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FOREWORD

HOUSE OF REPRESENTATIVES,
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Washington, D.C., June 7, 1976.

This study was prepared by the Congressional Research Service at the request of the Committee on International Relations. Performing the analysis was Vladimir N. Pregelj, Specialist in International Trade and Finance, Economics Division of the CRS.

Under the 1974 committee reforms, the Committee on International Relations received jurisdiction over export controls. This study on the administration of export controls is designed to assist the committee in carrying out its responsibilities in this area.

The material contained herein does not necessarily represent the views of the Committee on International Relations or of its members.

THOMAS E. MORGAN, *Chairman.*

(III)

CONTENTS

	Page
Introduction.....	1
Statutory purposes and basic provisions.....	3
Implementing regulations and guidelines.....	6
The making of implementing policy and regulations.....	6
Technical advisory committees.....	7
Licensing of exports.....	9
Table of general licenses.....	12
National security controls.....	11
Commodity control list and country groups.....	15
Restrictiveness of controls.....	16
Criteria for issuance of validated licenses.....	19
Communist countries—security considerations.....	19
Free-world countries—diversion considerations.....	20
Temporary export controls.....	22
Reexport controls.....	24
Technical data controls.....	26
Foreign policy controls.....	29
Country-oriented controls.....	29
Commodity-oriented controls.....	30
Short-supply controls.....	33
Implementation of the export control system.....	36
Organizational structure of the export control system.....	36
Office of Export Administration and related agencies.....	36
Office of Export Administration.....	36
Operating Committee.....	37
Deputy Assistant Secretary level informal working group.....	37
Advisory Committee on Export Control Policy (ACEP).....	38
Export Administration Review Board (EARB).....	38
The White House.....	38
Department of Defense review authority.....	39
Department of Agriculture authority over agricultural export controls.....	42
International controls by the Coordinating Committee (COCOM).....	43
Economic Defense Advisory Committee (EDAC).....	45
Licensing procedure.....	46
National security controls.....	46
Licensing divisions.....	46
Policy Planning Division.....	48
Operating Committee.....	49
COCOM.....	51
Selected statistics.....	52
Short supply controls.....	53
Appeals from license denials.....	55
Enforcement and sanctions.....	57
Enforcement proceedings.....	58
Interrogatories.....	58
Charging letters.....	59
Hearing Commissioner.....	59
Hearings.....	59
Director of the OEA.....	60
Consent orders.....	60
Criminal proceedings.....	60

VI

	Page
Sanctions	61
Letter of warning.....	61
Denial of export privileges.....	61
Civil penalty.....	64
Appeals	64
Criminal penalty.....	65
Enforcement workload.....	65
Appendix A. Export Administration Act of 1969, as amended.....	67
Appendix B. Commodity control list (sample page).....	77
Appendix C. Country groups.....	78
Appendix D. Office of Export Administration; organization and functions.....	79
Appendix E. Export Licenses Approved and Reexports Authorized.....	80
Appendix F. Denial and Probation Orders (sample page).....	82
Appendix G. Sources	83

ADMINISTRATION OF EXPORT CONTROLS UNDER THE JURISDICTION OF
THE OFFICE OF EXPORT ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE:
A SURVEY OF POLICY AND OPERATIONS

Introduction

The current United States policy of controlling exports dates back to the early days of World War II when, in 1940, the President was given the authority to control or curtail exports of munitions and related items in the interest of national defense. Legislation enacted in the intervening years has expanded the scope of these controls both as to the range of items subject to controls and the purposes of controlling their exports. Export controls have been administered by a succession of agencies, but since 1947 the U.S. Department of Commerce has been the agency exercising the controls over the bulk of U.S. exports. Presently this function is administered by the Department's Office of Export Administration (OEA).

Several other U.S. agencies have control over exports of certain commodities or categories of commodities which for specific reasons and under specific legislation fall within their jurisdiction rather than within that of the OEA.

Exports of arms, ammunition, and implements of war and of related technical data, for example, are controlled by the Office of Munitions Control of the U.S. Department of State under the authority of section 414 of the Mutual Security Act of 1954; exports of nuclear materials and facilities, and of nuclear technical data are controlled, respectively,

by the Nuclear Regulatory Commission and the Energy Research and Development Administration under the Atomic Energy Act of 1954. These controls have been instituted for reasons of national security.

Export controls based on other considerations (short supply, conservation, general public welfare, and regulation of public utilities) are administered by: (1) the Maritime Administration (U.S. Department of Commerce) over merchant ships under the Shipping Act, 1916; (2) the Department of the Treasury over bronze pennies under the Coinage Act of 1965; (3) the Federal Power Commission over natural gas and electric energy under the Natural Gas Act and the Federal Power Act, respectively; (4) the Drug Enforcement Administration (U.S. Department of Justice) over narcotics and dangerous drugs under the Controlled Substances Export and Import Act; and (5) the U.S. Fish and Wildlife Service (U.S. Department of the Interior), the National Marine Fisheries Service (U.S. Department of Commerce), and the U.S. Forest Service (U.S. Department of Agriculture) over endangered and threatened species of animal and plant life primarily under the Endangered Species Act of 1973 and also under several other statutes of more limited scope.

This paper will concern itself only with export control functions and operations exercised by the Office of Export Administration; even within that limitation, functions other than control of actual exports of goods and technical data (e.g., administration of the anti-Arab boycott provisions of the Export Administration Act, or

monitoring of exports of commodities potentially in domestic short supply) will not be dealt with.

Statutory purposes and basic provisions 1/

The law under which the OEA exercises its authority to control exports (and at the same time the principal U.S. export control statute) is the Export Administration Act of 1969, as amended (50 U.S.C. App. 2401 - 2413). In the declaration of policy, contained in section 3 of the Act (50 U.S.C. App. 2402), the Congress expresses a double purpose:

(A) to encourage trade with all countries with which we have diplomatic or trading relations, except those countries with which such trade has been determined by the President to be against the national interest, and (B) to restrict the export of goods and technology which would make a significant contribution to the military potential of any other nation or nations which would prove detrimental to the national security of the United States.

The policy of trade encouragement is a relatively recent facet of export control legislation; in fact, it was first enacted only in 1969 in response to the frequent complaints by the American business community that the export control legislation was overly --and unnecessarily--restrictive.

1/ It is not the intent of this section to provide a detailed resume of the entire Export Administration Act but merely to focus on the most important of the export control provisions. The text of the Act appears in Appendix A.

In the same section, the Congress further sets out three basic purposes for controlling exports by declaring that

[i]t is the policy of the United States to use export controls (A) to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand, (B) to the extent necessary to further significantly the foreign policy of the United States and to fulfill its international responsibilities and (C) to the extent necessary to exercise the necessary vigilance over exports from the standpoint of their significance to the national security of the United States.

These three purposes--and the resulting types--of export control are usually referred to as: short supply, foreign policy, and national security. An additional purpose of export controls was declared by the Congress in 1974, primarily as a reaction to the Arab petroleum embargo of 1973-1974. The declaration of policy, in paragraph (7) of section 3 of the Act, considers export controls also as a tool of last resort in inducing foreign countries to remove their restrictions on U.S. access to supplies they control where such restrictions would bring about U.S. shortages or inflationary pressures, or would be used to influence U.S. foreign policy.

While the detailed implementation of the export control authority, conferred on the President and further delegated to the Secretary of Commerce, has traditionally been left to the discretion of the Executive, export control legislation of recent years has contained more and more detailed directives as to the administration of the controls. Controls on exports of agricultural commodities, for example, are subject to

the approval by the Secretary of Agriculture; such approval, however, may not be given if the commodity in question is in domestic surplus, except when the President determines that controls are required on national security or foreign policy grounds (Sec. 4(f); 50 U.S.C. App. 2403(f)). In the interest of national security, the Secretary of Defense is given specific authority to review the proposed exports of all goods and technology in certain categories, determined by him as requiring such review, for the purpose of determining whether such exports would significantly increase the military capability of a "controlled" (i.e. communist) country (Sec. 4(h); 50 U.S.C. App. 2403(h)).

In order to assure the broadest participation in the policy-making as well as administrative phases of export control, the statute provides for consultation at various levels with other U.S. agencies and with the interested branches of industry (Sec. 5; 50 U.S.C. App. 2404).

Violations of the provisions of the Act or of any regulation, order, or license issued under the Act, are punishable by civil penalties, including administratively imposed fines, as well as criminal penalties, including fines and/or imprisonment. Criminal penalties are substantially higher for violations involving actual exports to communist countries and for repeated violations (Sec. 6; 50 U.S.C. App. 2405).

Implementing regulations and guidelines

The making of implementing policy and regulations.

The general policy and purpose as well as some additional procedural detail of export control, set out in the Export Administration Act, are administered in practice through detailed policy and procedures spelled out in Export Administration Regulations (15 C.F.R. 368 - 399.2), promulgated by the Office of Export Administration. Although officially promulgated by the OEA as the agency responsible for export control, these regulations and additional policy and administrative guidelines are as a rule a joint product of inputs from, and consultation among, a variety of sources concerned with the control of exports. The statute itself (sec. 5; 50 U.S.C. App. 2404) requires that, in the process of establishing new policy guidelines and regulations or modifying the existing ones, there be a broad participation of U.S. Government agencies and of the private industry sector. On the Government side, the technical expertise necessary for the formulation of guidelines comes both from agencies that are primarily interested in promoting exports (in view of the Act's declared policy of encouraging exports) as well as from those whose primary task it is to protect the national security or promote the foreign policy aims of the United States by, if need be, preventing or restricting the exports of certain commodities or technical data.

Policy consultations among the U.S. Government agencies take place at various levels from staff to cabinet and may be done either in formally established working groups or in informal exchanges. A description of such interagency consultative forums which deal with questions of broader policy as well as--and more often--with decisions concerning individual export control cases, is included in the section on the Organizational structure of the export control system (see p. 36).

Expertise and viewpoints of the private industry are injected into the export control policy making primarily through the various technical advisory committees. These committees, authorized by law (sec. 5(c); 50 U.S.C. App. 2404(c)) and appointed by the Secretary of Commerce for two-year periods, have been set up for the purpose of enabling the interested sectors of the American industry to exercise their advisory role in the administration of export controls. At present, there are in existence seven such committees involving the following industries: computer peripherals, components and related test equipment; computer systems; electronic instrumentation; numerically controlled machine tools; semiconductor manufacturing and test equipment; semiconductors; and telecommunications equipment. The committees include, in addition to the representatives of the industry involved, also those of the Departments of Commerce, Defense, and State, and, when appropriate, other U.S. agencies.

The duty and function of the committees is to advise and assist any U.S. agency charged with the administration of export controls. The law requires that the committees be consulted in the field of their expertise with respect to questions involving technical matters, worldwide availability and actual utilization of production and technology, and licensing procedures which may affect the level of export controls applicable to the commodities or technical data within their purview. The committees are required to meet at least once every three months unless the chairman determines, in consultation with other members, that a meeting is not necessary.

Within this formal and informal institutional framework, the formulation of regulations and guidelines for export control often is a purposeful action intended to cope with a specific broader or narrower practical situation or achieve a new or different goal in response to a change in overall circumstances. On the other hand, new policy detail may develop as a result of identical repetitive ad hoc decisions in individual cases of the same nature which, in a sense, create a precedent for change in detailed policy. Thus, the impact of policy-making in the field of export controls can range from a major overhaul of export control regulations, or even statutes, to a minor decision that the severity of controls on the exportation of a certain commodity to a certain destination be reduced.

The overwhelming bulk of the regulations involves political controls, i.e., controls imposed for reasons of either national security or foreign policy. National security controls overshadow by far foreign policy controls in their importance, scope and impact. Since there is, however, significant overlapping between these two types of control, the regulations make no formal distinction between them, and both are administered as a unit. Quarterly reports on U.S. export controls, however, do contain a separate section on foreign policy controls. In contrast, economic controls, i.e., short-supply controls, although considerably less extensive and having only a limited scope and impact, are the subject of separate specific regulations.

Licensing of exports.

The key tool of export controls administered by the Office of Export Administration is the system of export licensing. Every export of commodities or technical data from the United States to a foreign country must be licensed in some way. Exempt from this requirement are, in general, exports to Canada; but even in the case of Canada, some sensitive commodities and technical data are subject to the licensing requirement.

While every exported commodity must be licensed, not every export requires the same type of license. Licenses fall basically into two categories: (1) general licenses, and (2) validated licenses.

A general license is a general authorization by the Office of Export Administration to export a certain commodity or technical data to a certain destination without the necessity of applying for and obtaining a license document covering that specific transaction. If the export transaction in question is permitted under a general license, it may take place without any paperwork other than the normal trade documentation. A validated license, on the other hand, is a document authorizing the export in question and issued by the OEA on the basis of a formal application by the exporter. The requirement to apply for a validated license applies, in the interest of national security or foreign policy, to certain commodities and technical data if they are to be exported to certain destinations. Some commodities are subject to the validated license requirement if exported to any country, others only if exported to certain (e.g., communist) countries. A validated license is issued if the transaction conforms to the criteria for the approval of validated licenses; otherwise, the application is denied.

A validated license must also be obtained for the exportation of commodities subject to short supply controls.

Exports of commodities or technical data that do not require a validated license take place under one of the several general licenses. Although the bulk of general license commodity exports takes place under general license G-DEST, a license applicable to

normal commercial exports, several other general licenses are in effect permitting the exportation of commodities or technical data in specific transactions of narrowly defined character or under special circumstances. A listing of all general licenses, indicating the types of circumstances and commodities they cover and the country groups for which they may be used, appears in Table 1.

The table is intended to show the variety of general licenses rather than to provide definitive information on the applicability or inapplicability of each general license. Some general licenses which are shown in the table as normally applicable to exports to certain communist countries (mostly groups Q, W, and Y) in certain circumstances do not apply to such countries, and, vice versa, some general licenses normally inapplicable to exports to the same country groups may be used, in special circumstances, for exports to such countries. A detailed description of such exceptions appears in the pertinent regulations, contained in part 371 of the Export Administration Regulations.

National security controls.

Export controls imposed in the interest of national security, that is, controls over exports of strategic or high technology commodities or technical data, take up by far the most extensive and complex portion of export administration regulations and functions.

Table 1

General Licenses

General License Symbol	Definition or Purpose	Type of Commodities Covered	Destinations	Specific Reference in Export Administration Regulations
G-DEST	Shipments of any commodity listed on the Commodity Control List to any destination for which a validated license is not required by the information in the Commodity Control List column titled "Validated License Required for Country Groups Shown Below."	Commodities indicated by information in Commodity Control List.	Destinations indicated by information in Commodity Control List.	§ 371.8
GIT	Intransit shipments	All commodities, except certain defined categories.	Country Groups Q, T, V, and Cuba.	§ 371.4
GLV	Shipments of limited value..	Commodities valued within the GLV dollar value limits specified in Commodity Control List.	Country Groups Q, T, and V.	§ 371.5
BAGGAGE	Shipments of personal and household effects, certain vehicles, and personally-owned tools of trade.	Commodities within defined general categories not identified by the code letter "A," "B," "C," or "M" following the Export Control Commodity Number on Commodity Control List.	All destinations.	§ 371.6(a)
		Commodities within defined general categories identified by the code letter "A," "B," "C," or "M" following the Export Control Commodity Number on Commodity Control List.	Country Groups Q, T, and V.	§ 371.6(a)
GLD	Shipments of dunnage, in usual and reasonable quantities.	Types of commodities used for dunnage.	All destinations except Country Group Z (excluding Cuba).	§ 371.8
SHIP STORES ...	Shipments of ship stores for use on outgoing and immediate return voyage of vessels; necessary equipment and spare parts for proper operation of departing vessel.	Food, bunker fuel, and other commodities specified as ship stores, with stated exceptions.	All destinations except Country Group Z.	§ 371.9
PLANE STORES..	Shipments of plane stores for use on outgoing and immediate return trip of aircraft; necessary equipment and spare parts for proper operation of departing plane.	Food, fuel, and other commodities specified as plane stores, with stated exceptions.	All destinations except Country Group Z (excluding Cuba).	§ 371.10

