

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Pratt & Whitney
400 Main Street
East Hartford, CT 06108

Attention: Dwayne Witter,
Associate Council & Director, Export/Import Compliance

Dear Mr. Witter:

The Bureau of Industry and Security, United States Department of Commerce ("BIS") has reason to believe that Pratt & Whitney of East Hartford, Connecticut ("Pratt") has committed 42 violations of the Export Administration Regulations (the "Regulations"),¹ which are issued under the authority of the Export Administration Act of 1979 (the "Act").² Specifically, BIS charges that Pratt committed the following violations:

Charges 1-10 (15 C.F.R. § 764.2(e) - Exporting Technical Data With Knowledge that a Violation of the Regulations Would Occur)

On 10 occasions from on or about August 1, 1998 through on or about July 22, 1999, Pratt exported technical data, items subject to the Regulations and classified under Export Control Classification Numbers ("ECCN") 2E003 and 9E003, from the United States to Japan and Singapore, with knowledge that violations of the Regulations would occur. Pratt had previously obtained licenses from BIS for the export of the technical data to Japan and Singapore, as required by Section 742.4 of the Regulations, but had allowed such licenses to expire without renewal. In so doing, Pratt committed 10 violations of Section 764.2(e) of the

¹ The violations charged occurred in 1998 and 1999. The Regulations governing the violations at issue are found in the 1998 and 1999 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1998 - 1999)). The 2003 Regulations establish the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). 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 C.F.R., 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 by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) 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 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 7, 2003 (68 *Fed. Reg.* 47833, August 11, 2003), has continued the Regulations in effect under IEEPA.

Regulations. These transactions are detailed in the attached Schedule of Violations, which is incorporated by reference herein.

Charges 11-27 (15 C.F.R. § 764.2(a) - Exporting Technical Data Without the Required Licenses)

On 17 occasions from on or about August 1, 1998 through on or about September 11, 1999, Pratt engaged in conduct prohibited by or contrary to the Regulations by exporting technical data, items subject to the Regulations and classified under ECCNs 2E003 and 9E003, from the United States to various destinations, including the People's Republic of China, Germany and Singapore, without licenses from BIS, as required by Section 742.4 of the Regulations. In so doing, Pratt committed 17 violations of Section 764.2(a) of the Regulations. These transactions are detailed in the attached Schedule of Violations, which is incorporated by reference herein.

Charge 28 (15 C.F.R. § 764.2(e) - Deemed Export With Knowledge that a Violation of the Regulations was to Occur)

In or about August of 1998, Pratt exported technical data, items subject to the Regulations and classified under ECCNs 2E003 and 9E003, from the United States to Germany with knowledge that a violation of the Regulations was to occur. Pratt had previously obtained a license from BIS for the export of the technical data to Germany, as required by Section 742.4 of the Regulations, but had allowed such license to expire without renewal. The technical data was released in the United States to a German national, and is deemed to be an export of the technical data to Germany under Section 734.2(b)(ii) of the Regulations. In so doing, Pratt committed one violation of Section 764.2(e) of the Regulations. This transaction is detailed in the attached Schedule of Violations.

Charge 29 (15 C.F.R. § 764.2(a) - Deemed Export Without the Required License)

In or about August of 1998, Pratt engaged in conduct prohibited by or contrary to the Regulations by exporting technical data, items subject to the Regulations and classified under ECCNs 2E003 and 9E003, from the United States to Germany without obtaining a license from BIS, as required by Section 742.4 of the Regulations. The technical data was released in the United States to a German national, and is deemed to be an export of the technical data to Germany under Section 734.2(b)(ii) of the Regulations. In so doing, Pratt committed one violation of Section 764.2(a) of the Regulations. This transaction is detailed in the attached Schedule of Violations.

Charge 30 (15 C.F.R. § 764.2(a) - Deemed Export Without the Required License)

In or about August of 1998, Pratt engaged in conduct prohibited by or contrary to the Regulations by exporting technical data, items subject to the Regulations and classified under ECCNs 2D001, 2D002, 2E003, 3D003 and 9E003, from the United States to the Netherlands without obtaining a license from BIS, as required by Section 742.4 of the Regulations. The technical data was released in the United States to a Dutch national, and is deemed to be an export of the technical data to the Netherlands under Section 734.2(b)(ii) of the Regulations. In so doing, Pratt committed one violation of Section 764.2(a) of the Regulations. This transaction is detailed in the attached Schedule of Violations.

