



United States Department of State

Washington, D.C. 20520

December 13, 2000

Ms. Janice Dunn Lee  
Director, International Programs  
United States Nuclear Regulatory Commission  
Rockville, Maryland

Dear Ms. Lee:

I refer to the letter from your office dated September 29, 2000, requesting the views of the Executive Branch as to whether amendment of an export license in accordance with the application hereinafter described meets the applicable criteria of the Atomic Energy Act of 1954, as amended:

NRC No. XMAT0391/01- Poco Graphite Inc. has requested amendment of its existing license authorizing export of up to 1,200,000 kilograms of nuclear grade graphite to the Republic of Korea to extend validity of the license to 2005 and to delete the two existing ultimate consignees while adding six new ultimate consignees.

It is the judgment of the Executive Branch that the proposed exports under the amended license will not be inimical to the common defense and security of the United States and are consistent with the provisions of the Atomic Energy Act, as amended.

As a party to the NPT, the Republic of Korea has committed to maintain IAEA safeguards on all of its peaceful nuclear activities and has pledged not to produce or otherwise acquire any nuclear explosive device. It is therefore the view of the Executive Branch that Criteria (1) and (2) for exports of nuclear components, substances and items under section 109b of the Atomic Energy Act, as amended, are met. The remaining criterion, agreement not to retransfer any U.S.-supplied component, heavy water or nuclear grade graphite without prior U.S. consent, has been satisfied by receipt of generic assurances from the Republic of Korea, dated March 4, 1979, as discussed in previous letters to the NRC.

On the basis of the foregoing, the Executive Branch recommends that the license be amended as requested.

Sincerely,

A handwritten signature in cursive script, appearing to read "John A. Dooley".

John A. Dooley, Acting  
Director  
Office of Nuclear Energy Affairs



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BUREAU OF NONPROLIFERATION AFFAIRS  
OFFICE OF NUCLEAR ENERGY AFFAIRS

December 13, 2000

TO: NRC/OIP -Betty Wright/Janice Owens  
Ph: 301 415 2342/3684; fax 301 415 2395

FROM: NP/NE - Robin DeLaBarre  
ph: 202 647 3978; fax: 202 647 0775

SUBJECT: XMAT0391--Poco Graphite Application to Amend Existing License to Extend validity and Change Consignees in South Korea

Transmitted for your action is an advance copy of the Executive Branch letter recommending approval of the subject license amendment request. The original will be transmitted by NRC courier.