



# **Export Control Reform: Welcome to the CCL**

**Munitions Control Division  
Office of Strategic Industries and  
Economic Security  
Bureau of Industry and Security**



# Overview

1. Why move items from the ITAR to the CCL?
2. Overview of Munitions Control Division
3. Review of 600-series ECCN
4. Specially Designed

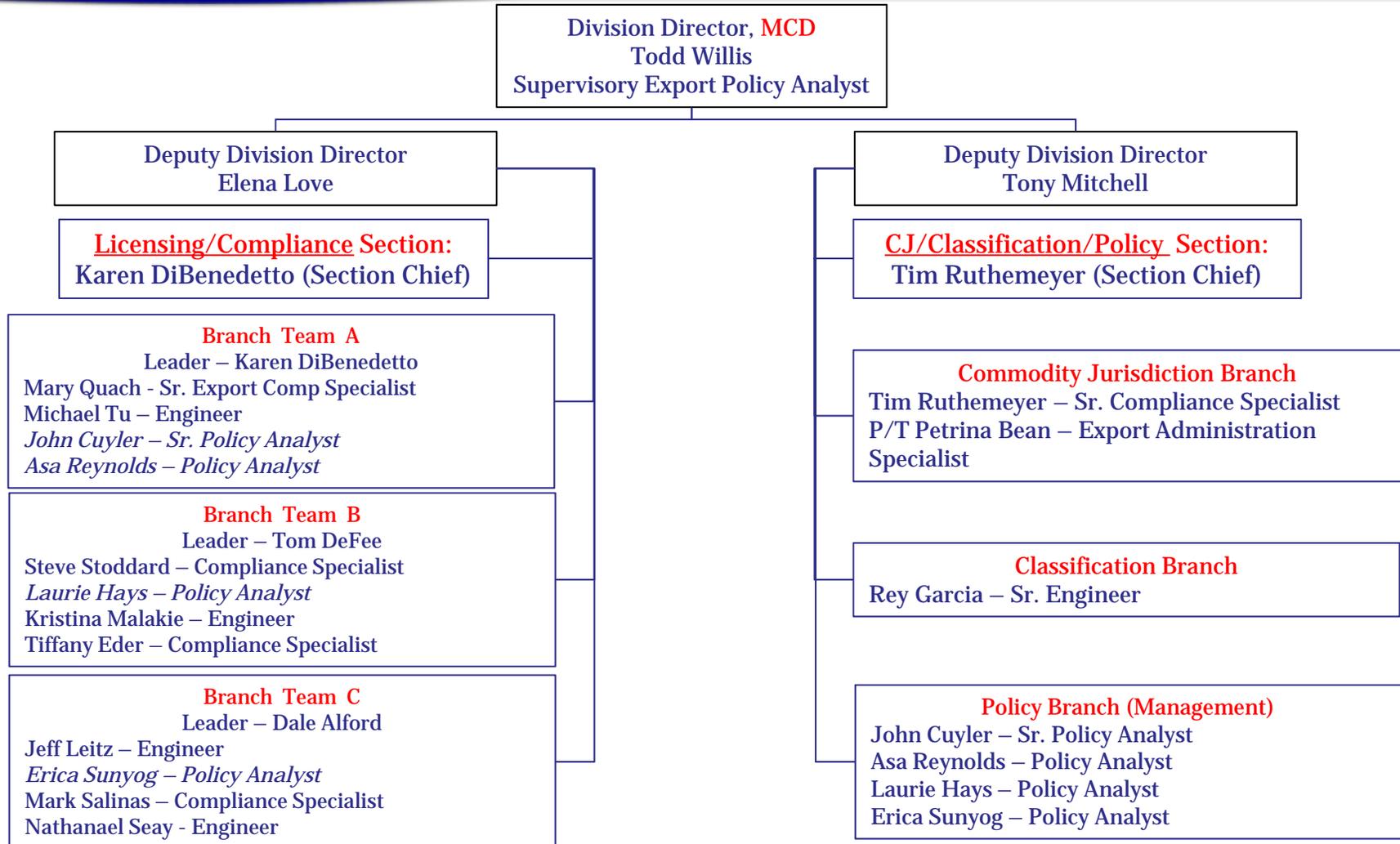


# Historical Context for Transition

- The Arms Export Control Act (AECA) requires the President as part of the section 38(f) Congressional notification process to review and update the U.S. Munitions List (USML). The last sentence of section 38(f) requires notification to Congress of any changes before removing items from the USML.
- The AECA limits options on country groups and license exceptions, so the International Traffic in Arms Regulations (ITAR) is a less flexible regulatory system than the Export Administration Regulations (EAR).
- Regulatory updates provide more flexibility for the U.S. export control system and can contribute to adding stability, predictability, and reliability in U.S. defense supply chain.
- Objective from the beginning has always been improvement of national security and interoperability with Allies.



# Munitions Control Division





# MCD License Processing

- **Tiger Team Review**
  - **Policy review**
    - Country or countries involved (including country of end use), Country Groups (e.g., regime membership or countries of concern), risk of diversion, license exception eligibility
  - **Compliance review**
    - Parties, bona fides, licensing history, MDE threshold, STA eligibility
  - **Technical review**
    - End use, quantity, classification (ECCN), technical documents



# License Application Technical Review

- Complete description of item(s)
  - use ECCN parameters
  - provide technical specifications
- Full description of end use (be specific)
- Letter of Explanation (recommended)
  - provide greater detail on proposed transaction, parties, item(s) and prior transactions (DDTC or BIS)
  - be proactive by anticipating and answering questions in advance, as much as possible.
- Applications should be **t**ue, **a**ccurate and **c**omplete (**TAC**).
- See EAR part 748 (Application) and its supplements

