



# SFSA CASTEEL REPORTER

Steel Founders' Society of America

a monthly publication  
serving SFSA steel casting industry Members

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## July — 2008

### **Casteel Commentary Highlights:**

This month's Casteel Commentary suggests that we should adopt changes to our commercial billing practices. Price volatility for supplies and long lead times creates a cash flow crunch. We frequently string out our suppliers to help float this cost. It would make sense to bill our customers in steps to help. This would also allow them to pay for the materials with surcharges up front.

### **Annual Meeting**

This year's SFSA Annual Meeting is being held in Charleston, SC, September 6-9.

### **Western Division**

The Western Division Technical & Operating meeting is scheduled for August 14-15 in Portland, OR. The program includes presentations on Large Diameter Air-Arc Power Source Availability Research, Foundry Dust Aggregation, Riser Feeding Aids, SFSA news, a roundtable discussion of business conditions, and a plant tour of Vancouver Iron & Steel.

### **Safety/HR Meeting**

The next Safety and HR meeting will be held at Metaltek (Wisconsin Centrifugal) in Waukesha, WI on August 20-21. Contact Malcolm Blair for additional information or to register.

### **Eastern Division**

The Eastern Division Technical & Operating meeting will be held August 26 and 27 in London, Ontario, Canada at AmeriCast London, Casting Division. The preliminary program includes presentations on B&L System at A.G. Anderson, Reduced Turns, Effect of Molding Variables on Surface Condition, SFSA news, a roundtable discussion of business conditions and a plant tour of AmeriCast London, Casting Division (formerly A.G. Anderson Ltd.)

### **Funding for Energy Saving Projects**

The Demonstration of Energy-Efficient Developments (DEED) is a program that makes funding available for demonstration of energy saving technology, such as running a case study for energy savings in heat treatment. The member foundry must be serviced by a participating utility company, and that utility company must submit the application. The program encourages a collaborative effort between the utility, the company and other agencies. Frank Peters of Iowa State University (fpeters@iastate.edu) has offered to assist in the grant application process for a member foundry interested in conducting a heat treatment demonstration project. The DEED grant application and list of participating utilities is available on the Casteel Reporter web page.

## **Innovation**

SFSA has been sponsoring work to model the development of hot tears in steel castings. Hot tears are the result of design; geometries that contain a restrained feature that solidifies late and is not continuously fed can crack. The casting rigging plays an obvious role in feeding and can have an effect on the restraint. One approach to avoid cracks is to add cracking brackets, fins across the crack area, that freeze earlier and are strong enough to avoid cracking. Another approach is to improve the feeding with taper or riser placement. Another approach is to reduce the restraint with either a change in design or to reduce the strength of the mold or core responsible for the restraint.

## **Specification Note**

Test bars are not intended to determine the properties in our castings. Many customers assume that mechanical properties reported by the producer are characteristic of the casting and are surprised when they take test bars from our castings and do not get the same results. Test bars are used to determine the quality of the steel and not the properties of the casting. Pulling test bars allows us to see that the steel is not contaminated with an unanalyzed element and responds predictably to heat treatment. The casting has segregation, microporosity, and varying section sizes and these conditions affect the properties in bars from the casting.

One exception is A148 where the composition is left to the producer. This specification requires special test bars for heavier sections since the user has specified the properties only.

## **ITAR Compliance**

All manufacturers, exporters, and brokers of defense articles, defense services, or related technical data, as defined on the United States Munitions List (Part 121 of the ITAR)  
[http://www.pmdt.state.gov/itar\\_index.htm](http://www.pmdt.state.gov/itar_index.htm)  
are required to register with DDTC. Registration is primarily a means to provide

the U.S. Government with necessary information on who is involved in certain manufacturing and exporting activities. Registration does not confer any export rights or privileges, but is a precondition for the issuance of any license or other approval for export.

## **Future Leaders**

The first Future Leaders meeting was attended by 29 people. Attendees enjoyed a nice opportunity to network with peers and share a current innovation at their foundry. The meeting also included an open discussion with Tom Armstrong and John Kujawa, and a tour of the AmeriCast Atchison casting facility and machine shop. Future meetings will focus on sharing innovations, reviewing fundamentals and continuous process improvement. The next meeting will be held during the fall at Michigan Steel in Muskegon, MI. If you are interested in participating in the activities of this group, please E-mail David Poweleit at [poweleit@sfsa.org](mailto:poweleit@sfsa.org) to have your name added to the mailing list.

Please mark your calendars for the next Future Leaders meeting - Tuesday, September 30th through Wednesday, October 1st. Tuesday will be a full day meeting; thus, plan to arrive on Monday (dinner plan will be setup). Wednesday will include tours of both Michigan Steel and Eagle Alloy. Additional details on the meeting will be passed along as they become available. As a reminder, attendees at the last meeting decided that everyone would send in three topics to focus our full day session around (maybe some continuous improvement processes or discussions with a graybeard on why some process has always been the way it is). The meeting is not too long off; thus, we need to formalize our agenda.

