



REGISTERED MAIL - RETURN RECEIPT REQUESTED

El Salvador Networks, S.A.
Paseo General Escalon 6000
San Salvador, El Salvador

Attn: *Oscar Antonio Safie*
President

MAR 30 2001

Dear Mr. Safie:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS") has reason to believe that El Salvador Networks, S.A. (hereinafter, "Salnet"), of San Salvador, El Salvador, has committed one violation 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 Salnet committed the following violation:

Charge 1 15 C.F.R. §764.2(a) - Reexporting an item subject to the Regulations without a license.

In or around November 2001, Salnet engaged in conduct prohibited by the Regulations when it reexported telecommunications hardware and software manufactured by a U.S. company, items subject to the Regulations and classified under Export Control Classification Number 5A991 on the Commerce Control List, to Cuba without the license required by the U.S. Department of Commerce. Under Section 746.2 of the Regulations, a BIS license was required for this reexport, but no such license was obtained. In engaging in such prohibited conduct, Salnet committed one violation of Section 764.2(a) of the Regulations.

¹ The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2005). The violation charged occurred during 2001. The Regulations governing the violation at issue are found in the 2001 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001)). The 2005 Regulations establish the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401- 2420 (2000). 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 has been extended by successive Presidential Notices, the most recent being that of August 2, 2005 (70 Fed. Reg. 45273, August 5, 2005), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)).



Accordingly, Salnet 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

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Salnet 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 Salnet defaults, the Administrative Law Judge may find the charges alleged in this letter to be true without hearing or further notice to Salnet. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each charge in this letter.

Salnet 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. (Regulations, Section 766.6). Salnet 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 provides for settlement without a hearing. (Regulations, Section 766.18). Should Salnet have a proposal to settle this case, Salnet 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, Salnet'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

³ See 15 C.F.R. § 6.4(a)(4) (2005).

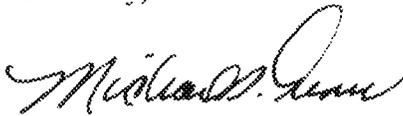
El Salvador Networks, S.A.
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In addition, a copy of Salnet's answer must be served on BIS at the following address:

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

Charles Wall is the attorney representing BIS in this case; any communications that Salnet may wish to have concerning this matter should occur through him. He may be contacted by telephone at (202) 482-5301.

Sincerely,



Michael D. Turner
Director
Office of Export Enforcement

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

.....)	
In the Matter of:)	
)	
El Salvador Networks, S.A.)	Docket No. 06-BIS-10
Paseo General Escalon 6000)	
San Salvador, El Salvador)	
)	
Respondent)	
.....)	

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between El Salvador Networks, S.A. (hereinafter, "Salnet") and the Bureau of Industry and Security, U.S. Department of Commerce ("BIS") (collectively referred to as "Parties"), pursuant to Section 766.18(b) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) ("Regulations"),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act"),²

WHEREAS, BIS has initiated an administrative proceeding against Salnet, pursuant to the Act and the Regulations;

¹ The charged violation occurred in 2001. The Regulations governing the violation at issue are found in the 2001 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001)). The 2006 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). Since August 21, 2001, the Act has been in lapse, and 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, the most recent being that of August 3, 2006 (71 Fed. Reg. 44,551, Aug. 7, 2006), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.

WHEREAS, BIS has issued a charging letter to Salnet that alleged that Salnet committed one violation of the Regulations, specifically:

Charge 1 15 C.F.R. §764.2(a) - Reexporting an item subject to the Regulations without a license:

In or around November 2001, Salnet engaged in conduct prohibited by the Regulations when it reexported telecommunications hardware and software manufactured by a U.S. company, items subject to the Regulations and classified under Export Control Classification Number 5A991 on the Commerce Control List, to Cuba without the license required by the U.S. Department of Commerce. Under Section 746.2 of the Regulations, a BIS license was required for this reexport, but no such license was obtained.

