



U.S. Dual-Use Export Controls for the Aerospace Industry

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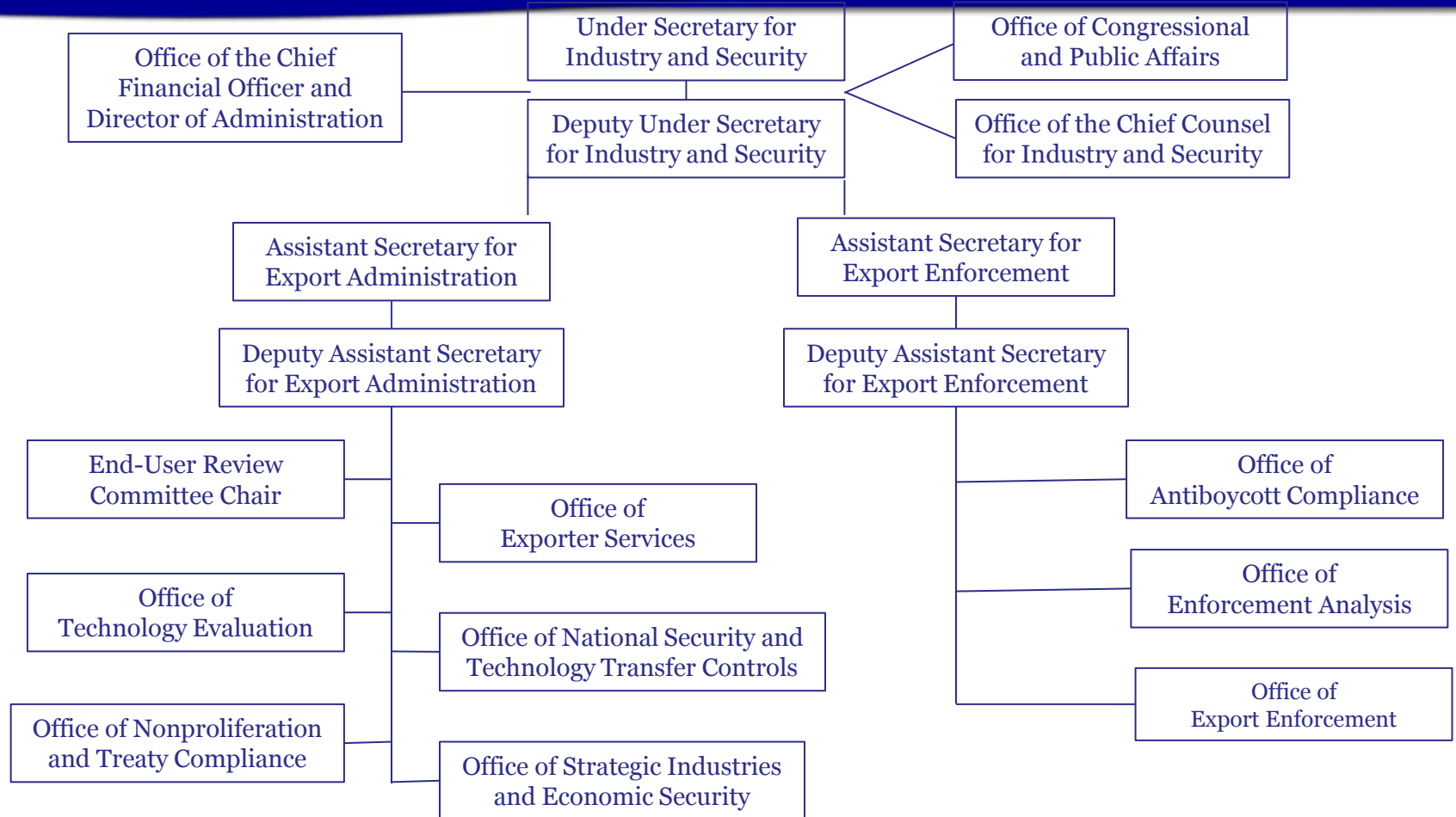
Overview

- Who we are
- Four questions to ask before exporting:
 - What are you exporting?
 - Where are you exporting?
 - New Country Considerations
 - Catch-all Controls
 - Who will receive your item?
 - What will be the end-use of your item?
- Reexport controls
- BIS licensing process
 - Who, What, When and How?
- Update on Export Control Reform



Who We Are

U.S. Department of Commerce, Bureau of Industry and Security





What Are You Exporting?