## **Summary of Simulation Survey**

1. What approach do you use to design rigging (gates and risers)?

Hand calculation	13
Experience	3
Software	9

2. Who is responsible for the design?

Foundry Engineer	all
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3. Which computer programs do you use to design rigging?

Magma	10
Foseco	3
Solidcast	6
Procast	2
Ashland	2
Wincast	1
Flow 3-D	1
Pro-E	1
Solid Works	3
AutoCad	1
SolidEdge	1
None	3

4. What are the strengths and weaknesses of the program?

Simple packages are easy to use and fast but may not have accuracy for demanding areas

Higher end packages require more input, more time, more computer power and must be customized for the plant but give accurate predictions

5. Did using the program improve your quality, yield, or did you see other benefits?

Quality	15
Yield	10
Training	3
Fewer casting iterations	7
Improved std practice	3
Sales tool	5

## **Cutting Large Risers Survey**

1. How do you remove large risers?

Torch Cut	23
Powder Torch	3
Arc Gouging	3
	(high alloy)
Saw	4
	(mostly smaller "large" risers)
Magnesium Bars	1
Impact	3

2. Are you using natural gas, MAPP, or other gases?

Natural Gas	11
	(Need a higher pressure source)
Propylene	7
Propane	5

3. What equipment does your process require?

*Details distributed to the survey respondents.*

## **Market News**

Stainless steels and other high alloy products continue to be in demand with bookings remaining more than 10% up. Steel castings show some slowdown in activity but April is positive reversing the recent months' downturn. Steel shipments and iron and steel castings both show relatively strong growth in the past two months. On the negative side capital goods inventories are growing and there is little increase in orders or shipments. Commodity prices are causing a slowdown in the consumer economy but are sustaining investment in many of the capital equipment markets we serve. Added market news is available in the SteelGuru document on the Casteel Reporter web page.

## **Casteel Commentary**

Volatile prices for energy and materials, long lead times, capacity constraints and increases in business levels have put a strain on many companies' cash positions. While eventually if the prices and business levels stabilize these cash flow issues will become resolved, they are a painful factor in managing a steel foundry.

In some ways this cash crunch is the result of our current business practices. We take an order for delivery in 8 weeks. In week 2 we receive and in week 4 we use the materials for producing the castings. The supplier bills us for the materials week 2 with 30 days (4 weeks) to pay. We ship the casting on week 8 and then bill with 60 day terms (8 weeks). We either stiff the supplier for some time using him to finance our sale or we suffer a cash crunch not receiving the cash for the process energy and materials billed in week 2 til week 14, 4 months.

One possible improvement would be to require partial payment for orders. If we collected 25% when the pattern is pulled and another 25% when the casting is produced with the balance due after shipment, then we would be in a better financial situation. The initial payment could include the surcharge and avoid some of the risk and uncertainty of the longer period from order to bill.

This would improve our cash flow, firm up our order book, finance our requirements from customers, and allow us to be good customers in times of allocation and short supply.

*Raymond*

# Bradken to acquire 83% stakes in AmeriCast

01 Aug 2008

It is reported that mining industry equipment and services provider Bradken has entered in to a deal to acquire the 83% stake that it does not already own in US company AmeriCast Technologies from private equity firm Castle Harlan and the AmeriCast management for USD 114 million to strengthen its presence in the resources sector.

As per report, Bradken will fund the acquisition almost entirely from a USD 110 million share placement underwritten and sole managed by Goldman Sachs JBWere. The total transaction costs are estimated at USD 5 million. The acquisition will significantly expand Bradken's capabilities in large steel castings and provide an American base from which to expand some of Bradken's mining consumable products.

Mr Howard Morgan a senior MD at Castle Harlan who leads the firm's AmeriCast team said that based on the value of this transaction, Castle Harlan and the AmeriCast management will make collective gain of more than three times on their original invested capital, which represents an IRR of more than 90%. He added that "AmeriCast has been an excellent investment for Castle Harlan and its limited partners, and we are pleased that we have been able to add significant value to the company during our 21 month period of ownership. Annual EBITDA has grown more than 100% through both organic growth and strategic acquisitions. We are confident this growth will continue."

Bradken had purchased a 19% minority equity interest in AmeriCast when Castle Harlan acquired a controlling stake in the company in November 2006. Until it went public in August 2004, Bradken had been a portfolio company of Castle Harlan's Australian affiliate CHAMP Private Equity in Sydney. Bradken is based in Newcastle, New South Wales, about 90 miles north of Sydney. Bradken currently has revenues of approximately USD 800 million.

After acquiring AmeriCast in November 2006, Castle Harlan assisted the company in purchasing Atlas Castings and Technology in April 2007 and AG Anderson in April 2008. Atlas makes large specialty steel castings for the energy and defense industries; A.G. Anderson produces castings in stainless steel and complex ferrous alloys, primarily for the energy industry. In January 2008, Castle Harlan assisted the company in divesting its Prospect division, which had been identified as non core to the AmeriCast business.