WHEREAS, Salnet has reviewed the charging letter and is aware of the allegation made against it and the administrative sanctions which could be imposed against it if the allegation is found to be true;

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

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

WHEREAS, Salnet neither admits nor denies the allegation contained in the charging letter;

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

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

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Salnet, under the Regulations, in connection with the matter alleged in the charging letter.

2. The following sanction shall be imposed against Salnet in complete settlement of the violation of the Regulations relating to the transaction specifically detailed in the charging letter:

- a. Salnet shall be assessed a civil penalty in the amount of \$6,000 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, permission, or privilege granted, or to be granted, to Salnet. Failure to make timely payment of the civil penalty set forth above may result in the denial of all of Salnet'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, Salnet 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 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 \$6,000 civil penalty, BIS will not initiate any further administrative proceeding against Salnet in connection with any violation of the Act or the Regulations arising out of the transaction identified in the charging letter.

5. BIS will make the charging letter, this Agreement, and the Order, if entered, and the record of the case as described in Section 766.20 of the Regulations available to the public.

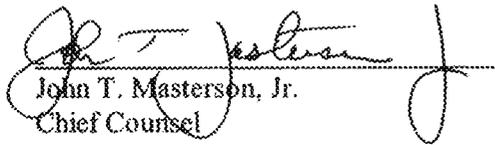
6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(b) of the Regulations, no Party may use this Agreement in any administrative or judicial 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 U.S. 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 that he has 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



John T. Masterson, Jr.
Chief Counsel

Date: 1/4/07

EL SALVADOR NETWORKS, S.A.



Oscar Antonio Cofie
President

Date: DEC - 8 - 2006

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

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In the Matter of:)
)
El Salvador Networks, S.A.) Docket No. 06-BIS-10
Pasco General Escalon 6000)
San Salvador, El Salvador)
)
Respondent)
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ORDER RELATING TO EL SALVADOR NETWORKS, S.A.

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS") has initiated an administrative proceeding against El Salvador Networks, S.A. (hereinafter, "Salnet"), pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2006)) ("Regulations"),¹ and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) ("Act"),² through issuance of a charging letter to Salnet that alleged that Salnet committed one violation of the Regulations. Specifically, the charge is:

¹ The charged violation occurred in 2001. The Regulations governing the violation at issue are found in the 2001 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2001)). The 2006 Regulations set forth the procedures that apply to this matter.

² 50 U.S.C. app. §§ 2401-2420 (2000). Since August 21, 2001, the Act has been in lapse, and 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, the most recent being that of August 3, 2006 (71 Fed. Reg. 44,551, Aug. 7, 2006), has continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706 (2000)). The Act and the Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.

**Charge 1 15 C.F.R. §764.2(a) - Reexporting an item subject to the Regulations
without a license**

In or around November 2001, Salnet engaged in conduct prohibited by the Regulations when it reexported telecommunications hardware and software manufactured by a U.S. company, items subject to the Regulations and classified under Export Control Classification Number 5A991 on the Commerce Control List, to Cuba without the license required by the U.S. Department of Commerce. Under Section 746.2 of the Regulations, a BIS license was required for this reexport, but no such license was obtained.

WHEREAS, BIS and Salnet have entered into a Settlement Agreement pursuant to Section 766.18(b) 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, that a civil penalty of \$6,000 is assessed against Salnet, 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, Salnet 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.

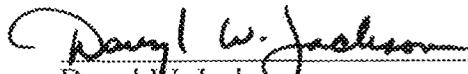
THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license

exception, permission, or privilege granted, or to be granted, to Salnet. Accordingly, if Salnet should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Salnet's export privileges for a period of one year from the date of entry of this Order.

FOURTH, that the charging letter, the Settlement Agreement, this Order, and the record of this case as defined by Section 766.20 of the Regulations shall be made available to the public.

FIFTH, that the administrative law judge shall be notified that this case is withdrawn from adjudication.

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


Darryl W. Jackson
Assistant Secretary of Commerce
for Export Enforcement

Entered this 9th day of January 2007.