

NUCLEAR REGULATORY COMMISSION

In the Matter of)
)
Molycorp Minerals LLC) **Docket Nos.** 11004455 and 11005966
)
)
)
)
) **License Nos.** XSOU8707 and XSOU8827
)
)
)

Order Approving Direct Transfer of Two Export Licenses

I.

Molycorp Minerals LLC (Molycorp or the Licensee) currently holds export licenses nos. XSOU8707 and XSOU8827. The Licensee address included on these export licenses is the Mountain Pass rare earth mine and processing facility. After Molycorp filed for bankruptcy, MP Mine Operations LLC (MPMO) purchased the Mountain Pass rare earth mine and processing facility from Molycorp pursuant to an asset purchase agreement dated June 19, 2017 (Agencywide Documents Access and Management System [ADAMS] Accession No. ML17297B230). Although the “purchased assets” covered by this agreement included “all Permits . . . to the extent transferable,” the export licenses held by Molycorp were not transferred to MPMO at that time (see sections 2.1(b)(viii) and 2.7(a) of the asset purchase agreement). MPMO, a Delaware limited liability company, is controlled by two U.S. investment funds, JHL Capital Group Holdings Fund Two and QVT Financial LP, which combined have a 90.01 percent economic stake and own 100 percent of the voting common units for MPMO. Shenghe Resources Holding Co., Ltd., through its subsidiary Leshan Shenghe Rare Earth Co., Ltd., owns a 9.99 percent non-voting preferred stake for MPMO, and has no voting rights in

MPMO. Both Shenghe Resources Holding Co., Ltd. and Leshan Shenghe Rare Earth Co., Ltd. are foreign companies.

II.

By letter dated August 14, 2017 (ADAMS Accession Nos. ML17236A034 and ML17236A039), as supplemented by letter dated October 5, 2017 (ADAMS Accession No. ML17297A131) and revised applications dated October 19, 2017 (ADAMS Accession Nos. ML17296A544 and ML17296A693), MPMO requested approval from the U.S. Nuclear Regulatory Commission (NRC) to transfer control of export licenses nos. XSOU8707 and XSOU8827 from Molycorp to MPMO. This request was made pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (AEA) (42 U.S.C. § 2234) and Title 10 of the *Code of Federal Regulations* (10 CFR) 110.50(d). In association with the proposed direct transfer, MPMO has requested that both licenses be amended to change the Licensee from Molycorp to MPMO, and that the expiration date for XSOU8827 be extended by one month (to December 31, 2021). In addition, as part of the amendment applications, MPMO provided updated contact information for the Licensee contact (John Benfield, who is currently listed as the Licensee contact on both licenses and is now working for MPMO).

The revised applications dated October 19, 2017, were made publicly available in ADAMS on October 23, 2017. No requests for hearing or comments were received.

Pursuant to Section 184 of the AEA, no license granted under 10 CFR part 110 shall be transferred, assigned, or in any manner disposed of, directly or indirectly, through transfer of control of any license to any person unless the NRC, after securing full information, finds that the transfer is in accordance with the provisions of the AEA, and gives its consent in writing. Pursuant to 10 CFR 110.50(d), a specific license granted under 10 CFR part 110 may be transferred, disposed of, or assigned to another person only with the approval of the NRC by license amendment.

After review of the information in the revised applications dated October 19, 2017, and relying on statements and representations contained in the supplemental information dated October 5, 2017, the NRC staff has determined that the proposed transferee is qualified to hold the licenses and that the direct transfers of control are consistent with the applicable provisions of the AEA, regulations, and orders issued by the Commission. MPMO stated that (1) there will be no change in personnel, duties, or location; (2) all manufacturing data and information, operating instructions, documentation, operating records, files, and data were included in the asset purchase agreement and have been maintained; and (3) MPMO will abide by all constraints, conditions, and requirements of the licensed program, including the regulations in 10 CFR 110.53. The NRC staff has further determined that the request for the proposed conforming license amendments complies with the standards and requirements of the AEA, and the NRC regulations in 10 CFR Part 110. The transfers of control of the licenses and issuance of the conforming license amendments will not be inimical to the common defense and security, or to the health and safety of the public, and all applicable requirements have been satisfied.

III.

Accordingly, pursuant to Section 184 of the AEA and 10 CFR 110.50(d), IT IS HEREBY ORDERED that the direct transfer of the licenses from Molycorp to MPMO, as described herein, is approved.

IT IS FURTHER ORDERED that the conforming license amendments associated with the direct transfer shall be issued.

This Order is effective upon issuance.

For further details with respect to this Order, see the revised applications dated October 19, 2017, and associated supplemental materials dated October 5, 2017. These documents are available for public inspection at the Commission Public Document Room (PDR), located at One White Flint North, Room O1-F21, 1155 Rockville Pike (first floor), Rockville, MD 20852, and

available online in the ADAMS Public Documents collection at <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS should contact the NRC Public Document Room (PDR) Reference staff by telephone at 1-800-397-4209, or 301-415-4737 or by e-mail to pdrr@nrc.gov.

Dated at Rockville, Maryland this 27th day of November 2017.

FOR THE NUCLEAR REGULATORY COMMISSION.

/RA/

Nader L. Mamish, Director,
Office of International Programs