# STEEL FOUNDERS' SOCIETY OF AMERICA

## MEETINGS CALENDAR

### 2008

July		
16/17	C&LA Research Review	Rosemont, IL
August		
14/5	Western Division Meeting	Portland, OR
20/21	Safety & HR Meeting	Waukesha, WI
26/27	Eastern Division Meeting	London, Ontario, Canada
September		
6-9	SFSA Annual Meeting	Charleston, SC
30/1	Future Leaders Meeting	MI
December		
10-13	National T&O Conference	Chicago, IL

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**STEEL FOUNDERS' SOCIETY OF AMERICA  
BUSINESS REPORT**

<b>SFSA Trend Cards</b> (%-12 mos. Ago)	12 Mo Avg	3 Mo Avg	Apr	Mar
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**Carbon & Low Alloy**

Shipments	0.6	-1.8	-1.0	-14.7
Bookings	-4.0	-7.6	5.1	-26.6
Backlog (wks)	10.4	9.7	11.0	8.0

**High Alloy**

Shipments	9.1	1.0	15.1	-17.9
Bookings	11.5	12.7	12.4	13.8
Backlog (wks)	11.1	11.8	13.0	10.5

**Department of Commerce  
Census Data**

**Iron & Steel Foundries (million \$)**

Shipments	1,637.8	1,729	1,777	1,780
New Orders	1,638.4	1,747	1,805	1,770
Inventories	2,545.8	2,549	2,538	2,562

**Nondefense Capital Goods (billion \$)**

Shipments	67.3	67.0	67.9	66.7
New Orders	75.5	74.4	73.6	75.4
Inventories	126.2	132.6	134.6	133.6

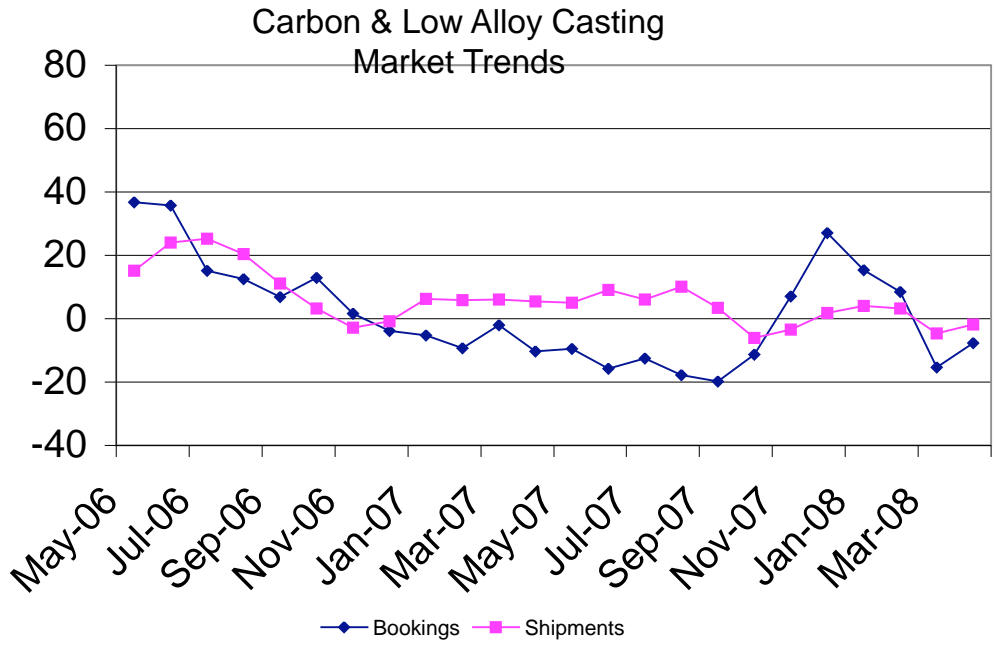
**Nondefense Capital Goods  
less Aircraft (billion \$)**

Shipments	61.8	62.4	63.1	62.5
New Orders	62.9	63.7	65.2	63.2
Inventories	100.7	104.9	106.6	106.1

