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BUREAU OF INDUSTRY AND SECURITY
Office of Congressional and Public Affairs
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TEMPORARY DENIAL ORDER ISSUED FOR ILLEGAL EXPORT OF SATELLITE, ROCKET AND DEFENSE TECHNOLOGY TO CHINA

WASHINGTON, D.C. – Today, Matthew S. Axelrod, Assistant Secretary for Export Enforcement at the U.S. Commerce Department's Bureau of Industry and Security (BIS), issued a Temporary Denial Order (TDO) suspending the export privileges of three U.S.-based companies, Quicksilver Manufacturing Inc., Rapid Cut LLC, and U.S. Prototype Inc., for 180 days for the unauthorized export to China of technical drawings and blueprints used to 3-D print satellite, rocket, and defense-related prototypes. This type of information is subject to strict U.S. export controls due to its sensitivity and importance to U.S. national security. The TDO is available online here.

"Outsourcing 3-D printing of space and defense prototypes to China harms U.S. national security," **said Assistant Secretary of Commerce for Export Enforcement Matthew S. Axelrod.** "By sending their customers' technical drawings and blueprints to China, these companies may have saved a few bucks—but they did so at the collective expense of protecting U.S. military technology."

TDOs are some of the most significant civil sanctions BIS can issue, cutting off not only the right to export items subject to the EAR from the U.S., but also to receive or participate in exports from the United States or reexports of items subject to the EAR. The Assistant Secretary's order denies Quicksilver Manufacturing Inc., Rapid Cut LLC, and U.S. Prototype Inc. all of the export privileges described in part 764 of the Export Administration Regulations (EAR), which include (but are not limited to) applying for, obtaining, or using any license, license exception, or export control document, or engaging in or benefitting from such transactions, in order to prevent imminent violations of the EAR. The order was issued for a renewable 180-day period and cuts off not only the companies' ability to export from the United States, but also their ability to receive or participate in exports from the United States.

As described in the TDO, Quicksilver Manufacturing Inc., Rapid Cut LLC, and U.S. Prototype Inc., collectively utilizing the same rental mailbox, received export-controlled drawings from their domestic customers to 3-D-print requested items. Without their customers' advance consent or knowledge, these drawings were provided to manufacturers in China to 3-D-print the items without the required U.S. Government authorizations. The items were then imported into the United States to be provided to the ordering customers.

The information illegally sent to China included sensitive prototype space and defense technologies. This matter remains under investigation and customers of Quicksilver Manufacturing Inc., Rapid Cut LLC, and U.S. Prototype Inc. are encouraged to review their records to determine whether intellectual-property or export-controlled technology was provided and/or potentially compromised. As set forth in the TDO, U.S. customers are also advised that they are prohibited from taking any action that facilitates Quicksilver Manufacturing Inc., Rapid Cut LLC, or U.S. Prototype Inc. taking possession or control of items subject to the EAR that are intended for export.

Parties that suspect an export control violation has taken place are encouraged to e-mail: EELead@bis.doc.gov or call the Enforcement Hotline at 800-424-2980.

These BIS actions were taken under the authority of the Export Control Reform Act of 2018 and its implementing regulations, the Export Administration Regulations (EAR).

BIS controls exports and reexports of dual-use commodities, technology and software for reasons of national security, missile technology, nuclear non-proliferation, chemical and biological non-proliferation, crime control and regional stability. Criminal and administrative sanctions can be imposed for violations of the EAR. For more information, please visit: https://www.bis.doc.gov/index.php/enforcement.

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