

June 25

[The Ex/Im Daily Update is published each business day by the Northrop Grumman Corporation Law Department, providing notice of all changes to ATF, CR, EAR, FACR, FTR, HTSUS, and ITAR regulations, plus related high-tech export/import news and comment. See subscription information below.]

EX/IM ITEMS FROM TODAY'S FEDERAL REGISTER:

1. Commerce/BIS Revises EAR Encryption Export Controls

OTHER GOVERNMENT SOURCES:

2. Ex/Im Items Scheduled for Publication in Future Federal Register Editions
3. Ex/Im Items in Congressional Record
4. Commerce/Census: "Voluntary Self-Disclosures (VSD)"
5. GAO Report: "Warfighter Support: Preliminary Observations on DOD's Progress and Challenges in Distributing Supplies and Equipment in Afghanistan"
6. Canada DFAIT Ex/Im Controls Advisory Opinions

NEWS:

7. World Trade\INTERACTIVE: "Export Controls Eased on Certain Encryption Products"

BLOGS, OPINIONS & LETTERS TO EDITOR:

8. D. N. Jacobson: "BIS Issues Regulation Reforming Encryption Export Controls"
9. M. E. Spitzley: "U. S. Export Controls: Beware the Bad Actors"

EX/IM TRAINING, MEETINGS & SOCIAL EVENTS:

10. Fed Pubs "ITAR Compliance: Disclosures and Audits" Seminar 15-16 July in Hilton Head
11. Two US Export Controls and Embargoes Seminars 12-15 Oct in Amsterdam
12. "Export Operations" 24x7 Online Training
13. Weekly List of Ex/Im Training and Trade Events

EDITOR'S NOTES:

14. Are Your Copies of Ex/Im Regs Up to Date? Latest Changes: ATF (2 Oct 08), Customs (5 May 10), EAR (25 Jun 10), FACR/OFAC (18 Jun 10), FTR (22 Feb 10), HTSUS (1 Jan 10), and ITAR (6 Aug 09)

EXPANDED ITEMS:

1. Commerce/BIS Revises EAR Encryption Export Controls
(Source: <http://www.archives.gov/federal-register/>)

75 FR 36481-36503: 15 CFR Parts 730, 734, 738, 740, 742, 748, 772 and 774; Encryption Export Controls: Revision of License Exception ENC and Mass Market Eligibility, Submission Procedures, Reporting Requirements, License Application Requirements, and Addition of Note 4 to Category 5, Part 2; Interim Final Rule

* AGENCY: Bureau of Industry and Security, Commerce.

* ACTION: Interim final rule, with request for comments.

* SUMMARY: The Bureau of Industry and Security (BIS) is amending the Export Administration Regulations (EAR or Regulations) to modify the requirements of License Exception ENC, "Encryption Commodities, Software and Technology," and the requirements for qualifying an encryption item as mass market. BIS is also amending specific license requirements for encryption items. With respect to encryption products of lesser national security concern, this rule replaces the requirement to wait 30 days for a technical review before exporting such products and the requirement to file semi-annual post-export sales and distribution reports with a provision that allows immediate authorization to export and reexport these products after electronic submission to BIS of an encryption registration. A condition of this new authorization for less sensitive products is submission of an annual self-classification report on these commodities and software exported under License Exception ENC. With respect to most mass market encryption products, this rule similarly replaces the requirement to wait 30 days for a technical review before exporting and reexporting such products with a provision that allows immediate authorization to export and reexport these products after electronic submission to

June 25

BIS of an encryption registration, subject to annual self-classification reporting for exported encryption products. Only a few categories of License Exception ENC and mass market encryption products will continue to require submission of a 30-day classification request. Encryption items that are more strictly controlled continue to be authorized for immediate export and reexport to most end-users located in close ally countries upon submission of an encryption registration and classification request to BIS. This rule also eases licensing requirements for the export and reexport of many types of technology necessary for the development and use of encryption products, except to countries subject to export or reexport license requirements for national security reasons or anti-terrorism reasons, or that are subject to embargo or sanctions. This rule also removes the requirement to file separate encryption classification requests (formerly encryption review requests) with both BIS and the ENC Encryption Request Coordinator (Ft. Meade, MD).

BIS is also amending the EAR by implementing the agreements made by the Wassenaar Arrangement at the plenary meeting in December 2009 that pertained to "information security" items. This rule adds an overarching note to exclude particular products that use cryptography from being controlled as "information security" items. The addition of this note focuses "information security" controls on the use of encryption for computing, communications, networking and information security. This rule also makes additional changes throughout the EAR to harmonize it with the new note.

This rule also replaces a note in ECCN 5A002 pertaining to personalized smart cards with a note pertaining to smart cards and smart readers/writers. As a result of this change, a definition is being removed from the EAR.

* DATES: This rule is effective: June 25, 2010. Comments must be received by August 24, 2010.

FOR FURTHER INFORMATION CONTACT: For technical questions contact: The Information Technology Division, Office of National Security and Technology Transfer Controls within BIS at 202-482-0707 or by e-mail at encryption@bis.doc.gov. For other questions contact: Sharron Cook, Office of Exporter Services, Bureau of Industry and Security, U.S. Department of Commerce at (202) 482-2440 or by e-mail at scook@bis.doc.gov.

* SUPPLEMENTARY INFORMATION:

Background

To protect and preserve foreign policy and national security interests, the United States maintains export controls on encryption items. Encryption items may be used to maintain the secrecy of information, and therefore may be used by persons abroad to bring harm to law enforcement, and U.S. foreign policy and national security interests. The U.S. Government has a critical interest in ensuring that the legitimate needs for protecting important and sensitive information of the public and private sectors are met, and that persons opposed to the United States are not able to conceal hostile or criminal activities.

