

Molycorp, Inc.

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union
MOLYCORP



September 24, 1982

Thomas A. Wilson
Vice President - Marketing

Mr. Ralph G. Page
Assistant Director of Office of
Nuclear Material, Safety and Safeguards
United States Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Page:

Tom Hairston from Union Oil's Washington, D.C. office, Edmund Barnum and I welcomed the opportunity to meet with you and Mr. Earl Wright in your office on September 9. The discussions certainly assisted us in understanding the NRC regulations.

We were of course disappointed to learn that your office is considering lowering the permissible level in rare earth products. One of our objectives in meeting with you was to explore the possibility of relaxing this standard to aid in marketing rare earths.

Your clarification of the waste disposal limits was most helpful. We understand the NRC regulation interpretation restricts a source material licensee in the disposal of rare earth by-products with a thorium content of 0.05% or more. However, if our customers are exempt from requiring a license, in that they receive products containing less than 0.25% thorium, then they are not restricted to the 0.05% limit.

You mentioned that your group is considering redrafting Part 40 of Title 10 of the Code of Federal Regulations. New regulations tightening the permissible level of thorium in rare earths would have a severe economic impact on Molycorp and would be a burden to our customers who depend on the only U.S. source of low-cost rare earth products. Would you please notify me in Los Angeles if this review is started. Molycorp will want to contribute to this effort.



FEE EXEMPT

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Mr. Ralph G. Page

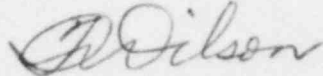
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If the report which you referred to as relating to the abandoned American Potash, West Chicago, site is available we would appreciate receiving a copy. There are several former employees from this location who now work for Molycorp, and I am sure they would be interested in any published information.

Thank you for your cooperation.

Sincerely,



Thomas A. Wilson

TAW:js

cc: E. C. Barnum
T. F. Hairston