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UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Export Administration
Washington, D.C. 20230

1995-03-20

Certified Mail--Return Receipt Requested

S.R. Traffic Service, Inc.
902 Gale Street
Laredo, Texas 78041

Attention: Sergio E. Rivas-Lozano
Owner/Operator

Dear Mr. Rivas-Lozano:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described below, S.R. Traffic Services, Inc. has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 760-774 (1999)) (the Regulations). Issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the Act).¹

Facts constituting the violations:

Charges 1-C

On two separate occasions, on or about February 9, 1995 and on or about March 30, 1995, S.R. Traffic Services, Inc. acted on behalf of a foreign buyer, PPG Industries de Mexico, S.A. de C.V., to export U.S.-origin potassium fluoride from the United States to Mexico without the validated licenses that it knew were required by Section 772.1(b) of the former Regulations. BXA alleges that, by transporting, transferring or forwarding this U.S.-origin commodity with knowledge or reason to know that a violation of the Act, or any regulation, order, or license issued thereunder occurred, was about to occur, or was intended to occur in connection with the

¹ The alleged violations occurred in 1995. The regulations governing the violations at issue are found in the 1995 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1995)). Those regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to this matter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (64 Fed. Reg. 44101 (August 13, 1999)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).



transaction. S.R. Traffic Services, Inc. violated Section 787.4(a) of the former Regulations in connection with each of the two shipments referenced herein.

Accordingly, S.R. Traffic Services, Inc. is hereby notified that an administrative proceeding is instituted against it pursuant to Section 1310 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 \$10,000 per violation (see Section 764.3(a)(1) of the Regulations);

Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or

Exclusion from practice before BKA (see Section 764.3(a)(3) of the Regulations)

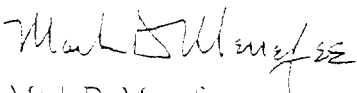
Copies of relevant Parts of the Regulations are enclosed.

If S.R. Traffic Services, Inc. fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, as required in Section 766.5 of the Regulations, that failure will be treated as a default under Section 766.7 of the Regulations.

S.R. Traffic Services, Inc. is further notified that it is entitled to an agency hearing on the record as provided by Section 1310 of the Act and Section 766.6 of the Regulations, if a written demand for one is filed with its answer. S.R. Traffic Services, Inc. is also entitled to be represented by counsel, and to seek a settlement of the charges.

Pursuant to an Interagency Agreement between BKA and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Accordingly, S.R. Traffic Services, Inc.'s answer should be filed with the U.S. Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202-4022, in accordance with the instructions in Section 766.5(b) of the Regulations. In addition, a copy of the answer should be served on BKA at the address set forth in Section 766.5(b), adding "ATTENTION: Lorie B. Whitaker, Esq." below the address. Ms. Whitaker may be contacted by telephone at (202) 482-5311.

Sincerely,



Mark D. Menefee

Director

Office of Export Enforcement

Enclosure

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:

S.R. Traffic Service, Inc.
902 Gale Street
Laredo, Texas 78041,

Docket No
00-BXA-02

Respondent

SETTLEMENT AGREEMENT

This Agreement is made by and between S.R. Traffic Service, Inc. and the Bureau of Export Administration, United States Department of Commerce, pursuant to Section 766.13(b) of the Export Administration Regulations (15 C.F.R. Parts 730-774 (1999)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the Act).²

¹ The alleged violations occurred in 1995. The regulations governing the violations at issue are found in the 1995 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1995)). Those regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to this matter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (3 C.F.R., 1999 Comp. 302 (2000)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).

WHEREAS, on February 9, 2000, the Office of Export Enforcement, Bureau of Export Administration (BXA), initiated an administrative proceeding against S.R. Traffic Service, Inc. pursuant to the Act and the Regulations by issuing a Charging Letter alleging that, on two separate occasions, on or about February 9, 1995 and on or about March 30, 1995, S.R. Traffic Service, Inc. acted on behalf of a foreign buyer, PPG Industries de Mexico, S.A. de C.V., to export U.S.-origin potassium fluoride from the United States to Mexico without the validated licenses that it knew were required by Section 772.1(b) of the former Regulations, in violation of Section 787.4(a) of the former Regulations;

WHEREAS, S.R. Traffic Service, Inc. received notice of issuance of the Charging Letter on February 15, 2000, pursuant to Section 766.3(b) of the Regulations;

WHEREAS, S.R. Traffic Service, Inc. has reviewed the 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; it fully understands the terms of this Settlement Agreement and the proposed Order; it enters into this Settlement Agreement voluntarily and with full knowledge of its rights, and it states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, S.R. Traffic Service, Inc. neither admits nor denies the allegations contained in the Charging Letter;

WHEREAS, S.R. Traffic Service, Inc. wishes to settle and dispose of all matters alleged in the Charging Letter by entering into this Settlement Agreement; and

WHEREAS, S.R. Traffic Service, Inc. agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered (appropriate Order);

NOW THEREFORE, S.R. Traffic Service, Inc. and BXA agree as follows:

1. BXA has jurisdiction over S.R. Traffic Service, Inc., under the Act and the Regulations, in connection with the matters alleged in the Charging Letter.

2. BXA and S.R. Traffic Service, Inc. agree that the following sanction shall be imposed against S.R. Traffic Service, Inc. in complete settlement of the alleged violations of the Act and the former Regulations set forth in the Charging Letter:

- a. S.R. Traffic Service, Inc. shall be assessed a civil penalty in the amount of \$10,000, which shall be paid within 30 days from the date of entry of the appropriate Order.
- b. As authorized by Section 11(d) of the Act, the timely payment of the civil penalty agreed to in paragraph 2a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to S.R. Traffic Service, Inc. Failure to make timely payment of the civil penalty set forth above

shall result in the denial of all of S.R. Traffic Service, Inc.'s export privileges for a period of one year from the date of entry of the appropriate Order imposing the civil penalty.

