From: Arvikar, Ram <rarvikar@vectron.com>

Sent: Thursday, June 04, 2015 3:05 PM

To: PublicComments

Subject:Public Comment 2. R Arvikar. 2015-6-3_DCS and Export clearance

Attachments: Export Commodity Declaration Template.pdf

Vectron thanks the BIS for providing the opportunity to comment on the proposed changes to the destination control and export clearance rules by BIS. Other ANPRM's related to this subject have also been posted so Vectron is providing its comments to not only to the BIS proposal but also to the DDTC proposal.

It appears the Dept. of State is also posting a proposed rule that covers the same subject although the requirements related to export clearance appear to differ from those in the proposed rules by BIS. For example it will allow the DCS to be printed on the bill of lading and the invoice or purchase documentation. The BIS rule would not require it to be on the bill of lading but on the invoice and the contractual documentation accompanying the shipment. Further the proposed ITAR changes will also require that if a shipment includes both ITAR and EAR controlled items then the ECCN of items in the shipments must be listed including any EAR99 designation (if the authorization for the export was through an approved State license) and would require the country of ultimate destination, end-user, licensee information to be provided on the export documents. It would appear that in the spirit of harmonization perhaps a format that will meet both the ITAR and EAR export clearance requirements is in order and perhaps an alternate format for providing this information be considered.

Our proposal would be to provide this information on a completely separate document (let's say " Export Commodity Declaration") that can serve multiple purposes and can be sent with the items being

shipped or separately in order to convey to the consignees that the items are U.S. export regulated and are intended only for the designated end user and the destination identified. This should be similar to a certificate of compliance or documents of similar nature (usually from a quality perspective) that are usually sent to customers.

This stand-alone, flexible document if formatted properly (we are enclosing a suggested format) can serve multiple purposes:

· It will include the required destination control language

· It will specify the classification of the items (with the USML and/or the ECCN designation) for each item if the shipment includes both ITAR and EAR items

· It will list the license authority for both ITAR and EAR controlled items (or license exception or exemption) if one or both types of items are included in the shipment

· It will list the ultimate destination and the end user

· It will also state that the document can be used to provide this information critical to the USG to all downstream consignees. Note that if the information is annotated only on the CI or the bill of lading or the contractual/purchase documentation there is a risk that this information may not be transmitted to all involved consignees since commercial invoice and bill of lading will be retained by the first party to whom the items are shipped and they may or may not not be relayed to other consignees downstream and the ultimate end-user/destination.

· Since this document will have all the information available in one place in a concise form it will allow the shipping personnel to reference the information and easily enter the required information into the AES

· Document is “stand-alone” so it can be sent separately , e.g. electronically/email etc. to the party to whom items are being exported (to the required contacts at the company who need this information and will act on it properly , such as transmitting it downstream). CI’s and bill of lading may

just get filed by the receiving party with the risk that the critical export information Is not relayed to other consignees.

A suggested format is attached for your consideration. Several examples of how this document can be filled such as for an EAR-controlled shipment only, or for an ITAR-controlled shipment only or a shipment with both type of items are shown. Companies (with any moderate IT skills) can set up this document as an excel file which can be populated from their existing ERP system and easily changed by making it a standard “template”.

Thank you.

Ram J. Arvikar

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Description: cid:image002.png@01CF7FDF.61F0CF80

COMPANY LOGO etc.

EXPORT COMMODITY DECLARATION

These items are controlled and authorized by the U.S. Government for export only to the specified country of ultimate destination for use by the end-user herein identified.
They may not be resold, transferred, or otherwise be disposed of, to any other country or to any person other than the authorized end-user or consignee(s), either in their original form or after being incorporated into other items, without first obtaining approval from the U.S. government or as otherwise authorized by U.S. law and regulations.

EAR (Sec. 758.6)				ITAR (123.9)			
ECCN	Ultimate Destination	End-user	Lic./Lic. Exception	USML Category	Ultimate Destination	End-user	Lic./Lic. Exemption

NOTE TO CONSIGNEE:
This document should be forwarded to other authorized users/consignees/transferees to communicate this important export information

(SEE EXAMPLES FOLLOWING)

Company Representative_____
Name:_____
Title:_____
Contact Info:_____
Date_____

EXAMPLE FOR A SHIPMENT WITH BOTH EAR & ITAR Items

EAR (Sec. 758.6)				ITAR (123.9)			
ECCN	Ultimate Destination	End-user	Lic./Lic. Exception	USML Category	Ultimate Destination	End-user	Lic./Lic. Exemption
9A515.e	Argentina	XXXX	AAAAAA	XIII(x)	Argentina	xxx	AAAAAA

(Note: The shipment is authorized under a single ITAR license)

EXAMPLE FOR A SHIPMENT WITH ONLY EAR Items (with a required license)

EAR (Sec. 758.6)				ITAR (123.9)			
ECCN	Ultimate Destination	End-user	Lic./Lic. Exception	USML Category	Ultimate Destination	End-user	Lic./Lic. Exemption
9A515.e	Argentina	XXXX	XXXXXX	N/A	N/A	N/A	N/A

EXAMPLE FOR A SHIPMENT WITH ONLY ITAR Items (with a required license)

EAR (Sec. 758.6)				ITAR (123.9)			
ECCN	Ultimate Destination	End-user	Lic./Lic. Exception	USML Category	Ultimate Destination	End-user	Lic./Lic. Exemption
N/A	N/A	N/A	N/A	XIII(x)	Israel	XXXX	XXXX

EXAMPLE FOR A SHIPMENT WITH ONLY EAR Items (600-series with ECCN other than EAR99)

EAR (Sec. 758.6)				ITAR (123.9)			
ECCN	Ultimate Destination	End-user	Lic./Lic. Exception	USML Category	Ultimate Destination	End-user	Lic./Lic. Exemption
9A515.e	Spain	XXXX	NLR	N/A	N/A	N/A	N/A

EXAMPLE FOR A SHIPMENT WITH ONLY EAR Items (with License exception)

EAR (Sec. 758.6)				ITAR (123.9)			
ECCN	Ultimate Destination	End-user	Lic./Lic. Exception	USML Category	Ultimate Destination	End-user	Lic./Lic. Exemption
3A001.b.10	India	XXXX	GBS	N/A	N/A	N/A	N/A

EXAMPLE FOR A SHIPMENT WITH ONLY EAR99

EAR (Sec. 758.6)				ITAR (123.9)			
ECCN	Ultimate Destination	End-user	Lic./Lic. Exception	USML Category	Ultimate Destination	End-user	Lic./Lic. Exemption
EAR99	xx	xx	NLR	N/A	N/A	N/A	N/A

(Note: NOT REQUIRED PER BIS REGULATION BUT OPTIONAL FOR INFORMATION ONLY)