## **ITAR FAQs**

Recently, the U.S. Government has made changes to the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR), the primary set of U.S. regulations that control the export of commodities and technology from the U.S. These changes may impact how the export of products you purchase (or have purchased) from Communications & Power Industries LLC (CPI) is controlled by the U.S. Government. This set of FAQs is intended to provide an overview of the recent changes, explain what the changes mean to CPI and direct you to additional resources.

# What are the changes to the ITAR and EAR?

In 2009, the U.S. Government (USG) initiated Export Control Reform (ECR), an overhaul of the U.S. export control system (i.e., the ITAR and EAR) with the goal of strengthening U.S. national security while maintaining its competitiveness in the global market. As a result of ECR, the USG began the effort of defining the commodities and technology that are critical to U.S. national security, which will be controlled under the ITAR, and the less sensitive commodities and technologies, which will be controlled under the EAR. You can find more information on the Export Control Reform here.

On July 1, 2014, the USG published final changes to USML XI of the ITAR (Military Electronics) and CCL 3 of the EAR (Electronics), which are the primary categories that control CPI's products. As a result of these changes, starting on December 30, 2014, CPI's products that are currently controlled under the ITAR will be controlled under the EAR. Please note that classified hardware and hardware produced with classified data will remain controlled under the ITAR.

You can find more information about the changes to USML XI and CCL3 here.

For questions about how the recent Export Control Reform impacts CPI products, please contact your CPI sales rep.

## How do the changes to the ITAR and EAR affect my orders?

Beginning on December 30, 2014, products that are impacted by the changes to the ITAR and EAR will be assigned a new Export Control Classification Number (ECCN). Each product's ECCN will appear on any CPI order acknowledgement, invoice and/or packing list printed on or after December 30, 2014.

Based on the new ECCN, products may require authorization by the U.S. Department of Commerce (DoC) to be exported, re-exported, transferred or retransferred to non-U.S. Persons located in the U.S. or outside the U.S. CPI recommends that you review the EAR and ITAR prior to any exports or re-exports to determine if your transaction requires USG approval.

Information about the EAR can be found at the <u>DoC/Bureau of Industry Security</u>. Information about the ITAR can be found at the <u>DoS/Directorate of Defense Trade Controls</u>

How will the changes to the ITAR and EAR affect orders that have shipping dates near or after the effective date?

- For shipments made prior to December 30, 2014:
  - Products that are controlled under the ITAR will be shipped in accordance with the ITAR, regardless of their future control status.

- For shipments made on or after December 30, 2014:
  - If control of the product is transferred from the ITAR to the EAR, the product will ship under its new ECCN in accordance with the EAR; or
  - If control of the product remains under the ITAR (i.e., classified hardware and hardware produced with classified data), the product will be shipped in accordance with the ITAR.

Products that have been approved for export under a U.S. Department of State (DoS) export license or license exemption will be shipped in accordance with the approved DoS license or license exemption. Subsequent re-exports or retransfer, however, will be subject to EAR administered by the DoC.

For questions about how this impacts specific orders or products, please <u>contact your CPI sales</u> rep.

What do I have to do to prepare for the changes to the ITAR and EAR?

## U.S. Customers

- U.S. customers that provided ITAR-controlled specifications to CPI should review their specifications against the revised <u>USML XI</u> (Federal Register Notices), to determine if the requirements meet or exceed the parameters for control under the ITAR.
  - a. If you determine that your specification is to remain ITAR-controlled, you must contact your CPI sales rep. In the absence of specific instructions from you to continue to control the specification under the ITAR, CPI will transfer control of the specification to the EAR when it does not meet or exceed the control parameters of USML XI.
- U.S. exporters should consult the EAR to determine if the export of CPI's product, either
  in its original form or after being incorporated into an end-item, requires approval by the
  DoC. If it does, U.S. exporters must seek the appropriate DoC authorization.

#### Non-U.S. Customers

Non-U.S. Customers should consult the EAR to determine if the re-export or retransfer of CPl's product, either in its original form or after being incorporated into an end-item, requires approval by the DoC. If it does, non-U.S. customers must seek the appropriate DoC authorization.

How can I find licensing information for a particular product?

<u>Contact your CPI sales rep</u> for specific CPI Product inquiries, or send an email to <u>marketing@cpii.com</u> to get in touch with the right person.

This notice is provided as a courtesy. It is your obligation as an exporter to determine the correct classification of any item at the time of export. Any classification provided by CPI shall not be construed as a representation or warranty regarding the proper classification nor relied upon to make licensing determinations. All information is provided "AS IS" and is subject to change without notice.