

Department of Energy Contractor's Export Organization

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ISSUE HIGHLIGHTS

- Commerce published changes to the new Commerce Control List and its Regulations.
- Licensing policy toward the embargoed countries of Cambodia and Vietnam is changing.
- Treasury named additions to the Libyan list of Designated Foreign Nationals.

FEDERAL REGISTER UPDATES

Department of Commerce - Bureau of Export Administration

Commerce issued corrections to the Commerce Control List published last fall. For some entries there are multiple corrections. When the List is finally published in regulation form all the numbers will be in numerical order. Some entries will have new cross-references to subsequent entry numbers to help guide you through the CCL.

According to Commerce, exporters may continue to use the term USSR on export control documents. Despite the break-up of the former Soviet Union, no changes were made in country group status of the republics at this time.

The Regulations also changed to reflect revisions to Swiss export control laws. The Swiss Blue Certificate has been replaced by an International Import Certificate. The new IC procedure for Switzerland and Liechtenstein has a broader range of exemptions than was previously allowed using Swiss Blues.

Commerce published the brochure on the new computer parameter - CTP. It is entitled A Practioner's Guide to Composite Theoretical Performance.

Cambodia was moved from Country Group Z to Country Group Y.

The Bureau of Export Administration published revisions to the Regulation which eliminated G-COCOM and expanded G-Dest, G-FW and G-CT. Controls were expanded further on Iran and Syria, inertial navigation equipment was moved to the Munitions list, technical data controls were amended, a definition of super-computers was added and controls on South Africa were updated. Changes occurred in the following Commodity Control Numbers: 3A93F, 9A91F, 1C60C, 1D60C, 1E60C. Entries for 1E61B, 1E70E and 2B85F were added. The change also included information relating to the completion of license applications, re-export applications, destination control statements and Shipper's Export Declarations.

Dept. of Commerce - Census Bureau

Census issued new Schedule B numbers for a limited number of entries, including in Chapter 87 and 90. These changes impact instruments. If you are interested in the complete listing, please let me know.

Department of State - Office of Defense Trade Controls

The following individuals are barred from obtaining export licenses for three years, until Jan. 13, 1995: H. Leonard Berg, Ernesto Botifoll, Bernhard Bowitz, Grimm Depanicis, Leon Albert Lisbona, Soloman Schwartz, Ali Keza Foyuzi Yousefi, and Juwhan Yun. DTC refuses to say whether these individuals are U.S. nationals or foreigners and is unwilling to give out addresses.

Dept. of Treasury - Office of Foreign Assets Control

OFAC published procedural changes involving the set of regulations it administers. It will no longer require license application forms. A letter, which clearly outlines the transaction and parties involved, will be required instead.

The Treasury Department's trade embargo against Cambodia was lifted, though Cambodian assets remain blocked. Treasury also announced it would accept Commerce licenses for to Vietnam and Cambodia as satisfying OFAC licensing requirements.

There are also indications that the Administration is considering the termination of the Treasury embargo against Vietnam. Meanwhile, exporters stand a better chance of receiving Commerce approval on non-strategic license applications than ever before.

Treasury finally published the Haitian Transaction Regulation, which prohibits, among other things, imports from and exports to Haiti. Only exports of publications and informational material, certain food stuffs, and donations of articles intended to relieve human suffering are allowed. Most transshipments are also prohibited. Specific licenses may be issued on a case-by-case basis, authorizing certain exportations from the U.S. to Haiti, and importations into the U.S. from Haiti relating to in-country assembly operations.

OFAC added a large number of Libyans to the Designated Foreign National list. All unlicensed transactions with these individuals and companies are prohibited anywhere in the world. Addresses in Libya, Malta, Germany, UK, Tunisia, Italy, Hungary, Switzerland and Monaco are on the list. Dr. Ralf Wojtek was removed from the Designated Foreign Nationals List.

Dept. of Defense - Office of the Secretary

DoD issued a lengthy rule on the protection and prevention of the unauthorized dissemination of Unclassified Controlled Nuclear Information (DOD UCNI) to distinguish it from a similar Dept. of Energy program.

