

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

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Balli Group PLC )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
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Balli Aviation )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
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Balli Holdings )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
)  
Vahid Alaghband )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
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Hassan Alaghband )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )  
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Blue Sky One Ltd. )  
5 Stanhope Gate )  
London, UK )  
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Blue Sky Two Ltd. )  
5 Stanhope Gate )  
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Blue Sky Three Ltd )  
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London, UK )  
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Blue Sky Four Ltd )  
5 Stanhope Gate )  
London, UK )  
W1K 1AH )

Blue Sky Five Ltd.  
5 Stanhope Gate  
London, UK  
W1K 1AH

Blue Sky Six Ltd.  
5 Stanhope Gate  
London, UK  
W1K 1AH

Blue Airways  
8/3 D Angaght Street  
376009 Yerevan  
Armenia

Mahan Airways  
Mahan Tower  
No. 21, Azadegan St.  
M.A. Jenah Exp. Way  
Tehran, Iran

Respondents.

and

Blue Airways FZE  
a/k/a Blue Airways  
#G22 Dubai Airport Free Zone  
P.O. Box 393754 DAFZA  
Dubai, UAE

Blue Airways  
Riqqa Road  
Dubai 52404  
UAE

Related Persons.

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ORDER MAKING TEMPORARY DENIAL OF EXPORT PRIVILEGES  
APPLICABLE TO RELATED PERSONS

Pursuant to Section 766.23 of the Export Administration Regulations (“EAR” or “Regulations”), the Bureau of Industry and Security (“BIS”), U.S. Department of Commerce, through its Office of Export Enforcement (“OEE”), has requested that I make the Temporary Denial Order (“TDO”) that was issued against the above-named Respondents on March 17, 2008, and published in the *Federal Register* on March 21, 2008 (73 Fed.Reg. 15130), applicable to the following entities, as persons related to Respondent Blue Airways, of Yerevan, Armenia (hereinafter “Blue Airways of Armenia”):

Blue Airways FZE  
a/k/a Blue Airways  
#G22 Dubai Airport Free Zone  
P.O. Box 393754 DAFZA  
Dubai, United Arab Emirates  
(hereinafter “Blue Airways FZE UAE”)

Blue Airways  
Riqqa Road  
Dubai 52404  
United Arab Emirates  
(hereinafter “Blue Airways UAE”)

Section 766.23 of the Regulations provides that “[i]n order to prevent evasion, certain types of orders under this part may be made applicable not only to the respondent, but also to other persons then or thereafter related to the respondent by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business. Orders that may be made applicable to related persons include those that deny or affect export privileges, including temporary denial orders . . . .” 15 C.F.R. § 766.23(a).

The TDO was issued based on a showing, *inter alia*, that the Respondents knowingly engaged in conduct prohibited by the EAR by re-exporting three U.S. origin aircraft to Iran and were attempting to divert an additional three U.S. origin aircraft to Iran.

The TDO imposed is an order that may be made applicable to related persons pursuant to Section 766.23 upon evidence indicating that the person is related to one or more of the Respondents by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business, and that it is necessary to add this entity to the Order imposed against Respondents in order to avoid evasion of that Order.

BIS has presented evidence that Blue Airways FZE UAE and Blue Airways UAE, are related to Respondent Blue Airways of Armenia by ownership, control, position of responsibility, affiliation, or other connection in the conduct of trade or business. Pursuant to Section 766.23, related persons may be added to this TDO upon a finding by me, as the official authorized to issue such orders, that the TDO should be made applicable to the related persons in order to prevent evasion of the TDO. 15 C.F.R. Section 766.23(b).

BIS notified Blue Airways FZE UAE and Blue Airways UAE of its intent to take this action through letters dated June 4, 2008, in accordance with Sections 766.5(b) and 766.23 of the Regulations. BIS received a response dated June 17, 2008, asserting that Blue Airways FZE UAE and Blue Airways UAE are not owned or controlled by Blue Airways of Armenia. No supporting documentation or other evidence was provided to BIS, nor did the response deny any affiliation, position of responsibility or other connection in the conduct of trade or business with Blue Airways of Armenia.

It is my belief based on all the evidence presented in this matter that Blue Airways FZE UAE and Blue Airways UAE meet the requirements of Section 766.23 of the Regulations. Accordingly, I find that it is necessary to make the Order imposed against the above named Respondents applicable to Blue Airways FZE UAE and Blue Airways UAE in order to prevent the evasion of that Order.

**IT IS NOW THEREFORE ORDERED,**

*First*, that having been provided notice and opportunity for comment as provided in Section 766.23 of the Regulations, Blue Airways FZE, a/k/a Blue Airways, #G22 Dubai Airport Free Zone, P.O. Box 393754 DAFZA, Dubai, United Arab Emirates and Blue Airways, Riqqa Road, Dubai 52404, United Arab Emirates (each a “Related Person” and collectively the “Related Persons”), have been determined to be related to Respondent Blue Airways, 8/3 D Angaght Street, 376009, Yerevan, Armenia, by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services, and it has been deemed necessary to make the Order temporarily denying the export privileges of the Respondents applicable to these Related Persons in order to prevent evasion of the Order.

*Second*, that the denial of export privileges described in the Order against Respondents, which was published in the *Federal Register* on March 21, 2008 at 73 Fed. Reg. 15130, shall be made applicable to each Related Person, as follows:

- I. The Related Person, its successors or assigns, and when acting for or on behalf of the Related Person, its officers, representatives, agents, or employees (collectively, “Denied Person”) may not participate, directly or indirectly, in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as “item”) exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:
  - A. Applying for, obtaining, or using any license, License Exception, or export control document;
  - B. 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. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

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

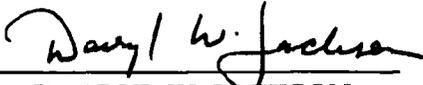
Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

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

*Fourth*, that in accordance with the provisions of Section 766.23(c) of the Regulations, the Related Persons may, at any time, make an appeal related to this Order by filing a full written statement in support of the appeal with the Office of the Administrative Law Judge, U.S. Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202-4022.

This Order shall be published in the *Federal Register* and a copy provided to each Related Person.

This Order is effective upon publication in the *Federal Register* and shall remain in effect until the expiration of the TDO on September 17, 2008, unless renewed in accordance with the Regulations.

  
DARRYL W. JACKSON  
Assistant Secretary of Commerce  
for Export Enforcement

Entered this 18<sup>th</sup> day of July, 2008.