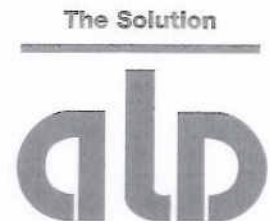


ALD Vacuum Technologies GmbH

ALD Vacuum Technologies GmbH · Wilhelm-Rohn-Str. 35 · 63450 Hanau
Gerard Horner
Office of Technology Evaluation
Bureau of Industry and Security, Room 1093
U.S. Department of Commerce
14th Street and Pennsylvania Avenue, NW.
Washington, DC 20230
USA



Ihr Zeichen	Unser Zeichen	Direktwahlen	Datum
	ALD/Z-EXKO	Fon: 06181.307-3468	1 October 2010
	RD/R	Fax: 06181.307-3470	
		e-mail: marianne.rieth@ald-vt.de	

Best Practices for Transit, Transshipment, and Reexport of Items Subject to the Export Administration Regulations

Dear Mr. Horner,

Although the a.m. topic is focussing on suspicious transactions around transshipment hubs, we would like to address handling and reexport of U.S.-items in a more general way, based on long experiences. Already in 1991, when Germany had rigorously reformed their regulations, as a consequence the exporting industry instituted central export control staffs. Senior practitioners were charged to organize compliance with these regulations, including those of the USA.

At that time the EAR of 15 CFR 768-799 was much harder to digest than today's EAR of 15 CFR 730-774, or OFAC's 31 CFR 500 et al. Daily lecture of the Federal Register, all TOC export violations, regular access to a Washington law firm have served as a sound base of comprehensive understanding to keep clean a globally acting company. Under these circumstances, the requirements of "Best Practices" have long been routine in German exporting firms.

Apart from Germany, the EU- Community has set in force on 1 March 1995 its first dual use Council Regulation (EC) No.3381/94- today it is the (EC) No.428/09- having all the same efficacy as the EAR of the United States of America.

Communicate the ECCN

We most appreciate Best Practice No.6: namely to communicate the appropriate ECCN. This old pious wish of all reexporters was rebutted by BXA - however- already in a Final Rule on March 25,1996, FR Vol. 61, No.58 page 12728 :" Although exporters need to determine the proper ECCN in order to determine an export license, requiring them to show that number on SED's for all exports would unduly increase the paperwork burden."

Seite 1 von 3



Note: The ECCN or EAR 99 status is the very only information that reexporters abroad extra need in order to comply with US regulations. There is still missing a legal obligation to inform foreign importers, at least upon request.

Destination Control Statement

The Destination Control Statement, see §758.6, required for "items on the CCL, that are not classified EAR 99" is often misleading the consignee or end-user abroad, because it is also printed on consignments containing EAR 99 items. Thus the DCS is just a warning of US products with no extra information about the ECCN. It is unintelligible, however, that the DCS must not escort items "Subject to the EAR" in all their lifetime, since "DCS requirements do not apply to reexports", see §732.5(b) Step 28.

Another problem for manufacturers abroad, who incorporate US – products (be it de minimis or more than 25% content) in their machinery, is the uncertainty whether they are true "reexporters" in the sense of § 734.2(b)4 or are "deemed exporters" in the sense of § 734.2(b)6.

This problem is highlighted in many a TOC export violation, see for example E 2011 Buehler UK. In charge 2, 3, 4 the UK-company is hooked for the "reexport" of listed items from UK to Iran, in charge 1 for the "export" of an EAR 99 item to Iran, although the latter was a shipment "from the UK to a customer in Iran", as well.

Reexport from inventory

The qualification as "reexporter" in the sense of §734.2(b)4 brings some advantages for foreign reexporters, for example they may use the License Exception § 740.16 Additional Permissive Reexport (APR) or may even lawfully ship EAR 99 items to Iran; see "EXPORT PRACTITIONER", January 2005, under "Paths to Perdition": "When it comes to embargoes such as the one against Iran, the de minimis rule only applies to reexports from inventory that are made without specific reference to an Iranian customer."

The magic word is "inventory", a kind of sink hole or buffer stock filled with US items not earmarked for any destination.

Attempt to purchase from the US

The same author Mark D. Menefee writes in the 2005 December issue "No Soliciting": "A non U.S. company, which forwards a procurement request to another non U.S. company, which, in turn attempts to purchase from the US, can be held liable for aiding and abetting a violation of the EAR, namely, the solicitation of an unlicensed export to Iran."