When dual-use encryption items were transferred from the United States Munitions List (USML) to the CCL on December 6, 1996, a foreign policy reason for control, Encryption Items (EI), was imposed on these items. A license is required to export or reexport EI-controlled items classified under Export Control Classification Numbers (ECCNs) 5A002, 5D002 and 5E002 on the CCL to all destinations except Canada. All items controlled for EI reasons are also controlled for National Security (NS) reasons.

This rule enhances national security by focusing encryption export controls and streamlining the collection and analysis of information about encryption products, through reforms that include:

- Removing review requirements for less sensitive encryption items;
- Establishing a company registration requirement for encryption items under License Exception ENC or as mass market encryption items;
- Creating an annual self-classification report requirement for such items pursuant to an encryption registration;
- Making encryption technology eligible for export and reexport under License Exception ENC, except to countries of highest concern;
- Lifting the semi-annual sales reporting for less sensitive encryption items under License Exception ENC;
- Removing the 30-day delay to export and reexport less sensitive encryption items under License Exception ENC; and

June 25

- Removing the 30-day delay to make most mass market encryption items eligible for mass market treatment.

BIS is making these amendments to protect national security in the face of an ever-changing global marketplace for encryption items and to ensure continued United States adherence to multilateral regime commitments. The changes in this rule are discussed either topically or by section of the EAR, as applicable. This rule is the first step in the President's effort to reform U.S. encryption export controls to enhance national security by ensuring the continued competitiveness of U.S. encryption products, reducing paperwork requirements for less sensitive encryption items, making the process for submission more efficient, updating the control parameters for controlled encryption items and addressing the impact of export controls on electronic components having encryption functionality. The U.S. Government will also review other issues related to encryption controls, in keeping with national security requirements and multilateral regime commitments. [Remainder of item deleted by Editor.]

Dated: June 17, 2010.

Kevin J. Wolf, Assistant Secretary for Export Administration.

2. Ex/Im Items Scheduled for Publication in Future Federal Register Editions
(Source: <http://edocket.access.gpo.gov/2010/2010-15072.htm>)

* TREASURY; FOREIGN ASSETS CONTROL OFFICE; NOTICES; Unblocking of Specially Designated National Pursuant to Executive Order 13219, as Amended [Publication Date: 6/28/2010]

* TREASURY; FOREIGN ASSETS CONTROL OFFICE; NOTICES; Unblocking of Specially Designated Nationals and Blocked Persons Pursuant to Executive Order (12978) [Publication Date: 6/28/2010]

* INDUSTRY AND SECURITY BUREAU; RULES; Addition and Removal of Certain Persons on the Entity List: Addition of Persons Acting Contrary to the National Security or Foreign Policy Interests of the United States; Removal of Person Based on Removal Request [Publication Date: 6/28/2010]

* INDUSTRY AND SECURITY BUREAU; RULES; Revisions to the Export Administration Regulations based upon a Systematic Review of the Commerce Control List: Additional Changes [Publication Date: 6/28/2010]

* INFORMATION SECURITY OVERSIGHT OFFICE; RULES: Classified National Security Information (Uniform system for classifying, safeguarding, and declassifying national security information.) [Publication Date: 6/28/2010]

* U.S. CUSTOMS AND BORDER PROTECTION; NOTICES; Meetings: Advisory Committee on Commercial Operations of Customs and Border Protection [Publication Date: 6/28/2010]

3. Ex/Im Items in Congressional Record
(Source: Barnes, Richardson & Colburn, LLP,
<http://www.barnesrichardson.com/daily/daily.aspx>)

LEGISLATIVE INFORMATION IN THE CONGRESSIONAL RECORD Vol. 156, No. 95 Wednesday, June 23, 2010
[Nothing of interest.]

4. Commerce/Census: "Voluntary Self-Declarations (VSD)"
(Source: Global Reach Blog; <http://blogs.census.gov/globalreach/>)

Jun 25, 2010, by 'Sean'. When is a VSD necessary? The VSD process is designed for systematic errors rather than the occasional typographical error. For example, if you discover that you failed to file the Electronic Export Information (EEI) for a series of shipments, you should submit a VSD. It is important to know that the

June 25

filer, whether it is the USPPI or the U.S. authorized agent, must ensure that the EEI is complete, accurate, and timely. It is also vital to keep your records current whether you are the party filing the EEI or providing the information that is filed. If you notice systematic errors in the information filed or information that was not filed for a series of shipments, submit a VSD.

Steps to Take When Submitting a VSD:

1) Correct all erroneous records and file new records for any shipments that should have been filed.

2) Prepare documentation detailing each shipment in question with the Internal Transaction Number and value. Some companies find it convenient to submit this information in a spreadsheet format when multiple records are involved. For shipments with errors, you should also show the information that was originally filed and then the corresponding correction.

3) Provide all the information detailed in section 30.74 of the Foreign Trade Regulations which can be found on our website at www.census.gov/trade

4) Mail to the below address found in section 30.74 or fax to, (301) 763-8835. Do not submit your VSD via e-mail.

Chief, Foreign Trade Division
U. S. Census Bureau
4600 Silver Hill Road, Room 6K032
Washington, DC 20233-6700

The Benefits:

Voluntary self-disclosures can be a mitigating factor for civil penalties if Customs and Border Protection (CBP) or the Bureau of Industry and Security (BIS) determine that the USPPI, U.S. authorized agent and/or carrier should be fined or imprisoned for regulatory violations. Submitting a VSD is a great way to come into compliance with the Foreign Trade Regulations and will help you sleep easier. The last thing you want is an unexpected visit from a CBP officer! If you have any questions or concerns please contact us at 1-800-549-0595 (option 3) or via email.

