

U.S. Department of Commerce
Bureau of Industry and Security

BIS WEBCAST, May 15,
2013:

Export Control Reform webinar on CCL Order of Review and
“Specially Designed” Decision Tools for the Initial
Implementation of Export Control Reform Rule

>> GOOD AFTERNOON. I'M TIM MOONEY, SENIOR EXPORT POLICY WITH BIS' REGULATORY POLICY DIVISION. WE'LL BE HOLDING A SPECIAL WEBINAR DISCUSSING THE ROLLOUT OF TWO NEW WEB-BASED DECISION TOOLS THAT WILL ASSIST YOUR UNDERSTANDING OF THE NEW COMMERCE CONTROL LIST ORDER OF REVIEW AND SPECIALLY DESIGNED DEFINITION THAT WERE INCLUDED IN THE INITIAL IMPLEMENTATION RULE PUBLISHED BY THE COMMERCE DEPARTMENT ON APRIL 16TH, 2013.

AS YOU GO THROUGH THE PRESENTATION, WE'RE GOING TO GO THROUGH THE TWO DECISION TOOLS THIS AFTERNOON, GIVE YOU A NICE OVERVIEW OF THE TWO DECISION TOOLS, EXPLAIN SOME OF THE LOGIC THAT WENT INTO HOW WE'VE CONSTRUCTED THESE TWO DECISION TOOLS THAT ARE GOING TO ASSIST YOU, AND AS WE GO ALONG, YOU'LL BE ABLE TO SUBMIT QUESTIONS.

ANY QUESTIONS THAT WE DON'T GET TO THIS WEEK, WE'LL TRY TO ADDRESS IN SUBSEQUENT EXPORT CONTROL REFORM WEEKLY TELECONFERENCE CALLS LIKE WE'VE DONE IN PAST WEBINARS. THIS IS THE THIRD WEBINAR THAT WE'VE HELD UNDER THE EXPORT CONTROL REFORM INITIATIVE SINCE THE PUBLICATION OF THE APRIL 16TH RULE.

KEVIN WOLF DID THE APRIL 17TH WEBINAR. HE GAVE A WONDERFUL OVERVIEW OF THE INITIAL IMPLEMENTATION RULE, AND THEN HE DID A SECOND PRESENTATION THAT COVERED SPECIALLY DESIGNED. HE DID A NICE OVERVIEW OF THE IMPLEMENTATION RULE, AND THEN WALKED YOU THROUGH SPECIALLY DESIGNED.

ASSISTANT SECRETARY KEVIN WOLF HAD MENTIONED, AND ALSO AS WE HAVE MENTIONED IN VARIOUS OTHER PRESENTATIONS AND ALSO EVEN IN THE APRIL 16TH FINAL RULE, THAT BIS INTENDS TO DEVELOP VARIOUS OUTREACH MATERIALS TO HELP YOU TO UNDERSTAND THE NEW PROVISIONS THAT ARE BEING IMPLEMENTED INTO THE EAR INCLUDING

DEVELOPING TWO NEW SOFTWARE DIRECTED WEB-BASED DECISION TOOLS, WHICH IS WHAT WE'RE GOING TO BE GOING OVER TODAY. THAT APRIL 17TH PRESENTATION, THE WEBINAR THAT ASSISTANT SECRETARY KEVIN WOLF DID, THAT'S AVAILABLE ON THE BIS WEBSITE. YOU CAN ACCESS THAT AT WWW.BIS.DOC.GOV AND LOOK FOR THE NOTICE FOR THE WEEKLY TELECONFERENCE.

WHEN WE TALK ABOUT THE SPECIALLY DESIGNED DECISION TOOL WHICH WE'RE GOING TO GO OVER, THERE'S ACTUALLY A LINK TO THAT POWERPOINT PRESENTATION THAT ASSISTANT SECRETARY KEVIN WOLF DID.

SO WITH THESE DECISION TOOLS, YOU WILL ANSWER A SERIES OF YES/NO QUESTIONS THAT WILL GUIDE YOU THROUGH DETERMINING THE STEPS AS YOU REVIEW THE CCL ORDER OF REVIEW AND ALSO AS YOU MAKE A DETERMINATION WHETHER THE ITEM THAT YOU'RE CLASSIFYING IS SPECIALLY DESIGNED OR NOT.

WE ALSO DID A SECOND WEBINAR ON MAY 1ST TALKING ABOUT CHANGES TO THE A.E.S. SYSTEM AS A RESULT OF EXPORT CONTROL REFORM INITIATIVE AND THE NEW 600 SERIES. THEN ON MAY 29TH, WE'RE STILL WORKING ON THE DETAILS AND WE'LL BE ANNOUNCING THIS SOON ON THE BIS WEBSITE, BUT AS WE HAD MENTIONED LAST WEEK IN OUR EXPORT CONTROL REFORM WEEKLY TELECONFERENCE, THE IDEA IS BASICALLY WE'RE GOING TO DO WEEKLY TELECONFERENCES AND THEN GENERALLY AT LEAST FOR THE NEXT MONTH OR SO, WHAT WE WANT TO DO IS TRY TO MIX IN THESE WEBINARS.

WHERE WE GO INTO A LITTLE MORE DETAIL ON DIFFERENT ASPECTS OF THE INITIAL IMPLEMENTATION RULE, MAY 29TH, WE'RE GOING TO DO A WEBINAR WHICH I BELIEVE ASSISTANT SECRETARY KEVIN WOLF WILL BE PARTICIPATING IN THAT, WE'RE GOING TO BE FOCUSING ON THE INITIAL IMPLEMENTATION RULE FROM AN OVERSEAS PERSPECTIVE, SO LOOKING AT SOME OF THE PROVISIONS IN THE INITIAL IMPLEMENTATION RULE DEALING SPECIFICALLY WITH REEXPORT ISSUE, DIMINIMIS, DIRECT PRODUCT RULE, ET CETERA.

SO DEFINITELY ENCOURAGE YOU TO SIGN UP FOR THE EMAIL NOTIFICATION SERVICE THAT WE HAVE TO KEEP UP TO DATE WHEN WE START ANNOUNCING THESE WEBINARS, THAT'S THE BEST WAY TO KEEP UP TO DATE WITH THAT.

THE INITIAL IMPLEMENTATION OF EXPORT CONTROL REFORM, HOPEFULLY EVERYONE WHO'S PARTICIPATING HAS HAD AN OPPORTUNITY TO REVIEW THE APRIL 16TH RULE.

IF YOU HAVEN'T, I DEFINITELY ENCOURAGE YOU TO TAKE A LOOK AT THAT.

BUT THE TWO DECISION TOOLS THAT WE'RE GOING TO BE DISCUSSING TODAY, THE COMMERCE CONTROL LIST ORDER OF REVIEW -- THE CHANGES IN THAT FINAL RULE BECOME EFFECTIVE OCTOBER 15TH, 2013, SO BETWEEN APRIL 16TH AND THE EFFECTIVE DATE ON OCTOBER 15TH, BIS IS REALLY TRYING TO FOCUS ON RAMPING UP OUR OUTREACH EFFORTS. THESE TWO NEW DECISION TOOLS ARE GOING TO BE AN IMPORTANT PART OF THAT.

NOW OF COURSE WE'RE WORKING ON OTHER THINGS ALSO. WE'RE WORKING ON FAQs RELATED TO THE INITIAL IMPLEMENTATION RULE, TRYING TO DO CASE STUDIES AND DIFFERENT EXAMPLES ALSO TO ASSIST YOU, SO THERE'S A LOT OF EMPHASIS BEING PLACED ON MAKING SURE THAT EVERYONE UNDERSTANDS THE NEW PROVISIONS THAT HAVE BEEN -- THAT HAVE BEEN ADDED TO THE EAR IN THAT INITIAL IMPLEMENTATION RULE, WHICH WILL BE EFFECTIVE OCTOBER 15TH.

I THINK THIS WEBINAR TODAY WILL GIVE YOU A NICE OVERVIEW OF THOSE TWO NEW DECISION TOOLS, AND THE NICE THING ABOUT THIS IS THE PLAN IS BASICALLY, IF ALL GOES ACCORDING TO PLAN, WE WILL BE POSTING THESE TWO NEW DECISION TOOLS FORMALLY ON THE BIS WEBSITE ON MONDAY, MAY 20TH. SO WE'RE GOING TO WALK YOU THROUGH THE TWO DECISION TOOLS THIS AFTERNOON, ANSWER SOME QUESTIONS YOU MAY HAVE ABOUT THE TWO TOOLS, SO THEN WHEN THIS DOES GET POSTED, IT WILL BE TWO FREE TOOLS FOR YOU TO USE ON THE BIS WEBSITE.

YOU KIND OF HAVE A JUMP ON OTHER PEOPLE.

JUST TO GIVE A LITTLE MORE BEFORE WE GET INTO THE ACTUAL TOOLS DOING THE DEMOS, AS I MENTIONED, THESE TWO NEW TOOLS ARE AN IMPORTANT PART OF BIS'S OUTREACH EFFORTS, IN REGARDS TO THE INITIAL IMPLEMENTATION OF EXPORT CONTROL REFORM RULE PUBLISHED ON APRIL 16TH, AND OVER THE NEXT HOUR AND A HALF, I'M GOING TO GIVE YOU THAT DETAILED OVERVIEW AND WE'RE GOING TO WALK THROUGH A HANDS-ON DEMONSTRATION OF THE TWO NEW WEB-BASED DECISION TOOLS. AND WE'LL GO THROUGH THE TOOLS SEVERAL DIFFERENT TIMES UNDER DIFFERENT SCENARIOS SO YOU CAN SEE THE LOGIC BUILT INTO IT.

THE SPECIALLY DESIGNED DECISION TOOL, I THINK IT WILL BE VERY HELPFUL WHEN YOU UNDERSTAND THE LOGIC THAT WENT INTO THE DECISION TOOL. ON MAY 20TH, WE'LL POST THESE TWO, SO YOU'LL BE ABLE TO ACCESS THE DECISION TOOLS THROUGH A VARIETY OF DIFFERENT WAYS.

IF YOU'RE ALREADY SIGNED UP FOR THE EMAIL NOTIFICATION SERVICE THROUGH BIS, WHEN YOU RECEIVE THAT EMAIL NOTIFICATION THAT THE TWO TOOLS HAVE BEEN POSTED, THERE WILL BE AN EMAIL LINK THAT WILL TAKE YOU TO WHERE THEY'RE GOING TO BE POSTED ON THE BIS WEBSITE.

WE'LL ALSO HAVE THOSE IN A CENTRAL PLACE ON THE MAIN BIS WEBSITE, WHAT THEY REFER TO AS THE CAROUSEL, WHERE THE CURRENT NEWS ARTICLES, THINGS LIKE THAT WILL BE HIGHLIGHTED, SO YOU'LL BE ABLE TO SEE IT THERE.

YOU'LL ALSO BE ABLE TO ACCESS IT FROM THE PAGE ON THE BIS WEBSITE.

LONG TERM, WE ALREADY HAVE THE LICENSE EXCEPTION STRATEGIC TRADE AUTHORIZATION COMPLIANCE TOOL, AND FOR THOSE OF YOU THAT HAVE USED THAT STA DECISION TOOL, THESE TWO NEW DECISION TOOLS THAT WE'RE GOING TO BE TALKING ABOUT TODAY ARE BUILT IN THE SAME SOFTWARE PROGRAM THAT WE USED TO BUILD THAT STA DECISION TOOL.

SO AS MUCH AS POSSIBLE, WE WANT TO TRY TO HAVE THE FEEL AND THE LOOK OF THE DIFFERENT DECISION TOOLS BE VERY SIMILAR, AND THEN IDEALLY WHAT WE'RE BUILDING TOWARDS IS DEVELOPING A SET OF COMPLIANCE TOOLS, A DECISION TOOLS SUITE THAT WILL BE FREE TO EXPORTERS AND REEXPORTERS AND OTHER PERSONS INVOLVED WITH TRANSACTIONS SUBJECT TO THE EAR TO UNDERSTAND THE EXPORT ADMINISTRATION REGULATIONS AND HOW THEY APPLY TO YOUR SPECIFIC SCENARIO THAT YOU'RE INVOLVED WITH.

WHAT WE'RE THINKING OF DOING, WE HAVE A SUITE OF INTERACTIVE TOOLS ON A CENTRALIZED LOCATION ON THE EXPORTER PORTAL PAGE OF THE BIS WEBSITE. THERE'S ANOTHER WAY TO GET INTO THE COMMERCE CONTROL LIST ORDER OF REVIEW, SO WE'LL START WALKING THROUGH THE DEMO.

I'M GOING TO TALK A LITTLE ABOUT THE LOGIC THAT WENT INTO IT, AND THEN HOW THE TWO TOOLS INTERACT WITH EACH OTHER. THERE ARE TWO DECISION TOOLS BUT IN SOME SENSE IT'S ACTUALLY

ONE GIANT DECISION TOOL. THE COMMERCE CONTROL LIST ORDER REVIEW, WHICH WAS IN SUPPLEMENT NO. 4 TO PART 774 ADDED ON APRIL 16TH WILL BECOME EFFECTIVE OCTOBER 15TH, 2013, IT GUIDES YOU THROUGH THE STEPS THAT YOU SHOULD FOLLOW, ONCE YOU'VE DETERMINED THAT YOUR ITEM IS SUBJECT TO THE EAR. THAT'S IMPORTANT ALSO, ESPECIALLY FOR PEOPLE THAT HAVE MILITARY ITEMS THAT MAY MOVE OVER TO THE COMMERCE CONTROL LIST AS PART OF THE EXPORT CONTROL REFORM INITIATIVE. YOU WANT TO MAKE SURE THOSE PEOPLE IN PARTICULAR BUT FOR ALL PEOPLE, YOU WANT TO MAKE SURE THAT YOU'VE ANSWERED THAT FIRST BASIC QUESTION IS YOUR ITEM SUBJECT TO THE EAR?, YES OR NO, AN ITEM THAT'S USED AS A MILITARY ITEM OR WAS ORIGINALLY ON THE UNITED STATES MUNITIONS LIST (USML), YOU WANT TO MAKE SURE YOU LOOK VERY CAREFULLY FIRST AT THE REVISED CATEGORY, AND ALSO KEEPING IN MIND, OF COURSE, THAT UNDER THE EXPORT CONTROL REFORM INITIATIVE, WE'RE NOT REVISING IT ALL AT ONE TIME IN ONE FINAL GIANT RULE.

SO WITH THE INITIAL IMPLEMENTATION RULE WHERE YOU'RE LOOKING AT THE REVISED CATEGORY VIII BUT ALSO KEEPING IN MIND THAT MANY OR MOST OF THE OTHER CATEGORIES HAVE NOT BEEN REVISED YET, SO IN MAKING THAT DETERMINATION WHETHER THE ITEM IS SUBJECT TO THE EAR, ESPECIALLY UNDER THE REVISED USML CATEGORIES, YOU ALSO NEED TO MAKE SURE YOU'RE TAKING INTO ACCOUNT THE OTHER CATEGORIES THAT HAVEN'T BEEN YET REVISED UNDER THE EXPORT CONTROL REFORM INITIATIVE, BUT AS WE PROGRESS IN 2013, WITH THE IMPLEMENTATION OF THE EXPORT CONTROL REFORM INITIATIVE, MORE AND MORE OF THOSE CATEGORIES WILL BE REVISED AND OF COURSE THE 600 SERIES WILL BE ADDED TO THE CCL.