General License Symbol	Definition or Purpose	Type of Commodities Covered	Destinations	Specific Reference in Export Administration Regulations
CREW	Shipments by members of crew of usual and reasonable kinds and quantities of personal and household effects under prescribed conditions.	Clothes, adornments, medicines, toiletries, food, souvenirs, games, hand tools, and similar personal effects; furniture, household effects, and household furnishings; and their containers.	All destinations except Country Group Z.	§ 371.11
RCS	Shipments to Canadian and U.S. vessels, planes, and airline installations or agents located abroad.	Food, fuel, and other commodities needed for use by or on such carriers.	Country Groups Q, S, T, V, W, and Cuba.	§ 371.12
GUS	Shipments to members of U.S. Armed Services and civilian personnel of U.S. government for personal use. Shipments to U.S. government agencies for official use.	Commodities within defined categories.	All destinations.	§ 371.18
GLC	Shipments of commercial vehicles operated by private or common carriers or certain commercial airlines between the U.S. and other countries.	Civil aircraft.	Country Groups Q, T, V, W, and Cuba.	§ 371.14(b)
GTF-US	Shipments of commodities imported for display at exhibitions or trade fairs.	Trucks, buses, trailers, railroad rolling stock and other commercial vehicles.	Country Groups Q, T, V, and W.	§ 371.14(c)
GTF-US	Shipments of commodities imported for display at exhibitions or trade fairs.	Commodities imported for display at exhibitions or trade fairs, under stated conditions.	All destinations except Country Groups S and Z.	§ 371.15
GLR	Shipments of commodities returned to countries from which imported. Shipments of commodities returned to the country of manufacture or, the country from which imported for repair or overhaul. Shipment for replacement of defective or unacceptable commodities.	Specified types of commodities.	Country Groups Q, T, and V.	§ 371.17
GIFT	Shipments of gift parcels from individual donors to individuals or to religious, charitable, or educational organizations for use of donee or donee's immediate family.	Commodities not identified by the code letter "A," "B," "C," or "M" following the Export Control Commodity Number on Commodity Control List, up to a total of \$100 in one parcel, ordinarily sent as gifts; such as food, clothing, medicines, toiletries, and drugs, with stated exceptions.	All destinations except Country Group Z (excluding Cuba).	§ 371.18

General License Symbol	Definition or Purpose	Type of Commodities Covered	Destinations	Specific Reference in Export Administration Regulations
GATS	Authorizes departure from U.S. under its own power of civil aircraft on temporary sojourn.	Civil aircraft of foreign registry.	C o u n t r y Groups Q, T, and V, and Cuba.	§ 371.19(a)
		Civil aircraft of U. S. registry.	C o u n t r y Groups Q, T, and V.	§ 371.19(b)
GMS	Shipments of commodities sold by the U. S. Department of Defense to a foreign government under the provisions of the Mutual Security Act of 1954, P.L. 665, 83rd Congress.	All commodities.	C o u n t r y Groups T and V.	§ 371.20
GTDA	Shipments of generally available technical data.	Technical data generally available to the public, scientific and educational data, and certain data contained in an application for foreign filing of a patent.	All destinations.	§ 379.3
GTDR	Shipments of restricted technical data.	Technical data not exportable under General License <i>GTDA</i> but exportable subject to specified restrictions.	C o u n t r y Groups T and V.	§ 379.4
GTE	Temporary exports for use abroad and return to United States of certain commodities.	Specified types of commodities.	C o u n t r y Groups T and V.	§ 371.22(c)
		Specified types of commodities not identified by the code letter "A," "B," "C," or "M" following the Export Control Commodity Number on Commodity Control List.	C o u n t r y Groups Q, W, and Y.	§ 371.22(c)

This is not surprising in view of the vital importance and varied aspects of this area of national interest.

In addition to administering the controls over exports of commodities and technical data directly from the United States, the Office of Export Administration also wields control over: (1) re-exports of U.S. origin commodities and technical data from one foreign country to another foreign country, (2) incorporation of U.S.-origin parts, components, and other commodities in a foreign country into endproducts intended for export, and (3) in some instances, foreign-produced direct products of U.S.-origin technology. These controls do not extend to exports by foreign subsidiaries, branches, or affiliates of U.S. firms merely because of such affiliation; the U.S. does not, under the Export Administration Act, claim export control jurisdiction over such exports if they are wholly of foreign manufacture, and contain no U.S. materials nor are based on restricted U.S. technology.

Commodity control list and country groups. - The key regulation for the administration of the system of licensing commodity exports is the Commodity Control List (CCL) (15 C.F.R. 399.1). ^{1/} The list consists of descriptions of individual commodities or larger commodity groups, based on and arranged along the lines of Schedule B--

^{1/} For a sample page of the CCL, see Appendix B.

Statistical classification of domestic and foreign commodities exported from the United States, the U.S. official classification of exports for statistical purposes. It also contains for each entry a letter-code indicating the country group or groups to which the commodity may not be exported without a validated license. There are seven such country groups, including all countries of the world except Canada. 1/

Restrictiveness of controls. - The restrictiveness of controls varies from group to group. 2/ Arranged in order of increasing controls, the country groups would be ranked as follows:

- (1) Group T (countries of the Western Hemisphere, except Canada and Cuba)
- (2) Group V (countries not included in any other group, except Canada)
- (3) Group Q (Romania)
- (4) Group W (Poland)

1/ A detailed list of country groups appears in Appendix C.

2/ Exports to Canada, which is not included in any of the groups, are virtually unrestricted.

- (5) Group Y (East European communist countries, except Poland, Romania, and Yugoslavia; Laos, Mongolia, People's Republic of China)
- (6) Group S (Rhodesia)
- (7) Group Z (North Korea, North and South Vietnam, Cambodia, Cuba).

Formal differences between some groups, characterized by the number of CCL entries that require a validated license and by applicability of other regulatory provisions, are often negligible. Groups T and V, for instance, do not differ in the number of commodities requiring a validated license but in the fact that, for some commodities, the value limit under general license GLV 1/, authorizing shipments of limited value, is higher for exports to group T than to group V. Similarly, groups W and Y are no different, at present, in respect to the validated license requirement for CCL entries, but group W qualifies for some specialized general licenses which do not apply to group Y.

Exports to group Q require validated licenses for only one CCL entry fewer than to either group W or Y; on the other hand, group Q does qualify for exports under the limited-value general license GLV (albeit not for as many items by far or as high a value limit as groups T or V) which is not applicable at all to exports to groups W or Y.

1/ See Table 1 and Appendix B.

There are, likewise, only minor differences between controls on exports to group S and those to group Z.

In practice, then, export controls are administered at three levels of roughly equivalent restrictiveness as measured by the geographic applicability of the validated license requirement: (1) controls on exports of high-technology items to countries of the free world contained in groups T and V (which also includes Yugoslavia), (2) controls on high-technology exports to most communist countries (groups Q, W, and Y), and (3) controls on virtually all exports 1/ to Rhodesia (group S) and to Cuba and some of the minor Far Eastern communist countries (group Z). In addition to the almost total commodity coverage of exports to groups S and Z by the validated license requirement, such licenses are as a rule not approved, resulting in a virtual embargo.

Occasionally, a commodity, when exported to a certain country, is subject to controls that are more restrictive than those applicable, in regard to the same commodity, to the rest of the countries in its country group.

For example, exports of arms, ammunition, and military equipment must be approved by a validated license for export to South Africa and Namibia whereas such license is not required for the exports of the same items to other group V countries. Differentiations of this type, however, are usually motivated by foreign policy rather than national security considerations.

1/ Commodities to which the validated license requirement does not apply are: books, periodicals, and most other printed matter; talking-book phonograph records; news or documentary motion pictures and sound tracks.

Criteria for issuance of validated licenses. - Despite significant differences in the validated license requirement between exports to the free world (groups T and V) and those to the communist countries (groups Q, W, Y, and especially Z), even a cursory glance at the CCL shows that a large number of entries which require a validated license for exports to Eastern European communist countries also require such license for exports to the free world; the purpose of the validated license requirement, however, differs in either case. Exports to communist countries are evaluated and licensed according to criteria focused primarily on the intrinsic and/or relative contribution they might make to the military potential of the importing country to the detriment of the U.S. national security; exports to the free world countries, on the other hand, are controlled primarily for the purpose of assuring that the commodity in question will not be diverted to an unauthorized country of destination.

In the process of evaluating each application for a validated license for export to a communist country a number of criteria are taken into consideration before a decision is made to approve or disapprove such license. Some of the more important considerations are:

- (1) Is the commodity designed for military purposes? Is the intrinsic nature of the commodity or data such as to make it of significant use to the military? Is it currently used importantly by the military establishments in the West? In the country for which it is destined?

- (2) If the item has both military and civilian uses, is the intended end-use peaceful in nature? Is the prospective foreign end-user engaged in peaceful or military-oriented work?
- (3) Does the item incorporate advanced or unique technology of strategic significance that could be extracted?
- (4) Would the item promote the military-industrial base of the country of destination? Is there a shortage of the item in the area of destination that affects its military potential?
- (5) Are the quantities and types of equipment normal for the proposed use?
- (6) Is the equipment an integral part of a larger package and therefore unlikely to be used for other than the stated purpose?
- (7) Are comparable commodities or data available to the country of destination outside the U.S.? If COCOM controlled, are they available outside the COCOM countries?
- (8) Would significant economic/commercial benefits flow to the the U.S. from consummation of the transaction?

As far as controls on U.S. exports to country groups T and V ^{1/} are concerned, the validated license requirement exists primarily for the purpose of preventing diversion or transshipment of such exports to unauthorized destinations. It ought to be mentioned, however, that while the most important function of antidiversion provisions, indeed, is one of preventing the flow of U.S.-origin goods and technology from the free-world countries to the communist countries, they apply

^{1/} Although controls on groups T and V are treated here within the context of national security export controls and would also appear to be in such a category as judged by their ultimate function, the OEA considers them of the foreign policy variety.

as well to exports from any country that is subject to less restrictive export controls to one more severely controlled (e.g., exports from countries in groups Q, W, or Y to those in groups S and Z).

Antidiversion controls (15 C.F.R. 375) are implemented through the requirement that applications for validated licenses be accompanied: (1) by a certification by the ultimate consignee that the commodity in question will not be transshipped to an unauthorized destination and that the foreign consignee or purchaser is fully aware of his responsibilities for the representations made to the Office of Export Administration and for the disposition of the licensed commodities only in those foreign countries where their disposition has been specifically authorized, or (2) by a certificate issued by the government of the consignee's country in which that government undertakes to exercise legal control over the disposition of the commodities covered.

Applications for U.S. exports of high-technology commodities that are controlled also internationally through the COCOM system ^{1/}, to any COCOM member (except Canada) and to Austria and Hong Kong, generally (there are exemptions and exceptions) must be accompanied by an International Import Certificate issued by the government of the country of destination; other high-technology exports to the same countries require a Statement by Ultimate Consignee and Purchaser,

^{1/} More information on COCOM appears on p. 43.

an official form of the OEA. The same Statement must accompany applications for all exports subject to the validated license requirement to all non-COCOM destinations except country group T, Switzerland, and Yugoslavia. High-technology exports to the latter two countries are covered by import certificates issued by the country's authorities (Swiss Blue Import Certificate and Yugoslav End-Use Certificate). Exports to group T countries (Western Hemisphere less Canada and Cuba) do not require such certification.

Exports under validated licenses to countries participating in the International Certificate procedure--regardless of whether such exports themselves require an IC or merely a Statement--may also be subject on a selective basis to a verification of their final destination through a Delivery Verification Certificate (DV). Such certificate is issued by the government of the importer's country after the export has taken place and the commodities have either entered the export control jurisdiction of the recipient country or been otherwise accounted for by the importer to his government.

Temporary export controls. - In the context of export controls, temporary exports refer to exports of commodities intended for temporary use abroad and prompt return to the United States, in any event no later than one year after their exportation date. Certain temporary exports are authorized under general license GTE (15 C.F.R. 371.22). Some of the types of exports that may be made under this general license

comprise, in general: (1) commodities of usual and reasonable kinds and in usual and reasonable quantities that a U.S. exporter or his representative needs for his use abroad in an undertaking approved by the OEA, (2) commodities for exhibition and demonstration, but only in country groups T or V, and (3) commodities to be repaired, tested, inspected, or calibrated abroad. Excepted from this rule and requiring validated licensing are commodities related to nuclear weapons, explosive devices, or testing, commodities for surreptitious interception of communications, and an array of sensitive commodities, listed individually in the regulations.

In addition, only those commodities that may be exported in general trade under license G-DEST to country groups T and V may be temporarily exported under GTE to European communist countries. General license GTE does not apply to any temporary exports to groups S or Z.

Even exports that may be made under GTE must be registered with the OEA; the exporter must also certify that he will comply in full with all provisions and requirements of general license GTE.

In view of the substantive difference in the end-use of a temporary export and a normal commercial export, the criteria for granting validated license for the former are somewhat laxer than for the latter, and licenses easier to obtain. Nevertheless, validated licenses normally are not approved for temporary exports for the purpose of exhibiting or demonstrating sophisticated commodities in countries

to which commercial export of the same commodities would not normally be approved.

Reexport controls. - Controls on exports of commodities have, thus far, been discussed almost exclusively within the context of direct exports from the United States. As has already been mentioned, the U.S. exercises jurisdiction also over exports of certain commodities of U.S. origin, or containing U.S. technology, from foreign countries to other foreign countries. As a general rule, such reexports are governed by provisions very similar to those controlling direct U.S. exports: items exportable to a foreign country directly from the United States under a general license may also be exported to the same country from another foreign country without a specific authorization from the OEA; commodities requiring a validated license for exportation from the United States, must be specifically authorized by the OEA in writing also for exports from a foreign country (including Canada).

Commodities of U.S. origin may be reexported in whole or in part from their authorized country of ultimate destination without a specific authorization if they may be exported to the new country of destination directly from the United States under any of several general licenses (G-DEST, GLV, SHIP STORES, or PLANE STORES); reexports from Canada may take place if they would be allowed under any general license from the United States; reexports are also generally allowed in certain

other circumstances, included in the regulations on permissive reexports (15 C.F.R. 374.2). All other reexports must be specifically authorized by the OEA; they are also subject to the destination control procedure unless their destination is any country in group T or group V, except Liechtenstein, Singapore, South Africa, South-West Africa (Namibia), Sweden, Switzerland, or Yugoslavia.

U.S. control over commodities exported from the United States and incorporated as parts, components, and materials in foreign-made end-products is similar to control over reexports. Prior written authorization is not required from the Office of Export Administration for the incorporation abroad of U.S.-origin parts and components in a foreign-made end-product that will be exported to another country, provided that either the U.S.-origin parts and components, or the end-product if it were of United States origin, could be exported from the United States to the new country of destination under general license G-DEST (15 C.F.R. 376.12).

U.S. controls also apply to certain sensitive foreign-produced direct products of U.S.-origin technical data when such products are to be exported to any communist country (Groups Q, W, Y, and Z) (15 C.F.R. 379.8, .4(e), and .5(e)(1) or (2)). All such exports require a specific authorization by the Office of Export Administration.

Technical data controls. - Virtually all of the discussion of export controls thus far has been focused on exports of commodities. Controls are, however, also applied to exports of technical data, and one part of Export Administration Regulations (15 C.F.R. 379) deals specifically with this aspect of export controls. These controls apply only to technical data that have not been officially assigned a security classification; the export of classified technical data is controlled, depending on their nature, by the Office of Munitions Control or by the U.S. Energy Research and Development Administration.

Controls over exports of technical data administered by the Office of Export Administration apply to information of any kind that can be used or adapted for use in the design, production, manufacture, utilization, or reconstruction of national security sensitive articles or materials. Data may be in the form of a model or a prototype, of a blueprint, an operating manual, or even a technical service. Models and prototypes are controlled also as commodities, and their exports are subject to the more restrictive control requirements embodied in the Commodity Control List.

As in the case of commodities, certain narrowly defined types of technical data require a validated export license to all destinations, including the exports to Canada which are normally not subject to any kind of licensing requirement, general or validated (15 C.F.R. 379.4(c)). Other data may be subject either to a general or a

validated license. There are in effect two general licenses authorizing the exports of technical data: license GTDA, dealing with technical data exportable to all destinations, and license GTDR, dealing with technical data the exports of which are in some way restricted.

General license GTDA (15 C.F.R. 379.3) authorizes the export to all destinations: (1) of technical data that have been made generally available through media generally accessible to the public, (2) of scientific or educational information that is not directly and significantly related to design, production, or utilization of industrial processes, and (3) of data contained in an application for the foreign filing of a patent application, filed in accordance with the regular procedure of the U.S. Patent Office.

General license GTDR (15 C.F.R. 379.4) authorizes, under specific circumstances, export of some data that are not exportable under GTDA. No data may be exported under this license to country groups S or Z. GTDR does apply, however, to exports to a country in groups Q, W, or Y: (1) of manuals, instruction sheets, or blueprints directly related to a commodity exported to the same consignee under a general or validated license provided such data are related only to the installation, maintenance, or operation of the commodity and not to its production or construction, and (2) of technical data supporting a bid or offer to sell related to a commodity that is not on the U.S. Munitions List or COCOM controlled, provided the data will not disclose the detailed design, production, or the means of reconstruction

of the item in question or its product (15 C.F.R. 379.4(b)). A validated license is required for the export to all destinations, except Canada, of technical data related to a number of highly sensitive commodities (mostly machinery and transport and electronic equipment of special types) unless such data are of the two types mentioned earlier as being exportable to groups Q, W, or Y under general license GTDR. On the other hand, technical data related to commodities not included in this special list or data not barred from export to all destinations may be exported to countries in groups T or V under the general license GTDR (15 C.F.R. 379.4(d)).

