

On Tuesday, March 14, PBS ran a story alleging that Haas Automation has directly provided machines and parts to Russia in violation of U.S. export control and sanctions regulations. That story is simply false, both in its overall impression and in many of its particular statements.

Key Points:

- Haas is and has always been in full compliance with U.S. Government export control
- No machines have shipped from the Haas factory to Russia since March 3, 2022
- The 18 machines referenced in the story left the Haas factory prior to the Russian invasion of Ukraine
- Haas voluntarily chose to terminate its relationship with the Russian distributor, which has never been required by any U.S. sanctions
- Haas completely supports Ukraine and its people in their defense against Russia

As you may know, Haas Automation, like many U.S. companies, does not sell its machines directly to any end-user customers, in Russia or anywhere else. Instead, it sells machines to independent distributors, who in turn sell them to their customers. Haas follows this business model worldwide, both in the U.S. and in the more than 50 countries in which it has distributors.

While Haas' distributors are independent companies that are not owned or controlled by Haas Automation, all Haas distributors, including Abamet Management, its then sole existing independent distributor for Russia and Belarus, are contractually required to comply with all applicable U.S. export control and sanctions regulations. In addition, Haas has, for decades, implemented a comprehensive export and sanctions compliance program that provides additional screening and other checks to help ensure all machines or other items sold by Haas are only exported, re-exported, or transferred in full compliance with U.S. law, including ensuring the machines are only provided to permissible end customers, and only for permissible end-uses.

On March 3, 2022, shortly after the Russian invasion of Ukraine, Haas Automation terminated, in its entirety, its relationship with its sole existing independent distributor for Russia and Belarus, Abamet Management. Since that date, Haas has not sold or shipped any machines, parts, or software to Abamet or anyone else in Russia. This crucial fact was made clear to the PBS reporter before the story was aired.

Additionally, at the time it terminated its relationship with Abamet in March, Haas voluntarily cancelled 50 existing machine orders from Abamet, even though such orders may have been permissible under then existing U.S. export control and sanctions regulations.



The PBS report acknowledges that Haas terminated its relationship with Abamet in March of 2022, but claims that customs records "put that account into doubt." The report claims that "at least 18 shipments were made to Russia directly from Haas worth \$2.8 million from March 4 though October of last year." This is a complete falsehood, as Haas made no direct or indirect sales or shipments to Russia after March 3, 2022.

It's important to note, however, that Haas' sales to Abamet were made such that Abamet took physical possession and title to the goods when they were picked up by Abamet from Haas' factory in Oxnard, California. Thus, at the time Haas terminated its relationship with Abamet, Abamet had possession, title, and control over a number of machines and spare parts it had acquired from Haas prior to Russia's invasion of Ukraine. While Haas did not have physical control over such products, all of the products were subject to Abamet's certification to Haas that it would not export any Haas products in violation of applicable U.S. export control and sanctions laws, and Haas is certainly not aware of any instances where it did so.

Simply put, if any shipments of Haas manufactured machines or components occurred after March 3, 2022, such shipments were made, unbeknownst to Haas, by Abamet or one of Haas' numerous other customers around the world. Any such shipments would have been made in direct contravention of express Haas policy with regard to Russia following its February 2022 invasion of Ukraine.

To be clear, Haas has unequivocally, and in many cases voluntarily, ceased doing business with Russian companies on all fronts. In addition to terminating its relationship with Abamet and prohibiting exports or re-exports of Haas products to Russia, Haas terminated, at a cost to itself of millions of dollars, a Russian company's sponsorship of the Haas Formula 1 racing team.

As many of you know, Haas has been manufacturing machines for more than 30 years, and there are more than 200,000 Haas machines currently in use throughout the world. Throughout that period, Haas has been a strict adherent to all U.S. export control and sanctions regulations, and an even stronger supporter of the U.S. policy goals many of those regulations are designed to address.

In particular, Haas, as a company, has deplored Russia's invasion of Ukraine, and taken every step in its control to cease doing business with Russia or Russian companies. It has also taken affirmative measures to support Ukraine, including, in compliance with U.S. export control and sanctions regulations, providing Haas' distributor in Ukraine and its Ukrainian customers expedited delivery of Haas manufactured machines. These, and earlier provided Haas machines, are directly and indirectly supporting Ukraine's efforts to defend itself against Russia's unwarranted invasion.



It is a bitter irony, therefore, that the PBS report paints Haas as being supportive of the Russian military, which couldn't be further from the truth. At a time when Americans are struggling to develop the most effective course of conduct in support of Ukraine, it is irresponsible in the extreme for PBS to present this poorly-sourced hit piece, which ignores basic facts and asserts other facts that are clearly false.