SO THE TOOLS WE'RE TALKING ABOUT TODAY ARE GOING TO HAVE GREAT UTILITY FOR THOSE PEOPLE THAT HAVE ITEMS THAT ARE MOVING OVER, BUT IN ADDITION, NOT JUST FOR THE PEOPLE THAT HAVE MILITARY ITEMS THAT ARE MOVING OVER THAT MAY HAVE THEIR ITEMS CLASSIFIED IN THE 600 SERIES, ALSO WITH THE SPECIALLY DESIGNED DECISION TOOL, THAT SPECIALLY DESIGN DEFINITION ADDED IN THE APRIL 16TH RULE IS GOING TO APPLY WHEREVER THE TERM SPECIALLY DESIGNED IS USED ON A COMMERCE CONTROL LIST.

OUTSIDE OF THE 600 SERIES AND THE NON-600 SERIES YOU SEE ON THE CCL SPECIALLY DESIGNED IS USED EXTENSIVELY. OVER 600 TIMES, SO THIS SPECIALLY DESIGNED DECISION TOOL, EVEN IF YOU'RE DEALING WITH ITEMS THAT ARE NON-600 SERIES, THAT SPECIALLY DESIGNED DECISION TOOL IS GOING TO BE HELPFUL, AND

THEN ALSO AS YOU GO THROUGH YOUR ANALYSIS OF THE COMMERCE CONTROL LIST, HOW DOES THAT NEW 600 SERIES FIT INTO YOUR ANALYSIS, AND THAT'S WHERE THIS COMMERCE CONTROL LIST IS GOING TO BECOME VERY HELPFUL.

SO THE TOOLS EFFECTIVE DATE FOR EXPORTS ON OR AFTER OCTOBER 15, 2013 IS ALSO THE SAME FOR THE SPECIALLY DESIGNED DECISION TOOL.

NOW THE TOOL THAT YOU SEE ON YOUR SCREEN, BECAUSE OF THE FORMAT THAT WE'RE DOING WITH THE WEBINAR, WE'VE BASICALLY TAKEN THIS, THE TWO TOOLS ARE BURNED ON TO A CD, AND WE'VE BASICALLY BLOWN THIS UP CONSIDERABLY.

IT'S ABOUT 200% THE SIZE OF WHAT IT WILL NORMALLY LOOK LIKE. SO ONCE WE GET IT POSTED ON THE BIS WEBSITE, IT WILL LOOK MUCH SMALLER AND BE EASIER TO NAVIGATE, BUT FOR PURPOSES OF THE WEBINAR, WE'VE MADE THE FONT AS LARGE AS WE POSSIBLY CAN TO MAKE IT CLEAR WHAT PEOPLE ARE SEEING AS IT COMES THROUGH, BUT WHEN YOU SEE ON THE WEBSITE ON MONDAY, MAY 20TH, IT WILL BE MUCH SMALLER.

SO I JUST WANTED TO CLARIFY THAT AT THE BEGINNING. THE COMMERCE CONTROL LIST ORDER REVIEW DECISION TOOL AND THE SPECIALLY DESIGNED DECISION TOOL, WE HAVE THE STRUCTURE OF IT SIMILAR TO THE STA DECISION TOOL. YOU HAVE TEXT BOXES, AND THEN YOU HAVE QUESTIONS OR IN SOME CASES IT WILL BE JUST A QUESTION AND YOU'LL HAVE A RADIO BUTTON FOR YES, NO, I DON'T KNOW FOR THE ANSWER YOU'RE GOING TO SELECT, BUT ON MOST PAGES YOU'LL HAVE ON THE BOTTOM NEAR THE LOWER RIGHT-HAND CORNER YOU'LL HAVE A TEXT BOX WITH ADDITIONAL INFORMATION OR KEY TERMS, AND AS MUCH AS POSSIBLE, WHAT WE WANTED TO DO WAS NOT MAKE YOU LEAVE THE DECISION TOOL AS YOU GO THROUGH YOUR ANALYSIS.

SO THERE'S A LINK THAT YOU CAN CLICK TO AND THAT WILL BE A POP-UP INSIDE OF THE ACTUAL DECISION TOOL, WHERE YOU CAN REFERENCE THAT REGULATORY TEXT. OR IF THERE'S A KEY TERM, THAT'S DEFINED IN THE EAR, WHETHER IT'S A NOTE TO THE SPECIALLY DESIGNED DEFINITION OR ANOTHER PART OF PART 772, WE'VE INCLUDED AS MANY OF THOSE KEY TERMS AS POSSIBLE.

NOW THE USABILITY OF THE TOOLS, SOME PEOPLE LIKE THAT FUNCTIONALITY WHERE YOU CAN JUST CLICK ON THE KEY TERM, IT WILL POP UP THE KEY TERM FOR YOU AT THE BOTTOM, BUT FOR THOSE PEOPLE THAT PREFER TO HAVE AN EXHAUSTIVE PRINTOUT OF

TERMS THAT WILL SHOW UP IN THE TOOL, UNDER THE RESET BUTTON ON EACH PAGE, THERE'S THE KEY TERMS LIST.

SO IF WE CLICK ON THAT, THIS IS A COMPLETE LIST OF TERMS USED IN THE CCL ORDER OF REVIEW DECISION TOOL. SO IF YOU'RE ONE OF THOSE PEOPLE THAT DON'T LIKE TO TOGGLE BACK AND FORTH BETWEEN THE KEY TERMS AND WHAT YOU'RE LOOKING AT IN THE TOOL, WHAT YOU CAN DO IS CLICK ON THIS KEY LIST, THIS KEY LIST -- COMPLETE LIST OF KEY TERMS USED IN THE CCL ORDER OF REVIEW DECISION TOOL, AND THEN YOU CAN PRINT THIS OUT AS YOU WENT ALONG, IF YOU'D LIKE TO DO IT THAT WAY. YOU ALSO HAVE THE OPTION, AS I SAID, JUST TO KIND OF CLICK ON THE TERMS AS YOU GO ALONG ALSO.

FOR BOTH DECISION TOOLS WE'RE GOING TO GO THROUGH THIS AFTERNOON, AS WE GO ALONG, WE'RE GOING TO ADDRESS THE QUESTIONS AT THE END OF THE PRESENTATION ONCE WE GET THROUGH THIS, BUT WE DEFINITELY ENCOURAGE YOU AS WE GO ALONG, IF YOU HAVE QUESTIONS ABOUT THE TWO TOOLS, SUBMIT THOSE AS WE GO ALONG, ORGANIZE THOSE AND WE'LL ADDRESS THOSE AT THE END OF THE WEBINAR.

SO WE HAVE A BASIC INTRODUCTION AT THE BEGINNING. THE INTRODUCTION PART IS A LITTLE MORE WORDY THAN SOME OF THE OTHER PARTS OF THE DECISION TOOL, AND FOR THE FIRST TIME THAT YOU USE THE TOOL, YOU'LL PROBABLY WANT TO READ THROUGH THIS A LITTLE MORE CAREFULLY.

AS YOU BECOME MORE FAMILIAR WITH THE TOOL, YOU'RE PROBABLY GOING TO PUT LESS EMPHASIS ON THE BEGINNING PART, BUT WE WANTED TO INCLUDE THIS INFORMATION TO HELP YOU, BASIC INFORMATION ON THE CCL ORDER OF REVIEW OVERVIEW OF WHAT YOU'RE GOING TO BE DOING. BASICALLY BIS OFFERS THE TOOL TO REVIEW THE STEPS FOR REVIEWING THE CCL. THE DECISION TOOL WILL HELP YOU CLASSIFY ITEMS THAT ARE SUBJECT TO THE EAR.

NOW THIS TOOL IS NOT GOING TO SPIT OUT AN ECCN CLASSIFICATION AT THE END, BUT PROVIDED THAT YOU'RE ANSWERING THESE QUESTIONS CORRECTLY, IT'S GOING TO POINT YOU IN THE RIGHT DIRECTION OF WHETHER YOUR ITEM IS CLASSIFIED IN A 600 SERIES ECCN, WHETHER YOU'RE SPECIALLY DESIGNED OR NOT. NOW IF YOU NEED ADDITIONAL ASSISTANCE IN DETERMINING WHETHER THE ITEM THAT YOU'RE CLASSIFYING IS SPECIALLY DESIGNED,

THAT'S WHERE THE OTHER DECISION TOOL COMES INTO PLAY.

THERE'S LINKS BETWEEN THE TWO DECISION TOOLS, SO THE CCL ORDER OF REVIEW IS NOT GOING TO WALK YOU THROUGH A DETAILED ANALYSIS OF SPECIALLY DESIGNED DEFINITION, IT'S GOING TO ASK YOU SIMPLY UNDER STEP 4 WHEN WE GET TO THAT POINT IN THE CCL ORDER OF REVIEW, IS THE ITEM YOU'RE CLASSIFYING A 600 SERIES SPECIALLY DESIGNED ITEM?, YES, NO, OR I DON'T KNOW. AND THE SAME THING IF YOU GET TO THE NON-600 SERIES, IF YOU'RE TRYING TO MAKE A DETERMINATION WHETHER THE ECCN THAT YOU'RE REVIEWING THAT USES SPECIALLY DESIGNED, IS IT SPECIALLY DESIGNED NON-600 ITEM?, AGAIN, IT WILL BE YES, NO, OR I DON'T KNOW, AND IF IT'S I DON'T KNOW, THEN AT THAT POINT, YOU'LL HAVE THE OPTION TO LINK OVER TO THE SPECIALLY DESIGNED DECISION TOOL, WHICH WILL TAKE YOU THROUGH THAT DETAILED ANALYSIS WHERE YOU'LL BE GUIDED THROUGH THE YES-NO QUESTIONS THAT WILL ALLOW YOU TO MAKE THAT MORE DETAILED DETERMINATION OF WHETHER THE ITEM IS SPECIALLY DESIGNED OR NOT.

THEN CONVERSELY WITH THE SPECIALLY DESIGNED DECISION TOOL, YOU'LL LINK OVER TO THE BEGINNING OF THE SPECIALLY DESIGNED TOOL FROM THE CCL ORDER OF REVIEW DECISION TOOL IF NEEDED, AND THEN EACH TIME THERE'S AN OUTCOME IN THE SPECIALLY DESIGNED DECISION TOOL, OVER IN THE ADDITIONAL INFORMATION BLOCK, THERE WILL BE A LINK, IF YOU REVIEWED THE SPECIALLY DESIGNED DECISION TOOL AS PART OF YOUR REVIEW OF THE CCL ORDER OF REVIEW, YOU WANT TO LINK BACK TO THE CCL ORDER OF REVIEW. YOU CAN LINK BACK FROM EACH OF THOSE OUTCOME SLIDES IN THE SPECIALLY DESIGNED DECISION TOOL.

SO AS I HAD MENTIONED, THERE ARE TWO DISTINCT DECISION TOOLS AND THEY'RE STAND-ALONE AND THEY'RE MEANT TO BE ACCESSED SEPARATELY. BUT AT THE SAME TIME, THEY'RE ALSO LINKED TOGETHER TO ASSIST YOUR UNDERSTANDING AND TO GIVE YOU THE ASSISTANCE WHEN YOU NEED IT. ESPECIALLY WHEN IT COMES TO DETERMINING WHETHER SOMETHING IS SPECIALLY DESIGNED OR NOT. AS I HAD MENTIONED IN THE BEGINNING OF THE INTRODUCTORY REMARKS, THIS IS BASICALLY HELPING YOU TO UNDERSTAND THE COMMERCE CONTROL LIST ORDER OF REVIEW, WHICH IS A NEW SUPPLEMENT, NO. FOUR THAT WAS ADDED TO PART 774. AND THAT CCL ORDER OF REVIEW PROVIDES GUIDANCE FOR HOW TO CLASSIFY ITEMS IN LIGHT OF THE ADDITION OF THE 600 SERIES, WHERE THOSE MILITARY ITEMS THAT WERE FORMALLY ON THE USML, PRIMARILY ITEMS ON THE MUNITIONS LIST WHERE THEY WILL BE

CONTROLLED ON THE COMMERCE CONTROL LIST, IN ADDITION TO THE CURRENT MILITARY ECCNS ON THE COMMERCE CONTROL LIST THAT END IN 018, WHICH AS WE PROGRESS THROUGH THE VARIOUS CATEGORIES AND THE CORRESPONDING 600 SERIES ARE CRATED, WILL BE ROLLED INTO THOSE CORRESPONDING 600 SERIES AS WE GO.

SO TO GIVE YOU AN EXAMPLE, WHERE IT'S UNDERLINED, THAT'S A KEY TERM. SO IF WE CLICK ON THAT, IT WILL LINK DOWN TO THE 600 SERIES. IF YOU CLICK ON IT AGAIN, THEN THAT BASICALLY DISAPPEARS. NOW, SOME PEOPLE LIKE THIS, THEY LIKE THE ABILITY TO CLICK ON IT, IT WILL BRING YOU DOWN TO THE DEFINITION. OTHER PEOPLE MAY PREFER TO HAVE ALL OF THE KEY TERMS APPEAR. THESE TYPES OF PEOPLE MAY THINK I DON'T WANT TO FOOL AROUND WITH IT; I JUST WANT TO HAVE A COMPLETE LIST OF ALL THE KEY TERMS THAT ARE IN THE TOOL SO YOU HAVE THOSE DIFFERENT OPTIONS.

IF YOU WANT THE FULL LIST, THEN YOU JUST DO THE KEY TERMS LIST.

WE DID INCLUDE THE DEFINITION OF SPECIALLY DESIGNED.

IF YOU CLICK ON THAT, HERE IT'S BLOWN UP VERY LARGE AND IT'S ALSO A FAIRLY NARROW ONE COLUMN, SO IT APPEARS FAIRLY LONG. WE DID WANT TO INCLUDE THIS HERE, BUT THAT IS FAIRLY LONG IN THIS TYPE OF A FORMAT, BUT AS I SAID, THE KEY TERMS THAT ARE USED, WE PROVIDE THOSE DEFINITIONS.

BUT IF YOU NEED THAT MORE DETAILED ANALYSIS OF WHETHER IT'S SPECIALLY DESIGNED OR NOT, THAT'S WHERE THAT OTHER TOOL IS GOING TO COME INTO PLAY THAT WE'RE GOING TO WALK THROUGH IN A MINUTE. THOSE ARE SOME BASIC DISCLAIMERS, OF COURSE, WITH ANYTHING LIKE THIS, THIS IS NOT INTENDED TO REPLACE YOUR REVIEW OF THE EXPORT ADMINISTRATION REGULATIONS. WE'RE GOING TO ASK YOU THOSE BASIC QUESTIONS THAT WILL GUIDE THAT PROCESS FOR HOW YOU SHOULD BE REVIEWING THE COMMERCE CONTROL LIST, BUT NOTHING CAN REPLACE YOU ACTUALLY LOOKING AT THE COMMERCE CONTROL LIST. IF YOU TRY TO SELF-CLASSIFY THE ITEM OR GET CLASSIFICATION FROM ANOTHER PARTY, YOU MAY SUBMIT A COMMODITY CLASSIFICATION REQUEST TO BIS. HOWEVER, WE WANT TO EMPHASIZE THAT IF YOU DO NOT HAVE DOUBT REGARDING THE CLASSIFICATION OF AN ITEM, THERE IS NO OBLIGATION OR EXPECTATION THAT YOU WILL SUBMIT A COMMODITY CLASSIFICATION REQUEST TO BIS AS DESCRIBED LATER IN THIS DECISION TOOL. WE WANT YOU, BEFORE YOU COME IN FOR A CLASSIFICATION REQUEST, MAKE SURE THAT YOU LOOK AT THE COMMERCE CONTROL LIST TO TRY TO SELF-CLASSIFY FIRST BEFORE YOU COME IN, AND

THAT'S WHERE THIS DECISION TOOL WILL BE HELPFUL. THE ADDITIONAL INFORMATION, INCLUDING ADDITIONAL EXPLANATORY INFORMATION APPEAR AT THE BOTTOM OF MOST SCREENS, THE SPECIALLY DESIGNED TOOL, WE ALSO INCLUDE THIS IN THE BEGINNING.

