

March 4, 2003

MEMORANDUM TO: Janice Dunn Lee, Director  
Office of International Programs

FROM: Annette L. Vietti-Cook, Secretary **/RA/**

SUBJECT: STAFF REQUIREMENTS - SECY-03-0028 - PROPOSED  
LICENSES TO EXPORT NUCLEAR GRADE GRAPHITE TO  
CANADA AND OTHER COUNTRIES FOR NON-NUCLEAR END  
USE (XMAT0403 AND XMAT0404, RESPECTIVELY)

The Commission has approved the issuance of export license XMAT0403 for a period of five years to SGL Carbon, LLC for the shipment of up to 869,000.0 kg of bulk nuclear grade graphite for the production of various non-nuclear commercial articles by SGL affiliate, Spear Canada, and the issuance of export license XMAT0404 for a period of five years to SGL Carbon, LLC for shipment of up to 11,617,833.0 kg of bulk nuclear grade graphite for the production of various non-nuclear commercial articles to the European Union countries, Czech Republic, Japan, New Zealand, Republic of Korea, and Taiwan.

Issuance of these export licenses should be subject to continuing assurance from the staff that the pending consideration of enforcement action does not raise grounds for denial of the applications. The Office of International Programs and the Office of Enforcement should inform the Commission of enforcement actions resulting from the applicant's past unauthorized shipments of nuclear grade graphite.

The Commission has deferred action on the shipment of graphite to other requested destinations pending receipt of Executive Branch assurances of non-nuclear users and determinations of non-inimicality. The Commission should review and formally approve or disapprove additional amendments to these export licenses if and when all necessary information and views are obtained.

The staff should work closely with the Executive Branch and exporting community to prevent lapses in seeking appropriate export licensing approvals.

cc: Chairman Meserve  
Commissioner Dicus  
Commissioner Diaz  
Commissioner McGaffigan  
Commissioner Merrifield  
EDO  
OGC  
CFO  
OCA  
OIG  
OPA  
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)  
PDR