

September 18, 2001

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

SUBJECT: REVISION OF FINANCIAL ASSURANCE DOCUMENTS

Dear Mr. Dawes:

This letter will confirm the telephone discussion of September 13, 2001, between you and Mr. Thomas Fredrichs of our staff. You and Mr. Fredrichs discussed the revised parent company guarantee you submitted by letter dated May 30, 2001. Mr. Fredrichs informed you that our review has determined that changes are required to the "Report of Independent Accountants" which supports the Chief Financial Officer letter that was included in the May 30 submittal.

An acceptable format for the auditor's report is published in NUREG-1727, "NMSS Decommissioning Standard Review Plan." The relevant pages, F114 and F115, are enclosed. NUREG-1727 can be found on our Web site at <http://www.nrc.gov/NRC/NUREGS/SR1727/index.html>.

A copy of the "Report of Independent Accountants" submitted with the May 30 letter is enclosed for comparison to the recommended format. In addition, relevant pages from our letter to you, dated December 15, 2000, are enclosed, which provide the regulatory basis for the need to revise the "Report of Independent Accountants."

Please revise the "Report of Independent Accountants" to conform to the format recommended in NUREG-1727.

If you have any questions, please contact me at 301-415-5869.

Sincerely,

/RA/

Tom McLaughlin, Project Manager
Facilities Decommissioning Section
Decommissioning Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Enclosures: As stated

Docket Nos.: 040-08778, 040-08794
License Nos.: SMB-1393, SMB-1408

cc: Molycorp, Washington and York Dist. Lists

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

SUBJECT: REVISION OF FINANCIAL ASSURANCE DOCUMENTS

Dear Mr. Dawes:

This letter will confirm the telephone discussion of September 13, 2001, between you and Mr. Thomas Fredrichs of our staff. You and Mr. Fredrichs discussed the revised parent company guarantee you submitted by letter dated May 30, 2001. Mr. Fredrichs informed you that our review has determined that changes are required to the "Report of Independent Accountants" which supports the Chief Financial Officer letter that was included in the May 30 submittal.

An acceptable format for the auditor's report is published in NUREG-1727, "NMSS Decommissioning Standard Review Plan." The relevant pages, F114 and F115, are enclosed. NUREG-1727 can be found on our Web site at <http://www.nrc.gov/NRC/NUREGS/SR1727/index.html>.

A copy of the "Report of Independent Accountants" submitted with the May 30 letter is enclosed for comparison to the recommended format. In addition, relevant pages from our letter to you, dated December 15, 2000, are enclosed, which provide the regulatory basis for the need to revise the "Report of Independent Accountants."

Please revise the "Report of Independent Accountants" to conform to the format recommended in NUREG-1727.

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

SUBJECT: REVISION OF FINANCIAL ASSURANCE DOCUMENTS

Dear Mr. Dawes:

This letter will confirm the telephone discussion of September 13, 2001, between you and Mr. Thomas Fredrichs of our staff. You and Mr. Fredrichs discussed the revised parent company guarantee you submitted by letter dated May 30, 2001. Mr. Fredrichs informed you that our review has determined that changes are required to the "Report of Independent Accountants" which supports the Chief Financial Officer letter that was included in the May 30 submittal. An acceptable format for the auditor's report is published in NUREG-1727, "NMSS Decommissioning Standard Review Plan." The relevant pages, F114 and F115, are enclosed. NUREG-1727 can be found on our Web site at

<http://www.nrc.gov/NRC/NUREGS/SR1727/index.html>.

A copy of the "Report of Independent Accountants" submitted with the May 30 letter is enclosed for comparison to the recommended format. In addition, relevant pages from our letter to you, dated December 15, 2000, are enclosed, which provide the regulatory basis for the need to revise the "Report of Independent Accountants."

Please revise the "Report of Independent Accountants" to conform to the format recommended in NUREG-1727.

If you have any questions, please contact me at 301-415-5869.

Sincerely,

/RA/

Tom McLaughlin, Project Manager
Facilities Decommissioning Section
Decommissioning Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Enclosures: As stated

Docket Nos.: 040-08778, 040-08794

License Nos.: SMB-1393, SMB-1408

cc: Molycorp, Washington and York Dist. Lists

AN: ML012600399

Template No.: NMSS-010

This document should /X/ should not / / be made available to the PUBLIC TGM 9/ 18 /01

Ticket No.: N/A

DISTRIBUTION:

Central File

DCB r/f

NMSS r/f

R.Bellamy, RI

C.Gordon, RI

S.Lewis

DOCUMENT NAME: C:\Program Files\Adobe\Acrobat 4.0\PDF Output\Molycorp Parent
Company Guar.wpd

OFC	DCB		DCB			
NAME	T.McLaughlin		R.Nelson			
DATE	9/18/01		9/ 18 /01			

OFFICIAL RECORD COPY