

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

In the Matter of:

Comtech Xicom Technology, Inc.  
3550 Bassett Street  
Santa Clara, CA 95054

Respondent

ORDER RELATING TO  
COMTECH XICOM TECHNOLOGY, INC.

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has notified Comtech Xicom Technology, Inc., of Santa Clara, California (“COMTECH XICOM”), of its intention to initiate an administrative proceeding against COMTECH XICOM pursuant to Section 766.3 of the Export Administration Regulations (the “Regulations”),<sup>1</sup> through the issuance of a Proposed Charging Letter to COMTECH XICOM that alleges that COMTECH XICOM committed three violations of the Regulations.<sup>2</sup> Specifically, the charges are:

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<sup>1</sup> The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“the EAA”), which lapsed on August 21, 2001. The President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, including the Notice of August 8, 2018 (83 Fed. Reg. 39,871 (Aug. 13, 2018)), continued the Regulations in full force and effect under the International Emergency Economic Powers Act, 50 U.S.C. § 1701, et seq. (2012) (“IEEPA”). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

<sup>2</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2020). The charged violation occurred in 2015-2017. The Regulations governing the

### **Charges 1-3**

### **15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct**

1. On three occasions between on or about December 3, 2015 and March 30, 2017, COMTECH XICOM engaged in conduct prohibited by the Regulations when it exported items subject to the Regulations from the United States to Russia, the United Arab Emirates (“UAE”), and Brazil without the required BIS licenses and authorization. Specifically, COMTECH XICOM exported traveling wave tubes (TWTs), items classified under Export Control Classification Number (“ECCN”) 3A001.b and controlled for national security reasons, without seeking or obtaining the licenses or other authorization required for these exports to each of these countries, pursuant to Section 742.4 of the Regulations. The exports, described in more detail below, were valued in total at approximately \$153,945.

#### **Unlicensed Export to Russia**

2. On or about December 3, 2015, COMTECH XICOM exported a TWT valued at \$25,100 to a company in Russia, by way of a Latvian freight forwarder, without the required license or other authorization. COMTECH XICOM knew the TWT was destined to Russia at the time it left the United States, and had correctly identified the item as classified under ECCN 3A001. Despite this classification, when COMTECH XICOM staff asked a compliance official with the company at the time if the item required a license, the compliance official incorrectly stated that the TWT could be shipped without a license. COMTECH XICOM subsequently exported the TWT to Russia without the required license or other authorization.

#### **Unlicensed Export to the UAE**

3. On or about October 27, 2016, COMTECH XICOM exported four TWTs valued at \$105,600 to the UAE without the required license or other authorization. Once again, COMTECH XICOM had correctly identified the items as classified under ECCN 3A001. Despite this classification, when COMTECH XICOM staff pointed out the ECCN 3A001 classification and asked a compliance official with the company at the time if the item required an export license, the compliance official incorrectly told the staff person that the items could be shipped without a license. COMTECH XICOM subsequently exported the TWTs to the UAE without the required license or other authorization.

#### **Unlicensed Export to Brazil**

4. On or about March 30, 2017, COMTECH XICOM exported a TWT valued at \$23,245 to Brazil without the required license or other authorization. COMTECH XICOM knew the TWT was classified under ECCN 3A001. Despite this

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violations at issue are found in the 2015-2017 version of the Code of Federal Regulations, 15 C.F.R. Parts 730-774 (2015-2017). The 2020 Regulations set forth the procedures that apply to this matter.

classification, internal company emails show that when compliance staff tried to determine what license requirements applied to the item pursuant to the Regulations, they incorrectly determined that the item was controlled for anti-terrorism reasons only and did not require a license for export to Brazil. As stated above, and consistent with the other items identified above, the item was controlled for national security reasons and required a license for export to Brazil. COMTECH XICOM subsequently exported the TWT to Brazil without the required license or other authorization.

5. In engaging in conduct prohibited by or contrary to the Regulations, or refraining from engaging in conduct required by the Regulations, or any order, license or authorization issued thereunder, COMTECH XICOM committed three violations of Section 764.2(a) of the Regulations arising specifically from the export of a 3A001 TWT to Russia on or about December 3, 2015; the export of 3A001 TWTs to the UAE on or about October 27, 2016; and the export of a 3A001 TWT to Brazil on or about March 30, 2017, without the required licenses or other authorizations.

