

Foreign-Trade Zones Act, as amended (19 U.S.C. 81a-81u), and the regulations of the Board (15 CFR part 400). It was formally filed on February 28, 2007.

Subzone 183B (1,348 employees) was approved by the Board in 2005 for the manufacture of semiconductor memory devices for export (Board Order 1421, 70 FR 72293, 12/2/05). The subzone consists of three sites (192.1 acres total; 876,453 sq. ft. of enclosed space): Site 1--Samsung Austin Semiconductor facilities (186.1 acres; 764,453 sq. ft.)--located at 12100 Samsung Boulevard in Austin, Texas; Site 2--HISCO facilities (4.1 acres; 62,000 sq. ft.)--located at 8330 Cross Park Drive in Austin; and Site 3--Three Way Inc. facilities (1.9 acres; 50,000 sq. ft.)--located at 4009 Commercial Center Drive in Austin.

The current request involves an increase in capacity due to the construction of a new fabrication unit within Site 1 that will add 1,621,482 square feet of enclosed space. No additional finished products have been requested; however, Samsung is seeking to add certain gases used in the manufacturing process to its scope of authority. The gases that may be sourced from abroad include: methane, xenon, tetrachlorosilane, boron trichloride/nitrogen, methyl fluoride, aluminum borohydride trimethylamine and tetrakis (ethylmethylamido) zirconium (HTS 2711.29, 2804.29, 2812.10, 2903.03, 2921.11 and 2931.00, duty rate ranges from 3.7-5.5%). The company is requesting export only authority for the expanded capacity and additional inputs, and the scope otherwise would remain unchanged.

Zone procedures for the expanded facilities and inputs would exempt Samsung from customs duty payments on the foreign components used in export production. Currently, foreign inputs account for approximately 7 percent of the value of the finished semiconductor memory devices. Samsung would also be able to avoid duty on foreign inputs that become scrap/waste. Samsung may also realize logistical/procedural and other benefits from subzone status. The application indicates that the savings from zone procedures help improve the plant's international competitiveness.

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

Public comment 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 May 21, 2007. Rebuttal

comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to June 4, 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, 221 E. 11th St., 4th Floor, Austin, Texas 78701.  
Office of the Executive Secretary, Foreign-Trade Zones Board, U.S. Department of Commerce, Room 2814B, 1401 Constitution Ave., NW, Washington, DC 20230.

For further information, contact Elizabeth Whiteman at [Elizabeth\\_Whiteman@ita.doc.gov](mailto:Elizabeth_Whiteman@ita.doc.gov) or (202) 482-0473.

Dated: February 28, 2007.

**Andrew McGilvray,**

*Executive Secretary.*

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## DEPARTMENT OF COMMERCE

### Bureau of Industry and Security

#### Action Affecting Export Privileges; Fiber Materials, Inc.

**In the Matter of: Fiber Materials, Inc., 5 Morin Street, Biddeford, ME 04005, Respondent; Order Denying Export Privileges**

#### A. Denial of Export Privileges of Fiber Materials, Inc.

On November 18, 2005, in the U.S. District Court in the District of Massachusetts, Fiber Materials, Inc. ("FMI") was convicted of violating the Export Administration Act of 1979, as amended (currently codified at 50 U.S.C. app. 2401-2420 (2000)) (the "Act").<sup>1</sup> Specifically, FMI was convicted of knowingly exporting and causing to be exported from the United States to India, a controlled commodity, to wit, a component, accessory and controls for an isostatic press, that is, a control panel which consisted of, among other things, an operating control cabinet, a power/pressure control cabinet, and digital controllers and recorder, without having first obtained the required export license from the U.S. Department of Commerce.

<sup>1</sup> 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 the Notice of August 3, 2006 (71 FR 44551, Aug. 7, 2006), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701-1706 (2000)) ("IEEPA").

In addition to the violation of the Act, the FMI was convicted of conspiring to violate the Act in violation of 18 U.S.C. 371 (2000). FMI was ordered to pay a fine of \$250,000.

Section 11(h) of the Act and Section 766.25 of the Export Administration Regulations ("Regulations")<sup>2</sup> provide, in pertinent part, that "[t]he Director of Exporter Services, in consultation with the Director of the Office of Export Enforcement, may deny export privileges of any person who has been convicted of a violation of \* \* \* Act," for a period not to exceed 10 years from the date of conviction. 15 CFR 766.25(a) and (d). In addition, Section 750.8 of the Regulations states that BIS's Office of Exporter Services may revoke any BIS licenses previously issued in which the person had an interest in at the time of his conviction.