5. GAO Report: "Warfighter Support: Preliminary Observations on DOD's Progress and Challenges in Distributing Supplies and Equipment in Afghanistan"
(Source: <http://www.gao.gov/docsearch/pastweek.html>)

* GAO-10-842T, June 25: "Warfighter Support: Preliminary Observations on DOD's Progress and Challenges in Distributing Supplies and Equipment in Afghanistan," by William M. Solis, director, defense capabilities and management, before the Subcommittee on Defense, House Committee on Appropriations (Unclassified version of a classified statement delivered March 4, 2010.)
Full report: <http://www.gao.gov/cgi-bin/getrpt?GAO-10-842T>
Highlights: <http://www.gao.gov/highlights/d10842thigh.pdf>

6. Canada DFAIT Ex/Im Controls Advisory Opinions

(Source:

http://www.international.gc.ca/control-s-control-es/notices_avis/imp/index.aspx)

About Advisory Opinions. Goods and Technology requiring an export permit for the purposes of export or transfer, as required under s.13 of the Export and Import Permits Act <<http://laws.justice.gc.ca/eng/E-19/index.html>>, are included in the Export Control List, and published in A Guide to Canada's Export Controls <http://www.international.gc.ca/control-s-control-es/about-a_propos/expor/guide.aspx?menu_id=72&menu=R>.

In addition to self-assessment against the index of A Guide to Canada's Export Controls, an exporter may also choose to obtain greater certainty in regard to the control status of a particular export by either applying for an advisory opinion or submitting an export permit application.

The advisory opinion (AO) process is a tool provided by Export Controls Division as a courtesy to assist individuals with learning to navigate the Export Control List and understanding the commodity assessment process. The AO is not a legislated requirement and does not bind the Minister's discretion under the Export

June 25

and Import Permits Act and regulations. To obtain a binding decision, an Application for Export Permit must be submitted.

Advisory Opinions are conducted as operational commitments permit. If you have an urgent export requirement, it is recommended you complete and submit an Application to Export. Further information on how to apply for an export permit is available on the Export Controls Division website.

Please ensure that your Application for an Advisory Opinion contains all of the necessary material for it to be processed. In this regard, you should refer to the following information regarding A0 Limitations, A0 Letter Disclaimers, A0 Application Supporting Information and How to Apply for an Advisory Opinion.

7. World Trade\INTERACTIVE: "Export Controls Eased on Certain Encryption Products" (Source: www.strtrade.com/wti/register.asp; Copyright 2008, Sandler, Travis & Rosenberg, P.A. Originally published in the Friday, June 25, 2010, issue of ST&R's WorldTrade\Interactive. Reprinted by permission.)

The Bureau of Industry and Security has issued an interim final rule [see Item #1 above] that makes a number of amendments to the Export Administration Regulations to ease export controls on certain encryption products. This rule is effective as of June 25 and comments on its contents are due by Aug. 24.

The revisions being made by this rule include the following.

- * modifies the requirements of license exception ENC for encryption commodities, software and technology as well as the requirements for qualifying an encryption item as mass market

- * for encryption products of lesser national security concern, replaces the requirement to wait 30 days for a technical review before exporting and the requirement to file semi-annual post-export sales and distribution reports with a provision that allows immediate authorization to export and re-export after the electronic submission to BIS of an encryption registration (a condition of this new authorization is the submission of an annual self-classification report on these commodities and software exported under license exception ENC)

- * for most mass market encryption products, replaces the requirement to wait 30 days for a technical review before exporting and re-exporting with a provision that allows immediate authorization to export and re-export after the electronic submission to BIS of an encryption registration, subject to annual self-classification reporting for exported encryption products

- * continues to authorize encryption items that are more strictly controlled for immediate export and re-export to most end-users located in close ally countries upon the submission of an encryption registration and classification request to BIS

- * eases licensing requirements for the export and re-export of many types of technology necessary for the development and use of encryption products, except to countries that are subject to export or re-export license requirements for national security reasons or anti-terrorism reasons or that are subject to embargo or sanctions

- * removes the requirement to file separate encryption classification requests (formerly encryption review requests) with both BIS and the ENC encryption request coordinator

- * to implement the agreements made by the Wassenaar Arrangement at the December 2009 plenary meeting, adds an overarching note to exclude particular products that use cryptography from being controlled as information security items, thus focusing information security controls on the use of encryption for computing, communications, networking and information security

- * replaces a note in ECCN 5A002 pertaining to personalized smart cards with a note pertaining to smart cards and smart readers/writers

8. D. N. Jacobson: "BIS Issues Regulation Reforming Encryption Export Controls" (Source: International Trade Law News, <http://tradelawnews.com>)

* Author: Douglas N. Jacobson, Esq., 202-431-2407, dnj@djacobsonlaw.com, Law Offices of Douglas N. Jacobson, PLLC

June 25

The U.S. Department of Commerce's Bureau of Industry and Security (BIS) took the first step in the export control reform process by publishing an interim final rule in today's Federal Register making significant changes to the Export Administration Regulations (EAR) governing the export of hardware and software containing encryption algorithms and functions.

This interim final rule, which goes into effect today, June 25, 2010, implements the President's statement in a speech at the Export-Import Bank's annual conference in March 2010 that the current review-and-wait and semi-annual sales reporting requirements would be replaced with a "more efficient" one-time notification-and-ship process. While today's regulation eliminates the 30-day technical review and waiting requirement for most software and hardware containing encryption functionality eligible for license exception ENC and qualifying for "mass market" treatment, the new regulation establishes a new company registration requirement and an annual self-classification reporting requirement.