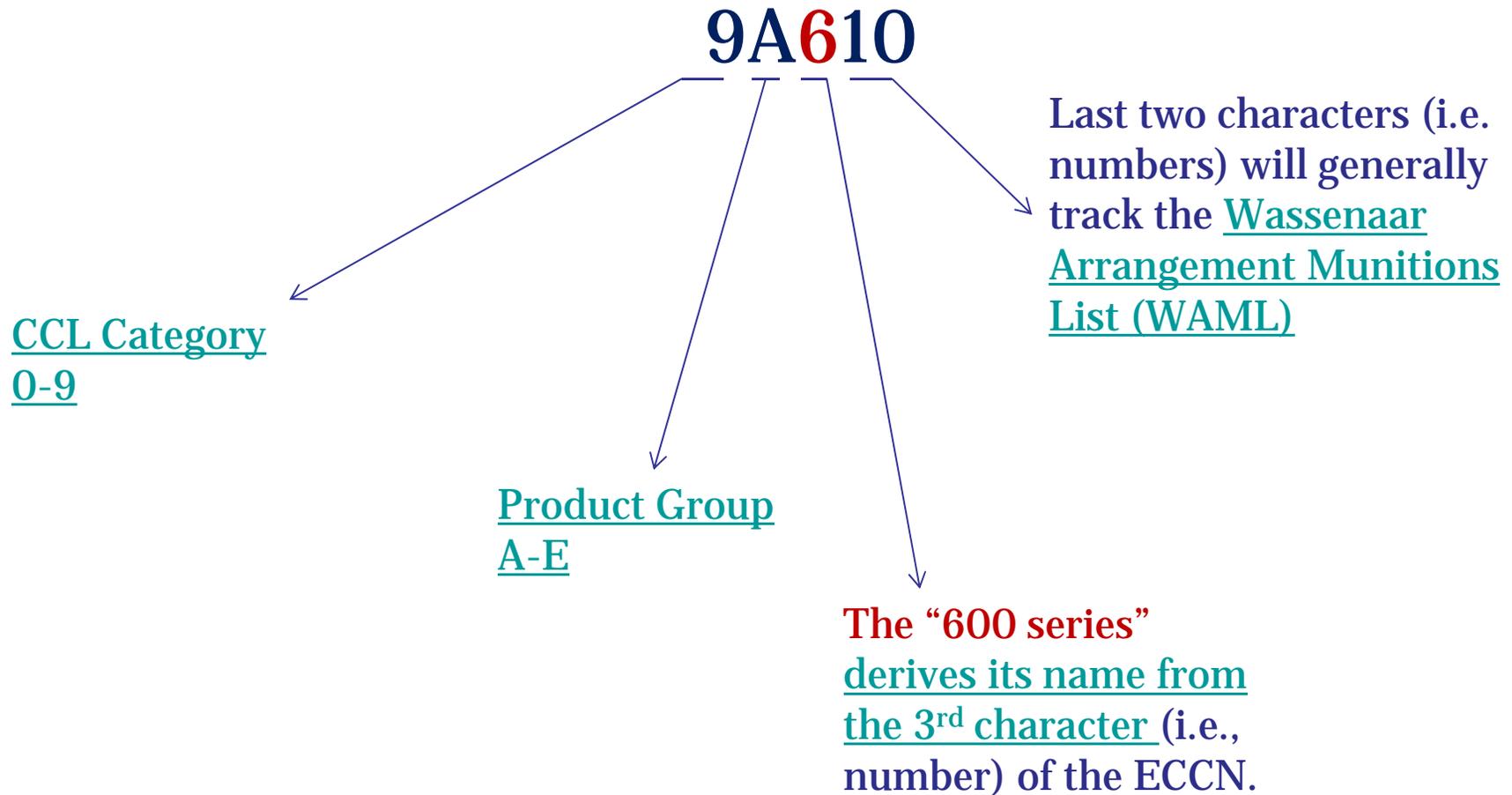


# “How do I classify my item?”

- Commerce Control List Order of Review – Supp. No. 4 to part 774
  - **Is my item described in the U.S. Munitions List?**
  - **Is my item subject to the Export Administration Regulations?**
  - **What is my item’s category (0-9)?**
  - **What is my item’s product group (A-E)?**
  - **Is my item described in a “600 series” ECCN (in a paragraph that doesn’t use “specially designed”)?**
  - **Is my item a “specially designed” “600 series” item?**
  - **Is my item described in a non- “600 series” ECCN? (If non-“600 series” entry uses “specially designed,” review “specially designed” definition again).**



# Anatomy of a new “600-series” ECCN





# “600 series” Example: 9A610

Example effective for exports on or after October 15, 2013

## 9A610 Military aircraft and related commodities

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

Control(s)	Country chart
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

### License Exceptions

LVS: \$1500

GBS: N/A

CIV: N/A

*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.*

[“Items” paragraph a-w](#)

[“Items” paragraph x-y](#)



# Determining Changes in Jurisdiction: “Specially Designed”

- Paragraph (a) – broad catch
  - (a)(1): primarily for end items and materials (but can include other items);
  - (a)(2): for parts, components, accessories, attachments, and software
- Paragraph (b) – the release