I have received notice of the FMI's conviction for violating the Act, and I, following consultations with the Export Enforcement, including the Director, Office of Export Enforcement, have decided to deny the FMI's export privileges under the Regulations for a period of 10 years from the date of its conviction. Due to exceptional circumstances, this Order is being issued without prior notice or opportunity to respond.

Accordingly, it is hereby

#### Ordered

I. Until November 18, 2015, Fiber Materials, Inc., 5 Morin Street, Biddeford, ME 04005, its successors or assigns, and when acting for or on behalf of FMI, its officers, representatives, agents, or employees ("Denied Person") may not, directly or indirectly, participate 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. Carrying 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 or to be exported from the United States that is subject to the Regulations, or in any

<sup>2</sup> The Regulations are currently codified at 15 CFR Parts 730-774 (2006).

other activity subject to the Regulations; or

C. Benefitting 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.

II. 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.

III. After notice and opportunity for comment as provided in § 766.23 of the Regulations, any other person, firm, corporation, or business organization related to FMI 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.

IV. 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.

V. This Order is effective immediately and shall remain in effect until November 18, 2015.

VI. In accordance with part 756 of the Regulations, FMI may file an appeal of this Order with the Under Secretary of Commerce for Industry and Security. The appeal must be filed within 45 days from the date of this Order and must comply with the provisions of part 756 of the Regulations.

VII. A copy of this Order shall be delivered to FMI. This Order shall be published in the **Federal Register**.

Dated: March 12, 2007.

**Eileen M. Albanese**,

*Director, Office of Exporter Services.*

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## DEPARTMENT OF COMMERCE

### Bureau of Industry and Security

#### Action Affecting Export Privileges; Walter L. Lachman

**In the Matter of: Walter L. Lachman, 1159 Old Marlboro Road, Concord, MA 01742, Respondent; Order Denying Export Privileges**

*A. Denial of Export Privileges of Walter L. Lachman*

On November 18, 2005, in the U.S. District Court in the District of Massachusetts, Walter L. Lachman ("Lachman") was convicted of violating the Export Administration Act of 1979, as amended (currently codified at 50 U.S.C. app. 2401-2420 (2000)) (the "Act").<sup>1</sup> Specifically, Lachman was convicted of knowingly exporting and causing to be exported from the United States to India, a controlled commodity, to wit, a component, accessory and controls for an isostatic press, that is, a control panel which consisted of, among other things, an operating control cabinet, a power/pressure control cabinet, and digital controllers and recorder, without having first obtained the required export license from the U.S. Department of Commerce.

In addition to the violation of the Act, Lachman was convicted of conspiring to violate the Act in violation of 18 U.S.C. 371 (2000) and aiding and abetting in violation of 18 U.S.C. 2 (2000). Lachman was ordered to serve 36 months

<sup>1</sup> 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 the Notice of August 3, 2006 (71 FR 44551, Aug. 7, 2006), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701-1706 (2000)) ("IEEPA").

probation with the first year in home confinement and a fine of \$250,000.

Section 11(h) of the Act and Section 766.25 of the Export Administration Regulations ("Regulations")<sup>2</sup> provide, in pertinent part, that "[t]he Director of Exporter Services, in consultation with the Director of the Office of Export Enforcement, may deny export privileges of any person who has been convicted of a violation of \* \* \* Act," for a period not to exceed 10 years from the date of conviction. 15 CFR 766.25(a) and (d). In addition, Section 750.8 of the Regulations states that BIS's Office of Exporter Services may revoke any BIS licenses previously issued in which the person had an interest at the time of his conviction.

I have received notice of Lachman's conviction for violating the Act, and I, following consultations with Export Enforcement, including the Director, Office of Export Enforcement, have decided to deny Lachman's export privileges under the Regulations for a period of 10 years from the date of his conviction. Due to exceptional circumstances, this Order is being issued without prior notice or opportunity to respond.

Accordingly, it is hereby  
*Ordered*

I. Until November 18, 2015, Walter L. Lachman, 1159 Old Marlboro Road, Concord, MA 01742, his successors or assigns, and when acting for or on behalf of Lachman, his officers, representatives, agents, or employees ("Denied Person") may not, directly or indirectly, participate 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. Carrying 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 or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations; or

C. Benefitting in any way from any transaction involving any item exported or to be exported from the United States

<sup>2</sup> The Regulations are currently codified at 15 CFR Parts 730-774 (2006).