Today's interim final rule also implements the significant change to encryption export controls made at the Wassenaar Arrangement's December 2009 Plenary by revising note 4 to Category 5, Part 2 of the Commerce Control List (CCL) to exclude from the scope of encryption controls items where the cryptography's primary function is not related to communications, networking, computing or "information security."

According to BIS, the changes made in this regulation are intended to enhance national security allowing BIS and other government agencies to focus their resources on more sensitive encryption items. This effort is also intended to enhance U.S. exports by reducing interruptions to business cycles and enhancing product development efforts, manufacturing, and product rollout.

While today's regulation is the first step in the reform of export controls on software and hardware containing encryption, BIS has indicated that it will continue to review encryption export controls to ensure the continued competitiveness of U.S. encryption products. This effort will include a review of the current controls on publicly available encryption software, integrated circuits with encryption functionality, high-speed routers and other types of restricted encryption products.

The following is a summary of the significant aspects of the reforms made today to U.S. export controls on software and hardware containing software and hardware:

A. Changes Made to Encryption Review and Reporting Requirements. Under current encryption controls, three types of items are subject to a 30-day technical review by BIS and the ENC Encryption Request Coordinator at the National Security Agency in Fort Meade:

- (1) mass market encryption software (classified as ECCN 5D992.c);
- (2) certain less sensitive encryption items (ECCNs 5A992 and 5D992) that can be exported pursuant to License Exception ENC to government and non-government end-users in destinations other than the designated terrorism-supporting countries (License Exception ENC unrestricted - current 15 C.F.R. §740.17(b)(3)); and
- (3) sensitive encryption items (ECCNs 5A002 and 5D002) that are made eligible for License Exception ENC to non-government end-users in destinations other than the designated terrorism-supporting countries after review, but for which a license is required for export to government end-users in many countries (License Exception ENC restricted - current 15 C.F.R. § 740.17(b)(2)).

Today's rule removes the review requirement for most mass market and license exception ENC unrestricted items. The items removed from the review requirement include Local Area Network (LAN) products small routers, and most items that meet the multilateral Wassenaar Arrangement "mass market" criteria. Exporters may now self-classify these items and export them following the submission of a company registration with BIS, answering seven questions using a new submission screen in SNAP-R, BIS's online system (see screenshot of new registration page below). Upon submission of its registration to BIS the exporter will receive an "encryption registration number" (ERN). Upon receipt of the ERN, the export under license exception ENC will be authorized for certain ECCNs and the exporter or reexporter will not be required to submit a separate encryption registration, classification

June 25

request or self-classification report to BIS. However, the party submitting the company registration to BIS will be required to file a report on an annual basis listing the items it has self-classified and exported.

Certain mass market and unrestricted items remain subject to 30-day technical review requirements. These items include:

- (1) encryption components;
- (2) items that provide or perform non-standard cryptography;
- (3) certain items providing or performing vulnerability analysis, network forensics or computer forensics; and
- (4) cryptographic enabling commodities and software.

Certain restricted items, such as network infrastructure items that exceed certain technical performance parameters, such as routers and 3G wireless base stations, remain subject to a 30-day technical review requirements and require semi-annual sales reporting.

This rule also extends the scope of License Exception ENC eligibility to most encryption technology necessary for manufacturing, development or testing of encryption items to all countries, except those of national security concern or subject to anti-terrorism controls, after the submission of a 30-day review.

The new rule eliminates the 30-day technical review requirement to export most "mass market" products containing encryption functionality. Mass market encryption products are those that are sold in large quantities and are generally available to the public through common retail methods. Exporters and manufacturers of mass market encryption products may now self-classify their products and export them without a license after submission of a company registration via SNAP-R. An annual self-classification report will be required to be submitted.

BIS estimates that the changes made by today's regulation should decrease technical review submissions by approximately 70% and semi-annual reporting by up to 85%. While technical review submissions will decrease, the submission of exporter registration and annual reporting will not completely eliminate the export control burdens associated with encryption items.

B. Changes Made to Items Incorporating "Ancillary Cryptography". In December 2009, the Wassenaar Arrangement's member countries agreed to decontrol items meeting the "ancillary cryptography" criteria. This rule implements this decontrol by adding Note 4 to Category 5, part 2, of the Commerce Control List and by removing all references to "ancillary cryptography" from the EAR. The new note 4 to Category 5 part 2, reads as follows:

Note 4: Category 5, Part 2 does not apply to items incorporating or using "cryptography" and meeting all of the following:

- a) The primary function or set of functions is not any of the following:
 - 1) "Information security";
 - 2) A computer, including operating systems, parts and components therefor;
 - 3) Sending, receiving or storing information (except in support of entertainment, mass commercial broadcasts, digital rights management or medical records management); or
 - 4) Networking (includes operation, administration, management and provisioning);
- b) The cryptographic functionality is limited to supporting their primary function or set of functions; and
- c) When necessary, details of the items are accessible and will be provided, upon request, to the appropriate authority in the exporter's country in order to ascertain compliance with conditions described in paragraphs a. and b. above.

As a result, items incorporating or using "cryptography" will no longer be classified under Category 5, part 2 if their primary function is not communications, networking, computing or "information security" and the cryptographic functionality is limited to supporting the primary function. Examples of such items include robotics, household appliances, fire alarm systems, inventory management software and transportation systems. Such items may be classified under another category of the Commerce Control List or as EAR99.