In the event that technical data relating to a number of categories of materials and equipment, specifically listed in the regulations (15 C.F.R. 379.4(e)(1)(iii)), are to be exported under general license GTDR, the transaction nevertheless may not take place until the exporter has received from the importer written assurances that such data or the direct product thereof will not be shipped to country group Q, W, Y, or Z (15 C.F.R. 379.4(e)(1)).

As is the case with commodities, technical data are subject also to reexport controls. Regulations controlling the reexport of technical data (15 C.F.R. 379.8) prohibit, in general, the unauthorized reexport of technical data imported from the United States from the authorized country of destination or their export from the United States with the knowledge that the data will be reexported from the country of the original ultimate destination.

Exempt from this rule and permitted under one or the other general license (GTDA or GTDR) are exports of technical data to any new country of destination if such data could be exported to such country directly from the United States under the respective general license. In all other cases, a reexport of technical data must be specifically authorized in writing by the Office of Export Administration.

Foreign policy controls.

Export controls imposed for reasons of foreign policy fall into two categories: (1) controls applicable primarily to certain countries, and (2) controls applicable primarily to certain types of commodities. In the first category are controls imposed on exports to North Korea, North Vietnam, South Vietnam, Cambodia, and Cuba. While exports of U.S. commodities to other Communist countries require in the interest of national security a validated license, issued--or denied--by the Office of Export Administration, only to the extent that they are of strategic nature or contain high technology, such a distinction is not made in the case of exports to the above listed five countries, virtually all of which are subject to the validated license procedure (15 C.F.R. 385.1). Similarly, virtually all exports to Rhodesia must be approved by a validated license as part of the embargo imposed by the United States on trade with Rhodesia pursuant to section 5 of the United Nations Participation

Act of 1945 (22 U.S.C. 287c) and in conformity with the United Nations Security Council Resolutions of 1965, 1966, and 1968, calling for economic sanctions against Rhodesia (15 C.F.R. 285.3). In both above listed cases, validated licenses are as a rule denied.

Country-oriented foreign policy controls of limited commodity scope apply in a number of other instances. There is, for example, in effect a U.S. embargo, pursuant to a U.N. Security Council Resolution of 1963, implemented through a validated license requirement with licenses as a rule disapproved, on all shipments of arms, munitions, military equipment, and materials for their manufacture (insofar as these items are under the jurisdiction of the Department of Commerce rather than the Department of State) to the Republic of South Africa and to Namibia (South West Africa) (15 C.F.R. 385.4(a)). Also subject to a validated license requirement are exports to the same two countries of all aircraft, aircraft engines, and certain communication and navigational equipment (some of which may normally be exported to country group V under general license G-DEST) and of fingerprint analyzers.

Exports of aircraft and communication and navigational equipment, some of which are exportable to group V countries under G-DEST, are also subject to a validated license requirement for export to Algeria, Egypt, Iraq, Libya, Syria, and People's Democratic Republic of Yemen.

Commodity-oriented foreign-policy export controls, consisting of a validated license requirement, are being applied in regard to crime control and detection instruments and equipment to all Communist

countries except Yugoslavia; one type of commodity in this category, voice print identification or analysis equipment, moreover, requires a validated license for shipments to all foreign destinations except Canada. This type of control was established at the request of the U.S. Department of State because the equipment is considered to have prominent use in the suppression of human rights (15 C.F.R. 376.14; Export Administration Report, 1st quarter 1975, p. 6). In addition, the export of any electronic, mechanical, or other device primarily useful for surreptitious interception of wire or oral communications requires a validated license for all foreign destinations, including Canada (15 C.F.R. 376.13).

Also within the area of foreign policy controls are special controls imposed on the exports of certain commodities with nuclear implications. Commodities and technical data specifically designed for the use in designing, developing, or fabricating nuclear weapons or explosive devices, or in devising, carrying out, or evaluating nuclear weapons tests or nuclear explosions are generally under the export licensing jurisdiction of the U.S. Office of Munitions Control or, if they are not weapons, of the Energy Research and Development Administration or the Nuclear Regulatory Commission; the Office of Export Administration, on the other hand, does have control jurisdiction over exports of similar exports that have not been specifically designed or modified for any of the above listed uses, but which the exporter knows or has reason to believe, will be used for such purposes.

Similarly, the OEA has control jurisdiction over exports of any commodity which is in normal commercial use for other purposes but which has been specifically designed or modified for uses related to the testing of nuclear weapons or explosions. If such commodity is destined to a country which is not a signatory of the Limited Nuclear Test Ban Treaty of August 5, 1963, a validated license is required. This requirement applies technically to exports to all destinations, including Canada (15 C.F.R. 378.1).

A further foreign policy control in the nuclear field, exercised by the OEA, is the validated export license requirement involving some two dozen types of commodities designed for specific use in or with nuclear reactors for peaceful purposes. Exports of such commodities to non-nuclear weapon countries that are not signatories of the Nuclear Non-Proliferation Treaty of July 1, 1968 may not be approved unless the country of destination provides the U.S. Government with a certification that it will abide by certain specific restrictions on and safeguards in the use of the commodities in question (15 C.F.R. 378.5).

Foreign policy controls are most often established at the request of the State Department or the Energy Research and Development Administration/Nuclear Regulatory Commission and are, consequently, administered in consultation primarily with those agencies. Occasionally, other agencies such as the Department of Agriculture or of the Treasury may also be involved.

A further foreign policy-motivated function of the Office of Export Administration is the implementation of the anti-boycott provisions of the Export Administration Act and regulations. This function, however, falls outside the scope of this paper and will not be dealt with in further detail.

Short supply controls.

Short supply controls were a major consideration in the early administration of the U.S. export controls program during World War II and in its aftermath when they were used primarily for allocating scarce resources, available in the United States, among our wartime Allies and, after the war, among the many nations of the world dependent on the United States for their recovery, without jeopardizing domestic requirements for the same resources. Once the need for such wholesale allocations had disappeared, short supply controls were used sporadically, in connection with only selected few commodities, and generally for limited time periods.

In the recent past, there occurred one major instance of the use of short supply controls when in July, August and September of 1973 quantitative restrictions were in effect on the exportation of over 40 agricultural products. In addition, at various times during the last half-decade, short supply export controls were in effect on copper, nickel, ferrous scrap, walnut logs, timber, lumber, and veneer, and on cattle hides. Controls imposed in December 1973 on the exportation

of petroleum and petroleum products and some related fuels are the only short supply controls still in effect.

The administration of short supply export controls is governed by sec. 377 of the Export Administration Regulations (15 C.F.R. 377), based on the requirements of the policy expressed in sec. 3(2)(A) of the Act. This statute has a twofold purpose: (i) to protect the domestic economy from the excessive drain of scarce materials, and (2) to reduce the serious inflationary impact of foreign demand for U.S. made goods. Prior to the enactment of the Export Administration Amendments of 1974 (P.L. 93-500; 88 Stat. 1552), the authority to use short-supply export controls as an anti-inflationary tool was somewhat less broad in that it provided for the establishment of such controls only in cases of inflationary threat due to abnormal foreign demand.

The manner of implementing short supply controls may vary depending on the nature and severity of the shortage. At one extreme, it may involve a total embargo on exports (i.e., no licenses at all are issued); at the other, it may consist merely of a requirement that applications for validated licenses must be filed for all exports of the controlled commodity, but no applications are denied.

Generally, short-supply regulations envisage a system of quantitative limitations (quotas), imposed either globally or on a country basis. Within these limits, licenses are issued primarily on the basis of each exporter's participation in the exports of the controlled

commodity during a recent base period; a portion of the quota, however, remains reserved for exporters who do not have a history of participation in this trade. This method of licensing assures historical exporters continued equitable access to export trade without excluding from it any newcomers, and helps maintain a normal, if perhaps reduced, pattern of export trade during periods of domestic short supply (15 C.F.R. 377.1 and .2).

Present short supply controls on petroleum and related products are implemented for most of the short-supply controlled commodities through quantitative quotas set for each importing country; exporters' participation within these quotas is regulated through the issuance of licenses. The few products that are not subject to country quotas are controlled through global licensing.

A procedure closely related to the control of actual exports is export monitoring, usually accomplished through a requirement that export shipments of the monitored commodity be periodically reported to the Office of Export Administration. Monitoring of exports of short-supply sensitive commodities has been a practice of some historical standing; presently it is, moreover, specifically directed 1/ by sec. 4(c) of the Act (50 U.S.C. App. 2403(c)), as added by the 1974

1/ The statute specifically exempts the Secretary of Commerce (in practice, Office of Export Administration) from the duty of monitoring agricultural products that are already subject to a similar reporting requirement, administered by the U.S. Department of Agriculture.

amendments. Under this mandate, the Office of Export Administration at present monitors on a monthly basis export shipments and unfilled export contracts for eleven types of fertilizer (15 C.F.R. 376.5).

Implementation of the export control system.

Organizational structure of the export control system.

Office of Export Administration and related agencies.^{1/} - The primary responsibility for the administration of the export control system and the implementation of statutory and regulatory provisions and other operational guidelines is in the hands of the Office of Export Administration by virtue of the authority, vested by the Export Administration Act in the Secretary of Commerce and successively delegated to that Office.

After a recent reorganization ^{1/}, the OEA at present consists of the Office of the Director and seven operating divisions: Policy Planning; Operations; Compliance; Short Supply; and three licensing divisions: Computer; Capital Goods and Production Materials; and Electronic Equipment. A description of their functions appears in Appendix D. One of the purposes of the March 1976 reorganization was the abolition of a separate Technical Data Division and the incorporation of its functions into the licensing divisions.

^{1/} Federal Register, v. 41, no. 55, March 19, 1976, p. 11592.

In addition to the OEA, there are several levels of interagency bodies:

(1) The Operating Committee (OC), composed of senior staff members of the Departments of Commerce, Defense, State, and Treasury, of the National Aeronautics and Space Administration, and the Energy Research and Development Administration as regular members, and the Central Intelligence Agency as a regular adviser. The OC is chaired by the Department of Commerce representative and meets weekly as the principal interagency formal body through which information, advice, and policy positions from other agencies concerned with export controls are sought and obtained by the Department of Commerce as part of the export control policy making procedure, and which actively participates in the review and approval of applications for validated licenses for significant individual transactions requiring more than routine review.

(2) An informal working group at the Deputy Assistant Secretary level, established recently to deal with policy issues related to export license applications and other matters that cannot be resolved at the OC level. The objective of this informal group is to achieve a more rapid resolution of interagency differences than could be obtained at the next higher formal level (ACEP) where individual items are considered according to a strict schedule which at times may result in delays which can be avoided if the case is resolved in an informal manner.

(3) The Advisory Committee on Export Policy (ACEP), a formal interagency committee at the Assistant Secretary level which is the parent body of the OC and on which the same agencies are represented. The ACEP deals primarily with interagency policy differences that cannot be resolved at a lower level and, consequently, meets less frequently than the OC.

(4) The cabinet level Export Administration Review Board (EARB), consists of the Secretary of Commerce, as its chairman, and the Secretaries of Defense, State, and Treasury (in his capacity as the Chairman of the East-West Trade Board). Other cabinet members are included in the Board's deliberations whenever matters of policy directly connected with their concerns are under consideration. The Board meets infrequently, two or three times a year, and deals with interagency differences in particular export license matters, involving questions of national security or other major policy issues that cannot be resolved at lower levels and are referred to the Board by its chairman either on his own initiative or upon request of another member or the head of any U.S. agency that has an interest in the matter. The Board is an advisory body and its conclusions are transmitted in the form of recommendations to the Secretary of Commerce to assist him in the administration of export controls.

(5) Highly sensitive problems that cannot be resolved even at the EARB level are referred for final resolution to the White House.

In addition to this vertical hierarchy of policy making and license review, specifically assigned important roles in the administration of export controls are played by two U.S. agencies and one international body.

Department of Defense review authority. - The review by the Secretary of Defense, usually referred to as the DOD review, is mandated by section 4(h) of the Export Administration Act (50 U.S.C. App. 2403(h)), added by the 1974 amendment. The statute requires that any request for a validated license to export to a "controlled" country a commodity which the Secretary of Defense had determined, in consultation with the administering agency, as warranting such review, be reviewed by the Secretary of Defense in order to determine whether its exportation would significantly increase the importing country's military capability. Upon such review, the Secretary of Defense may recommend to the President to disapprove such exportation. If the transaction is disapproved by the President, a validated export license may not be issued for it. In the event of Presidential approval, a report to that effect must be submitted to the Congress.

The "controlled" countries to which this provision applies are those defined as communist countries in section 620(f) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2370(f)). The list includes also Yugoslavia which the Export Administration Regulations

do not include among the countries of the communist bloc.

The fundamental criterion of the basis on which the DOD makes its recommendations as to the approval or disapproval of a high-technology export is the one stated in the Act: Will the export of the goods or technology in question significantly increase the military capability of a controlled country to the detriment of the national security of the United States? The goal of this review and of the DOD embargo on certain items is not to prevent communist countries permanently from acquiring any particular military capability; the pursuit of such a goal would be unrealistic. Nevertheless, through judicious use of export controls the acquisition of such capability by communist countries can be retarded.

While the statute authorizes the DOD to review a rather large number of exported commodities, the review has been made as simple as possible. Long before the enactment of the 1974 statute, the Office of Export Administration had in effect a number of arrangements with the Department of Defense for the processing of certain classes of proposed exports without direct consultation with and clearance by the DOD in each transaction. These arrangements--some 63 in all--consisted of delegations of authority by the DOD to the OEA whereby the classes of items involved, although subject to DOD review on a case by case basis, could be licensed for export without direct DOD involvement in view of their general nature which the past experience showed would normally allow them to be approved for export by the DOD.

if reviewed individually. After the enactment of section 4(h), the DOD suspended temporarily all such delegations of authority and examined all applications for exports to controlled countries while conducting an intensive review of the previous arrangements to determine whether they could be renewed in the light of current circumstances. The review showed that almost all of the delegations of authority could be restored, thereby saving the DOD much administrative work and avoiding unnecessary delays in the approval of licenses by the OEA.

A statute similar to section 4(h), but now for all practical purposes superseded by the latter, is section 709 of the Department of Defense Appropriation Authorization Act, 1975, which authorizes the Secretary of Defense to review and recommend disapproval of a validated export license for "any goods, technology, and industrial techniques which have been developed in whole or in part as a direct or indirect result of research and development program or procurement programs financed in whole or in part with funds authorized by...any...Act authorizing funds for the Department of Defense," when such exports are made to a "controlled country" destination and would significantly increase the country's military capability. The Secretary's recommendation is transmitted to the President for his action. If the President disagrees with the Secretary's recommendation and wishes to approve the export, he must submit to Congress a statement to that effect. The President's proposed

approval of the export becomes operative after 60 days of continuous session of the Congress unless the Congress disapproves it in the meantime by a concurrent resolution.

The statute also requires quarterly reports to the Congress by the Secretary of Defense of the implementation of the review provision.

The major points in which this statute differs from section 4(h) of the Export Administration Act are the following:

- (1) This statute applies only to goods or technology that have been developed or procured with DOD funds; sec. 4(h) applies to "any proposed export of goods or technology."
- (2) While both statutes require the President to submit a report to the Congress in the event that he disagrees with the Secretary's recommendation to disapprove an export, sec. 709 provides for Congressional reversal of the President's decision, and sec. 4(h) does not.
- (3) For the purpose of sec. 4(h), "controlled countries" are those that are listed in 22 U.S.C. 2370(f), i.e., all communist countries, including Yugoslavia; sec. 709 lists individually only seven East European communist countries but can apply also to "such other countries as may be designated by the Secretary of Defense."
- (4) Under sec. 709, the Secretary of Defense is required to submit quarterly reports to Congress on the implementation of his review authority; no such requirement exists under sec. 4(h).

Department of Agriculture authority over agricultural export controls. - Section 4(f) of the Export Administration Act (50 U.S.C. App. 2403(f)) prohibits the Office of Export Administration from placing export controls on any agricultural commodity without the

approval of the Secretary of Agriculture. The Secretary himself is, in turn, prohibited from approving such controls if they would apply to a commodity which is in excess of the U.S. domestic requirements (an agricultural surplus commodity), except when the President determines that the controls are necessary in the interest of national security or foreign policy.

International controls by the Coordinating Committee (COCOM).

The Coordinating Committee was established in 1950 as a voluntary multinational organization for the purpose of controlling, in the interest of their mutual security, strategic exports from its member countries to the communist bloc. COCOM consists of Belgium, Canada, Denmark, France, the Federal Republic of Germany, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Turkey, the United Kingdom, and the United States. COCOM and its senior body, the Consultative Group, were created informally, out of practical need, and are not based on a formal treaty or executive agreement.

The continued participation of the United States in COCOM is based primarily on sec. 301 of the Mutual Defense Assistance Control Act of 1951 ("Battle Act") (22 U.S.C. 1613). The members have no obligation to participate in COCOM or to abide by its recommendations. These recommendations, arrived at in confidential proceedings, become effective only as they are carried out by each member country through its own export controls. The implementation of COCOM's recommendations

by its members, however, is to a large extent assured by the basic rule of COCOM's decisions, namely, that there must be unanimous agreement on all COCOM final recommendations. Thus, a COCOM decision means in effect that each member country has decided to exercise the same controls under its own laws.

