevation. However, we have reviewed Conditions 15.A and 15.B to ensure that any part of the Conditions that may be applicable, from a Health and Safety perspective, to the removal of the above ground waste are satisfied before beginning the project.

License Condition 15.A.1 applies to characterization of groundwater in the bedrock unit near the western boundary of the site. The removal of above ground material will not impact the groundwater. In fact the removal of the thorium pile should improve any potential groundwater condition through the elimination of the potential source term in the pile, which contains the highest radioactivity concentrations on the site. License Condition 15.A.3 applies to excavation below the water table. There will be no excavation below the water table during the removal of the above ground waste. License Condition 15.B applies to the equilibrium status of the radionuclides in the uranium-238 and thorium-232 natural decay chains in the event that a total uranium/thorium ratio approach is proposed for estimating total uranium concentration for demonstrating compliance with the unrestricted use criteria. The goal of this project is simply to remove the above ground waste and does not involve in any way a demonstration of compliance with unrestricted use criteria. Based on the above, License Conditions 15.A.1, 15.A.3, and 15.B have no Health and Safety applicability to the removal of the above ground waste.

License Condition 15.A.2 applies to groundwater, surface water and sediment. There will be no groundwater impact from the removal of the above ground material. There is a potential that the surface water and sediment could be impacted by the removal of the pile. However, Molycorp will construct engineered barriers to control runoff and erosion. The exposed portion of the pile will be covered at the end of each workday or during significant precipitation events to further minimize the potential for runoff. A Storm Water Management Plan and an Erosion and Sediment Control Plan will be in place for NRC inspection prior to beginning the project. To verify the effectiveness of these control measures, and ensure that the Health and Safety intent of Condition 15.A.2 is satisfied, we have enclosed a characterization plan for the sediment and water (Enclosure 1). The characterization plan calls for the sampling of water and sediment before beginning the project, one time during the project, and after the project is completed at several locations, including previously sampled locations such as the outfall area.

The removal of the pile, roll-offs, and drums represents a significant improvement in the condition of the Washington site and demonstrates Molycorp's commitment to the timely decommissioning of the Washington site. In addition, the public has expressed concerns regarding the presence of the pile and roll-off boxes. These concerns are important to Molycorp and are a significant driver for Molycorp's decision to initiate the project as soon as possible after NRC approval of the Decommissioning Plan on August 8, 2000. The timely removal of the above ground waste is clearly in the interest of all stakeholders.

Molycorp intends to initiate the project in mid-October. We are in the process of finalizing contracts related to this project and it is critical that NRC contact Molycorp by September 20, 2000, if you have any questions or comments regarding the above ground

waste removal project. I can be reached at 724-222-5606 ext. 517. If I am unavailable, please contact Rick Horn at 724-222-5605 ext. 520.

Sincerely,

George W. Dawes

Enclosure 1

Characterization Plan

Molycorp proposes to sample both surface water and sediment as covered in License condition 15 since these have the potential to be impacted by the removal action.

The sample points 1 through 4 are indicated on the attached facility drawing. Samples will be taken prior to any activity, once during removal, and after the pile has been removed. This should only take 30 days. Samples will be analyzed for Th and U isotopic as well as radium 226 and 228. Sample points will be clearly marked to insure samples are taken from the same location.

