

Bulletin No. TB 13-007

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Signature/Date:

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L Davies 8/5/13
T Moore 8/5/13

Subject: Lodestar Based Product Export Licensing

Background

Sonardyne has received several enquiries from Customers who have purchased Sonardyne Lodestar based products (currently Lodestar, SPRINT, Lodestar GyroCompatt and Lodestar GyroUSBL) about the requirement to have the product licensed by the US Department of Commerce. This document describes the US Department of Commerce licensing requirements for Lodestar based products.

Lodestar Licensing

The range of Sonardyne Lodestar based products all contain components which are licensed by the US Department of Commerce and are controlled under the EAR (Export Administration Regulations). Movement of products containing these items may require a Re-export license issued by the US Department of Commerce as detailed below. This process is initially carried out by Sonardyne when the product is purchased, but there is an ongoing requirement on our Customers to ensure that movements of the Lodestar product are at all times covered by an appropriate US Department of Commerce Re-export license.

Department of Commerce Re-export licenses are only valid for a period of 2 years from the date of issue.

Lodestar and Sprint

A Re-export license is required from the US Department of Commerce for these products. When Sonardyne sells these products, the Customer is required to complete an End User Undertaking which details how and where the Lodestar product is going to be used. This information is submitted as part of the documentation pack required for the US Department of Commerce Re-export license application.

Once the US Department of Commerce Re-export license has been issued, then the specific Lodestar product applicable to that license can only be used for the **specific applications** and in the **specific regions** detailed in the license. The license is also only valid for a **specific period** of time, after this time a new license needs to be applied for by the customer. Any deviations to the application or region of use would require that a new US Department of Commerce Re-export license be applied for.

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If the Lodestar product is used outside of the applications/regions detailed in the US Department of Commerce Re-export license then this could be deemed as a violation of the EAR and would be treated very seriously by the US authorities.

If Sonardyne are made aware of any situation by which the conditions of a US Department of Commerce Re-export license may have been breached, then Sonardyne has an obligation to report the potential infringement to the US Department of Commerce Office of Export Enforcement. This will also result in Sonardyne not being able to support the product (repair/install/commission) until the export infringement is resolved.

These products also require a UK export license for the initial export from the UK and subsequently will require an export license from any other country they are to be exported from.

Lodestar GyroUSBL and GyroCompatt

These products do not require a Re-export license from the Department of Commerce for all countries except those embargoed for US exports: Cuba, Iran, North Korea, Sudan and Syria.

These rules are not applicable to exports from the USA. If a Lodestar GyroUSBL or GyroCompatt is shipped to USA they become licensable under the EAR for any export from USA.

These products still require a UK export license for the initial export from the UK and subsequently will require an export license from any other country they are to be exported from.

If you have any questions regarding the license under which you purchased the Lodestar product from Sonardyne, please contact Louise Davies Louise.davies@sonardyne.com.