DEPARTMENT OF STATE

22 CFR Parts 124, 126, and 129

[Public Notice: 6931]

RIN 1400–AC62

Amendment to the International Traffic in Arms Regulations: Removing Requirement for Prior Approval for Certain Proposals to Foreign Persons Relating to Significant Military Equipment

AGENCY: Department of State.

ACTION: Proposed rule.

SUMMARY: The Department of State is amending the International Traffic in Arms Regulations (ITAR) to remove the requirements for prior approval or prior notification for certain proposals to foreign persons relating to significant military equipment at section 126.8 of the ITAR.

DATES: Effective Date: The Department of State will accept comments on this proposed rule until May 28, 2010.

ADDRESSES: Interested parties may submit comments within 60 days of the date of the publication by any of the following methods:

- E-mail: DDTCResponseTeam@state.gov with an appropriate subject line.
- Persons with access to the Internet may also view this notice by going to the U.S. Government regulations.gov Web site at http://regulations.gov/index.cfm.

FOR FURTHER INFORMATION CONTACT:
Director Charles B. Shotwell, Office of Defense Trade Controls Policy, Department of State, Telephone (202) 663–2803 or Fax (202) 261–8199; E-mail DDTCResponseTeam@state.gov. ATTN: Regulatory Change, Section 126.8.

SUPPLEMENTARY INFORMATION: Effective September 1, 1977, the Department of State amended the International Traffic in Arms Regulations (ITAR) at 22 CFR 123.16, to require Department of State approval before a proposal or presentation is made that is designed to constitute the basis for a decision to purchase significant combat equipment, involving the export of an item on the U.S. Munitions List, valued at $7,000,000 or more for use by the armed forces of a foreign country (42 FR 41631, dated August 18, 1977). Also, 22 CFR 124.06, entitled “Approval of proposals for technical assistance agreements and manufacturing license agreements,” was amended to require similar prior approval requirements with respect to proposals and presentations for technical assistance and manufacturing license agreements involving the production or assembly of significant combat equipment.

“Proposals to foreign persons relating to significant military equipment” became section 126.8 in a final rule effective January 1, 1985 (49 FR 47682, dated December 6, 1984). Section 126.8 did not require prior approval of the Department of State when the proposed sale was to the armed forces of a member of the North Atlantic Treaty Organization (NATO), Australia, Japan, or New Zealand, except with respect to manufacturing license agreements or technical assistance agreements.

A prior notification requirement, instead of prior approval, was added to section 126.8 in a final rule effective March 31, 1985 (50 FR 12787, dated April 1, 1985). Prior notification to the Department of State was required 30 days in advance of a proposal or presentation to any foreign person where such proposals or presentations concern equipment previously approved for export.

The current section 126.8 requires prior approval or prior notification for certain proposals and presentations to make a determination whether to purchase significant military equipment valued at $14,000,000 or more (other than a member of NATO, Australia, New Zealand, Japan, or South Korea), or whether to enter into a manufacturing license agreement or technical assistance agreement for the production or assembly of significant military equipment, regardless of dollar value.

These types of proposals and presentations usually involve large dollar amounts. Before the defense industry undertakes the effort involved in formulating its proposals and presentations, if there is any doubt that the corresponding license application or proposed agreement would not be authorized by the Department of State, the industry may request an advisory opinion (See 22 CFR 126.9). The written advisory opinion, though not binding on the Department, helps inform the defense industry whether the Department would likely grant a license application or proposed agreement.

Currently, the time between submitting a license application or proposed agreement and obtaining a decision from the Department of State whether to authorize such transactions has been decreased sufficiently that requiring prior approval or prior notification for proposals is unnecessary and imposes an administrative burden on industry.

References to § 126.8 have been removed at §§ 124.1(a), 126.13, and 129.8(c).

Regulatory Analysis and Notices

Administrative Procedure Act

This proposed amendment involves a foreign affairs function of the United States and, therefore, is not subject to the procedures contained in 5 U.S.C. 553 and 554.

Regulatory Flexibility Act

Since this proposed amendment involves a foreign affairs function of the United States, it does not require
analysis under the Regulatory Flexibility Act.

