Comment submitted on regulations.gov on 8/2/12

We strongly support the inclusion of the de minimis rule for the 600 Series parts and components. We believe the de minimis rule for 600 Series should be 25%, consistent with other items subject to the EAR, and should be 0% for Terrorist supporting and arms embargoed countries.

Also, it appears that the STA license exception will only be eligible for end-use by government entities of the STA 36 countries and not for companies located in the STA 36. Therefore, the relationship between de minimis and the use of the STA license exception needs further clarification.

There will be a common occurrence that a 600 Series part exported from the U.S. will be incorporated into a foreign-made end-item, and will be well below 25% (and usually below 10%) of the end-item. BIS should clarify the following two scenarios:

1. If a 600 Series part is exported to an STA 36 company, who will make their end-item for end-use by the government of an STA 36 country; it would appear that the STA license exception could be used for the U.S. export of the part. It should be clarified that the STA can be used even though the foreign end-item is not subject to the EAR (because the U.S. 600 Series content is below the de minimis).

2. If the end-user of the foreign end-item is outside of the STA 36 countries, the STA license exception cannot be used. Since by the de minimis rule the end-item is not subject to the EAR; can we conclude that the 748P license application for the U.S. 600 Series part would list the end-user as the manufacturer of the foreign end-item, and not have to list the ultimate end-user of the foreign-made end-item (since the end-item is not subject to the EAR)?

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