ASTRONICS
MAX-VIZ

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REQUEST FOR COMMENTS

REGARDING AMENDMENT TO THE INTERNATIONAL TRAFFIC IN ARMS (ITAR) REGULATIONS: REVISION OF U.S. MUNITIONS LIST CATEGORY XII
RIN 1400-AD32
TO THE ATTENTION OF E-MAIL: *DDTCPublicComments@state.gov*
Max-Viz, Inc. offers the following comments below in response to RIN 1400-AD32, pertaining to changes in the controls on Category XII (fire control, range finder, optical and guidance and control equipment) of the U.S. Munitions List (USML).

RE: REVISION TO THE EXPORT ADMINISTRATION REGULATIONS (EAR): 15 CFR PARTS 734, 740, 742,744, 772 AND 774.
RIN 0694-AF75
TO THE ATTENTION OF E-MAIL: publiccomments@bis.doc.gov.
Max-Viz, Inc. offers the following comments below in response to RIN 0694-AF75 pertaining to Revision to the Export Administration Regulations (EAR): Control of Fire Control, Range Finder, Optical, and Guidance and Control Equipment the President Determines No Longer Warrant Control under the United States Munitions List (USML).

Comments:
Max-Viz, Inc. is a small Aerospace company focused on providing Enhanced Vision Systems for civil aircraft. We have many concerns regarding the proposed changes to **ITAR 22 CFR §120-130** and **EAR 15 CFR §730-774** and their effects on our ability to remain competitive in the global market; our ability to sell, export and re-export Max-Viz, Inc. Enhanced Vision Systems known in the regulations as Thermal Imaging Cameras.

While we support the **Export Control Reform Initiative (ECRI),** clarification and a tempered approach to the commercial effects of over regulation is needed to ensure that the proposed rule changes achieve the stated goals of the **ECRI**.

Max-Viz, Inc. cameras are classified by the Department of State via CJ determination as ECCN 6A003 Camera systems. They are designed, developed and manufactured for civil use and are under the Department of Commerce control.

Regarding the proposed regulatory changes for ECCN 6A003 Cameras, and Camera systems:

- We oppose changes to 740.16(a,b) License exception APR that would restrict the use of 6A003 items to and among Country Group A:1 and cooperating countries for products, cameras and camera systems with greater than 111,000 detector elements. Some Max-Viz, Inc. products with ECCN 6A003 currently contain less than 111,000 and some contain more, such as 327,680 detector elements. All are designed for civil use. Restricting use and export would harm our company's ability to stay competitive in the global market place.

- We oppose changes to expand 744.9 end-use and end-user requirement for all of the 6A003 items. This would require a license to export, re-export or transfer (in-country) items. If we cannot determine if our camera sent for a stocking order to an authorized integrator company (aircraft manufacturer) will be incorporated into military aircraft at the time we ship it, a license would be required for all shipments. This change would make our "authorized company" integrator license useless, and result in an increase in Export License applications. Any delays in that process delay shipments, and cause US companies such as Max-Viz, Inc. to become less competitive in the global market place for 6A003 thermal imaging cameras.

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- We oppose ECCN 6D003.c. Software that is designed for 6A003 cameras incorporating IRFPA's designated under a worldwide Regional Stability (RS) control is going backwards in time and would require a license to export everywhere including Canada. This would result in huge increase of export license applications, with unnecessary burden on a small company such as Max-Viz, Inc.

- We are very concerned and unclear about new ECCN 6D991 Software controls that are specially designed for "Development", "Production" or "Use" of 6A003 Cameras and Camera systems. We cannot determine if it affects our finished product or refers to the Software contained within our cameras. All of our cameras have internal software but do not require external software for operation. This must be clarified in order to assure we can comply with the regulation, if it is applicable. Imposing a worldwide RS control for the software that is currently EAR99 does not make sense to us and will hurt our ability to remain competitive in the global marketplace of thermal imaging cameras. Eliminating the STA exception: it is unclear why that would be ineligible, and what the rational for this is? **Because of these concerns, we oppose this as written.**