Licensing Jurisdiction
and
Commodity Classification



Three Main Regulatory Agencies

- U.S. Department of Commerce
 - Controls “dual-use” items and certain munitions items that were previously controlled by the U.S. Department of State
- U.S. Department of State
 - Controls “defense articles” and “defense services”
- U.S. Department of the Treasury
 - Administers economic and trade sanctions



Department of Commerce and Department of State Regulations

- U.S. Department of Commerce,
Bureau of Industry and Security (BIS)
 - Administers the Export Administration Regulations (EAR)
 - Items described on the Commerce Control List (CCL), Part 774 of the EAR
- U.S. Department of State,
Directorate of Defense Trade Controls (DDTC)
 - Administers the International Traffic in Arms Regulations (ITAR)
 - “Defense articles” and “defense services” described on the United States Munitions List (USML), Part 121 of the ITAR



STEP 1: Establishing Licensing Jurisdiction

- Is my item subject to the ITAR?
 - Review the relevant USML categories
 - If not listed or otherwise identified, your item is not subject to the ITAR
- What if I have a prior ITAR CJ determination?
 - If the item has moved from the USML to the CCL, the CJ is superseded
 - No need for an additional CJ unless there is doubt



STEP 2: Commodity Classification

- A commodity's classification, together with the destination, determines:
 - Whether a license is required
 - What License Exception(s) may be available
- PROPER CLASSIFICATION ON THE CCL IS ESSENTIAL!



Classifying an Item on the CCL

- Export Control Classification Numbers (ECCNs)
- Each ECCN provides:
 - A description of the technical parameters of a particular item or type of item
 - The control(s) associated with the item
 - Any list-based License Exception(s) for which the item is eligible



CCL Construct: ECCN 9A001

- The CCL is divided into ten broad categories:
 - 0 = Nuclear materials, facilities, and equipment (and miscellaneous items)
 - 1 = Materials, Chemicals, Microorganisms and Toxins
 - 2 = Materials Processing
 - 3 = Electronics
 - 4 = Computers
 - 5 = Telecommunications and Information Security
 - 6 = Sensors and Lasers
 - 7 = Navigation and Avionics
 - 8 = Marine
 - 9 = Aerospace and Propulsion



CCL Construct: ECCN 9A001

- Each category is further subdivided into five product groups:
 - A. Systems, Equipment and Components
 - B. Test, Inspection and Production Equipment
 - C. Material
 - D. Software
 - E. Technology



CCL Construct: ECCN 9A001

- The next digit identifies the type of control associated with the items contained in the entry:
 - 0*: National Security controls for items on the Wassenaar Arrangement Dual-Use and Munitions Lists and Items on the Nuclear Suppliers Group Dual-Use Annex and Trigger List
 - 1*: Missile Technology controls
 - 2*: Nuclear Nonproliferation controls
 - 3*: Chemical & Biological Weapons controls
 - 5*: Civil Spacecraft transferred from the USML to the CCL
 - 6*: Items transferred from the USML to the CCL
 - 9*: Non-regime and unilateral controls (Anti-terrorism, Crime Control, Regional Stability, Short Supply, UN Sanctions, etc.)



“Specially Designed”

- A new definition of “specially designed” was crafted to provide objective criteria that government agencies, industry, and organizations can apply with minimal interpretation error
- Two paragraph “catch-and-release” construct:
 - Paragraph (a):
 - Broad in scope to “catch” all items that may warrant being controlled as “specially designed”
 - Paragraph (b):
 - Lists 6 exceptions that “release” items caught in Paragraph (a)
- This construct requires answering a series of yes/no questions that lead to an objective determination whether an item is “specially designed”



Help with “Specially Designed”

- Webinars to assist in determining whether your item is “specially designed”
 - Go to WWW.BIS.DOC.GOV
 - Click on “Export Control Reform”
 - Scroll down to select various webinars on “Specially Designed”
- Web-based interactive decision tree tool to assist in determining whether your item is “specially designed”
 - Go to WWW.BIS.DOC.GOV
 - Click on “Exporter Portal”
 - Click on “Decision Tree Tools”
 - Click on “Specially Designed”



600 Series ECCN Framework

9A610

**CCL
Category**

0-9

**Product
Group
A-E**

**Last two
characters
will
generally
track the
WAML**

**“600 series” derives its
name from the 3rd
character of the ECCN**

Former USML items (and -018 items) listed in the “Items” paragraph.