THEY SAID IF YOU CLICK TWICE, THEN THE KEY TERM GOES AWAY. YOU CLICK NEXT.

JURISDICTIONAL REMINDER FOR THE U.S. EXPORT SYSTEM. THIS IS A VERY BASIC QUESTION UNDER THE EXPORT ADMINISTRATION REGULATIONS, IS THE ITEM SUBJECT TO THE EAR? WE WANT TO MAKE SURE THAT PEOPLE ARE AWARE THAT THERE ARE OTHER AGENCIES OF THE U.S. GOVERNMENT THAT HAVE EXPORT CONTROL RESPONSIBILITIES. PRIMARILY IT'S A BIFURCATED SYSTEM, ALTHOUGH THERE ARE OTHER AGENCIES LIKE THE NUCLEAR REGULATORY COMMISSION, THE DEPARTMENT OF ENERGY, THAT ALSO REGULATE CERTAIN ASPECTS OF THE U.S. EXPORT CONTROL SYSTEM. BUT THE DEPARTMENT OF STATE WITH THE DEFENSE ARTICLES AND DEFENSE SERVICES, AND THEN THE COMMERCE DEPARTMENT WITH ITEMS SUBJECT TO THE EAR, SO THIS JURISDICTIONAL REMINDER IS JUST KIND OF REMINDING PEOPLE OF THAT.

734.3 IS WHERE WE DEFINE WHAT'S SUBJECT TO THE EAR, WHAT'S NOT SUBJECT TO THE EAR. WE HAVE LINKS TO DIFFERENT PARTS, SO HERE'S A LINK TO THE ACTUAL 734.3 FOR ITEMS THAT ARE SUBJECT TO THE EAR, SO YOU DON'T HAVE TO GO OUT TO A SEPARATE WEBSITE. WE'RE GOING TO LINK YOU TO THAT, AND THEN WHEN YOU'RE DONE, CLOSE THE CURRENT TAB AND IT TAKES YOU RIGHT BACK. YOU SEE THESE OTHER KEY TERMS.

SO WE HAVE THE INTRODUCTORY, AND NOW THE KEY QUESTION IS THE ITEM THAT YOU'RE DEALING WITH, IS IT SUBJECT TO THE EAR? AND THAT'S GOING TO BE A YES OR A NO ANSWER TO THAT. WE HAD OUR TECHNICAL ADVISORY COMMITTEE THAT HAS BEEN VERY HELPFUL TO US AS WE'VE DRAFTED THE VARIOUS PROPOSED RULES AND DRAFTED FINAL RULES THAT ARE COMING OUT OF THE EXPORT CONTROL REFORM INITIATIVE.

WE ALSO, WITH OUR BETA VERSION OF THE TWO DECISION TOOLS OVER THE LAST WEEK, WE SENT A REQUEST OUT TO OUR VARIOUS TECHNICAL ADVISORY COMMITTEES AND ASKED THEM TO REVIEW THEM AND COME BACK WITH SUGGESTIONS. WE GOT VERY POSITIVE INPUT FROM OUR TECHNICAL ADVISORY COMMITTEES, GOOD SUGGESTIONS HERE AND THERE FOR MAKING SOME IMPROVEMENTS.

ONE OF THE ONES WE'RE GOING TO WORK INTO THE FINAL TOOL IS IT SUBJECT TO THE EAR?, WE HAVE YES, NO, IN CERTAIN CASES WE HAVE AN I DON'T KNOW, SO WE'LL WORK THAT INTO THIS SLIDE. ALSO, THOSE SITUATIONS WHERE YOU NEED ADDITIONAL GUIDANCE BEFORE YOU'RE ABLE TO DETERMINE YES OR NO, BUT AS I HAD MENTIONED, IN THAT JURISDICTIONAL REMINDER, IF YOU THINK YOUR ITEM MAY BE SUBJECT TO ANOTHER AGENCY'S CONTROLS, YOU WANT TO MAKE SURE THAT YOU'RE CONSULTING THAT OTHER AGENCY'S RESPECTIVE CONTROLS ALSO.

SO IF WE SAY NO, NOT SUBJECT TO THE EAR. SO IF THE ITEM AND ACTIVITY ARE NOT SUBJECT TO THE EAR, YOU ARE OUTSIDE OF THE REGULATORY JURISDICTION OF THE EAR. HOWEVER, YOU MAY NEED TO OBTAIN A LICENSE OR APPROVAL FROM ANOTHER U.S. GOVERNMENT AGENCY. THEN WE HAVE LINKS TO SOME OF THE OTHER KEY AGENCIES INVOLVED IN THE U.S. EXPORT CONTROL SYSTEM SUCH AS THE DEPARTMENT OF STATE, THE TREASURY DEPARTMENT WITH THE OFFICE OF FOREIGN ASSETS CONTROL, DEPARTMENT OF ENERGY, NUCLEAR REGULATORY COMMISSION, AND THEN BIS IS AVAILABLE ALSO TO ANSWER QUESTIONS ABOUT ITEMS SUBJECT TO THE EAR. WE HAVE TELEPHONE NUMBERS, WE HAVE PEOPLE IN WASHINGTON, WE HAVE PEOPLE OUT ON THE WEST COAST.

I KNOW I SPOKE WITH A COUPLE PEOPLE THIS MORNING THAT SAID THEY WERE GOING TO BE DIALING IN FROM THE WEST COAST. WE HAVE AN OFFICE OUT ON THE WEST COAST THAT CAN ALSO ASSIST YOU. ONE OF OUR COLLEAGUES FROM DOWN STAIRS THAT WORKS ON THE PHONES AND HELPS US WITH ORGANIZING OUR SEMINARS, THEY'RE AVAILABLE IF YOU HAVE QUESTIONS ABOUT THE EAR. THEY CAN HELP YOU AND IF YOU NEED ADDITIONAL ASSISTANCE, YOU KNOW, FOR AN ADVISORY OPINION OR SOMETHING LIKE THAT, THEY CAN ALSO HELP TO KIND OF ROUTE YOU TO THE RIGHT PLACE IN BIS TO HELP YOU WITH THAT.

WE HAVE THE WARNING NOTES IN THE END, IN PARTICULAR WITH THE STATE DEPARTMENT WITH THE 600 SERIES AND REVISED USML, WE WANT TO MAKE SURE IN PARTICULAR PEOPLE ARE AWARE OF THAT. OFCOURSE OTHER AGENCIES HAVE EXPORT CONTROL RESPONSIBILITIES. FOR EXAMPLE, EVEN IF YOU'RE NOT DEALING WITH AN ITEM, IF YOU'RE GOING TO BE HELPING SOMEONE DEVELOP A CHEMICAL WEAPON, REGARDLESS OF WHETHER THE ITEM IS SUBJECT, THE ACTIVITY IS GOING TO BE GENERALLY PROHIBITED UNDER THE EAR, SO JUST A REMINDER FOR THAT ALSO. AND THEN SUPPLEMENT 3, PART 730, THAT'S WHERE WE HAVE THE LINK TO THE OTHER AGENCIES INVOLVED IN THE U.S. EXPORT CONTROL SYSTEM.

AT THIS POINT, IF YOU WOULD CLICK NEXT, YOU COMPLETED THE DECISION TOOL BECAUSE BASICALLY YOU WENT THROUGH YOUR ANALYSIS, THE ITEM WAS NOT SUBJECT TO THE EAR, PERHAPS IT WAS STILL RETAINED ON THE USML UNDER THE REVISED USML CATEGORY VIII, SO YOUR ITEM IS NOT SUBJECT TO THE EAR. IT'S SUBJECT TO THE ITAR, YOU NEED TO CONSULT WITH THEM FOR ALL QUESTIONS RELATED TO THE STATE DEPARTMENT'S INTERNATIONAL TRAFFIC IN ARMS REGULATIONS, YOU NEED TO SPEAK WITH THE STATE DEPARTMENT.

THEN IF YOU CLICK THE SUMMARY, THIS WILL GIVE YOU YOUR SESSION SUMMARY. NOW THE TOOL ITSELF DOESN'T SAVE THE ACTUAL SUMMARY. BUT IF YOU WANTED, YOU COULD PRINT THAT OUT. I'VE SPOKEN TO A COUPLE PEOPLE LAST WEEK AT A SEMINAR IN WASHINGTON, THEY SAID THE SUMMARY WOULD BE A GREAT FEATURE BUT WE'D LIKE TO BE ABLE TO SAVE THAT. THE TOOL ITSELF, THE SOFTWARE THAT WE BUILT IT IN DOESN'T HAVE THE ABILITY TO SAVE. BUT WE ARE GOING TO INCLUDE IN THE ADDITIONAL INFORMATION IN THE FINAL ONE THAT WE'LL POST SOME SUGGESTIONS FOR HOW IF YOU WANT TO SAVE IT, HOW YOU COULD DO THAT.

FOR EXAMPLE, YOU COULD JUST PRINT THIS OUT AND SCAN IT IN AS AN ELECTRONIC FILE OR IF YOU COULD PRINT DIRECTLY TO ADOBE ACROBAT PDF, AND THEN DEPENDING ON YOUR BROWSER, YOU WOULD BE ABLE TO SAVE IT THAT WAY ALSO. SO WE'RE GOING TO INCLUDE THAT IN THE TWO DECISION TOOLS. ALTHOUGH WE CAN'T ADD THIS FUNCTIONALITY INTO THE SOFTWARE, WE WILL INCLUDE IN THE ADDITIONAL INFORMATION. WE'LL INCLUDE SOME SUGGESTIONS IN CASE YOU WANT TO DO THAT. THEN IF YOU WANT TO START OVER THE TOOL, YOU JUST BASICALLY HIT RESET.

INITIALLY WHEN WE START THE TOOL, WE'LL SPEND A LITTLE BIT MORE TIME GOING OVER THE BEGINNING PART, BUT THEN AS WE DO THE SUCCESSIVE RUNS THROUGH THE TOOLS, WE'LL SPEED THAT UP. A JURISDICTIONAL REMINDER, IS THE ITEM SUBJECT? -- IN THIS CASE, WE'RE GOING TO ANSWER IN THE AFFIRMATIVE, YES, WE KNOW OUR ITEM IS SUBJECT TO THE EAR.

NOW, IF YOU CALL IN TO SOMEONE DOWNSTAIRS IN OUR OUTREACH OFFICE, ONE OF THE FIRST QUESTIONS THEY'RE GOING TO ASK YOU IS HAVE YOU DETERMINED IF THE ITEM IS SUBJECT TO THE EAR?, AND AFTER THAT, YOU SAY NO, I HAVE NOT CLASSIFIED MY ITEM, THEY'RE GOING TO LAY OUT THE THREE DIFFERENT OPTIONS YOU

HAVE FOR CLASSIFYING THAT ITEM.

FOR THIS ONE, IT'S BASICALLY ASKING YOU WHAT OPTION YOU WANT TO TAKE FOR CLASSIFYING THE ITEM. YOU CAN CONTACT THE MANUFACTURER, DEVELOPER, PRODUCER OR ANY OTHER PARTY THAT MAY BE AWARE OF THE CLASSIFICATION, YOU CAN SELF-CLASSIFY OR YOU CAN SUBMIT A CLASSIFICATION REQUEST TO BIS NOW, DEPENDING ON YOUR SCENARIO, THE UTILITY OF THE TOOL MAY BE A LITTLE DIFFERENT FOR YOU IN THOSE DIFFERENT SCENARIOS, BUT IN EACH CASE, WE THINK THE TOOL WILL BE HELPFUL. WE'LL TALK ABOUT THAT IN A LITTLE MORE DETAIL. SO SAY IN THIS CASE WE CONTACT THE MANUFACTURER, DEVELOPER PRODUCER, WE CALL SOMEONE LIKE KEN DOWNSTAIRS, KEN LAYS OUT THIS OPTION WHERE YOU CAN CONTACT THE MANUFACTURER, DEVELOPER, PRODUCER, YOU THINK THAT'S WONDERFUL. THIS IS GOING TO BE EASY, I'LL CONTACT THE PERSON AT THE COMPANY WHO MANUFACTURES THE ITEM.

NOW JUST BECAUSE THEY MANUFACTURE THE ITEM DOESN'T MEAN THEY HAVE TO PROVIDE YOU WITH THE CLASSIFICATION, SO THIS ONE TALKS ABOUT OPTION 1, THAT'S ONE OPTION, YOU CAN CONTACT THE MANUFACTURER, PRODUCER, DEVELOPER OF THE ITEM BUT IF THEY'RE NOT THE U.S. PRINCIPAL PARTY IN INTEREST IN THE TRANSACTION, THERE'S NO REQUIREMENT UNDER THE EAR FOR THEM TO PROVIDE YOU THAT, ALTHOUGH BIS ENCOURAGES AND WE ACTUALLY HAVE A PART OF OUR WEBSITE WHERE WE HAVE A LINK TO COMPANIES THAT DO POST THAT TYPE OF CLASSIFICATION INFORMATION, BUT THAT'S AN OPTION THAT YOU COULD TAKE.

LIKE I SAID, WE HAVE KEY TERMS LIKE USPPI, FOREIGN PRINCIPAL PARTY IN INTEREST, WE HAVE A LINK TO 750.3 THAT TALKS ABOUT STANDARD EXPORT TRANSACTIONS, ROUTED EXPORT TRANSACTIONS TO HELP ASSIST YOU. SO YOU WENT DOWN THIS ROAD AND THEN WE ASK YOU THIS QUESTION, WERE YOU ABLE TO OBTAIN THAT CLASSIFICATION FOR THE ITEM FROM THE MANUFACTURER, PRODUCER OR DEVELOPER OR FROM SOME OTHER PARTY?, SO IT'S EITHER YES OR NO.

NOW IF YOU CLICK YES, AGAIN WE HAVE ADDITIONAL INFORMATION WITH 750.3(c). I'M NOT GOING TO CLICK ON ALL THESE. YOU HAVE AN IDEA OF WHAT'S IN THOSE ADDITIONAL INFORMATION ONES. SO IN THIS CASE, WE CONTACTED THE MANUFACTURER, THEY'RE VERY HELPFUL, THEY GAVE US THE CLASSIFICATION. THIS IS BASICALLY A LANDING PAGE FOR THESE THREE DIFFERENT OPTIONS OF HOW YOU'RE GOING TO CLASSIFY THE ITEM.

SELF-CLASSIFICATION, CONFIRMATION OF A CLASSIFICATION BY A THIRD PARTY. THAT'S GREAT IF SOMEBODY CAN HELP YOU WITH PROVIDING THAT CLASSIFICATION, BUT YOU AS THE EXPORTER, YOU'RE GOING TO BE THE ONE THAT WANTS TO MAKE SURE THAT THE INFORMATION THAT'S PROVIDED IS ACTUALLY CORRECT. SO EVEN THOUGH SOMEBODY TELLS YOU WHAT THE ECCN IS OR IF THEY SAY IT'S EAR99, YOU WANT TO MAKE SURE THAT YOU'RE LOOKING AT THE COMMERCE CONTROL LIST ALSO YOURSELF, SO THIS SECOND SCENARIO, EVEN IN THAT CASE, WE DEFINITELY ENCOURAGE YOU TO USE THIS COMMERCE CONTROL LIST ORDER OF REVIEW TO MAKE SURE YOU'RE COMFORTABLE WITH WHAT'S BEEN PROVIDED. SO IF WE GO TO THE PREVIOUS, IF WE ANSWERED NO, WHAT'S GOING TO HAPPEN IS IT'S GOING TO LOOP US BACK TO THE THREE OPTIONS.