WHEREAS, BIS and COMTECH XICOM have 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

WHEREAS, I have approved of the terms of such Settlement Agreement;

IT IS THEREFORE ORDERED:

FIRST, COMTECH XICOM shall be assessed a civil penalty in the amount of \$122,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of this Order.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2012)), 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, COMTECH XICOM 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 full and timely payment of the civil penalty in accordance with the payment schedule 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 COMTECH XICOM. Accordingly, if COMTECH XICOM should fail to pay the civil penalty in a full and timely manner, the undersigned may issue an order denying all of COMTECH XICOM's export privileges under the Regulations for a period of one year from the date of failure to make such payment.

FOURTH, COMTECH XICOM shall not dispute or deny, directly or indirectly, the allegations contained in the Proposed Charging Letter or this Order or take any position contrary thereto in any public statement. The foregoing does not affect COMTECH XICOM's testimonial obligations in any administrative or judicial proceeding, nor does it affect its right to take legal or factual positions in civil litigation or other civil proceedings in which the U.S. Department of Commerce is not a party.

FIFTH, 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.

**KEVIN  
KURLAND**

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KEVIN KURLAND  
Date: 2021.03.18  
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Kevin Kurland  
Acting Deputy Assistant Secretary for  
Export Enforcement performing the non-  
exclusive functions and duties of the  
Assistant Secretary for Export Enforcement

Issued this 18th day of March, 2021.

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

In the Matter of:

Comtech Xicom Technology, Inc.  
3550 Bassett Street  
Santa Clara, CA 95054

Respondent

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Comtech Xicom Technology, Inc., of Santa Clara, California (“COMTECH XICOM”), and the Bureau of Industry and Security, U.S. Department of Commerce (“BIS”) (collectively, the “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (the “Regulations”).<sup>1</sup>

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<sup>1</sup> The Regulations originally issued under the Export Administration Act of 1979, as amended, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“the EAA”), which lapsed on August 21, 2001. The President, through Executive Order 13,222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, including the Notice of August 8, 2018 (83 Fed. Reg. 39,871 (Aug. 13, 2018)), continued the Regulations in full force and effect under the International Emergency Economic Powers Act, 50 U.S.C. § 1701, et seq. (2012) (“IEEPA”). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which includes the Export Control Reform Act of 2018, 50 U.S.C. §§ 4801-4852 (“ECRA”). While Section 1766 of ECRA repeals the provisions of the EAA (except for three sections which are inapplicable here), Section 1768 of ECRA provides, in pertinent part, that all rules and regulations that were made or issued

WHEREAS, BIS has notified COMTECH XICOM of its intentions to initiate an administrative proceeding against COMTECH XICOM, pursuant to the Regulations;<sup>2</sup>

WHEREAS, BIS has issued a Proposed Charging Letter to COMTECH XICOM that alleges that COMTECH XICOM committed three violations of the Regulations, specifically:

**Charges 1-3                      15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct**

1. On three occasions between on or about December 3, 2015 and March 30, 2017, COMTECH XICOM engaged in conduct prohibited by the Regulations when it exported items subject to the Regulations from the United States to Russia, the United Arab Emirates (“UAE”), and Brazil without the required BIS licenses and authorization. Specifically, COMTECH XICOM exported traveling wave tubes (TWTs), items classified under Export Control Classification Number (“ECCN”) 3A001.b and controlled for national security reasons, without seeking or obtaining the licenses or other authorization required for these exports to each of these countries, pursuant to Section 742.4 of the Regulations. The exports, described in more detail below, were valued in total at approximately \$153,945.

**Unlicensed Export to Russia**

2. On or about December 3, 2015, COMTECH XICOM exported a TWT valued at \$25,100 to a company in Russia, by way of a Latvian freight forwarder, without the required license or other authorization. COMTECH XICOM knew the TWT was destined to Russia at the time it left the United States, and had correctly identified the item as classified under ECCN 3A001. Despite this classification, when COMTECH XICOM staff asked a compliance official with the company at the time if the item required a license, the compliance official incorrectly stated that the TWT

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under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

<sup>2</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2020). The charged violation occurred in 2015-2017. The Regulations governing the violation at issue are found in the 2015-2017 versions of the Code of Federal Regulations, 15 C.F.R. Parts 730-774 (2015-2017). The 2020 Regulations set forth the procedures that apply to this matter.

could be shipped without a license. COMTECH XICOM subsequently exported the TWT to Russia without the required license or other authorization.

