

February 2, 2010

CN Number: Addendum to CN 1001

Re: Revised DDTC Guidance — The Reexport and Retransfer of RTSX-SU FPGAs

Exported by Actel under the EAR are NOT Subject to the ITAR

Dear Valued Customer,

On January 22, 2010, I published a letter notifying Actel customers that the U.S. Directorate of Defense Trade Controls (DDTC) determined on January 19, 2010, that Actel's RTSX-SU FPGAs are subject to the licensing jurisdiction of the U.S. Department of State under the U.S. International Traffic in Arms Regulations (ITAR). I indicated that, as a result of this determination, RTSX-SU FPGAs are now controlled under the ITAR and that the written approval of the DDTC must now be obtained before the reexport or retransfer of RTSX-SU FPGAs from one country to another country, from one end user to another end user, or for a different end use.

While RTSX-SU FPGAs are still controlled under the ITAR, the DDTC has reversed its previous guidance with respect to reexports and retransfers. The DDTC's current position is that RTSX-SU FPGAs exported by Actel under the U.S. Export Administration Regulations (EAR) are not subject to the ITAR, but rather continue to be subject to the EAR. Accordingly, the written approval of the DDTC is NOT required before the reexport or retransfer of RTSX-SU FPGAs that were exported by Actel under the EAR (*i.e.*, before September 25, 2009).

In addition, it is now unnecessary for Actel or anyone else to submit General Correspondence to the DDTC regarding RTSX-SU FPGAs exported by Actel under the EAR for the purpose establishing a "baseline" for determining when a reexport or retransfer would occur under the ITAR. A "baseline" is no longer necessary because the written approval of the DDTC is not required before the reexport or retransfer of RTSX-SU FPGAs that were exported by Actel under the EAR.



RTSX-SU FPGAs were on the Commerce Control List (ECCN 3A001 a.2.c) before January 19, 2010, so any reexport of RTSX-SU FPGAs must either qualify for a license exception under part 740 of the EAR or be licensed by the U.S. Department of Commerce's Bureau of Industry and Security (BIS). This is unchanged from the requirements in place before January 19, 2010, when RTSX-SU FPGAs were determined to be ITAR-controlled. Under the EAR, a "reexport" is the shipment or transmission of an item subject to the EAR from one foreign country (i.e., a country other than the United States) to another foreign country.

RTSX-SU FPGAs that are exported from the United States after January 19, 2010, are subject to the licensing jurisdiction of the U.S. Department of State under the ITAR. This includes RTSX-SU FPGAs that are exported by Actel as one-to-one replacements for RTSX-SU FPGAs that were originally exported by Actel under the EAR.

This revised DDTC guidance is obviously good news for Actel and its customers in foreign countries. The DDTC appears to have concluded that it is unfair to require customers in foreign countries who did not receive an ITAR destination control statement at the time of export to retroactively control RTSX-SU FPGAs.

The DDTC plans to publish, during the next couple of weeks, a Web Notice addressing compliance issues raised by commodities, such as Actel's RTSX-SU FPGAs, that were initially determined by the DDTC to be subject to the EAR but were subsequently determined by the DDTC to be subject to the ITAR. I will notify you if the Web Notice contains any additional guidance.

Please call me at (650) 318-4429 if you have any questions.

Sincerely yours,

David L. Van De Hey

Vice President & General Counsel ITAR Empowered Official Actel Corporation