Charge 31 (15 C.F.R. § 764.2(a) - Deemed Export Without the Required License)

In or about May of 1999, Pratt engaged in conduct prohibited by or contrary to the Regulations by exporting technical data, items subject to the Regulations and classified under ECCNs 2E003 and 9E003, from the United States to Spain without a license from BIS, as required by Section 742.4 of the Regulations. The technical data was released in the United States to a Spanish national, and is deemed to be an export of the technical data to Spain under Section 734.2(b)(ii) of the Regulations. In so doing, Pratt committed one violation of Section 764.2(a) of the Regulations. This transaction is detailed in the attached Schedule of Violations.

Charges 32-42 (15 C.F.R. §764.2(i) - Failure to Comply with Recordkeeping Requirements)

With respect to 11 exports that occurred from on or about August 1, 1998, through on or about September 11, 1999, Pratt failed to comply with the recordkeeping requirements of the Regulations by failing to retain export control documents as defined in Part 772 of the Regulations, including bills of lading or air waybills, required in accordance with Section 762.2 of the Regulations. In so doing, Pratt committed 11 violations of Section 764.2(i) of the Regulations. The relevant transactions are detailed in the attached Schedule of Violations.

Accordingly, Pratt is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law of \$11,000 per violation;³

³ See 15 C.F.R. § 6.4(a)(2).

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Pratt fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. (Regulations, Sections 766.6 and 766.7). If Pratt defaults, the Administrative Law Judge may find the charges alleged in this letter are true without hearing or further notice to Pratt. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on the charges in this letter.

Pratt is further notified that it is entitled to an agency hearing on the record if Pratt files a written demand for one with its answer. (Regulations, Section 766.6). Pratt is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should Pratt have a proposal to settle this case, Pratt or its representative should transmit the offer to me through the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Pratt's answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center
40 S. Gay Street
Baltimore, Maryland 21202-4022

In addition, a copy of Pratt's answer must be served on BIS at the following address:

Office of Chief Counsel for Industry and Security
Attention: Glenn Kaminsky
Room H-3839
United States Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Pratt & Whitney
Proposed Charging Letter
Page 5

Glenn Kaminsky is the attorney representing BIS in this case. Any communications that you may wish to have concerning this matter should occur through him. He may be contacted by telephone at (202) 482-5301.

Sincerely,

Mark D. Menefee
Director
Office of Export Enforcement

Attachment

SCHEDULE OF VIOLATIONS

Pratt & Whitney

NO	DATE	COMMODITY	ECCN	DESTINATION	INVOICE	WAYBILL
1,11,32	8/17/98	Technical Data for V2500 series jet engine combustion chamber	9E003	Japan	54498	8636031191
2,12,33	10/28/98	Technical Data for PW4000 series jet engine combustion chamber	9E003	Japan	52764	8636031353
3,13,34	12/21/98	Technical Data for V2500 series jet engine combustion chamber	9E003	Japan	44619	7668541285
4,14,35	1/14/99	Technical Data for PW4000 series jet engine combustion chamber	9E003	Japan	44598	8877034784
5,15,36	5/28/99	Technical Data for V2500 series jet engine combustion chamber; Technical Data for PW4000 series jet engine combustion chamber	9E003	Japan	65939	8877035274
6,16,37	6/3/99	Technical Data for V2500 series jet engine combustion chamber	9E003	Japan	65971	8877044724
7,17,38	6/22/99	Technical Data for PW4000 series jet engine combustion chamber	9E003	Japan	66230	7668540854
8,18,39	7/2/99	Technical Data for PW4000 series jet engine combustion chamber	9E003	Japan	65825	8877035263
9,19,40	7/22/99	Technical Data for V2500 series jet engine combustion chamber	9E003	Japan	67648	8877035230
10,20	9/4/98	PWA 265 Coating Technology	2E003	Singapore	98-1250	N/A

