

Molycorp, Inc.

Union Oil Center, P.O. Box 54945

Los Angeles, California 90054

Telephone (213) 977-7524



June 18, 1981

Warren N. Warhol
Vice President Manufacturing

TO: John Hickey, U.S. Nuclear Regulatory Commission

FROM: Warren N. Warhol, Molycorp, Inc.

A handwritten signature in dark ink, appearing to read "Warhol".

Production and Sale of Cerium Fluoride

Your attention is invited to my letter of June 5, 1981, a copy of which is attached (Enclosure 1) for your ready reference.

Attached also as Enclosure 2 is a newly published Product Data Sheet which describes our product No. 5380, Cerium Fluoride - Technical Grade. Please note that on the reverse side of the data sheet a typical analysis of 0.5% THO₂ is shown. This value is higher than was previously believed to be typical of this product, but enough new sampling and analytical methods cross-checking has given us a high degree of confidence in the 0.5 number. We have therefore notified our current U.S. customers for this product of the need for NRC source material licensing to hold more than 15 pounds contained thorium at one time or more than 150 pounds per year.

Molycorp is shipping this material at the rate of approximately 85,000 pounds (dry basis) of product per year to these customers, where it is used as a catalyst in electroplating operations. We hope to maintain this business with those customers who choose to continue its use under these new circumstances.

We believe that no significant radiological threat to health and safety is posed by its continued use. Attached as Enclosure 3 is an opinion by Eberline Laboratory that the cerium fluoride product will have much less restrictive permissible airborne dust concentrations because of its thorium content than because of its being airborne dust, unspecified.

We request that the NRC either grant interim approval or apply enforcement action that will allow continued shipments of this product pending the completion of a source materials licensing process late in 1981. We are assuming that a source materials license will be issued for the York plant and that the license will allow the continued production and sale of cerium fluoride.

If you require further information please let me know.

Enclosures

cc: Mr. James Allan (w/enclosures)

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