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[7590-01-P]

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 11004455 and 11005966; NRC-2020-0222]

MP Mine Operations, LLC

AGENCY: Nuclear Regulatory Commission.

ACTION: Order; issuance.

SUMMARY: The U.S. Nuclear Regulatory Commission (NRC) issued an Order approving a request, submitted by MP Mine Operations LLC, seeking NRC's consent to the indirect transfers of control of Export License Nos. XSOU8707 and XSOU8827 and requesting approval of a conforming license amendment to reflect the new point-of-contact on Export License Nos. XSOU8707 and XSOU8827.

DATES: The Order was issued on September 21, 2020.

ADDRESSES: Please refer to Docket ID **NRC-2020-0222** when contacting the NRC about the availability of information for this action. You may obtain publicly-available information related to this document using any of the following methods:

- **Federal Rulemaking Web site:** Go to <https://www.regulations.gov> and search for Docket ID **NRC-2020-0222**. Address questions about Docket IDs in Regulations.gov to Jennifer Borges; telephone: 301-287-9127; e-mail: Jennifer.Borges@nrc.gov. For technical questions, contact the individual listed in the **FOR FURTHER INFORMATION CONTACT** section of this document.

- **NRC's Agencywide Documents Access and Management System (ADAMS):** You may obtain publicly-available documents online in the ADAMS Public Documents collection at <https://www.nrc.gov/reading-rm/adams.html>. To begin the search, select "Begin Web-based ADAMS Search." For problems with ADAMS, please contact the NRC's Public Document Room reference staff at 1-800-397-4209, 301-415-4737, or by

e-mail to pdr.resource@nrc.gov. The ADAMS Accession No. for the issued Order is ML20262H160.

FOR FURTHER INFORMATION CONTACT: Andrea R. Jones, Office of International Programs, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, telephone: 404-997-4443, e-mail: Andrea.Jones2@nrc.gov;

SUPPLEMENTARY INFORMATION: The text of the Order is attached.

Dated October 5, 2020.

For the Nuclear Regulatory Commission.

Nader L. Mamish,
Director,
Office of Internal Programs.

Attachment – Order.

In the Matter of MP Mine Operations LLC; Docket Nos. 11004455 and 11005966
License Nos. XSOU8707 and XSOU8827

Order Approving Indirect Transfer of Two Export Licenses

I.

MP Mine Operations LLC (MPMO or the Licensee) currently holds export licenses XSOU8707 and XSOU8827. The address included on these export licenses is the Mountain Pass rare earth mine and processing facility. On July 15, 2020, MPMO announced a proposed business combination of MPMO Merger LLC and Fortress Value Acquisition Corporation (“FVAC”), (a/k/a “FVAC” Merger LLC III), a publicly traded special purpose acquisition company. Through a series of transactional actions, MPMO will become a direct subsidiary of FVAC Merger LLC III and an indirect subsidiary of MP Materials Corporation, the ultimate parent company. After the proposed business merger is concluded, FVAC’s name will change to MP Materials Corporation and MPMO’s current majority direct shareholders will become indirect majority shareholders.

II.

The current majority equity holders of MPMO are JHL Capital Group Holdings Two LLC (“JHL”), and QVT Financial LP (“QVT”). JHL and QVT hold membership interests representing 65% and 25%, respectively, of MPMO’s outstanding units. After the transaction, JHL and QVT will become indirect majority equity holders of MPMO and equity holders in MP Materials Corp. Additionally, JHL and QVT will hold equity interests of at least 41% and 14%, respectively, in MP Materials Corporation. This combined ownership interest will indirectly represent a majority interest in MPMO. No other single

shareholder will hold an interest in MP Materials Corporation of greater than 8%. JHL and QVT will jointly and indirectly own a majority interest in MPMO.

III.

By letter dated August 17, 2020 (ADAMS Accession No. ML20233A654)(ADAMS Accession Nos. ML20233A60 and ML20233A643), respectively, MPMO requested approval from the U.S. Nuclear Regulatory Commission (NRC) for the indirect transfer of control of export licenses XSOU8707 and XSOU8827, resulting in the creation of a new parent company MP Materials Corporation. This request was made pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (AEA) (42 U.S.C. § 2234) and part 110, section 50, paragraph d of Title 10 of the *Code of Federal Regulations* (10 CFR 110.50(d)). In association with the proposed indirect transfer, MPMO has requested a minor amendment to the export licenses to update to the licensee contact (in license applications dated August 19, 2020 ((ADAMS Accession Nos. ML20233A60 and ML20233A643, respectively).