  - Subparagraphs apply to parts, components, accessories, attachments, and software
- General guidelines:
  - If item is caught under (a)(1) or (a)(2), then proceed to paragraph (b) to determine if item is released from the definition
  - If item is not caught under (a)(1) or (a)(2), then no need to proceed to paragraph (b)
  - If item is released under any one sub-paragraph of (b), then no need to review all of paragraph (b) – **or even paragraph (a)**



# Determining Changes in Jurisdiction: “Specially Designed”

- (b)(1) – release for prior CJ, interagency CCATS
  - Preserves jurisdictional line with past and future CJs not superseded by revised USML categories
  - § 748.3(e): allows for USG interagency review of parts, components, accessories, or attachments that are within the scope of the definition, but exporter believes such determination is a result of insignificant changes in form or fit
- (b)(2) – release for very basic parts and minor components
  - Must be specifically described in (b)(2)
  - Does not matter if changes to form or fit have been made



# Determining Changes in Jurisdiction: “Specially Designed”

- (b)(3) – release for commodities or software *in production* and also used in or with lower-level items (AT control only or EAR99)
  - Must have *same* function, performance capabilities **and** the *same* or ‘*equivalent*’ form and fit as lower-level item
    - ‘Equivalent’: form modified solely for fit
  - Do not need to know the development history