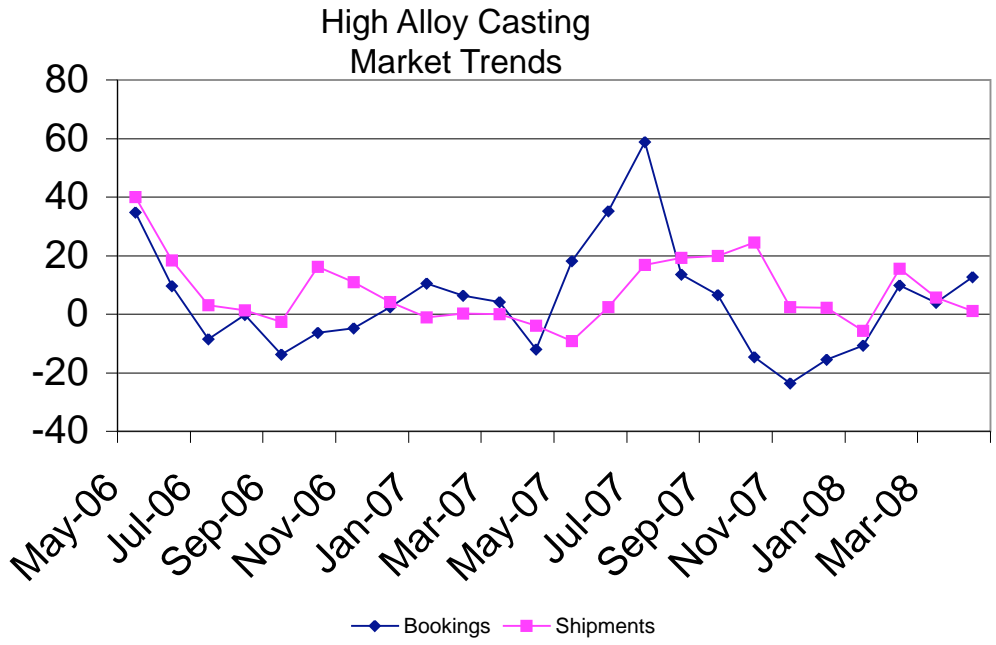
Inventory/Orders		1.65	1.64	1.68
Inventory/Shipments		1.68	1.69	1.70
Orders/Shipments		1.02	1.03	1.01

**American Iron and Steel Institute**

Raw Steel Shipments (million net tons)	9.0	9.2	9.4	9.2
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SFSA Postcards

