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09 September 2011

Mr. Timothy Mooney
Regulatory Policy Division
Bureau of Industry and Security, Room 2099B
U.S. Department of Commerce
14th and Pennsylvania Ave., NW
Washington, DC 20230

Subject: **RIN 0694-AF17, Control of Items the President Determines No Longer Warrant Control Under the United States Munitions List (USML)**

Dear Mr. Mooney:

Alliant Techsystems Inc. (ATK) appreciates the opportunity to comment on the subject proposed rule (PR) to make certain revisions to the EAR to control certain items that no longer warrant USML control. We found it challenging to complete a full review of the PR absent proposed revisions to the USML and knowledge of other proposed changes to accomplish President Obama's "four singulars". However, we provide the following comments based on our review of the PR.

- Concerning license application review timeframes for "600 series" items; BIS anticipates times generally would not increase as compared to when such items were on the ITAR. The PR identifies that for 2011 BIS is averaging 31 days, while DDTC is averaging 17 days. We are encouraged that BIS intends to maintain the processing times currently seen at DDTC but are concerned that BIS will not have adequate resources to handle this increased volume and cut their own processing time by 45% while having coordinated reviews by the Departments of Commerce, State and Defense. As one possibility to reduce the cycle time, we suggest the agencies consider a "Do Not Staff" list (based on capabilities) of items that are not required to be reviewed by State and Defense.
- We request applications for "600 series" items that are in support of operations in Iraq and Afghanistan be given priority, as they currently are by the DDTC. Given the uniqueness of such requests and their support to US and coalition forces in-theatre; we hope an expedited review process will be established to provide such licenses preferential treatment.
- ATK requests that BIS consider the STA exception request cover the entire ECCN subject to the request versus the specific item in the request. If the CCL is a "positive list," then items within the same ECCN will have identical or similar characteristics placing the items within the same ECCN. Therefore, their eligibility for an exception should be equal. Also, we request that BIS consider allowing applicants to submit STA exception requests either on their own or with an application for the export of the requested item; especially if BIS will not allow an STA exception request to cover the entire ECCN subject to the request, as this

will place competitors of comparable products at a disadvantage as one exporter will be eligible for STA while another will not.

- STA allows for exports, reexports and transfers to non-government end users within the STA-36 countries if the ultimate end user will be a government within the STA-36 countries. If a US manufacturer is a subtier (parts and components) supplier to a foreign manufacturer, what is the burden on the US manufacturer to ensure the ultimate end user is a government within the STA-36 counties? ATK, as a part and component supplier, is concerned that this could require traceability by all parties in the supply chain to a potentially unserialized part or component (i.e., screws, nuts, bolts, brackets, etc.) to ensure ultimately it ended up with a government within the STA-36 countries.
- ATK appreciates the Bureau's attempt to define "specially designed"; however, the definition still leaves the possibility for misinterpretation. ATK suggests the definition could be enhanced through examples and interpretative guidance (similar to what is available in Part 760) and questions and answers (similar to what is available in Supplement No. 1 to Part 734). Additionally, we recommend the Bureau use "specially designed" to illustrate excluded items, items that don't meet the intended thresholds of "specially designed".
- Part 772.1 definition of "600 series" states that it "controls items on the CCL that were previously controlled on the United States Munitions List…" That could be read or interpreted to mean that items moved from the USML to CCL (via any means including a CJ), and are now in an ECCN other than the "600 series," will now be placed within the "600 series." ATK requests BIS clarify.
- The proposed rule lists the government agencies (specifically: "armed forces, police, paramilitary, law enforcement, customs and border protection, correctional, fire, and search and rescue agencies") that would be eligible to ultimately receive items through the STA exception and BIS requested comments on that list. ATK recommends BIS simply adopts a more general descriptor: "international organizations and foreign government agencies acting in an official capacity."

ATK again wants to thank the Bureau for the opportunity to comment on the ANPR and applauds the Bureau's continued efforts to clarify and update the Regulations.

Sincerely,

Robert Schuettler
Director, Corporate Export Licensing
Alliant Techsystems Inc.