

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

Order No. 1457

Approval of Request for Manufacturing Authority Within Foreign-Trade Zone 50, Ontario, California, (Radio Transceivers)

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a-81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

Whereas, Metro International Trade Services LLC operator of FTZ 50 submitted an application to the Board on behalf of the Board of Harbor Commissioners of the City of Long Beach (California), grantee of FTZ 50, for manufacturing authority (radio transceivers) within Site 2 of FTZ 50 for Maney Aircraft, Inc. (FTZ Docket 37-2004; filed 8/19/2004);

Whereas, notice inviting public comment was given in the **Federal Register** (69 FR 52855-52856, 8/30/2004) and the application has been processed pursuant to the FTZ Act and the Board's regulations; and,

Whereas, the Board adopts the findings and recommendations of the examiner's report, and finds that the requirements of the FTZ Act and Board's regulations are satisfied, and that the proposal is in the public interest;

Now, therefore, the Board hereby orders:

Manufacturing authority for radio transceivers within FTZ 50 for Maney Aircraft, Inc., as described in the application and **Federal Register** notice, is approved, subject to the FTZ Act and the Board's regulations, including Section 400.28.

Signed at Washington, DC, this 16th day of June 2006.

David M. Spooner,

Assistant Secretary of Commerce for Import Administration, Alternate Chairman, Foreign-Trade Zones Board.

Attest:

Pierre V. Duy,

Acting Executive Secretary.

[FR Doc. E6-10221 Filed 6-28-06; 8:45 am]

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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

Order No. 1458

Grant Of Authority For Subzone Status, Space Systems/Loral, Inc. (Satellites and Satellite Systems), Palo Alto, Menlo Park and Mountain View, California

Pursuant to its authority under the Foreign-Trade Zones Act, of June 18, 1934, as amended (19 U.S.C. 81a-81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

Whereas, the Foreign-Trade Zones Act provides for "...the establishment... of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes," and authorizes the Foreign-Trade Zones Board to grant to qualified corporations the privilege of establishing foreign-trade zones in or adjacent to U.S. Customs and Border Protection ports of entry;

Whereas, the Board's regulations (15 CFR Part 400) provide for the establishment of special-purpose subzones when existing zone facilities cannot serve the specific use involved, and when the activity results in a significant public benefit and is in the public interest;

Whereas, the City of San Jose, California, grantee of Foreign-Trade Zone 18, has made application to the Board for authority to establish a special-purpose subzone at the satellite and satellite systems manufacturing facilities of Space Systems/Loral, Inc., located in Palo Alto, Menlo Park and Mountain View, California (FTZ Docket 25-2005, filed 5/24/05);

Whereas, notice inviting public comment was given in the **Federal Register** (70 FR 31420-31421, 6/1/05); and,

Whereas, the Board adopts the findings and recommendations of the examiner's report, and finds that the requirements of the FTZ Act and the Board's regulations are satisfied and that approval of the application is in the public interest;

Now, therefore, the Board hereby grants authority for subzone status for activity related to satellite and satellite systems manufacturing at the facilities of Space Systems/Loral, Inc., located in Palo Alto, Menlo Park and Mountain View, California (Subzone 18E), as described in the application and **Federal Register** notice, and subject to the FTZ Act and the Board's regulations, including § 400.28. It is noted that the granting of FTZ status does not reflect an intent of the FTZ Board to relieve

Space Systems/Loral, Inc. of obligations and responsibilities to comply with the Arms Control Export Act, the International Traffic in Arms Regulations and license requirements and orders, thereunder, including the order requiring the company to comply with the Consent Agreement of January 9, 2002.

Signed at Washington, DC, this 16th day of June 2006.

David M. Spooner,

Assistant Secretary of Commerce for Import Administration, Alternate Chairman, Foreign-Trade Zones Board.

Attest:

Pierre V. Duy,

Acting Executive Secretary.

[FR Doc. E6-10222 Filed 6-28-06; 8:45 am]

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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

Order No. 1456

Expansion of Foreign-Trade Zone 68, El Paso, Texas

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a-81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

Whereas, the City of El Paso, Texas, grantee of Foreign-Trade Zone 68, submitted an application to the Board for authority to expand FTZ 68-Site 1 to include additional acreage at the El Paso International Airport complex and to remove 35 acres from zone status at Site 2-Ivey Development/AAA Park in El Paso, Texas, within the El Paso Customs port of entry (FTZ Docket 59-2005; filed 11/29/05);

Whereas, notice inviting public comment was given in the **Federal Register** (70 FR 73432, 12/12/05) and the application has been processed pursuant to the FTZ Act and the Board's regulations; and,

Whereas, the Board adopts the findings and recommendations of the examiner's report, and finds that the requirements of the FTZ Act and Board's regulations are satisfied, and that the proposal is in the public interest;

Now, therefore, the Board hereby orders:

The application to expand FTZ 68 is approved, subject to the Act and the Board's regulations, including Section 400.28, and further subject to the Board's standard 2,000-acre activation limit for the overall general-purpose zone project.

Signed at Washington, DC, this 16th day of June 2006.

David M. Spooner,

Assistant Secretary of Commerce for Import Administration, Alternate Chairman, Foreign-Trade Zones Board.

Attest:

Pierre V. Duy,

Acting Executive Secretary.