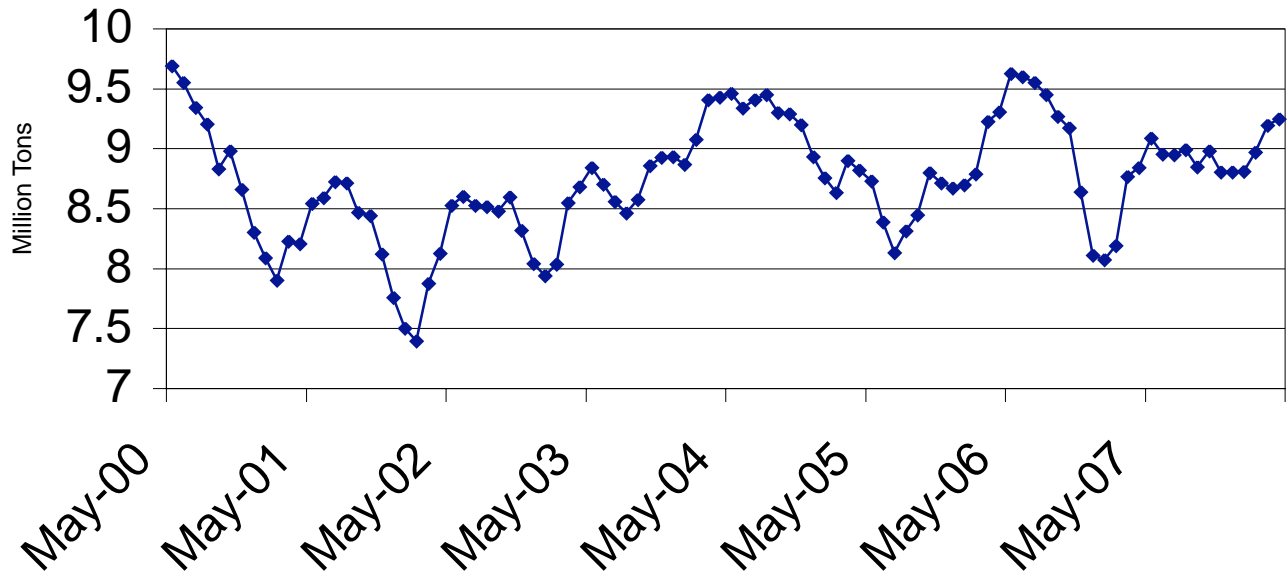


SFSA Postcards



# Raw Steel Shipments

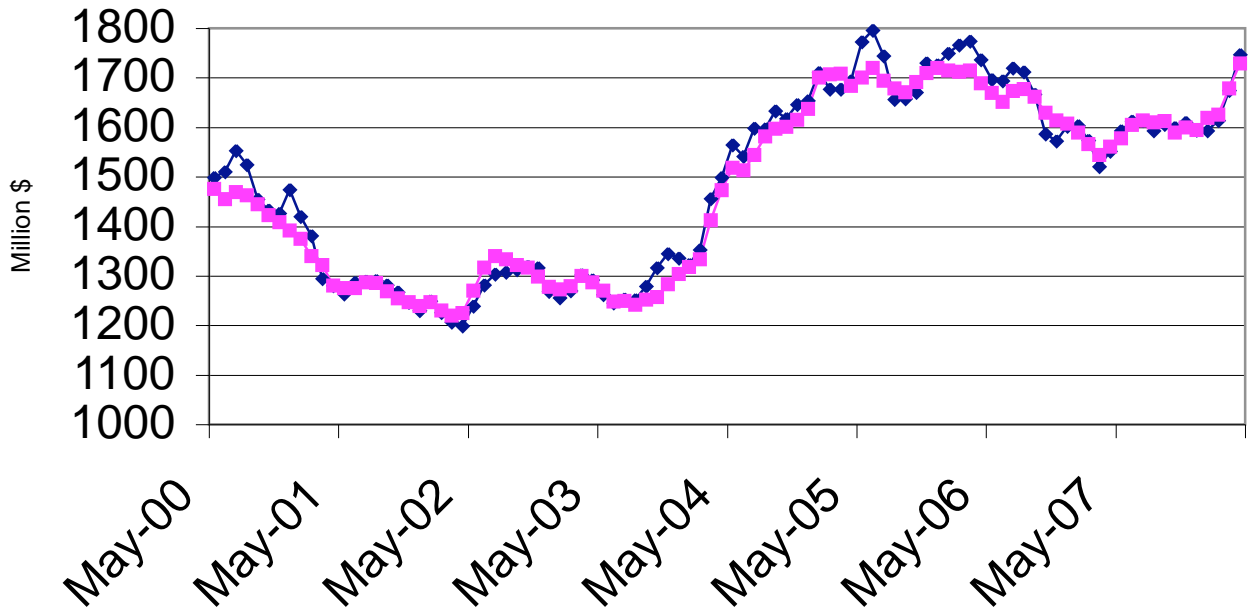
3 month average



AISI Data

# Iron and Steel Castings

3 month average

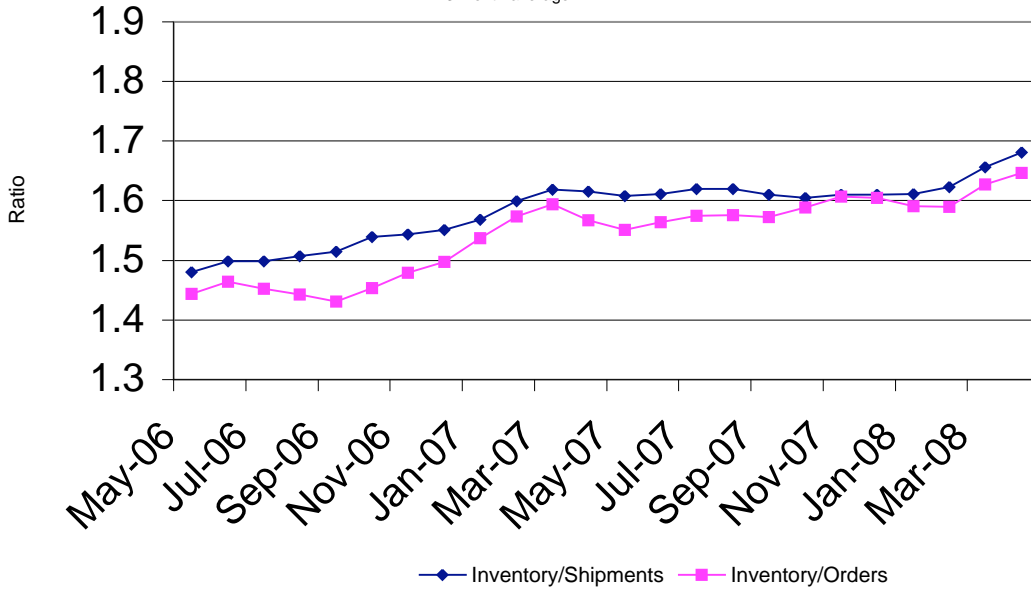


◆ New Orders    ■ Shipments

SFSA

### Nondefense Capital Goods less Aircraft

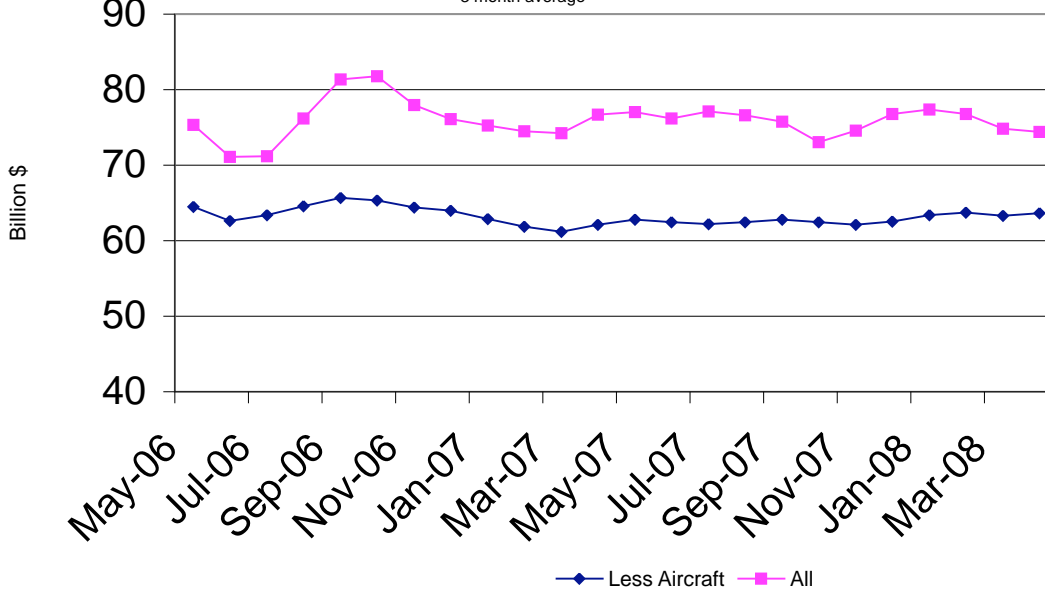
3 month average



Department of Commerce

### Nondefense Capital Goods New Orders

3 month average



Department of Commerce

## PART 121—THE UNITED STATES MUNITIONS LIST

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[§ 121.11 Military demolition blocks and blasting caps.](#)

[§§ 121.12-121.14 \[Reserved\]](#)

[§ 121.15 Vessels of war and special naval equipment.](#)

[§ 121.16 Missile Technology Control Regime Annex.](#)

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**Authority:** Secs. 2, 38, and 71, Pub. L. 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2797); E.O. 11958, 42 FR 4311; 3 CFR, 1977 Comp. p. 79; 22 U.S.C. 2651a; Pub. L. 105–261, 112 Stat. 1920.

**Source:** 58 FR 39287, July 22, 1993, unless otherwise noted.

**§ 121.8 End-items, components, accessories, attachments, parts, firmware, software and systems.**



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(a) An *end-item* is an assembled article ready for its intended use. Only ammunition, fuel or another energy source is required to place it in an operating state.

(b) A *component* is an item which is useful only when used in conjunction with an end-item. A major component includes any assembled element which forms a portion of an end-item without which the end-item is inoperable. (Example: Airframes, tail sections, transmissions, tank treads, hulls, etc.) A minor component includes any assembled element of a major component.

(c) *Accessories* and *attachments* are associated equipment for any component, end-item or system, and which are not necessary for their operation, but which enhance their usefulness or effectiveness. (Examples: Military riflescopes, special paints, etc.)

(d) A *part* is any single unassembled element of a major or a minor component, accessory, or attachment which is not normally subject to disassembly without the destruction or the impairment of design use. (Examples: Rivets, wire, bolts, etc.)

(e) Firmware and any related unique support tools (such as computers, linkers, editors, test case generators, diagnostic checkers, library of functions and system test diagnostics) specifically designed for equipment or systems covered under any category of the U.S. Munitions List are considered as part of the end-item or component. *Firmware* includes but is not limited to circuits into which software has been programmed.