Purchase from everywhere

For decades machinery producers have been buying all kinds of items from other companies, be they traders or other producers, be they in country, be they abroad. With the exception of export controllers, as discussed before, nobody was much interested if US items were part of the incoming stream or if there was any special "stock" or "inventory" in house or at the trader.



Intrusive questionnaires

The situation has drastically changed in the last few years through the actions of US subsidiaries and resellers who are now sending questionnaires to their customers.

Pretending they follow US export control regulations by asking these questions, all kind of detailed information on end use, end user, military or nuclear use is required.

It is understood that the reasoning behind are the "know your customer principle" or "Best Practice"- Campaigns of BIS like the one in 2003 and this one of 2010. Most receivers of such mail are not willing- for many good reasons- to disclose their customers neither in country nor abroad. A sensible compromise so far has been the assurance, demonstrated by proof, that the US regulations are mastered and are observed, that no WMD activities are supported, but that as a matter of principle end users are not disclosed.

When such obstinate discussions with vendors extend over weeks, even about EAR 99 items, as a consequential reaction the whole purchased stock is now scrutinized for US items. The first candidates to be marked are items which need a license from Washington – in addition to the license mandated by the actual EU Regulation-. The second ones are those which are not offered as catalogue articles from big resellers, regarded as inventory. It may be costly to design out critical US items or replace them by other provenance, but a glance into § 764 Violations and the price list therefore justify big money.

Result

1. The proposed "Best Practices" repeatedly ask "to inquire" or "should have information" or "attempt to resolve any questions" etc.

BIS could perhaps explain in more detail how information about suspicious transactions could be gathered without offending customers. It is peculiar to see that even big names in U.S. industry hide their heads behind legalism when asking sensitive questions. As can be read in the publications about Best Practices of May 16, 2003 and again of September 1, 2010 this "creates no legal obligation to comply".

2. In the export control reform to come BIS should end its policy to require US reexport authorizations from the firms in the 27 EU countries in all those cases, where EU Regulations already prescribe export licenses to third countries.

Sincerely yours,

ALD Vacuum Technologies GmbH

A handwritten signature in black ink, appearing to read 'R. Debes', written in a cursive style.

ppa. Dipl.-Ing. Rainer Debes
Export Control Manager

A handwritten signature in black ink, appearing to read 'B. Herkert', written in a cursive style.

i.V. Dr. Bernhard Herkert
Former Export Control Manager

APPLIED MATERIALS



November 17, 2010

Mr. Gerald Horner
Office of Technology Evaluation
Bureau of Industry and Security
U.S. Department of Commerce
Washington, D.C. 20230

Re: Request for Additional Comments Regarding Transshipment Best Practices

Dear Mr. Horner:

Thank you for sending your memo to the RPTAC. The RPTAC did provide comments. Below, please find comments from an Exporter's point of view:

1. Freight Forwarders who have a compliance program: The issue of forwarders having a compliance program has been on the table for some time. What has happened in the logistics industry is that forwarders are offering more services than "putting freight on a plane, boat or truck." They have evolved into "buyer's agents," "compliance departments," "consignment warehousemen" and a host of other services which traditionally were not part of a forwarder's service offerings. I do not think that regulating them in a similar manner as US Customs brokers will add anything. The EAR should clearly define a freight forwarder or carrier as a party who has been contracted by the foreign buyer or US seller to facilitate the export or re-export (foreign freight forwarder) of the goods. This may include the subsequent customs clearance at destination. Typically a freight forwarder has no knowledge of the transaction between the buyer and seller nor does a forwarder have title (ownership) of the goods.

2. Exporters/reexporters knowledge as to the type of customer they are selling to: Most companies have a contract between the seller and buyer which clearly outlines the type of company the seller is working with. A contract will define a specific sales territory as well as what kind of re-manufacture or incorporation into a foreign item the original item may be combined with. If a seller is dealing with a "trading company" who may buy goods from multiple sources and re-sell those goods globally-the US seller needs to "know his customer" and advise via contracts or other documentation the terms under which the goods are being delivered. This contract or agreement should have "boiler plate" language around compliance with US and foreign regulations.

