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Regulatory Policy Division
Bureau of Industry and Security
Room 2705
U.S. Department of Commerce
Washington, D.C. 20230

Regulation Id: BIS-2011-0027

February 1, 2012

Subject: **Comments on Retrospective Regulatory Review Under E.O. 13563**

Reference: RIN 0694-XA37

Dear Ms. Hess,

The General Electric Company, acting through its GE Aviation business unit (GEA), submits the following comments for the Notice of Inquiry, dated August 5, 2011, on a Retrospective Regulatory Review under E.O. 13563. GEA appreciates the opportunity provided by the Bureau of Industry and Security (BIS) to comment on those portions of the Export Administration Regulations (EAR) that require clarification to be more effective. GEA has identified ten (10) Parts that would benefit from streamlining or clarification.

SPECIFIC COMMENTS

① 15 CFR 732: Steps for Using the EAR

GEA recommends for BIS to simplify Part 732. This part is overly repetitive and unclear. Furthermore, GEA believes this section should just cross-reference, not repeat, other EAR sections.

② 15 CFR 734: Scope of the Export Administration Regulations

GEA recommends 734.7(a)(1) be updated to reflect internet as a an acceptable mode of publication in recognition that most public access to information today is conducted over the internet. The EAR currently

lists electronically available information, but only recognizes such availability through a "library." Given that internet searches are currently mostly free to anyone in the interested public, the EAR should be modernized to remove any ambiguity or question that information made available on the internet for general public access not subject to the EAR. Moreover, GEA recommends the addition of an example to this effect in Section F of Supplement 1 to Part 734.

③ 15 CFR 736: General Prohibitions

GEA believes that the General Prohibitions should be removed from the EAR. This section is just repeating items captured in other parts. The only general prohibition not captured elsewhere, General Prohibition 8, is outdated.

Supplement No. 1 to Part 736 – General Orders

GEA believes that Supp. 1. To Part 736 should be removed. GEA recommends General Order No. 1 be removed, as it is outdated; for General Order No. 2 to be moved to Part 746; and for General Order No.4 to be moved to Part 740.

④ 15 CFR 746: Embargoes and Special Sanctions

GEA recommends for the Department of Commerce and the Department of Treasury to try and reconcile all overlapping regulations on embargoes and special sanctions to eliminate inconsistencies and contradictions. Additionally, GEA believes BIS should provide additional guidance on licensing to these destinations. Lastly, GEA needs to update this part to reflect all current legal citations, as some are currently missing.

⑤ 15 CFR 748: Applications (Classification, Advisory and License) and Documentation

(1) GEA recommends the deletion of any reference to paper application, as these are out-of-date. Additionally, GEA recommends that Supp.1 to Part 748 should be updated how to complete SNAP-R and not a paper application. While SNAP-R uses the same numbering system, some of the instructions in Supp. 1 to Part 748 do not translate well when completing a SNAP-R application.

(2) GEA believes the sections referencing import certificates should be deleted. The import certificate requirement stems from Coordinating Committee on Export Controls ("CoCom"), which is no longer in place. Therefore, some of the countries required to provide this document no longer issue it.

Supplement No. 7 to Part 748 – Authorized Validated End-User (VEU): List of Validated End User, Respective Items Eligible for Export, Reexport and Transfer, and Eligible Destinations

GEA recommends the inclusion of the conditions to the VEU approval or a specific requirement by the exporter to obtain any conditions placed on the VEU authorization from the VEU. Currently, only the VEU requestor has access to these; however, the usage of this authorization is not limited to the request.

⑥ 15 CFR 750: Application Processing

GEA recommends the deletion of any reference to paper approval, as these are out-of-date.

⑦ 15 CFR 752: Special Comprehensive License

With the creation of License Exception STA, special comprehensive licenses may no longer be practical. GEA would recommend either the deletion of this section or for it to be replaced with an Intra-Company License.

⑧ 15 CFR 760: Antiboycott

GEA recommends for the Department of Commerce and the Department of Treasury to try and reconcile the two (2) sets of Antiboycott Regulation to eliminate inconsistencies and contradictions.

⑨ 15 CFR 762: Recordkeeping

GEA recommends the inclusion of a definition for correspondence required to be retained under this Part. In today's world of electronic communications where global transactions are conducted via email and internet, it is not clear what correspondence this Part requires to be retained. Moreover, GEA believes BIS should include examples of intangible export exempted from recordkeeping requirements (e.g. software logs)

⑩ 15 CFR 764: Enforcement

GEA would like to point out that Part 764 gives Libya a more lenient treatment for activities involving installed base items than any other country including regime partners and cooperating countries subject to 764.5(e). GEA believes, so long as the export violation has been self-disclosed, a similar exception should be granted to destinations in Country Group B.

GEA appreciates the opportunity to provide comments on this Notice of Inquiry. If you have any questions or require additional information concerning this submission, please contact the undersigned at (202) 637-4206 or by email at: kathleen.palma@ge.com or Laura J. Molinari at (202) 637-4401 or by email at: laura.molinari@ge.com

Sincerely,

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