The key documents for the administration of COCOM controls are lists of embargoed and controlled items. The so-called International List I, covering strategic equipment and materials of non-military and non-nuclear nature, contains 105 items, the International Munitions List contains 21 items, and the International Atomic Energy List, 23 items. As in the U.S. Commodity Control List, an "item" in an international list may in fact represent a large category of commodities, and a simple comparison of the number of items on an international list with that on a member country's domestic list can be deceptive. Nevertheless, there is substantial general identity between the international munitions and atomic energy lists on the one hand and the U.S. Munitions List and the list of nuclear items controlled by the ERDA and/or NRC on the other. List I commodities can be recognized in the CCL by their being identified by a code letter A immediately following the export control commodity number 1/; these commodities require, within the U.S. export control system, a validated license for all destinations

1/ See sample page o. .CL in Appendix B.

except Canada and are subject to the IC/DV procedure. 1/ The COCOM embargoed commodities represent the level of control that all COCOM members have accepted as their minimum level; in addition to these items, each country may--and the United States does--control a broader array of products. 2/

Although the COCOM list is in its intent an embargo list, exceptions may be made for individual shipments, approved for export under the export control procedure of a member country, if such country presents a request for an exception through its delegate to COCOM. Requests for exceptions are also subject to the unanimity rule of COCOM, and a proposed export may take place only if all members agree that it does not constitute a security risk.

In its own turn, the United States participates in the approval of COCOM exception requests, submitted by other member countries, through the Economic Defense Advisory Committee (EDAC), U.S. inter-agency committee at the Assistant Secretary level with membership identical to that of the ACEP, but chaired by the Assistant Secretary of State for Economic and Business Affairs. 3/ If foreign requests

1/ See p. 21-22 above.

2/ CCL items followed by code letter B, for example, require, like those coded A, a validated license for export to all destinations except Canada; they are, however, not subject to the IC/DV procedure which applies only to COCOM controlled commodities.

3/ EDAC with its subordinated working units is the U.S. Government body charged with the coordination and conduct of the U.S. participation in COCOM in general.

for COCOM exceptions involve commodities which contain U.S. components subject to a U.S. validated license requirement, the request is also--and first--considered by the ACEP. These so-called dual-licensing cases occasionally result in disagreements between ACEP and EDAC when the U.S. component is licensed by ACEP, but the foreign country exception request is denied by EDAC.

Licensing procedure.

National Security controls. 1/ - The Office of Export Administration receives on a daily average approximately 200 applications for validated licenses falling within the scope of national security controls. Some 90 to 95 percent of these applications cover high technology items the bulk of which are for exports to the free world rather than to communist destinations. After having been registered and entered into the Office's computer system by the Operations Division, an application is assigned to a technician in the appropriate licensing division. The licensing technician reviews the application, concentrating on the function and uses of the commodity involved, its level of sophistication, and any other applicable criteria and guidelines. Routine applications for exports to the free world are approved at this level and issued to the applicant. Applications involving exports to

1/ The same procedure applies essentially to foreign policy controls insofar as they do not involve an outright embargo.

communist countries, or foreign-policy controlled exports to the free world and Yugoslavia as well as cases requiring further review or documentation are retained within the system.

Additional documentation or information may be needed because the licensing officer may not be sufficiently familiar with the end-user; such information is usually provided by the Export Information Division of the Bureau of International Commerce. Also at this stage, background information may be sought from intelligence sources or through informal consultations with technicians in other agencies. If the information or documentation appended to the application by the applicant is insufficient for a proper review, additional information is obtained directly from the applicant, or else the application is returned to the applicant without action. In the latter case, the application may be resubmitted accompanied by the required information. 1/ Based on all the information gathered at this stage, the technical specifications of the commodity and the transaction in general are evaluated against the guidelines for the purpose of determining the extent of further review required. With the exception of a limited number of applications for exports to communist countries which are approved at this

1/ Applications for validated licenses are at times, although less frequently, returned without action to the applicant at later stages of review, especially in cases where the commodity involved may not be licensable in its current condition but could be approved for export if certain modifications which might be acceptable to the end-user are made and the application is re-filed.

point in the licensing division, applications, accompanied by the documentation and an analysis by the licensing technician, are then forwarded to the Policy Planning Division for further action.

The Policy Planning Division is the locus where the inter-agency review, including the statutory DOD review, of an application takes place. If it is determined upon review of a case that a validated license can be issued simply on the basis of the various guidelines established for the OEA by an advisory agency for approval or rejection of applications, covering a wide range of commodities, such approval is given; if, on the other hand, consultation with one or more other agencies appears necessary, the case is referred to the interested agencies. If at all possible, and particularly in cases in which only individual agencies may have any interest, the case is resolved through informal referrals to and consultations with the agencies concerned. This is done in order to avoid the need for referring the case to a higher level for formal review which usually takes more time and more paperwork. While the documentation for these informal referrals is not as extensive as for an application formally reviewed by the Operating Committee, it still must contain a memorandum setting forth the details of the transaction, policy considerations, previous approvals, end-use and end-user information, and extensive technical information. If an advisory agency has problems with the transaction, it can request formal review by the Operating Committee.

When a case is of interest primarily to the DOD, rather than to any other agency, and cannot be resolved through informal consultation, a formal referral under section 4(h) is made to DOD alone; in unresolved or otherwise significant cases of interest to several agencies, however, the application is forwarded for formal review by the Operating Committee, and the DOD review takes place as a part of the proceedings of that committee.

Although the process of informal review has shortened what otherwise would have become a really prolonged processing time and has relieved some of the burden on the committee structure in several commodity areas, a substantial number of individual applications for high technology items are still reviewed by the Operating Committee.

A substantial part of the delay brought about by a referral to the Operating Committee is caused by the heavy workload involved in documenting applications that must be reviewed by all the agencies participating in the Committee's deliberations.

This documentation includes, as a minimum, the following:

- (1) a technical description of the commodities or data involved and the intended end use;
- (2) an evaluation of the strategic significance of the proposed transaction;
- (3) information on the foreign availability of comparable commodities or data;

- (4) the licensing history of past applications for like or similar commodities or data; and
- (5) a recommendation for approval or denial, and the rationale supporting the recommendation.

The gathering of additional facts, some of them hard to come by, and often consultations on technical aspects with experts within and outside the Government may further delay the preparation of the documentation required by the OC.

Once the documentation on any given transaction is completed, the case is put before the Operating Committee agencies and their advice sought. This advice and the OC chairman's recommendations are forwarded to the Director of the Office of Export Administration for his decision or, in some instances, for referral to the Director of the Bureau of East-West Trade for his decision.

Disagreements among the advisory agencies participating in the deliberations are referred for review and final advisory resolution to higher formal or informal bodies: the informal working group at the Deputy Assistant Secretary level, the formal ACEP at the Assistant Secretary level, the cabinet level EARB, and, if need be, the President who may act with advice from the National Security Council (NSC) and the Council on International Economic Policy (CIEP). Referrals to higher levels are progressively less numerous,

to the Presidential level virtually nonexistent, according to the OEA officials. 1/

At whatever level an agreement as to the approval of a license application is reached, cases involving exports of COCOM embargoed items must also be referred to that body for its approval. Inasmuch as most high-technology items approved for export by the United States are also on the COCOM list, a substantial proportion of U.S.-approved licenses must be forwarded, accompanied by all the required documentation, through the U.S. delegate to COCOM in the form of an exception request to be approved by other COCOM members.

In accordance with COCOM procedure, the information forwarded from the United States must be transcribed into COCOM format, translated into French, and distributed to the delegates of other member-nations. These delegates, in turn, submit the exception proposal to their governments which review the request through a procedure comparable to the U.S. review of COCOM exception requests by the Economic Defense Advisory Board. 2/ The views and comments of member-governments are returned to their respective delegates and discussed in COCOM. This process obviously takes time,

1/ The General Accounting Office in its summary statement of report to the Congress on "The Government's Role In East-West Trade -- Problems And Issues", dated Feb. 4, 1976, however, states that continued departmental disagreements requiring Presidential decisions "have occurred frequently in the past," a statement which appears at variance with the information provided by the OEA.

2/ See p. 45.

normally lasting approximately four weeks before the OEA is informed that license can be issued. Occasionally, however, one or more country delegates raise questions or objections during the COCOM deliberations. These must then be communicated to the OEA, answers prepared and sent back, and the case scheduled for a new COCOM discussion. In such circumstances, the delay may last several months before the COCOM approval is determined.

Upon the final approval of the application, a validated license for transaction is issued to the applicant by the Issuance Section of the Operations Division. A list of approved validated licenses is published daily by the Office of Export Administration as required by the Export Administration Regulations (sec. 390.4). A sample of the daily list of Export Licenses Approved and Reexports Authorized is attached as Appendix E. The list contains a general description of the commodity or technical data governed by each license, the total value of the commodity, and the country of destination.

In order to give a general view of the workload of the OEA as far as national security licensing is concerned, the following statistical data are presented.

(1) In calendar year 1975, the OEA received a total of 52,107 applications for validated license for exports to all destinations subject to national security controls, and acted on 52,031 of them. Out of the total of applications acted upon,

45,523 (87.5 percent) were approved, 341 (0.7 percent) were denied, and 6,167 (11.8 percent) were returned without action.

(2) During the same year, OEA acted upon 3,451 applications for exports to communist countries (6.6 percent of all applications acted upon) by either approving or disapproving them. 1,325 cases (38.4 percent of all communist country cases) were resolved within OEA alone under delegated authorities or guidelines, 995 cases (28.8 percent) were referred to various advisory agencies for informal consultations, 686 (19.9 percent) were referred to DOD for its formal review, and 445 (12.9 percent) were sent to the Operating Committee. Of the last category, 272 were approved, 125 denied, and 48 were still pending at the year-end. In addition, 83 applica-

for exports to Yugoslavia, subject to section 4(h) review, were processed under the DOD delegations of authority and guidelines while 416 were sent to DOD for formal review and were all approved.

(3) U.S. exception requests sent to COCOM represent the largest single--and growing--share of COCOM's exception workload. In the years 1972 through 1975, the United States sent COCOM, respectively, 506, 519, 567, and 789 exception requests; these represented respectively, 36, 38, 41, and 44 percent of all exception requests received by COCOM.

Short supply controls.

All short supply controls are administered by the Short Supply Division of the OEA. The purpose of short supply controls being

the control of all exports of the controlled commodity, no exports may take place under general license G-DEST and every export shipment must be approved by the granting of a validated license.

In the recent years, when short supply export controls were in effect, two basic mechanisms were used for the limitation of exports of controlled commodities. One, already mentioned briefly on page 35, and presently in effect in regard to petroleum and related products, is based on a definite global export quota, established each quarter and within it, for certain commodities, country quotas: these are allocated to each exporter on the basis of his historical participation in the export trade of each commodity, with provision also made for any newcomers to such trade. The other mechanism, which was in use, for example, during the period 1973 when short supply controls were in effect on exports of over forty agricultural commodities, does not use a definite quantitative limit (quota) and, within it, allocations to exporters, but rather establishes an upper limit for exports by each individual exporter. This limit is determined as a percentage of the quantities under contract by the exporter as of a certain date--the date on which the controls were put into effect or even an earlier date--for foreign delivery but as yet undelivered. Thus, during the controls on agricultural products in 1973, each exporter was at first permitted to export only 40 percent of the soybean oil-cake and meal contracted for but still undelivered as of June 13, 1973 (two weeks

before the controls became effective), 50 percent of such soybean orders, and 100 percent of cottonseed, and cottonseed oil-cake and meal order. Somewhat later, the remaining commodities were approved for export under validated licenses to the extent of 100 percent of unfilled order.

The issuance of validated licenses in such circumstances is obviously based on strictly quantitative criteria: validated licenses are issued until the quantitative limits set by the licensing regulation are reached; after that point, no more licenses are issued except in cases of hardship. Each hardship case must be documented and is reviewed separately on its own merits by an interagency hardship committee. Agencies represented on hardship committees are usually those that, in addition to the Department of Commerce, have a major interest in short supply export controls in general (e.g., Department of State, Council on International Economic Policy) or specifically in that type of commodity (e.g., Department of Agriculture for farm products, Federal Energy Administration for petroleum).

Appeals from license denials.

In the rare event that an application for a validated license is denied (less than one percent of applications filed in 1975 were denied), the applicant has the right to appeal 1/ to the Assistant

1/ Regulations governing appeals from denials of licenses or other administrative action, except sanctions, are contained in part 389 of the Export Administration Regulations.

Secretary for Domestic and International Business, U.S. Department of Commerce, if such denial causes him exceptional and unreasonable hardship, 1/ or improperly discriminates against him. The appeal must contain in writing a complete statement of all the pertinent facts and circumstances, and state fully and precisely why the appellant believes it should be granted. Other evidence, supporting the appellant's position, should accompany the appeal.

The Appeals Advisor to the Assistant Secretary forwards the case to the Appeals Coordinator in the OEA where the case and any new information supplied by the appellant are examined by the technical staff. Their findings are reviewed by the Coordinator, and additional advice may be sought from other agencies. The OEA's findings, documents, and comments are returned to the Appeals Advisor where the unclassified portion of the file is made available to the appellant, with the opportunity to respond within 30 days. After that, the Appeals Advisor submits his recommendations to the Assistant Secretary. In his decision the Assistant Secretary may reject the appeal or grant it in whole or in part. His decision is final, and is issued to the appellant in writing. If the appeal is rejected, the appellant is also fully informed of the reasons for the rejection to the extent permitted by national security considerations.

1/ Procedures for hardship relief are specifically included in the Act (sec. 4A; 50 U.S.C. App. 2403a)

Enforcement and sanctions.

In its section 6 (50 U.S.C. App. 2405), the Export Administration Act provides for administrative sanctions as well as criminal penalties for violations of any provision of the Act or of any regulation, order, or license issued thereunder. Regulations governing enforcement and administrative sanctions and proceedings are contained in parts 387 and 388.

Enforcement of export control provisions and all matters pertaining to sanctions are handled in the OEA by the Compliance Division. The division develops information regarding areas of possible violations, investigates them, and prepares cases for whatever action appears appropriate. In addition to the obvious types of direct violations of export control provisions, such as unauthorized exports or reexports, prohibited in Part 387.6 of the Regulations, other export control connected acts of less direct nature are also prohibited, such as: causing, aiding, and abetting a violation (387.2); solicitation of, or attempt or conspiracy to bring about a violation (387.3); acting with knowledge of a violation (387.4); misrepresentation and concealment of facts (387.5); unauthorized use or alteration of export control documents (387.8); trafficking in or advertising export control documents (387.9); and transactions with persons known to be subject to denial orders (387.10). The Division also enforces compliance with the antiboycott provisions of the Act.

Enforcement proceedings. - Actual or possible violations of the export control provisions, most frequently unauthorized exports or reexports, 1/ come to the attention of the Compliance Division in several ways: a violation may be disclosed by the contravening firm itself, or reported by another firm, possibly a competitor; officials of the U.S. Customs Service or U.S. Postal Service as well as the division's own staff may uncover it by inspecting outbound cargo for licensing requirements; occasionally, it is uncovered by Foreign Service personnel located in foreign countries; U.S. investigative agencies, such as the F.B.I. or the C.I.A., become aware of violations or may even be asked to investigate situations in which a violation might be likely to occur to determine whether one might in fact have occurred.

After the Compliance Division becomes aware of a possible violation, it may send an interrogatory to the suspected firm to obtain additional information. If the firm replies, the information is used to determine whether administrative proceedings should be initiated by serving on the firm a charging letter. If the firm fails to respond to the interrogatory, it is considered in default.

1/ Information received from the Compliance Division indicates that violations related to exports tend to be more of a technical nature (e.g., unwitting unlicensed export of a commodity subject to validated licensing, or export under an expired license) while violations related to reexports tend to be more of a substantive nature (e.g., diversion of COMCON-controlled commodities to unauthorized destinations).

and the charging letter is served based on the available information. In the charging letter are alleged the essential known facts constituting the specific violation, and notice is given that, in the event the respondent is found to have committed the alleged violation, specific administrative sanctions or civil penalties may be imposed. If he fails to reply, he is deemed in default and the allegations are considered to have been admitted; the case then is referred to a Hearing Commissioner, designated by the Director of the Bureau of East-West Trade, for his consideration. If the respondent does answer the charging letter, the response must contain, in addition to a specific admission or denial of each allegation, detailed information and evidence in support of his defense or in mitigation of the charges. At the same time, he may also request an oral hearing before the Hearing Commissioner. Recourse to oral hearings is not available to suspected violators who fail to answer the charges.

