United States Department of State

Washington, D.C. 20520

PDR

June 2, 1994 DOS/DF02

J. Decker, OGO G. Sanslow, OROO

B. Stout, MM

T. Rothschild, OC

Mr. Carlton R. Stoiber Director, International Programs United States Nuclear Regulatory Commission Rockville, Maryland

Dear Mr. Stoiber:

I refer to the letter from your office dated May 2, 1994, 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 by the Nuclear Non-Proliferation Act of 1978:

NRC No. XMAT0326/05 -- Application by Poco Graphite Inc. for an extension of license XMAT0326 which currently authorizes export to Canada, European Community countries, Japan, New Zealand, Singapore, Sweden, Switzerland and Taiwan, of up to a total of 750 tons of nuclear grade graphite for fabrication of non-nuclear industrial and commercial items, limited to 30 tons per annum to any one country and 3,000 kilograms per shipment. Most of these countries/destinations, except Singapore, have provided one-time generic assurances to confirm right of U.S. consent to retransfers of U.S. exports of nuclear components, substances and items, including nuclear grade graphite. Singapore has provided retransfer assurances by issuance of Import and Delivery Verification Certificates (IDVC) valid for 24 months. Accordingly, the validity of the NRC license has been limited to correspond to the length of validity of the IDVC.

It is the judgment of the Executive Branch that the proposed amendment to extend the validity of the existing license will not be inimical to the common defense and security of the United States and is consistent with the provisions of the Atomic Energy Act of 1954, as amended, provided the validity of the license for exports to Singapore is limited to correspond to the period of validity of the most recent IDVC issued by the Government of Singapore; i.e. until April 21, 1996.

As a party to the NPT, Singapore has committed itself to maintain IAEA safeguards on all of its peaceful nuclear activities and has pledged not to manufacture or otherwise acquire any nuclear explosive device. It is therefore the judgment 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 or material without prior U.S. consent, has been satisfied by the generic assurances from all the listed countries/destinations (from EURATOM for the EC member states) with the exception of Singapore which has provided retransfer assurances by issuance of Import and Delivery Varifications 7.1NI Certificates (IDVC) valid for 24 months. The Singapore Government IDVC's have confirmed that there will be no retransfer of the U.S. - supplied graphite to any other country without prior U.S. Government consent except to the ASEAN countries, Brunei, Indonesia, Malaysia, Philippines and Thailand, which are badies if to the NPT.

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It is the view of the Executive Branch that reexports to ASEAN countries by Singapore pursuant to this license should be limited to manufactured non-nuclear articles or general license quantities of bulk graphite.

On the basis of the foregoing, the Executive Branch recommends that the license be extended as requested, subject to the conditions set forth above.

Sincerely,

Richard J. K. Stratford

Director

Nuclear Energy Affairs

INTL SAFEGUARES

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	pplicant irm's Name, Address and Tel. No.)	2 CR No. 13047830000H	the state of the state of	REPUBLIC OF SINGAPO	PAE	
	Inmac Singapore Pte 138 Genting Lane	The state of the s	THE CONTROL	OF IMPORTS AN	D EXPORTS ACT	
	Singapore 1334 Tel: 7473508		THE CONTROL OF IMPORTS AND EXPORTS (IMPORT CERTIFICATE AND DELIVERY VERIFICATION PROCEDURE) ORDER 1989			
3 Ex	porter (Firm's Name and Address		-	- PROCEDORE)	ORDER 1989	
Messrs Poco Graphite, Inc. 1601 South State Street Decatur, Texas 76234			APPLICATION FOR AN IMPORT CERTIFICATE			
U.S.A.			in support of my/our application for an import Certificate, live hereby undertake			
			(e) to import into the the quantity spec	Republic of Singapore the	goods described and in	
4 End-User (Firm's Name and Address) Inmac Singapore Pte Ltd 138 Genting Lane Singapore 1334			(b) not to export those goods or cause or permit them to be exported from Singapore after they have been imported into the Republic, or if they are not imported into the Republic, not to dispose of nor cause or permit them to be disposed of in any other country or territory without the written approval of the Controller of Imports and Exports. 5 X IWe need a Delivery Verification Certificate. We do not need a Delivery Verification Certificate.			
Patricipa de la constante de l			We do not need	a Delivery Verification	Certificate.	
[x]	nerks (Pleese tick (v) where appli a For use in Singapore b For re-export to ASEAN Citions	ountries	Signature: 1 2 Name: Ted: Designation: Mane	Peo Director April, 1994	on are true and correct.	
D C			Please tick (v) who	ere applicable.		
No.	9 Descripti	on of Goods	10 Commodity Code (HS)	11 Quentity	12 Value SS	
1.	Artificial Graphia	te Blocks	380110008	16,650 kg (750 pcs.)	2,734,410 (US\$ 1,347,000	
2.	Artificial Graphit	e Cylinders	380110008	1,050 kg (15,000 pcs.)	395,850 (US\$ 195,000	
3 •1	MPORT CERTIFICATE NO.	ICDV/ 337/94	15 DELIVERY	VERIFICATION CER	THEICATE	
This Import Certificate is issued on the undertaking given in the application for the import Certificate and to the conditions specified overleaf. This Certificate is valid for			I hereby certify that the Certificate No.	I hereby certify that the goods described in the application for Import Certificate Noerrived in Singapore on the following dates, in the following quantities and by the vessel(s)/flight No.(s) stated below, respectively.		
Detec	this day of 2 1	APR 1994	Name of Vessel/Flight No.	Arrival Date	Quantity	
0 0	emply with the proced	dure for issue of an i	mport Certificate	Trade Dev	mports and Exports, elopment Board, ngapors.	