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Mr. Timothy Mooney
Regulatory Policy Division
Bureau of Industry and Security
Room 2099B
U.S. Department of Commerce
14th St. and Pennsylvania Ave. N.W.
Washington, D.C. 20037

September 17, 2012

Subject: Advanced Notice of Proposed Rulemaking: Feasibility of Enumerating "Specially Designed" Components

Reference: RIN 0694-AF68 [Docket No. 120426028-1028-01]
Regulations.gov ID: BIS-2012-0022

Dear Mr. Mooney:

The General Electric Company, acting through its GE Aviation business unit (GE), submits the following comments to the Department's referenced request for comments on the feasibility of positively identifying through exhaustive lists "specially designed" components on the CCL.

GE has reviewed the Department's proposal in the context of our GE Aviation business. Our comments accordingly are not intended to speak for industry in general except where clear from the context or otherwise specifically noted. GE understands that one key objective of the US Government's proposals for export reform is to have "higher fences around fewer items" and to remove as many items from the higher levels of export control as possible without detriment to national security. As such, our comments are made with the intention of advancing this objective.

After review, we have several comments:

1. One serious challenge in creating lists identifying components by nomenclature alone is that even within the same industry different people may call the same item by different names[1]. This is not the majority of components, but when considered across industries could involve a large number of items.
2. Any attempt to create exhaustive lists will likely result in very long lists, particularly when considered across the entire CCL.
3. Even if industry and the Government are able to devise acceptable lists, we are concerned that, because technology is continuously advancing, no list will be able to remain exhaustive unless the descriptions of components included are so broad that

[1] For example one person might call the turbine in a gas turbine engine that turns the engine fan a "low pressure turbine" while another may call it a "power turbine".

they continue to capture parts that don't merit inclusion on a list of highly controlled items. In addition, new technologies could result in components that don't exist today.

4. Because of the difficulty that the Government may have with getting comfortable that a list of components is complete, we are concerned that some level of "catch all" provision is inevitable, and will continue to cause uncertainty around where to draw the lines between controlled and non-controlled items.
5. On the question of applying the approach to "parts" as well as "components", we see no reason to exclude parts from consideration. In particular in the gas turbine engine industry one will find single unit piece parts that have high degrees of technology[2] while there are "components" or assemblies that have very low levels of technology[3].

As we suggested in our comments to the proposed definition of "specially designed", whatever the approach taken, inevitably there will be articles that will be initially captured in an ECCN that are later understood by Industry and Government alike to be of such a kind that they should be released from such inclusion. We urge the Department, when finalizing its approach, to define a process involving Industry input and US Government analysis for removing such specific items from the list without the need to change the definition itself; perhaps by means of a specific excluded items list or a process similar to today's commodity classification process.

Finally, GE believes that a strong effort has been commenced to define the use and meaning of the term "specially designed" both in terms of the Department's proposals and the many thoughtful comments that have been submitted to that proposal. As such, at present we urge the Department to continue to focus on achieving a general definition that addresses the concerns of both Government and Industry in the doing. After the Department has experience working with that definition of specially designed, it may be appropriate to revisit the question of whether the creation of itemized lists of parts, components and technologies would be clearer and more effective in particular sectors.[4] Accordingly, we propose that any effort to define controlled components through any approach other than the definition of "specially designed" should be postponed until all interested parties have had an opportunity to see the outcome of this effort.

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[2] E.g. a high pressure gas turbine blade with sophisticated cooling hole technologies.

[3] E.g. engine wiring harness.

[4] There are some ECCNs that currently define items to be included in the set of "specially designed" controls by reference to specific parameters, the nature of which identify specific types of performance characteristics or technology that give the United State advantages in our military capabilities. An example is 9A003, which includes as specially designed only those items that incorporate very specific technologies. However, there are other ECCN's that are broad or vague making it difficult to exclude some items even when most in the relevant industry know that the technology associated with those items while technically falling within the broad description are either significantly outdated or are already widely known and used throughout the world. Finally, there are ECCNs that are 1) broad and 2) whose components may be difficult to define due to proprietary information concerns. An example is 1B001.e, which controls hot melt machines. The entry is very broad and could be interpreted to control many machines which are not of concern or that cannot be effectively controlled. In addition, developing a list of specially designed components for the machines which really are of concern would require companies provide lists of key components which may be proprietary. It may be better to model this entry off of 9A003 (indirectly through 9E003) which uses performance characteristics to protect components with specific technologies.

A number of commentators to the proposed definition of "specially designed" have made suggestions to remedy this through the carve-outs contained in sub-section (b) of the definition, which if adopted would go far in resolving this problem. GE suggests that if there are still concerns and ambiguities after a final definition of "specially designed" is adopted, efforts be turned to addressing those ECCNs one by one to define the parameters of the technology with specificity around capabilities created by technologies that merit higher levels of control.

Thank you for the opportunity to provide you our comments. If you have any questions or require additional information concerning this submission, please contact the undersigned at (202) 637-4206 or by e-mail at: kathleen.palma@ge.com or Mr. George Pultz at (781) 594-3406 or by email at george.pultz@ge.com.

Sincerely,

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