Hearings are to be conducted by the Hearing Commissioner in a fair and impartial manner and, while the rules of evidence prevailing in the courts do not apply, all evidence relevant and material to the inquiry must be considered and the respondent may be represented by legal counsel. On the basis of all information gathered through the hearing, the Hearing Commissioner prepares a written report containing all findings of fact, including whether or not a violation had taken place, and his recommendations. The report and all the records of the hearing are then transmitted to the Director of the OEA

for action.

If the Hearing Commissioner finds that the evidence does not support a conclusion that a violation had been committed, the Director of the OEA enters an order dismissing the charges. If, on the other hand, the Hearing Commissioner concludes that a violation has occurred, his recommendation is only advisory and the disposition is determined by the Director who may issue an order imposing such administrative sanctions as he deems appropriate.

The hearing may be avoided if, after the transmission of a charging letter, the respondent and the OEA agree to submit to the Hearing Commissioner a proposal for the issuance of a consent order. If the Commissioner, upon reviewing the facts and, if need be, conducting informal conferences with the parties and informally receiving additional evidence, disapproves the proposal, the case proceeds to hearing. If he approves the proposal, he submits the facts and his recommendations to the OEA Director who, in turn, may reject the proposal, in which event the case goes to hearing, or he may accept it and issue an appropriate order.

In serious cases of violation of export control provisions, which in the evaluation of the Compliance Division warrant the institution of a criminal proceeding, all the pertinent facts, evidence, and recommendations are prepared by the Division and forwarded to the General Counsel of the U.S. Department of Commerce for review and transmission to the U.S. Department of Justice for

possible criminal prosecution. The existence of an administrative proceeding, or the imposition of an administrative sanction or civil penalty resulting from one, does not preclude the institution of criminal prosecution based on the same violation.

Sanctions. - The principal sanctions applied to violators of export control provisions are those imposed by the Director of the OEA as a result of the administrative proceedings before the Hearing Commissioner. As the charging letter is required by regulation to indicate, these sanctions include: (1) general denial of export privileges, (2) total exclusion from practice before the Bureau of East-West Trade, U.S. Department of Commerce, and (3) monetary civil penalty. Each of these penalties may be imposed either alone or in addition to any of the other two. In less serious cases (e.g., in minor technical violations), a letter of warning may be sent to the violator.

The most frequently used sanction that is more severe than a letter of warning is the denial of export privileges. Such a denial prohibits the violator from participating directly or indirectly, in any capacity, in any transaction involving commodities or technical data exported or to be exported from the United States, or which are otherwise subject to Export Administration Regulations (e.g., reexports from foreign countries). The ban on such participation specifically,

but not exclusively, refers to applying for, preparing, filing, obtaining, or using any export license, and to any commercial, financial, or similar activity connected with any commodity or technical data (388.1(a)(2)). A denial order may be issued for a specific time period or, more often, for "duration", which means that it remains in effect for the duration of export controls, that is, as long as the present statute or any successor legislation that provides for carryover remains in effect. Denial orders may also be issued with a probationary period provision. During such period, usually following a period of actual denial, the denial of privileges is held in abeyance but may be reinstated upon an application by the Compliance Division for an order revoking the probation, a report and recommendation thereon by the Hearing Commissioner, and final determination by the OEA Director. The probation period may last for "duration" or until a specified date.

Denial of export privileges of more limited scope or duration may be imposed in a number of circumstances other than pursuant to a formal finding by the Hearing Commissioner. A charging letter, for example, may deny to the respondent the privilege of participating in any manner in any U.S. export transaction pursuant to a validated license; it may also, somewhat less restrictively, suspend or revoke any validated licenses outstanding to the benefit of the respondent, without denying him any other export privileges (388.11(a)).

An order for an "indefinite" denial of export privileges may be

issued by the OEA Director against a person who refuses or fails to furnish to the OEA, in the course of an investigation or other proceeding, responsive answers to interrogatories or to other requests for information, documents, or other tangible things that have a bearing upon the investigation. An "indefinite" denial remains in effect until the person subject to it responds to the request or gives adequate reason for his failure or refusal to respond (388.15).

Denial orders may also be "temporary". Such denial orders may be issued against a person who is under investigation, or against whom administrative or judicial proceedings are pending, for violation of export control provisions, if such denial is found reasonably necessary to protect the public interest pending final disposition of the investigation or proceedings. They are issued only for such limited time, ordinarily not over 30 days, as is necessary to complete the case, but may be extended if necessary. Indefinite and temporary denial orders may be issued only if the Hearing Commissioner, upon application by the Compliance Division and his review of the case, approves such action (388.11(b), .15).

An order issued upon default may be vacated by having the default set aside upon the respondent's application and the Hearing Commissioner's consideration of the case and recommendation (388.4(b)). Similarly, temporary denials of export privileges contained in a charging letter or an order as well as indefinite denial orders may be vacated or modified upon the filing of an appropriate motion with

the Commissioner and after his consideration and recommendation (388.11(c), .15); similar procedure applies also to objections to, or requests to set aside, revocations of probation (388.16(b)). Any case may be reopened by the Commissioner upon a written request by the respondent and submission of relevant and material evidence which was not known or obtainable at the time of the original proceeding. The reopened proceeding is conducted in the same manner as the original one (388.12).

Civil penalties may also be imposed by the Director of the OEA, as authorized by sec. 6(c) of the Act (50 U.S.C. App. 2405(c)). These consist of monetary fines not in excess of \$1,000 for each violation.

After the disposition of a case following a formal hearing, the respondent may appeal from a denial of export privileges or privileges of practice, or from civil penalty on any of three grounds: (1) that the findings of violation are not supported by substantial evidence, (2) that prejudicial error of law was committed, or (3) that the provisions of the order are arbitrary, capricious, or an abuse of discretion. Appeals may also be filed from a denial upon default, or temporary or indefinite denial, but only if relief had been first requested through the appropriate procedure, and denied. Appeals are handled by the Appeals Board of the U.S. Department of Commerce primarily on the basis of the record containing all the relevant documents, but may also include an informal oral

presentation. In the Appeals Board's decision which is final, the appeal may be granted or denied, in whole or in part (388.13).

In criminal cases, referred to the U.S. Department of Justice for prosecution, penalties for violations are prescribed by the statute. A knowing violator of any provision of the Act or any regulation, license, or order issued thereunder is punishable, for the first offense, with a fine of up to \$10,000, or with imprisonment of up to one year, or both. For the second or any subsequent offense, the fine may be as high as \$20,000 or three times the value of the exports involved, whichever is greater, and the imprisonment may be for as long as five years. For willful exportation of anything contrary to the export control provisions, with knowledge that the export will be used for the benefit of a communist nation, the penalty is \$20,000 or five times the value of the export involved, whichever is greater, or up to five years imprisonment, or both (sec. 6(a) and (b) of the Act; 50 U.S.C. App. 2405(a),(b)). Imposition of penalties in a criminal proceeding affects in no way any administrative or civil sanctions that have been imposed on the defendant for the same violation.

Enforcement workload. - The enforcement workload of the Compliance Division is fairly heavy. In 1975, the division had in process, overall, 210 preliminary investigations of which 126 were pending at the beginning of the year, and 84 were instituted during

the year; 50 cases were closed during the year with 160 remaining still pending at the year-end. The division also handled 251 full-scale investigations, of which 78 were carryovers from the previous year and 173 begun anew; 154 cases were closed and 97 still pending at end of the year. As a result of these cases, 385 warning letters were sent, 24 definite denial orders were issued, and civil penalties amounting to \$29,500 were levied in 6 cases. 1/ In one instance, the case was referred to the U.S. Department of Justice for possible prosecution.

Orders either imposing, or modifying or revoking, denial or probation are published in the Federal Register, and the Export Control Regulations (Supplement 1 to Part 388). A sample page appears as Appendix F. A very recent tabulation of denial or probation orders issued since inception of the program and currently still in effect shows a total of 645 such orders, affecting firms in 35 foreign countries and 9 States. Of these, 288 are effective for duration, 175 indefinite, 123 probationary, 30 expiring on a specific date, and 29 until further notice.

1/ Civil penalties amounting to \$4,000 were also levied in 4 cases of noncompliance with the antiboycott provisions.

Appendix A. Export Administration Act, as amended

AN ACT

To provide for continuation of authority for regulation of exports

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Export Administration Act of 1969."

FINDINGS

SEC. 2. The Congress makes the following findings:

(1) The availability of certain materials at home and abroad varies so that the quantity and composition of U.S. exports and their distribution among importing countries may affect the welfare of the domestic economy and may have an important bearing upon fulfillment of the foreign policy of the United States.

(2) The unrestricted export of materials, information, and technology without regard to whether they make a significant contribution to the military potential of any other nation or nations may adversely affect the national security of the United States.

(3) The unwarranted restriction of exports from the United States has a serious adverse effect on our balance of payments, particularly when export restrictions applied by the United States are more extensive than export restrictions imposed by countries with which the United States has defense treaty commitments.

(4) The uncertainty of policy toward certain categories of exports has curtailed the efforts of American business in those categories to the detriment of the overall attempt to improve the trade balance of the United States.

(5) Unreasonable restrictions on access to world supplies can cause worldwide political and economic instability, interfere with free international trade, and retard the growth and development of nations.

DECLARATION OF POLICY

SEC. 3. The Congress makes the following declarations:

(1) It is the policy of the United States both (A) to encourage trade with all countries with which we have diplomatic or trading relations, except those countries with which such trade has been determined by the President to be against the national interest, and (B) to restrict the export of goods and technology which would make a significant contribution to the military potential of any other nation or nations which would prove detrimental to the national security of the United States.

(2) It is the policy of the United States to use export controls (A) to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand, (B) to the extent necessary to further significantly the foreign policy of the United States and to fulfill its international responsibilities, and (C) to the extent necessary to exercise the necessary vigilance over exports from the standpoint of their significance to the national security of the United States.

(3) It is the policy of the United States (A) to formulate, reformulate, and apply any necessary controls to the maximum extent possible in cooperation with all nations, and (B) to formulate a unified trade control policy to be observed by all such nations.

(4) It is the policy of the United States to use its economic resources and trade potential

to further the sound growth and stability of its economy as well as to further its national security and foreign policy objectives.

(5) It is the policy of the United States (A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States, (B) to encourage and request domestic concerns engaged in the export of articles, materials, supplies, or information, to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against another country friendly to the United States, and (C) to foster international cooperation and the development of international rules and institutions to assure reasonable access to world supplies.

(6) It is the policy of the United States that the desirability of subjecting, or continuing to subject, particular articles, materials, or supplies, including technical data or other information, to United States export controls should be subjected to review by and consultation with representatives of appropriate United States Government agencies and qualified experts from private industry.

(7) It is the policy of the United States to use export controls, including license fees, to secure the removal by foreign countries of restrictions on access to supplies where such restrictions have or may have a serious domestic inflationary impact, have caused or may cause a serious domestic shortage, or have been imposed for purposes of influencing the foreign policy of the United States. In effecting this policy, the President shall make every reasonable effort to secure the removal or reduction of such restrictions, policies, or actions through international cooperation and agreement before resorting to the imposition of controls on the export of materials from the United States: Provided, That no action taken in fulfillment of the policy set forth in this paragraph shall apply to the export of medicine or medical supplies.

AUTHORITY

SEC. 4. (a) (1) The Secretary of Commerce shall institute such organizational and procedural changes in any office or division of the Department of Commerce which has heretofore exercised functions relating to the control of exports and continues to exercise such controls under this Act as he determines are necessary to facilitate and effectuate the fullest implementation of the policy set forth in this Act with a view to promoting trade with all nations with which the United States is engaged in trade, including trade with (A) those countries or groups of countries with which other countries or groups of countries having defense treaty commitments with the United States have a significantly larger percentage of volume of trade than does the United States, and (B) other countries eligible for trade with the United States but not significantly engaged in trade with the United States. In addition, the Secretary shall review any list of articles, materials, or supplies, including technical data or other information, the exportation of which from the United States, its territories and possessions, was heretofore prohibited or curtailed with a view to making promptly such changes and revisions in such list as may be necessary or desirable in furtherance of the policy, purposes, and provisions of this Act. The Secretary shall include a detailed statement with respect to actions taken in compliance with the provisions of this paragraph in the second quarterly report (and in any subsequent report with respect to actions taken during the preceding quarter) made by him to the Congress after the date of enactment of this Act pursuant to section 10.

(2) The Secretary of Commerce shall use all practicable means available to him to keep the business sector of the Nation fully apprised of changes in export control policy and procedures instituted in conformity with this Act with a view to encouraging the widest possible trade.

(b) (1) To effectuate the policies set forth in section 3 of this Act, the President may

prohibit or curtail the exportation from the United States, its territories and possessions, of any articles, materials, or supplies, including technical data or any other information, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this Act, these rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person. Rules and regulations may provide for denial of any request or application for authority to export articles, materials, or supplies, including technical data, or any other information, from the United States, its territories and possessions, to any nation or combination of nations threatening the national security of the United States if the President determines that their export would prove detrimental to the national security of the United States, regardless of their availability from nations other than any nation or combination of nations threatening the national security of the United States, but whenever export licenses are required on the ground that considerations of national security override considerations of foreign availability, the reasons for so doing shall be reported to the Congress in the quarterly report following the decision to require such licenses on that ground to the extent considerations of national security and foreign policy permit. The rules and regulations shall implement the provisions of section 3(5) of this Act and shall require that all domestic concerns receiving requests for the furnishing of information or the signing of agreements as specified in that section must report this fact to the Secretary of Commerce for such action as he may deem appropriate to carry out the purposes of that section. In curtailing the exportation of any articles, materials, or supplies to effectuate the policy set forth in section 3(2)(A) of this Act, the President is authorized and directed to allocate a portion of export licenses on the basis of factors other than a prior history of exportation.

(2) The Secretary of Commerce, in cooperation with appropriate United States Government departments and agencies and the appropriate technical advisory committees established under section 5(c), shall undertake an investigation to determine which articles, materials, and supplies, including technical data and other information, should no longer be subject to export controls because of their significance to the national security of the United States. Notwithstanding the provisions of paragraph (1), the President shall remove unilateral export controls on the export from the United States of articles, materials, or supplies, including technical data or other information, which he determines are available without restriction from sources outside the United States in significant quantities and comparable in quality to those produced in the United States, except that any such control may remain in effect if the President determines that adequate evidence has been presented to him demonstrating that the absence of such a control would prove detrimental to the national security of the United States. The nature of such evidence shall be included in the special report required by paragraph (4).

(3) In conducting the investigation referred to in paragraph (2) and in taking the action required under such paragraph, the Secretary of Commerce shall give priority to those controls which apply to articles, materials, and supplies, including technical data and other information, for which there are significant potential export markets.

(4) Not later than nine months after the date of enactment of the Equal Export Opportunity Act, the Secretary of Commerce shall submit to the President and to the Congress a special report of actions taken under paragraphs (2) and (3). Such report shall contain—

(A) a list of any articles, materials, and supplies, including technical data and other information, which are subject under this Act to export controls greater than those imposed by nations with which the United

States has defense treaty commitments, and the reasons for such greater controls; and

(E) a list of any procedures applicable to export licensing in the United States which may be or are claimed to be more burdensome than similar procedures utilized in nations with which the United States has defense treaty commitments, and the reasons for retaining such procedures in their present form.

(c) (1) To effectuate the policy set forth in section 3(2)(A) of this Act, the Secretary of Commerce shall monitor exports, and contracts for exports, of any article, material, or supply (other than a commodity which is subject to the reporting requirements of section 812 of the Agricultural Act of 1970) when the volume of such exports in relation to domestic supply contributes, or may contribute, to an increase in domestic prices or a domestic shortage, and such price increase or shortage has, or may have, a serious adverse impact on the economy or any sector thereof. Information which the Secretary requires to be furnished in effecting such monitoring shall be confidential, except as provided in paragraph (2) of this subsection.

(2) The results of such monitoring shall, to the extent practicable, be aggregated and included in weekly reports setting forth, with respect to each article, material, or supply monitored, actual and anticipated exports, the destination by country, and the domestic and worldwide price, supply, and demand. Such reports may be made monthly if the Secretary determines that there is insufficient information to justify weekly reports.

(d) Nothing in this Act or the rules or regulations thereunder shall be construed to require authority or permission to export, except where required by the President to effect the policies set forth in section 3 of this Act.

(e) The President may delegate the power, authority, and discretion conferred upon him by this Act to such departments, agencies, or officials of the Government as he may deem appropriate.

(f) The authority conferred by this sec-

tion shall not be exercised with respect to any agricultural commodity, including fats and oils or animal hides or skins, without the approval of the Secretary of Agriculture. The Secretary of Agriculture shall not approve the exercise of such authority with respect to any such commodity during any period for which the supply of such commodity is determined by him to be in excess of the requirements of the domestic economy, except to the extent the President determines that such exercise of authority is required to effectuate the policies set forth in clause (B) or (C) of paragraph (2) of section 3 of this Act.

