

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Docket 40-2007]

Foreign-Trade Zone 107 - Des Moines, Iowa, Application for Subzone Status, SACMI USA, Ltd. (Food-Processing and Packaging Equipment), Urbandale, Iowa

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the Iowa Foreign-Trade Zone Corporation, grantee of FTZ 107, requesting special-purpose subzone status for the packaging and food-processing equipment manufacturing facility of SACMI USA, Ltd. (SACMI), located in Urbandale, Iowa. The application was submitted pursuant to the provisions of the FTZ Act, as amended (19 U.S.C. 81a-81u), and the regulations of the Board (15 CFR Part 400). It was formally filed on August 23, 2007.

The SACMI facility (3 acres/65,000 sq. ft.) is located at 3434 106th Circle, in Urbandale, Iowa. The facility (36 employees) will manufacture and warehouse machinery and parts used in the ceramics, plastics, packaging equipment and food-processing industries. SACMI will manufacture labeling machinery (HTSUS 8422.30, duty-free) and compression molding machinery for bottle caps (HTSUS 8477.51, 3.10%) under zone procedures.

Components purchased from abroad (up to 80 percent of finished value) used in manufacturing include grease with/without additive, vulcanized rubber tube, conveyor belts, belting and transmission belts, gasket rings, pipe fit and flanges, screws and bolts, cotters and cotter pins, springs, wrenches, vices, clamps, end milling cutters, tools, stoppers, caps and lids, fans, other parts of machinery for working rubber, safety or relief valves, solenoid valves, appliances, radial ball bearings, cup/cone assembly sets, spherical roller bearings, needle roller bearings, cylindrical roller bearings, cam/crank shafts, gears and gearing, flywheels and pulleys, clutches, clutches and shaft couplings, transmission parts, electric motors under 18.65W, distributors, electric relays, switches for electric circuits, fuses, electrical equipment for switch circuits, coaxial cable, brake parts, other shock absorbers, drawing instruments, and electrical table lamps (duty rate range: free to 9 %).

FTZ procedures could exempt SACMI from Customs duty payments on foreign components that are re-exported. Some 20 percent of the plant's shipments are exported. On domestic shipments, the

company would be able to choose the duty rate during customs entry procedures that applies to the finished products (duty-free to 3.10%) for the foreign components listed above and would be able to defer payments until merchandise is shipped from the facility and entered for U.S. consumption. SACMI also plans to realize logistical benefits through the use of weekly entry procedures. The application indicates that all of the above-cited savings from FTZ procedures would help improve the facility's international competitiveness.

In accordance with the Board's regulations, a member of the FTZ Staff has been designated examiner to investigate the application and report to the Board.

Public comment on the application is invited from interested parties. Submissions (original and 3 copies) shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is October 29, 2007. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to November 13, 2007.

A copy of the application and accompanying exhibits will be available for public inspection at each of the following locations: U.S. Department of Commerce Export Assistance Center, 210 Walnut Street, Suite 749, Des Moines, Iowa 50309 and, the Office of the Executive Secretary, Foreign-Trade Zones Board, U.S. Department of Commerce, Room 2111, 1401 Constitution Avenue, NW, Washington, DC 20230.

For further information, contact Kathleen Boyce at Kathleen_Boyce@ita.doc.gov or (202) 482-1346.

Dated: August 23, 2007.

Andrew McGilvray,

Executive Secretary.

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DEPARTMENT OF COMMERCE

Bureau of Industry and Security

[06-BIS-14]

Action Affecting Export Privileges; Spector International, Inc.; In the Matter of: Spector International, Inc. d/b/a Norsal Export Limited, 27 Bethpage Drive, Monroe Township, NJ 08831, Respondent**Order Relating to Spector International, Inc. d/b/a Norsal Export Ltd.**

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS") has initiated an administrative proceeding against Spector International, Inc. doing business as Norsal Export Limited ("Norsal") pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 CFR Parts 730-774 (2007)) (the "Regulations"),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. § 2401-2420 (2000)) (the "Act"),² through issuance of a charging letter to Norsal that alleged that Norsal committed 44 violations of the Regulations. Specifically, the charges are:

Charges 1-14 15 CFR 764.2(a)—Export of Microwave Amplifiers Without the Required Licenses

On 14 occasions, between on or about November 9, 2000 and January 9, 2003, Norsal engaged in conduct prohibited by the Regulations by exporting or causing to be exported microwave amplifiers, items subject to the Regulations and classified under Export Control Classification Number ("ECCN") 3A001.b.4, to the People's Republic of China ("China") without the Department of Commerce license required by § 742.4 of the Regulations. In so doing, Norsal committed 14 violations § 764.2(a) of the Regulations.