### **Unlicensed Export to the UAE**

3. On or about October 27, 2016, COMTECH XICOM exported four TWTs valued at \$105,600 to the UAE without the required license or other authorization. Once again, COMTECH XICOM had correctly identified the items as classified under ECCN 3A001. Despite this classification, when COMTECH XICOM staff pointed out the ECCN 3A001 classification and asked a compliance official with the company at the time if the item required an export license, the compliance official incorrectly told the staff person that the items could be shipped without a license. COMTECH XICOM subsequently exported the TWTs to the UAE without the required license or other authorization.

### **Unlicensed Export to Brazil**

4. On or about March 30, 2017, COMTECH XICOM exported a TWT valued at \$23,245 to Brazil without the required license or other authorization. COMTECH XICOM knew the TWT was classified under ECCN 3A001. Despite this classification, internal company emails show that when compliance staff tried to determine what license requirements applied to the item pursuant to the Regulations, they incorrectly determined that the item was controlled for anti-terrorism reasons only and did not require a license for export to Brazil. As stated above, and consistent with the other items identified above, the item was controlled for national security reasons and required a license for export to Brazil. COMTECH XICOM subsequently exported the TWT to Brazil without the required license or other authorization.
5. In engaging in conduct prohibited by or contrary to the Regulations, or refraining from engaging in conduct required by the Regulations, or any order, license or authorization issued thereunder, COMTECH XICOM committed three violations of Section 764.2(a) of the Regulations arising specifically from the export of a 3A001 TWT to Russia on or about December 3, 2015; the export of 3A001 TWTs to the UAE on or about October 27, 2016; and the export of a 3A001 TWT to Brazil on or about March 30, 2017, without the required licenses or other authorizations.

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

WHEREAS, COMTECH XICOM enters into this Agreement voluntarily and with full knowledge of its rights, after having consulted with counsel;

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

WHEREAS, COMTECH XICOM neither admits nor denies the allegations contained in the Proposed Charging Letter; and

WHEREAS, COMTECH XICOM agrees to be bound by the Order, if issued;

NOW THEREFORE, the Parties hereby agree, for purposes of this Settlement Agreement, as follows:

1. BIS has jurisdiction over COMTECH XICOM, under the Regulations, in connection with the matters alleged in the Proposed Charging Letter.

2. The following sanction shall be imposed against COMTECH XICOM:

- a. COMTECH XICOM shall be assessed a civil penalty in the amount of \$122,000, the payment of which shall be made to the U.S. Department of Commerce within 30 days of the date of the Order. Payment shall be made in the manner specified in the attached instructions.



b. The full and timely payment of the civil penalty agreed to in Paragraph 2.a, 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 COMTECH XICOM. Failure to make full and timely payment of the civil penalty may result in the denial of all of COMTECH XICOM's export privileges under the Regulations for one year from the date of the failure to make such payment.

3. Subject to the approval of this Agreement pursuant to Paragraph 8 hereof, COMTECH XICOM hereby waives all rights to further procedural steps in this matter (unless this Agreement—or the Order, if issued—is violated, which may result in further action as described in this Agreement), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in any charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if issued; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if issued.

4. COMTECH XICOM shall not dispute or deny, directly or indirectly, the allegations contained in the Proposed Charging Letter or the Order or take any position contrary thereto in any public statement. The foregoing does not affect COMTECH XICOM's testimonial obligations in any administrative or judicial proceeding, nor does it affect its right to take legal or factual positions in civil litigation or other civil proceedings in which the U.S. Department of Commerce is not a party.

5. BIS agrees that upon full and timely payment of the civil penalty as set forth in Paragraph 2.a above, BIS will not initiate any further administrative proceeding against COMTECH XICOM in connection with any violation of the Regulations arising out of the transactions specifically detailed in the Proposed Charging Letter.

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. This Agreement constitutes and contains the entire agreement and understanding among the parties, and the terms of this Agreement or the Order, if issued, may not be varied or otherwise altered or affected by any agreement, understanding, representation, or interpretation not contained in this Agreement; nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the U.S. Government with respect to the facts and circumstances addressed herein.