SO I ALREADY DID CONTACT THE MANUFACTURER, DEVELOPER, PRODUCER, MAYBE I CONTACTED THE COMPANY, AND I JUST COULDN'T GET AHOLD OF THE PERSON THAT DOES EXPORT CONTROLS FOR THEM. I NEED TO SHIP THIS OUT BY THE END OF THE WEEK. SO THAT WASN'T AN OPTION FOR ME. SO I DECIDED I'M GOING TO SUBMIT A CLASSIFICATION REQUEST TO BIS AND THIS GIVES INFORMATION ABOUT THAT OPTION.

WHAT YOU NEED TO DO WITH OUR ONLINE SUBMISSION SYSTEM CALLED SNAP-R. WE HAVE A LINK TO ACCESS SNAP-R WHERE YOU COULD CLICK ON THAT, AND IT TALKS A LITTLE ABOUT SNAP-R ONCE YOU CLICK ON THAT LINK AND YOU REGISTER IN SNAP-R, THE PROCESS FOR GETTING SET UP ON THAT. AND MAYBE YOU THINK THAT'S GOING TO BE A GREAT OPTION. IF YOU CLICK ON YES, THEN AGAIN, IT TAKES YOU TO CONGRATULATIONS, YOU'RE ABLE TO GET THE CLASSIFICATION FOR THAT OFFICIAL REQUEST.

BUT WHAT IF YOU -- YOU LOOK AT THE SNAP R SYSTEM, YOU THINK THIS IS GREAT, BUT THEN YOU TALK TO YOUR SALESPERSON AND THEY SAY WAIT A MINUTE, I HAVE TO HAVE THIS SHIPPED OUT BY FRIDAY, TODAY IS THURSDAY, THAT'S NOT GOING TO WORK FOR ME. MAYBE YOU CAN GET IT IN TWO WEEKS, BUT I NEED A CLASSIFICATION TODAY. SO IN THAT CASE, IF YOU CLICK NO, AGAIN, IT WOULD CIRCLE YOU BACK TO YOUR THREE OPTIONS. AT THIS POINT, YOU BASICALLY ELIMINATED THE FIRST TWO OPTIONS SO YOU'LL TRY TO SELF-CLASSIFY THE ITEM.

THIS WILL BE THE MOST USEFUL FOR THE CCL ODER OF REVIEW DECISION TOOL BUT THE OTHER TWO WILL BE USEFUL ALSO, WHETHER YOU'RE CONFIRMING A CLASSIFICATION THAT WAS PROVIDED BY

ANOTHER PARTY. OR EVEN IF YOU GET A CLASSIFICATION FROM BIS, THE COMMERCE CONTROL LIST CHANGES OVER TIME, AND YOU WANT TO GO BACK AND CONFIRM THE CLASSIFICATIONS THAT YOU WERE PROVIDED, SO THE CCL ORDER OF REVIEW WILL BE HELPFUL. IF YOU HAVE A SIMILAR ITEM, A LITTLE SIMILAR THAN WHAT YOU GOT THE CLASSIFICATION FOR, BUT YOU NEED TO CLASSIFY THAT OTHER RELATED ITEM THAT YOU HAVE, AGAIN, THE COMMERCE CONTROL LIST ORDER IS GOING TO BE HELPFUL. SO THIS IS THE LANDING PAGE FOR THOSE THREE DIFFERENT OPTIONS.

IF YOU OBTAINED A CLASSIFICATION FROM BIS, YOU KNOW WHERE YOU ARE.

AND IF YOU CAME FOR THE CLASSIFICATION, YOU MAY EXIT THE CCL ORDER OF REVIEW AT THIS POINT, OR IF YOU'RE COMING BACK A YEAR LATER, WHERE YOU'RE TRYING TO CLASSIFY A RELATED ITEM, YOU MAY WANT TO GO THROUGH THE REVIEW AGAIN, BUT FOR THE OTHERS WHERE IT'S BEEN PROVIDED OR YOU'RE TRYING TO SELF-CLASSIFY, THEN YOU'RE GOING TO CLICK NEXT. NOW STEP ONE AND STEP TWO THAT WE'RE GOING TO GO OVER IN THE CCL ORDER OF REVIEW IS BASICALLY LOOKING AT THE CHARACTERISTICS OF THE ITEM.

WHAT DO YOU HAVE IN YOUR HAND THAT YOU'RE TRYING TO CLASSIFY? THE NEXT QUESTION IS, HAVE YOU REVIEWED THE CHARACTERISTICS OF THE ITEM, INCLUDING DETERMINING THE CCL CATEGORY? SO OUR COMMERCE CONTROL LIST HAS THE 10 CATEGORIES STARTING WITH CATEGORY ZERO GOING UP TO CATEGORY NINE, AND IT MAY BE POTENTIALLY MORE THAN ONE CATEGORY, BUT HOPEFULLY YOU CAN NARROW IT DOWN TO ONE CATEGORY. SO THIS FIRST STEP ASKS YOU HAVE YOU REVIEWED THE CHARACTERISTICS OF THE ITEM INCLUDING DETERMINING THE CCL CATEGORY?, AND IT'S GOING TO BE A YES OR NO QUESTION.

THEN WE HAVE SOME ADDITIONAL INFORMATION HERE, AND AS I SAID, THIS IS BLOWN UP PRETTY BIG FOR THIS FORMAT, AND THE WEBSITE WILL ACTUALLY BE A LOT EASIER TO REVIEW. WE DO HAVE A LINK TO THE INDEX TO THE COMMERCE CONTROL LIST. YOU CLICK ON THAT JUST LIKE THE BIS WEBSITE, IT WILL TAKE YOU TO THE INDEX OF THE COMMERCE CONTROL LIST, WHICH WOULD HELP YOU. AS ALWAYS, YOU DON'T JUST STOP IF YOU SEE YOUR ITEM DESCRIBED IN AN ECCN IN THAT INDEX. THAT'S A HELPFUL TOOL TO HELP YOU IN CLASSIFYING, BUT YOU STILL NEED TO MAKE SURE THAT YOU'RE LOOKING AT THE ACTUAL ECCN ENTRY TO MAKE SURE THAT YOU'RE IN AGREEMENT WITH THE CLASSIFICATION.

SO IF YOU CLICK NO, THAT'S GOING TO BE A HARD STOP. YOU SHOULD REVIEW THE CHARACTERISTICS OF THE ITEM INCLUDING IDENTIFYING CCL CATEGORY BEFORE PROCEEDING. THEN WE HAVE SOME ADDITIONAL INFORMATION FOR THOSE PEOPLE IF YOU'RE HAVING DIFFICULTY IN SELF-CLASSIFYING, WHAT YOU CAN DO. WE TALK ABOUT IF YOU NEED TO COME IN FOR ASSISTANCE FROM BIS, YOU CAN COME IN FOR A CLASSIFICATION REQUEST BUT WE WANT YOU TO FIRST TRY TO DETERMINE WHAT THE CATEGORY IS, PRODUCT GROUP, TRY TO CLASSIFY IT, BECAUSE IN MOST CASES, YOU SHOULD BE ABLE TO SELF-CLASSIFY YOUR ITEM. BUT FOR THOSE CASES WHERE IT'S A DIFFICULT CASE WHERE YOU NEED ASSISTANCE FROM BIS, THEN WE CAN ASSIST YOU, BUT WE WANT YOU TO GO THROUGH THAT PROCESS OF TRYING TO CLASSIFY.

NOW WITH THIS ONE, BECAUSE IT'S A HARD STOP, WHEN YOU DO PREVIOUS OR NEXT, YOU'RE GOING TO BASICALLY GO BACK TO THE SAME QUESTION, AND THAT'S STEP 1. SO IF YOU DETERMINED THE CHARACTERISTICS OF THE ITEM, INCLUDING DETERMINING THE CCL CATEGORY? IF WE SAY YES, IT'S GOING TO TAKE US TO STEP TWO. STEP TWO, WE'RE GOING TO DETERMINE WHAT THE PRODUCT GROUP IS.

HAVE YOU REVIEWED THE CHARACTERISTICS OF THE ITEM TO DETERMINE THE PRODUCT GROUP FOR THE ITEM ON THE CCL? THE PRODUCT GROUPS ARE GOING TO BE A, B, C, D AND E. FOR EXAMPLE, D IS FOR SOFTWARE, E IS FOR TECHNOLOGY, C IS FOR MATERIAL. AGAIN, IT'S GOING TO BE A YES OR NO QUESTION.

THEN WE HAVE ADDITIONAL INFORMATION ON DETERMINING THE CCL PRODUCT GROUP. WITHIN EACH CATEGORY, ITEMS ARE ARRANGED BY GROUP. EACH CATEGORY CONTAINS THE SAME FIVE GROUPS AND LAYS OUT THE DIFFERENT ONES. ANOTHER REFERENCE TO THE INDEX TO THE COMMERCE CONTROL LIST TO HELP YOU.

WE HAD SOME GOOD SUGGESTIONS ON THIS SLIDE AND THE PREVIOUS SLIDE TO ADD SOME REFERENCES TO PART 738, WHERE WE HAVE SOME ADDITIONAL REGULATORY INFORMATION TO HELP SUPPLEMENT THIS TO HELP PEOPLE UNDERSTAND THE PRODUCT GROUPS AND THE CCL CATEGORY, SO THAT'S ANOTHER FEATURE WE'RE GOING TO BE ADDING IN ADDITIONAL INFORMATION. AS I MENTIONED OUR BIS TACS HELP US TO REFINE AND IMPROVE OUR RULES AND THEN ALSO THINGS LIKE THIS WITH OUR OUTREACH MATERIALS. SO AGAIN IF YOU CLICK NO, THAT'S GOING TO BE A HARD STOP JUST LIKE THE PREVIOUS ONE.

AND IF YOU NEED ADDITIONAL HELP, LAYS THAT OUT. THEN IF YOU CLICK NEXT OR PREVIOUS, IT'S GOING TO CIRCULATE BACK TO THE STEP 2.

THIS TIME WE'VE DETERMINED THE CCL CATEGORY, THE LIKELY PRODUCT GROUP, CLICK YES, NOW WE'RE GOING TO GET INTO OUR ANALYSIS OF THE ECCNS AND THEN POTENTIALLY MAKING THAT EAR DESIGNATION.

THIS IS A BASIC INTRODUCTORY SLIDE AS WE GET INTO STEPS 3 AND 4 AND THEN STEPS 5 AND 4.

I KNOW IT MAY SEEM A LITTLE COUNTERINTUITIVE THAT FOR THE NON-600 SERIES ECCN ANALYSIS AND POTENTIALLY HAVING TO REDO STEP FOUR, BUT STEP FOUR IS THE ANALYSIS OF WHETHER THE ITEM WHICH YOU'RE LOOKING AT IS SPECIALLY DESIGNED. SO WHAT YOU'RE BASICALLY DOING IS YOU'RE DOING TWO CUTS AT THE COMMERCE CONTROL LIST. YOU'RE DOING THE ANALYSIS OF THE 600 SERIES, "IS IT ENUMERATED IN THE 600 SERIES?"

IF IT'S NOT, THEN IS IT DESCRIBED IN A 600 SERIES PARAGRAPH THAT USES SPECIALLY DESIGNED AS PART OF THE CONTROL PARAMETER? THAT'S STEP 3 IF IT'S ENUMERATED, STEP 4 IF IT'S A 600 SERIES SPECIALLY DESIGNED ITEM. AND THEN IF YOU'RE NOT IN THE 600 SERIES, THEN YOU'RE DOING YOUR ANALYSIS OF THE NON-600 SERIES, BASICALLY ANY EXISTING CCL CONTROL SERIES THAT IS NOT IN THE 600 SERIES. AND YOU'RE GOING TO DO THE SAME TYPE OF A THING, YOU'RE GOING TO LOOK AT STEP 5, IN THIS CASE LOOKING TO SEE WHETHER IT'S POSITIVELY DESCRIBED IN A NON-600 SERIES ECCN THAT DOESN'T USE SPECIALLY DESIGNED AS PART OF THE CONTROL PARAMETER.

IF IT IS, THEN YOU'RE GOING TO BASICALLY STOP AT STEP 5. AND THEN IF IT ISN'T, IF THE NON-600 SERIES ECCN THAT YOU'RE LOOKING AT USES SPECIALLY DESIGNED YOU WILL NEED TO REVIEW STEP 4 AGAIN. IN OTHER WORDS, IF ONE OF THE PARAGRAPHS THAT YOU'RE REVIEWING INCLUDES SPECIALLY DESIGNED, THEN YOU'RE GOING TO HAVE TO AGAIN DO ANOTHER ANALYSIS OF SPECIALLY DESIGNED.

THAT'S WHY THE STEP 4 IS REFERENCED THERE FOR THE NON-600 SERIES.

IF IT'S NOT DESCRIBED, MEANING YOU'VE GONE THROUGH STEPS 3, 4, THEN 5, THEN POTENTIALLY STEP 4 AGAIN IF THE NON-600 SERIES ECCN USES SPECIALLY DESIGNED, THEN YOU ARRIVE AT STEP

6 IN THE CCL ORDER OF REVIEW AND YOU BASICALLY HAVE AN EAR99 DESIGNATED ITEM.

IN THIS PART OF THE CCL ORDER OF REVIEW, YOU'RE GOING TO MAKE THAT DETERMINATION WHETHER YOU HAVE A SPECIALLY DESIGNED ITEM IN A NON-600 SERIES ECCN, SIMILAR TO THE 600 SERIES, YES, NO, OR I DON'T KNOW. AND IF YOU DON'T KNOW AND CLICK I DON'T KNOW, IT'S GOING TO TAKE YOU TO THAT PAGE AND LINK YOU OVER TO THE SPECIALLY DESIGNED DECISION TOOL TO ASSIST YOU.

SO IN THIS CASE, IF WE SAY YES, THE ITEM IS CLASSIFIED IN A NON-600 SERIES ECCN, WE HAVE A SPECIALLY DESIGNED NON-600 SERIES ITEM.

AS I MENTIONED IN THE BEGINNING, WE HAVE OVER 600 REFERENCES TO SPECIALLY DESIGNED IN THOSE NON-600 SERIES ECCNS, SO THERE ARE QUITE A FEW SPECIALLY DESIGNED REFERENCES ON THE CCL, SO THAT COULD COME INTO PLAY ALSO.

IF WE CLICK ON THE PREVIOUS QUESTION, IF WE HAD CLICKED NO THAT WOULD BE BASICALLY THE DEFAULT THAT WOULD DROP US DOWN TO MY ITEM IS DESIGNATED AS EAR99. WE HAVE DETERMINED MY ITEM IS SUBJECT TO THE EAR, IT WASN'T ENUMERATED IN THE 600 SERIES, I REVIEWED STEP 4 TO DETERMINE WHETHER I HAD A SPECIALLY DESIGNED 600 SERIES ITEM, THE ANSWER WAS NO. I THEN LOOKED AT THE NON-600 SERIES TO SEE IF IT WAS DESCRIBED THERE IN A PARAGRAPH THAT DOESN'T USE SPECIALLY DESIGNED. IT WAS NO TO THAT QUESTION.