Order of review:

- **.a - .w**: specifically enumerated end items, materials, parts, components, accessories, and attachments
 - Some items may be “specially designed”
- **.y**: specifically described commodities (primarily parts, components, accessories, and attachments) that are “specially designed”
- **.x**: “specially designed” parts, components, accessories, and attachments that are not specifically enumerated



9x515 ECCN Framework

9A515

**CCL
Category**

0-9

**Product
Group**

A-E

**Last two
characters
reference
USML Cat
XV**

**“5” is used to distinguish from
600 series and dual-use items
not previously in USML Cat
XV**

- **.a - .w**: specifically enumerated end items, materials, parts, components, accessories, and attachments
 - Some items may be “specially designed”
- **.x**: “specially designed” parts, components, accessories, and attachments that are not specifically enumerated
- **.y**: items that would otherwise be within scope of 9A515.x but that have been identified in interagency-cleared Commodity Classifications (§748.3(e))
 - Currently one type of item listed in 9A515.y



600 Series CCL Excerpt

9A610 Military aircraft and related commodities, other than those enumerated in 9A991.a (see List of Items Controlled)

License Requirements

Reason for Control: NS, RS, MT, AT, UN

Control(s)	Country Chart (See Supp. No. 1 to part 738)
NS applies to entire entry except 9A610.u, .v, .w, and .y	NS Column 1
RS applies to entire entry except 9A610.y	RS Column 1
MT applies to 9A610.u, .v, and .w	MT Column 1
AT applies to entire entry	AT Column 1
UN applies to entire entry except 9A610.y	See §746.1(b) for UN controls

.a - .x items controlled to all countries except Canada

.y items controlled to Country Groups E:1 or E:2, China, Russia, and Venezuela

List Based License Exceptions (See Part 740 for a description of all license exceptions)