The procurement sanctions on Toshiba and Kongsberg Vaapenfabrikk expired on Dec. 28, 1991.

Dept. of Treasury - Customs Service

Beginning Jan. 1, 1992 Customs will charge 9% interest on underpayment of duties and award 8% for overpayment of duties. Customs amended the regulations related to user fees and labor maintenance fees charged on imports into the U.S.

After a 3 year delay, Customs published a final rule on the implementation of the U.S. Canada Free Trade Agreement. It outlines conditions for duty free treatment of Canadian imports.

In the first case of its kind, diesel engines manufactured by Golden Horse (JINMA) Diesel Engine Factory produced using Chinese prison labor are barred from import into the U.S. The U.S. Attorney's Office is also conducting a criminal investigation of another importer suspected of knowingly importing prison labor-produced goods.

Presidential Documents

President Bush authorized the furnishing of defense articles and services to the Czech and Slovak Federal Republic, Hungary and Poland.

Bulgaria, Estonia, Latvia and Lithuania were declared eligible for GSP (Generalized System Preferences) treatment of their exports into the U.S. and Yugoslavia became ineligible. Bush continued the national emergency provisions with respect to Libya.

Office of the U.S. Trade Representative

USTR is reviewing GSP petitions from the governments of Czechoslovakia, Hungary and Poland.

EXPORT CONTROL INFORMATION

U.S. Export Control Actions

In response to evidence that the volume of federal regulations has increased since 1986, Bush announced controversial plans to put a 3-month moratorium on the publication of new regulations, including export and transportation-related ones. This has delayed the publication of the export control regulations.

Problems still exist with the export classification of encrypted software. While COCOM removed mass-market encrypted software from the International Munitions list, the US is still treating it as a defense-related export. The pending Export Administration Act contains a provision that would move such software to Commerce Department control.

Computer companies are reporting that onerous conditions are being applied by the Commerce Department to the export licenses for RISC-based workstations.

Barbara Franklin, the newly appointed Secretary of Commerce, is expected to "increase the Department's visibility on trade issues and reassert its jurisdiction over export control issues." She served for several years on the President's Advisory Committee on Trade Negotiations and on the boards of several firms involved in international business.

The National Association of Manufacturers is working on draft legislation that will fundamentally reform the Export Administration Act. Plans are to introduce it in the next session of Congress. If you are interested in a copy of the current working draft for comment, please let me know. Their goal is to obtain the broadest possible exporter input.

Multilateral Export Control Actions

Members of the Nuclear Suppliers Group, a multilateral organization created to define nuclear items that should be controlled, failed to reach agreement at their October meeting. The U.S. was pushing for the adoption of a list which included an expanded version of the U.S. nuclear referral list and an International Atomic Energy Agency list, plus some dual-use items that could be used in nuclear facilities. Another meeting is scheduled for this month. U.S. representatives are optimistic that agreement will be reached by March.

Meanwhile, BXA has created a nuclear nonproliferation technical center in the Technology and Policy Analysis Office to handle Nuclear Referral List issues.

Additional amendments reflecting changes in the CCL resulting from the Missile Technology Control Regime negotiations will be published by the Department of Commerce shortly.

Foreign Government Export Control Actions

The Japanese government published a new version of its export regulations containing the COCOM Corelist, as well as new foreign policy controls, on November 15, 1991. Other COCOM member nations will not be publishing their versions until later this year.

Taiwan plans to establish an office to administer an export licensing system by July of this year.

A U.S. delegation, headed by Undersecretary of State Bartholomew, visited the Soviet Republics to help establish strict export controls governing nuclear weapons and related technology. Concern over leaks to Third World countries caused Congress to appropriate \$400 million to bolster the Commonwealth of Independent States nuclear safeguards.

The U.S. is pressuring Israel to sign and conform to the Missile Technology Control Regime. The Israelis pledged compliance last fall.

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