I LOOKED AT THE NON-600 SERIES TO MAKE A DETERMINATION WHETHER IT WAS A SPECIALLY DESIGNED NON-600 SERIES ITEM UNDER STEP 4 IN THAT FINAL STEP, AND IT WAS NO FOR THAT ALSO, SO I BASICALLY HAVE AN ITEM DESIGNATED AS EAR99. SO THAT'S THE CCL ORDER OF REVIEW DECISION TOOL.

NOW WE'RE GOING TO GO TO THE SPECIALLY DESIGNED DECISION TOOL, WE'LL WALK THROUGH THAT. THE TWO TOOLS ARE BUILT VERY SIMILAR. SAME SOFTWARE AS THE OTHER TOOL. WE'RE NOT GOING TO SPEND AS MUCH TIME IN THE INTRODUCTORY PART OF THIS, TALKING ABOUT KEY TERMS AND THINGS LIKE THAT, BUT THE SAME THINGS THAT I SAID ABOUT THE CCL ORDER OF REVIEW ARE GOING TO APPLY HERE ALSO.

SPECIALLY DESIGNED EVEN MORE SO THAN THE CCL ORDER OF REVIEW

IS VERY DEFINITION-INTENSIVE, SO THERE'S A LOT OF KEY TERMS IN THE SPECIALLY DESIGNED DECISION TOOL. SO IN PARTICULAR, THE SPECIALLY DESIGNED DECISION TOOL, IT MAY BE BENEFICIAL TO CLICK ON THAT KEY TERMS LIST AT THE BEGINNING, JUST PRINT THAT OUT. AS YOU CAN SEE, THERE ARE QUITE A FEW DEFINITIONS.

AS ASSISTANT SECRETARY KEVIN WOLF LIKES TO MENTION, AS MUCH AS POSSIBLE, WE TRY TO USE EXISTING TERMS IN THE SPECIALLY DESIGNED DEFINITION, WHETHER THAT WAS PRODUCTION, THE KNOWLEDGE DEFINITION, ET CETERA. SO A LOT OF THESE TERMS, IF YOU'RE FAMILIAR WITH THE EAR, ARE TERMS THAT YOU'RE ALREADY QUITE FAMILIAR WITH, BUT THERE ARE SOME NEW TERMS SO PRINTING OUT THE COMPREHENSIVE LIST MAY BE HELPFUL OR AS WE SAID, AS YOU GO THROUGH IT TOO, THERE WILL BE LINKS TO THOSE.

SO SPECIALLY DESIGNED DECISION TOOL EFFECTIVE FOR EXPORTS ON OR AFTER OCTOBER 15TH, 2013. AGAIN, SIMILAR TO THE OTHER DECISION TOOL, THERE'S AN INTRODUCTION TO THE SPECIALLY DESIGNED DECISION TOOL. WE TRIED TO INCLUDE SOME ADDITIONAL INFORMATION HERE. NOW WHAT IF YOU'RE NEW, YOU'RE NOT FAMILIAR WITH THE 600 SERIES?

FOR THOSE PEOPLE, IT MAY BE BENEFICIAL FOR THEM TO LINK OVER TO THE SUPPLEMENT NO. 4 TO PART 774 CCL ORDER OF REVIEW. SO WE HAVE A LINK FROM HERE, WE ALSO HAVE THE REGULATORY TEXT TO HELP PEOPLE. IF YOU'RE FAMILIAR WITH THE CCL ORDER OF REVIEW, CONGRATULATIONS, YOU'RE NOW READY TO DETERMINE WHETHER THE ITEM IS SPECIALLY DESIGNED. THAT CCL ORDER OF REVIEW, ESPECIALLY IF YOU'RE NEW TO THE EAR OR NEW TO THE 600 SERIES, THAT'S GOING TO BE VERY HELPFUL, BUT AS YOU BECOME FAMILIAR WITH IT, IT WILL BECOME SECOND NATURE FAIRLY QUICKLY, SO IN MANY CASES, THE SPECIALLY DESIGNED DECISION TOOL WILL PROBABLY BE USED MORE OFTEN THAN THE OTHER ONE, BUT IN BOTH CASES, WE THINK THEY'LL BE HELPFUL.

IN THE SPECIALLY DESIGNED DECISION TOOL, IT'S GOING TO GUIDE YOU TO ONE OF THREE RESULTS. EITHER IT'S SPECIALLY DESIGNED ON THE CCL, IT'S NOT, OR GUIDANCE ON THE NEXT STEPS TO TAKE IF YOU'RE HAVING DIFFICULTY DETERMINING WHETHER THE ITEM IS CAUGHT OR RELEASED ON THE SPECIALLY DEFINED DEFINITION. WHAT WE'RE REALLY REFERRING TO THERE IS PARAGRAPH (a), WHICH IDENTIFIES CRITERIA FOR AN ITEM CAUGHT WITHIN THE DEFINITION OF SPECIALLY DESIGNED, AND THEN PARAGRAPH (b) FOR PARTS, COMPONENTS, ACCESSORIES, ATTACHMENTS OR SOFTWARE THAT NEED

TO BE POTENTIALLY RELEASED, YOU CAN DO THE REVIEW OF PARAGRAPH (b) TO SEE WHETHER YOU'RE RELEASED.

THEN AGAIN, ADDITIONAL EXPLANATORY LANGUAGE AND DEFINITIONS APPEAR AT THE BOTTOM OF THE SCREEN. SOME OF THE SAME DISCLOSURES THAT WE HAD BEFORE IN THE CCL ORDER OF REVIEW DECISION TOOL. ADDITIONAL GUIDANCE IS AVAILABLE FOR THOSE NOT FAMILIAR WITH THE SPECIALLY DESIGNED DECISION TOOL, SO IF YOU'RE NEW, IF YOU'RE FAMILIAR WITH THE NEW SPECIALLY DESIGNED DEFINITION, YOU SELECT NEXT AND PROCEED WITH THE SPECIALLY DESIGNED DECISION TOOL.

FOR THOSE PEOPLE THAT AREN'T FAMILIAR, WE INCLUDED SOME ADDITIONAL INTRODUCTORY INFORMATION TO HELP YOU. WE ALSO INCLUDED THE PRESENTATION ASSISTANT SECRETARY KEVIN WOLF USED DURING THAT WEBINAR THAT I HAD MENTIONED AT THE BEGINNING. DURING THAT WEBINAR HE LAID OUT SPECIALLY DESIGNED IN THE SECOND PART OF IT. HE DID A VERY NICE OVERVIEW OF THE NEW SPECIALLY DESIGNED DEFINITION, INCLUDING PROVIDING ADDITIONAL RATIONALE FOR WHY WE CONSTRUCTED THE DEFINITION IN THIS WAY AND EXPLAINING THE INTENT BEHIND THE DIFFERENT PARAGRAPHS.

IF YOU WANT TO REVIEW THAT BEFORE YOU PROCEED INTO THE TOOL, YOU JUST CLICK HERE. AND THERE IS ASSISTANT SECRETARY KEVIN WOLF'S SPECIALLY DESIGNED PRESENTATION. SO YOU CAN ACTUALLY WALK THROUGH THIS, ESPECIALLY IF YOU'RE TRYING TO TRAIN PEOPLE ON THE DEFINITION AND WHAT THEY'RE GOING TO BE GUIDED THROUGH WITH THESE SIMPLE YES/NO QUESTIONS. YOU CAN REVIEW THAT SPECIALLY DESIGNED PRESENTATION THAT WAS GIVEN BY ASSISTANT SECRETARY KEVIN WOLF BEFORE YOU GET TOO FAR INTO THE TOOL.

SO AGAIN AS MUCH AS POSSIBLE, WE WANT TO GUIDE YOU THROUGH WITH THESE SIMPLE YES/NO QUESTIONS WHETHER SOMETHING IS SPECIALLY DESIGNED OR NOT, BUT TO GIVE YOU THAT ADDITIONAL INFORMATION TO MAKE THIS TOOL AS USEFUL AS POSSIBLE FOR YOU. WE HAVE THE DIFFERENT PARAGRAPHS OF SPECIALLY DESIGNED, WE HAVE LINKS TO THE SPECIFIC PARAGRAPHS, HERE PARAGRAPH (a)(1), ALSO PARAGRAPH (b)(2). IF YOU CLICK TWICE, IT GOES AWAY.

THEN WE GET INTO THE TOOL.

THE CCL ORDER OF REVIEW HAD THE SUMMARY PAGE AT THE END. THE SPECIALLY DESIGNED TOOL ALSO HAS A SIMILAR FUNCTION AND WE THOUGHT THIS WAS A FEATURE THAT WOULD BE HELPFUL FOR

PEOPLE, SO HERE YOU CAN ENTER THE DESCRIPTION OF THE ITEM. THIS IS STRICTLY OPTIONAL. WE DO NOT KEEP TRACK OF THIS, BUT FOR YOUR OWN INTERNAL TRAINING PURPOSES, OR IF YOU'RE CLASSIFYING SOMETHING AND YOU WANT TO HAVE A RECORD FOR YOURSELF, YOU COULD PUT ABC MACHINE TOOL, FOR EXAMPLE.

SO IF YOU WANT TO PUT THE NAME OF THE ITEM, YOU CAN. I SHOULD LEARN HOW TO SPELL MACHINE TOOL. ABC MACHINE TOOL 2000, AND THEN FOR THE SUMMARY AT THE END, WHEN YOU PRINT THAT OUT, IT WILL INCLUDE THIS ABC MACHINE TOOL. WE THOUGHT THAT THIS WOULD BE HELPFUL IN TWO DIFFERENT SITUATIONS.

ONE, IF SOMEBODY IS ACTUALLY CLASSIFYING AN ITEM AND THEY WANT TO HAVE A RECORD FOR THEIR OWN INTERNAL RECORD-KEEPING ANALYSIS THAT THEY WENT THROUGH, THAT'S THE BEAUTY OF THE SPECIALLY DESIGNED DEFINITION IN TERMS OF PREDICTABILITY AND RELIABILITY AND HAVING A DEFINITION THAT'S BASED ON OBJECTIVE CRITERIA WHERE IF YOU GIVE THE SAME PEOPLE THE SAME INFORMATION, THOSE 10 PEOPLE USING THE SAME SET OF FACTS AND THEY GO THROUGH THIS DECISION TOOL, THEY'RE GOING TO COME UP WITH THE SAME OUTCOME TIME AND TIME AGAIN. SO WITH THIS DECISION TOOL, IF YOU GO THROUGH THIS ANALYSIS AND THEN SOMEBODY QUESTIONS WHY DID YOU SAY IT WASN'T SPECIALLY DESIGNED OR WHY DID YOU SAY IT WAS SPECIALLY DESIGNED, YOU COULD SAY, HEY, LOOK AT THIS, I WENT THROUGH THIS ANALYSIS, YES, NO, YES, NO, YES, NO, THAT WAS THE OUTCOME OF WHETHER IT WAS SPECIALLY DESIGNED OR NOT. AND IF YOU HAVE THIS REFERENCE IN THERE, THAT'S GOING TO HELP FOR YOUR OWN INTERNAL RECORD-KEEPING.

ANOTHER THING WE THOUGHT WOULD BE HELPFUL TOO IS WHAT IF YOU'RE DOING INTERNAL TRAINING AT A COMPANY AND YOU'RE TRAINING 20 PEOPLE IN A ROOM OR YOU'RE DOING SOME TYPE OF WEBINAR OR SOMETHING LIKE THAT WITH SOME OF YOUR PEOPLE AROUND THE WORLD AND YOU WANT TO TEST THEM TO MAKE SURE THAT THEY'RE UNDERSTANDING WHAT YOU'VE LAID OUT FOR THE SPECIALLY DESIGNED DEFINITION, YOU CAN GIVE THEM SAMPLE SPECIALLY DESIGNED CASE EXAMPLES TO CLASSIFY AND THEY COULD PLUG IN THE SAMPLE NAMES AND THEN WHEN YOU GET TO THE END OF IT, YOU COULD LOOK TO SEE WHETHER THEY WERE UNDERSTANDING AND ANSWERING THE QUESTIONS CORRECTLY, BASED UPON THE FACTS THAT YOU HAD PROVIDED THEM.

SO WE THINK THAT'S GOING TO BE A USEFUL FEATURE, BUT AS WE SAID, THIS IS STRICTLY OPTIONAL, IF YOU'RE UNCOMFORTABLE

WITH PUTTING THAT IN, YOU DON'T HAVE TO, BUT FOR PEOPLE THAT DO, YOU CAN DO THAT.

NOW, IN TERMS OF THE TRACKING, THE SPECIALLY DESIGNED DECISION TOOL IN PARTICULAR WILL TRACK YOU DOWN DIFFERENT PARTS OF THE TOOL. BECAUSE DEPENDING ON WHETHER YOU'RE CLASSIFYING AN END ITEM OR A MATERIAL, HOW YOU ARE APPROACHING THE DEFINITION WILL DETERMINE THE TRACK YOUR PUT DOWN AND IS GOING TO BE DIFFERENT COMPARED TO IF YOU HAD AN ACCESSORY, COMPONENT OR SOFTWARE.

SO THE FIRST TRACKING QUESTION IS THE KEY QUESTION, ARE YOU CLASSIFYING A PART, COMPONENT, ACCESSORY, ATTACHMENT OR SOFTWARE? AND IF IT'S YES, THEN IT'S GOING TO TAKE YOU DOWN THE TRACK THAT'S SPECIFIC TO PARTS, COMPONENTS, ACCESSORIES, ATTACHMENTS OR SOFTWARE. IF IT WAS NO, ACTUALLY WITH THE SPECIALLY DESIGNED DECISION TOOL, WE'RE GOING TO RUN THROUGH AN END ITEM EXAMPLE FIRST OR A MATERIAL EXAMPLE.

SO NO, WE'RE NOT CLASSIFYING A PART, COMPONENT, ACCESSORY OR ATTACHMENT, WHERE IS THAT GOING TO TAKE US? THE QUESTION HERE IS BASICALLY THE (a)(1) TEST. THE PARAGRAPH (a)(1) TEST. BECAUSE IF YOU'RE CLASSIFYING AN ITEM THAT'S NOT A PART, COMPONENT, ACCESSORY, ATTACHMENT OR SOFTWARE, PARAGRAPH (a)(1) IS THE WHOLE ENTIRE DEFINITION. IT'S THE CATCH AND THE RELEASE.

SO HERE I HAVE AN END ITEM, AS A RESULT OF DEVELOPMENT, "DOES THAT ITEM HAVE PROPERTIES FOR ACHIEVING OR EXCEEDING FUNCTIONS IN THE RELEVANT ECCN OR USML PARAGRAPH?" IF YOU WANT A REFERENCE TO THAT, YOU CLICK ON (a)(1) AND THEN IT POPS UP (a)(1) FOR YOU. IF WE SAY YES, THAT ITEM, THAT END ITEM OR THAT MATERIAL IS SPECIALLY DESIGNED.

THAT'S IT, THAT'S THE WHOLE ENTIRE DEFINITION FOR THOSE PARTICULAR END ITEMS OR MATERIALS FOR EXAMPLE. BASICALLY SOME DISCLOSURES ABOUT THE SUMMARY, THAT THE ITEM IF YOU DETERMINED THE ITEM IS SUBJECT TO THE EAR AND YOU'VE GONE THROUGH THIS ANALYSIS, THAT'S WHERE YOU END UP. AND IF YOU CLICK SUMMARY, AS I HAD MENTIONED, YOU GET THE SESSION SUMMARY FOR THE SPECIALLY DESIGNED DECISION TOOL. UNDER THE TOP PART OF THE SUMMARY, YOU CAN SEE RIGHT HERE THE NAME OF THE ITEM, THE ABC MACHINE TOOL 2000, SO THAT POPULATES IN THE SUMMARY.

