



United States Department of State

Washington, D.C. 20520

April 21, 2000

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DOE/OR
NAC/NINISB

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

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Dear Ms. Lee:

I refer to the letter from your office dated February 1, 2000, requesting the views of the Executive Branch as to whether issuance 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. XMAT0400 -- Poco Graphite Inc. has requested a new license to replace its existing license (XMAT0326) to permit exports of nuclear grade graphite to European Union countries and Argentina, Australia, Bolivia, Brazil, Brunei, Canada, Chile, China/Hong Kong, Colombia, Costa Rica, Czech Republic, Ecuador, Egypt, Guatemala, Hungary, Indonesia, Jamaica, Japan, Malaysia, Mexico, Norway, Panama, Paraguay, Peru, Philippines, Poland, Romania, Saudi Arabia, Singapore, South Africa, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, Uruguay and Venezuela. Poco Graphite also wishes to raise the existing limit on individual pieces of graphite from 400 to 700 kilograms, but has requested no change in the current limit per shipment of 18,000 kilograms or the existing total for all countries combined of 750 short tons or 680,385 kilograms.

It is the judgment of the Executive Branch that the proposed exports under the new 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, provided the license is limited to the quantities specified above to the following countries/destinations: members of the European Union, Canada, Czech Republic, Japan, Romania, Singapore, Switzerland and Taiwan.

As parties to the NPT, all of the foregoing countries/destinations have committed to maintain IAEA safeguards on all of their peaceful nuclear activities and have 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.

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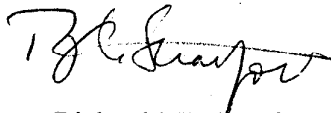
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The remaining criterion, agreement not to retransfer any U.S.-supplied component, heavy water or nuclear grade graphite without prior U.S. consent, has been satisfied by receipt of generic assurances from all the countries/destinations, except Singapore, listed in the above proviso. These generic assurances confirm the right of U.S. prior consent to retransfers of U.S.-origin nuclear components, heavy water and nuclear grade graphite. Singapore has furnished a new two year Import and Delivery Verification Certificate (IDVC), dated February 1, 2000, which confirms that there will be no retransfer of the U.S.-supplied graphite to any other country without prior U.S. Government consent except to ASEAN countries—Brunei, Indonesia, Malaysia, Philippines and Thailand, all of which are parties to the NPT.

In view of the foregoing, the validity of the license should be limited to the date of expiration of the current IDVC issued by the Government of Singapore and the license should be conditioned to limit reexports to ASEAN countries by Singapore to manufactured non-nuclear articles or general license quantities of bulk graphite.

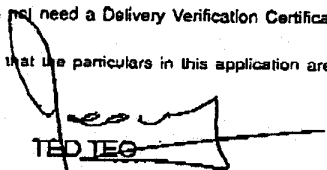

On the basis of the foregoing, the Executive Branch recommends that the license be issued, subject to the provisos set forth above.

Sincerely,



Richard J.K. Stratford
Director
Nuclear Energy Affairs

ORIGINAL COPY

<p>1 Applicant (Firm's Name, Address and Tel. No.)</p> <p>2 CR No. 13047830000H</p> <p>INMAC SINGAPORE PTE LTD 20 LOYANG STREET LOYANG INDUSTRIAL ESTATE SINGAPORE 508849</p>	<p>REPUBLIC OF SINGAPORE THE REGULATION OF IMPORTS AND EXPORTS ACT (CHAPTER 272A)</p> <p>THE REGULATION OF IMPORTS AND EXPORTS REGULATIONS</p> <p>APPLICATION FOR AN IMPORT CERTIFICATE (See overleaf Notes)</p> <p>In support of my/our application for an Import Certificate, I/we hereby undertake —</p> <p>(a) to import into the Republic of Singapore the goods described and in the quantity specified below; and</p> <p>(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 Trade Development Board.</p> <p>6 <input checked="" type="checkbox"/> I/We need to Delivery Verification Certificate. <input type="checkbox"/> I/We do not need a Delivery Verification Certificate.</p> <p>7 I/We declare that the particulars in this application are true and correct.</p> <p>Signature:  Name: TED TEO Designation: MANAGING DIRECTOR Date: 01/02/2000</p> <p></p> <p><input type="checkbox"/> Please tick (✓) where applicable.</p>
<p>3 Exporter (Firm's Name and Address)</p> <p>MESSRS POCO GRAPHITE, INC. 1601 SOUTH STATE STREET DECATUR, TEXAS 76234 U.S.A.</p>	
<p>4 End-User (Firm's Name and Address)</p> <p>INMAC SINGAPORE PTE LTD 20 LOYANG STREET LOYANG INDUSTRIAL ESTATE SINGAPORE 508849</p>	
<p>5 Remarks (Please tick (✓) where applicable.)</p> <p><input checked="" type="checkbox"/> a. For use in Singapore.</p> <p><input checked="" type="checkbox"/> b. For re-export to <u>ASEAN COUNTRIES</u> (country)</p>	

8 Ser. No.	9 Description of Goods	10 Commodity Code (HS)	11 Quantity	12 Value S\$
1	ARTIFICIAL GRAPHITE BLOCKS	380110000	19,980 KGS (900 PCS)	S\$2,747,880.00 (US\$1,616,400.00)
2	ARTIFICIAL GRAPHITE CYLINDERS	380110000	1,260 KGS (18,000 PCS)	S\$397,800.00 (US\$234,000.00)

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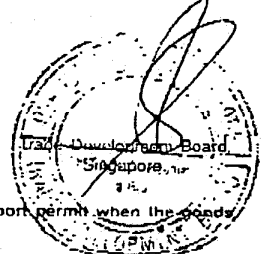
*IMPORT CERTIFICATE NO. ICDV/022/2000

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 2 yrs from the date of issue below.

- 1 FEB 2000

Dated this _____ day of _____ 19 _____



* This number must be typed on your import permit when the goods are imported.

To comply with the procedure for issue of an Import Certificate

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DELIVERY VERIFICATION CERTIFICATE

I hereby certify that the goods described in the application for Import Certificate No. _____ arrived in Singapore on the following dates, in the following quantities and by the vessel(s)/flight No.(s) stated below, respectively.

Name of Vessel/Flight No.	Arrival Date	Quantity
_____	_____	_____
_____	_____	_____

Trade Development Board,
Singapore