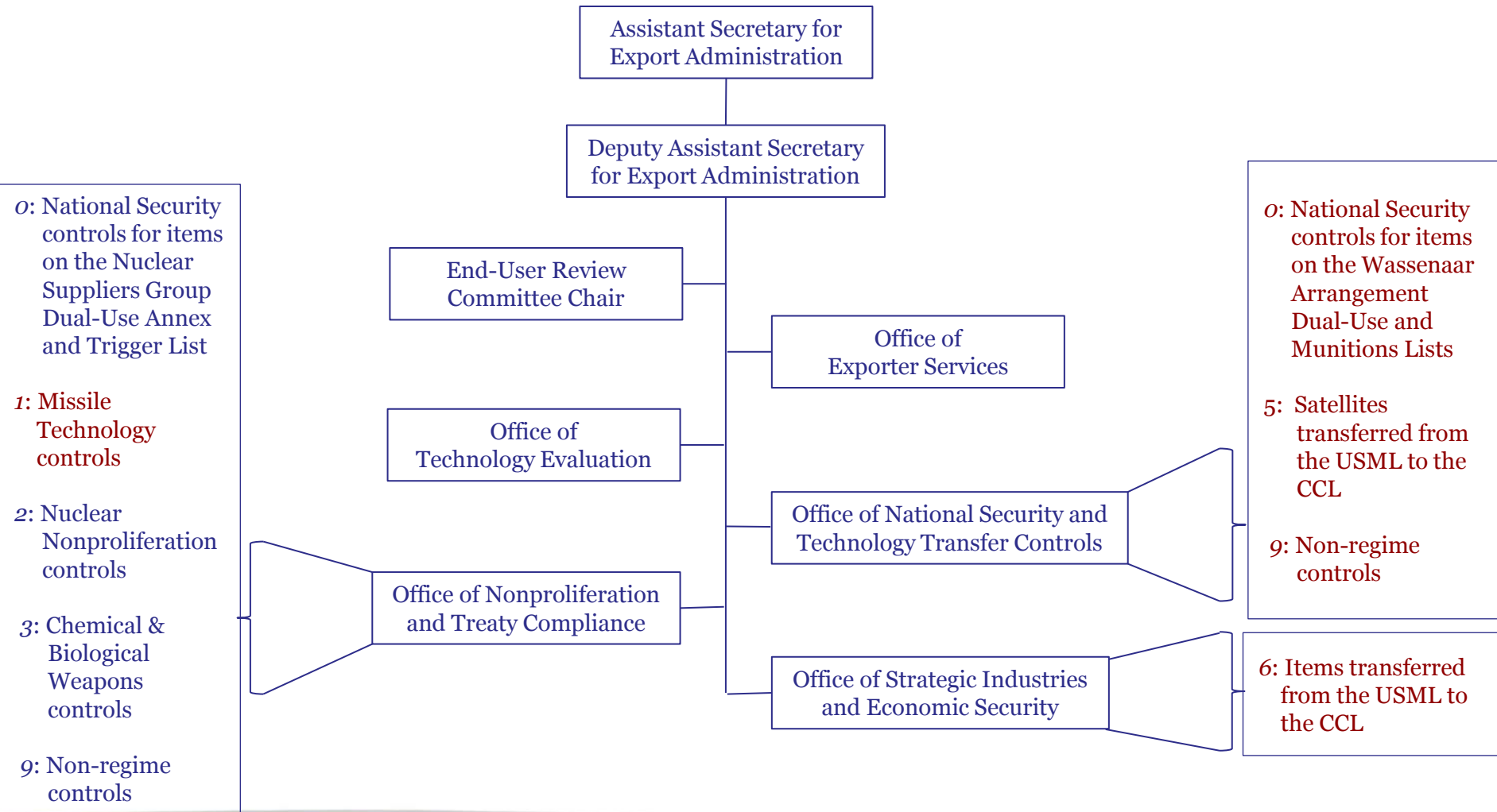
- LVS: \$1500
- GBS: N/A
- CIV: N/A

Special Conditions for STA

STA: (1) Paragraph (c)(1) of License Exception STA (§740.20(c)(1) of the EAR) may not be used for any item in 9A610.a (i.e., “end item” military aircraft), unless determined by BIS to be eligible for License Exception STA in accordance with §740.20(g) (License Exception STA eligibility requests for “600 series” end items). (2) Paragraph (c)(2) of License Exception STA (§740.20(c)(2) of the EAR) may not be used for any item in 9A610.



Office Responsibilities According to Controls





“EAR99”

- If the item does not fit within the technical parameters of any ECCN on the CCL, it is designated “EAR99”.
- EAR99 items generally consist of low-technology consumer goods and do not require a license in most situations . . .
Look out for end-user and end-use controls!



Commodity Classification Process

- Commodity Classification options:
 - Classify the item on your own
 - Check with the item’s manufacturer or exporter
 - Submit a classification request to BIS
- Anyone can submit a Commodity Classification Request (*e.g.*, manufacturer, distributor, exporter, etc.)
 - Go to WWW.BIS.DOC.GOV
 - Click on “Exporter Portal”
 - Click on “Export Control Basics”
 - Click on “How to Request an Export Control Classification Number (ECCN)”
- Submitted and issued electronically via the Simplified Network Application Process Redesign (SNAP-R) on the BIS website
 - Registration to use SNAP-R, at no charge, is required prior to submission



Help with CCL Order of Review

- Web-based interactive decision tree tool to assist in identifying the steps to follow when classifying items on the CCL
- Go to WWW.BIS.DOC.GOV
 - Click on “Exporter Portal”
 - Click on “Decision Tree Tools”
 - Click on “CCL Order of Review”



Where Are You Exporting?

Reasons for Control,
Commerce Country Chart
and
License Exceptions



Reason(s) for Control

Each ECCN indicates the reason(s) the item is controlled

Regime/Convention-based

CB: Chemical &
Biological Weapons
CW: Chemical Weapons
Convention
EI: Encryption Item
FC: Firearms Convention
NP: Nuclear
Nonproliferation
NS: National Security
MT: Missile Technology
UN: United Nations

Unilateral

AT: Anti-Terrorism
CC: Crime Control
RS: Regional Stability



Commerce Country Chart

Supplement No. 1 to EAR Part 738

Commerce Country Chart

Reason for Control

Countries	Reason for Control															
	Chemical & Biological Weapons			Nuclear Nonproliferation		National Security		Miscellaneous Tech	Regional Stability		Firearms Conventions	Crime Control			Anti-Terrorism	
	CB 1	CB 2	CB 3	NP 1	NP 2	NS 1	NS 2	MT 1	RS 1	RS 2	FC 1	CC 1	CC 2	CC 3	AT 1	AT 2
Togo	X	X		X		X	X	X	X	X		X		X		
Tonga	X	X		X		X	X	X	X	X		X		X		
Trinidad & Tobago	X	X		X		X	X	X	X	X	X	X		X		
Tunisia	X	X		X		X	X	X	X	X		X		X		
Turkey ³	X					X		X	X							
Turkmenistan	X	X	X	X		X	X	X	X	X		X	X			
Tuvalu	X	X		X		X	X	X	X	X		X		X		
Uganda	X	X		X		X	X	X	X	X		X		X		
Ukraine ⁸	X					X	X	X	X	X		X	X			
United Arab Emirates	X	X	X	X		X	X	X	X	X		X		X		
United Kingdom ³	X					X		X	X							



License Exceptions

- A License Exception is an authorization to export or reexport, under stated conditions, items subject to the EAR that would otherwise require a license.
- Two types of License Exceptions:
 - List driven
 - Transaction driven
- See EAR Part 740 for all License Exception eligibility requirements and restrictions.