3. Transactions to, from or through a transshipment hub: Transshipment needs to be clearly defined in the EAR. In the transportation world, transshipment means the goods are "transiting" a third location prior to delivery to the "final" country of destination. The goods are usually on the same transportation document (e.g., AWB) they were originally shipped on. Customs formalities are brief (if any) as the goods do not enter the "commerce" of the intermediate country. If a shipper sends goods to an intermediate country for "entry" and then "re-forwarding" to another country the exporter has two transactions. In this case, Company A does an export control evaluation all the way to the final end-user. This scenario is common for sales to Russia where a "trading company" in Germany is the buyer for a Russian entity. The first transaction is a sale between a US company and a German

Mr. Gerald Horner
November 17, 2010
Page Two

company for delivery and customs clearance into Germany. When Company "A" (US exporter) receives the PO from Germany, Company "A" should know the goods are going to Russia. Therefore, a license or other authorization should be obtained by Company "A" as the shipment is intended to be delivered to Company "C" (ultimate end-user) in Russia. Company "B" (buying agent of "C") in Germany also obtains a German export license (if needed). The EAR should provide guidance that when a seller has "knowledge" of the final destination of the goods a license review should be conducted as if the goods were shipping directly to the final location.

4. Routed Transactions: A USPPI should know his customer and all parties to the transaction. This includes the freight company a customer may be sending for the cargo. Many times Company "A" will send letters to customers recommending one forwarder over another. Or, Company "A" will work with a customer's forwarder to make sure the forwarder understands the compliance requirements of the US seller or exporter.

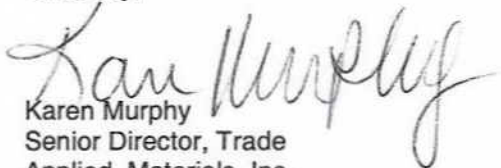
5. Communication of ECCNs: An ECCN is required for the first export of an item. If the goods change at an intermediate consignee then, the new "manufacturer" needs to determine the new export control rules of the new item. I agree that many companies pick "EAR99" as they know that this number gets an item out of the United States. Most countries do not have an ECCN at all for items not on the control list. However, for automated systems there needs to be a number in order for the system to conduct a license decision. In some cases, US exporters are not the Original Manufacturer (OEM) of an item. Per the EAR, an exporter needs to know the ECCN of an item. Sometimes we receive ECCNs from OEMs that are wrong. OEE needs to audit the use of EAR99 and conduct some random verification. Buyers should ask sellers for the trade data on all items they purchase. This should include ECCN, HTS and Country of Origin.

6. Screening: There is a proposal for one list of entities. Automation can be expensive. One solution for small companies has been to load the various lists into their ERP system with a "BLOCK." Therefore, no screening is required as long as the companies are in the ERP. The publication of one list should be helpful.

7. International partners: Many countries have implemented a transit security program similar to the US C-TPAT. I would recommend adding elements of export compliance to the C-TPAT program.

I hope these comments are helpful.

Sincerely,



Karen Murphy
Senior Director, Trade
Applied Materials, Inc.
Member RPTAC

REGULATIONS AND PROCEDURES TECHNICAL ADVISORY COMMITTEE

December 1, 2010

Gerry Horner
Office of Technology Evaluation
Bureau of Industry and Security
U.S. Department of Commerce
Washington, DC 20230

Re: Request for Additional Comments Regarding Transshipment Best Practices

Dear Gerry,

The RPTAC would like you to consider the following additional comments regarding the set of transshipment best practices published on September 1, 2010.

- The transshipment best practices should refer to EMCP Element #2 regarding overall risk assessment.
- We suggest that the BIS Know Your Customer Guidance is mentioned in best practice #2.
- Regarding best practice #3, for many exporters, multi-channel tracking of shipments can be difficult and impractical.
- Regarding best practice # 5, we recommend that BIS provides examples of communication channels or techniques exporters could use to keep end users informed of ECCN numbers. For example, posting ECCN information on a web site is a best practice. However, we do not believe a recommendation should be to rely on export documentation for ECCN numbers. For example, in complex distribution channels involving distributors, resellers, and retailers these documents may not be available to all parties because disclosure is not possible for proprietary reasons.
- We disagree with the respondent comment in best practice # 6 regarding the concordance between ECCN and HTS. For example, a single 10-digit HTS code in Chapter 85 (electronics) can have a broad range of possible ECCNs. Thus, an effective concordance between ECCN and HTS appears to be improbable, if not impossible.
- Best practices #5 and #6 do not really address transshipment. Also, most companies focus export compliance resources on controlled items, not those classified as EAR99.

Best Regards,

Julie Zack, RIM, and John Nieberding, Agilent Technologies
Co-Chairs, Practices and Procedures Working Group



Samuel Shapiro & Company, Inc.

