



UPDATE 2014
CONFERENCE ON EXPORT CONTROLS AND POLICY

STA Compliance and BIS Reviews



Gerard J. Horner
Director
Office of Technology Evaluation



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Goals of the Compliance Reviews

- Identify weaknesses in the Automated Export System edits
- Enhance outreach and education using AES as a tool
- Reach exporters who should improve business processes to ensure compliance with the EAR
- Reach exporters who seldom attend export control outreach events and lack EAR knowledge
- Refer the most egregious situations to EE



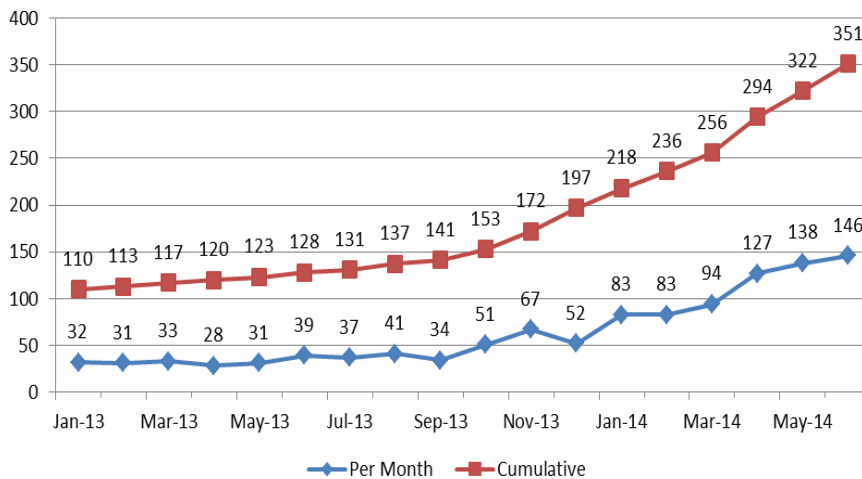
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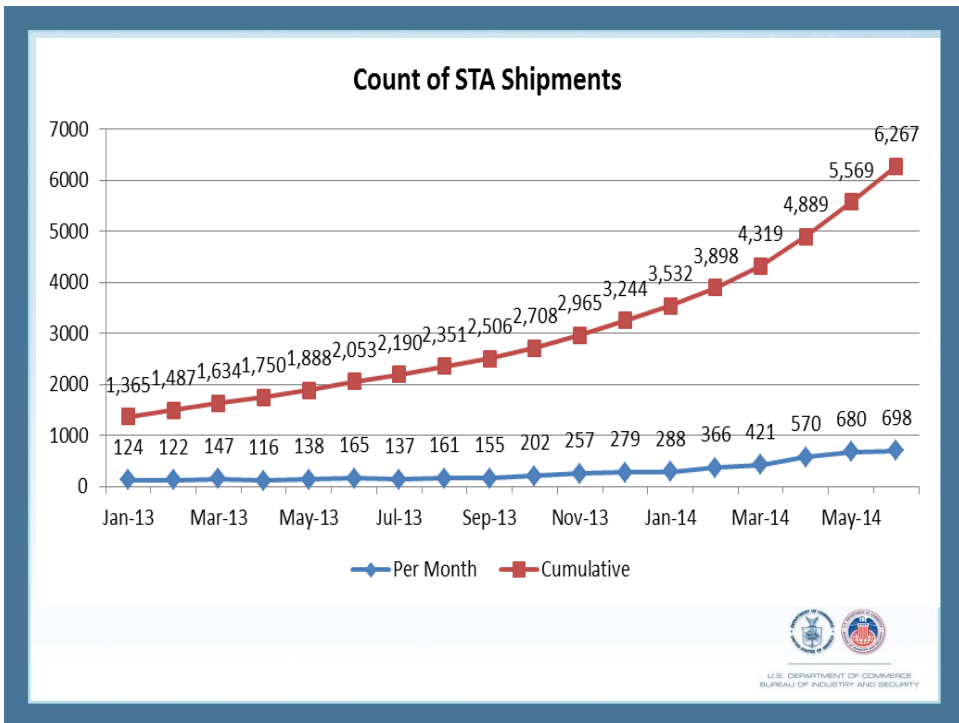
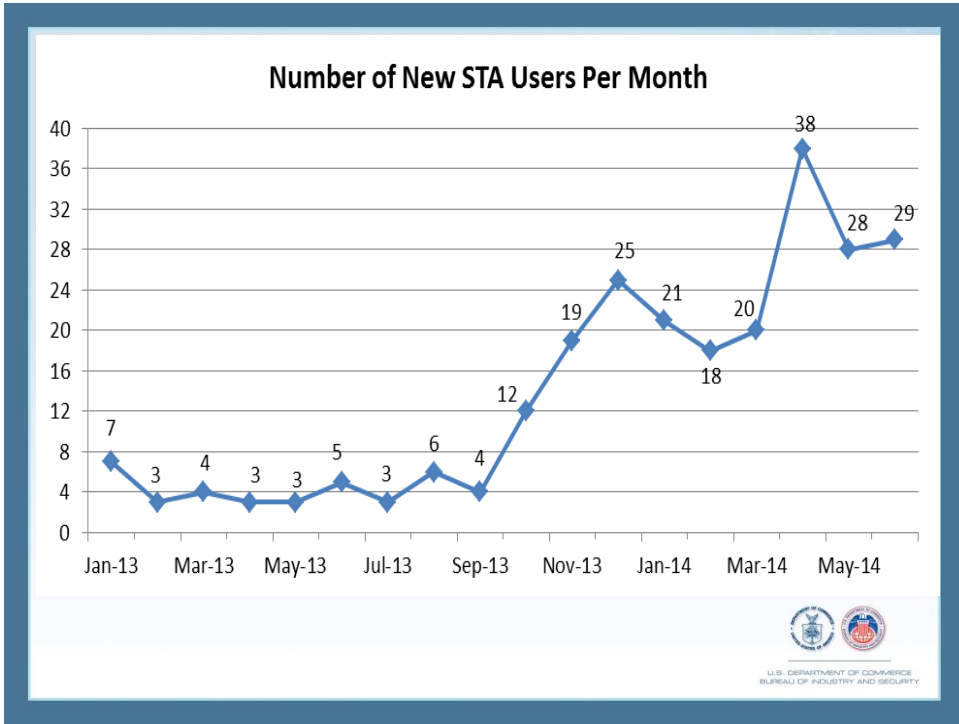
Monthly Compliance Review