# Determining Changes in Jurisdiction: “Specially Designed”

(b) (4), (b) (5), (b) (6) – development-phase releases; must have *contemporaneous documentation* to demonstrate that:

- (b) (4) – developed with “knowledge” for use in or with controlled item (i.e., controlled for more than just AT reasons) ***and also*** for use in or with lesser controlled item (i.e., controlled for AT reasons only or EAR99 item)
- (b) (5) – general purpose commodity or software (i.e., no “knowledge” item would be used in or with particular item)
- (b) (6) – developed with “knowledge” for use in or with AT-controlled item and for use in or with an EAR99 item; developed exclusively for use in or with EAR99 item



# Exercise #1 -classification-

## Situation:

Company X wants to export a replacement component for an F-16 aerial refueling receptacle to an aircraft maintenance center located in Istanbul, Turkey.

Q1: Is my component subject to the ITAR (on USML) or subject to the EAR (on CCL)? *Note: Also other USG agencies with export control responsibilities.*

Q2: What is the classification of this item?

Q3: If CCL, is a license required? (review CCL-based license requirements and end-use and end-user based license requirements in making license determination)

Q4: Is a license exception (EAR) or exemption (ITAR) available?



# Exercise #1 (*Answers*) -classification-

## Situation:

Company X wants to export a replacement component for an F-16 aerial refueling receptacle to an aircraft maintenance center located in Istanbul, Turkey.

Q1: Is my component subject to the ITAR (on USML) or subject to the EAR (on CCL)?

A1: Subject to the ITAR

Q2: What is the classification of this item?

A2: VIII(h)(11)

Q3: If CCL, is a license required?

A3: N/A (See ITAR)

Q4: Is a license exception (EAR) or exemption (ITAR) available?

A4: Review ITAR: possible  
126.4 (not enough data) <sup>15</sup>



## **Exercise #2 -classification-**

### **Situation:**

**Company USA has “specially designed” insulators for replacement parts for F/A 18E/F and needs to export them to the United Kingdom.**

**Q1: Is my part subject to the ITAR (on USML) or subject to the EAR (on CCL)?**

**Q2: What is the classification of this item?**

**Q3: If CCL, is a license required?**

**Q4: Is a license exception (EAR) or exemption (ITAR) available?**



# Exercise #2 (Answers) -classification-

## Situation:

Company USA has insulator replacement parts for F/A 18E/F and needs to export them to the United Kingdom.

Q1: Is my part subject to the ITAR (on USML) or subject to the EAR (on CCL)?

A1: Specially Designed b(2) carve out

Q2: What is the classification of this item?

A2: Item not listed on ITAR/EAR – potentially AT/EAR99

Q3: If CCL, is a license required?

A3: Not needed provided no end-use/user license requirement

Q4: Is a license exception (EAR) or exemption (ITAR) available?

A4: See response A3



# Contact Info

## **Strategic Industries and Economic Studies/Munitions Control Division:**

- **Director: Todd Willis** [todd.willis@bis.doc.gov](mailto:todd.willis@bis.doc.gov)
- **Deputy Director: Elena Love** [elena.love@bis.doc.gov](mailto:elena.love@bis.doc.gov)
- **Deputy Director: Anthony Mitchell** [anthony.mitchell@bis.doc.gov](mailto:anthony.mitchell@bis.doc.gov)

## **Outreach Assistance: Outreach and Educational Services Division**

- **Director: Rebecca Joyce** [OESDseminar@bis.doc.gov](mailto:OESDseminar@bis.doc.gov)  
**(202) 482-4811**
- **Western Regional Office Director: Michael Hoffman**  
**(949) 660-0144**

**Web: [www.export.gov/ecr](http://www.export.gov/ecr)**



# **Backup slides**



# CCL Categories

- 0 - Nuclear Materials, Facilities and Equipment and Miscellaneous
- 1 - Materials, Chemicals, “Microorganisms,” and Toxins
- 2 – Material Processing
- 3 – Electronics
- 4 – Computers
- 5 - Telecommunications and Information Security
- 6 – Lasers and Sensors
- 7 – Navigation and Avionics
- 8 – Marine
- 9 – Propulsion Systems, Space Vehicles and Related Equipment