ARE YOU CLASSIFYING A PART, COMPONENT, ACCESSORY, ATTACHMENT, SOFTWARE? NO. AS A RESULT OF DEVELOPMENT, DOES IT MEET THAT (a)(1) CRITERIA? YES. THE ITEM IS SPECIALLY DESIGNED ON THE CCL. SO YES, NO, YES, NO, AND THEN THE DETERMINATION OF WHETHER THE ITEM IS OR IS NOT SPECIALLY DESIGNED.

LIKE I SAID, YOU CAN PRINT THIS OUT, IF YOU WANT TO KEEP A HARD COPY, OR IF YOU WANTED TO PRINT IT OUT, SCAN IT OR DO TO ADOBE ACROBAT READER. IF YOU WANT TO RESET IT, YOU JUST CLICK RESET. I'M GOING TO GO THROUGH IT FAIRLY QUICKLY.

SO AGAIN IF WE AREN'T CLASSIFYING A PART, COMPONENT, ACCESSORY OR SOFTWARE, IF YOU CLICK NO, AGAIN, YOU'RE DONE. THE ITEM IS NOT SPECIALLY DESIGNED ON THE CCL. YOU'VE COMPLETED THE SPECIALLY DESIGNED DECISION TOOL. THEN AGAIN YOU COULD CLICK THE SUMMARY AND THAT WILL GIVE YOU THE ANALYSIS. THEN IF YOU CLICK "I DON'T KNOW," YOU ANSWERED I DON'T KNOW, IF IT MEETS THE CRITERIA PARAGRAPH, (a)(1).

ALSO BASED ON YOUR RESPONSE TO EARLIER QUESTIONS, THE CLASSIFYING IS NOT A COMPONENT, ACCESSORY, PART OR SOFTWARE, THEN WE TRIED TO AS MUCH AS POSSIBLE THINK OF THE DIFFERENT FACT PATTERNS THAT YOU MIGHT RUN INTO AS YOU'RE TRYING TO CLASSIFY YOUR ITEM AND DETERMINE WHETHER IT'S SPECIALLY DESIGNED, THEN TO GIVE YOU GUIDANCE IN THOSE TYPES OF CASES WHERE YOU DO RUN INTO THESE SITUATIONS WHERE YOU MAY NOT BE SURE.

AND THEN AGAIN, REVIEW THE CCL TO DETERMINE IF THE ITEM IS DESCRIBED AND YOU SEE SOME PARAGRAPH THAT USES SPECIALLY DESIGNED AS PART OF THE CONTROL PARAMETER. IF YOU'RE LOOKING AT AN ECCN THAT DOESN'T USE SPECIALLY DESIGNED, SPECIALLY DESIGNED ISN'T GOING TO COME INTO THE ANALYSIS. THEN SOME ADDITIONAL GUIDANCE FOR WHAT YOU CAN DO IN THOSE CASES. BUT AGAIN, WE DON'T WANT YOU TO JUST TO RUSH IN WITH A COMMODITY CLASSIFICATION REQUEST, WE WANT TO YOU GO THROUGH THIS GUIDANCE THAT WE'VE GIVEN YOU BECAUSE WE THINK IF YOU REVIEW THE COMMERCE CONTROL LIST, IN MOST CASES YOU SHOULD BE ABLE TO FIND OUT WHAT THE CLASSIFICATION IS, BUT IF NEEDED, YOU CAN COME IN FOR CLASSIFICATION REQUEST.

SO THAT IS THE TRACK THAT WE JUST WENT DOWN FOR THE DECISION TOOL FOR THE NON-PARTS, COMPONENTS, ACCESSORIES, ATTACHMENTS OR SOFTWARE. NOW WE'RE GOING TO GO DOWN THAT TRACK, AND THIS

IS WHERE PARAGRAPH (a)(2) COMES INTO PLAY. POTENTIALLY PARAGRAPH (b). SO HERE WE ANSWER YES.

NOW FOR THIS ANALYSIS OF THE DEFINITION OF SPECIALLY DESIGNED GENERALLY YOU'RE GOING TO FOLLOW A SEQUENTIAL ANALYSIS AS YOU REVIEW THE SPECIALLY DESIGNED DEFINITION, BUT AS WE'VE TALKED TO OUR TECHNICAL ADVISORY COMMITTEE MEMBERS, WE'VE GONE OUT AND TALKED TO MEMBERS OF THE PUBLIC, WE'RE TRYING TO COME UP WITH OUTREACH MATERIALS, TO MAKE THE DEFINITION EASIER TO APPLY THERE ARE CERTAIN SHORTCUTS THAT MAY BE BUILT INTO THE DEFINITION THAT WILL HELP YOU IN YOUR ANALYSIS OF SPECIALLY DESIGNED.

FOR EXAMPLE, WE'VE GOTTEN INPUT FROM PEOPLE WHO SAY IN TERMS OF THE ITEMS MOVING TO THE CCL UNDER THE 600 SERIES IT'S GOING TO BE A HUGE PROCESS TO GO THROUGH AND RECLASSIFY EVERYTHING.

IF YOU LOOK AT WHERE THEY WERE CLASSIFIED UNDER THE USML, LIKE FOR EXAMPLE IN CATEGORY VIII, 98% OF YOUR STUFF WAS IN CATEGORY VIII(h) FOR THE CATCH ALL THAT WAS ON THE USML, THEN CHANCES ARE THE VAST MAJORITY OF THAT STUFF, PROBABLY IT MOVED OVER TO THE NEW 600 SERIES ECCN CATCH-ALL UNDER 9A610.X OR IN CERTAIN LIMITED CASES TO .Y. SO IN TERMS OF THE ANALYSIS, FOCUSING ON THE ONES THAT ARE EASY THAT YOU KNOW YOU CAN PULL OFF THE TABLE QUICKLY, SORT THOSE OUT AND THEN PUT YOUR ATTENTION ON THE ONES THAT ARE A LITTLE BIT MORE DIFFICULT. AND YOU CAN TRY TO DO THE SAME THING WITH THE SPECIALLY DESIGNED DEFINITION ALSO.

THIS FIRST SLIDE HERE, SO WE HAVE A PART, COMPONENT, ACCESSORY, ATTACHMENT OR SOFTWARE. IN CERTAIN CASES, IT MAY BE BENEFICIAL TO REVIEW PARAGRAPH (b) FIRST BEFORE YOU ACTUALLY REVIEW PARAGRAPH (a). IF YOU KNOW IT'S RELEASED FROM SPECIALLY DESIGNED UNDER PARAGRAPH (b), THEN YOU DON'T HAVE TO ACTUALLY WORRY ABOUT WHETHER YOU'RE CAUGHT UNDER (a) BECAUSE YOU ALREADY KNOW THAT YOU'RE RELEASED UNDER (b).

SO PARAGRAPH (b) TALKS ABOUT THIS STRATEGY FOR HOW YOU MAY APPROACH THE DEFINITION, AND THIS ISN'T GOING TO BE FOR EVERYBODY, BUT FOR CERTAIN PARTS, COMPONENTS, ACCESSORIES, ATTACHMENTS OR SOFTWARE IT MIGHT BE HELPFUL TO REVIEW PARAGRAPH (b) FIRST. SLIDE LAYS OUT SOME OF THE DIFFERENT CRITERIA IN WHICH BASICALLY TRACKS WITH OUR SPECIALLY DESIGNED PARAGRAPH (b) ONES. HAS THE ITEM BEEN PREVIOUSLY REVIEWED?, IS IT AN INSIGNIFICANT PART OR MINOR COMPONENT?,

IS IT USED IN THE PRODUCTION OF THE LOWEST LEVEL COMMODITIES?, WAS IT BEING DEVELOPED FOR USE WITH THOSE LOWEST LEVEL COMMODITIES? THESE ARE REALLY HIGH LEVEL QUESTIONS WHETHER IT MAY BE BENEFICIAL FOR YOU TO REVIEW PARAGRAPH (b) FIRST. IF YOU CLICK NO, IT'S GOING TO SAY NO, YOU SHOULD REVIEW PARAGRAPH (a) FIRST.

IF YOU CLICKED "I DON'T KNOW." AGAIN, WITH KEY TERMS, LIKE WE SAID, THERE'S A LOT OF KEY TERMS, FOR EXAMPLE, EAR99, ET CETERA, OR ATTACHMENT, FOR EXAMPLE, ANOTHER ONE. SO WE HAVE THOSE EMBEDDED IN THERE. THEN IF WE CLICK I DON'T KNOW, THAT'S GOING TO SAY YOU SHOULD REVIEW PARAGRAPH (a) FIRST. THEN IF WE CLICK YES, SO BASED ON YOUR RESPONSE TO THE PREVIOUS QUESTION, BIS RECOMMENDS THAT YOU REVIEW PARAGRAPH (b) FIRST.

SO THIS PERSON, IN THE TOOL, THEY LOOKED AT THE STRATEGY QUESTIONS IN THE TOOL FOR WHETHER IT MAY BE BENEFICIAL FOR THEM TO REVIEW PARAGRAPH (b) FIRST AND BASED ON THOSE QUICK CUT CRITERIA THAT WE PROVIDED, IT MAY MAKE SENSE FOR THEM TO LOOK AT PARAGRAPH (b) FIRST. THEN IT SAYS FOR THESE CONTROLS, YOU'LL WANT TO START YOUR SPECIALLY DESIGNED CONTROL ANALYSIS -- WE'LL ASK YOU TO DETERMINE WHETHER YOU MEET THE CRITERIA OF PARAGRAPHS (b)(1), (b)(2), (b)(3), (b)(4), (b)(5) OR (b)(6).

IF YOU ARE NOT RELEASED FROM SPECIALLY DESIGNED ON THE BASIS OF PARAGRAPH (b), YOU'LL BE DIRECTED TO REVIEW PARAGRAPH (a). THEN WE'LL ASK YOU DO YOU WANT TO REVIEW PARAGRAPH (b), THE RELEASE, FIRST?, YES OR NO. IF YOU CLICK YES, THEN IT TAKES YOU INTO THE GATEWAY FOR PARAGRAPH (b).

AND THERE'S BASICALLY THREE DIFFERENT TRACTS THAT GO DOWN PARAGRAPH (b) WHICH WE'LL TALK ABOUT. THE FIRST ONE IS YOU LOOK AT THAT CRITERIA FOR WHEN IT IS BENEFICIAL TO REVIEW (b) FIRST, THE SECOND ONE, YOU'RE CAUGHT UNDER PARAGRAPH A, EITHER (a)(1) OR (a)(2) AND YOU WANT TO REVIEW PARAGRAPH (b), THEN THE THIRD ONE WHICH WE'LL TALK ABOUT IN JUST A MINUTE IS WHAT IF YOU'RE NOT SURE WHEN YOU'RE CAUGHT UNDER (a)(1) OR (a)(2).

WELL, YOU SHOULD LOOK AT PARAGRAPH (b) TO SEE IF YOU'RE RELEASED. SO THERE'S ACTUALLY THREE POTENTIAL WAYS THAT YOU

COME IN TO PARAGRAPH (b). THIS IS THE GATEWAY INTO PARAGRAPH (b), FOR THE PARAGRAPH (b) ANALYSIS TO SEE WHETHER YOU'RE RELEASED. IT WILL ASK YOU A SERIES OF YES OR NO QUESTIONS TO DETERMINE WHETHER THE PART, COMPONENT, ACCESSORY, ET CETERA, IS NOT SPECIALLY DESIGNED BECAUSE IT MEETS THE PARAGRAPH (b).

SO THIS IS THE GATEWAY TO (b). AND WE'RE GOING TO BACK OUT OF THIS FOR NOW. AND WE'RE NOT GOING TO GO THROUGH THE (b)'S BECAUSE THE (b) QUESTIONS WILL BE THE SAME FOR THE THREE DIFFERENT SCENARIOS THAT WE'RE GOING TO GO THROUGH, I WANT TO MAKE SURE WE HAVE ENOUGH TIME TO GET THROUGH THE WHOLE THING.

SO WE'RE CLASSIFYING A PART, WE'LL SAY NO, WE DON'T WANT TO REVIEW PARAGRAPH (b) FIRST, REVIEW PARAGRAPH (a) FIRST. SO NOW WE'RE GOING TO LOOK AT THE (a)(1) CRITERIA AND THE (a)(2) CRITERIA FOR PARTS, COMPONENTS, ACCESSORIES, ATTACHMENTS OR SOFTWARE.

SO THIS QUESTION IS ASKING YOU DO YOU MEET THE (a)(1) CRITERIA, RESPONSIBLE FOR ACHIEVING OR EXCEEDING THE CHARACTERISTICS OR FUNCTIONS IN THE RELEVANT ECCN or USML PARAGRAPH?, YES, NO, OR I DON'T KNOW. NOW IF YOU CLICK YES, YOU'RE CAUGHT, AND THE NEXT STEP THE SPECIALLY DESIGNED DECISION TOOL WILL BRING YOU TO THE GATEWAY PREREQUISITE QUESTION FOR PARAGRAPH (b), IS IT USED IN A DECONTROL NOTE THAT USES SPECIALLY DESIGNED?, AND IF IT IS, YOU JUST STOP THERE IN YOUR ANALYSIS.

SO WHAT IF WE DON'T MEET THAT CRITERIA? KEEP IN MIND, IF YOU'RE LOOKING AT A PARAGRAPH THAT CONTROLS AS A CATCH-ALL, ALL SPECIALLY DESIGNED PARTS, COMPONENTS, ACCESSORIES OR ATTACHMENTS, THAT 600 SERIES ECCN OR THE RELATED USML CATEGORY, IT MAY ACTUALLY BE BENEFICIAL FOR YOU TO JUST PROCEED TO PARAGRAPH (a)(2) FIRST. IT'S ANOTHER TIP TO KEEP IN MIND.

SO IF YOU CLICK NO, IT BRINGS YOU TO THE PARAGRAPH (a)(2) ANALYSIS. IF YOU CLICK "I DON'T KNOW," THE NEXT ONE GIVES YOU A LITTLE BIT OF INFORMATION. SO YOU ANSWERED I DON'T KNOW, WHETHER IT'S CAUGHT UNDER (a)(1). BY CLICKING NEXT, YOU WILL BE ASKED WHETHER YOU MEET THE (a)(2) CRITERIA.

SO IF YOU DON'T MEET (a)(1), REMEMBER YOU MAY BE CAUGHT

UNDER THAT BROADER (a)(2) FOR THE PARTS OR COMPONENTS, SO BEFORE YOU GO TO (b) IN THAT CASE, YOU WOULD LOOK AT THE (a)(2) CRITERIA.

IS IT USED IN OR WITH A COMMODITY OR DEFENSE ARTICLE ENUMERATED OR OTHERWISE DESCRIBED IN THE CCL OR THE USML. THIS IS THE (a)(2) CRITERIA. THE (a)(2) CRITERIA IS MEANT TO BE A VERY BROAD CATCH.

NOW IF WE STOPPED HERE, WE WOULD CATCH WAY MORE THAN WE INTEND TO.