Corresponding ITAR Exemptions and EAR License Exceptions

ITAR Exemption	EAR License Exception
§ 123.4	RPL § 740.10; TMP § 740.9(b)(2) and (b)(4)
§ 123.16(b)(2)	LVS § 740.3
§ 123.16(b)(5)	TMP § 740.9(a)(5)
§ 123.16(b)(9)	TMP § 740.9(b)(10)
§ 123.17(f)-(i)	TMP § 740.9(a)(11); BAG § 740.14(h)(2)
§ 123.19	TMP § 740.9(b)(1)
§ 125.4(b)(1)	GOV § 740.11(b)(2)
§ 125.4(b)(3)	GOV § 740.11(b)(2)
§ 125.4(b)(4)	TSU § 740.13(g)
§ 125.4(b)(5)	TSU § 740.13(a)
§ 125.4(b)(10)	TSU § 740.13(f)
§ 126.4	GOV § 740.11(b)(2)
§ 126.6(a)	GOV § 740.11(b)(2)



License Exception STA

	600 Series Items	9x515 Items	Other EAR Items
Ultimate government end use required?	Yes	No	No
Always limited to Country Group A:5?	Yes	Yes	No
Eligibility request required?	Yes, for end items in 0A606.a, 8A609.a, 8A620.a or .b, or 9A610.a	Yes, for certain spacecraft in 9A515.a	No
Must the foreign parties have been on a previously approved license?	Yes	No	No
Does Prior Consignee Statement require agreement to permit	Yes, if the consignee is not the government of an	Yes, if the consignee is not the government of an	No



Determining STA Eligibility

- Web-based interactive decision tree tool to assist in determining License Exception STA eligibility

**NOW UPDATED FOR THE
600 SERIES AND 9x515 ECCNS!**

- Go to WWW.BIS.DOC.GOV
 - Click on “Exporter Portal”
 - Click on “Decision Tree Tools”
 - Click on “STA”



Catch-all Controls:

Who Will Receive Your Item?

For What Will Your Item be Used?

**End-User and End-Use Based
License Requirements**



End-User Lists

- Impose a license requirement based on an item's end-user
- The U.S. Government maintains restrictions on certain exports, reexports or transfers of items to the following lists of parties:
 - Denied Persons List
 - Entity List
 - Unverified List
 - Specially Designated Nationals List
 - Nonproliferation Sanctions
 - Debarred List
- The Departments on Commerce, State and the Treasury consolidated end-user list screening:
 - Go to WWW.BIS.DOC.GOV
 - Click on "Consolidated Screening List"



End-Use Controls

- Impose a license requirement based on an item's end-use
- Aerospace-related end-use controls:
 - Restrictions on certain rocket systems and UAV end-uses (*see* EAR §744.3)
 - Restrictions on certain exports to and for the use of certain foreign vessels or aircraft (*see* EAR §744.7)
 - Restrictions on certain military end-uses in the PRC and military end-uses and end-users in Russia and Venezuela (*see* EAR §744.21)
 - All 600 series and 9x515 items (including .y items) require a license.



New Country Consideration: Russia



New Country Consideration: Russia

- Defense Sector
 - Heightened scrutiny for “High Technology Items”
 - Licenses denied when determined to contribute to Russia’s military capability
- Energy Sector
 - License requirement for 52 Schedule B numbers and 7 entries on the CCL when going to specific oil and gas exploration activities
 - General policy of denial for oil development and production
 - Case-by-case review for gas development and production



New Country Consideration: Russia

- Military end-use/user control for 32 ECCNs:
 - Including ECCNs 7A994, 7B994, 7D994, 7E994, 9A991, 9D991, 9E992
 - All 600 series
 - All 9x515
- Entity List
- Crimea Region of Ukraine
 - All items subject to the EAR require a license, except certain software necessary to enable the exchange of personal communications over the Internet
 - Presumption of denial other than for food and medicine designated as EAR99



New Country Consideration: Iran



New Country Consideration: Iran

- Primary sanctions remain in place.
- OFAC, not BIS, is the licensing authority for exports to Iran of commercial passenger aircraft and related parts and services.
- Pursuant to the Joint Comprehensive Plan of Action (JCPOA), OFAC is conducting a case-by-case review of such proposed exports.
- OFAC licenses required, unless:
 - Parties on the Entity List
 - Party subject to a Denial Order



New Country Consideration: Cuba



New Country Consideration: Cuba

- U.S. embargo remain in place.
- BIS, not OFAC, is the licensing authority for exports to Cuba.
- Anything subject to the EAR requires a license from BIS.



