June 9, 2014

Reference RIN 0694-AG00

Submission by email publiccomments@bis.doc.gov

These comments are submitted by Airbus Defense and Space Inc. on behalf of itself and of the Airbus Group Export Compliance Office. The Airbus Group consist of Airbus, Airbus Helicopters and Airbus Defence and Space, with main activities in France, Germany, Spain, The Netherlands and United Kingdom.

The Airbus Group welcomes the proposed revisions to the support documentation requirements and in particular the proposed rule, Federal Register Vol 79, n°68, dated April 9, 2014, reference RIN 0694-AG00.

U.S. Import Certificate:

The rule proposes that the U.S. Government would not, going forward, provide U.S. Import Certificates.

Traditionally, the European governments have been asking for U.S. Import Certification to approve national licenses for delivery of military items from a European country to the U.S., including when the U.S. customer is the U.S. Government. This has been particularely the case recently in Germany and Spain. We kindly suggest that the U.S.Government does not cancel unilaterally the issuance of U.S. import certificate until coordination with the nations that are requiring such document has taken place and these nations modify their rules on their side accordingly.

748.11 a((i):

This paragraph requires a statement by Ultimate Consignee and Purchaser for item(s) requiring a license for any reason on the Commerce Control List and such item(s) are valued at over $50,000. This requirement is very similar to a DSP 83 as required for Significant Military Equipment under the ITAR. However, under ECR, numerous 500 and 600 series items will have values significantly higher than $50,000, resulting in the Ultimate Consignee signing documentation which would not have been required when these parts were controlled under the ITAR. Under the ITAR, such signature was required only for Significant Military Equipment.

Normally, most customers purchase a complete system (i.e., satellite, aircraft, radar, etc.), and would execute an end-use/user statement for the complete system. For transactions that included USML Significant Military Equipment DSP-83's were also obtained, but this requirement did not extend to lower-level items. The current requirement under 748.11(a)(i) would in effect extend the need to obtain additional end-use/user certifications that prior to reform were not rquired.

We suggest either to delete this requirement altogether for non-D5 countries, or to increase significantly the financial threshold to values commensurate with the need for the Ultimate Consignee to make such statement. A reasonable value in our view would be $1,000,000.00

If maintained, the requirement to obtain Ultimate Consignee statement in advance of obtaining a license, would prevent the European industry from optimizing their procurement of U.S. equipment and effectively conduct Long Lead Items or “bulk” procurement” in advance of a customer being identified. This optimization is critical to the affordability and timeliness of Space and military assets for U.S. allies, and we do not believe that such requirement is consistent with the level of control necessary for items on the CCL, which have already been deemed not requiring the controls of the USML.

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