# Product Group

- Each category has the same five product groups:
  - A – “End Items,” “Equipment,” “Accessories” and “Attachments,” “Parts,” “Components,” and “Systems”
  - B - Test, Inspection and “Production Equipment”
  - C – “Materials”
  - D – “Software”
  - E – “Technology”
- Terms are defined in part 772



# Reasons for Control

- 0 – National Security
- 1 – Missile Technology
- 2 – Nuclear Nonproliferation
- 3 – Chemical and Biological
- 5 – National Security or Foreign Policy
- 6 – Wassenaar Arrangement Munitions List (WAML) or US Munitions List (USML)
- 9 – Anti-terrorism, Crime Control, Regional Stability, Short Supply, UN Sanctions, etc.



# Wassenaar Arrangement Munitions List

- **1 - Smooth-bore weapons (less than 20 mm)**
- **2 - Smooth-bore weapons (20mm or more)**
- **3 - Ammunition and fuze setting devices**
- **4 - Bombs, torpedoes, rockets, missiles, other explosive devices**
- **5 - Fire control and related warning equipment**
- **6 - Ground vehicles**
- **7 - Chemical or biological toxic agents**
- **8 - Energetic materials**
- **9 - Vessels of war (surface or underwater)**
- **10 - Aircraft, Lighter-than-air vehicles, UAV, aero-engines**
- **11 - Electronic equipment, spacecraft and components**
- **12 - High velocity kinetic energy weapon systems**
- **13 - Armoured or protective equipment, constructions and components**
- **14 - Specialized equipment for military training**
- **15 - Imaging or countermeasure equipment**
- **16 - Forging, castings and other unfinished products**
- **17 - Misc equipment, material and libraries**
- **18 - Production Equipment/Components**
- **19 - Directed Energy Weapon**
- **20 - Cryogenic/superconductive equipment**
- **21 - Software (Product Group D)**
- **22 - Technology (Product Group E)**



# ECCN Example: 9A610

## List of Items Controlled

Unit: End items in number; parts, component, accessories and attachments in \$ value

Related Controls: Military aircraft and related articles that are enumerated in USML Category VIII, and technical data (including software) directly related thereto, are subject to the ITAR. See ECCN 0A919 for foreign-made “military commodities” that incorporate more than a *de minimis* amount of “600 series” controlled content.

### **Items:**

a. “Military Aircraft” “specially designed” for a military use that are not enumerated in USML paragraph VIII(a).

Note 1: For purposes of paragraph .a the term “military aircraft” includes the following types of aircraft to the extent they were “specially designed” for a military use and are not enumerated in USML paragraph VIII(a): trainer aircraft; cargo aircraft; utility fixed wing aircraft; military helicopters; observation aircraft; military non-expansive balloons and other lighter than air aircraft; and unarmed military aircraft, regardless of origin or designation. Aircraft with modifications made to incorporate safety of flight features or other FAA or NTSB modifications such as transponders and air data recorders are “unmodified” for the purposes of this paragraph .a.



# ECCN Example: 9A610

b. through e. [Reserved]

f. 'Ground equipment' "specially designed" for aircraft controlled by either USML paragraph VIII(a) or ECCN 9A610.a.

g. Aircrew life support equipment, aircrew safety equipment and other devices for emergency escape from aircraft controlled by either USML paragraph VIII(a) or ECCN 9A610.a.

h. Parachutes, paragliders, complete canopies, harnesses, platforms, electronic release mechanisms "specially designed" for use with aircraft controlled by either USML paragraph VIII(a) or ECCN 9A610.a, and "equipment" "specially designed" for military high altitude parachutists, such as suits, special helmets, breathing systems, and navigation equipment.

i. Controlled opening equipment or automatic piloting systems, designed for parachuted loads.

j. Ground effect machines (GEMS), including surface effect machines and air cushion vehicles, "specially designed" for use by a military