(g) Any export license application required by the exercise of authority under this Act to effectuate the policies of section 3(1)(B) or 3(2)(C) shall be approved or disapproved not later than 90 days after its submission. If additional time is required, the Secretary of Commerce or other official exercising authority under this Act shall inform the applicant of the circumstances requiring such additional time and give an estimate of when his decision will be made.

(h) (1) The Congress finds that the defense posture of the United States may be seriously compromised if the Nation's goods and technology are exported to a controlled country without an adequate and knowledgeable assessment being made to determine whether export of such goods and technology will significantly increase the military capability of such country. It is the purpose of this subsection to provide for such an assessment and to authorize the Secretary of Defense to review any proposed export of goods or technology to any such country and, whenever he determines that the export of such goods or technology will significantly increase the military capability of such country, to recommend to the President that such export be disapproved.

(2) Notwithstanding any other provision of law, the Secretary of Defense shall determine, in consultation with the export control office to which licensing requests are made, the types and categories of transactions

which should be reviewed by him to carry out the purpose of this subsection. Whenever a license or other authority is requested for the export of such goods or technology to any controlled country, the appropriate export control office or agency to whom such request is made shall notify the Secretary of Defense of such request, and such office may not issue any license or other authority pursuant to such request prior to the expiration of the period within which the President may disapprove such export. The Secretary of Defense shall carefully consider all notifications submitted to him pursuant to this subsection and, not later than 30 days after notification of the request shall—

(A) recommend to the President that he disapprove any request for the export of any goods or technology to any controlled country if he determines that the export of such goods or technology will significantly increase the military capability of such country;

(B) notify such office or agency that he will interpose no objection if appropriate conditions designed to achieve the purposes of this Act are imposed; or

(C) indicate that he does not intend to interpose an objection to the export of such goods or technology.

If the President notifies such office or agency, within 30 days after receiving a recommendation from the Secretary, that he disapproves such export, no license or other authorization may be issued for the export of such goods or technology to such country.

(3) Whenever the President exercises his authority under this subsection to modify or overrule a recommendation made by the Secretary of Defense pursuant to this section, the President shall submit to the Congress a statement indicating his decision together with the recommendation of the Secretary of Defense.

(4) As used in this subsection—

(A) the term 'goods or technology' means—

(i) machinery, equipment, capital goods, or computer software; or

(ii) any license or other arrangement for the use of any patent, trade secret, design, or plan with respect to any item described in clause (i);

(B) the term 'export control office' means any office or agency of the United States Government whose approval or permission is required pursuant to existing law for the export of goods or technology; and

(C) the term 'controlled country' means any Communist country as defined under section 620(f) of the Foreign Assistance Act of 1961.

(i) In imposing export controls to effectuate the policy stated in section 3(2)(A) of this Act, the President's authority shall include but not be limited to, the imposition of export license fees.

PROCEDURES FOR HARDSHIP RELIEF FROM EXPORT CONTROLS

SEC. 4A. (a) Any person who, in his domestic manufacturing process or other domestic business operation, utilizes a product produced abroad in whole or in part from a commodity historically obtained from the United States but which has been made subject to export controls, or any person who historically has exported such a commodity, may transmit a petition of hardship to the Secretary of Commerce requesting an exemption from such controls in order to alleviate any unique hardship resulting from the imposition of such controls. A petition under this section shall be in such form as the Secretary of Commerce shall prescribe and shall contain information demonstrating the need for the relief requested.

(b) Not later than 30 days after receipt of any petition under subsection (a), the Secretary of Commerce shall transmit a written decision to the petitioner granting or denying the requested relief. Such decision shall contain a statement setting forth the Secretary's basis for the grant or denial. Any exemption granted may be subject to

such conditions as the Secretary deems appropriate.

(c) For purposes of this section, the Secretary's decision with respect to the grant or denial of relief from unique hardship resulting directly or indirectly from the imposition of controls shall reflect the Secretary's consideration of such factors as—

(1) Whether denial would cause a unique hardship to the applicant which can be alleviated only by granting an exception to the applicable regulations. In determining whether relief shall be granted, the Secretary will take into account:

(A) ownership of material for which there is no practicable domestic market by virtue of the location or nature of the material;

(B) potential serious financial loss to the applicant if not granted an exception;

(C) inability to obtain, except through import, an item essential for domestic use which is produced abroad from the commodity under control;

(D) the extent to which denial would conflict, to the particular detriment of the applicant, with other national policies including those reflected in any international agreement to which the United States is a party;

(E) possible adverse effects on the economy (including unemployment) in any locality or region of the United States; and

(F) other relevant factors, including the applicant's lack of an exporting history during any base period that may be established with respect to export quotas for the particular commodity.

(2) The effect a finding in favor of the applicant would have on attainment of the basic objectives of the short supply control program.

In all cases, the desire to sell at higher prices and thereby obtain greater profits will not be considered as evidence of a unique hardship, nor will circumstances where the hard-

ship is due to imprudent acts or failure to act on the part of the appellant."

CONSULTATION AND STANDARDS

SEC. 5. (a) In determining what shall be controlled or monitored under this Act, and in determining the extent to which exports shall be limited, any department, agency, or official making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports. Such departments and agencies shall fully cooperate in rendering such advice and information. Consistent with considerations of national security, the President shall from time to time seek information and advice from various segments of private industry in connection with the making of these determinations. In addition, the Secretary of Commerce shall consult with the Federal Energy Administration to determine whether monitoring under section 4 of this Act is warranted with respect to exports of facilities, machinery, or equipment normally and principally used, or intended to be used, in the production, conversion, or transportation of fuels and energy (except nuclear energy), including but not limited to, drilling rigs, platforms, and equipment; petroleum refineries, natural gas processing, liquefaction, and gasification plants; facilities for production of synthetic natural gas or synthetic crude oil; oil and gas pipelines, pumping stations, and associated equipment; and vessels for transporting oil, gas, coal, and other fuels.

(b) (1) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provision shall be made for representative trade consultation to that end. In addition, there may be applied such other stand-

ards or criteria as may be deemed necessary by the head of such department, or agency, or official to carry out the policies of this Act.

(2) Upon imposing quantitative restrictions on exports of any article, material, or supply to carry out the policy stated in section 3(2)(A) of this Act, the Secretary of Commerce shall include in his notice published in the *Federal Register* an invitation to all interested parties to submit written comments within fifteen days from the date of publication of the impact of such restrictions and the method of licensing used to implement them.

(c) (1) Upon written request by representatives of a substantial segment of any industry which produces articles, materials and supplies, including technical data and other information, which are subject to export controls or are being considered for such controls because of their significance to the national security of the United States, the Secretary of Commerce shall appoint a technical advisory committee for any grouping of such articles, materials, and supplies, including technical data and other information, which he determines is difficult to evaluate because of questions concerning technical matters, worldwide availability and actual utilization of production and technology, or licensing procedures. Each such committee shall consist of representatives of United States industry and government, including the Departments of Commerce, Defense, and State, and, when appropriate, other Government departments and agencies. No person serving on any such committee who is representative of industry shall serve on such committee for more than two consecutive years.

(2) It shall be the duty and function of the technical advisory committees established under paragraph (1) to advise and assist the Secretary of Commerce and any other department, agency, or official of the Government of the United States to which the President has delegated power, authority, and discretion under section 4(d) with respect to actions designed to carry out the policy set

forth in section 3 of this Act. Such committees shall be consulted with respect to questions involving technical matters, worldwide availability and actual utilization of production and technology, and licensing procedures which may affect the level of export controls applicable to any articles, materials, or supplies, including technical data or other information, and including those whose export is subject to multilateral controls undertaken with nations with which the United States has defense treaty commitments, for which the committees have expertise. Such committees shall also be consulted and kept fully informed of progress with respect to the investigation required by section 4(b) (2) of this Act. Nothing in this subsection shall prevent the Secretary from consulting, at any time, with any person representing industry or the general public regardless of whether such person is a member of a technical advisory committee. Members of the public shall be given a reasonable opportunity, pursuant to regulations prescribed by the Secretary of Commerce, to present evidence to such committees.

(3) Upon request of any member of any such committee, the Secretary may, if he determines it appropriate, reimburse such member for travel, subsistence, and other necessary expenses incurred by him in connection with his duties as a member.

(4) Each such committee shall elect a chairman, and shall meet at least every three months at the call of the Chairman, unless the Chairman determines, in consultation with the other members of the committee, that such a meeting is not necessary to achieve the purposes of this Act. Each such committee shall be terminated after a period of two years, unless extended by the Secretary for additional periods of two years. The Secretary shall consult each such committee with regard to such termination or extension of that committee.

(5) To facilitate the work of the technical advisory committees, the Secretary of Commerce, in conjunction with other depart-

ments and agencies participating in the administration of this Act, shall disclose to each such committee adequate information, consistent with national security, pertaining to the reasons for the export controls which are in effect or contemplated for the grouping of articles, materials, and supplies with respect to which that committee furnishes advice.

VIOLATIONS

SEC. 6. (a) Except as provided in subsection (b) of this section, whoever knowingly violates any provision of this Act or any regulation, order, or license issued thereunder shall be fined not more than \$10,000 or imprisoned not more than one year, or both. For a second or subsequent offense, the offender shall be fined not more than three times the value of the exports involved or \$20,000, whichever is greater, or imprisoned not more than five years, or both.

(b) Whoever willfully exports anything contrary to any provision of this Act or any regulation, order, or license issued thereunder, with knowledge that such exports will be used for the benefit of any Communist-dominated nation, shall be fined not more than five times the value of the exports involved or \$20,000, whichever is greater, or imprisoned not more than five years, or both.

(c) The head of any department or agency exercising any functions under this Act, or any officer or employee of such department or agency specifically designated by the head thereof, may impose a civil penalty not to exceed \$1,000 for each violation of this Act or any regulation, order, or license issued under this Act, either in addition to or in lieu of any other liability or penalty which may be imposed.

(d) The payment of any penalty imposed pursuant to subsection (c) may be made a condition, for a period not exceeding one year after the imposition of such penalty, to the granting, restoration, or continuing validity of any export license, permission, or privilege

granted or to be granted to the person upon whom such penalty is imposed.

(e) Any amount paid in satisfaction of any penalty imposed pursuant to subsection (c) shall be covered into the Treasury as a miscellaneous receipt. The head of the department or agency concerned may, in his discretion, refund any such penalty, within two years after payment, on the ground of a material error of fact or law in the imposition. Notwithstanding section 1346(a) of title 28 of the U.S. Code, no action for the refund of any such penalty may be maintained in any court.

(f) In the event of the failure of any person to pay a penalty imposed pursuant to subsection (c), a civil action for the recovery thereof may, in the discretion of the head of the department or agency concerned, be brought in the name of the United States. In any such action, the court shall determine de novo all issues necessary to the establishment of liability. Except as provided in this subsection and in subsection (d), no such liability shall be asserted, claimed, or recovered upon by the United States in any way unless it has previously been reduced to judgment.

(g) Nothing in subsection (c), (d), or (f) limits

(1) the availability of other administrative or judicial remedies with respect to violations of this Act, or any regulation, order, or license issued under this Act;

(2) the authority to compromise and settle administrative proceedings brought with respect to violations of this Act, or any regulation, order, or license issued under this Act; or

(3) the authority to compromise, remit or mitigate seizures and forfeitures pursuant to section 1(b) of title VI of the Act of June 15, 1917 (22 U.S.C. 401(b)).

ENFORCEMENT

SEC. 7. (a) To the extent necessary or appropriate to the enforcement of this Act or

to the imposition of any penalty, forfeiture, or liability arising under the Export Control Act of 1949, the head of any department or agency exercising any function thereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpoena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in the case of contumacy by, or refusal to obey a subpoena issued to, any such person, the district court of the United States for any district in which such person is found or resides or transacts business, upon application, and after notice to any such person and hearing, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443; 49 U.S.C. 46) shall apply with respect to any individual who specifically claims such privilege.

(c) No department, agency, or official exercising any functions under this Act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless the head of such department or agency determines

that the withholding thereof is contrary to the national interest.

(d) In the administration of this Act, reporting requirements shall be so designed as to reduce the cost of reporting, recordkeeping, and export documentation required under this Act to the extent feasible consistent with effective enforcement and compilation of useful trade statistics. Reporting, recordkeeping, and export documentation requirements shall be periodically reviewed and revised in the light of developments in the field of information technology. A detailed statement with respect to any action taken in compliance with this subsection shall be included in the first quarterly report made pursuant to section 10 after such action is taken.

EXEMPTION FROM CERTAIN PROVISIONS RELATING TO ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

SEC. 8. The functions exercised under this Act are excluded from the operation of sections 551, 553-559, and 701-706, of title 5 U.S. Code.

INFORMATION TO EXPORTERS

SEC. 9. In order to enable U.S. exporters to coordinate their business activities with the export control policies of the U.S. Government, the agencies, departments, and officials responsible for implementing the rules and regulations authorized under this Act, shall, if requested, and insofar as it is consistent with the national security, the foreign policy of the United States, the effective administration of this Act, and requirements of confidentiality contained in this Act—

(1) inform each exporter of the considerations which may cause his export license request to be denied or to be the subject of lengthy examination;

(2) in the event of undue delay, inform each exporter of the circumstances arising

during the Government's consideration of his export license application which are cause for denial or for further examination;

(3) give each exporter the opportunity to present evidence and information which he believes will help the agencies, departments, and officials concerned to resolve any problems or questions which are, or may be, connected with his request for a license; and

(4) inform each exporter of the reasons for a denial of an export license request.

QUARTERLY REPORT

SEC. 10 (a) The head of any department or agency, or other official exercising any functions under this Act, shall make a semiannual report to the President and to the Congress of his operations hereunder.

(b) (1) The quarterly report required for the first quarter of 1975 and every second report thereafter shall include summaries of the information contained in the reports required by section 4(c) (2) of this Act, together with an analysis by the Secretary of Commerce of (A) the impact on the economy and world trade of shortages or increased prices for articles, materials, or supplies subject to monitoring under this Act, (B) the worldwide supply of such articles, materials, and supplies, and (C) actions taken by other nations in response to such shortages or increased prices.

(2) Each such quarterly report shall also contain an analysis by the Secretary of Commerce of (A) the impact on the economy and world trade of shortages or increased prices for commodities subject to the reporting requirements of section 812 of the Agricultural Act of 1970, (B) the worldwide supply of such commodities, and (C) actions being taken by other nations in response to such shortages or increased prices. The Secretary of Agriculture shall fully cooperate with the Secretary of Commerce in providing all information required by the Secretary of Commerce in making such analysis.

DEFINITION

SEC. 11. The term "person" as used in this Act includes the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof.

EFFECTS ON OTHER ACTS

SEC. 12. (a) The Act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tinplate scrap, is hereby superseded; but nothing contained in this Act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

(b) The authority granted to the President under this Act shall be exercised in such manner as to achieve effective coordination with the authority exercised under section 414 of the Mutual Security Act of 1954 (22 U.S.C. 1934).

EFFECTIVE DATE

SEC. 13. (a) This Act takes effect upon the expiration of the Export Control Act of 1949.

(b) All outstanding delegations, rules, regulations, orders, licenses, or other forms of administrative action under the Export Control Act of 1949 or section 6 of the Act of July 2, 1940 (54 Stat. 714), shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act.

TERMINATION DATE

SEC. 14. The authority granted by this Act terminates on September 30, 1976, or upon any prior date which the Congress by concurrent resolution or the President by proclamation may designate.

