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EXPORT IMPORT
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Poco Graphite, Inc.

A Union Oil Company of California subsidiary
1601 South State Street, Decatur, Texas 76234
Telephone (817) 627-2121 • TWX 910-890-5724



October 16, 1985
PGI-SA-251:CLH

Mr. Marvin Peterson
U.S. Nuclear Regulatory Commission
4340 East-West Highway
Bethesda, Maryland 20815

Dear Mr. Peterson:

Thank you very much for your time and effort in this matter. We appreciate this opportunity to resubmit our request for license to export our material to Brazil. As we have discussed previously, our specific request is to be granted license to export a stocking order of approximately 1400 lbs. of material in various sizes and shapes to our newly appointed distributor in Brazil.

Our product is utilized in the process of Electrical Discharge Machining (EDM). EDM is a technology for electrically eroding metals similar to conventional machining which mechanically cuts metal. Intricate detail and very close tolerances are achieved via EDM technology. Various materials such as copper, tungsten, and graphite, including POCO graphite, are used as the cutting tools (electrodes), in EDM machines.

POCO graphite is recognized as the finest EDM material in the United States and Europe, superior to such international manufacturers as Toyo Tanso and Ibiden of Japan, Ringsdorff of West Germany, and Le Carbone Lorraine of France. These same graphite manufacturers are currently supplying their EDM materials to Brazil, the largest market for EDM materials in South America. Our company, Poco Graphite, Inc., currently has an opportunity to distribute our EDM materials through Engemaq-Equipamentos, Maquinas E Electronica S.A., a Brazilian manufacturer of EDM machines. Over two years of company time and resources have been devoted to the development of this important market.

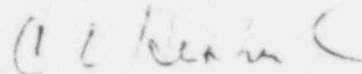
We encourage you to consider this request not only on the basis of 'potential misuse' but on the situation as it currently exists in Brazil. Similar materials in virtually unlimited quantities and sizes are currently being sold into Brazil by our foreign competitors. We believe that, for purposes of

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your consideration, there would be no significant impact on the availability of nuclear grade graphites in Brazil as a result of POCO's entry into the market. We thank you again for your consideration and eagerly await your timely reply.

Very truly yours,

A handwritten signature in dark ink, appearing to read "C.L. Heaberlin", with a stylized flourish at the end.

C.L. Heaberlin
Assistant to President

CLH:dw

Enclosures

PROPOSED SHIPMENT

<u>QTY</u>	<u>GRADE</u>	<u>SIZE</u> (mm)
9	EDM-3	25 x 100 x 300
8	EDM-3	50 x 150 x 450
9	EDM-3	100 x 125 x 450
10	EDM-3	12 dia. x 300
5	EDM-3	20 dia. x 300
3	EDM-3	50 dia. x 300
2	EDM-3	100 dia. x 300
1	EDM-3	150 dia. x 300
10	EDM-3	3 dia. x 150 w/1 dia. I.D.
10	EDM-3	4 dia. x 150 w/1 dia. I.D.
10	EDM-3	5 dia. x 150 w/1.5 dia. I.D.
10	EDM-3	6 dia. x 150 w/3 dia. I.D.
10	EDM-3	8 dia. x 150 w/5 dia. I.D.
10	EDM-3	10 dia. x 150 w/6 dia. I.D.
10	EDM-3	12 dia. x 150 w/9.5 dia. I.D.
5	EDM-3	4 x 100 x 150
5	EDM-3	5 x 100 x 150
5	EDM-3	6 x 100 x 150
5	EDM-3	10 x 100 x 150
5	EDM-3	12 x 100 x 150
5	EDM-3	15 x 100 x 150
5	EDM-3	18 x 100 x 150
5	EDM-1	25 x 100 x 300
6	EDM-1	50 x 150 x 450
5	EDM-1	100 x 125 x 450
5	EDM-1	4 x 100 x 150
5	EDM-1	5 x 100 x 150
5	EDM-1	6 x 100 x 150

5	EDM-1	10 x 100 x 150
5	EDM-1	12 x 100 x 150
5	EDM-1	15 x 100 x 150
5	EDM-1	18 x 100 x 150
1	EDM-5000	100 x 500 x 600
1	EDM-5000	150 x 500 x 600
1	EDM-2000	100 x 500 x 600
1	EDM-2000	150 x 500 x 600

SHIPMENT SCHEDULE

In order to determine the specific dates requested in the above referenced blocks, final determination from your office must be received. For our part, the materials to be sent are stock items, ready to be shipped very shortly after receipt of a go ahead. Our customer, Engemaq, has already applied for import license and no trouble is foreseen at their end. Engemaq has been very patient and sympathetic to our situation and has not insisted on a specific contractual delivery date (block 7). In addition, since this request concerns only a single shipment, the dates in blocks 5 and 6, although unspecified, will be the same. This leaves block 8, the license expiration date, as the key. We believe, due to the nature of the material being shipped and the cooperation from our customer, that an expiration date of December 31, 1985, would provide sufficient time for Poco Graphite, Inc. and Engemaq to complete our transaction under the proposed license.

CONSIGNEE

Our customer, Engemaq-Equipamentos, Maquinas E Electronica S.A., is a manufacturer of EDM machines and has agreed to distribute POCO graphite for Poco Graphite, Inc. in Brazil. As a distributor of our graphite EDM material, Engemaq will be selling to a variety of end users comprised of industrial plants and machine shops. Because Engemaq will be maintaining a stock of our materials from which to sell, the ultimate consignee for these materials cannot be identified at this time.