



U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY

A Changing Landscape Export Control Reform

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About BIS



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The Bureau of Industry and Security administers export controls set forth in the Export Administration Regulations (EAR).

- Policy - *Multilateral Regime Commitments*
 - *Wassenaar Arrangement*
 - *Missile Technology Control Regime*
 - *Nuclear Suppliers Group*
 - *Australia Group*
- Regulatory Policy Development
- Licensing
- Public Education
- Enforcement

Why Reform U.S. Export Controls?



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- August 2009, President Obama announced the ECR Initiative and ordered an interagency review of the export control system.

ECR Objectives:

- (1) Focus our limited resources on the threats that matter most;
- (2) Improve our interoperability with our close friends and allies;
- (3) Strengthen the U.S. defense industrial base;
- (4) Ease the licensing burden on U.S. exporters.

ECR Implementation



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- To implement the objectives, the Administration needed to:
 - Make the USML into a *Positive List*
 - Amend the EAR and the CCL to control all formerly USML items that would no longer be on the revised USML so that they still could be controlled as military items, but in a more flexible way regarding allies.
 - Defense articles no longer listed on the revised USML are now becoming subject to the EAR under the new “*600 series*.”
 - This is not a decontrol of such items.

How Does ECR Help You?



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- Eliminate “see-through” rule in many instances to expand worldwide market
- Eliminate license requirement for many exports to close allies
- Under Commerce Regulations, no requirement for a purchase order to apply for a license and no annual registration requirements and fees.

Where ECR is Today



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Effective October 15th, 2013 - ITAR Categories:

VIII Aircraft & Associated Equipment

XIX Gas Turbine Engines & Associated Equipment

Effective January 6th, 2014 - ITAR Categories:

VI Vessels of War & Special Naval Equipment

VII Tanks & Military Vehicles

XIII Auxiliary Military Equipment

XX Submersible Vessels, Oceanographic & Associated Equipment

Where ECR is Today (cont.)



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Effective June 27, 2014 - ITAR Categories:

XV Radiation Hardened Integrated Circuits (Spacecraft Systems)

Effective July 1st, 2014 - ITAR Categories:

- IV Launch Vehicles, Guided Missiles, Ballistic Missiles and Rockets, Torpedoes, Bombs, and Mines
- V Explosives & Energetic Materials, Propellants, Incendiary Agents & Their Constituents
- IX Military Training Equipment & Training
- X Protective Personnel Equipment & Shelters
- XVI Nuclear Weapons, Test Items

Effective November 10th, 2014 - ITAR Categories:

XV Spacecraft Systems

Status of ECR Rules



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- In the Congressional notification process:
 - Category XI of the USML (military electronics)
- What's coming:
 - Category XII - sensors and night vision items
 - Category XIV - biological items, toxins, and related items

Outreach Activities



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In FY 2013

- Reached 17,000 stakeholders through 237 events
- 3,000 people who attended 30 export control seminars
- With seminars in 14 states and the District of Columbia

Focused outreach activities

- Partnerships with the Small Business Administration
- Organizations such as the National Defense Industrial Association, Defense Acquisition University, etc.
- Groups interested in deemed exports; freight forwarding; and other specific subject areas

BIS Compliance Services



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- Compliance toolkit on BIS website
 - Elements of a compliance program
 - Obtaining assistance
 - Export compliance audit module
 - Freight Forwarder guidance
 - [www.bis.doc.gov/compliance and enforcement/EMCP.htm](http://www.bis.doc.gov/compliance_and_enforcement/EMCP.htm)

ECR Resources



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- Outreach seminars, exporter counselling, webinars, online interactive tools, tutorials, etc. available at: www.bis.doc.gov
- BIS Outreach & Educational Services:
(202) 482-4811
- Final rules available at www.bis.doc.gov. →
Helpful site, as well as www.export.gov/ecr
and www.ddtc.dos.gov

Conclusion



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Changing Landscape

From October 15, 2013 to May 31, 2014:

- 25,428 transactions worth \$997.2 million
- BIS's Munitions Control Division has processed over 3,900 licenses