## Timothy Mooney

**From:** Bump, Mark W. <mark.bump@timken.com>
**Sent:** Wednesday, August 31, 2011 10:38 AM
**To:** PublicComments
**Cc:** Christensen, Larry; Dafler, Jeffrey R. (Jeff)
**Subject:** Comments regarding Proposed Revision to EAR - RIN 0694-AF17

August 31, 2011

Regulatory Policy Division

Bureau of Industry & Security

U.S. Department of Commerce

14th Street & Pennsylvania Avenue, NW

Washington, D.C. 20230

Re: Comments regarding Proposed Revision to EAR

Federal Register Vol. 76, No. 136, July 15, 2011

RIN 0694-AF17

To: Mr. Timothy Mooney, et al

The Timken Company ("Timken") appreciates the opportunity to comment upon the Proposed Revisions to the Export Administration Regulations (EAR): Control of Items the President Determines No Longer Warrant Control Under the United States Munitions List (USML), Federal Register Vol. 76, No. 136, Friday, July 15, 2011, RIN 0694-AF17 (the "Proposed Regulation"). Timken is an Ohio-based international business, with an expertise in friction management and power transmission. We are headquartered in Canton, Ohio. Our web site is at: www.timken.com <http://www.timken.com/> . Our most famous product is bearings, yet we are diversifying, as shown by our recent acquisition of Philadelphia Gear. Our DDTC registration number is M-3899.

Timken believes that the Proposed Regulation is a step in the right direction. We believe that transferring bearings from USML Category VII to the new ECCN 060.y.5 on the CCL recognizes both the minimal military value and the widespread global availability of such bearings. We also believe that the allowance of a "de minimis" re-export rule and availability of license exceptions for the new "600 series" ECCN's will help us to be more competitive; however, these changes,

without more, are not enough to fully "level the competitive playing field". We believe that additional steps need to be taken, to obtain the benefits contemplated by the President, regarding increasing U.S. exports. Timken recommends the following additional steps:

Short Term (2011)

1. Modify new ECCN 0E606 to only apply "AT" policy controls to "use" technology for items under new ECCN 0A606.y (which items are only subject to AT controls). Any benefit of decontrolling an item itself is seriously undermined if the related "use" technology requires an export license to destinations where no license is required to export the item itself.

2. Add "gears" to ECCN 0E606.y, as "parts" or "components" which have little or no military significance. We believe gears have the same "ITAR" significance as bearings, and should be controlled in a similar fashion.

3. Add "bearings" and "gears" to the definition of "specially designed" and to the "Note to Exclusions Paragraph Number 1", as follows:

- Specially designed. –

(a)...

(b)...

(c)...

(d)...

(1) A single, unassembled part, bearing or gear, used in multiple types of civil items...

- Note to Exclusion Paragraph Number 1:

"Threaded fasteners....springs, bearings, gears and wire" are identified as representative types of items excluded from the definition of "specially designed"..."

Longer Term (through 2013)

1. Transfer bearings and gears from under the proposed new ECCN 0A606.y, to "EAR99".

2. If such items in #1, above, are not shifted to EAR99, then modify new ECCN 0E606 to only apply "AT" controls to "use", "development" and "production" technology, for items in new ECCN 0A606.y.

3. Establish an "automatic" review policy for "parts" and "components" in the new "600" series ECCN's, as follows.

- After a "part" or "component" is controlled as Tier 1 "600 series" for 3 years, the item is automatically dropped to Tier 2 "600" series level controls, unless: (1) such "part" or "component" is still controlled at a "Tier 1 level" by a multinational regime (e.g., Wassenaar) or (2) such "part" or "component" is specifically noted as a "Tier 1 control" item by the President;

- After a "part" or "component" is controlled as Tier 2 "600 series" for 3 years, the item is automatically dropped to Tier 3 "600" series level controls, unless: (1) such "part" or "component" is still controlled at a "Tier 2 level" by a multinational regime (e.g., Wassenaar) or (2) such "part" or "component" is specifically noted as a "Tier 2 control" item by the President; and

- After a "part" or "component" is controlled as Tier 2 "600 series" for 3 years, the item is automatically dropped to "EAR99", unless: (1) such "part" or "component" is still controlled at a "Tier 3 level" by a multinational regime (e.g., Wassenaar) or (2) such "part" or "component" is specifically noted as a "Tier 3 control" item by the President.

4. Establish a USML to CCL "automatic" review policy (by Executive Order) for "parts" and "components" that are not Significant Military Equipment ("non-SME") on the USML, as follows.

- After a non-SME "part" or "component" has been on the USML for 3 years, the "part" or "component" is automatically moved to a Tier 1 "600 series" ECCN, unless the item is specifically noted as a USML "part" or "component" by the President.

Please do not hesitate to contact us with any questions.

Respectfully submitted,

Mark Bump

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