¹ The violations charged occurred between 2000 and 2003. The Regulations governing the violation at issue are found in the 2000 through 2003 version of the Code of Federal Regulations (15 CFR parts 730-774 (2000-2003)). The 2007 Regulations govern the procedural aspects of this case.

² Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 CFR, 2001 Comp. 783 (2002)), as extended by successive Presidential Notices, the most recent being that of August 3, 2006 (71 Fed. Reg. 44,551 (Aug. 7, 2006)), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. § 1701-1706 (2000)).

**Charge 15 15 CFR 764.2(c)—
Attempted Export of Microwave
Amplifiers Without the Required
License**

On or about March 13, 2003, Norsal attempted a violation of the Regulations by attempting to export microwave amplifiers, items subject to the Regulations and classified under ECCN 3A001.b.4, to China without the Department of Commerce license required by § 742.4 of the Regulations. In so doing, Norsal committed one violation of § 764.2(c) of the Regulations.

**Charges 16–30 15 CFR 764.2(e)—
Selling Microwave Amplifiers With
Knowledge of a Violation of the
Regulations**

With respect to the exports or attempted exports as described in Charges 1–15 above, Norsal sold microwave amplifiers with the knowledge that a violation was about to occur or was intended to occur in connection with the microwave amplifiers. At all times relevant hereto, Norsal knew or had reason to know that the microwave amplifiers in question required a Department of Commerce license for export to China, and that the required license had not been obtained. In so doing, Norsal committed 15 violations of § 764.2(e) of the Regulations.

**Charges 31–44 15 CFR 764.2(g)—False
Statement on Shipper's Export
Declarations as to Authority To Export**

With respect to the exports or attempted exports as described in Charges 1–11 and 13–15, above, Norsal filed or caused to be filed Shipper's Export Declarations ("SEDs") with the United States Government that contained false statements of fact. Specifically, Norsal filed or caused to be filed 14 SEDs that stated that the microwave amplifiers that were the subjects of the SEDs did not require licenses ("NLR"). This representation is false as at all times relevant to this case a Department of Commerce license was required to export the microwave amplifiers in question in this case to China. In so doing, Norsal committed 14 violations of § 764.2(g) of the Regulations.

Whereas, BIS and Norsal have entered into a Settlement Agreement pursuant to Section 766.18(b) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and

Whereas, I have approved of the terms of such Settlement Agreement; *It is Therefore Ordered:*

First, that a civil penalty of \$462,00 is assessed against Norsal. Payment shall be suspended for a period of one year from the date of entry of this Order and thereafter shall be waived, provided that during the period of suspension, Norsal has committed no violation of the Act, or any regulation, order, or license issued thereunder.

Second, for a period of twenty-five years from the date of entry of this Order, Spector International, Inc. doing business as Norsal Export Limited, 27 Bethpage Drive, Monroe Township, New Jersey 08831 ("Norsal"), its successors or assigns, and when acting for or on behalf of Norsal, its representatives, agents, officers or employees ("Denied Person") may not participate, directly or indirectly, in any way in any transaction involving any commodity, software, or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

A. Applying for, obtaining, or using any license, License Exception, or export control document;

B. Carry on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or

C. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

Third, that no person may, directly or indirectly, do any of the following:

A. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;

B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Denied Person acquires or attempts to acquire such ownership, possession or control;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Denied Person of any item subject to the Regulations that has been exported from the United States;

D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or

E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and which is owned, possessed or controlled by the Denied Person, or service any item, of whatever origin, that is owned, possessed or controlled by the Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

Fourth, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to Norsal by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of this Order.

Fifth, that this Order does not prohibit any export, reexport, or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

Sixth, that the charging letter, the Settlement Agreement, this Order, and the record of this case as defined by Section 766.20 of the Regulations shall be made available to the public.

Seventh, that the administrative law judge shall be notified that this case is withdrawn from adjudication.

Eighth, that this Order shall be served on the Denied Person and on BIS, and shall be published in the **Federal Register**.

This Order, which constitutes the final agency action in this matter, is effective immediately.

Entered this 21st day of August, 2007.

Wendy L. Wysong,

*Acting Assistant Secretary of Commerce for
Export Enforcement.*

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