

Export Control Program Description and Licensing Policy

Regional stability controls traditionally cover items specially designed or modified for military purposes and certain dual-use commodities that can be used to manufacture military equipment.

A. The Department of Commerce requires a license for foreign policy purposes to export military items and certain commodities used to manufacture military equipment to all destinations except member nations of the North Atlantic Treaty Organization (NATO), Australia, Japan and New Zealand. Commerce will generally consider applications for such licenses favorably, on a case-by-case basis, unless the export would significantly damage regional stability.

B. These items include certain image intensifier tubes, infrared focal plane arrays, certain navigation systems technology for inertial navigation systems, gyroscopes and accelerometers. Commerce requires a license for export to all destinations except Canada. Commerce reviews all license applications for these items on a case-by-case basis to determine whether the export could contribute, directly or indirectly, to a country's military capabilities in a manner that would destabilize or alter a region's military balance contrary to the foreign policy interests of the United States.

Analysis of Control as Required by Section 6(f) of the Act

A. The Purpose of the Control

This control provides a mechanism for the United States to monitor the export of the noted items to restrict their use in instances that would adversely affect regional stability or the military balance.

B. Considerations and/or Determinations of the Secretary of Commerce:

1. Probability of Achieving the Intended Foreign Policy Purpose. This control contributes to U.S. foreign policy purposes by enabling the United States to restrict the use or availability of certain U.S.-origin sensitive goods and technologies that would adversely affect regional stability or the military balance in certain areas.

2. Compatibility with Foreign Policy Objectives. This control is consistent with U.S. foreign policy goals, including promoting peace and stability and preventing U.S. exports that might contribute to weapons production or military capabilities in areas of concern.

3. **Reaction of Other Countries.** A number of other countries limit exports of items and technologies with military applications to areas of concern, recognizing that such equipment could adversely affect regional stability and the military balance.

4. **Economic Impact on United States Industry.** The burden of the regional stability validated license requirements has fallen primarily upon domestic suppliers of optical sensors (ECCN 6A002), imaging cameras (ECCN 6A003), and certain military trainer aircraft, flight trainers, parachutes and related equipment (ECCN 9A018). The Department of Commerce processed a total of 880 applications for all regional stability items in FY 1998. Of this total, Commerce approved 808 (91.8 percent), denied 8 (0.91 percent), and returned 64 (7.27 percent) without action. The bulk of these export licenses were for imaging cameras controlled by ECCN 6A003.b.3 or .b.4 (565 applications, valued at \$44,007,085); vehicles controlled by ECCN 9A018.b that were specially designed or modified for military purposes (118 applications, valued at \$97,034,554); and solid state detectors, image intensifier tubes, focal plane arrays, and direct-view imaging equipment controlled by ECCN 6A002.a.1, a.2, a.3, or .c (101 applications, worth \$11,694,185). All eight of the denied regional stability applications, and 61 of the 64 applications returned without action, were for items controlled by ECCNs 6A002, 6A003, or 9A018. Many of the applications returned without action were for items subject to the licensing jurisdiction of the Department of State under the International Traffic in Arms Regulations (ITAR) or were returned because the applicant did not provide insufficient end-user or end-use information.

The table below lists the total number and value (by ECCN) of export licenses that Commerce issued for regional stability items during Fiscal Year 1998.

**Regional Stability Applications Approved
(Fiscal Year 1998)**

ECCN	Description	Number of Applications	Dollar Value
2B018	Items specially designed for examining, manufacturing, testing, & checking implements of war	4	\$3,660,725
9A018	Military trainer aircraft & vehicles designed or modified for military use	124	\$99,663,261
9E018	Technology for equipment controlled by ECCN 9A018	1	\$37,657

ECCN	Description	Number of Applications	Dollar Value
6A002 *	Optical detectors & direct view imaging equipment incorporating image intensifier tubes or focal plane arrays	101	\$11,694,185
6A003	Imaging cameras incorporating image intensifiers or focal plane arrays	565	\$44,007,085
6E001	Technology for the development of items in 6A/6B/6C/6D	1	\$0
6E002	Technology for the production of items in 6A/6B/6C	1	\$0
7D001	Software for the development or production of equipment in 7A/7B	1	\$0
7E001	Technology for the development of items in 7A/7B/7D	1	\$0
7E002	Technology for the production of items in 7A/7B	2	\$100
7E101	Technology for the use of items in 7A/7B/7D	7	\$601,801
TOTAL		808	\$159,664,814

NOTE: The ECCN 6A002 data contained in this Table include all licenses issued for items controlled by 6A002.a.1, .a.2, .a.3, or .c, including direct view imaging equipment in 6A002.c that is also controlled for crime control reasons.

5. Enforcement of Control. Image intensifier tubes, infrared focal plane arrays, certain navigation systems technology for inertial navigation systems, gyroscopes and accelerometers and other items controlled for regional stability purposes are nearly all subject to multilateral controls for either national security or missile technology reasons. Although this ensures that there are no specific problems related to enforcing these controls, other concerns do exist, primarily in the area of detecting export violations. To maintain an effective control effort, Commerce has developed a successful program focused on analysis of Shipper's Export Declarations to assist in identifying goods shipped without

the proper export licenses.

C. Consultation with Industry

The Department of Commerce consulted with various elements in industry during the ongoing transfer of USML items from State to Commerce licensing jurisdiction. Most industry input received during this process supports the transfer of these items to Commerce control, and encourages more such transfers.

D. Consultation with Other Countries

The U.S. has not consulted with other countries concerning these controls. However, the Wassenaar Arrangement on Conventional Arms and Dual-Use Goods and Technologies, signed by the United States and thirty-two other countries in 1996, controls certain items the United States also controls for regional stability purposes. Each member state has agreed to incorporate the Wassenaar Dual-Use Control List into its own national control lists. (See Appendix II for complete list of regime members) and to avoid making exports which could contribute to destabilizing buildups of conventional arms..

E. Alternative Means

The United States has undertaken a wide range of actions to support and encourage regional stability and has specifically encouraged efforts to limit the flow of arms and militarily useful goods to regions of conflict and tension.

F. Foreign Availability

The military vehicles and other military-type equipment long controlled for regional stability purposes may be obtained from numerous foreign sources. Nearly all commodities and related software and technology controlled for regional stability purposes are also subject to multilateral controls for either national security or missile technology reasons under multilateral regimes.

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