


Memo

From: David W. Boston 
To: Kathy Derden
CC: Tasos Nicolakis, Nola Miller, Danny Baker, Janie Junge, Shelly Roberts, Kecia Andries, Jeff West, John Denson
File: 0750.007
Date: October 24, 2007
Re: Export Classification and Dual-Use Status of Owen Oil Tools LP Products

Export Classification. Export classification of Owen products has been an evolving process:

- In 1991, we wrote to the U.S. Department of Commerce's Bureau of Export Administration (BXA) and obtained commodity classifications for Owen products. At that time, BXA¹ advised the ECCN numbers to use for each Owen product.
- On June 15, 1996, the BXA "simplified" its Export Administration Regulations (EAR). Part of that "simplification" was to completely restructure the ECCN system, creating an entirely new numbering system. At that time, I reviewed our previous classifications and adjusted the ECCNs to the appropriate new numbers.
- On September 1, 1999, BXA revised export controls regarding controls on commercial charges and devices containing energetic materials. This was the result of a petition submitted to the BXA by the Institute of Makers of Explosives (IME). I was the chairman of the IME sub-committee that prepared that application and that worked very closely with BXA, Department of State, and Department of Defense to craft the newly expanded ECCN 1C992 to include most common commercial explosive devices. That ECCN remains largely the same today as it was when it was expanded in 1999. At that time, I reviewed our previous classifications and again adjusted the ECCNs to the appropriate new numbers.

The EAR requires that the exporter make the determination as to what ECCN applies to the commodities that it exports. Commodity classifications by the BXA are a voluntary process, available

¹ Now the Bureau of Industry and Security (BIS)

when the exporter is uncertain as to what the appropriate ECCN is. As noted, we obtained commodity classifications in 1991. We have not sought updated commodity classifications because the current system is clear and, since I contributed significantly to the development of the ECCN that controls the majority of our products, I believe I understand the system well enough and am qualified to make the determination for Owen Oil Tools. In instances where we have exported commodities of which I am unfamiliar, I have conferred with BIS staff and/or sought and obtained commodity classifications².

The ECCN classifications of Owen's products are as follows:

1. Non-EBW explosive devices: 1C992
2. EBW explosive devices: 3A232
3. Non-EBW Hardware: EAR99
4. EBW-related Hardware: 3A229
5. WellStim™ products EAR99

Dual-Use Status. The BIS defines³ dual-use commodities as those that "... have both commercial and military or proliferation applications". Owen Oil Tools products are commercial products designed exclusively for use in preparing and maintaining sub-surface oil and gas wells. They are not designed for or suitable for military or proliferation applications. It is my opinion that the Owen Oil Tools products listed above are not dual-use commodities.

Sincerely,



David W. Boston
President, Owen Compliance Services, Inc.

² For example, the Commodity Classification G047752 was obtained in 2006 for Owen's EPA software program

³ <http://www.bis.doc.gov/ExportLicensingQandA.htm>