Appendix B. Commodity Control List (sample page)

Department of Commerce Export Control Commodity Number and Commodity Description	Unit	Processing Number	Validated Licenses Required for Country Groups Shown Below	GLV & Value Limits for Shipment to Country Groups			Special Provisions List
				T	V	Q	
71980(20)A Vacuum metallizing machinery spe- cially designed for the continuous strip roll coating with metallized sheathing of synthetic film for dielectric use in the manufacture of capacitors listed under No. 7299 if such number is followed by the code letter "A" which is capable of being used with any of the following devices, whether or not equipped with such devices: (a) cutting devices for slitting the film into strips suitable for capacitors, (b) shadow masks or similar devices to achieve uncoated strips, (c) controls for the automatic correction of the coating process, and (d) special devices to burn out the metal deposit on pinholes to prevent electrical faults in the capacitors; and specially designed parts and accessories, n.e.c.	.....	411	QSTVWYZ	500	500	0	
71980(21)A Rocket launching ramps, towers, and associated equipment for meteorological rockets; and specially designed parts, n.e.c.	.....	411	QSTVWYZ	500	500	0	
71980(22)G Commodities listed in § 399.2, Inter- pretation 29.	.....	418	SZ	—	—	—	
71980(22a)B Nuclear reactor fuel fabrication ma- chinery and equipment, n.e.c.; and specially de- signed parts and accessories, n.e.c. (Also see § 378.5 for special provisions.)	.....	412	QSTVWYZ	0	0	0	R
71980(23)J Commodities not listed above, classi- fied under Schedule B Nos. 719.8006 through 719.8095. (Specify by name.) (Also specify 7-digit Schedule B No.)	.....	418	QSWYZ	—	—	1,000	
7199(1)A Molding boxes and molds for artillery molding or casting.	No.	421	QSTVWYZ	500	0	0	
7199(2)A Pipe valves specially designed for nu- clear reactors; and specially designed parts. (Also see § 378.5 for special provisions)	Lb.	401	QSTVWYZ	100	100	0	
7199(3)A Valves, 1 inch or more in diameter, fitted with bellows seal, and wholly made of or lined with aluminum, nickel, or alloys containing 60 percent or more nickel; and specially designed parts, n.e.c. (Give full specifications.)	Lb.	411	QSTVWYZ	100	100	0	
7199(4)A Valves, cocks, or pressure regulators (a) specially designed to operate at temperatures below minus 64° F. (minus 220° C.), or (b) with all flow contact surfaces made of or lined with 90 percent or more tantalum, titanium, or zirconium, either separately or combined, except materials containing more than 97 percent and less than 99.7 percent titanium, and specially designed parts, n.e.c. (Give full specifications.)	Lb.	411	QSTVWYZ	500	500	0	
7199(5)A Gaskets (joints) made of polymeric sub- stances as defined in § 399.2, Interpretation 18(a). (Specify name and value of substances and total value of other materials.)	.....	221	QSTVWYZ	100	100	0	P-3
7199(5a)B Gaskets (joints) made of thermally stable polymeric substances as defined in § 399.2, Interpretation 18(b). (Specify name and value of substances and total value of other materials.)	.....	222	QSTVWYZ	100	100	0	
7199(6)G Commodities not listed above, classified under Schedule B Nos. 719.9120 through 719.9900. (Specify by name.) (Also specify 7-digit Schedule B No.)	.....	218	SZ	—	—	—	

Appendix C. Country Groups

Country Group Q

Romania

Country Group S

Southern Rhodesia

Country Group T

North America

Northern Area :

Greenland

Miquelon and St. Pierre Islands

Southern Area :

Mexico (including Cozumel and Revilla
Gigedo Islands)

Central America :

British Honduras

Costa Rica

El Salvador

Guatemala

Honduras (including the Bay Islands)

Nicaragua

Panama, Republic of

Bermuda and Caribbean Area :

Bahamas

Barbados

Bermuda

Dominican Republic

French West Indies

Haiti (including Gonave and Tortuga
Islands)

Jamaica

Leeward and Windward Islands

Netherlands Antilles (formerly Curacao,
N.W.I.)

Trinidad and Tobago

South America

Northern Area :

Colombia

French Guiana (including Inini)

Guyana (formerly British Guiana)

Surinam (Netherlands Guiana)

Venezuela

Western Area :

Bolivia

Chile (including the islands Sala-y-Gomez,
Juan Fernandes, San Felix, San Ambro-
sio and Easter Isl..nd)

Ecuador (including the Galapagos
Islands)

Peru

Eastern Area :

Argentina

Brazil (including the islands St. Paul,
Fernando Noronha, and Trinidad (in
South Atlantic))

Falkland Islands

Paraguay

Uruguay

Country Group V

All countries not included in any other coun-
try group (except Canada).

Country Group W

Poland

Country Group Y

Albania

Bulgaria

Czechoslovakia

Estonia

German Democratic Republic (including
East Berlin)

Hungary

Laos

Latvia

Lithuania

Outer Mongolia

People's Republic of China (excluding Re-
public of China (Taiwan) (Formosa))

Union of Soviet Socialist Republics

Country Group Z

North Korea

North Vietnam

South Vietnam

Cambodia

Cuba

Appendix D. Office of Export Administration;
Organization and Functions

.01 The *Office of the Director* includes: The *Director* who shall plan and direct the formulation and execution of policies and programs of the Office in implementation of the Export Administration Act of 1969, as amended; the *Deputy Director* who shall assist in the direction of the Office and perform the functions of the Director in his absence; and the *Operating Committee (OC) Chairman*, who shall direct the OC, the Commerce Department's interagency senior staff level working committee through which information, advice and policy positions from other departments and agencies concerned with controls over exports are sought and obtained by the Department. The OC is an integral part of the interagency committee structure addressing policy issues associated with export controls and includes the *Advisory Committee on Export Policy (ACEP)*—at the Assistant Secretary level) and the *Export Administration Review Board (EARB)*—at the Cabinet level). The Office of the Deputy Assistant Secretary for East-West Trade is responsible for providing the Executive Secretary function to the ACEP and the EARB. The Chairman of the OC shall serve in this capacity. The Director or his designees shall administer and, in conjunction with the Department's Office of the General Counsel, enforce the export control regulations and programs required to carry out Departmental responsibilities under the Export Administration Act of 1969, as amended. The Office shall represent the Department on committees dealing with East-West exchanges. The Director shall supervise and direct the following organizational components:

.02 The *Policy Planning Division* shall develop recommendations for export control policies to be applied to specific countries and commodities and technical data; recommend the disposition of certain license applications which present special policy or security problems; represent the Department on certain committees and working groups of the Department of State's Economic Defense Advisory Committee (EDAC) and coordinate Department policies and programs concerning United States and international export controls and U.S. economic defense; and represent the Department on national security and foreign policy matters involving export controls before the Operating Committee of the Advisory Committee on Export Policy (ACEP).

.03 The *Operations Division* shall process license applications; develop internal operating procedures; conduct public contact activities; issue U.S. import certificates; prepare analytical and statistical reports on export control activities; develop and publish export control regulations and procedures as well as instructions for Foreign Service Officers; provide staff support to the Export Administrator. Technical

Advisory Committees; carry out Bureau emergency readiness and planning functions; collect and disseminate statistics on requests made to U.S. exporters to cooperate in restrictive trade practices or boycotts; and prepare the semi-annual report of the Secretary of Commerce on Export Administration to the President and the Congress, and prepare all other OEA publications and reports.

.04 The *Compliance Division* shall ensure compliance with the export administration regulations, develop intelligence information regarding areas of possible export administration violations, investigate suspected violations, and prepare cases on violations for referral to the Hearing Commissioner through the Office of the General Counsel or to the Office of the General Counsel for other legal guidance or action; promote compliance with export administration clearance regulations; develop and coordinate methods and systems to reduce paperwork and simplify export documentation and clearance procedures; and maintain liaison with the Bureau of Customs, U.S. Postal Service, and other Government and private organizations on export administration compliance and facilitation matters.

.05 The *Short Supply Division* shall administer short supply commodity control programs and monitor exports and contracts for exports when commodities are in present or potential short supply or likely to have an inflationary impact. In addition, the division shall coordinate the preparation of weekly and/or monthly reports of monitoring results, and the analysis of short supply activities in the semi-annual report to the Congress. Further, the division shall be responsible for the advance planning and proper programming necessary for a continued smooth and effective implementation of current and new short supply programs including monitoring activities. This division also has clearance responsibility within DIBA for all short supply activities.

.06 The licensing divisions as stated below:

Computer Division, Capital Goods and Production Materials Division, Electronic Equipment Division

Each of these divisions shall for the products and related technical data under its jurisdiction, administer controls over exports in accordance with the Export Administration Act, as amended, and the policies and procedures established by the Office of Export Administration: determine and take appropriate action on export license applications; conduct technical analyses of products and technical data including potential end-use applications, to determine and recommend the extent of controls to be applied; and render assistance to industry and other Government agencies on export administration problems within its jurisdiction."

Appendix E. Export Licenses Approved and Reexports Authorized (sample issue)



Export Licenses Approved and Reexports Authorized

U.S. DEPARTMENT OF COMMERCE/Domestic and International Business Administration
Bureau of East West Trade Office of Export Administration

April 16, 1976

EXPORT LICENSES APPROVED

COMMODITY DESCRIPTION	TOTAL DOLLAR VALUE	COUNTRY OF DESTINATION
ELECTRONIC COMPUTING EQUIPMENT	25,281	ARGENTINA
ELECTRONIC COMPUTING EQUIPMENT	58,788	BRAZIL
MAGNETIC TAPE	2,680	BRAZIL
MAGNETIC RECORDERS AND PARTS	34,380	BRAZIL
ELECTRONIC COMPUTING EQUIPMENT	4,492	BRAZIL
TRANSISTORS	187,500	CANADA
PETROLEUM AND PETROLEUM PRODUCTS	1,978,881	CANADA
ELECTRONIC COMPUTING EQUIPMENT	36,438	CHILE
ELECTRONIC COMPUTING EQUIPMENT	45,000	COLUMBIA
ELECTRONIC COMPUTING EQUIPMENT	809,880	COLUMBIA
FLEETING AIRCRAFT	4,850,800	COLUMBIA
PETROLEUM AND PETROLEUM PRODUCTS	1,074	GUATEMALA
MAGNETIC RECORDERS AND PARTS	1,048	JAMAICA
PETROLEUM AND PETROLEUM PRODUCTS	11,448	MEXICO
COMMUNICATIONS EQUIPMENT	78,880	MEXICO
COMMUNICATIONS EQUIPMENT	79,000	MEXICO
PETROLEUM AND PETROLEUM PRODUCTS	436,340	MEXICO
TESTING EQUIPMENT	129,074	MEXICO
INTEGRATED CIRCUITS	129,074	MEXICO
TRANSISTORS	129,074	MEXICO
SEMICONDUCTOR MFG. EQUIPMENT	129,074	MEXICO
SEMICONDUCTOR MANUFACTURING EQUIP. (CENTRIFUGES)	129,074	MEXICO
RADIO SPECTRUM ANALYZERS	13,530	TRINIDAD
ELECTRONIC COMPUTING EQUIPMENT	13,530	TRINIDAD
UNDERWATER DETECTION EQUIPMENT	73,000	VENUEZUELA
ELECTRONIC COMPUTING EQUIPMENT	83,500	ALGERIA
LUBRICANTS	900	AUSTRIA
OPTICAL ELEMENTS	122,400	AUSTRIA
ELECTRONIC COMPUTING EQUIPMENT	218,900	AUSTRIA
ELECTRONIC COMPUTING EQUIPMENT	700,000	AUSTRIA
ELECTRONIC COMPUTING EQUIPMENT	25,000	AUSTRIA
ELECTRONIC TEST EQUIPMENT	841,700	AUSTRIA
ELECTRONIC COMPUTING EQUIPMENT	14,000	AUSTRIA
ELECTRONIC COMPUTING EQUIPMENT	7,800	AUSTRIA
ELECTRONIC COMPUTING EQUIPMENT	11,847	AUSTRIA
ELECTRONIC COMPUTING EQUIPMENT	21,000	AUSTRIA
ELECTRONIC COMPUTING EQUIPMENT	80,400	AUSTRIA
PHOTOGRAPHIC FILM AND PLATES	2,903	AUSTRIA
RESINS AND PLASTICS	8,200	BELGIUM
COMMUNICATIONS EQUIPMENT	4,108	BELGIUM
COMMUNICATIONS EQUIPMENT	1,033	BELGIUM
ELECTRONIC COMPUTING EQUIPMENT	200,000	BELGIUM
MAGNETIC TAPE	80,000	BELGIUM
ELECTRONIC COMPUTING EQUIPMENT	28,700,000	BELGIUM
LUBRICANTS	48	GERMANY
BATTERIES	11,300	GERMANY
ELECTRONIC COMPUTING EQUIPMENT	11,123	FED REP OF GERMANY
INTEGRATED CIRCUITS	11,425	FED REP OF GERMANY
ELECTRONIC COMPUTING EQUIPMENT	1,347	FED REP OF GERMANY
PHOTOGRAPHIC FILM	8,458	FED REP OF GERMANY
ELECTRONIC COMPUTING EQUIPMENT	1,700	FED REP OF GERMANY
MAGNETIC TAPE	8,700	FED REP OF GERMANY
ELECTRONIC TEST INSTRUMENTS	8,700	FED REP OF GERMANY
ELECTRONIC COMPUTING EQUIPMENT	250,000	FED REP OF GERMANY
ELECTRON TEST INSTRUMENTS	3,000	FED REP OF GERMANY
ELECTRON TUBES	28,000	FED REP OF GERMANY
RECORDING EQUIPMENT	60,000	FED REP OF GERMANY
FLEETING AIRCRAFT	48,901	FED REP OF GERMANY
TESTING EQUIPMENT	1,787	FED REP OF GERMANY
COMMUNICATIONS EQUIPMENT	7,700	FED REP OF GERMANY
ELECTRONIC COMPUTING EQUIPMENT	4,900	FED REP OF GERMANY
ELECTRONIC COMPUTING EQUIPMENT	2,931	FED REP OF GERMANY
ELECTRONIC PARTS	11,573	FED REP OF GERMANY
PHOTOGRAPHIC FILM	1,885	FED REP OF GERMANY
SEMICONDUCTOR MFG. EQUIPMENT	14,000	FED REP OF GERMANY
SEMICONDUCTOR MFG. EQUIPMENT	14,000	FED REP OF GERMANY
SEMICONDUCTOR MFG. EQUIPMENT	1,810	FED REP OF GERMANY
ELECTRONIC COMPUTING EQUIPMENT	3,190	FINLAND
ELECTRONIC TEST INSTRUMENTS	215,000	FRANCE
PARTS AND ACCESSORIES NEC	13,775	FRANCE
TRANSISTORS	2,400	FRANCE
PHOTOGRAPHIC FILM	126,400	FRANCE
PHOTOGRAPHIC FILM AND PLATES	10,000	FRANCE
MAGNETIC TAPE	10,000	FRANCE
ELECTRONIC COMPUTING EQUIPMENT	8,400	FRANCE
ELECTRONIC COMPUTING EQUIPMENT	8,400	FRANCE
ELECTRONIC COMPUTING EQUIPMENT	300,000	FRANCE
ELECTRONIC COMPUTING EQUIPMENT	300,000	FRANCE

EXPORT LICENSES APPROVED

Page 1 of 2

COMMODITY DESCRIPTION	TOTAL DOLLAR VALUE	COUNTRY OF DESTINATION
NUMEROUS METALS	5	INDIA
ELECTRONIC COMPUTING EQUIPMENT	10,000	INDIA
ELECTRONIC COMPUTING EQUIPMENT	61,000	INDIA
NUMEROUS METALS	6,787	INDIA
OPTICAL ELEMENTS	2,000	INDIA
ELECTRONIC COMPUTING EQUIPMENT	20,155	INDIA
UNDERWATER DETECTION EQUIPMENT	70,880	INDIA
TRANSISTORS	13,448	INDIA
METALWORKING MACHINE TOOLS	6,817	INDIA
MAGNETIC TAPE	2,100	INDIA
ELECTRONIC COMPUTING EQUIPMENT	2,100	INDIA
BATTERIES	80	INDIA
INTEGRATED CIRCUITS	14,100	INDIA
INTEGRATED CIRCUITS	1,863	INDIA
MAGNETIC RECORDERS AND PARTS	25,748	INDIA
INTEGRATED CIRCUITS	58,600	INDIA
VALVES	6,900	INDIA
COMMUNICATIONS EQUIPMENT	122	INDIA
INTEGRATED CIRCUITS	2,475	INDIA
TRANSISTORS	5,150	INDIA
RECORDERS	8,000	INDIA
SYNCHROS AND RESOLVERS	1,000	INDIA
QUARTZ CRYSTALS	3,000	INDIA
PHOTOGRAPHIC FILM	1,250	INDIA
COMMUNICATIONS EQUIPMENT	112	INDIA
COMMUNICATIONS EQUIPMENT	8,000	INDIA
COMPASS/GYROSCOPE EQUIPMENT	4	ITALY
BATTERIES	4,000	ITALY
TRANSISTORS	4,450	ITALY
ELECTRONIC COMPUTING EQUIPMENT	1,000	ITALY
MAGNETIC RECORDERS AND PARTS	1,000	ITALY
ELECTRIC FURNACES	1,418	ITALY
ELECTRONIC COMPUTING EQUIPMENT	2,000	ITALY
COMMUNICATIONS EQUIPMENT	9,270	ITALY
ELECTRONIC COMPUTING EQUIPMENT	6,218	ITALY
TRANSISTORS	17,420	ITALY
ELECTRONIC COMPUTING EQUIPMENT	2,900	ITALY
ELECTRONIC TEST EQUIPMENT	7,000	ITALY
RESINS AND PLASTICS	22,110	ITALY
ELECTRONIC COMPUTING EQUIPMENT	4,800	ITALY
TRANSISTORS	1,950	JAPAN
ELECTRONIC TEST INSTRUMENTS	4,000	JAPAN
CELLARS	4,000	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	10,700	JAPAN
INTEGRATED CIRCUITS	17,200	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	135,500	JAPAN
ELECTRONIC TOOLS	1,862	JAPAN
PARTS AND ACCESSORIES NEC	10,000	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	1,000	JAPAN
MAGNETIC RECORDERS AND PARTS	28,456	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	4,100	JAPAN
PHOTOGRAPHIC FILM AND PLATES	19,755	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	55,001	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	6,000	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	25,000	JAPAN
OPTIC/OPTICS	35,001	JAPAN
RESINS AND PLASTICS	1,073	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	7,135	JAPAN
ELECTRONIC CAPACITORS	2,010	JAPAN
INTEGRATED CIRCUITS	20,500	JAPAN
PARTS AND ACCESSORIES NEC	2,000	JAPAN
SEMICONDUCTOR MFG. EQUIPMENT	475,000	JAPAN
SEMICONDUCTOR MFG. EQUIPMENT	1,670	JAPAN
SEMICONDUCTOR MANUFACTURING EQUIP.	5,800	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	58,700	JAPAN
ELECTRONIC PARTS	1,000	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	4,500	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	5,476	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	9,500	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	6,312	JAPAN
ELECTRONIC COMPUTING EQUIPMENT	750,000	JAPAN
AIRCRAFT PARTS AND ACCESS NEC	8,035	KENYA
ELECTRONIC COMPUTING EQUIPMENT	2,000	NETHERLANDS
ELECTRONIC COMPUTING EQUIPMENT	7,000	NETHERLANDS
ELECTRONIC COMPUTING EQUIPMENT	400,000	NETHERLANDS
ELECTRONIC COMPUTING EQUIPMENT	186,700	NETHERLANDS
ELECTRONIC COMPUTING EQUIPMENT	24,700	NETHERLANDS
OPTIC/OPTICS	2,191	NETHERLANDS
RADIO SPECTRUM ANALYZERS	1,070	NETHERLANDS
ELECTRONIC COMPUTING EQUIPMENT	1,000	NETHERLANDS
SEMICONDUCTOR MFG. EQUIPMENT	136,000	NETHERLANDS
ELECTRONIC COMPUTING EQUIPMENT	11,025	NETHERLANDS