BUT FOR THE PARAGRAPH (a), WE NEED TO CATCH ALL THE ITEMS THAT POTENTIALLY MAY BE SPECIALLY DESIGNED, THEN (b) THAT WE'RE GOING TO WALK THROUGH IN THIS SERIES OF QUESTIONS, WE'RE GOING TO REFINE AND REFINE AND REFINE WHAT'S CAUGHT UNDER (a) UNTIL WE GET TO THE SET OF ITEMS WE WANT SPECIALLY DESIGNED. SO IF WE CLICK YES, THAT'S GOING TO BRING US INTO THE PARAGRAPH (b). IF WE CLICK NO, IT IS NOT SPECIALLY DESIGNED ON THE CCL. SO WE'VE DONE THE ANALYSIS OF (a), WE'RE NOT CAUGHT UNDER (a)(1) OR (a)(2), THEN WE'RE RELEASED.

IF YOU CLICK I DON'T KNOW, HERE YOU GET ADDITIONAL INFORMATION THAT WILL HELP GUIDE YOU IN THIS CASE. THIS WOULD BE THE OTHER GATEWAY THAT I MENTIONED GOING INTO PARAGRAPH (b), IF YOU DON'T KNOW WHETHER YOU'RE CAUGHT UNDER (a)(1) OR (a)(2), THEN YOU WOULD WANT TO REVIEW PARAGRAPH (b) TO DETERMINE IF YOU'RE RELEASED THERE. IF NOT RELEASED UNDER (b), THEN WHAT STEPS DO YOU DO IN IN THIS SPECIFIC SCENARIO.

SO NOW WE'RE GOING TO GET INTO THE HEART OF (b). AS I SAID, THE THREE TRACKS THAT WE'RE GOING TO GO DOWN FOR YOUR REVIEW OF (b), THOSE THREE SCENARIOS THAT WE TALKED ABOUT, THE QUESTIONS YOU'RE GOING TO ANSWER FOR PARAGRAPH (b) ARE GOING TO BE THE SAME. SERIES OF YES/NO QUESTIONS. (b)(1), WHICH IS BASICALLY WHERE THE PART, COMPONENT, ACCESSORY, ATTACHMENT OR SOFTWARE WAS REVIEWED BY THE U.S. GOVERNMENT, DETERMINED TO BE NOT SUBJECT TO THE ITAR, AND WAS DETERMINED TO BE CLASSIFIED IN AN ECCN PARAGRAPH THAT DOESN'T USE SPECIALLY DESIGNED OR IS EAR99.

WE TOOK THE PARAGRAPH (b)(1) IN THE DECISION TOOL AND WE ACTUALLY BROKE IT INTO TWO DIFFERENT PIECES, BECAUSE YOU HAVE THE COMMODITY PIECE UNDER PARAGRAPH (b)(1) WHERE THERE IS A PAST COMMODITY JURISDICTION ISSUED BY THE DEPARTMENT OF

STATE, THAT DETERMINED IT WASN'T SUBJECT TO THE ITAR, AND CLASSIFIED IT AS EITHER EAR99 OR IN AN ECCN THAT DOESN'T USE SPECIALLY DESIGNED. IT'S EITHER YES OR NO. IF YOU CLICK YES, IT'S NOT IT'S NOT SPECIALLY DESIGNED, AND YOU'RE DONE. IF NO, IT'S GOING TO TAKE YOU TO THE SECOND PART OF PARAGRAPH (b)(1).

THIS IS THE NEW PROCESS THAT WE ADDED IN THE APRIL 16TH FINAL RULE, WHERE IF YOU GO THROUGH YOUR ANALYSIS OF SPECIALLY DESIGNED, IF YOU'RE CAUGHT UNDER ONE OF THE PARAGRAPHS IN (a), YOU GO THROUGH THE ANALYSIS OF PARAGRAPH (b) AND YOU'RE STILL NOT RELEASED BUT YOU LOOK AT THAT SPECIFIC PART OR COMPONENT AND YOU SAY WELL, I REALLY THINK THIS DOESN'T WARRANT BEING SPECIALLY DESIGNED, YOU CAN COME IN WITH A SPECIAL CLASSIFICATION PROCESS THAT WE ADDED UNDER 748.3(e), AND THE INTERAGENCY COMMUNITY WITH THE STATE DEPARTMENT, THE DEFENSE DEPARTMENT AND THE COMMERCE DEPARTMENT WILL REVIEW IT, AND IF WE AGREE THAT PARTICULAR PART OR COMPONENT DOES NOT WARRANT BEING SPECIALLY DESIGNED AND THERE'S CONSENSUS WITH THE THREE DEPARTMENTS, WE WILL ISSUE A CLASSIFICATION INDICATING WE'VE REVIEWED IT AND DID NOT DETERMINE IT TO BE SPECIALLY DESIGNED.

SO IF YOU HAVE THAT PIECE OF PAPER IN HAND, THAT CLASSIFICATION, THEN YOU'RE RELEASED UNDER PARAGRAPH (b)(1). ANY TIME YOU CLICK YES, YOU'RE BASICALLY NOT GOING TO HAVE A SPECIALLY DESIGNED ITEM THAT YOU HAVE UNDER PARAGRAPH (b). IF YOU CLICK NO, THEN WE'RE GOING TO GET INTO PARAGRAPH (b)(2). SO IS THE PART OR MINOR COMPONENT, REGARDLESS OF FORM OR FIT, A FASTENER, SUCH AS A SCREW, BOLT, NUT PLATE, RIVET, PIN, WASHER, GROMMET, BUSHING. IF IT'S YES, NOT SPECIALLY DESIGNED, REGARDLESS OF WHAT CHANGES YOU'VE MADE TO IT, OR WHERE IT'S USED.

THIS IS ONE OF THE SPECIFIED EXCLUSIONS UNDER PARAGRAPH (b).

SO IN SOME WAYS YOU CAN THINK OF (b)(1) AND (b)(2) AS THE SPECIFIED EXCLUSIONS UNDER SPECIALLY DESIGNED, IT'S EITHER SPECIFIED IN A CJ TO BE NOT SUBJECT TO THE ITAR OR IN A CLASSIFICATION REQUEST UNDER (b)(1), AND WITH THE (b)(2), THOSE REALLY MINOR COMPONENTS AND PARTS THAT ARE SPECIFIED AS NOT BEING SPECIALLY DESIGNED REGARDLESS WHETHER IT'S A CUT TO LENGTH SCREW, IT'S NOT GOING TO BE SPECIALLY DESIGNED UNDER PARAGRAPH (b)(2).

BUT DOES THAT MEAN THAT ANY OF THE PARTS THAT ARE SPECIFIED UNDER (b)(2) DON'T WARRANT CONTROL, IF THERE'S SOMETHING

THAT DOES WARRANT CONTROL, THEN THE U.S. GOVERNMENT NEEDS TO ENUMERATE THAT OR OTHERWISE DESCRIBE THAT ON THE APPLICABLE CONTROL LIST AS WARRANTED.

SO AGAIN IF YOU CLICK YES, NOT SPECIALLY DESIGNED, WE HAVE A CUT TO LENGTH BOLT, FOR EXAMPLE IT IS NOT SPECIALLY DESIGNED. IF WE HIT NO, IT'S GOING TO TAKE US TO THE PRODUCTION EXCLUSION (b)(3). YOU DON'T NEED TO KNOW ANYTHING ABOUT THE ORIGINAL DEVELOPMENT HISTORY.

IF YOU MEET THE CRITERIA HERE, YOU'RE GOING TO BE RELEASED. SO PART, COMPONENT, ACCESSORY OR SOFTWARE HAVE THE SAME FUNCTION, PERFORMANCE CAPABILITY AND THE SAME OR EQUIVALENT FORM AND FIT AS A COMMODITY OR SOFTWARE USED IN OR WITH AN ITEM THAT IS OR WAS IN PRODUCTION, I.E., NOT IN DEVELOPMENT THAT MEETS THE CRITERIA IN (b)(3), USED IN OR WITH AN AT-ONLY OR EAR99 ITEM IN PRODUCTION.

AS I SAID, WE USE A LOT OF THESE KEY TERMS THAT ARE EXISTING. FOR FORM AND FIT WHEN WE USE EQUIVALENT, WE MEAN EXACTLY WHAT WE SAY IN THE NOTE TO PARAGRAPH (b)(3). YOU CAN ONLY MAKE CHANGES IN FORM SOLELY FOR FIT PURPOSES, ANYTHING OUTSIDE OF THAT WOULD NOT BE CONSIDERED EQUIVALENT. IF YOU HAVE SOMETHING THAT'S USED AND SUBSEQUENTLY USED IN THE PRODUCTION OF AN EAR99 ITEM, THEN THIS WOULD COME INTO PLAY, FOR EXAMPLE, IN THE 600 SERIES TO RELEASE THAT PART OR COMPONENT FROM SPECIALLY DESIGNED CATCH-ALL ON THE COMMERCE CONTROL LIST, SO AGAIN, ALL THESE PARAGRAPH (b) RELEASES, YOU CLICK YES, NOT SPECIALLY DESIGNED. IF YOU CLICK NO, THEN WE'RE GOING TO GET INTO THE DEVELOPMENT EXCLUSIONS.

PARAGRAPH (b)(3) IS UNDER THE SPECIALLY DESIGNED DEFINITION, THEN WE HAVE UNDER PARAGRAPHS (b)(4), (b)(5) AND (b)(6), WE HAVE WHAT WE REFER TO AS OUR DEVELOPMENT EXCLUSIONS. AND THIS IS BASICALLY DURING THE DEVELOPMENT PHASE, YOU EITHER DEVELOPED IT OR YOU'RE IN THE PROCESS OF DEVELOPING IT, YOU'RE DEVELOPING IT FOR APPLICATIONS THAT WOULD MEET THE CRITERIA OF EITHER PARAGRAPH (b)(4), (b)(5) OR (b)(6).

YOU'LL SEE THE WAY THE DECISION TOOL IS LAID OUT, YOU MAY POTENTIALLY MEET MORE THAN ONE OF THE PARAGRAPH (b) RELEASES BUT YOU ONLY NEED TO MEET ONE OF THE RELEASES TO BE RELEASED FROM SPECIALLY DESIGNED. SO YOU MAY VERY WELL MEET (b)(3) AND (b)(4), AND THAT'S OKAY, YOU JUST NEED ONE OF THE RELEASES TO APPLY TO RELEASE YOU FROM SPECIALLY DESIGNED.

SO THIS QUESTION, DO YOU HAVE KNOWLEDGE, AND THAT'S A DEFINED TERM UNDER THE EAR, OF THE DEVELOPMENT HISTORY. AND THIS IS EITHER GOING TO BE YES OR NO. IF WE CLICK NO, PARAGRAPH (b)(4), (b)(5) AND (b)(6) AREN'T GOING TO BE OPTIONS FOR US, CAN'T BE RELIED ON TO RELEASE THAT PART, COMPONENT, ACCESSORY OR ATTACHMENT. IN ADDITION, YOU ALREADY DETERMINED, AS IT LAYS OUT HERE, THAT YOU ALREADY LOOKED AT (b)(1), (b)(2), AND (b)(3). THEREFORE, IT'S SPECIALLY DESIGNED. WE GIVE YOU SOME TIPS, THOUGH.

YOU MAY WANT TO GO BACK TO THE ORIGINAL PRODUCER, DEVELOPER, MANUFACTURER, OR SOME OTHER PARTY THAT MAY HAVE THAT KNOWLEDGE OF THE DEVELOPMENT HISTORY AND MAYBE THEY CAN ASSIST YOU WITH MAKING THAT DETERMINATION. IF THEY DO HAVE THAT CONTEMPORANEOUS DOCUMENTATION THAT DOES SUPPORT THE CRITERIA IN (b)(4), (b)(5) OR (b)(6), THEN GO BACK AGAIN AND LOOK AT WHETHER YOU'RE RELEASED UNDER SPECIALLY DESIGNED UNDER THAT PARAGRAPH IN (b)(4), (b)(5) OR (b)(6).

IF WE CLICK NEXT, THE DESCRIPTION, THIS IS BASICALLY THE UNDER PARAGRAPH (b), WHICH WE'RE GOING TO GO OVER IN JUST A MINUTE. SO IN THIS CASE, WE SAY DO YOU HAVE KNOWLEDGE OF THE DEVELOPMENT HISTORY, IF WE CLICK YES, AND WE'RE GOING TO GET INTO REVIEWING (b)(4), THEN (b)(5) AND (b)(6). SO WAS THAT PART DEVELOPED WITH KNOWLEDGE, FOR USE IN OR WITH COMMODITIES OR SOFTWARE, EITHER NOT ENUMERATED, SUCH AS EAR99 OR A COMMODITY OR SOFTWARE DESCRIBED IN AN ECCN CONTROLLED FOR AT REASONS ONLY FOR (b)(4), IT'S EITHER GOING TO BE YES OR NO.

IF IT'S YES, YOU'RE RELEASED. IF IT'S NO, THEN YOU GO TO (b)(5).

WAS OR IS THE PART, COMPONENT, ACCESSORY, ATTACHMENT OR SOFTWARE DEVELOPED AS A GENERAL PURPOSE COMMODITY OR SOFTWARE WITH NO KNOWLEDGE FOR USE IN OR WITH A PARTICULAR COMMODITY, OR TYPE OF COMMODITY. IF IT WAS, YOU DIDN'T HAVE KNOWLEDGE, THEN YOU'RE GOING TO BE RELEASED FROM SPECIALLY DESIGNED. AND AGAIN, IF IT WASN'T, THEN YOU'RE GOING TO GO TO PARAGRAPH (b)(6). WE SEPARATED OUT (b)(4) AND (b)(6). (b)(6) IS ONLY GOING TO COME INTO PLAY IF YOU HAVE A PARAGRAPH THAT USES SPECIALLY DESIGNED IN AN AT-ONLY ECCN.

BASICALLY IT KIND OF TRACKS WITH THE SAME IDEA OF PARAGRAPH (b)(4), BUT IT WILL RELEASE THE PART, COMPONENT, ACCESSORY, ATTACHMENT OR SOFTWARE IF DURING THE DEVELOPMENT PHASE, YOU

DEVELOPED OR YOU ARE DEVELOPING IT FOR USE, FOR EXAMPLE, IN OR WITH AN AT ONLY ENTRY AND ALSO EAR99 COMMODITY OR SOFTWARE, OR YOU'RE DEVELOPING IT EXCLUSIVELY FOR USE IN OR WITH AN EAR99 COMMODITY OR SOFTWARE AND THEN IT SUBSEQUENTLY WAS USED IN A SPECIALLY DESIGNED PARAGRAPH IN AN AT-ONLY ECCN THAT USES SPECIALLY DESIGNED, THEN PARAGRAPH (b)(6) WOULD RELEASE YOU. AGAIN FOR THIS PARAGRAPH (b)(6) IF YOU CLICK YES AS THE ANSWER TO THE QUESTION, IT RELEASES YOU.

IF YOU CLICK NO, THEN WE'VE BASICALLY GONE THROUGH OUR FULL ANALYSES OF PARAGRAPH (b) FOR THE DECISION TOOL, THE QUESTIONS FOR PARAGRAPH (b) ARE THE SAME FOR THE THREE TRACKS, SO THIS IS THE LANDING PAGE FOR THE END OF PARAGRAPH (b) AND ASKS YOU WHY DID YOU REVIEW PARAGRAPH (b)?

THE FIRST SCENARIO, YOU DETERMINE YOU'RE CAUGHT UNDER (a), SO YOU LOOKED AT (b). IF YOU CLICK ON THAT, YOU HAVE A SPECIALLY DESIGNED PART OR COMPONENT ON YOUR HANDS. IF YOU CLICK I DIDN'T KNOW WHETHER MY PART, COMPONENT, ACCESSORY, ATTACHMENT OR SOFTWARE WAS CAUGHT UNDER PARAGRAPH (a), SO I REVIEWED PARAGRAPH (b) TO DETERMINE IF IT WAS RELEASED FROM SPECIALLY DESIGNED, THAT'S GOING TO TAKE YOU TO HERE.

SO YOU ANSWERED I DON'T KNOW, IT IS NOT RELEASED FROM SPECIALLY DESIGNED, THEN WE GIVE YOU GUIDANCE FOR WHAT YOU CAN DO IN THAT TYPE OF A CASE. AND THEN IF NEEDED, TO COME IN FOR A CLASSIFICATION REQUEST, BUT EVEN IF YOU COME IN FOR A CLASSIFICATION REQUEST, WE WANT YOU TO HAVE GONE THROUGH THE TOOL AND REVIEWED THE DEFINITION AND FOR YOU TO IDENTIFY WHY DO YOU THINK IT MAY BE POTENTIALLY SPECIALLY DESIGNED?

HAVE YOU LOOKED AT THOSE PARAGRAPHS IN (b) BEFORE YOU COME RUSHING IN? THEN IF YOU DECIDE TO REVIEW PARAGRAPH (b) FIRST BECAUSE YOU DECIDED THAT YOU MAY BE RELEASED BECAUSE IT LOOKED LIKE IT WAS A COMMON PART OR COMPONENT, BUT NOW YOU'VE LOOKED AT THE ACTUAL CRITERIA AND YOU ARE NOT RELEASED. SO THAT MEANS YOU'RE GOING TO HAVE TO REVIEW PARAGRAPH FOR THE CATCH PORTION OF THE SPECIALLY DESIGNED DEFINITION. IN THAT THEN YOU DO WANT TO GO BACK AND THEN THIS TALKS ABOUT GOING BACK TO PARAGRAPH (a), LOOKING AT PARAGRAPH (a)(1) AND (a)(2) TO SEE IF YOU'RE RELEASED. SO NOW IF WE DID THE FIRST SCENARIO WHERE I DETERMINED MY PART WAS CAUGHT UNDER (a), SO I REVIEWED PARAGRAPH (b), THEN WE BASICALLY HAVE A SPECIALLY DESIGNED PART OR COMPONENT,

ACCESSORY, ATTACHMENT OR SOFTWARE.

AS I HAD MENTIONED WITH THIS IN THIS FORMAT, IT WAS BLOWN UP TO 200%, IT'S GOING TO LOOK DIFFERENT AND MUCH SMALLER ON THE WEBSITE WHEN WE POST IT ON MONDAY. SO WE'VE GOT ABOUT 10 MINUTES, WE'RE GOING TO TRY TO FIELD AS MANY QUESTIONS AS WE CAN ON THE DECISION TOOLS, AND THEN NEXT WEEK, WE'RE GOING TO HAVE THE NORMAL EXPORT CONTROL WEEKLY TELECONFERENCE, AND THAT IS FREE TO PARTICIPATE IN. IF YOU GO TO THE BIS WEBSITE, THERE'S INFORMATION ON THAT. ON THE BIS WEBSITE, THERE'S A LINK FOR TELECONFERENCES.

YOU CAN ACCESS THAT. IT'S A FREE WEEKLY TELECONFERENCE. IF WE HAVE ANY QUESTIONS THAT WE DON'T GET TO TODAY, WE WILL ADDRESS THE WRITTEN QUESTIONS THAT WE RECEIVED DURING THAT WEEKLY TELECONFERENCE. YOU CAN ALSO, IF YOU HAVE ADDITIONAL EXPORT CONTROL REFORM QUESTIONS FOR THE WEEKLY TELECONFERENCE. IF YOU HAVE A CHANCE TO SUBMIT A QUESTION, AND SOMETHING POPS UP DURING THIS WEEK OR ONCE THE ACTUAL TOOL GETS POSTED, YOU CAN SEND THOSE TO US. IF YOU HAVE FOLLOW-UP QUESTIONS, YOU CAN DEFINITELY EMAIL ME.

MY EMAIL ADDRESS IS TIMOTHY.MOONEY@BIS.DOC.GOV, AND MY TELEPHONE NUMBER IS 202-482-3371. SO NOW WE'RE GOING TO TRY TO ANSWER SOME OF OUR QUESTIONS THAT HAVE COME IN. SO THE FIRST QUESTION IS VERY GOOD.

THE QUESTION IS, WOULD IT BE ACCURATE TO SAY THAT THESE TWO TOOLS ARE PRIMARILY FOR MANUFACTURERS THAT ARE ESTABLISHING THE CLASSIFICATION OF THE ITEMS THEY MANUFACTURE AND NOT SO MUCH FOR INDIVIDUAL EXPORTERS THAT PURCHASE THOSE FROM THOSE MANUFACTURERS?

IF YOU'RE INVOLVED WITH TRANSACTIONS THAT ARE SUBJECT TO THE EAR, IN PARTICULAR IF YOU'RE GOING TO BE THE EXPORTER OF THOSE ITEMS, YOU'RE GOING TO NEED TO DETERMINE IF THE ITEM IS SUBJECT TO THE EAR, YOU'RE GOING TO NEED TO DETERMINE THE CLASSIFICATION.

IF YOU'RE THE MANUFACTURER, YOU MAY HAVE SOME ADVANTAGES IN TERMS OF CLASSIFYING THE ITEM, BUT ANYONE WHO'S INVOLVED IN TRANSACTIONS SUBJECT TO THE EAR, YOU'RE GOING TO HAVE TO GO THROUGH THOSE SAME STEPS.

SO AS WE LAID OUT IN THE CCL ORDER OF REVIEW, ONE OF YOUR

OPTIONS IS TO CONTACT THAT DEVELOPER, PRODUCER, MANUFACTURER, AND ASK THEM FOR THE CLASSIFICATION INFORMATION. BUT EVEN IF SOMEBODY GIVES YOU THE CLASSIFICATION, FOR EXAMPLE, IF YOU CONTACT SOMEBODY AND SAY WHAT'S THE CLASSIFICATION, THEY SAY NLR, WHICH IS A DESIGNATION FOR NO LICENSE REQUIRED, OBVIOUSLY THAT PERSON DOESN'T KNOW WHAT THEY'RE DOING. YOU NEED TO DIG A LITTLE FURTHER.

BUT EVEN IF THEY GIVE YOU AN ECCN CLASSIFICATION, AS WE TALKED ABOUT, YOU STILL WANT TO DO THE ANALYSIS YOURSELF. SO EVEN IF YOU'RE NOT THE MANUFACTURER NOW, IN TERMS OF THE SPECIALLY DESIGNED DECISION TOOL, WHICH MAY HAVE GENERATED THIS QUESTION. THE PARAGRAPHS THAT DEAL WITH THE DEVELOPMENT PHASE, THE DEVELOPMENT EXCLUSIONS UNDER (b)(4), (b)(5) AND (b)(6), YES, THERE'S DEFINITELY AN ADVANTAGE IF YOU HAVE THAT KNOWLEDGE OF THE ORIGINAL DEVELOPMENT HISTORY AND THE ORIGINAL MANUFACTURER OR DEVELOPER WILL LIKELY BE THE PERSON THAT WILL BE BEST POSITIONED FOR THAT INFORMATION, OR WHAT HAPPENS IF IT WAS 20 OR 30 YEARS AGO THAT IT WAS DEVELOPED, YOU MAY HAVE LOST TRACK, EVEN THOUGH THE MANUFACTURER MAY HAVE BEEN ACQUIRED BY ANOTHER PARTY, THEY MAY HAVE LOST TRACK OF WHAT IT WAS ORIGINALLY DEVELOPED FOR.

IN THAT CASE, EVEN UNDER THE CURRENT EXPORT CONTROL SYSTEM, THAT CAN BE KIND OF WORRISOME IN THOSE TYPES OF SCENARIOS, BUT UNDER THE SPECIALLY DESIGNED DEFINITION WITH OUR PARAGRAPH (b)(3), IF IT WAS REALY TRULY DEVELOPED FOR USE IN OR WITH THOSE LOW LEVEL APPLICATIONS, OVER 20 YEARS, IT SHOULD HAVE GRAVITATED INTO THE PRODUCTION OF AN AT-ONLY COMMODITIES OR EAR99 COMMODITIES. AND IF IT HASN'T, THERE IS PROBABLY SOMETHING SPECIAL ABOUT THAT PARTICULAR PART OR COMPONENT, FOR EXAMPLE, THAT MAY WARRANT CONTROL AS BEING SPECIALLY DESIGNED.

WE'RE JUST SCROLLING TO THE NEXT QUESTION. SO THE NEXT QUESTION, IF SOMEONE GOES THROUGH THE ORDER OF REVIEW PROCESS, AND ANSWERS THE QUESTIONS, ET CETERA, IS THERE SOME TYPE OF PRINTOUT OR RECORD THAT THE USER CAN PRINT OUT FOR THEIR RECORDS OF THE ANSWERS ENTERED IN OUTPUT RECEIVED?

YES. BOTH DECISION TOOLS HAVE A SUMMARY SHEET, EACH TIME THERE'S AN OUTCOME FOR THE DECISION TOOLS, THERE'S A BUTTON AT THE BOTTOM THAT YOU CAN SELECT FOR SUMMARY, AND IT WILL

GIVE YOU EACH OF THE ANSWERS THAT YOU ANSWERED, RESPONSES AND THEN THE OUTCOME FOR USING THE CCL ORDER OF REVIEW AND THEN FOR THE SPECIALLY DESIGNED ONE THERE ARE ALSO A LINK BACK TO THE CCL ORDER OF REVIEW DECISION TOOL.

AS I MENTIONED, THE SOFTWARE THAT WE USE DOESN'T ACTUALLY HAVE THE ABILITY TO SAVE THE DATA, BUT YOU DEFINITELY CAN PRINT OUT A HARD COPY AND YOU CAN EITHER SCAN THAT IN OR IF YOU CAN PRINT TO AN ADOBE PDF, DEPENDING ON YOUR BROWSER, THERE'S DIFFERENT WAYS TO SAVE THAT SUMMARY.

WHEN WILL THESE TOOLS BE AVAILABLE TO THE PUBLIC?

THE TOOLS WILL BE AVAILABLE BASED ON THE PLAN RIGHT NOW, WE'RE GOING TO HAVE THESE AVAILABLE ON THE BIS WEBSITE THIS MONDAY, MAY 20TH. AS I HAD MENTIONED, ONCE THEY'RE POSTED, IF YOU HAVE ANY QUESTIONS, AS YOU START TO PLAY WITH THE TOOLS YOURSELVES, IF YOU HAVE ANY QUESTIONS, PLEASE FEEL FREE TO GIVE ME A CALL, I'D BE GLAD TO WALK YOU THROUGH ON THE PHONE.

IF YOU WANT TO WALK THROUGH THE DECISION TOOLS AND ALSO THE PEOPLE DOWNSTAIRS IN OUR OUTREACH DIVISION, WE'VE ALSO BEEN WORKING VERY CLOSELY WITH THEM AS WE'VE BEEN DEVELOPING THESE TOOLS.

THE IDEA OF THERE'S NOT JUST THESE THREE TOOLS THAT WE HAVE DEVELOPED, BUT WE WANT TO KIND OF DEVELOP THIS FULL SUITE OF DECISION TOOLS TO HELP PEOPLE WITH THESE FREE DECISION TOOLS, TO HELP YOU UNDERSTAND THE EAR PROVISIONS, AND THEY CAN ALSO HELP WALK YOU THROUGH THOSE EAR PROVISIONS.

SO THE QUESTION IS, DOES THE NEW DEFINITION OF SPECIALLY DESIGNED APPLY TO THE ENTIRE CCL AS OF OCTOBER 15TH, OR JUST THE 600 SERIES ITEMS, UNDERSTANDING FOR THE ITAR, IT WILL ONLY APPLY TO THE CCL CATEGORY VIII ITEMS BEING SHIFTED FROM OCTOBER 15TH.

YES, THE EAR DEFINITION OF SPECIALLY DESIGNED WILL APPLY TO ALL PLACES ON THE COMMERCE CONTROL LIST WHERE SPECIALLY DESIGNED IS USED. IN THE ANALYSIS OF WHETHER SOMETHING IS SPECIALLY DESIGNED IS GOING TO BE THE SAME, IT'S BASICALLY GOING TO BE THE SAME DEFINITION.

AS THE QUESTIONER CORRECTLY NOTED, UNDER THE ITAR, AS MUCH AS POSSIBLE THEY'RE GOING TO TRY TO POSITIVELY ENUMERATE ALL

THE ITEMS ON THE ITAR THAT WARRANT CONTROL, BUT CERTAIN LIMITED CASES, THEY WILL NEED TO MAINTAIN CERTAIN CATCH ALLS THAT WILL USE SPECIALLY DESIGNED ON THOSE REVISED USML CATEGORIES, BUT FOR THE OTHER USML CATEGORIES THAT HAVE NOT YET BEEN PUBLISHED, YOU'RE GOING TO BASICALLY FOLLOW THOSE UNTIL THEY'RE PUBLISHED AND IN REVISED IN FINAL FORM, BUT ON A ROLLING BASIS AS THOSE ARE PUBLISHED IN FINAL FORM AND BECOME EFFECTIVE, THEN SPECIALLY DESIGNED WILL ALSO APPLY TO THOSE ADDITIONAL USML CATEGORIES AS STATED IN THE FINAL RULES.

ARE THESE TOOLS GOING TO BE UPDATED WITH THE NEW DEFINITIONS AS EACH OF THE ROLLOUTS OF THE USML CATEGORIES TO THE 600 SERIES?

THE JULY 15TH, 2011 FRAMEWORK RULE, THEY HAD A LOT OF THE BASIC DEFINITIONS THAT ARE USED HERE.

THIS WILL BE THE LAST QUESTION.

ONE OF THE BASIC DEFINITIONS IN THE FRAMEWORK RULE, THE MILITARY AIRCRAFT PROPOSED RULE LAID OUT A COUPLE DEFINITIONS, THE SPECIALLY DESIGNED RULE FROM NOVEMBER 19TH, 2012 INCLUDED SPECIALLY DESIGNED AND OTHER DEFINITIONS. THEN OF COURSE THE APRIL 16TH FINAL RULE BASICALLY PUT IN ALL THE FRAMEWORK ELEMENTS FOR THE NEW 600 SERIES AND TRYING TO CONFORM AS MUCH AS POSSIBLE WITH THE USML WITH THESE KEY TERMS.

SO FOR MOST OF THE TERMS, I THINK ALMOST ALL OF THE KEY TERMS NOW THAT WE NEED TO HAVE IN PLACE ARE PUT IN PLACE. AS ADDITIONAL CATEGORIES ARE PUBLISHED, THERE MAY BE CERTAIN ENTRIES THAT ARE SPECIFIC TO SPECIFIC CATEGORIES OR ECCNS, BUT THOSE WOULD BE TYPICALLY ACTUALLY CALLED OUT IN THE NEW ECCNS AS THOSE ARE ADDED TO THE CCL.

WE'VE GOT TO GO.

BUT AS I SAID, ANY QUESTIONS THAT WE DIDN'T GET TO, WE WILL ADDRESS IN NEXT WEEK'S EXPORT CONTROL WEEKLY TELECONFERENCE, AND ASSISTANT SECRETARY KEVIN WOLF, THE PLAN IS HE'LL BE DOING THE WEBINAR THE FOLLOWING WEEK.
THANK YOU.