

TO: Boeing suppliers
FROM: The Boeing Company
SUBJECT: Export control reform-mandated reclassification of ITAR-controlled parts and technology
DATE: October 3, 2013

The United States Government has initiated a new program, known as Export Control Reform (ECR), that changes the way U.S. entities classify products exported from the U.S. This and subsequent letters are intended to help you understand the impacts of the change and specific information we may ask you to provide.

ECR will result in many items and technologies, transferring from Department of State (DOS), International Traffic in Arms Regulations (ITAR) controls to Department of Commerce (DOC), Export Administration Regulations (EAR) controls. A critical activity will be determining if items, technologies and activities currently controlled under DOS United States Munitions List (USML) will transfer to DOC, Commerce Control List (CCL).

On October 15, 2013, the first set of regulatory changes, which include ITAR Categories VIII and XIX, will become effective. These rules will have an immediate impact on Boeing and its suppliers. A majority of Boeing Defense, Space & Security (BDS) business operations are currently controlled by the ITAR. As a result of the ECR changes, many items classified as CAT VIII (Aircraft and Associated Equipment) will transfer to the CCL's new '600-series.'

Although BDS programs will continue to be subject to U.S. export controls, the transition from DOS (ITAR), to DOC (EAR), will create beneficial opportunities for Boeing and its suppliers. For example, some items may be exported to approved countries under stated conditions without an export license, and other items will now require a less restrictive license from the DOC instead of the DOS.

Four additional USML categories, VI (Vessels of War and Special Naval Equipment), VII (Ground Vehicles), XIII (Materials and Miscellaneous Items), and XX (Submersible Vessels and Related Articles) have been released and will take effect January 6, 2014. Other categories will follow until all categories have been updated. Each transition will have an anticipated 24-month transition period once the final rule is published.

To help you comply with the new rules, Boeing is changing its Product Description Form (PDF). This form was previously used to obtain information needed to determine the Schedule B and HTS information for export/import purposes. We are enhancing the form to obtain/determine export control classification information for items and data owned or designed by suppliers. You may be required to complete a PDF in order to arrive at a new classification.

Please consult with your internal export compliance officer, legal counsel, Dept. of State and Dept. of Commerce for guidance regarding ECR. The U.S. Government has established two websites to help you classify your products in accordance with the schedule of changes and commodities.

For more information related to ECR, please see the Dept. of Commerce website at <https://www.federalregister.gov/articles/2013/04/16/2013-08352/revisions-to-the-export-administration-regulations-initial-implementation-of-export-control-reform> and the Dept. of State website at <https://www.federalregister.gov/articles/2013/04/16/2013-08351/amendment-to-the-international-traffic-in-arms-regulations-initial-implementation-of-export-control>

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