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USML-CCL Transfer Takes Official But Mere Symbolic Effect

The much-anticipated Export Control Reform (ECR) transfer of U.S. Munitions List (USML) items to the Commerce Control List (CCL) officially took effect on Oct. 15, but exporters are unable to take advantage of the shift due to the on-going government shutdown. The Commerce Department's Bureau of Industry and Security (BIS) continues to deny action on license applications submitted through the BIS SNAP-R system.

"The decontrolling of the series 600 ECCNs took effect today but it will have no effect whatsoever because the SNAP-R system is still down," said President of BPE Global Beth Peterson. As part of this first ECR transfer, the Commerce and State departments are making revisions to USML categories that encompass largely aviation products (see 13041705). The BIS licensing holdup will have immediate profitability impact because of the benefits that could have been reaped on extended BIS license lifespan. "Under State, the license period is two years and under BIS the period is four years. So you pay less administrative costs," said Peterson. "Now you can't take advantage of that increased license period." Exporters will continue to file applications with the State Department, however, until the government resolves its current budgetary impasse and BIS resumes application processing, said Peterson.

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