June 25

C. Other Changes to Encryption Export Controls.

The interim final rule contains a provision grandfathering most items previously reviewed and classified by BIS for export. As a result, such items will not be subject to the new encryption registration or reporting requirements, as long as the encryption functionality has not changed.

This regulation also makes a number of other important changes to encryption export controls and review and reporting requirements. As a result, manufacturers, developers and exporters of software and hardware containing encryption algorithms and code should carefully review today's regulation to review the specific requirements applicable to the export of such products.

9. M. E. Spitzley: "U.S. Export Controls: Beware the Bad Actors"
(Source: Mary Ann Sabo, maryann@sabo-pr.com)

* Author: Mark E. Spitzley, Esq., mspitzley@wnj.com, 616.752.2714, Warner Norcross & Judd LLP, <http://www.wnj.com/>

President Obama came into office promising change, and there has been a considerable amount of change in many aspects of American governance. However, some areas remain largely unchanged. In particular, conducting trade with the four countries identified as "state sponsors of terrorism" by the U.S. Department of State remains nearly impossible for U.S. companies and citizens.

The current members of this infamous list are Cuba (on the list since 1982), Iran (1984), Sudan (1993) and Syria (1979). In each case, U.S. regulations provide broad-based restrictions on the exportation of U.S. goods or services to each country. This prohibition is expansive enough to include direct or indirect exports, such as exports through non-U.S. third parties. Nevertheless, in each case, the regulations are unique. Below is a brief description of only part of the contours of U.S. trade restrictions applicable to each country.

* Cuba - The ban on exportation to Cuba is broad, and extends to the assisting with the sale of goods to Cuba, even if that assistance is performed outside of the United States. News reports have discussed the Obama administration's modifications to U.S. policy vis-à-vis Cuba. Indeed, some changes have resulted in greater flexibility, particularly with respect to regulations involving travel, certain limited remittances and communication services. However, as a general rule, these changes have not impacted the inability of U.S. companies to conduct business in Cuba.

* Iran - Regulations pertaining to Iran are also broad. Regulations specifically disallow foreign subsidiaries of U.S. companies from performing transactions that the U.S. parent would be prohibited from performing directly.

* Sudan - Sudanese regulations are, in certain respects, less restrictive than those of the other countries on the terrorism sponsor list. This results from the conditions on the ground where certain regions, such as southern Sudan, are not deemed to be opposed to U.S. interests. And so limited trade with those regions may be permitted. Because of the geographic and other restrictions in place, it is important that you verify that your proposed transaction is permissible.

* Syria - The ban on trade with Syria is broad, and only makes limited exceptions for items such as food and medicine.

Businesses should not only be aware of the restrictions related to these countries, but the myriad other countries that are subject to extensive controls when exporting U.S. products or services. As a U.S. manufacturer, distributor or supplier, you need to be aware of where your product is going and who you are dealing with. U.S. export control laws are complicated and entangled, governing not only where your product or service goes initially, but the ultimate destination, the ultimate end-user and the eventual use of the product or service.

As an example, suppose you are the manufacturer of high-quality fittings. One day, a buyer approaches you and asks for an order for his European business. As you speak with the buyer, you begin to realize that the order he is placing is much too large for his business. When you ask your sales director about additional

June 25

background information on the buyer, she reports back that the buyer is somewhat elusive and hard to pin down.

It is in just these types of situations that additional follow up is needed.

Selling products to an unknown buyer in quantities that are not supported by the facts - and any similar situation where you are given pause - subjects your business to unknown risks: the risk that you may be selling to someone listed on any one of the numerous U.S. government "restricted party lists" (i.e., bad actors); the risk that you may be selling to a business that will resell your product to a country such as one of the four listed above; the risk that your product will be used for illegal military or terrorist activities; and so on.

Some of the best advice for complying with complicated U.S. export control laws matches up with sound business advice. Investigate your buyer, both from a credit risk perspective, and from a compliance risk perspective. Know where and how your product is going to be used, both from a liability risk perspective, and - again - a compliance risk perspective.

As you consider the limits and complexity imposed by current law, note that recent discussions in sectors of the Obama administration have suggested that export control laws and regulations may be streamlined in the future. This would be a welcome development, but we are not there yet.

And, even under a streamlined regulatory regime, significant controls will remain to ensure U.S. national security is not undermined by trade. Continued vigilance will be required. We can hope, however, more open trade, with fewer administrative burdens, will result from these changes.

10. Fed Pubs "ITAR Compliance: Disclosures and Audits" Seminar 15-16 July in Hilton Head

(Source: Kenneth Min, kenneth.min@thomsonreuters.com)

* When: July 15-16, 2010

* Where: The Westin Hilton Head, Hilton Head Island, SC

* Seminar Leaders: Jim Bartlett, Sr. Counsel, Ex/Im Law, Northrop-Grumman Corp, and Andrew D. Irwin, of counsel, Steptoe & Johnson LLP

* Comments: This course is designed as a participative workshop. A hypothetical case study, involving a potential ITAR violation, will lay out the factual background to facilitate the discussion. The course will cover include:

- Analysis and discussion of a Hypothetical Corporate ITAR violation
- What you do immediately and how to prevent an ongoing violation
- Should (or how will) the DDTC be notified?
- Preparation of the Draft Preliminary Disclosure
- Development of the Investigative Workplan
- Development of the Correction Action Plan
- Preparation of the Follow Up Disclosure Report
- Settlement Strategies and Consent Agreements
- Long-term Compliance Strategies
- How to develop an Internal Audit Plan through Industry Best Practices
- Best practices to assist in developing and improving internal compliance

audit strategies and procedures.

