

Molycorp, Inc.
Molybdenum Group
300 Caldwell Avenue
Washington, PA 15301
Telephone (724) 222-5605
Facsimile (724) 222-7336



February 19, 2002

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

RE: Request for License Amendment,
Alternate Decommissioning Schedule

Dear Mr. Camper:

Molycorp, Inc. formally withdrew its license amendment request for on site disposal as detailed in Part 2 of its Decommissioning Plan for the Washington, PA facility in a letter to you dated January 3, 2001. At that time Molycorp requested an alternate schedule for completion of decommissioning as approved by NRC in the Part 1 Decommissioning Plan.

Pursuant to this request, NRC has asked Molycorp to demonstrate that the alternate schedule request is in accordance with 10 CFR 40.42 h(2)(i). As you know, the project will require multiple building demolitions, a large volume of material to be excavated and transported, final site surveys, and safeguards to ensure continued protection of the community and workforce. After reviewing the complex nature of the project and the number of tasks involved, Molycorp believes that it is not realistically feasible to complete the project within 24 months. Our review of the regulations shows that this alternate schedule request is in accordance with 40.42 h(2)(i)(1) and 40.42h(2)(i)(5). In addition, interaction with the Pennsylvania Department of Environmental Protection and required NRC approval of certain submittals makes 40.42h(2)(i)(5) applicable due to "regulatory requirements of other agencies" and "factors beyond the control of the licensee".

On April 25, 2001 a meeting was held at the NRC offices in Rockville to discuss the proposed schedule. In attendance were representatives of Molycorp, its consultant (RSI), PA DEP, Canton Township and NRC. As a result of that meeting Molycorp was asked to further justify its alternate schedule request. As indicated below, recent decisions by Molycorp regarding future operation and planned decommissioning activities have impacted the projected timeframe to complete the decommissioning of the Washington Pennsylvania facility.

Background

Molycorp has been working on the decommissioning of its Washington Facility since October 2000 when it began off site disposal of 200 roll-off containers of unimportant quantity material and 10,000 cu yds of stockpiled thorium slag/soil. Removal of this material was completed in February 2001 and has resulted in removal of approximately half of the total licensed material estimated to be at the site. This significant action demonstrates Molycorp's commitment to completing the decommissioning at Washington in as timely a manner as possible.

Molycorp also began final decommissioning activities at its York, Pa facility in late 2000. The activities completed at the York facility in 2000 included final building surveys and additional site characterization of soils to allow excavation plans to be developed. In 2001 Molycorp demolished all but one site structure and reinstalled the rail siding. Molycorp has been removing both clean concrete and contaminated soil and concrete from York facility since August 2001 and this activity is expected to continue through the first quarter of 2002. Unfortunately, this project has demonstrated the unknowns that can arise when doing these types of activities. The volume of contaminated material encountered at the York facility was larger than anticipated and while some of the increase was due to large areas being covered by structures that made accurate characterization difficult, the volume of material excavated throughout the facility generally has been substantially greater than anticipated. A similar situation potentially exists at the Washington facility, in that a number of buildings overlie contaminated areas and the same consultant using similar methods, was involved in preparing both the York and Washington characterization reports and volume estimates.

Recent Developments and Current Activities

Molycorp recently announced that it has ceased all production and permanently shutdown the Washington Facility as of 1/31/02. Molycorp's revised decommissioning schedule for Washington calls for all site structures to be emptied of equipment surveyed and demolished. This process will commence in February and should be completed in early October 2002. A detailed schedule of the demolition phase of the work is attached. Upon completion of the building demolition, Molycorp will begin supplemental characterization of the facility, concentrating on but not necessarily limited to the areas beneath the structures.

Our tentative schedule calls for the supplemental characterization work to be completed by late 2002 assuming the building demolition is completed on schedule.

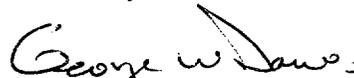
Upon completion and review of the supplemental characterization and verification of estimated volume, Molycorp will contract for the excavation, transportation and disposal of the contaminated soil. It is anticipated that excavation will begin south of Caldwell Avenue in early 2003 and the final status survey of that portion of the facility should be completed by the end of 2003. Upon completion of excavation south of Caldwell the excavation activity will be moved to the area north of Caldwell Avenue with excavation expected to begin in early to mid 2004. It is anticipated that excavation north of Caldwell will be concluded and the final status survey should be completed by the end of 2004. These timeframes are consistent with the knowledge gained from our experiences to date at both Washington and York.

The estimated excavation time frame of 24 months is based on the excavation rate achieved during the first removal operation completed at Washington in February 2001 and assume the volume remaining to be excavated at Washington is approximately 135,000 cubic yards. Any increase or decrease to the estimated volume will directly impact the time required to complete decommissioning. A more detailed excavation schedule will be forwarded upon completion of the supplemental characterization and contracting for excavation, transportation and disposal activities.

This proposed decommissioning schedule is based on Molycorp's current approved decommissioning plan for the Washington facility. Molycorp will continue to evaluate all options available to it on an ongoing basis with respect to the decommissioning of the Washington facility. Should any developments occur which we expect to affect the decommissioning schedule we will inform you promptly.

If you have any questions concerning this request please call me at the above number.

Sincerely,


George W. Dawes
Facility Superintendent

XC: Dave Allard, PA DEP
Ray Cherniske, Molycorp



Sheet: 1 of 1

MACTEC Constructors
MolyCorp - Working Copy
Draft Schedule B

MC00

Start Date: 28JAN02
Finish Date: 28OCT02
Data Date: 10FEB02
Run Date: 19FEB02 13:57

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Legend:
 Early Bar
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 Critical Activity

Date	Revision	Checked	Approved

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