Est. 1915

9 March 2011

Mr. Gerard J. Horner
Senior Trade and Industry Analyst
Bureau of Industry and Security
HCHB – Room 1093
Washington, DC 20230

Re: Transshipment Best Practices

Dear Gerry:

This letter is a follow up to your visit to Samuel Shapiro & Company, Inc.'s office last September regarding industry processes related to transshipment trade procedures.

- What are your thoughts on these government or industry practices to strengthen transshipment controls to combat illicit diversion?
 - (BP#2) Do Exporter/Reexporter companies as a standard business practice use Trade Facilitators/Freight Forwarders that possess their own export management and compliance program?
Unfortunately, we have found that many exporters are not concerned with the compliance programs of their forwarders. Despite Shapiro having a robust export compliance program, we have had relatively few exporters inquire about our compliance procedures. Most exporters seem to be more concerned with obtaining the most favorable freight rate for the quickest routing.
 - (BP#3) Do exporters/reexporters have access to all information about their foreign customers? For example, do exporters/reexporters with customers that are trading company or distributor inquire (as a practice) if the customer resells to or has guidelines to resell to third parties?
We are not sure how our customers handle information regarding their foreign customers, particularly if a trading company is involved. Our exporters do ensure the Diversion clause is on all paperwork for items that do not require a license or are not controlled to the country they are shipping to. At Shapiro, our export personnel are trained to review the documents extra carefully should they reference a trading company as the consignee.
 - (BP#4) With respect to transactions to, from, or through transshipment hubs - - - as a standard practice do Exporters/Reexporters take steps to inquire about the end-user

and determine if the item will be reexported or incorporated in an item to be reexported?

We are not sure how closely our customers look into transactions through known transshipment hubs. Certainly, exporters who have documented compliance programs should be inquiring about end users if a shipment is going through a transshipment hub. We suggest the exporter should tell the buyer of the U.S. transshipment policy (diversion control statement) before the sale of any controlled item, perhaps as part of the order confirmation process. Shapiro's internal export training materials do cover possible transshipment flags such as trading companies or freight forwarders as consignees, as well as a list of known transshipment hubs.

- o (BP#5) Do Freight Forwarders (as standard practice) inquire about the details of a routed transaction when a foreign principal party in interest requests to ship controlled items to countries of destination or ultimate consignees different from those provided by the U.S. principal party in interest?

Fortunately, Shapiro has not run into this scenario to date. Should this happen, we would alert the USPPI, and it is unlikely we would handle the shipment should we receive discrepant instructions between the USPPI and the FPPI.

- o (BP#6) Do Exporters/Reexporters adequately communicate to end-users and/or ultimate consignees providing the appropriate Export Control Classification Number (ECCN) or other classification information (EAR99) for each export/reexport?

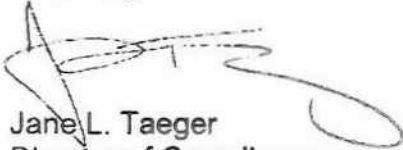
We believe that exporters with documented compliance programs would be communicating ECCN and other such information to the end users and/or ultimate consignees.

- o (BP#7) How uniform are Exporters/Reexporters reporting of ECCN or the EAR99 classifications for all export transactions, including "No License Required" designations either to Trade Facilitators/Freight Forwarders or to enter them in the Automated Export System (AES).

We do not see much uniformity with reporting ECCN or EAR99 classifications. Again, those exporters with strong compliance programs will provide the ECCN or EAR99 designations. Less sophisticated exporters try to rely on the freight forwarder to assign the ECCN and do not realize it is the responsibility of the USPPI. We spend a great deal of time educating our customers of their responsibility and liability as the USPPI, and have posted an export compliance guide on our website.

We appreciate BIS's efforts to engage in a dialogue with the trade regarding best practices for transshipments. If you have any questions, please feel free to contact me.

Sincerely,



Jane L. Taeger
Director of Compliance

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May 17, 2011

U.S. Department of Commerce
Bureau of Industry and Security
Office of Technology Evaluation
14th Street and Pennsylvania Avenue, N.W., Room 1093
Washington, DC 20230
Attn: Gerard Horner, Senior Trade and Industry Analyst

Re: UPS Responses to Transshipment Best Practices

Dear Gerry,

Thank you for reaching out to UPS for its comments on one of the most important topics facing the international transportation industry: unauthorized transshipments. We appreciate your solicitation of input from around the industry in preparation for the publication of your forthcoming "Best Practices for Transit, Transshipment, and Reexport of Items Subject to the Export Administration Regulations."