3. S.R. Traffic Service, Inc. agrees that, subject to the approval of this Settlement Agreement pursuant to paragraph 3 hereof, it hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Settlement Agreement or the appropriate Order, when entered), including, without limitation, any right (a) to an administrative hearing regarding the allegations in the Charging Letter; (b) to request a refund of any civil penalty paid pursuant to this Settlement Agreement and the appropriate Order, when entered; and (c) to seek judicial review or otherwise to contest the validity of this Settlement Agreement or the appropriate Order, when entered.

4. BXA agrees that, upon entry of an appropriate Order, it will deliver a copy of that Order to the United States Coast Guard ALJ Docketing Center, 40 South Gay Street, Baltimore, Maryland 21202-4022. The Order notifies that office that the case is withdrawn from adjudication, as provided by Section 766.18(b) of the Regulations.

5. S.R. Traffic Service, Inc. understands that BXA will make the Charging Letter, this Settlement Agreement, and the appropriate Order, when entered, available to the public.

6. BKA and S.R. Traffic Service, Inc. agree that this Settlement Agreement is for settlement purposes only. Therefore, if this Settlement Agreement is not accepted and an appropriate Order is not issued by the Assistant Secretary for Export Enforcement pursuant to Section 766.13 (b) of the Regulations, BKA and S.R. Traffic Service, Inc. agree that they may not use this Settlement Agreement in any administrative or judicial proceeding and that neither party shall be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.

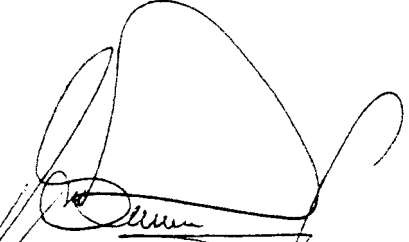
7. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate Order, when entered, nor shall this Settlement Agreement serve to bind, constrain, or otherwise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

3. This Settlement Agreement shall become binding on BKA only when the Assistant Secretary for Export Enforcement approves it by entering an appropriate Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

BUREAU OF EXPORT ADMINISTRATION
U.S. DEPARTMENT OF COMMERCE

S.R. Traffic Service, Inc.,

Karen Day
Karen Day
Chief Counsel
for Export Administration


Sergio E. Rivas-Lozano
Owner/Operator

Date: 26 July 2000

Date: 7-24-2000

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)	
S.R. Traffic Service, Inc.)	Docket No.
902 Gale Street)	00-BXA-02
Laredo, Texas 78041,)	
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Respondent		

ORDER

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), having initiated an administrative proceeding against S.R. Traffic Service, Inc. pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 2000)) (the Act),¹ and the Export Administration Regulations (15 C.F.R. Parts 730-774 (2000)) (the Regulations),² based on allegations that, on two separate occasions on or about February 9, 1995 and on or about March 30,

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (3 C.F.R., 1999 Comp. 302 (2000)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 2000)).

² The alleged violations occurred in 1995. The regulations governing the violations at issue are found in the 1995 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1995)). Those regulations define the violations that BXA alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations establish the procedures that apply to this matter.

1995, S.R. Traffic Service, Inc. acted on behalf of a foreign buyer, PPG Industries de Mexico, S.A. de C.V., to export U.S.-origin potassium fluoride from the United States to Mexico without the validated licenses that it knew were required by Section 772.1(b) of the former Regulations, in violation of Section 787.4(a) of the former Regulations; and

BXA and S.R. Traffic Service, Inc. having entered into a Settlement Agreement pursuant to Section 766.13(b) 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:

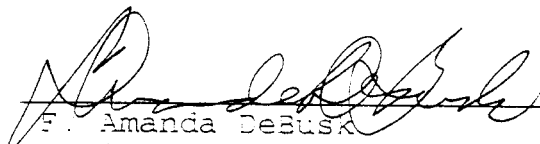
FIRST, that a civil penalty of \$10,000 is assessed against S.R. Traffic Service, Inc., which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 & Supp. 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, S.R. Traffic Service, Inc. will be assessed, in addition to interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that a copy of this Order shall be delivered to the United States Coast Guard ALJ Docketing Center, 140 South Gay Street, Baltimore, Maryland 21202-4022, notifying that office that the case is withdrawn from adjudication, as provided by Section 766.13(b) of the Regulations.

FOURTH, that the 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.


F. Amanda DeBusk
Assistant Secretary
for Export Enforcement

Entered this 11th day of Aug, 2000.

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

BUREAU OF
EXPORT
ADMINISTRATION

FOR IMMEDIATE RELEASE:

August 11, 2000

www.bxa.doc

Contact:

Steven Jacques

Eugene Cottilli

Phone:

(202) 482-2721

Fax:

(202) 482-2421

TEXAS FIRM SETTLES CHARGES OF EXPORT CONTROL VIOLATIONS

WASHINGTON -- Commerce Assistant Secretary for Export Enforcement F. **Amanda DeBusk** today announced a \$10,000 civil penalty imposed on Texas-based **S.R. Traffic Service** for **alleged** exports of U.S.-origin potassium **fluoride** from United States to **Mexico** without the proper licenses.

Potassium fluoride is controlled for export by multilateral agreement with the **30-nation** Australia Group of chemical producers because, in addition to its legitimate **commercial** uses, the chemical has the potential to **serve** as a precursor in a chemical weapons program.

The Department of Commerce, through its Bureau of Export Administration, administers and enforces export **controls** for *reasons* of national security, foreign policy, nonproliferation and short supply. Criminal penalties, as well as administrative sanctions, **can** be imposed for violations of the regulations.