# ECCN Example: 9A610

k. through s. [Reserved]

t. Military aircraft instrument flight trainers that are not “specially designed” to simulate combat. (See USML Cat IX for controls on such trainers that are “specially designed” to simulate combat.)

u. Apparatus and devices “specially designed” for the handling, control, activation and non-ship-based launching of UAVs or drones controlled by either USML paragraph VIII(a) or ECCN 9A610.a, and capable of a range equal to or greater than 300 km.

v. Radar altimeters designed or modified for use in UAVs or drones controlled by either USML paragraph VIII(a) or ECCN 9A610.a., and capable of delivering at least 500 kilograms payload to a range of at least 300 km.

w. Hydraulic, mechanical, electro-optical, or electromechanical flight control systems (including fly-by-wire systems) and attitude control equipment designed or modified for UAVs or drones controlled by either USML paragraph VIII(a) or ECCN 9A610.a., and capable of delivering at least 500 kilograms payload to a range of at least 300 km.



# ECCN Example: 9A610

x. “Parts,” “components,” “accessories,” and “attachments” that are “specially designed” for a commodity subject to control in this ECCN or a defense article in USML Category VIII and not elsewhere specified on the USML or the CCL.

*Note 1: Forgings, castings, and other unfinished products, such as extrusions and machined bodies, that have reached a stage in manufacturing where they are clearly identifiable by material composition, geometry, or function as commodities controlled by ECCN 9A610.x are controlled by ECCN 9A610.x.*

*Note 2: “Parts,” “components,” “accessories,” and “attachments” specified in USML subcategory VIII(f) or VIII(h) are subject to the controls of that paragraph. “Parts,” “components,” “accessories,” and “attachments” specified in ECCN 9A610.y are subject to the controls of that paragraph.*



# ECCN Example: 9A610

y. Specific “parts,” “components,” “accessories and attachments” “specially designed” for a commodity subject to control in this ECCN or a defense article in USML Category VIII and not elsewhere specified in the USML or the CCL, and other aircraft commodities “specially designed” for a military use, as follows:

- y.1. Aircraft tires;
- y.2. Analog cockpit gauges and indicators;
- y.3. Audio selector panels;
- y.4. Check valves for hydraulic and pneumatic systems;
- y.5. Crew rest equipment;
- y.6. Ejection seat mounted survival aids;
- y.7. Energy dissipating pads for cargo (for pads made from paper or cardboard);
- y.8. Filters and filter assemblies for hydraulic, oil and fuel systems;
- y.9. Galleys;



# ECCN Example: 9A610

- y.10. Hydraulic and fuel hoses, straight and unbent lines, fittings, clips, couplings, nutplates, and brackets;
- y.11. Lavatories;
- y.12. Life rafts;
- y.13. Magnetic compass, magnetic azimuth detector;
- y.14. Medical litter provisions;
- y.15. Mirrors, cockpit;
- y.16. Passenger seats including palletized seats;
- y.17. Potable water storage systems;
- y.18. Public address (PA) systems;
- y.19. Steel brake wear pads (does not include sintered mix or carbon/carbon materials);
- y.20. Underwater beacons;
- y.21. Urine collection bags/pads/cups/pumps;



# ECCN Example: 9A610

- y.22. Windshield washer and wiper systems;
- y.23. Filtered and unfiltered cockpit panel knobs, indicators, switches, buttons, and dials;
- y.24. Lead-acid and Nickel-Cadmium batteries;
- y.25. Propellers, propeller systems, and propeller blades used with reciprocating engines;
- y.26. Fire extinguishers;
- y.27. Flame and smoke/CO2 detectors; and
- y.28. Map cases.
- y.29. 'Military Aircraft' that were first manufactured from 1946 to 1955 that do not incorporate defense articles enumerated on the U.S. Munitions List, unless the items are required to meet safety or airworthiness standards of a Wassenaar Arrangement Participating State; *and* do not incorporate weapons enumerated on the U.S. Munitions List, unless inoperable and incapable of being returned to operation.