* Register: <http://www.fedpubseminars.com/Course/?id=51> or Kenneth Min, kenneth.min@thomsonreuters.com, 202-772-8297

11. Two US Export Controls and Embargoes Seminars 12-15 Oct in Amsterdam

(Source: Jill Kincaid, jill@LearnExportCompliance.com)

* What: The "US Commercial Export Controls and Embargoes" covers Export Administration Regulations (EAR) including exports of dual-use articles and technology, US Anti-boycott Act, and US trade embargoes. The "US Defense Trade Controls" covers the International Traffic in Arms Regulations (ITAR).

* When "US Commercial Export Controls & Embargoes" Tue- Wed 12-13 Oct and "US Defense Trade Controls" Thu-Fri 14-15 Oct

* Where: The Moevenpick Hotel, Amsterdam, The Netherlands

* Sponsors: BSG Consulting, Oppenhoff & Partner, The Export Practitioner

June 25

- * Invited Speakers: Scott Garity & Maarten Sengers of BSG Consulting; Stephan Müller of Oppenhoff & Partner
- * Register: <<http://learnexportcompliance.com/amsterdam2010>>; 540-433-3977; jill@LearnExportCompliance.com
- * Comments: You can register for each seminar individually or for both

12. "Export Operations" 24x7 Online Training
(Source: Beth Peterson, beth@bpeglobal.com)

- * What: Covers key export standard operation procedures, best practices and establishing an export management compliance program.
- * When/Where: Available online 24 hours/day 7 days/week
- * Sponsor: BPE
- * Instructor: Julie Gibbs, Sr. Consultant, BPE
- * Register: <https://bpe-online.com/req/bpe_student/index.cfm>; 877-264-3836; training@bpeglobal.com

13. Weekly List of Ex/Im Training and Trade Events (Published every Friday or last publication day of the week)
(Source: Judy Fennimore, NG Corp Law; Judith.Fennimore@ngc.com)

DATE: PLACE; "TITLE;" SPONSOR; INFO & REGISTRATION

Continuously Available Training:

- * Flash Drives: "US Export Controls" and "Defense Trade Controls;" e-seminars (on USB drives, combining videos of instructors and presentations from live seminars); Export Compliance Training Institute; danielle@learnexportcompliance.com; <www.learnexportcompliance.com/eseminars>
- * Flash Drives: "Excellent Export Basics: Export Controls and License Determination;" Multimedia eLearning on USB flash drive, nothing to install, runs with Windows Internet Explorer; Import Export Geeks; <www.importexportgeeks.com>
- * On-Line: "Essentials of Export Controls;" "Deemed Exports;" "Anti boycott Compliance;" Commerce/BIS; <<http://www.bis.doc.gov/seminarsandtraining/seminar-training.htm>>
- * On-Line: "Deemed Exports;" "Exports for Executives;" and "Export Operations;" BPE; training@bpeglobal.com; <https://bpe-online.com/req/bpe_student/index.cfm>
- * On-Line: "Complying with the FCPA;" BPE; training@bpeglobal.com; <https://bpe-online.com/req/bpe_student/index.cfm>
- * On-Line: "Import for Executives;" "Classification;" "NAFTA - Qualifications, Certifications, and Best Practices;" BPE; training@bpeglobal.com; <https://bpe-online.com/req/bpe_student/index.cfm>
- * On-Line: "Simplified Network Application Process Redesign (SNAP-R);" Commerce/BIS; <<http://www.bis.doc.gov/snap/index.htm>>

Training by Date:

- * Jun 28-29: Wash DC; "Global Customs Compliance;" American Conference Institute; <http://www.americanconference.com/trade_defense/globalcustoms.htm>
- * Jun 28-29: San Francisco; "US Export Controls;" BSG Consulting, Pillsbury Law, The Export Practitioner; 540-433-3977; jill@LearnExportCompliance.com; <<http://learnexportcompliance.com/v.php?pg=132>>
- * Jun 29: Free Webinar; "Antidumping and Countervailing Duties: Trends and Penalty Cases in the US, Canada, Vietnam and Thailand;" 202-835-1661; <bakerevents@bakernet.com>
- * Jun 29: Wash DC; FREE Roundtable: "Critical Issues in Aerospace, Defense, and Gov't IT (ADG) Mergers & Acquisitions;" Akin Gump Aerospace & Defense Practice; FREE, but reservations required, email Mario Mancuso, <mmancuso@akingump.com>
- * Jun 30-Jul 1: San Francisco; "Defense Trade Controls;" BSG Consulting, Pillsbury Law, The Export Practitioner; 540-433-3977; jill@LearnExportCompliance.com; <<http://learnexportcompliance.com/v.php?pg=132>>
- * Jun 30: Webinar: "A Basic Guide to Exporting: Cashing In With U.S. Free Trade Agreements;" Commerce/U.S. Commercial Service;