(f) *Software* includes but is not limited to the system functional design, logic flow, algorithms, application programs, operating systems and support software for design, implementation, test, operation, diagnosis and repair. A person who intends to export software only should, unless it is

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specifically enumerated in §121.1 (e.g., XIII(b)), apply for a technical data license pursuant to part 125 of this subchapter.

(g) A *system* is a combination of end-items, components, parts, accessories, attachments, firmware or software, specifically designed, modified or adapted to operate together to perform a specialized military function.

## § 121.9 [Reserved]



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## § 121.10 Forgings, castings and machined bodies.



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Articles on the U.S. Munitions List include articles in a partially completed state (such as forgings, castings, extrusions and machined bodies) which have reached a stage in manufacture where they are clearly identifiable as defense articles. If the end-item is an article on the U.S. Munitions List (including components, accessories, attachments and parts as defined in §121.8), then the particular forging, casting, extrusion, machined body, etc., is considered a defense article subject to the controls of this subchapter, except for such items as are in normal commercial use.

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data and defense service controlled by this category.

#### Category VIII—Aircraft and Associated Equipment

\*(a) Aircraft, including but not limited to helicopters, non-expansive balloons, drones, and lighter-than-air aircraft, which are specifically designed, modified, or equipped for military purposes. This includes but is not limited to the following military purposes: Gunnery, bombing, rocket or missile launching, electronic and other surveillance, reconnaissance, refueling, aerial mapping, military liaison, cargo carrying or dropping, personnel dropping, airborne warning and control, and military training. (See §121.3.)

\*(b) Military aircraft engines, except reciprocating engines, specifically designed or modified for the aircraft in paragraph (a) of this category.

\*(c) Cartridge-actuated devices utilized in emergency escape of personnel and airborne equipment (including but not limited to airborne refueling equipment) specifically designed or modified for use with the aircraft and engines of the types in paragraphs (a) and (b) of this category.

