



**Department of Commerce
Bureau of Industry and Security**

“EAR Regulatory Update”

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Regulatory Policy Division in the BIS Organization



- Bureau of Industry and Security
 - Export Administration (EA)
 - Office of Exporter Services (OExS)
 - Regulatory Policy Division (RPD)



Topics of Discussion

- Regulatory Highlights from June 2007- June 2008
- Update on 2007/2008 Systematic CCL Review (*implementation status and next steps*)
- Establishment of Regularized CCL Review Process by BIS



BIS Mission

- To advance U.S. national security, foreign policy, and economic interests.
 - BIS is responsible for implementing and enforcing the Export Administration Regulations (EAR), which *regulate the export and reexport of most commercial items.*

EAR is Regularly Updated

June 07- June 08



- **BIS published:**
 - 22 rules amending the EAR
 - 3 proposed rules
 - 4 notices
- **Importance of keeping up to date**
 - BIS email notification service
 - "Rules Affecting the EAR"

www.access.gpo.gov/bis/fedreg/ear_fedreg.html

EAR Regulatory Highlights

June 07- June 08



- End-Users of Concern (e.g., Expansion of General Order No. 3 and addition of Entities to the Entity List)
- Validated End-User Program (addition of India as eligible destination and first set of VEUs)
- Regime rules for Australia Group and Wassenaar Arrangement
- Expansion of tools of trade provisions under License Exceptions TMP/BAG
- CCL Review Notice of Inquiry and publication of first CCL review rule

2007/2008 Systematic CCL Review



- Starting in 2007, BIS undertook initiatives to establish a regularized CCL review process
- July 17, 2007 – BIS published a notice of inquiry, “Request for Public Comments on a Systematic Review of the CCL”
- BIS received 26 public comments and 3 TAC comments

BIS Created Ad Hoc Task Force to Evaluate CCL Review Comments



- BIS has completed the initial review of the public and TAC comments
- Experts from EA categorized, evaluated, and prioritized the comments
- CCL review process has been productive and a large number of changes have been identified for implementation

Status of the 2007/2008 Systematic CCL Review



- BIS evaluated and categorized the comments into four groups:

Group A – (ECCN level suggested changes);

Group B - (Non-ECCN level suggested changes);

Group C - (Non-Regulatory Changes); and

Group D - (Suggested changes regarding the scope of CCL and EAR)



Three Stages for Implementation of CCL Review Changes

- BIS review phase was the first stage in the implementation of these changes to the CCL. (completed)
- Second stage of implementing CCL review results involved internal BIS process changes and technical corrections to CCL. (completed)
- Third stage of implementing CCL review involves additional changes that will require agreements of other agencies of USG or changes to multilateral regimes. (in process)

Track progress of CCL Review Implementation on BIS website



- April 23, 2008 - BIS posted a document that provides an update on status of implementation of 2007/2008 CCL review accepted changes.
- As BIS makes further progress in addressing the suggested changes from the CCL review, the table will be updated.
- Can be accessed on BIS website under "**Policies**" (listed at top of homepage). And then clicking on "**Establishment of a Regularized CCL Review Process by BIS**" link under CCL Review Process heading.

Highlights of CCL Review Changes that have been implemented



- BIS posted 3 new [advisory opinions](#)
- BIS posted 2 new [web guidance](#) documents
- BIS added [hotlinks](#) to the “Related Controls” ECCN references on the CCL
- BIS created ETRAC (not a direct result of CCL review, but addresses some of suggested changes)
- BIS published first [CCL review rule](#) on 4/18/08

Regulatory Implementation of the Results of the CCL Review



- April 18, 2008 – the final rule, “Technical Corrections to the EAR based upon a Systematic Review of the CCL” was published.
- This rule was the first phase of the regulatory implementation of the results of CCL review.
- This rule amended the EAR to make various technical corrections and clarifications to the EAR.

Next steps in the Regulatory Implementation of the Results of the CCL Review



- As of June 2008 – BIS is working on next rule implementing results of the CCL review.
- This second CCL review rule will make substantive changes to the CCL that require interagency clearance, but that can be made within U.S. Government national discretion.
- Additional changes from the CCL review will require changes in multilateral regimes, such as the Wassenaar Arrangement.
- BIS actively working with TACs to determine what suggested CCL review changes should be further developed and moved forward as USG regime change proposals.

Establishment of a Regularized CCL Review Process



- April 23, 2008 – BIS posted information regarding “Establishment of a Regularized Commerce Control List Review Process”
- BIS intends to conduct similar CCL reviews in the future, building on the success and lessons learned from the 2007/2008 review
- BIS plans to review 1/3 of the CCL each year to create a 3 review cycle

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