June 25

<<https://emenuapps.ita.doc.gov/ePublic/newWebinarRegistration.jsp?SmartCode=007S>>
* Jun 30: Wash DC; FREE "U. S. and Chinese Export/Import Control Regimes;" Baker & McKenzie LLP; bakerevents@bakermckenzie.com
* Jul 7: Webinar; "A Basic Guide to Exporting: Using eCommerce and Social Media - Global Search Engines;" Commerce/U. S. Commercial Service;
<https://emenuapps.ita.doc.gov/ePublic/newWebinarRegistration.jsp?SmartCode=0083>
* Jul 13: London; "Advanced Workshop on Satellite & Space Export Controls;" SMI Group Ltd; travel@smi-online.co.uk;
<http://www.smi-online.co.uk/training/overview.asp?is=1&ref=3430>
* Jul 13-15: San Francisco; "Basic & Intermediate ITAR Seminars;" Export Compliance Solutions (ECS); 410-757-1919, 866-238-4018;
<<http://www.exportcompliancesolutions.com>>
* Jul 15-16: Hilton Head, "ITAR Compliance: Disclosures and Audits" Federal Publications; <http://www.fedpubseminars.com/Course/?id=51>;
kenneth.milnthomsonreuters.com; 202-772-8297
* Jul 19-20: Baltimore; "2010 Summer Back to Basics;" SIA; 703-946-5683;
admin@siaed.org; <http://www.siaed.org/en/cev/117/>
* Jul 21: Baltimore; "Where the Rubber Meets the Road;" Workshop 3rd Day After 2010 Summer "Back to Basics" Conference; SIA; admin@siaed.org; 703-946-5683;
<http://www.siaed.org/en/cev/117/>
* Jul 22-23: Torrance CA; "Customs Compliance for Importers;" Foreign Trade Association; info@foreigntradeassociation.com; 818-353-5976;
<www.foreigntradeassociation.com>
* Jul 27: Free Webinar; "FCPA and Antibribery: US, EU, Russia and China FCPA and Antibribery Investigations and Penalty Actions;" 202-835-1661;
<bakerevents@bakernet.com>
* Jul 31 - Aug 21: El Segundo CA; "FTA's Comprehensive Preparation Course for the Customs Brokers License Examination;" Foreign Trade Association (FTA); 818-352-6753;
www.ftasc.org; <info@foreigntradeassociation.com>
* Aug 9-10: Chicago; "Hazardous Materials Training;" The World Academy;
877-265-0070; <<http://www.theworldacademy.com>>
* Sep 15-17: Switzerland; "WTO Public Forum 2010: The Forces Shaping World Trade;" World Trade Organization; publicforum2010@wto.org;
<<https://meetings.wto.org/Forums/Registration/SymposiumRegistration.aspx?Language=E>>
* Sep 17: Woodbridge VA; "SIA Fall Golf Outing;" SIA; admin@siaed.org; 703-946-5683;
<<http://www.siaed.org/en/cev/126/>>
* Sep 20-21: Chicago; "US Export Controls;" BSG Consulting, Pillsbury Law, The Export Practitioner; 540-433-3977; jill@LearnExportCompliance.com;
<<http://learnexportcompliance.com/v.php?pg=364>>
* Sep 22-23: Chicago; "Defense Trade Controls;" BSG Consulting, Pillsbury Law, The Export Practitioner; 540-433-3977; jill@LearnExportCompliance.com;
<http://learnexportcompliance.com/v.php?pg=364>
* Sep 29-30: Santa Clara; "How to Develop an Export Management and Compliance Program (EMCP);" Professional Association of Exporters and Importers (PAEI); 408-532-7234; khebertdms@aol.com; <<http://www.acteva.com/bookimg.cfm?bevaid=204624>>
* Oct 4-5: Atlanta; "US Export Controls;" BSG Consulting, Pillsbury Law; The Export Practitioner; 540-433-3977; jill@LearnExportCompliance.com;
<<http://learnexportcompliance.com/v.php?pg=413>>
* Oct 6-7: Atlanta; "Defense Trade Controls;" BSG Consulting, Pillsbury Law; The Export Practitioner; <http://learnexportcompliance.com/v.php?pg=413>; 540-433-3977;
jill@LearnExportCompliance.com
* Oct 12-13: Amsterdam; "US Commercial Export Controls & Embargoes Seminar;" BSG Consulting, Oppenhoff & Partner, The Export Practitioner; 540-433-3977;
jill@LearnExportCompliance.com; <<http://learnexportcompliance.com/amsterdam2010>>
* Oct 14-15: Amsterdam; "US Defense Trade Controls Seminar;" BSG Consulting, Oppenhoff & Partner, The Export Practitioner; 540-433-3977;
jill@LearnExportCompliance.com; <<http://learnexportcompliance.com/amsterdam2010>>
* Oct: 18: Chicago; "ITAR Boot Camp" Pre-Conference Workshop: American Conference Institute; 888-224-2480; Customerervice@AmericanConference.com;
<<http://www.americanconference.com/ITARbootcamp.htm>>
Oct: 19-20: Chicago; "ITAR Boot Camp" American Conference Institute; 888-224-2480; Customerervice@AmericanConference.com;
<<http://www.americanconference.com/ITARbootcamp.htm>>

June 25

- * Oct 24-27: Detroit MI; International DEC Conference "Capitalizing on America's Export Advantages: Green & Innovation;" International District Export Councils; 2010decconference@trade.gov;
<<http://www.decconference.com/?contactid=30534fa4-2962-4097-9380-3ec77e425bef&campaignid=b5205f19-d70b-47b8-b9c4-c6c10fe059fe>>
- * Oct 25-26: Phoenix; "US Export Controls;" BSG Consulting, Pillsbury Law, The Export Practitioner; 540-433-3977; jill@LearnExportCompliance.com;
<<http://learnexportcompliance.com/v.php?pg=428>>
- * Oct 27: Portland; "Complying with the ITAR;" U.S. DoC/U.S. Commercial Service, Export Council of Oregon, the Pacific Northwest Defense Coalition, J.P. Morgan Chase and the law firm of Dorsey & Whitney LLP; 503-517-8090 ext. 102;
<<http://www.buyusa.gov/oregon/complyingwithitar.html>>
- * Oct 27-28: Phoenix; "Defense Trade Controls;" BSG Consulting, Pillsbury Law, The Export Practitioner; 540-433-3977; jill@LearnExportCompliance.com;
<<http://learnexportcompliance.com/v.php?pg=428>>
- * Nov 15: Arlington VA; "2010 Fall Conference;" SIA; 703-946-5683; admin@si.aed.org;
<http://www.si.aed.org/en/cev/121/>
- * Nov 15-16: Dubai; "US Commercial Export Controls & Embargoes Seminar;" BSG Consulting, Clyde & Co., The Export Practitioner; 540-433-3977;
jill@LearnExportCompliance.com; <<http://learnexportcompliance.com/dubai2010>>
- * Nov 17-18: Dubai; "US Defense Trade Controls Seminar;" The Export Practitioner; 540-433-3977; jill@LearnExportCompliance.com;
<<http://learnexportcompliance.com/dubai2010>>
- * Dec 6-7: Miami; "US Export Controls;" BSG Consulting, Pillsbury Law, The Export Practitioner; 540-433-3977; jill@LearnExportCompliance.com;
<<http://learnexportcompliance.com/v.php?pg=432>>
- * Dec 8-9: Miami; "Defense Trade Controls;" BSG Consulting, Pillsbury Law, The Export Practitioner; 540-433-3977; jill@LearnExportCompliance.com;
<<http://learnexportcompliance.com/v.php?pg=432>>