NO	DATE	COMMODITY	ECCN	DESTINATION	INVOICE	WAYBILL
21	11/10/98	PWA 265 Coating Technology	2E003	Singapore	96-1622	N/A
22	2/2/99	PWA 265 Coating Technology	2E003	Switzerland	99-1006	N/A
23,41	8/98	XRS-45T Quality Standard; GSSN8 Quality Standard	9E003	People's Republic of China	stipulated	stipulated
24	9/11/99	CF6-HPT Platinum Aluminide Coating Tech.	2E003	Germany	T07651	stipulated
25,42	8/98 - 3/99	CF6-HPT Platinum Aluminide Coating Tech.	2E003	Germany	stipulated	stipulated
26	2/4/99	Turbine Airfoil Coatings	2E003.f	Singapore	stipulated	stipulated
27	2/10/99	Turbine Airfoil Coatings	2E003.f 9E003.a.5	Germany	stipulated	stipulated
28,29	8/98	Various Controlled Technology	2D001, 2D002, 2E003, 3D003, 9E003	Germany (Deemed Export)	N/A	N/A
31	4/99	Airfoil Technology	2E003 9E003	Spain (Deemed Export)	N/A	N/A
30	8/98	Coating Technology	2E003.b, 2E003.f, 9E003.a	Netherlands (Deemed Export)	N/A	N/A

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

In the Matter of:)
)
Pratt & Whitney)
400 Main Street)
East Hartford, CT 06108)
)
Respondent.)
_____)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Respondent, Pratt & Whitney (“Pratt”), and the Bureau of Industry and Security, United States Department of Commerce (“BIS”) (collectively referred to as “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (“Regulations”)¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),²

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2004). The violations charged occurred in 1998 and 1999. The Regulations governing the violations at issue are found in the 1998 and 1999 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1998 - 1999)). The 2004 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 C.F.R., 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 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 7, 2003 (3 C.F.R., 2003 Comp. 328 (2004)), has continued the Regulations in effect under the IEEPA.

WHEREAS, Pratt filed a voluntary self-disclosure with BIS's Office of Export Enforcement in accordance with Section 764.5 of the Regulations concerning the transactions at issue herein;

WHEREAS, BIS has notified Pratt of its intention to initiate an administrative proceeding against Pratt, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to Pratt that alleged that Pratt committed 42 violations of the Regulations, specifically:

1. *10 Violations of 15 C.F.R. § 764.2(e) - Exporting Technical Data With Knowledge that a Violation of the Regulations Would Occur:* On 10 occasions from on or about August 1, 1998 through on or about July 22, 1999, Pratt exported technical data, items subject to the Regulations and classified under Export Control Classification Numbers ("ECCN") 2E003 and 9E003, from the United States to Japan and Singapore, with knowledge that violations of the Regulations would occur. Pratt had previously obtained licenses from BIS for the export of the technical data to Japan and Singapore, as required by Section 742.4 of the Regulations, but had allowed such licenses to expire without renewal.
2. *17 Violation of 15 C.F.R. § 764.2(a) - Exporting Technical Data Without the Required Licenses:* On 17 occasions from on or about August 1, 1998 through on or about September 11, 1999, Pratt engaged in conduct prohibited by or contrary to the Regulations by exporting technical data, items subject to the Regulations

and classified under ECCNs 2E003 and 9E003, from the United States to various destinations, including the People's Republic of China, Germany and Singapore, without licenses from BIS, as required by Section 742.4 of the Regulations.

3. *One Violation of 15 C.F.R. §764.2(e) - Deemed Export With Knowledge that a Violation of the Regulations was to Occur:* In or about August of 1998, Pratt exported technical data, items subject to the Regulations and classified under ECCNs 2E003 and 9E003, from the United States to Germany with knowledge that a violation of the Regulations was to occur. Pratt had previously obtained a license from BIS for the export of the technical data to Germany, as required by Section 742.4 of the Regulations, but had allowed such license to expire without renewal. The technical data was released in the United States to a German national, and is deemed to be an export of the technical data to Germany under Section 734.2(b)(ii) of the Regulations.
4. *One Violation of 15 C.F.R. § 764.2(a) - Deemed Export Without the Required License:* In or about August of 1998, Pratt engaged in conduct prohibited by or contrary to the Regulations by exporting technical data, items subject to the Regulations and classified under ECCNs 2E003 and 9E003, from the United States to Germany without obtaining a license from BIS, as required by Section 742.4 of the Regulations. The technical data was released in the United States to

a German national, and is deemed to be an export of the technical data to Germany under Section 734.2(b)(ii) of the Regulations.

