



May 9, 2008

Ms. Ann Ganzer
Director
Office of Defense Trade Controls Policy
U.S. Department of State
2401 E Street NW
Washington, D.C. 20522

Dear Ms. Ganzer:

As you know, the Aerospace Industries Association of America (AIA) represents more than 275 of the nation's leading aerospace and defense companies, embodying every high-technology manufacturing segment of the U.S. aerospace and defense industry from commercial aviation and avionics, to manned and unmanned defense systems, to space technologies and satellite communications. The following represents the consensus comments of AIA members on the State Department's proposed rule to amend the text of the International Traffic in Arms Regulations (ITAR), Part 121, to clarify the Department's implementation of Section 17(c) of the Export Administration Act of 1979. AIA members may choose to send you individual comments emphasizing points made below and/or adding additional comments from their perspective.

AIA would first like to express its thanks to the Department of State for developing this important ITAR clarification. We believe that finalizing this rule will be an important step in further modernizing the U.S. export control system, and is consistent with the intent of the January 2008 Presidential Directives to make the system more predictable, efficient, and transparent.

Attachment #1 in this letter is an annotated version of the proposed changes to the ITAR and clarifying note in the proposed rule. When developing these comments we attempted as much as possible to take the perspective of an average civil aviation supplier who might be confronted with a question about the jurisdiction of his product(s) for the first time.

A significant clarification AIA seeks in the proposed rule involves the intent behind modifying Category VIII(b) to designate as Significant Military Equipment all specifically designed hot section components and digital electronic engine controls. A more thorough accounting of our concerns can be found in Attachment #2. In summary, if the intent of this change is to avoid the misapplication of 17(c) to these technologies, the clarification should be made in the Note (see recommendation in Attachment #1) so as to avoid the unintended consequences of the SME designation. If the intent of this modification to Category VIII(b) is to change long-standing

policy on the export control treatment of these technologies, AIA strongly recommends the issue be addressed in a separate rule-making process to allow for adequate consultations on this important issue.

Among the other clarifications AIA is pursuing (language suggested in Attachment #1), we would highlight in particular our suggestions regarding the definition of “standard equipment” and “integral.” In the first case, we have tried to account for manufacturing practices that might conflict with the original language in the proposed rule while still accommodating the security concerns raised in the original definition. In the latter case, we have suggested language to account for the common practice of manufacturers shipping “spares” of civil aircraft components overseas.

AIA appreciates the opportunity to provide comments to this proposed rule. We recommend that DDTC review the draft Final Rule incorporating industry comments with the Defense Trade Advisory Group (DTAG) before it is published to ensure that the Final Rule accomplishes its intended goals of providing clarification on the application of Section 17(c) of the EAA.

Thank you for your time and consideration.

Regards,

A handwritten signature in black ink, appearing to read "Remy Nathan", with a long, sweeping horizontal line extending to the right.

Remy Nathan
Assistant Vice President, International Affairs
Aerospace Industries Association of America