REPORT LICENSES APPROVED April 16, 1976			
COMMODITY DESCRIPTION	UNIT VALUE	COUNTRY OF ORIGIN	NUMBER OF REPORTS
CAMERAS	2,988	NETHERLANDS	
COMMUNICATIONS EQUIPMENT	5,192	ORAN	
LUBRICANTS	1	PAKISTAN	
AIRCRAFT PARTS AND ACCESS REC	25,000	PHILIPPINES	
AIRCRAFT PARTS AND ACCESS REC	18,000	PHILIPPINES	
PHOTOGRAPHIC FILM	147	PORTUGAL	
PHOTOGRAPHIC FILM	342	PORTUGAL	
ELECTRONIC COMPUTING EQUIPMENT	188,000	SINGAPORE	
MAGNETIC TAPE	148,000	SINGAPORE	
ELECTRON TUBES	870	SINGAPORE	
AIRCRAFT ENGINES	248,000	SINGAPORE	
AIRCRAFT PARTS AND ACCESS REC	353,000	SINGAPORE	
AIRCRAFT ENGINES	148,000	SINGAPORE	
FIELD-WIND AIRCRAFT	1,018	SOMALIA	
PHOTOGRAPHIC FILM	1,274	SOUTH AFRICA	
PARTS AND ACCESSORIES REC	148	SOUTH AFRICA	
PHOTOGRAPHIC FILM	114	SOUTH AFRICA	
INSPECTION MACHINES	19,334	SOUTH AFRICA	
ELECTRONIC COMPUTING EQUIPMENT	01,199	SOUTH AFRICA	
ENVIRONMENTAL CHAMBERS	44,550	SOUTH AFRICA	
ELECTRONIC COMPUTING EQUIPMENT	122,150	SOUTH AFRICA	
PETROLEUM AND PETROLEUM PRODUCTS	336,000	SPAIN	
COMMUNICATIONS EQUIPMENT	45,000	SPAIN	
COMMUNICATIONS EQUIPMENT	37,000	SPAIN	
ELECTRONIC COMPUTING EQUIPMENT	71,642	SPAIN	
ELECTRONIC COMPUTING EQUIPMENT	874,758	SPAIN	
ELECTRONIC COMPUTING EQUIPMENT	105,000	SWEDEN	
ELECTRONIC COMPUTING EQUIPMENT	1,280,400	SWEDEN	
ELECTRONIC COMPUTING EQUIPMENT	1,000,000	SWEDEN	
OPTICAL ELEMENTS	21,878	SWEDEN	
ELECTRONIC COMPUTING EQUIPMENT	2,837	SWEDEN	
ELECTRONIC COMPUTING EQUIPMENT	1,000,000	SWEDEN	
INTEGRATED CIRCUITS	2,027	SWEDEN	
ELECTRONIC COMPUTING EQUIPMENT	2,027	SWEDEN	
ELECTRONIC COMPUTING EQUIPMENT	1,808,000	SWEDEN	
ELECTRONIC COMPUTING EQUIPMENT	6,941	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	28,000	SWITZERLAND	
ELECTRONIC CAPACITORS	1,700	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	1,000	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	2,000	SWITZERLAND	
INTEGRATED CIRCUITS	1,875	SWITZERLAND	
INTEGRATED CIRCUITS	501	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	7,510	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	5,124	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	37,511	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	15,025	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	28,071	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	25,855	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	28,000	SWITZERLAND	
PHOTOGRAPHIC FILM AND PLATES	252,000	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	24,400	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	31,421	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	36,241	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	39,771	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	36,281	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	23,800	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	17,531	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	11,281	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	13,781	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	41,781	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	43,781	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	31,078	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	38,281	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	48,385	SWITZERLAND	
ELECTRONIC COMPUTING EQUIPMENT	2,500	SWITZERLAND	
MAGNETIC RECORDERS AND PARTS	28,000	SWITZERLAND	
MAGNETIC RECORDERS AND PARTS	7,954	TAIWAN	
SEMICONDUCTOR MFG. EQUIPMENT	187	TAIWAN	
ELECTRONIC COMPUTING EQUIPMENT	6,133	TAIWAN	
LUBRICANTS	211,34	TAIWAN	
MAGNETIC RECORDERS AND PARTS	24,670	TAIWAN	
ELECTRONIC TEST INSTRUMENTS	11,800	TAIWAN	
ELECTRONIC COMPUTING EQUIPMENT	20,000	TAIWAN	
TRANSISTORS	8,870	TAIWAN	
ELECTRONIC COMPUTING EQUIPMENT	17,721	TAIWAN	
BATTERIES	4	THAILAND	
ELECTRONIC COMPUTING EQUIPMENT	42,105	TURKEY	
CAMERAS	1,000	UNITED KINGDOM	
MAGNETIC RECORDERS AND PARTS	30,200,000	UNITED KINGDOM	
ELECTRONIC COMPUTING EQUIPMENT	40,308	UNITED KINGDOM	
ELECTRONIC COMPUTING EQUIPMENT	37,000	UNITED KINGDOM	
ELECTRONIC COMPUTING EQUIPMENT	13,847	UNITED KINGDOM	
LUBRICANTS	1,400	UNITED KINGDOM	
ELECTRIC FURNACES	50,000	UNITED KINGDOM	
NUCLEAR REACTOR PARTS	500,000	UNITED KINGDOM	
AIRCRAFT PARTS & ACCESSORIES	1,000,000	UNITED KINGDOM	
ELECTRONIC COMPUTING EQUIPMENT	580,000	UNITED KINGDOM	
ELECTRONIC COMPUTING EQUIPMENT	180,000	UNITED KINGDOM	
ELECTRONIC COMPUTING EQUIPMENT	20,000	UNITED KINGDOM	
MAGNETIC TAPE	2,873	UNITED KINGDOM	
ELECTRONIC COMPUTING EQUIPMENT	10,000	UNITED KINGDOM	
SEMICONDUCTOR MFG. EQUIPMENT	12,875	UNITED KINGDOM	
BATTERIES	10	UNITED KINGDOM	
ELECTRONIC COMPUTING EQUIPMENT	4,000	UNITED KINGDOM	
TESTING EQUIPMENT	8,134	UNITED KINGDOM	
ELECTRONIC COMPUTING EQUIPMENT	10,000	UNITED KINGDOM	
INORGANIC CHEMICALS	1,271	UNITED KINGDOM	
ELECTRONIC COMPUTING EQUIPMENT	249,000	UNITED KINGDOM	
MAGNETIC TAPE	70	UNITED KINGDOM	

REPORT LICENSES APPROVED April 16, 1976			
COMMODITY DESCRIPTION	UNIT VALUE	COUNTRY OF ORIGIN	NUMBER OF REPORTS
ELECTRONIC COMPUTING EQUIPMENT	2,783	UNITED KINGDOM	
ELECTRONIC COMPUTING EQUIPMENT	18,000,000	UNITED KINGDOM	
PARTS AND ACCESSORIES REC	2,478	UNITED KINGDOM	
ELECTRONIC COMPUTING EQUIPMENT	336,245	WEST GERMANY	
TECHNICAL DATA - UNKNOWN VALUE		ROMANIA	
DESIGN & ENGINEERING		ROMANIA	
TECHNICAL DATA - UNKNOWN VALUE		ROMANIA	
DESIGN & ENGINEERING		ROMANIA	
TECHNICAL DATA - UNKNOWN VALUE		ROMANIA	
DESIGN & ENGINEERING		ROMANIA	
TECHNICAL DATA - UNKNOWN VALUE		ROMANIA	
DESIGN & ENGINEERING		ROMANIA	
CHEMICAL PREPARATIONS (TESTING)		PRC	
AIRCRAFT ENGINES		PRC	
REPAIR OF NONMILITARY AIRCRAFT		PRC	
REPORT LICENSES APPROVED 04/16/76			
ELECTRONIC COMPUTING EQUIPMENT	5	4,250	BELGIUM FROM SWITZERLAND
ELECTRONIC COMPUTING EQUIPMENT	3,810		BELGIUM / SWITZERLAND
ELECTRONIC COMPUTING EQUIPMENT	1,885		FRANCE / SWITZERLAND
ELECTRONIC COMPUTING EQUIPMENT	12,725		SAUDI ARABIA / SWITZERLAND
ELECTRONIC COMPUTING EQUIPMENT	1,200		SAUDI ARABIA / SWITZERLAND
MAGNETIC TAPE	424		SWITZERLAND FROM HONG KONG
ELECTRONIC COMPUTING EQUIPMENT	4,138		SWITZERLAND FROM HONG KONG
ELECTRONIC COMPUTING EQUIPMENT	5,371		SWITZERLAND FROM HONG KONG
MAGNETIC RECORDERS AND PARTS	7,260		SWITZERLAND FROM HONG KONG
ORGANIC CHEMICALS RESEARCH	1	61	UNITED KINGDOM
ORGANIC CHEMICALS RESEARCH	1	57	POLAND
ORGANIC CHEMICALS RESEARCH	1	53	POLAND
ORGANIC CHEMICALS RESEARCH	1	10	POLAND
ELECTRONIC COMPUTING EQUIPMENT (TEMPORARY CONTROL)	1	18,400	UNITED KINGDOM
LASERS	1	44,000	FED REP OF GERMANY
LASER PARTS	1		UNITED KINGDOM
LASERS	1	31,000	FED REP OF GERMANY
SPECTROSCOPIC RESEARCH	1		UNITED KINGDOM
TEMPORARY LICENSES APPROVED - 04/16/76			
ELECTRONIC COMPUTING EQUIPMENT	5	2,000	FED REP OF GERMANY
METALLOGRAPHY MACHINE TOOLS		193,196	POLAND / SWITZERLAND
MAGNETIC TAPE		100	USA / SWITZERLAND
ELECTRONIC COMPUTING EQUIPMENT		2,888,402	USA / SWITZERLAND
ELECTRONIC COMPUTING EQUIPMENT		112,207	SWITZERLAND / USA
OSCILLOSCOPES		4,100	USA / SWITZERLAND

1/ Formerly reported under a temporary authorization.
 2/ Demilitarization and return to United States.
 3/ Demilitarization and hand over to per customer.
 4/ Demilitarization and return to Netherlands.
 5/ Demilitarization and return to Australia.

Appendix F. Denial and Probation Orders (sample page)

Name and Address	Effective Date	Expiration Dates	Export Privileges Affected	Federal Register Citation
Letiers, Andre 29 rue Victor Hugo Puteaux, France, and 18 rue des Sablons Mareil-Marly, France	7/13/71	7/13/76	General and validated licenses, all commodities, any destination, also exports to Canada.	36 F.R. 18048 7/13/71
Levee and Co. Room 604, Fukoku Bldg. Uchisaiwai-Cho 2-Chome, Chiyoda-Ku Tokyo, Japan, and 40 Queen's Road Central, Hong Kong	1/31/66	Duration	General and validated licenses, all commodities, any destination, also exports to Canada.	21 F.R. 778-777 2/3/66
Lewo, Joseph, also known as Joe Lewo, Joseph Juda Levos, Joseph Levo, and Joseph Liebow 1400 Pine Avenue West Montreal, Quebec, Canada	12/12/68	Indefinite	General and validated licenses, all commodities, any destination, also exports to Canada.	32 F.R. 18526 12/18/68
Li, Hsiu Kuang (alias S.K. Lal) Room 604, Fukoku Bldg. Uchisaiwai-Cho 2-Chome, Chiyoda-Ku Tokyo, Japan, and 50 Queen's Road Central, Hong Kong	1/31/66	Duration	General and validated licenses, all commodities, any destination, also exports to Canada.	21 F.R. 778-777 2/3/66
Liebermann, Bernard (alias Robert Coverts) 56 Rue du Rocher Paris 8, France, and 40 Rue Ravenstein Brussels, Belgium	8/ 8/69	Duration	General and validated licenses, all commodities, any destination, also exports to Canada.	14 F.R. 4913 8/9/69
Lijnzaad, D., N.V. Transport en Handelsmaatschappij 58 Coolingsingel, Bouragebouw Rotterdam, Netherlands	10/27/66	(On probation from 10/27/66 for duration)		20 F.R. 8226 11/2/66
Lincaloy Bahis Trading Co. Grand Cayman Grand Cayman Islands, B.W.I.	12/23/71	Until further notice	General and validated licenses, all commodities, any destination, also exports to Canada. (Party related to Robinson, Lincoln, et al. which see.)	36 F.R. 25172 12/29/71 37 F.R. 5970 3/23/72
Lincaloy Co. Lincaloy Inc. West Hasleton, Pa., and Aguadilla, Puerto Rico, and Grand Cayman Grand Cayman Islands, B.W.I.	12/23/71	Until further notice	General and validated licenses, all commodities, any destination, also exports to Canada.	36 F.R. 25172 12/29/71 37 F.R. 5970 3/23/72
Lincet Paris Aguadilla, Puerto Rico	12/23/71	Until further notice	General and validated licenses, all commodities, any destination, also exports to Canada. (Party related to Robinson, Lincoln, et al. which see.)	36 F.R. 25172 12/29/71 37 F.R. 5970 3/23/72
Ling Dynamic Systems Ltd. Hallock Road Royston, Hertfordshire England	2/2/73	6/ /76 (On probation from 6/2/73 to 6/1/76)		38 F.R. 4001 2/9/73
Ling Electronics Division, Alter Corp. 1616 South Manchester Ave. Anaheim, Calif. 92803	2/2/73	2/1/76 (On probation from 2/2/73 to 2/1/76)		38 F.R. 4002 2/9/73
Lippig, F. O., doing business as Elimex Apostelnkloster 21-25 Cologne, West Germany	7/ 9/68	Duration	General and validated licenses, all commodities, any destination, also exports to Canada. (Party related to Fleischer, Richard, which see.)	23 F.R. 6310 7/12/68

Appendix G. Sources

Export Administration Act of 1969, as amended (50. U.S.C. App. 2401-2413).

Export Administration Regulations (15 C.F.R. 368-399.2).

Federal register, v. 26, no. 100, May 25, 1961, p. 4487 (E.O. 10945);
v. 41, no. 43, March 3, 1976, p. 9085 (E.O. 11907); v. 41, no. 55,
March 19, 1976, p. 11592 (U.S. Dept. of Commerce Order No. 46-2,
Admt. 1).

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Committee on International Relations, U.S. House of Representatives,
presented by:

Downey, Arthur T., Deputy Assistant Secretary of Commerce for
East-West Trade, U.S. Department of Commerce, March 15, 1976;

Fasick, J. Kenneth, Director, International Division, U.S. General
Accounting Office, March 11, 1976;

Glitman, Maynard W., Deputy Assistant Secretary of State for Inter-
national Trade Policy, U.S. Department of State, March 15, 1976;

Shields, Roger E., Deputy Assistant Secretary, International Economic
Affairs, U.S. Department of Defense, March 15, 1976.

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problems and prospects. Washington, August 1975.

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Washington, February 4, 1976. 84 p.

Invaluable assistance was rendered in the preparation of this paper by
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U.S. Department of Commerce:

Lawrence J. Brady, Deputy Director, OEA
Converse Hettinger, Director, Short Supply Division
Charles C. Swanson, Director, Operations Division
Edward P. Walinsky, Director, Policy Planning Division
John A. Shyburg, Acting Director, Compliance Division
Eugene W. Oakes, Compliance Division