- We are very concerned and unclear about new ECCN 6D994 Software that is specially designed for "maintenance", "repair" or "overhaul" of 6A003 Cameras and Camera systems. If these controls were put into place and it refers to the software internal to our camera system then we would be unable to perform software bug fixes or software upgrades in the field without an export license. We are unable to determine if this ECCN applies to our Max-Viz, Inc. 6A003 cameras, and how it affects our finished products. This must be clarified in order to assure we can comply with the regulation, if it is applicable. Imposing a worldwide RS control for the software that is currently EAR99 does not make sense to us and will hurt our ability to remain competitive in the global marketplace of thermal imaging cameras. Eliminating the STA exception: it is unclear why that would be ineligible, and what the rational for this is? **Because of these concerns, we oppose this as written.**

- With respect to ECCN 0A919 for military commodities outside the US that incorporate our Max-Viz, Inc. 6A003 thermal imaging cameras, we disagree with increasing the scope to include Foreign military aircraft commodities.
  We sell thermal imaging cameras to aircraft manufacturers, they incorporating 6A003 cameras into helicopters, jets, fixed wing aircraft for Military or government entity use for transportation, Medical EMS use, and firefighting capabilities. An export license currently allows this. Requiring a license and restricting re-exports of 6A003 cameras installed on aircraft in this scenario, requiring a license worldwide, except Canada is an undue burden for the all parties involved and may not aid in Regional Stability as intended.
  Because of these concerns, we oppose this change.

Concerning the use of the phrase "permanent encapsulated sensor assembly" in regards to IRFPA assemblies:

- It is unclear what the term "permanent" means exactly as it is not a term normally identified with electronics. Therefore a sensor assembly could be deemed to be "not permanent enough" in its encapsulated assembly; the criteria is undefined.
- The term "encapsulated" or "casing" is not clearly defined.
- With many "encapsulated sensor assemblies" on the market, it cannot be determined with certainty if sensors are removed, whether they would become damaged or destroyed, or rendered inoperable.
- Is there a compelling reason to define the IRFPA sensors this way? We don't agree with this method.

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- Faulty sensors are returned to the manufacturer for repairs and servicing under warranty. We think this definition, and further this approach to IR sensors is misguided and unnecessary.

Because of these concerns, we oppose this new term as written.

Concerning the proposed new license requirements for the Export to Canada of our camera systems:

- We support the current export availability of 6A003 cameras to Canada.
- Increasing restrictions to require all exports obtain an export license will cause an undue burden on small companies such as Max-Viz, Inc., and will not ensure Regional Stability will benefit from this regulatory change.
- We export our ECCN 6A003 cameras to Canada for civil use and for use in Fire suppression, which may or may not be civil use contractors. We oppose the Regional Stability designation on items that today and for many years past, have not required an export license to Canada. The economic impact of this change alone would be greatly felt by a small company such as Max-Viz, Inc. It will drive Canadian companies to purchase 6A003 cameras with IRFPA's from other foreign competitors that are less regulated then the US.
- For all small companies, such as Max-Viz, Inc., the additional work added to obtain export licenses for Canada will make us less competitive in the foreign market place. Why buy American when they can go to other nations and obtain products with little to no restrictions on export to Canada? We don't believe it is the goal of ECRI to make us less competitive globally.

Summary:

We cannot emphasize enough that as a small company, Max-Viz Inc. strives to remain competitive in the Global marketplace of thermal imaging cameras. The Foreign availability for the same thermal imaging camera products is pervasive. If these restrictions are implemented as is, the regulations will severely place Max-Viz, Inc., and all other US companies, at a significant disadvantage to foreign competitors, without adding true regional stability worldwide.

The loss of revenue due to unnecessary regulatory restrictions may be substantial to Max-Viz, Inc. As all 6A003 cameras become more restricted to export, re-export and transfer under the proposed changes, will the United States truly become more secure? We think not.

We believe each of our comments will help government agencies reform the regulations more consistently and with more clarity, without increasing national security risks for the Unites States and without sacrificing Regional Stability worldwide.

Thank you for considering our comments.