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Mr. Timothy Mooney
Office of Exporter Services
Regulatory Policy Division-BIS
Department of Commerce
1401 Constitution Ave. NW. Room 2705
Washington, DC 20230

Regulations.gov ID: BIS-2010-0038

February 7, 2011

Subject: Comments on Department of Commerce Bureau of Industry and Security Export Control Modernization Proposed Rule for new Strategic Trade Authorization License Exception

Dear Mr. Mooney:

Entegris Inc. welcomes the introduction of a Strategic Trade Authorization (STA) License Exception. Entegris produces a wide range of fluid and wafer handling components utilized in the semiconductor and microelectonics industries including valves, pumps, heat exchangers, and containers currently under ECCN 2B350. Based on the description of the proposed STA License Exception, it appears likely that the Entegris exports currently requiring licenses would not be covered by STA as 2B350 is controlled for CB and AT reasons and our customers are predominantly in Taiwan, Singapore, China and Israel.

Entegris is currently managing over 100 export Licenses for shipments to predominantly very well known semiconductor manufacturers, semiconductor equipment manufacturers, and semiconductor materials suppliers who utilize our components in their manufacturing process or integrate our components into semiconductor manufacturing equipment. The administration of the licenses and transactions against the licenses is burdensome and adds considerable cost to Entegris (and the Department of Commerce).

The lengthy license approval process has in many cases caused Entegris to be uncompetitive and has cost Entegris export revenue as customers working on projects with critical deadlines have not been able to wait the 6 or more weeks after application submission for license review compared to the relative speed with which products from other countries can be received. As an example, 2B350-controlled valves are manufactured in South Korea and require licenses for export. The South Korea export review and authorization process takes 1 – 2 weeks. (Information on Foreign Availability of the products Entegris manufactures will be provided to the BIS in response to the Federal Register request for comments on the "Notice of Inquiry – CCL").

In order to promote Strategic Trade and specifically US exports of less sensitive components to well known and highly visible international recipients, it would be beneficial to structure the STA to allow shipments of the less sensitive components under the license exception to either a short list of countries in which high-tech activities are predominantly taking place or to a relatively short list of 'approved end users'.

The proposed conditions may be slightly less onerous than the current licensing process but may cause some complexity that is difficult to measure for overseas Customers. Customers in the Semiconductor and Microelectronics markets are familiar with requirements to provide End-User Statements as a component of US license applications, thus it is my impression that customers would likely be willing to provide certifying statements. The Conditions under the new License Exception may require review and approval from additional participants within their company, resources which are often constrained (Legal and Trade Compliance). If the License Exception were structured to require written statements along with each transaction, the customers may not able to respond to the new volume of transaction-level certification requests (whereas the EUS under a license scenario requires only periodic evaluation at the time of license application).

A solution to this challenge would be to include in the definition of the License Exception a clarification that the written statements would be valid for a period of time, for example 1 year, so long as there is no material change in the customer environment, no changes in the applications for use of the products, and the transaction is within the scope of the products included in the statement.

An additional note on the burden of the proposed License Exception would be the requirement for the Destination Control Statement to contain flexible data. This presents two challenges. It means that the Destination Control Statement becomes a line-level detail as it would have to vary depending on the ECCN of the specific line item being shipped. This will result in extremely lengthy export documentation (overly lengthy and repetitive notes, in my experience, tend to be overlooked). It will also present a programming challenge to the IT teams to be able to insert the variable data into the text of the Destination Control Statement and align it with the specific lines covered by the license exception.

Please let me know if any additional information or clarification would be helpful.

Thank you for your support and with best regards,

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