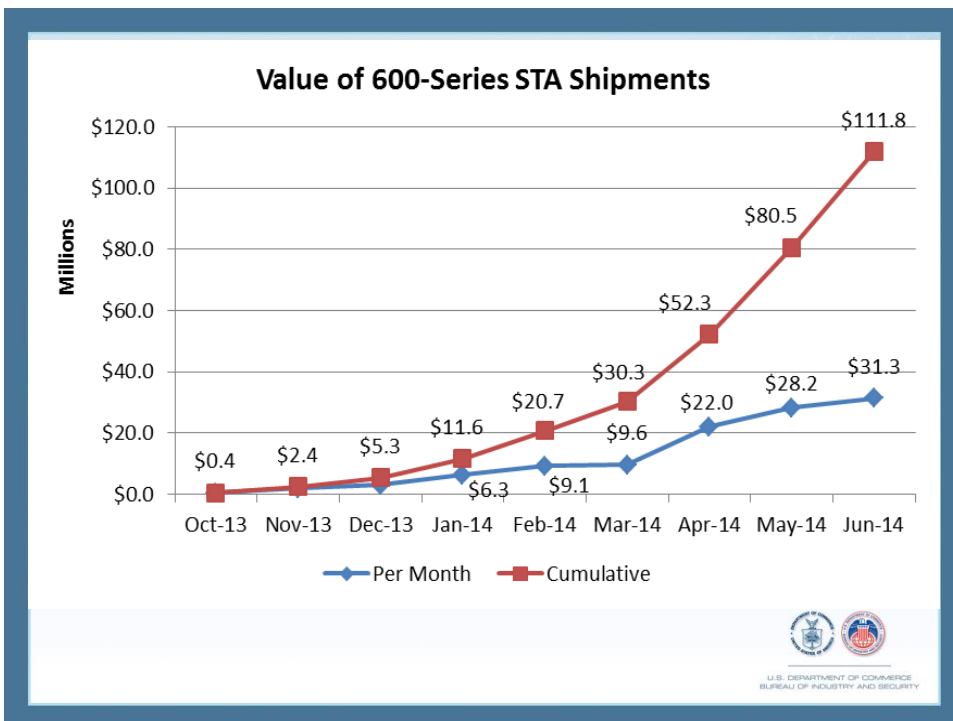
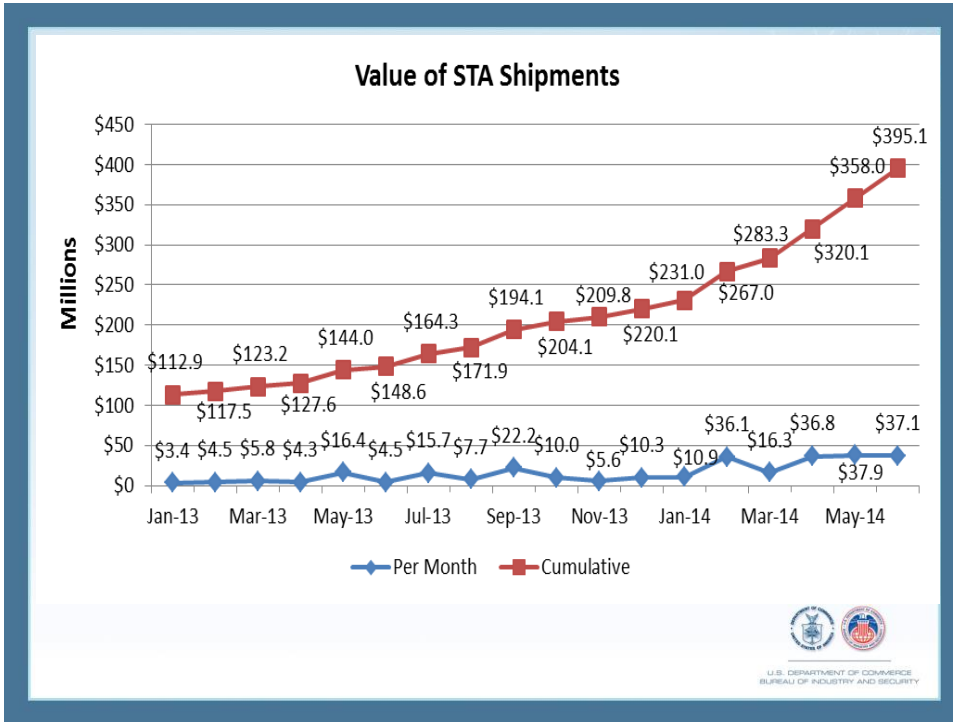
- Review of 600-series ECCN Transactions
 - Companies
 - Countries
 - .y Transactions
 - NLR transactions
 - License Exceptions
 - LVS, STA
- Review of Strategic Trade Authorization (STA)



Number of STA Users







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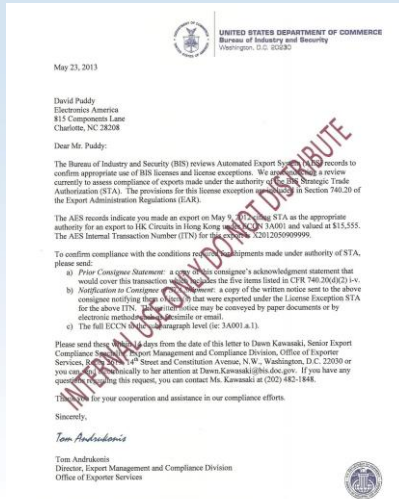
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Non-600 Series STA Compliance Review Process

Ken Soo
Export Management and Compliance Division
Office of Exporter Services



Compliance Document Review



- Specify shipment details
- Provide compliance documents
- Request subparagraph if needed
- 14 days to supply documents

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Elements of Compliance Documents

Consignee Statement

- §740.20(d)(2)
- Items i-vi for non-600 series
- Signed, title, and date
- Template available online

Notification

- §740.20(d)(3)
- Specify item or entire shipment
- Shipment to which it applies

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Review of Compliance Documents



Confirmation



Educational

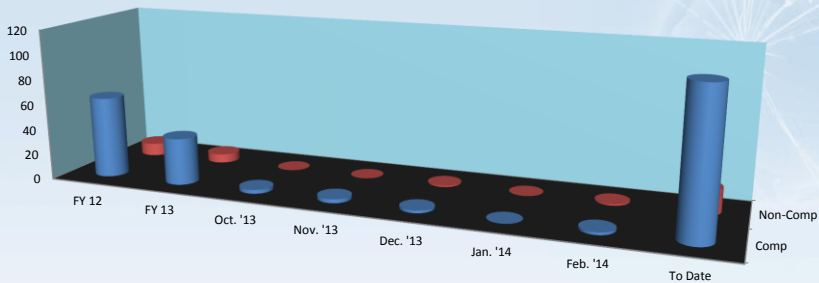


Referral



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Compliance Results



	FY 12	FY 13	Oct. '13	Nov. '13	Dec. '13	Jan. '14	Feb. '14	To Date
■ Comp	64	37	3	3	2	0	2	111
■ Non-Comp	10	7	0	0	1	0	1	19



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Reasons for Referrals

- Failure to provide prior consignee statement and/or notification to the consignee
- The ECCN was not eligible for STA
- Failure to return inquiries made by EA for supporting documents



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Tips on Compliance

- Designate individual to determine STA eligibility
- Keep accurate and legible records
- Expect document review
- Properly train employees



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600 Series Compliance Review Process and Observations

Steve Stoddard
Munitions Control Division
July 29, 2014



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Compliance Review Process

- Compliance Specialists are also Licensing Officers who process 600 series licenses
- We currently review new users of 600-series STA and select one STA export from each selected new user to review
- We provide one-on-one counseling and feedback on our review and recommend any improvements



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What To Expect

- Expect courteous professionals walking you through the review process and answering any questions you have
- Reviewer will request clarification and ask questions if anything is unclear or not provided
- After review is completed, we provide written feedback to exporter or refer noncompliant STA exports to Office of Export Enforcement



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What to Expect

- What we request from you within 2 weeks from our initial contact
 - 1) Prior Consignee Statement
 - 2) Written notification to consignee of STA shipment
 - 3) Name of ultimate end user and country of destination
 - 4) Full ECCN with subparagraph
 - 5) Description of how you perform your prior authorization approval verification check
 - 6) Confirmation as to whether any item is 600 series Major Defense Equipment



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Observations

- FY 2014
 - Completed 83 reviews
 - 92% were favorable
 - 8% were unfavorable (missing PCS, unauthorized end use/user/ECCN, no prior approval for a party, failure to respond)



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Observations

- Most received educational guidance on how to improve their written notifications and PCS
- Some companies found using old PCS thus missing paragraphs (vi) and (vii)
- Some companies' freight forwarders mistakenly filed STA in AES
- Some companies exported using ineligible ECCNs or failed to verify prior USG approval of all the parties in the transaction



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10 Best Practices

- #1 Respond to questions from BIS in a timely manner (even if you don't have the requested information)
- #2 Stay on top of new STA requirements (June 5, 2014 clarifications rule)
- #3 Create an internal checklist for steps to meet STA requirements prior to shipment.
- #4 Draft templates for prior consignee statement and notification of complete ECCN
- #5 Maintain complete records for all shipments.



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10 Best Practices

- #6 Duplicate our compliance review process internally and do periodic reviews on your own shipments
- #7 Don't use a STA if you don't have a license requirement.
- #8 Make sure your consignee is aware of what STA is and its respective requirements.
- #9 Know the differences between the entity list and verification of previous USG authorizations requirement
- #10 Don't hesitate to ask questions - call us



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600 Series Compliance

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