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September 15, 2003

Mr. Daniel Gillen
Decommissioning Branch Chief
Division of Waste Management
United States Nuclear Regulatory Commission
Mail Stop: T-7F27
Washington, DC 20555-0001

**SUBJECT: DECOMMISSIONING UPDATE FOR THE MOLYCORP, INC.,
WASHINGTON SITE (LICENSE SMB-1393, DOCKET NO. 040-08794)**

Dear Mr. Gillen,

Pursuant to our letter of February 19, 2002 and your response dated May 1, 2002, this correspondence will update the progress of our decommissioning activities at the Washington Site. As outlined in our February 19th letter, the phased decommissioning approach at the site involved the demolition of all buildings and processing equipment prior to conducting a supplemental characterization of the site. Based upon experience gained at our York site, it was determined that this additional characterization was necessary to adequately plan for the ensuing excavation phase.

Between May and November 2002, Molycorp completed the demolition activities and by the end of December 2002 all construction debris had been properly disposed. Unfortunately, this demolition phase of the decommissioning process exceeded Molycorp's initial time projections by two to three months, chiefly due to the significant scope of the work and complex logistics associated with completion of the demolition phase.

Following completion of the demolition phase, Molycorp made a strategic decision to pursue license termination decommissioning activities simultaneously with site closure activities for non-radiological parameters. This decision created a need to alter the scope of the planned supplemental characterization to include a more comprehensive approach; and consequently, more time was required to select and contract with a firm that could provide the necessary expertise for completing this phase of the decommissioning.

The contractor was selected in June of 2003, and, as of the date of this letter, a scope of work for the supplemental site characterization has been completed and Molycorp's contractor will mobilize to the field to start supplemental characterization activities this month. This field work is anticipated to continue through January 2004.

Upon completion of the supplemental characterization and a review of the results, Molycorp will develop an integrated site closure plan for completing all decommissioning and closure activities at the site. Molycorp will maintain open communications with the involved agencies throughout this characterization phase and provide a progress update when the integrated site closure plan has been prepared.

Molycorp continues in its commitment to complete decommissioning of the Washington, PA site in a safe, effective and timely manner. Much has been completed to-date, and with continuing collaborative efforts between Molycorp, PADEP and the NRC the completion of the activities outlined above will be achieved.

If you have any questions regarding this submittal, please call me at 505-586-7603.

Sincerely,



Ray Cherniske
Manager, Remediation Sites

Cc:

Tom McLaughlin	USNRC
Bob Maiers	PADEP