Reexport Controls



Exports vs. Reexports

- For exports, transfers, and reexports of U.S.-origin items:
 - Same licensing requirements
 - Same License Exceptions, plus Additional Permissive Reexports (APR)
 - Same license application
- For foreign-produced items, these rules extend to:
 - Items having more than the *de minimis* amount of controlled U.S. content
 - Certain items that are the direct products of U.S.-origin technology
- BIS published guidance on reexports:
 - Go to WWW.BIS.DOC.GOV
 - Click on “Reform”
 - Click on “Publications”
 - Click on “Guidance on the Commerce Department's Reexport Controls”



Special Requirements for 500- and 600-Series Items Located Outside the U.S.

- If a U.S.-origin item:
 - Remains subject to the EAR, regardless of how many times it is reexported, transferred or sold
 - Any subsequent reexports or transfers (in-country) must be done in accordance with the EAR
 - No “see-through” rule in the EAR controls extend to foreign-made items located outside the U.S. as a result of the *de minimis* and direct product rules



Items Incorporating U.S. Content: *De Minimis*

- A foreign-made item located outside the U.S. incorporating controlled U.S.-origin content that exceeds the applicable *de minimis* percentage for a particular country is subject to the EAR:
 - 10% for Cuba, Iran, North Korea, Sudan, and Syria
 - 25% for all other destinations
- For 500-series .a-.x and 600-series items:
 - 25% for items with U.S. content reexported to all countries, except Country Group D:5 countries (see also ITAR §126.1)
 - 0% for Country Group D:5 countries (U.S. arms embargo)
- For ECCN 9A515.y content only:
 - Not subject to the EAR when reexported to all countries except Country Group E:1 countries and China
 - 0% for Country Group E:1 countries and China

*NOTE: The ITAR will continue to have a zero *de minimis* “see-through” rule for all defense articles that remain on USML



Aerospace *De Minimis* Exclusions

- No *de minimis* for foreign-made:
 - Commercial primary or standby instrument systems of the type described in ECCN 7A994 when the systems integrate QRS11-00100-100/101 Micromachined Angular Rate Sensors
 - Commercial automatic flight control systems when the systems integrate QRS11-00050-443/569 Micromachined Angular Rate Sensors
 - Aircraft of the type described in ECCN 9A991 when such aircraft incorporate a primary or standby instrument system integrating a QRS11-00100-100/101 sensor or an automatic flight control system integrating a QRS11-00050-443/569 sensor
- No *de minimis* for U.S.-origin technology controlled by ECCN 9E003.a.1-a.8, .h, .i, and .j (certain gas turbine engine components or systems) when redrawn, used, consulted, or otherwise commingled abroad



Direct Products of U.S.-Origin Technology or Software

- Direct products of U.S. controlled technology are subject to U.S. reexport laws if:
 - Foreign-made item is controlled for National Security (NS) reasons, and
 - Foreign-made item is the direct product of U.S. technology or software that requires a written assurance as a supporting document for a license or as a precondition for the use of License Exception Technology and Software Under Restriction (TSR) (*see* EAR §740.14)
- Foreign produced direct products require a license for reexport to destinations in Country Groups D:1 and E:2 (*see* Supplement No. 1 to EAR Part 740)



Direct Product Rule: 600 Series

- **Direct product rule:** certain foreign-made items that are the direct product of certain U.S. origin technology or software are subject to the EAR when reexported to certain destinations

The 600 series direct product rule

Is the foreign-produced direct product of: (i) U.S.-origin “600 series” technology or software <u>or</u> (ii) a plant or major component of a plant that is a direct product of U.S.-origin “600 series” technology or software?	Yes?
Is the foreign-produced direct product a “600 series” item?	Yes?
Is the foreign-produced direct product being reexported or exported from abroad to countries listed in Country Groups D:1, D:3, D:4, D:5, E:1, or E:2?	Yes?

Note: If “yes” to all three questions, then the foreign made item is subject to the EAR.



Direct Product Rule: 9x515 Series

- **Direct product rule:** certain foreign-made items that are the direct product of certain U.S. origin technology or software are subject to the EAR when reexported to certain destinations

The 9x515 series direct product rule

Is the foreign-produced direct product of: (i) U.S.-origin 9x515 technology or software <u>or</u> (ii) a plant or major component of a plant that is a direct product of U.S.-origin 9x515 technology or software?	Yes?
Is the foreign-produced direct product a 9x515 item?	Yes?
Is the foreign-produced direct product being reexported or exported from abroad to countries listed in Country Groups D:5 or E:1?	Yes?