BIS: Understanding Industry Processes

What are your thoughts on these government or industry practices to strengthen transshipment controls to combat illicit diversion?

1. **BIS Question:** Do Exporter/Re-exporter companies as a standard business practice use Trade Facilitators/Freight Forwarders that possess their own export management and compliance program?

Corresponding BIS Proposed Best Practice: (#2 "An Exporter/Reexporter should seek to utilize only those Trade Facilitators/Freight Forwarders that also observe these best practices and possess their own export management and compliance program.")

UPS Response: In our experience, apart from some large customers who have their own compliance programs in place, the vast majority of Exporters/Reexporters UPS works with do not typically inquire whether we have an export management and compliance program. While not a "standard practice" among Exporters/Reexporters, UPS generally supports incorporating proposed Practice #2 as a best practice but believes BIS should emphasize the following two points in its final publication: (1) BIS should clarify that the phrase "these best practices" in this context refers only to those Best Practices that are specifically addressed to Trade Facilitators/Freight Forwarders, and is not intended to suggest that Trade Facilitators/Freight Forwarders incorporate all of the proposed Best Practices, many of which they would not be in a position to implement due to inherent limitations on their role and the

information available to them in a transaction; and, (2) consistent with the regulations, using a freight forwarder or other third party in the transaction does not absolve the Exporter/Reexporter of its responsibilities under the export control laws.

2. **BIS Question:** Do exporters/re-exporters have access to all information about their foreign customers? For example, do exporters/re-exporters with customers that are trading company or distributor inquire (as a practice) if the customer resells to or has guidelines to resell to third parties?

Corresponding BIS Proposed Best Practice: (#3 “Exporters/Reexporters should have information regarding their foreign customers. In particular, a company should know if the customer is a trading company or distributor, and inquire whether the customer resells to or has guidelines to resell to third parties.”)

UPS Response: For the most part, UPS customers would not ordinarily make us aware of this level of transactional detail. However, we note that as a general matter, while an Exporter/Reexporter may know that its customer is a reseller, distributor or trading company, there are often practical limitations on its ability to obtain any specific information as to whom that customer is reselling for reasons of legitimate commercial confidentiality.

3. **BIS Question:** With respect to transactions to, from, or through transshipment hubs - - - as a standard practice do Exporters/Re-exporters take steps to inquire about the end-user and determine if the item will be re-exported or incorporated in an item to be re-exported?

Corresponding BIS Proposed Best Practice: (#4 “With respect to transactions to, from, or through transshipment hubs, Exporters/Reexporters should take appropriate steps to inquire about the end-user and to determine whether the item will be reexported or incorporated in an item to be reexported.”)

UPS Response: Unless an exporter has developed its own fully-functioning Export Management Compliance Program (EMCP) – a major part of which should ensure that exactly this sort of questioning is completed on every one of their transactions— it would be unclear to UPS, acting solely in its role as Forwarder, whether exporters are conducting this degree of background checking. As noted above, however, the Exporter/Reexporter’s ability to obtain specific information from foreign consignee/buyer as to where and to whom an item is being transshipped may be very limited as a practical matter to the extent the buyer wants to protect its relationship with the ultimate end-user for commercial and/or confidentiality reasons.

4. **BIS Question:** Do Freight Forwarders (as standard practice) inquire about the details of a routed transaction when a foreign principal party in interest requests to ship controlled items to countries of destination or ultimate consignees different from those provided by the U.S. principal party in interest?

Corresponding BIS Proposed Best Practice: (#5 Freight Forwarders should inquire about the details of a routed transaction when asked by a foreign principal party in interest to ship

to a country or countries of destination or ultimate consignees that are different from those provided by the U.S. principal party in interest.)

UPS Response: This question raises a very important set of issues for Freight Forwarders, including UPS's freight forwarding subsidiary UPS Supply Chain Solutions, Inc. ("UPS SCS"). At the outset, we note that as a matter of policy, UPS SCS does not undertake the responsibility for licensing determination in routed export transactions.

That said, we believe the circumstances described in this Best Practice reflect serious concerns, and warrant clarification on several points.

First, even in a routed export transaction where the USPPI retains licensing responsibility, BIS should recognize that the Freight Forwarder may be placed in a difficult position without a clear statement of the agency's expectations as to all parties. The FPPI may have legitimate commercial reasons not to share detailed information with the USPPI regarding the actual end-user's identity and location (e.g., in order to protect its commercial relationship) and may therefore restrict the FPPI from providing such information to the USPPI. At the same time, if the USPPI is responsible for making the licensing determination, the Freight Forwarder might have reason to know, at a minimum, that the USPPI does not have the accurate information in needs to make that determination (the country of origin and end-user information).