(d) Launching and recovery equipment for the articles in paragraph (a) of this category, if the equipment is specifically designed or modified for military use. Fixed land-based arresting gear is not included in this category.

\*(e) Inertial navigation systems, aided or hybrid inertial navigation systems, Inertial Measurement Units (IMUs), and Attitude and Heading Reference Systems (AHRS) specifically designed, modified, or configured for military use and all specifically designed components, parts and accessories. For other inertial reference systems and related components refer to Category XII(d).

Note: (1) Category XII(d) or Category VIII(e) does not include quartz rate sensors if such items:

(i) Are integrated into and included as an integral part of a commercial primary or commercial

Electronic Code of Federal Regulations

*e-CFR*

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**e-CFR Data is current as of July 28, 2008**

## **Title 22: Foreign Relations**

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### **PART 122—REGISTRATION OF MANUFACTURERS AND EXPORTERS**

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**Authority:** Secs. 2 and 38, Public Law 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778); E.O. 11958, 42 FR 4311; 1977 Comp. p. 79, 22 U.S.C. 2651a.

**Source:** 58 FR 39298, July 22, 1993, unless otherwise noted.

## § 122.1 Registration requirements.



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(a) Any person who engages in the United States in the business of either manufacturing or exporting defense articles or furnishing defense services is required to register with the Directorate of Defense Trade Controls. For the purpose of this subchapter, engaging in the business of manufacturing or exporting defense articles or furnishing defense services requires only one occasion of manufacturing or exporting a defense article or furnishing a defense service. Manufacturers who do not engage in exporting must nevertheless register.

(b) *Exemptions.* Registration is not required for:

(1) Officers and employees of the United States Government acting in an official capacity.

(2) Persons whose pertinent business activity is confined to the production of unclassified technical data only.

(3) Persons all of whose manufacturing and export activities are licensed under the Atomic Energy Act of 1954, as amended.

(4) Persons who engage only in the fabrication of articles for experimental or scientific purpose, including research and development.

(c) *Purpose.* Registration is primarily a means to provide the U.S. Government with necessary information on who is involved in certain manufacturing and exporting activities. Registration does not confer any export rights or privileges. It is generally a precondition to the issuance of any license or other approval under this subchapter.



[58 FR 39298, July 22, 1993, as amended at 71 FR 20540, Apr. 21, 2006]

## § 122.2 Submission of registration statement.



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(a) *General.* The Department of State Form DS–2032 (Statement of Registration) and the transmittal letter required by paragraph (b) of this section must be submitted by an intended registrant with a payment (by check or money order) payable to the Department of State of one of the fees prescribed in §122.3(a) of this subchapter. Checks and money orders must be in U.S. currency, and checks must be payable through a U.S. financial institution. In addition, the Statement of Registration and transmittal letter must be signed by a senior officer who has been empowered by the intended registrant to sign such documents. The intended registrant also shall submit documentation that demonstrates that it is incorporated or otherwise authorized to do business in the United States. The Directorate of Defense Trade Controls will notify the registrant if the Statement of Registration package is incomplete.

(b) *Transmittal letter.* A letter of transmittal, signed by an authorized senior officer of the intended registrant, shall accompany each Statement of Registration.

(1) The letter shall state whether the intended registrant, chief executive officer, president, vice-presidents, other senior officers or officials (e.g. comptroller, treasurer, general counsel) or any member of the board of directors:

(i) Has ever been indicted for or convicted of violating any of the U.S. criminal statutes enumerated in §120.27 of this subchapter; or

(ii) Is ineligible to contract with, or to receive a license or other approval to import defense articles or

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defense services from, or to receive an export license or other approval from, any agency of the U.S. Government.

(2) The letter shall also declare whether the intended registrant is owned or controlled by foreign persons (as defined in §120.16 of this subchapter). If the intended registrant is owned or controlled by foreign persons, the letter shall also state whether the intended registrant is incorporated or otherwise authorized to engage in business in the United States.

(c) *Definition.* For purpose of this section, *ownership* means that more than 50 percent of the outstanding voting securities of the firm are owned by one or more foreign persons. *Control* means that one or more foreign persons have the authority or ability to establish or direct the general policies or day-to-day operations of the firm. Control is presumed to exist where foreign persons own 25 percent or more of the outstanding voting securities if no U.S. persons control an equal or larger percentage.

[58 FR 39298, July 22, 1993, as amended at 69 FR 70889, Dec. 8, 2004; 71 FR 20540, Apr. 21, 2006]

### § 122.3 Registration fees.



[top](#)

(a) A person who is required to register may do so for a period of 1 year upon submission of a completed Form DS-2032, transmittal letter and payment of \$1,750.

(b) *Expiration of registration.* A registrant must submit its request for registration renewal at least 30 days but no earlier than 60 days prior to the expiration date.

(c) *Lapse in registration.* A registrant who fails to renew a registration and, after an intervening period, seeks to register again must pay registration fees for any part of such intervening period during which the registrant engaged in the business of manufacturing or exporting defense articles or defense services.