[FR Doc. E6-10220 Filed 6-28-06; 8:45 am]

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DEPARTMENT OF COMMERCE

[Docket Nos. 04-BIS-25 and 04-BIS-26]

Under Secretary for Industry and Security; In the Matter of: BiB Industrie-Handel Dipl.Ing M. Mangelsen GmbH and Malte Mangelsen Respondents; Decision and Order

On November 17, 2004, the Bureau of Industry and Security ("BIS") initiated two separate administrative actions against BiB Industrie-Handel Dipl.Ing M. Mangelsen GmbH ("BiB") and Mr. Malte Mangelsen ("Mangelsen"), in his individual capacity. BIS alleged that BiB and Mangelsen each committed nine violations of the Export Administration Regulations (Regulations)¹, issued under the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the Act).²

The charges against each Respondent are as follows:

Charge 1 alleges that from September 2001 and continuing through June 2002, BiB and Mangelsen conspired and acted in concert with others to arrange for the export from the United States to Libya of items subject to the Regulations that required U.S. Government authorization in violation of the Regulations. The items were spare parts for hydraulic

shears. This was alleged as a violation of § 764.2(d) of the Regulations.

Charge 2 alleges that during the same period, BiB and Mangelsen took actions with intent to evade the Regulations by obtaining the spare parts that are the subject of Charge 1 from a U.S. manufacturer, through co-conspirators in the United States and the United Kingdom, for eventual shipment to Libya without obtaining the required U.S. Government authorization. This activity was alleged as a violation of § 764.2(h) of the Regulations.

Charges 3 and 4 allege that on two separate occasions on September 30, 2002, Mr. Mangelsen, on behalf of BiB, took actions with the intent to evade the Regulations by forwarding to the U.S. manufacturer requests for price and shipping information for spare parts intended for Libya without obtaining the required U.S. Government authorizations. These actions were alleged by BIS as a violation of § 764.2(h) of the Regulations.

Charges 5 and 6 allege that on two occasions, February 14 and 26, 2003, Mangelsen and BiB took actions with the intent to evade the Regulations by using an "Enquiry" to solicit pricing and shipping information for spare parts destined for Libya without obtaining the required U.S. Government authorization. In this instance, the parts were for pumping equipment located in a project in Libya. This was alleged as a violation of § 764.2(h) of the Regulations.

Charge 7 alleges that on May 12, 2003, Mangelsen, on behalf of BiB, took actions with intent to evade the Regulations by soliciting a government informant in the United States to contact a U.S. company for pricing and shipping information for spare parts destined for Libya without obtaining the required U.S. Government authorization. The parts involved in this charge were cone crusher and screen plant spare parts. This was a violation of § 764.2(h) of the Regulations.

Charges 8 and 9 allege that on two occasions on June 6, 2003, Mangelsen, on behalf of BiB, took actions with the intent to evade the Regulations by soliciting a government informant to contact U.S. companies for pricing and shipping information for two separate orders for spare parts destined for Iran without obtaining the required U.S. Government authorization. These activities were also alleged as violations of § 764.2(h) of the Regulations.

On July 12, 2005, Mangelsen, on behalf of himself and BiB, filed an answer to BIS's charging letter in which he denied any wrongdoing. On January 9, 2006, the Administrative Law Judge

("ALJ") issued an Order consolidating the cases against BiB and Mangelsen in the interest of judicial economy. On February 9, 2006, the ALJ issued a Modified Scheduling Order that established a time frame for the submission of evidence and arguments by the parties. Pursuant to the Order, on March 10, 2006, BIS filed a Memorandum and Submission of Evidence to Supplement the Record. On April 11, 2006, Mangelsen, on behalf of himself and BiB, filed an Answer to BIS's March 10, 2006, Memorandum and Submission of Evidence. On April 25, 2006, BIS submitted a Rebuttal Memorandum to Mangelsen's April 11, 2006 Answer.

Thereafter, on May 23, 2006, based on the record before him, the ALJ issued a Recommended Decision and Order in which he found that BiB and Mangelsen each committed seven violations of the Regulations. Specifically, the ALJ found BiB and Mangelsen committed the offenses contained in Charges 1-7. The ALJ, however, found that BIS did not prove by a preponderance of the evidence Charges 8-9. The ALJ recommended each Respondent be assessed a \$77,000 civil penalty and denied export privileges for a period of twenty years. In responsive pleadings, BIS did not contest the findings and recommendations made by the ALJ. In a letter dated May 29, 2006, Respondents continued to claim no wrongdoing.

The ALJ's Recommended Decision and Order, together with the entire record in this case, has been referred to me for final action under § 766.22 of the Regulations. I find that the record supports the ALJ's findings of fact and conclusions of law. BiB and Mangelsen are each liable for violating Charges 1-7. Charges 8 and 9 have not been established by a preponderance of the evidence. I also find that the penalty recommended by the ALJ is appropriate, given the nature of the violations, the lack of mitigating circumstances, and the importance of preventing future unauthorized exports.

I do note, however, several modifications to the ALJ's Recommended Order. First, in footnote 6 of the ALJ's decision, he states that since the charges in this case fall under Section 760 of the Regulations, "an alternative definition for 'person' found in 15 CFR 760.1(a) will be used when analyzing the individual charges." The charges in this case do not fall under Section 760 of the Regulations, which is the "Restrictive Trade Practices or Boycotts" chapter of the Regulations. The appropriate definition of the term "person" to be used in deciding this

¹ The Regulations are currently codified at 15 CFR Parts 730-774 (2006). The charged violations occurred between 2001 and 2003. The Regulations governing the violations at issue are found in the 2001 through 2003 versions of the Code of Federal Regulations (15 CFR Parts 730-774 (2001-2003)). The 2006 Regulations establish the procedures that apply to this matter.

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 CFR, 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701-1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. 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)), which has been extended by successive Presidential Notices, the most recent being that of August 2, 2005 (70 FR 45273 (August 5, 2005)) has continued the Regulations in effect under IEEPA.