14. Are Your Copies of Ex/Im Regs Up to Date? Latest Changes & Sources:
(Source: As indicated below.) The official versions of the following regulations are dated 1 April (although published annually in June or July) in the U.S. Code of Federal Regulations (C.F.R.), but are updated as amended in the Federal Register. The below list contains the latest change to each regulation.

- * ATF ARMS IMPORT REGULATIONS (ATF), Department of Justice, Bureau of Alcohol, Tobacco, Firearms, and Explosives; 27 CFR Part 447-Importation of Arms, Ammunition, and Implements of War:
<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=0624fc9399af9afc346df6f1f00c88df&rgn=dv5&view=text&node=27:3.0.1.2.2&dno=27>
- 2 Oct 08: 73 FR 57239-57242: 27 CFR Parts 447, 478, 479, and 555;
Technical Amendments to Regulations in Title 27, Chapter II
- * CUSTOMS REGULATIONS (CR): 19 CFR, Ch. 1, Pts. 0-192:
http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?sid=7a725853611431bc58ba37d919f9324b&c=ecfr&tpl=/ecfrbrowse/Tit19/19tab_02.tpl
- 5 May 10: 75 FR 24392-24393: 19 CFR Part 101; Further Consolidation of CBP Drawback Centers
- * EXPORT ADMINISTRATION REGULATIONS (EAR): 15 CFR Subtit. B, Ch. VII, Pts. 730-774:
http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?sid=ae096b291da9d16eab0b4af95b5d5866&c=ecfr&tpl=/ecfrbrowse/Tit15/15cfrv2_02.tpl#700
- 25 Jun 10: 75 FR 36481-36503: 15 CFR Parts 730, 734, 738, 740, 742, 748, 772 and 774; Encryption on Export Controls: Revision of License Exception ENC and Mass Market Eligibility, Submission Procedures, Reporting Requirements, License Application Requirements, and Addition of Note 4 to Category 5, Part 2; Interim Final Rule
- * FOREIGN ASSETS CONTROL REGULATIONS (OFAC FACR), 31 CFR, Parts 500-599, Embargoes, Sanctions, Executive Orders:
<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?sid=7512a3e262e688321f54bbe4ee1aff1d&c=>

June 25

ecfr&tpl=/ecfrbrowse/Title31/31cfrv3_02.tpl#500

- 18 Jun 10: 75 FR 34630-34634: 31 CFR Part 560, Iranian Transactions Regulations

* FOREIGN TRADE REGULATIONS (FTR): 15 CFR Part 30, Jan. 1, 2010;
http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=e04a50b601e3e05b3a1e870e3843b757&tpl=/ecfrbrowse/Title15/15cfr30_main_02.tpl
- 22 Feb 10: 75 FR 7546-7548: 15 CFR Part 30, Foreign Trade Regulations (FTR): Eliminate the Social Security Number (SSN) as an Identification Number in the Automated Export System (AES). "The Annotated FTR," an unofficial 123-page version with index, practice commentaries, and summaries, in Word 2007 and pdf formats (last updated 5 May 2010), is available free upon request from author Jim Bartlett, JEBartlett@JEBartlett.com.

* HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES (HTS, HTSA or HTSUSA), 1 Jan 2010: 19 USC 1202 Annex. The HTS is available for downloading as a single file at <http://www.usitc.gov/publications/docs/tata/hts/bychapter/1000htsa.pdf> covering the entire HTS or by chapters at <http://www.usitc.gov/tata/hts/bychapter/index.htm>. [Editor's Note: "HTS" and "HTSA" are often seen as abbreviations for the Harmonized Tariff Schedule of the United States Annotated, shortened versions of "HTSUSA".]

* INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR) 22 C.F.R. Ch. I, Subch. M, Pts. 120-130 (2009):
http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?sid=6c0d30f40ed2aac29b20e86ead3a8861&c=ecfr&tpl=/ecfrbrowse/Title22/22cfrv1_02.tpl and scroll down to "SUBCHAPTER M". Printed copies of the ITAR in several sizes are available for purchase from SIA at <http://www.siaed.org/en/catalogs/search.asp>. "The Annotated ITAR," an unofficial 225-page version with index, practice commentaries, and summaries, in Word 2007 and pdf formats (last updated 5 May 2010), is available free upon request from author Jim Bartlett, JEBartlett@JEBartlett.com.
- 6 Aug 09: 74 FR 39212-39213; 22 CFR Parts 123.17(f), re body armor temporary export exemption

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June 25

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