8. This Agreement shall become binding on the Parties only if the Assistant Secretary of Commerce for Export Enforcement approves it by issuing 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. BIS will make the Proposed Charging Letter, this Agreement, and the Order, if issued, available to the public.

10. Each signatory affirms that he/she has authority to enter into this Settlement Agreement and to bind his/her respective party to the terms and conditions set forth herein.

11. If any provision of this Settlement Agreement is found to be unlawful, only the specific provision in question shall be affected and the other provisions shall remain in full force and effect.

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

**DAN CLUTCH**

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John Sonderman  
Director of Export Enforcement

COMTECH XICOM TECHNOLOGY, INC.



Mark Schmeichel  
President

Date: \_\_\_\_\_

Date: 03-09-2021

Reviewed and approved by:



Giovanna M. Cinelli  
Morgan, Lewis & Bockius LLP  
Counsel for Comtech Xicom

Date: 03/10/2021

PROPOSED CHARGING LETTER

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Comtech Xicom Technology, Inc.  
3550 Bassett Street  
Santa Clara, CA 95054

*Attention: Mr. Mark Schmeichel  
President*

Dear Mr. Schmeichel:

The Bureau of Industry and Security, U.S. Department of Commerce (“BIS”), has reason to believe that Comtech Xicom Technology, Inc. (“COMTECH XICOM”) of Santa Clara, California, has violated the Export Administration Regulations (the “Regulations”).<sup>1</sup> Specifically, BIS alleges that COMTECH XICOM committed the following three violations:<sup>2</sup>

**Charges 1-3      15 C.F.R. § 764.2(a) – Engaging in Prohibited Conduct**

1. On three occasions between on or about December 3, 2015 and March 30, 2017, COMTECH XICOM engaged in conduct prohibited by the Regulations when it exported items subject to the Regulations from the United States to Russia, the United Arab Emirates (“UAE”), and Brazil without the required BIS licenses and authorization. Specifically, COMTECH XICOM exported traveling wave tubes (TWTs), items classified under Export Control Classification Number (“ECCN”) 3A001.b and controlled for national security reasons, without seeking or obtaining the licenses or other authorization required for these

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<sup>1</sup> The Regulations originally issued under the Export Administration Act of 1979, 50 U.S.C. §§ 4601-4623 (Supp. III 2015) (“EAA” or “the Act”). 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)), which was extended by successive Presidential Notices, continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701, et seq. (2018)) (“IEEPA”). On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. 115-232, which includes the Export Control Reform Act of 2018 (50 U.S.C. §§ 4801-4852 (2019)) (“ECRA”). Section 1768 of ECRA repealed the provisions of the EAA (except for three sections which are inapplicable here), and provides, in pertinent part, that all rules and regulations that were made or issued under the EAA, including as continued in effect pursuant to IEEPA, and were in effect as of ECRA’s date of enactment (August 13, 2018), shall continue in effect until modified, superseded, set aside, or revoked through action undertaken pursuant to the authority provided under ECRA.

<sup>2</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2020). The violations alleged occurred in 2015-2017. The Regulations governing the violations at issue are found in the 2015-2017 versions of the Code of Federal Regulations, 15 C.F.R. Parts 730-774 (2015-2017). The 2020 Regulations govern the procedural aspects of this case.

exports to each of these countries, pursuant to Section 742.4 of the Regulations. The exports, described in more detail below, were valued in total at approximately \$153,945.

### **Unlicensed Export to Russia**

2. On or about December 3, 2015, COMTECH XICOM exported a TWT valued at \$25,100 to a company in Russia, by way of a Latvian freight forwarder, without the required license or other authorization. COMTECH XICOM knew the TWT was destined to Russia at the time it left the United States, and had correctly identified the item as classified under ECCN 3A001. Despite this classification, when COMTECH XICOM staff asked a compliance official with the company at the time if the item required a license, the compliance official incorrectly stated that the TWT could be shipped without a license. COMTECH XICOM subsequently exported the TWT to Russia without the required license or other authorization.

