

[Billing Code: 4710-25]

**DEPARTMENT OF STATE**

[Public Notice 7128]

**TITLE:** Bureau of Political-Military Affairs; Lifting of Policy of Denial regarding ITAR Regulated Activities of Xe Services LLC, formerly EP Investments, LLC (a/k/a Blackwater)

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given that the Department of State is lifting the policy of denial regarding Xe Services LLC, formerly EP Investments, LLC (a/k/a Blackwater) imposed on December 18, 2008 (73 Federal Register 77099) pursuant to section 38 of the Arms Export Control Act (AECA) (22 U.S.C. 2778) and section 126.7 of the International Traffic in Arms Regulations (ITAR).

**DATES:** *Effective Date:* August 17, 2010

**FOR FURTHER INFORMATION CONTACT:** Lisa V. Studtmann, Director, Office of Defense Trade Controls Compliance, Bureau of Political-Military Affairs, Department of State (202) 663-2980.

**SUPPLEMENTARY INFORMATION:** Section 126.7 of the ITAR provides that any application for an export license or other approval under the ITAR may be disapproved, and any license or other approval or exemption granted may be revoked, suspended, or amended without prior notice whenever, among other things, the Department of State believes that 22 U.S.C. 2778, any regulation contained in the ITAR, or the terms of any U.S. Government export authorization (including the terms of a manufacturing license or technical assistance agreement, or export authorization granted pursuant to the Export Administration Act, as amended) has been violated by any party to the export or other person having a significant interest in the transaction; or whenever the Department of State deems such action to be in furtherance of world peace, the national security or the foreign policy of the United States, or is otherwise advisable.

On December 2, 2008, the Department of State placed EP Investments, LLC, now Xe Services LLC (a/k/a Blackwater) (hereafter referred to as Xe), including its subsidiaries or associated companies, under a policy of denial to ensure that Xe is both capable of and willing to comply with the AECA and ITAR.

The Department of State has determined that Xe has taken appropriate steps to address the causes of its ITAR violations, identify compliance problems, and resolve alleged violations. Xe replaced senior management; established, in October 2008, an independent Export Compliance Committee to oversee its remedial compliance efforts; improved ITAR compliance procedures; conducted various ITAR training; and conducted a targeted ITAR audit to confirm the effectiveness of its compliance measures. Xe entered into a civil settlement with the Department to resolve outstanding violations, institute external compliance oversight, and continue and improve compliance measures.

Therefore, the Department rescinds its denial policy against Xe and its subsidiaries and associated companies, effective August 17, 2010.

August 18, 2010

Dated \_\_\_\_\_

Andrew J. Shapiro  
Assistant Secretary, Bureau of  
Political-Military Affairs  
Department of State

[FR Doc. 2010-21174 Filed  
08/24/2010 at 8:45 am; Publication Date:  
08/25/2010]