5. *One Violation of 15 C.F.R. § 764.2(a) - Deemed Export Without the Required License:* In or about August of 1998, Pratt engaged in conduct prohibited by or contrary to the Regulations by exporting technical data, items subject to the Regulations and classified under ECCNs 2D001, 2D002, 2E003, 3D003 and 9E003, from the United States to the Netherlands without obtaining a license from BIS, as required by Section 742.4 of the Regulations. The technical data was released in the United States to a Dutch national, and is deemed to be an export of the technical data to the Netherlands under Section 734.2(b)(ii) of the Regulations.
6. *One Violation of 15 C.F.R. § 764.2(a) - Deemed Export Without the Required License:* In or about May of 1999, Pratt engaged in conduct prohibited by or contrary to the Regulations by exporting technical data, items subject to the Regulations and classified under ECCNs 2E003 and 9E003, from the United States to Spain without a license from BIS, as required by Section 742.4 of the Regulations. The technical data was released in the United States to a Spanish national, and is deemed to be an export of the technical data to Spain under Section 734.2(b)(ii) of the Regulations.

7. *11 Violations of 15 C.F.R. §764.2(I) - Failure to Comply with Recordkeeping*

Requirements: With respect to 11 exports that occurred from on or about August 1, 1998, through on or about September 11, 1999, Pratt failed to comply with the recordkeeping requirements of the Regulations by failing to retain export control documents as defined in Part 772 of the Regulations, including bills of lading or air waybills, required in accordance with Section 762.2 of the Regulations.

WHEREAS, Pratt has reviewed the proposed charging letter and is aware of the allegations made against it and the administrative sanctions that could be imposed against it if the allegations are found to be true;

WHEREAS, Pratt fully understands the terms of this Agreement and the Order (“Order”) that the Assistant Secretary of Commerce for Export Enforcement will issue if she approves this Agreement as the final resolution of this matter;

WHEREAS, Pratt enters into this Agreement voluntarily and with full knowledge of its rights;

WHEREAS, Pratt states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Pratt neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, Pratt wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, Pratt agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Pratt, under the Regulations, in connection with the matters alleged in the proposed charging letter.

2. The following sanction shall be imposed against Pratt in complete settlement of the violations of the Regulations relating to the transactions specifically detailed in the voluntary self-disclosure and proposed charging letter:

- a. Pratt shall be assessed a civil penalty in the amount of \$150,000 which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order.
- b. The timely payment of the civil penalty agreed to in paragraph 2.a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, or to be granted, to Pratt. Failure to make timely payment of the civil penalty set forth above shall result in the denial of all of Pratt's export privileges for a period of one year from the date of imposition of the penalty.

3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Pratt hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in the proposed charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; (c) request any relief from the Order, if entered, including without limitation relief from

the terms of a denial order under 15 C.F.R. § 764.3(a)(2); and (d) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order and timely payment of the \$150,000 civil penalty, BIS will not initiate any further administrative proceeding against Pratt in connection with violations of the Act or the Regulations relating to the transactions specifically detailed in the voluntary self-disclosure and proposed charging letter.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.

6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on BIS only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

9. Each signatory affirms his authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE



Rick Shimon
Acting Director
Office of Export Enforcement

Date: MAY 26 2004

PRATT & WHITNEY



Dwayne Witter
Associate Council & Director,
Export/Import Compliance

Date: May 19, 2004

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

In the Matter of:)
)
Pratt & Whitney)
400 Main Street)
East Hartford, CT 06108)
)
Respondent.)
_____)

ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) has notified Pratt & Whitney (“Pratt”) of its intention to initiate an administrative proceeding against Pratt pursuant to Section 766.3 of the Export Administration Regulations¹ (“Regulations”) and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),² based on the proposed charging letter issued to Pratt that alleged that Pratt committed 42 violations of the Regulations. Specifically, the charges are:

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2004). The violations charged occurred in 1998 and 1999. The Regulations governing the violations at issue are found in the 1998 and 1999 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1998 - 1999)). The 2004 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 C.F.R., 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 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 7, 2003 (3 C.F.R., 2003 Comp. 328 (2004)), has continued the Regulations in effect under the IEEPA.