The letter dated August 17, 2020 was made publicly available in ADAMS on August 19, 2020. The NRC received one comment. The commenter requested that the matter be held in abeyance pending a Federal government-wide review, including a review by the Committee on Foreign Investment in the United States (CFIUS), of the national security impacts of the proposed transaction. The commenter claims that the transaction will result in a Chinese company, Shenghe Resources Holding Co., Ltd. (Shenghe Resources), having a minority interest in the ultimate parent company through a subsidiary. The commenter does not mention, however, that Leshan Shenghe Rare Earth Co., Ltd. (Leshan Shenghe), the subsidiary of Shenghe Resources currently already holds a minority interest in the existing licensee, and that post-transaction

Leshan Shenghe would continue to be a minority owner of the licensee. To the extent Leshan Shenghe's ownership interest changes, the change would be *de minimis*, based upon the information provided by the licensee to support the transfer of control. Because Leshan Shenghe would continue to be a minority owner of the licensee and any change in its ownership interest will be negligible, the indirect transfer would not alter Leshan Shenghe's existing corporate status as a minority owner of the licensee or its corporate control or influence over the licensee vis a vis the remaining owners, including the majority owners.

IV.

Pursuant to Section 184 of the AEA (42 U.S.C. § 2234), no license granted by the Commission 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 Commission, 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 export license may be transferred, disposed of, or assigned to another person only with the approval of the Commission by license amendment. And pursuant to 10 CFR § 110.51(a)(1), an application requesting amendment of an export license shall be filed on NRC Form 7, "*Application for NRC Export or Import License, Amendment, Renewal or Consent Request(s)*," in accordance with 10 CFR §§ 110.31 and 110.32 and must specify the grounds for the requested amendment.

After review of MPMO's supplemental information dated August 11, 2020 (ADAMS Accession No. ML20238B854), export applications XSOU8707 and XSOU8827 dated August 19, 2020 (ADAMS Accession Nos. ML20233A60 and ML20233A643; respectively), and MPMO's "Expedited Review and Any Necessary Consent for Indirect

Change of Control of MP Mine Operations LLC, Export License Nos. XSOU8707 and XSOU8827", dated August 17, 2020 (ADAMS Accession No. ML20233A654), the NRC staff has determined that the transfer of control is consistent with the applicable provisions of the AEA, regulations, and orders issued by the Commission. The NRC staff has further determined that the request for the proposed conforming license amendment complies with the standards and requirements of the AEA, and the NRC's regulations set forth in 10 CFR Part 110. The transfer of control of the license and issuance of the conforming license amendment will not be inimical to the common defense and security, or to the health and safety of the public, or the environment, and all applicable requirements have been satisfied.

For further details with respect to this Order, see MPMO's supplemental information dated August 11, 2020 (ADAMS Accession No. ML20238B854), export applications XSOU8707 and XSOU8827 dated August 19, 2020 (ADAMS Accession No. ML20233A60 and ML20233A643, respectively), MPMO's "Expedited Review and Any Necessary Consent for Indirect Change of Control of MP Mine Operations LLC, Export License Nos. XSOU8707 and XSOU8827," dated August 17, 2020 (ADAMS Accession No. ML20233A654), "Response to September 3, 2020 NRC Questions," ADAMS Accession No. ML20262H088) and "MPMO Response to Comments – Export Licenses XSOU8707 and XSOU8827," ADAMS Accession No. ML20259A009. These documents are available for public inspection at the Commission Public Document Room (PDR), located at One White Flint North, Room O1-F21, 11555 Rockville Pike (first floor), Rockville, MD 20852, and available online in the ADAMS Public Documents collection at <https://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 PDR Reference staff by telephone at 1-800-397-4209, or 301-415-4737 or by e-mail to pdr@nrc.gov.

VI.

Accordingly, pursuant to Section 184 of the AEA, 10 CFR § 110.50(d), and 10 CFR § 110.51(c), IT IS HEREBY ORDERED that MPMO's request for indirect transfer of control and license amendment application, as described herein, be consented to and approved, respectively.

IT IS FURTHER ORDERED, that MPMO inform the NRC of the date of the indirect transfer, within 30-days of the transaction closing.

This Order is effective upon issuance. Issuance of this Order does not preclude or foreclose any future NRC enforcement action, if warranted, to address any previous violations of NRC requirements.

Dated at Rockville, Maryland this 21st day of September 2020.

FOR THE NUCLEAR REGULATORY COMMISSION.

Nader L. Mamish

Director, Office of International Programs

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