Second, as a consequence, the focus should not be on whether the Freight Forwarder "inquires" but on what steps the FPPI (the party in control of the information) needs to take under these circumstances to provide the USPPI with the necessary information, while protecting its legitimate commercial interests. At a minimum, this can be accomplished by incorporating the following principles:

- (1) The Reexporter must provide the accurate ultimate country of destination to the USPPI where the USPPI retains licensing responsibility.
- (2) The Reexporter must either provide the accurate end-user information or certify that the transaction complies with applicable end-user/end-use restrictions.

This sets a clear expectation that is consistent with the Reexporter's ability to protect the identity of its ultimate customer and the USPPI's ability to conduct an appropriate licensing determination, and avoids placing the Freight Forwarder in the difficult if not impossible position described above.

Third, the current proposed Best Practice #5 should reflect a specific standard with respect to the Freight Forwarder's "inquiry" that is consistent with and reflects these two complementary practices - namely, the practice should be that the Freight Forwarder's inquires to ensure that the Reexporter has provided the accurate country of destination to the USPPI, and either the end-user's identity or the certification described above.

Finally, while we provide these comments in the context of the proposed best practices, we believe they should be reflected in the regulations.

5. **BIS Question:** Do Exporters/Re-exporters adequately communicate to end-users and/or ultimate consignees providing the appropriate Export Control Classification Number (ECCN) or other classification information (EAR99) for each export/reexport?

Corresponding BIS Proposed Best Practice: (#6 “An Exporter/Reexporter should communicate the appropriate Export Control Classification Number (ECCN) or other classification information (EAR99) for each export/reexport to the end-user and, where relevant, to the ultimate consignee.”)

UPS Response: This is not the sort of detailed transactional information that UPS would normally be made aware as these communications would take place between the USPPI and FPPI.

6. **BIS Question:** How uniform are Exporters/Re-exporters reporting of ECCN or the EAR99 classifications for all export transactions, including “No License Required” designations either to Trade Facilitators/Freight Forwarders or to enter them in the Automated Export System (AES).

Corresponding BIS Proposed Best Practice: (#7 “An Exporter/Reexporter should report such ECCN or the EAR99 classifications for all export transactions, including “No License Required” designations to the Trade Facilitator/Freight Forwarder or enter them in the Automated Export System (AES).”)

UPS: UPS is concerned that this provision is drafted too broadly. The provision suggests that Exporters/Reexporters should provide ECCN information to freight forwarders and trade facilitators (including carriers) in ALL export transaction, including those for which the Exporter/Reexporter is not required to file any Electronic Export Information with the U.S. Government. This would greatly and unnecessarily increase the administrative burden on high-volume freight forwarders as well as carriers. We recommend revising the provision to one that encourages Exporters/Reexporters to provide such information to Freight Forwarders/Trade Facilitators “as necessary to ensure compliance with U.S. export control laws.”

7. **BIS Question:** If needed, what should be done to strengthen your management practices/compliance programs to reduce diversion risk?

UPS Response: UPS is extremely proud of its robust export compliance program. We feel that our ongoing commitment to ensuring that we conduct our business in adherence with all applicable laws and regulations of all of the countries in which we operate is unsurpassed in the industry. We continually monitor developments on all key export compliance topics – including unauthorized diversions—and proactively react to identified concerns with revised procedures and training.

8. **BIS Question:** Are your corporate executives engaged in the growing challenges of transshipment trade control and security?

UPS Response: As most recently evidenced by UPS' full cooperation while working closely with multiple federal agencies during last year's terrorism incidents, all levels of our corporate management are 100% dedicated to supporting every government effort aimed at strengthening all compliance and security initiatives.

9. **BIS Question:** Is transshipment mentioned in the Government and Industry export control compliance programs?

UPS Response: Yes. Caution is emphasized throughout our programs and procedures. UPS has instituted multiple layers of oversight both as they relate to Sanctioned/Embargoed countries as well as to suspected high-risk transshipment points.

We trust these comments will assist the government's efforts in formulating effective and instructive exporter guidance that will further protect our nation's technological advantages and combat illegal diversion risks.

Sincerely,

Don Woods, Director
UPS Supply Chain Solutions, Inc.
Customs and Trade Compliance

Pierre Clement, Manager
UPS Supply Chain Solutions, Inc.
Customs and Trade Compliance