1. *10 Violations of 15 C.F.R. § 764.2(e) - Exporting Technical Data With Knowledge that a Violation of the Regulations Would Occur:* On 10 occasions from on or about August 1, 1998 through on or about July 22, 1999, Pratt exported technical data, items subject to the Regulations and classified under Export Control Classification Numbers (“ECCN”) 2E003 and 9E003, from the United States to Japan and Singapore, with knowledge that violations of the Regulations would occur. Pratt had previously obtained licenses from BIS for the export of the technical data to Japan and Singapore, as required by Section 742.4 of the Regulations, but had allowed such licenses to expire without renewal.
2. *17 Violation of 15 C.F.R. §764.2(a) -Exporting Technical Data Without the Required Licenses:* On 17 occasions from on or about August 1, 1998 through on or about September 11, 1999, Pratt engaged in conduct prohibited by or contrary to the Regulations by exporting technical data, items subject to the Regulations and classified under ECCNs 2E003 and 9E003, from the United States to various destinations, including the People’s Republic of China, Germany and Singapore, without licenses from BIS, as required by Section 742.4 of the Regulations.
3. *One Violation of 15 C.F.R. §764.2(e) - Deemed Export With Knowledge that a Violation of the Regulations was to Occur:* In or about August of 1998, Pratt exported technical data, items subject to the Regulations and classified under ECCNs 2E003 and 9E003, from the United States to Germany with knowledge that a violation of the Regulations was to occur. Pratt had previously obtained a

license from BIS for the export of the technical data to Germany, as required by Section 742.4 of the Regulations, but had allowed such license to expire without renewal. The technical data was released in the United States to a German national, and is deemed to be an export of the technical data to Germany under Section 734.2(b)(ii) of the Regulations.

4. *One Violation of 15 C.F.R. § 764.2(a) - Deemed Export Without the Required License:* In or about August of 1998, Pratt engaged in conduct prohibited by or contrary to the Regulations by exporting technical data, items subject to the Regulations and classified under ECCNs 2E003 and 9E003, from the United States to Germany without obtaining a license from BIS, as required by Section 742.4 of the Regulations. The technical data was released in the United States to a German national, and is deemed to be an export of the technical data to Germany under Section 734.2(b)(ii) of the Regulations.
5. *One Violation of 15 C.F.R. § 764.2(a) - Deemed Export Without the Required License:* In or about August of 1998, Pratt engaged in conduct prohibited by or contrary to the Regulations by exporting technical data, items subject to the Regulations and classified under ECCNs 2D001, 2D002, 2E003, 3D003 and 9E003, from the United States to the Netherlands without obtaining a license from BIS, as required by Section 742.4 of the Regulations. The technical data was released in the United States to a Dutch national, and is deemed to be an export of the technical data to the Netherlands under Section 734.2(b)(ii) of the Regulations.

6. *One Violation of 15 C.F.R. § 764.2(a) - Deemed Export Without the Required License:* In or about May of 1999, Pratt engaged in conduct prohibited by or contrary to the Regulations by exporting technical data, items subject to the Regulations and classified under ECCNs 2E003 and 9E003, from the United States to Spain without a license from BIS, as required by Section 742.4 of the Regulations. The technical data was released in the United States to a Spanish national, and is deemed to be an export of the technical data to Spain under Section 734.2(b)(ii) of the Regulations.
7. *11 Violations of 15 C.F.R. §764.2(I) - Failure to Comply with Recordkeeping Requirements:* With respect to 11 exports that occurred from on or about August 1, 1998, through on or about September 11, 1999, Pratt failed to comply with the recordkeeping requirements of the Regulations by failing to retain export control documents as defined in Part 772 of the Regulations, including bills of lading or air waybills, required in accordance with Section 762.2 of the Regulations.

BIS and Pratt having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$150,000 is assessed against Pratt, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

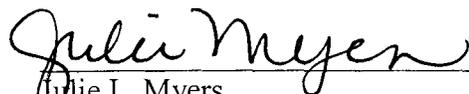
SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C.

§§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Pratt will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, or to be granted, to Pratt. Accordingly, if Pratt should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Pratt 's export privileges for a period of one year from the date of entry of this Order.

FOURTH, that the proposed charging letter, the Settlement Agreement, and this Order shall be made available to the public.

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


Julie L. Myers
Assistant Secretary of Commerce
for Export Enforcement

Entered this 24th day of June 2004.