### **Unlicensed Export to the UAE**

3. On or about October 27, 2016, COMTECH XICOM exported four TWTs valued at \$105,600 to the UAE without the required license or other authorization. Once again, COMTECH XICOM had correctly identified the items as classified under ECCN 3A001. Despite this classification, when COMTECH XICOM staff pointed out the ECCN 3A001 classification and asked a compliance official with the company at the time if the item required an export license, the compliance official incorrectly told the staff person that the items could be shipped without a license. COMTECH XICOM subsequently exported the TWTs to the UAE without the required license or other authorization.

### **Unlicensed Export to Brazil**

4. On or about March 30, 2017, COMTECH XICOM exported a TWT valued at \$23,245 to Brazil without the required license or other authorization. COMTECH XICOM knew the TWT was classified under ECCN 3A001. Despite this classification, internal company emails show that when compliance staff tried to determine what license requirements applied to the item pursuant to the Regulations, they incorrectly determined that the item was controlled for anti-terrorism reasons only and did not require a license for export to Brazil. As stated above, and consistent with the other items identified above, the item was controlled for national security reasons and required a license for export to Brazil. COMTECH XICOM subsequently exported the TWT to Brazil without the required license or other authorization.
5. In engaging in conduct prohibited by or contrary to the Regulations, or refraining from engaging in conduct required by the Regulations, or any order, license or authorization issued thereunder, COMTECH XICOM committed three violations of Section 764.2(a) of the Regulations arising specifically from the export of a 3A001 TWT to Russia on or about December 3, 2015; the export of 3A001 TWTs to the UAE on or about October 27, 2016; and the export of a 3A001 TWT to Brazil on or about March 30, 2017, without the required licenses or other authorizations.

\* \* \* \*

Accordingly, COMTECH XICOM is hereby notified that an administrative proceeding is instituted against it pursuant to Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions<sup>3</sup> including, but not limited to, any or all of the following:

- The maximum civil penalty allowed by law of up to the greater of \$311,562 per violation,<sup>4</sup> or twice the value of the transaction that is the basis of the violation;<sup>5</sup>
- Denial of export privileges;
- Exclusion from practice before BIS; and/or
- Any other liability, sanction, or penalty available under law.

If COMTECH XICOM 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. *See* 15 C.F.R. §§ 766.6 and 766.7. If COMTECH XICOM defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to COMTECH XICOM. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty for the charges in this letter.

COMTECH XICOM is further notified that it is entitled to an agency hearing on the record if it files a written demand for one with its answer. *See* 15 C.F.R. § 766.6. COMTECH XICOM is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. *See* 15 C.F.R. §§ 766.3(a) and 766.4.

The Regulations provide for settlement without a hearing. *See* 15 C.F.R. § 766.18. Should COMTECH XICOM have a proposal to settle this case, COMTECH XICOM should transmit it to the attorneys representing BIS named below.

COMTECH XICOM is further notified that under the Small Business Regulatory Enforcement Flexibility Act, Comtech Xicom may be eligible for assistance from the Office of the National

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<sup>3</sup> The alleged violations occurred prior to August 13, 2018, the date of enactment of ECRA. *See* note 1, *supra*. Consequently, the potential sanctions are provided for in IEEPA. In situations involving alleged violations that occurred on or after August 13, 2018, the potential sanctions are specified in Section 1760(c) of ECRA.

<sup>4</sup> *See* 15 C.F.R. §§ 6.3(b)(4) and 6.4. This amount is subject to annual increases pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Sec. 701 of Public Law 114-74, enacted on November 2, 2015. *See also* 86 Fed. Reg. 1,764 (Jan. 10, 2021) (Adjusting for inflation the maximum civil monetary penalty under IEEPA from \$307,922 to \$311,562, effective Jan. 15, 2021).

<sup>5</sup> *See* International Emergency Economic Powers Enhancement Act of 2007, Pub. L. No. 100-96, 121 Stat. 1011 (2007).

Ombudsman of the Small Business Administration in this matter. To determine eligibility and get more information, please see: <http://www.sba.gov/ombudsman/>.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, COMTECH XICOM'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, MD 21202-4022

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

Chief Counsel for Industry and Security  
Attention: Charles Wall  
Room H-3839  
14th Street and Constitution Avenue, NW  
Washington, DC 20230

Charles Wall is the attorney representing BIS in this case; any communications that COMTECH XICOM may wish to have concerning this matter should occur through him. Mr. Wall may be contacted by telephone at (202) 322-2587.

Sincerely,

John Sonderman  
Director  
Office of Export Enforcement