Note: If “yes” to all three questions, then the foreign made item is subject to the EAR.



The BIS Licensing Process



Who Can Apply for a License?

- Who can apply for an export license?
 - Only a person in the United States can apply for a license to export from the United States
- Who can apply for a reexport license?
 - U.S. or foreign principal party in interest (FPPI)
 - Other duly authorized U.S. agent of the FPPI (agent must usually obtain written authorization from the FPPI)



When Can I Apply for a License?

- Anytime!
 - No sales documentation (*e.g.*, purchase order, letter of intent, etc.) is necessary
 - No license requirement for marketing (unless controlled technical data will be transferred)
- License applications need not be limited to a single shipment - may represent a reasonable estimate of items to be shipped throughout the validity of the license (usually four years)
- BIS licenses authorize exports/reexports to and among the end-users listed on a license - craft the license application accordingly
- Reexport authority may be requested by the U.S. exporter on export license applications



Obtaining a DDTTC License, Agreement, or other Approval Under §120.5(b) of the ITAR

- DDTTC may license items subject to the EAR pursuant to Executive Order 13637
 - §734.3(e) of the EAR
 - §§120.5(b), 120.42, 123.1(b), and 123.9(b) of the ITAR
- Items subject to the EAR must be used in or with items subject to the ITAR
- Items subject to the EAR that are licensed under §120.5(b) remain subject to the EAR
- Future transfers not covered by the ITAR approval will require BIS authorization for items subject to the EAR
- Potential violations pertaining to the use of §120.5(b) may result in voluntary disclosures to both DDTTC and BIS



Boilerplate License Condition Language

- In December 2014, BIS instituted new boilerplate language to be included on every license issued by BIS
- The new language clarifies that licenses issued by BIS authorize the transaction(s) described in the license application and any letters of explanation
- Impact:
 - Licenses have a smaller number of conditions
 - Allows BIS and its interagency partners to process license applications more efficiently
 - Encourages applicants to submit license applications with specific and detailed information



New Boilerplate License Language

“Unless limited by a condition set forth below, the export, reexport or transfer (in-country) authorized by this license is for the item(s), end-use(s), and parties described in the license application and any letters of explanation. The applicant is responsible for informing the other parties identified on the license, such as ultimate consignees and end-users, of the license's scope and of the specific conditions applicable to them. BIS has granted this license in reliance on representations the applicant made in the license application, letters of explanation, and other documents submitted.”



Interagency Review

- Ensures that the U.S. Government decision on a license application draws on the breadth and scope of the government's expertise
- Reviewing agencies have common national security and foreign policy interests, but unique perspectives
- Reviewing Agencies:
 - **Department of Commerce**
 - Technical issues
 - Economic issues
 - **Department of Defense**
 - National security issues – Brings the technical expertise of the Services focused on an individual export/reexport
 - **Department of Energy**
 - Nuclear issues
 - **Department of State**
 - Foreign policy issues



Common Reviewing Agency Concerns

- Parties to the transaction:
 - What are their roles?
 - What do you know about the parties?
 - What is your source for information?
- End-use concerns:
 - Is there a balance between the product's capability and the proposed end-use?
 - Is there excess capability? Why?
 - What is the risk of diversion?
- Controls:
 - What controls are in place to prevent diversion?
 - Are the controls realistic?
 - Do the parties understand the controls?
 - Are the controls documented?
 - Who will conduct monitoring?

Target known agency concerns in your license application



License Review Period

- The Department of Commerce must review the application and refer it to the reviewing agencies within 9 days of receipt
- Reviewing agencies have 30 days to respond with recommendations
- If the reviewing agencies concur on the disposition of the license application, it will be:
 - Approved
 - Approved with conditions
 - Denied
- In FY 2015, BIS processed 37,398 export license applications (20.8% increase over FY 2014):
 - Approved 31,199 license applications (83%)
 - Returned 5,860 license applications without action (16%)
 - Denied 339 license applications (1%)
- In FY 2015, BIS' average processing time for license applications was 22 days



Dual-Use Export Controls: A Summary

- What are you exporting?
 - Establish licensing jurisdiction
 - Determine the proper classification
- Where are you exporting?
 - The Commerce Country Chart and the destination fixes licensing requirements
 - Check for License Exceptions
- Who will receive your item?
 - Consult prohibited/restricted end-user lists
- What will be the end-use of your item?
 - Review end-use controls
- BIS Licenses
 - Submit specific and detailed information in the application
 - Address agency concerns in the application
 - Understand, communicate and comply with conditions



