Beginning October 15, 2013, thousands of items previously controlled as military aircraft items under the U.S. International Traffic in Arms Regulations (ITAR), which are administered by the U.S. Department of State, will move to the U.S. Export Administration Regulations (EAR), which are administered by the U.S. Department of Commerce.

This will result in greater interoperability among the U.S., NATO countries, and other allied countries. In addition, the more flexible controls of the EAR will allow for greater supply chain predictability.

Items transferring from the ITAR to the EAR on October 15, 2013 will be identified under new Export Control Classification Numbers (ECCNs), known as the 600 series, on the U.S. Commerce Control List (CCL), Part 774 of the EAR.

**Aircraft/Related Items**: 9A610, 9B610, 9C610, 9D610, 9E610

**Gas Turbine Engines/Related Items**: 9A619, 9B619, 9C619, 9D619, 9E619

### Impact

**More Nuanced Export Controls**

Most 600 series items will be eligible for License Exceptions (specific authorizations contained in the EAR), thus avoiding the need for individual prior approvals from the U.S. Government for certain transactions.

Fasteners, washers, spacers, insulators, grommets, bushings, springs, wire, and solder that have been modified for a military aircraft may be exported or re-transferred to most destinations without a U.S. license.

Specific items identified in 9A610.y, 9A619.y, 9B619.y, 9D610.y, 9D619.y, 9E610.y, and 0E619.y may be exported or re-transferred to most destinations without a U.S. license.

**Greater Supply Chain Predictability**

Most 600 series parts and components may be exported, without a license, under a License Exception to replace defective or worn parts and components. Also, U.S.-origin 600 series items may be returned to the U.S. for servicing without needing to alert the U.S. company to obtain a U.S. temporary import authorization. The U.S. company may then send back the serviced item under a License Exception. See 15 C.F.R. § 740.10.

Shipments of most 600 series items valued below a certain threshold may be exported, without a license, under a License Exception. See 15 C.F.R. § 740.3.

**Enhanced Interoperability and Cooperation**

Most 600 series items will be eligible for License Exception Strategic Trade Authorization (STA), which allows for license-free exports and reexports to 36 countries for ultimate end-use by the country’s armed forces, police, paramilitary, law enforcement, customs, correctional, fire, or search and rescue agency. See 15 C.F.R. § 740.20.

**STA – Authorized Destinations:**

Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.
Obligations for Receiving 600 Series Items under STA:

- Recipient (and other non-U.S. parties to the transaction) must have been listed on a previously approved license issued by the U.S. Department of State or Commerce;
- Provide a Consignee Statement to the exporter or reexporter acknowledging: (i) use of STA, (ii) notification of ECCN, (iii) end-user and reexport or transfer restrictions, and (iv) agreement to allow U.S. Government inspections; and
- Keep records of Consignee Statement and STA shipment.

Obligations for Re-transferring 600 Series Items under STA:

- Confirm that recipient and other non-U.S. parties have been listed on a previously approved license issued by the U.S. Department of State or Commerce;
- Notify recipient of ECCN;
- Obtain Consignee Statement (described above) from recipient;
- Notify recipient of STA shipments; and
- Keep records of Consignee Statement and STA shipment.

Ease in Determining Potential Compliance Obligations

U.S. exporters will be required to identify the classification of 600 series items on certain documents accompanying the shipment. This will assist persons who receive such items in identifying compliance obligations.

Reduced Reexport Licensing Burden

Non-U.S. origin items incorporating U.S.-origin 600 series items will not be subject to U.S. jurisdiction, so long as: (1) the value of the controlled U.S. content comprises 25% or less of the total value of the item, and (2) the item will not be destined for a country subject to a U.S. arms embargo.

Current US Department of State License Holders or Consignees

Organizations having existing Department of State licenses or other approvals for 600 series aircraft items may be able to continue utilizing such authorizations for as much as two years after October 15, 2013.

Background Information

On April 16, 2013, the U.S. Departments of Commerce and State published final rules describing the initial implementation of Export Control Reform. These final rules are a significant milestone in fundamentally reforming the U.S. export control system.

Under these final rules, aircraft, gas turbine engines, and related items that do not provide a critical military or intelligence capability will move from the ITAR to the more flexible EAR. Such items will be controlled under the 600 series of the CCL.

Violations of U.S. export controls can result in significant criminal or civil penalties. The U.S. Government will closely monitor compliance obligations, including those for STA and other license exceptions. 600 series items will continue to require licenses for countries subject to U.S. arms embargoes and will be subject to the licensing policies for such countries under the ITAR (22 C.F.R. § 126.1). These countries currently include: Afghanistan, Belarus, Burma, China, Congo (Democratic Republic of), Cote d’Ivoire, Cuba, Cyprus, Eritrea, Fiji, Haiti, Iran, Iraq, Lebanon, Liberia, Libya, North Korea, Somalia, Sri Lanka, Sudan, Syria, Venezuela, Vietnam, and Zimbabwe.

Throughout 2013, the Departments of Commerce and State will continue to publish proposed and final rules that will move other categories of items from the ITAR to the EAR.

ADDITIONAL INFORMATION

Latest Updates: www.export.gov/ecr


U.S. Department of Commerce: www.bis.doc.gov

U.S. Department of State: www.pmddtc.state.gov