

July 31, 2006

Mr. John C. Wright, Jr.
Project Manager
Molycorp, Inc.
Washington Decommissioning Project
1217 West Wayne Street
Washington, PA 15301

SUBJECT: PROCESS FOR MODIFICATION OF THE MOLYCORP, INC. WASHINGTON,
PA FACILITY DECOMMISSIONING PLAN

Mr. Wright, Jr:

I received your letter, dated June 28, 2006 (**ML061570349**), to the U.S. Nuclear Regulatory Commission (NRC), informing me that you have changed the portable survey instrument calibration frequency for the Molycorp Washington, PA Facility Project. As you know, the Molycorp, Inc., Washington, PA Facility Decommission Plan (DP), which is part of Material License Number SMB 1393, specifies the frequency for portable survey instrument calibration. Furthermore, your DP does not have provisions in it that will allow changes to the DP without first obtaining approval from NRC.

In order to change any requirement in your DP, Molycorp, Inc. must request an amendment to its DP, through a license amendment request. The request must be submitted to the Commission in accordance with 10CFR 40.5 (a). The request must identify the proposed change and provide rationale as to why the change is necessary or technically appropriate for the Molycorp Washington, PA Facility Project. Staff will then evaluate your request through the licensing process.

As we discussed on July 24, 2006 if you want to add some flexibility to the DP with regard to making certain changes that would not need NRC approval, you would have to propose, through a license amendment request, the type of changes that you believe will afford you flexibility, the reason you feel it is appropriate, and the proposed wording for incorporation into your DP. Staff would then evaluate your request through the licensing process. Enclosed is an example of the actions we have allowed licensees to change without NRC approval as a matter of policy. However, identification and any provisions for such changes must be incorporated in a licensee's approved DP before they can be implemented.

If you have any question regarding this letter, please contact me at (301) 415-8580 or via e-mail to ams3@nrc.gov.

J.C. Wright

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Amy M. Snyder, Senior Project Manager
Decommissioning Directorate
Division of Waste Management
and Environmental Protection
Office of Nuclear Material Safety
and Safeguards

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

Enclosure: Example of Flexibility to Certain Decommissioning Plan Requirements

cc: Molycorp, WA service list

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Enclosure: Example of Flexibility to Certain Decommissioning Plan Requirements

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DISTRUBITION:

David Everhart, Region I Molycorp, WA service list

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Example of Flexibility to Certain Decommissioning Plan Requirements

Changes to the approved Decommissioning Plan (DP) shall require U.S. Nuclear Regulatory Commission approval prior to being implemented, if the change:

(a) Increases the radionuclide-specific derived concentration guideline levels (as discussed in Section 6 of the **LTP**) or area factors (as discussed in Section X of the DP);

(b) Increases the probability of making a Type I decision error above the level stated in the DP (discussed in Section X of the DP);

(c) Increases the investigation level thresholds for a given survey unit classification (as given in Table X of the DP);

(d) Changes the classification of a survey unit from a more restrictive classification to a less restrictive classification (e.g., Class 1 to Class 2, or Class A to Class B).

Definitions for the different classifications for structures and surface soils are provided in Section X of the DP, and definitions for the different classifications for subsurface soils are provided in Section X of the DP;

(e) Reduces the coverage requirements for scan measurements (Table X of the DP); or

(f) Involves reliance upon statistical tests other than the Sign Test (as discussed in Section X of the DP) for data evaluation.

Enclosure

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