Update on Export Control Reform



Export Control Reform Implementation: USML-CCL

USML Category	ECCNs	Status
I: Firearms	0x601	Proposed rule TBD
II: Artillery	0x602	Proposed rule TBD
III: Ammunition	0x603	Proposed rule TBD
IV: Launch Vehicles/Missiles	0x604 9x604	Final rule Jan. 2, 2014; Effective July, 1, 2014
V: Explosives/Propellants	1x608	Final rule Jan. 2, 2014; Effective July 1, 2014
VI: Vessels of War	8x609	Final rule July 8, 2013; Effective Jan. 6, 2014
VII: Tanks/Military Vehicles	0x606	Final Rule July 8, 2013; Effective Jan. 6, 2014
VIII: Aircraft	9x610	Final rule Apr. 16, 2013; Effective Oct 15, 2013
IX: Training Equipment	0x614	Final rule Jan. 2, 2014; Effective July 1, 2014
X: Personal Protective Equip.	1x613	Final rule Jan. 2, 2014; Effective July 1, 2014
XI: Electronics	3x611 9x620	Final rule July 1, 2014; Effective Dec. 30, 2014



Export Control Reform Implementation: USML-CCL

USML Category	ECCNs	Status
XII: Sensors/Infrared/Lasers	7x611	Second proposed rule Feb. 19, 2016
XIII: Miscellaneous	0x617	Final rule July 8, 2013; Effective Jan. 6, 2014
XIV: Toxicological Agents	1x607	Proposed rule June 17, 2015
XV: Spacecraft/Satellites	9x515	Interim final rule May 13, 2014 Effective June 27, 2014 (for rad-hard ICs) Effective Nov. 10, 2014 (for all other items)
XVI: Nuclear	N/A	Final rule Jan. 2, 2014; Effective July 1, 2014
XVII: Classified	N/A	Final rule Apr. 16, 2013; Effective Oct 15, 2013
XVIII: Directed Energy Weapons	6x619	Proposed rule June 17, 2015
XIX: Gas Turbine Engines	9x619	Final rule Apr. 16, 2013; Effective Oct 15, 2013
XX: Submersible Vessels	8x620	Final rule July 8, 2013; Effective Jan. 6, 2014
XXI: Not Enumerated	N/A	Final rule Apr. 16, 2013; Effective Oct 15, 2013



ECR Effect on Licensing

- From October 2013 through March 2016:
 - 57% reduction in license volume at the Department of State for the newly implemented USML categories
 - Aircraft/gas turbine engines: 66% reduction
 - Spacecraft/satellites: 81% reduction
 - Over 30,000 license applications submitted to BIS for items that have moved from the USML to the CCL
 - Over 163,000 shipments valued at \$9.8 billion in exports have been shipped under BIS authorizations
 - *Top items:* 9A610 (aircraft items), 9A619 (gas turbine engine items), 9A515 (spacecraft), 3A611 (electronics)
 - *Top destinations (by value):* Japan, Canada, France, United Kingdom, South Korea, Mexico, Germany, Israel



Summary of Spacecraft Controls

Cat XV Before ECR

CCL Before ECR

Revised USML

Revised CCL

Cat XV

Other

New ECCN 9x515

Existing ECCNs

Military Satellites

Military Ground equip

Parts critical for military functions

Services for USML and CCL satellites (IV and XV)

Military GPS Rcvrs (XV now; future XII)

Worldwide license, except Canada.

25% *de minimis*, except 0% for China and other D:5 countries.

STA eligible for A:5, except for certain software and technology

Review microelectronic circuit ECCNs, 7A004, 7A104, ECCNs using "space qualified" prior to using the catch-all control in 9A515.x.

Sats and Ground equip not in USML

Rad Hard ICs

Parts not on USML or other CCL

New sat related item or tech

Helix tubes, solar cells, atomic freq standards, optical detectors and sensors, cryocoolers, radar, microwave amps and assemblies, and TWTs



Ongoing Spacecraft Controls Discussions

- Aperture Size
- Integrated Propulsion
- Autonomous Tracking...in real time
- Plasma Thrusters

***NOTE:** When Proposed Rules are published, please provide your comments within the time specified in each rule.



How to Obtain More Information

- BIS Website:
www.bis.doc.gov
- State DDTTC Website:
www.pmdtcc.state.gov
- Treasury OFAC Website:
www.treasury.gov/offices/enforcement/ofac



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