Title 22, Code of Federal regulation, section 120 - Google Search - Windows Internet Explorer

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Electronic Code of Federal Regulations - of Federal Regulations >Electronic Code of ITAR Compliance System - found in Subchapter M, Title 22, Code of Federal Regulations

**Code of Federal Regulations: Title 22**  
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## **Title 22: Foreign Relations**

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### **PART 127—VIOLATIONS AND PENALTIES**

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[§ 127.11 Past violations.](#)

[§ 127.12 Voluntary disclosures.](#)

**Authority:** Secs. 2, 38, and 42, Public Law 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2791); E.O. 11958, 42 FR 4311; 3 CFR, 1977 Comp., p. 79; 22 U.S.C. 401; 22 U.S.C. 2651a; 22 U.S.C. 2779a; 22 U.S.C. 2780.

**Source:** 58 FR 39316, July 22, 1993, unless otherwise noted.

## § 127.1 Violations.



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(a) It is unlawful:

(1) To export or attempt to export from the United States, or to reexport or retransfer or attempt to reexport or retransfer from one foreign destination to another foreign destination by a U.S. person of any defense article or technical data or by anyone of any U.S. origin defense article or technical data or to furnish any defense service for which a license or written approval is required by this subchapter without first obtaining the required license or written approval from the Directorate of Defense Trade Controls;

(2) To import or attempt to import any defense article whenever a license is required by this subchapter without first obtaining the required license or written approval from the Directorate of Defense Trade Controls;

(3) To conspire to export, import, reexport or cause to be exported, imported or reexported, any defense article or to furnish any defense service for which a license or written approval is required by this subchapter without first obtaining the required license or written approval from the Directorate of Defense Trade Controls;

(4) To violate any of the terms or conditions of licenses or approvals granted pursuant to this subchapter.

(5) To engage in the United States in the business of either manufacturing or exporting defense article or furnishing defense services without complying with the registration requirements. For the purposes of this subchapter, engaging in the business of manufacturing or exporting defense articles or furnishing defense services requires only one occasion of manufacturing or exporting a defense article or furnishing a defense service; or

(6) To engage in the business of brokering activities for which registration, a license or written approval is required by this subchapter without first registering or obtaining the required license or written approval from the Directorate of Defense Trade Controls. For the purposes of this subchapter, engaging in the business of brokering activities requires only one occasion of engaging in an activity as reflected in §129.2(b).

(b) Any person who is granted a license or other approval under this subchapter is responsible for the acts of employees, agents, and all authorized persons to whom possession of the licensed defense article or technical data has been entrusted regarding the operation, use, possession, transportation, and handling of such defense article or technical data abroad. All persons abroad subject to U.S. jurisdiction who obtain temporary custody of a defense article exported from the United States or produced under an agreement described in part 124 of this subchapter, and irrespective of the number of intermediate transfers, are bound by the regulations of this subchapter in the same manner and to the same extent as the original owner or transferer.

(c) A person with knowledge that another person is then ineligible pursuant to §§120.1(c) or 126.7 of this subchapter or subject to an order of debarment or interim suspension, may not, directly or indirectly, in any manner or capacity, without prior disclosure of the facts to, and written authorization from, the Directorate of Defense Trade Controls:

(1) Apply for, obtain, or use any export control document as defined in §127.2(b) for such debarred, suspended, or ineligible person; or

(2) Order, buy, receive, use, sell, deliver, store, dispose of, forward, transport, finance, or otherwise service or participate in any transaction which may involve any defense article or the furnishing of any defense service for which a license or approval is required by this subchapter for export, where such debarred, suspended, or ineligible person may obtain any benefit therefrom or have any direct

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or indirect interest therein.

(d) No person may knowingly or willfully cause, or aid, abet, counsel, demand, induce, procure or permit the commission of any act prohibited by, or the omission of any act prohibited by, or the omission of any act required by 22 U.S.C. 2778, 22 U.S.C. 2779, or any regulation, license, approval, or order issued thereunder.

[58 FR 39316, July 22, 1993, as amended at 71 FR 20548, Apr. 21, 2006]

## **§ 127.2 Misrepresentation and omission of facts.**



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(a) It is unlawful to use any export or temporary import control document containing a false statement or misrepresenting or omitting a material fact for the purpose of exporting any defense article or technical data or the furnishing of any defense service for which a license or approval is required by this subchapter. Any false statement, misrepresentation, or omission of material fact in an export or temporary import control document will be considered as made in a matter within the jurisdiction of a department or agency of the United States for the purposes of 18 U.S.C. 1001, 22 U.S.C. 2778 and 22 U.S.C. 2779.

(b) For the purpose of this section, *export or temporary import control documents* include the following:

- (1) An application for a permanent export or a temporary import license and supporting documents.
- (2) Shipper's Export Declaration.
- (3) Invoice.
- (4) Declaration of destination.