Northrop Grumman Corporation
Export / Import Shared Services
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February 1, 2012

Regulatory Policy Division
Bureau of Industry and Security
U.S. Department of Commerce
14th and Pennsylvania Ave., N.W.
Washington, D.C. 20230

ATTN: Hillary Hess

SUBJECT: RIN 0694-XA37

Dear Ms. Hess:

In response to the Department's request for comments in the referenced Federal Register Notice above, Northrop Grumman offers the following comments regarding further streamlining of the Export Administration Regulations (EAR) published by the Department. Our comments are generally focused on additional guidance to use the current EAR, rather than restructure of the existing regulations.

1) We recommend the Department create detailed "Encryption Guidelines," which could reduce the complexity of operational compliance with the export requirements for encryption items and software. While the Department's encryption training class provides a similar binder for participants, the limited availability of the class, and the growing proliferation of robust commercial encryption, contributes to the need for simplified guidance.

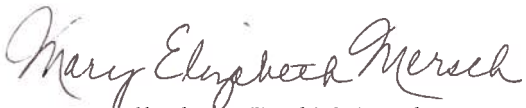
2) We recommend creation of a matrix of license exceptions (similar to the country chart), so we can more easily cross check eligibility to use the exceptions. This would assist in reviewing which License Exceptions are applicable for certain ECCNs to a specific destination, if the transaction is not eligible for NLR.

3) We suggest either providing both the country chart in Supplement 1 to Part 738 in the same section as Supplement 1 to Part 740 so all country information can be accessed in one location with guidance on the difference in purpose for each of the supplements or some additional discussion with the TACS about how to combine/streamline into one supplement. Requirements for each country should be available in one location in the regulations.

4) We suggest an alternative approach to the flowcharts for incorporating the review of the General Prohibitions into the license determination process. Currently, the prohibitions are not grouped together and approached as a whole; instead, they are broken into different areas of the flowchart. We think it may be helpful to group them together earlier in the determination process so that exporters are clear their transaction review has incorporated a thorough review of all the general prohibitions, as well as avoid additional workflow (e.g. time) to complete the license/exemption determination.

We appreciate the Department's outreach to assure that a wide variety of comments are received, and to extend the deadline for the comment period until February 1, 2012. If you need any clarification or would like to discuss any of the above comments, please contact me at beth.mersch@ngc.com or 703-280-4056.

Sincerely,



Mary Elizabeth (Beth) Mersch
Director, Export Operations