Unfunded Mandates Reform Act of 1995

This proposed amendment does not involve a mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of $100 million or more in any year and it will not significantly or uniquely affect small governments. Therefore, no actions were deemed necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

Small Business Regulatory Enforcement Fairness Act of 1996

This proposed amendment has been found not to be a major rule within the meaning of the Small Business Regulatory Enforcement Fairness Act of 1996.

Executive Orders 12372 and 13132

This proposed amendment will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 13132, it is determined that this amendment does not have sufficient federalism implications to require consultations or warrant the preparation of a federalism summary impact statement. The regulations implementing Executive Order 12372 regarding intergovernmental consultation on Federal programs and activities do not apply to this amendment.

Executive Order 12866

This proposed amendment is exempt from review under Executive Order 12866, but has been reviewed internally by the Department of State to ensure consistency with the purposes thereof.

Executive Order 13175

The Department of State has determined that this rulemaking will not have tribal implications, will not impose substantial direct compliance costs on Indian tribal governments, and will not preempt tribal law. Accordingly, the requirement of section 5 of Executive Order 13175 does not apply to this rulemaking.

Paperwork Reduction Act

This proposed amendment does not impose any new reporting or recordkeeping requirements subject to the Paperwork Reduction Act, 44 U.S.C. Chapter 35.

List of Subjects

22 CFR Parts 124 and 129
Arms and munitions, Exports, Technical assistance.

22 CFR Part 126
Arms and munitions, Exports.

Accordingly, for the reasons set forth above, Title 22, Chapter I, Subchapter M, parts 124, 126, and 129 are proposed to be amended as follows:

PART 124—AGREEMENTS, OFF-SHORE PROCUREMENT AND OTHER DEFENSE SERVICES

1. The authority citation for part 124 is revised to read as follows:


2. Section 124.1 is amended by revising paragraph (a) to read as follows:

§ 124.1 Manufacturing license agreements and technical assistance agreements.

(a) Approval. The approval of the Directorate of Defense Trade Controls must be obtained before the defense services described in §120.9(a) of this subchapter may be furnished. In order to obtain such approval, the U.S. person must submit a proposed agreement to the Directorate of Defense Trade Controls. Such agreements are generally characterized as manufacturing license agreements, technical assistance agreements, distribution agreements, or off-shore procurement agreements, and may not enter into force without the prior written approval of the Directorate of Defense Trade Controls. Once approved, the defense services described in the agreements may generally be provided without further licensing in accordance with §§124.3 and 125.4(b)(2) of this subchapter. The requirements of this section apply whether or not technical data is to be disclosed or used in the performance of the defense services described in §120.9(a) of this subchapter (e.g., all the information relied upon by the U.S. person in performing the defense service is in the public domain or is otherwise exempt from licensing requirements of this subchapter pursuant to §125.4 of this subchapter). This requirement also applies to the training of any foreign military forces, regular and irregular, in the use of defense articles. Technical assistance agreements must be submitted in such cases. In exceptional cases, the Directorate of Defense Trade Controls, upon written request, will consider approving the provision of defense services described in §120.9(a) of this subchapter by granting a license under part 125 of this subchapter.

PART 126—GENERAL POLICIES AND PROVISIONS

3. The authority citation for part 126 continues to read as follows:


§ 126.8 [Removed and Reserved]

4. Section 126.8 is removed and reserved.

5. Section 126.13 is amended by revising paragraph (a) to read as follows:

§ 126.13 Required information.

(a) All applications for licenses (DSP–5, DSP–61, DSP–73, and DSP–85), all requests for approval of agreements and amendments thereto under part 124 of this subchapter, and all requests for written authorizations must include a letter signed by a responsible official empowered by the applicant and addressed to the Directorate of Defense Trade Controls, stating whether:

PART 129—REGISTRATION AND LICENSING OF BROKERS

6. The authority citation for part 129 is revised to read as follows:


§ 129.8 [Amended]

7. Section 129.8 is amended by removing paragraph (c).


Ellen O. Tauscher,
Under Secretary, Arms Control and International Security, Department of State.

[FR Doc. 2010–6905 Filed 3–26–10; 8:45 am]

BILLING CODE 4710–25–P

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

25 CFR CHAPTER VI

No Child Left Behind School Facilities and Construction Negotiated Rulemaking Committee Meeting

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice.