meet a listing, we will determine whether your impairment(s) medically equals a listing. (See § 416.926 of this chapter.) Genitourinary disorders may be associated with disorders in other body systems, and we consider the combined effects of multiple impairments when we determine whether they medically equal a listing. If your impairment(s) does not medically equal a listing, we will also consider whether it functionally equals the listings. (See § 416.926a of this chapter.) We use the rules in § 416.994a of this chapter when we decide whether you continue to be disabled.

106.01 Category of Impairments, Genitourinary Disorders

106.03 *Chronic kidney disease,* with chronic hemodialysis or peritoneal dialysis (see 106.00C1).

106.04 *Chronic kidney disease,* with kidney transplant. Consider under a disability for 1 year following the transplant; thereafter, evaluate the residual impairment (see 106.00C2).

106.05 *Chronic kidney disease,* with impairment of kidney function, with one of the following documented on at least two occasions at least 90 days apart during a consecutive 12-month period:

A. Serum creatinine of 3 mg/dL or greater;

OR

B. Creatinine clearance of 30 ml/min/1.73m^2 or less;

OR

C. Estimated glomerular filtration rate (eGFR) of 30 ml/min/1.73m^2 or less.

106.06 *Nephrotic syndrome,* with A and B:

A. Laboratory findings as described in 1 or 2, documented on at least two occasions at least 90 days apart during a consecutive 12-month period:

1. Serum albumin of 3.0 g/dL or less, or

2. Proteinuria of 40 mg/m^2/hr or greater;

AND

B. Anasarca (see 106.00C3) persisting for at least 90 days despite prescribed treatment.

106.07 *Congenital genitourinary disorder* (see 106.00C4) requiring urologic surgical procedures at least three times in a consecutive 12-month period, with at least 30 days between procedures. Consider under a disability for 1 year following the date of the last surgery; thereafter, evaluate the residual impairment.

106.09 *Complications of chronic kidney disease* (see 106.00C5) requiring at least three hospitalizations within a consecutive 12-month period and occurring at least 30 days apart. Each hospitalization must last at least 48 hours, including hours in a hospital emergency department immediately before the hospitalization.

* * * * *

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DEPARTMENT OF STATE

22 CFR Parts 120, 121, 123, 126, and 130

[Public Notice 8898]

RIN 1400–AD64

Amendment to the International Traffic in Arms Regulations: Corrections, Clarifications, and Movement of Definitions

AGENCY: Department of State.

ACTION: Final rule.

SUMMARY: In an effort to streamline, simplify and clarify the recent revisions to the International Traffic in Arms Regulations (ITAR) made pursuant to the President's Export Control Reform (ECR) initiative, the Department of State is amending the ITAR as part of the Department of State's retrospective plan under Executive Order 13563 completed on August 17, 2011.

DATES: This rule is effective October 10, 2014.

FOR FURTHER INFORMATION CONTACT: Mr. C. Edward Peartree, Director, Office of Defense Trade Controls Policy, Department of State, telephone (202) 663–2792; email *DDTCResponseTeam@state.gov.* ATTN: Regulatory Change, Omnibus Clarifications. The Department of State's full retrospective plan can be accessed at *http://www.state.gov/documents/organization/181028.pdf.*

SUPPLEMENTARY INFORMATION:

Changes in this Rule

The following changes are made to the ITAR with this final rule: (1) Definitions previously provided in §§ 121.3, 121.4, 121.14, and 121.15 are removed from these sections and incorporated into U.S. Munitions List Categories VIII, VII, XX, and VI, respectively; (2) USML Category II is amended to clarify that grenade launchers are controlled in paragraph (a) as a result of the revisions previously made to USML Category IV pursuant to Export Control Reform; (3) USML Category IX is amended to enumerate military training not directly related to a defense article, which is a controlled activity pursuant to ITAR § 120.9(a)(3). This change is required in order to provide exporters a USML category to cite for military training when not related to a defense article; (4) The note to paragraph (b) in the specially designed definition is revised to clarify that catch-all controls are only those that generically control parts, components, accessories, and attachments for a specified article and do not identify a specific specially designed part, component, accessory, or attachment. This revision is intended to help ensure that exporters properly apply ITAR § 120.41 when classifying their article and clarify that when a specific article is described on the USML, it is enumerated and is not part of a catch-all; (5) The definitions previously provided in ITAR § 121.8 are removed to new ITAR § 120.45; (6) The policy with regard to when forgings, castings, and machined bodies are controlled as defense articles is removed from ITAR § 121.10 and placed in ITAR § 120.6; (7) The threshold for lithium-ion batteries controlled in Category VIII(h)(13) is increased from greater than 28 volts of direct current (VDC) nominal to greater than 38 VDC nominal, so as not to control on the USML such batteries in normal commercial aviation use; (8) A control for specially designed parts, components, accessories, and attachments is added to the helmets controlled in Category VIII(h)(15); (9) The phrase ''electric-generating'' is added to the control describing fuel cells in Category VIII(h)(23) to clarify that fuel bladders and fuel tanks are not within this control; (10) The word ''enumerated'' is replaced with the word ''described'' in the paragraphs of the USML for technical data and defense services directly related to the defense articles in that Category to clarify that the controls on technical data and defense services apply even if the defense article is described in a catch-all; (11) Conforming changes are made to citations throughout these sections; and (12) Minor reference corrections are made to Supplement No. 1 to Part 126, including moving the footnote to the entire Supplement from the end to the opening to better clarify if an item is excluded from eligibility in any row, it is excluded from that exemption, even if also described in another row that contains a description that may also include that item.

Regulatory Analysis and Notices

Administrative Procedure Act

The Department of State is of the opinion that controlling the import and export of defense articles and services is a foreign affairs function of the United States Government and that rules implementing this function are exempt from 5 U.S.C. 553 and 554.

Regulatory Flexibility Act

Since the Department is of the opinion that this rule is exempt from the provisions of 5 U.S.C. 553, there is no requirement for an analysis under the Regulatory Flexibility Act.

Unfunded Mandates Reform Act of 1995

This rulemaking 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

For purposes of the Small Business Regulatory Enforcement Fairness Act of 1996, a ''major'' rule is a rule that the Administrator of the OMB Office of Information and Regulatory Affairs finds has resulted or is likely to result in (1) an annual effect on the economy of $100,000,000 or more; (2) a major increase in costs or prices for consumers, individual industries, federal, state, or local government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and foreign markets.

The Department does not believe this rulemaking will have an annual effect on the economy of $100,000,000 or more. Articles that are being removed from coverage in the U.S. Munitions List categories contained in this rule will still require licensing for export, but from the Department of Commerce. While the licensing regime of the Department of Commerce is more flexible than that of the Department of State, it is not expected that the change in jurisdiction of these articles will result in an export difference of $100,000,000 or more.

The Department also does not believe that this rulemaking will result in a major increase in costs or prices for consumers, individual industries, federal, state, or local government agencies, or geographic regions, or have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and foreign markets.

Executive Orders 12372 and 13132

This rulemaking 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 rulemaking 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 rulemaking.

Executive Orders 12866 and 13563

Executive Orders 12866 and 13563 direct agencies to assess costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributed impacts, and equity). These executive orders stress the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rulemaking has been designated a ''significant regulatory action,'' although not economically significant, under section 3(f) of Executive Order 12866. Accordingly, this rule has been reviewed by the Office of Management and Budget (OMB).

Executive Order 12988

The Department of State has reviewed this rulemaking in light of sections 3(a) and 3(b)(2) of Executive Order 12988 to eliminate ambiguity, minimize litigation, establish clear legal standards, and reduce burden.

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 requirements of Executive Order 13175 do not apply to this rulemaking.

Paperwork Reduction Act

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

List of Subjects

22 CFR Parts 120 and 121

Arms and munitions, Classified information, Exports.

22 CFR Part 123

Arms and munitions, Exports, Reporting and recordkeeping requirements.

22 CFR Part 126

Arms and munitions, Exports.

22 CFR Part 130

Arms and munitions, Campaign funds, Confidential business information, Exports, Reporting and recordkeeping requirements.

Accordingly, the Department of State amends 22 CFR chapter I as follows:

PART 120—PURPOSE AND DEFINITIONS

■ 1. The authority citation for part 120 continues to read as follows:

Authority: Secs. 2, 38, and 71, Pub. L. 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2797); 22 U.S.C. 2794; 22 U.S.C. 2651a; Pub. L. 105–261, 112 Stat. 1920; Pub. L. 111–266; Section 1261, Pub. L. 112–239; E.O. 13637, 78 FR 16129.

■ 2. Section 120.6 is revised to read as follows:

§ 120.6 Defense article.

Defense article means any item or technical data designated in § 121.1 of this subchapter. The policy described in § 120.3 is applicable to designations of additional items. This term includes technical data recorded or stored in any physical form, models, mockups or other items that reveal technical data directly relating to items designated in § 121.1 of this subchapter. It also includes forgings, castings, and other unfinished products, such as extrusions and machined bodies, that have reached a stage in manufacturing where they are clearly identifiable by mechanical properties, material composition, geometry, or function as defense articles. It does not include basic marketing information on function or purpose or general system descriptions.

■ 3. Section 120.10 is amended by revising paragraph (a)(4) to read as follows:

§ 120.10 Technical data.

(a) * * *

(4) Software (*see* § 120.45(f)) directly related to defense articles.

* * * * *

■ 4. Section 120.41 is amended by revising paragraph (a) introductory text, paragraph (a)(2), and the note to paragraph (b), to read as follows:

§ 120.41 Specially designed.

(a) Except for commodities or software described in paragraph (b) of

this section, a commodity or software (*see* § 120.45(f)) is specially designed if it:

* * * * *

(2) Is a part (*see* § 120.45 (d)), component (*see* § 120.45(b)), accessory (*see* § 120.45(c)), attachment (*see* § 120.45(c)), or software for use in or with a defense article.

* * * * *

Note to paragraph (b): The term ''enumerated'' refers to any article on the U.S. Munitions List or the Commerce Control List and not in a ''catch-all'' control. A ''catch-all'' control is one that does not refer to specific types of parts, components, accessories, or attachments, but rather controls unspecified parts, components, accessories, or attachments only if they were specially designed for an enumerated item.

* * * * *

■ 5. Section 120.45 is added to read as follows:

§ 120.45 End-items, components, accessories, attachments, parts, firmware, software, systems, and equipment.

(a) An *end-item* is a system, equipment, or an assembled article ready for its intended use. Only ammunition or fuel or other energy source is required to place it in an operating state.

(b) A *component* is an item that is useful only when used in conjunction with an end-item. A major component includes any assembled element that forms a portion of an end-item without which the end-item is inoperable. A minor component includes any assembled element of a major component.

(c) *Accessories* and *attachments* are associated articles for any component, equipment, system, or end-item, and which are not necessary for its operation, but which enhance its usefulness or effectiveness.

(d) A *part* is any single unassembled element of a major or a minor component, accessory, or attachment which is not normally subject to disassembly without the destruction or the impairment of designed use.

(e) *Firmware* and any related unique support tools (such as computers, linkers, editors, test case generators, diagnostic checkers, library of functions, and system test diagnostics) directly related to equipment or systems covered under any category of the U.S. Munitions List are considered as part of the end-item or component. Firmware includes but is not limited to circuits into which software has been programmed.

(f) *Software* includes but is not limited to the system functional design, logic flow, algorithms, application programs, operating systems, and support software for design, implementation, test, operation, diagnosis and repair. A person who intends to export only software should, unless it is specifically enumerated in § 121.1 of this subchapter (*e.g.,* USML Category XIII(b)), apply for a technical data license pursuant to part 125 of this subchapter.

(g) A *system* is a combination of parts, components, accessories, attachments, firmware, software, equipment, or end-items that operate together to perform a function.

Note to paragraph (g): The industrial standards established by INCOSE and NASA provide examples for when commodities and software operate together to perform a function as a system. References to these standards are included in this note to provide examples for when commodities or software operate together to perform a function as a system. See the INCOSE standards for what constitutes a system at: *http://g2sebok.incose.org/app/mss/asset.cfm?ID=INCOSE%20G2SEBOK%202.00&ST=F,* and in INCOSE SE Handbook v3.1 2007; ISO/IEC 15288:2008. See the NASA standards for examples of what constitutes a system in NASA SE Handbook SP–2007–6105 Rev 1.

(h) *Equipment* is a combination of parts, components, accessories, attachments, firmware, or software that operate together to perform a function of, as, or for an end-item or system. Equipment may be a subset of an end-item based on the characteristics of the equipment. Equipment that meets the definition of an end-item is an end-item. Equipment that does not meet the definition of an end-item is a component, accessory, attachment, firmware, or software.

PART 121—THE UNITED STATES MUNITIONS LIST

■ 6. The authority citation for part 121 continues to read as follows:

Authority: Secs. 2, 38, and 71, Pub. L. 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2797); 22 U.S.C. 2651a; Pub. L. 105–261, 112 Stat. 1920; Section 1261, Pub. L. 112–239; E.O. 13637, 78 FR 16129.

■ 7. Section 121.1 is amended by:

■ a. Revising the section heading;
■ b. Revising the final sentence of paragraph (b)(2);
■ c. Removing the word ''enumerated'' and adding in its place the word ''described'' in two places in paragraph (b)(2), in two places in paragraph (i) of Category I, in two places in paragraph (k) of Category II, in two places in paragraph (e) of Category III, in one place in paragraph (i) of Category IV, in one place in Note 1 to paragraph (i) of Category VI, in one place in Note to paragraph (h)(1) of Category VIII, in one place in paragraph (i) of Category VIII, in one place in paragraph (e) of Category IX, in one place in paragraph (e) of Category X, in two places in paragraph (d) of Category XI, in two places in paragraph (f) of Category XII, in two places in paragraph (l) of Category XIII, in two places in paragraph (m) of Category XIV, in two places in paragraph (f) of Category XV, in one place in paragraph (e) of Category XVI, in two places in paragraph (f) of Category XVIII, in one place in paragraph (g) of Category XIX, in one place in paragraph (d) of Category XX;
■ d. Revising paragraph (a) of Category II;
■ e. Removing the word ''numerated'' in adding in its place the word ''described'' in paragraph (j) of Category V;
■ f. Revising paragraphs (a) and (b), and adding the note to paragraph (b)(4), and the note to paragraphs (a) and (b) in Category VI;
■ g. Revising paragraphs (a) introductory text, (b), (c), and (e), and adding the note to paragraph (c), and note 1, note 2, and note 3 to Category VII in Category VII;
■ h. Revising paragraphs (a) introductory text, (a)(9), (a)(11), (a)(12), (a)(13), adding paragraphs (a)(14), (a)(15), and (a)(16), revising paragraphs (h)(3), (h)(6), (h)(13), (h)(15), and (h)(23), adding note 1 and note 2 to paragraph (a)(11), and note 1 to paragraph (a), and redesignating the note to paragraph (a) as note 2 to paragraph (a) in Category VIII;
■ i. Revising the title of Category IX, removing the note to paragraph (e) of Category IX, and revising paragraph (e) of Category IX;
■ j. Adding note to paragraph (f)(1) in Category XIX; and
■ k. Revising paragraphs (a) introductory text, (a)(1), and (a)(4), redesignating paragraphs (a)(6), (a)(7), and notes 1 through 3 of paragraph (a)(7) as paragraphs (a)(7), (a)(8), and notes 1 through 3 of paragraph (a)(8), respectively, adding a new paragraph (a)(6) and revising paragraph (a)(7) in Category XX.

The revisions and additions read as follows:

§ 121.1 The United States Munitions List.

* * * * *

(b) * * *

(2) * * * Most U.S. Munitions List categories contain an entry on technical data (see § 120.10 of this subchapter) and defense services (see § 120.9 of this subchapter) related to the defense articles described in that U.S. Munitions List category.

* * * * *

Category II—Guns and Armament

*(a) Guns over caliber .50 (*i.e.,* 12.7 mm), whether towed, airborne, self-propelled, or fixed, including but not limited to, howitzers, mortars, cannons, recoilless rifles, and grenade launchers.

* * * * *

Category VI—Surface Vessels of War and Special Naval Equipment

*(a) Warships and other combatant vessels (*i.e.,* battleships, aircraft carriers, destroyers, frigates, cruisers, corvettes, littoral combat ships, mine sweepers, mine hunters, mine countermeasure ships, dock landing ships, amphibious assault ships), Coast Guard Cutters (with or equivalent to those with U.S. designations WHEC, WMEC, WMSL, or WPB for the purpose of this subchapter), or foreign-origin vessels specially designed to provide functions equivalent to those of the vessels listed above;

(b) Other vessels not controlled in paragraph (a) of this category, as follows:

(1) High-speed air cushion vessels for transporting cargo and personnel, ship-to-shore and across a beach, with a payload over 25 tons;

(2) Surface vessels integrated with nuclear propulsion plants or specially designed to support naval nuclear propulsion plants;

(3) Vessels armed or specially designed to be used as a platform to deliver munitions or otherwise destroy or incapacitate targets (*e.g.,* firing lasers, launching torpedoes, rockets, or missiles, or firing munitions greater than .50 caliber); or

(4) Vessels incorporating any mission systems controlled under this subchapter.

Note to paragraph (b)(4): ''Mission systems'' are defined as ''systems'' (*see* § 120.45(g) of this subchapter) that are defense articles that perform specific military functions such as by providing military communication, electronic warfare, target designation, surveillance, target detection, or sensor capabilities.

Note to paragraphs (a) and (b): Vessels specially designed for military use that are not identified in paragraph (a) or (b) of this category are subject to the EAR under ECCN 8A609, including any demilitarized vessels, regardless of origin or designation, manufactured prior to 1950 and unmodified since 1949. Vessels with modifications made to incorporate safety features required by law, are cosmetic (*e.g.,* different paint), or that add parts or components otherwise available prior to 1950 are considered ''unmodified'' for the purposes of this paragraph.

* * * * *

Category VII—Ground Vehicles

*(a) Armored combat ground vehicles as follows:

* * * * *

*(b) Ground vehicles (not enumerated in paragraph (a) of this category) and trailers that are armed or are specially designed to be used as a firing or launch platform to deliver munitions or otherwise destroy or incapacitate targets (*e.g.,* firing lasers, launching rockets, firing missiles, firing mortars, firing artillery rounds, or firing other ammunition greater than .50 caliber) (MT if specially designed for rockets, space launch vehicles, missiles, drones, or unmanned aerial vehicles capable of delivering a payload of at least 500 kg to a range of at least 300 km).

(c) Ground vehicles and trailers equipped with any mission systems controlled under this subchapter (MT if specially designed for rockets, space launch vehicles, missiles, drones, or unmanned aerial vehicles capable of delivering a payload of at least 500 kg to a range of at least 300 km).

Note to paragraph (c): ''Mission systems'' are defined as ''systems'' (*see* § 120.45(g) of this subchapter) that are defense articles that perform specific military functions, such as by providing military communication, target designation, surveillance, target detection, or sensor capabilities.

* * * * *

*(e) Armored support vehicles capable of off-road or amphibious use specially designed to transport or deploy personnel or materiel, or to move with other vehicles over land in close support of combat vehicles or troops (e.g., personnel carriers, resupply vehicles, combat engineer vehicles, recovery vehicles, reconnaissance vehicles, bridge launching vehicles, ambulances, and command and control vehicles).

Note 1 to Category VII: Ground vehicles specially designed for military applications that are not identified in this category are subject to the EAR under ECCN 0A606, including any unarmed ground vehicles, regardless of origin or designation, manufactured prior to 1956 and unmodified since 1955. Ground vehicles with modifications made to incorporate safety features required by law, are cosmetic (*e.g.,* different paint, repositioning of bolt holes), or that add parts or components otherwise available prior to 1956 are considered ''unmodified'' for the purposes of this paragraph. ECCN 0A606 also includes unarmed vehicles derived from otherwise EAR99 civilian vehicles that have been modified or otherwise fitted with materials to provide ballistic protection, including protection to level III (National Institute of Justice Standard 0108.01, September 1985) or better and that do not have reactive or electromagnetic armor.

Note 2 to Category VII: Armored ground vehicles are (i) ground vehicles that have integrated, fully armored hulls or cabs, or (ii) ground vehicles on which add-on armor has been installed to provide ballistic protection to level III (National Institute of Justice Standard 0108.01, September 1985) or better. Armored support vehicles do not include those that are merely capable of being equipped with add-on armor.

Note 3 to Category VII: Ground vehicles include any vehicle meeting the definitions or control parameters regardless of the surface (*e.g.,* highway, off-road, rail) upon which the vehicle is designed to operate.

* * * * *

Category VIII—Aircraft and Related Articles

(a) Aircraft, as follows:

* * * * *

(9) Air refueling aircraft;

* * * * *

(11) Aircraft incorporating any mission system controlled under this subchapter;

Note 1 to paragraph (a)(11): ''Mission systems'' are defined as ''systems'' (*see* § 120.45(g) of this subchapter) that are defense articles that perform specific military functions such as by providing military communication, electronic warfare, target designation, surveillance, target detection, or sensor capabilities.

Note 2 to paragraph (a)(11): This does not include tethered aerostats. Mission systems incorporated on otherwise EAR-controlled aerostats are controlled as the mission systems themselves just as if they were mounted, for example, on a tower or a pole.

(12) Aircraft capable of being refueled in flight including hover-in-flight refueling (HIFR);

*(13) Optionally Piloted Vehicles (OPV) (i.e. aircraft specially designed to operate with and without a pilot physically located in the aircraft) (MT if the OPV has a range equal to or greater than 300km);

(14) Aircraft with a roll-on/roll-off ramp, capable of airlifting payloads over 35,000 lbs. to ranges over 2,000 nm without being refueled in-flight, and landing onto short or unimproved airfields;

*(15) Aircraft not enumerated in paragraphs (a)(1) through (a)(14) as follows:

(i) U.S.-origin aircraft that bear an original military designation of A, B, E, F, K, M, P, R, or S; or

(ii) Foreign-origin aircraft specially designed to provide functions equivalent to those of the aircraft listed in paragraph (a)(15)(i) of this category; or

(16) are armed or are specially designed to be used as a platform to deliver munitions or otherwise destroy targets (*e.g.,* firing lasers, launching rockets, firing missiles, dropping bombs, or strafing);

Note 1 to paragraph (a): Aircraft specially designed for military applications that are not identified in paragraph (a) of this section are subject to the EAR and classified as ECCN 9A610, including any unarmed military aircraft, regardless of origin or designation, manufactured prior to 1956 and unmodified since manufacture. Aircraft with modifications made to incorporate safety of flight features or other FAA or NTSB modifications such as transponders and air data recorders are considered ''unmodified'' for the purposes of this paragraph.

* * * * *

(h) * * *

(3) Tail boom folding systems, stabilator folding systems or automatic rotor blade folding systems, and specially designed parts and components therefor;

* * * * *

(6) Bomb racks, missile launchers, missile rails, weapon pylons, pylon-to-launcher adapters, unmanned aerial vehicle (UAV) airborne launching systems, external stores support systems for ordnance or weapons, and specially designed parts and components therefor (MT if the bomb rack, missile launcher, missile rail, weapon pylon, pylon-to-launcher adapter, UAV airborne launching system, or external stores support system is for a UAV, drone, or missile that has a ''range'' equal to or greater than 300 km);

* * * * *

(13) Aircraft Lithium-ion batteries that provide greater than 38VDC nominal;

* * * * *

(15) Integrated helmets incorporating optical sights or slewing devices, which include the ability to aim, launch, track, or manage munitions (*e.g.,* Helmet Mounted Cueing Systems, Joint Helmet Mounted Cueing Systems (JHMCS), Helmet Mounted Displays, Display and Sight Helmets (DASH)), and specially designed parts, components, accessories, and attachments therefor;

* * * * *

(23) Electricity-generating fuel cells specially designed for aircraft controlled in this category or controlled in ECCN 9A610;

* * * * *

Category IX—Military Training Equipment and Training

* * * * *

(e) Technical data (*see* § 120.10 of this subchapter) and defense services (*see* § 120.9 of this subchapter):

(1) Directly related to the defense articles enumerated in paragraphs (a) and (b) of this category;

(2) Directly related to the software and associated databases enumerated in paragraph (b)(4) of this category even if no defense articles are used or transferred; or

(3) Military training (*see,* § 120.9(a)(3) of this subchapter) not directly related to defense articles or technical data enumerated in this subchapter.

* * * * *

Category XIX—Gas Turbine Engines and Associated Equipment

* * * * *

(f) * * *

(1) * * *

Note to paragraph (f)(1): Specially designed (*see* § 120.41(b)(3)(ii) of this subchapter) does not control parts, components, accessories, and attachments that are common to engines enumerated in paragraph (a) through (d) of this category but not identified in paragraph (f)(1), and those identified in paragraph (f)(1). For example, a part common to only the F110 and F136 is not specially designed for purposes of the ITAR. A part common to only the F119 and F135—two engine models identified in paragraph (f)(1)—is specially designed.

* * * * *

Category XX—Submersible Vessels and Related Articles

(a) Submersible and semi-submersible vessels that are:

*(1) Submarines specially designed for military use;

* * * * *

(4) Armed or are specially designed to be used as a platform to deliver munitions or otherwise destroy or incapacitate targets (*e.g.,* firing torpedoes, launching rockets, firing missiles, deploying mines, deploying countermeasures) or deploy military payloads;

* * * * *

(6) Integrated with nuclear propulsion systems;

(7) Equipped with any mission systems controlled under this subchapter; or

Note to paragraph (a)(7): ''Mission system'' is defined as a ''system'' (see § 120.45(g) of this subchapter) that are defense articles that perform specific military functions such as by providing military communication, electronic warfare, target designation, surveillance, target detection, or sensor capabilities.

* * * * *

■ 8. Sections 121.2, 121.3, 121.4, 121.8, 121.10, 121.14, and 121.15 are removed and reserved.

PART 123—LICENSES FOR THE EXPORT AND TEMPORARY IMPORT OF DEFENSE ARTICLES

■ 9. The authority citation for part 123 continues to read as follows:

Authority: Secs. 2, 38, and 71, Pub. L. 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2797); 22 U.S.C. 2753; 22 U.S.C. 2651a; 22 U.S.C. 2776; Pub. L. 105–261, 112 Stat. 1920; Sec. 1205(a), Pub. L. 107–228; Section 1261, Pub. L. 112–239; E.O. 13637, 78 FR 16129.

■ 10. Section 123.1 is amended by removing the word ''enumerated'' and adding in its place the word ''described'' in one place in paragraph (b)(1).

■ 11. Section 123.16 is amended by revising paragraph (b)(4) to read as follows:

§ 123.16 Exemptions of general applicability.

* * * * *

(b) * * *

(4) Port Directors of U.S. Customs and Border Protection shall permit the export without a license, of unclassified models or mock-ups of defense articles, provided that such models or mock-ups are inoperable and do not reveal any technical data in excess of that which is exempted from the licensing requirements of § 125.4(b) of this subchapter and do not contain components (*see* § 120.45(b) of this subchapter) covered by the U.S. Munitions List (*see* § 121.1 of this subchapter). Some models or mockups built to scale or constructed of original materials can reveal technical data. U.S. persons who avail themselves of this exemption must provide a written certification to the Port Director of U.S. Customs and Border Protection that these conditions are met. This exemption does not imply that the

Directorate of Defense Trade Controls will approve the export of any defense articles for which models or mocks-ups have been exported pursuant to this exemption.

* * * * *

PART 126—GENERAL POLICIES AND PROVISIONS

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

Authority: Secs. 2, 38, 40, 42, and 71, Pub. L. 90–629, 90 Stat. 744 (22 U.S.C. 2752, 2778, 2780, 2791, and 2797); 22 U.S.C. 2651a; 22 U.S.C. 287c; E.O. 12918, 59 FR 28205; 3 CFR, 1994 Comp., p. 899; Sec. 1225, Pub. L. 108–375; Sec. 7089, Pub. L. 111–117; Pub. L. 111–266; Sections 7045 and 7046, Pub. L. 112–74; E.O. 13637, 78 FR 16129.

§ 126.1 [Amended]

■ 13. Section 126.1 is amended by removing the word ''enumerated'' and adding in its place the word ''described'' in one place in paragraph (c).

■ 14. Supplement No. 1 to part 126 is revised to read as follows:

Supplement No. 1 to Part 126

SUPPLEMENT NO. 1*

[*An ''X'' in the chart indicates that the item is excluded from use under the exemption referenced in the top of the column. An item excluded in any one row is excluded regardless of whether other rows may contain a description that would include the item.]

USML Category	Exclusion	(CA) § 126.5	(AS) § 126.16	(UK) § 126.17
I–XXI	Classified defense articles and services. See Note 1	X	X	X
I–XXI	Defense articles listed in the Missile Technology Control Regime (MTCR) Annex	X	X	X
I–XXI	U.S. origin defense articles and services used for marketing purposes and not previously licensed for export in accordance with this subchapter.	.....	X	X
I–XXI	Defense services for or technical data related to defense articles identified in this supplement as excluded from the Canadian exemption.	X	.....	.....
I–XXI	Any transaction involving the export of defense articles and services for which congressional notification is required in accordance with § 123.15 and § 124.11 of this subchapter.	X	.....	.....
I–XXI	U.S. origin defense articles and services specific to developmental systems that have not obtained written Milestone B approval from the U.S. Department of Defense milestone approval authority, unless such export is pursuant to a written solicitation or contract issued or awarded by the U.S. Department of Defense for an end-use identified in paragraph (e)(1), (e)(2), or (e)(4) of § 126.16 or § 126.17 of this subchapter and is consistent with other exclusions of this supplement.	.....	X	X
I–XXI	Nuclear weapons strategic delivery systems and all components, parts, accessories, and attachments specifically designed for such systems and associated equipment.	X	.....	.....
I–XXI	Defense articles and services specific to the existence or method of compliance with anti-tamper measures, where such measures are readily identifiable, made at originating Government direction.	.....	X	X
I–XXI	Defense articles and services specific to reduced observables or counter low observables in any part of the spectrum. See Note 2.	.....	X	X
I–XXI	Defense articles and services specific to sensor fusion beyond that required for display or identification correlation. See Note 3.	.....	X	X
I–XXI	Defense articles and services specific to the automatic target acquisition or recognition and cueing of multiple autonomous unmanned systems.	.....	X	X
I–XXI	Nuclear power generating equipment or propulsion equipment (e.g., nuclear reactors), specifically designed for military use and components therefor, specifically designed for military use. See also § 123.20 of this subchapter.	.....	.....	X
I–XXI	Libraries (parametric technical databases) specially designed for military use with equipment controlled on the USML. See Note 13.	.....	.....	X
I–XXI	Defense services or technical data specific to applied research as defined in § 125.4(c)(3) of this subchapter, design methodology as defined in § 125.4(c)(4) of this subchapter, engineering analysis as defined in § 125.4(c)(5) of this subchapter, or manufacturing know-how as defined in § 125.4(c)(6) of this subchapter. See Note 12.	X	.....	.....
I–XXI	Defense services other than those required to prepare a quote or bid proposal in response to a written request from a department or agency of the United States Federal Government or from a Canadian Federal, Provincial, or Territorial Government; or defense services other than those required to produce, design, assemble, maintain or service a defense article for use by a registered U.S. company, or a U.S. Federal Government Program, or for end-use in a Canadian Federal, Provincial, or Territorial Government Program. See Note 14.	X	.....	.....
I	Firearms, close assault weapons, and combat shotguns	X	.....	.....
II(k)	Software source code related to USML Category II(c), II(d), or II(i). See Note 4	.....	X	X
II(k)	Manufacturing know-how related to USML Category II(d). See Note 5	X	X	X
III	Ammunition for firearms, close assault weapons, and combat shotguns listed in USML Category I	X	.....	.....
III	Defense articles and services specific to ammunition and fuse setting devices for guns and armament controlled in USML Category II.	.....	.....	X
III(e)	Manufacturing know-how related to USML Category III(d)(1) or III(d)(2) and their specially designed components. See Note 5.	X	X	X
III(e)	Software source code related to USML Category III(d)(1) or III(d)(2). See Note 4	.....	X	X
IV	Defense articles and services specific to man-portable air defense systems (MANPADS). See Note 6.	X	X	X
IV	Defense articles and services specific to rockets, designed or modified for non-military applications that do not have a range of 300 km (i.e., not controlled on the MTCR Annex).	.....	.....	X
IV	Defense articles and services specific to torpedoes	.....	X	X
IV	Defense articles and services specific to anti-personnel landmines. See Note 15	X	X	X

SUPPLEMENT NO. 1*—Continued

[*An "X" in the chart indicates that the item is excluded from use under the exemption referenced in the top of the column. An item excluded in any one row is excluded regardless of whether other rows may contain a description that would include the item.]

USML Category	Exclusion	(CA) § 126.5	(AS) § 126.16	(UK) § 126.17
IV	Defense articles and services specific to cluster munitions	X	X	X
IV(i)	Software source code related to USML Category IV(a), IV(b), IV(c), or IV(g). See Note 4		X	X
IV(i)	Manufacturing know-how related to USML Category IV(a), IV(b), IV(d), or IV(g) and their specially designed components. See Note 5.	X	X	X
V	The following energetic materials and related substances:			X
	a. TATB (triaminotrinitrobenzene) (CAS 3058–38–6);			
	b. Explosives controlled in USML Category V(a)(38);			
	c. Iron powder (CAS 7439–89–6) with particle size of 3 micrometers or less produced by reduction of iron oxide with hydrogen;.			
	d. BOBBA–8 (bis(2-methylaziridinyl)2-(2-hydroxypropanoxy) propylamino phosphine oxide), and other MAPO derivatives;.			
	e. N-methyl-p-nitroaniline (CAS 100–15–2); or			
	f. Trinitrophenylmethylnitramine (tetryl) (CAS 479–45–8)			
V(a)(13)	ANF or ANAzF as described in USML Category V(a)(13)(iii) and (iv)			X
V(a)(23)	Difluoraminated derivative of RDX as described in USML Category V(a)(23)(iii)			X
V(c)(7)	Pyrotechnics and pyrophorics specifically formulated for military purposes to enhance or control radiated energy in any part of the IR spectrum.			X
V(d)(3)	Bis-2, 2-dinitropropylnitrate (BDNPN)			X
V(i)	Developmental explosives, propellants, pyrotechnics, fuels, oxidizers, binders, additives, or precursors therefor, funded by the Department of Defense via contract or other funding authorization in accordance with notes 1 to 3 for USML Category V(i). This exclusion does not apply if such export is pursuant to a written solicitation or contract issued or awarded by the U.S. Department of Defense for an end-use identified in paragraph (e)(1), (e)(2), or (e)(4) of § 126.16 or § 126.17 of this subchapter and is consistent with other exclusions of this supplement.		X	X
VI	Defense articles and services specific to cryogenic equipment, and specially designed components or accessories therefor, specially designed or configured to be installed in a vehicle for military ground, marine, airborne or space applications, capable of operating while in motion and of producing or maintaining temperatures below 103 K (−170°C).			X
VI	Defense articles and services specific to superconductive electrical equipment (rotating machinery and transformers) specially designed or configured to be installed in a vehicle for military ground, marine, airborne, or space applications and capable of operating while in motion. This, however, does not include direct current hybrid homopolar generators which have single-pole normal metal armatures that rotate in a magnetic field produced by superconducting windings, provided those windings are the only superconducting component in the generator.			X
VI	Defense articles and services specific to naval technology and systems relating to acoustic spectrum control and awareness. See Note 10.		X	X
VI(a)	Nuclear powered vessels	X	X	X
VI(e)	Defense articles and services specific to naval nuclear propulsion equipment. See Note 7	X	X	X
VI(g)	Software source code related to USML Category VI(a) or VI(c). See Note 4		X	X
VII	Defense articles and services specific to cryogenic equipment, and specially designed components or accessories therefor, specially designed or configured to be installed in a vehicle for military ground, marine, airborne or space applications, capable of operating while in motion and of producing or maintaining temperatures below 103 K (−170°C).			X
VII	Defense articles and services specific to superconductive electrical equipment (rotating machinery and transformers) specially designed or configured to be installed in a vehicle for military ground, marine, airborne, or space applications and capable of operating while in motion. This, however, does not include direct current hybrid homopolar generators that have single-pole normal metal armatures which rotate in a magnetic field produced by superconducting windings, provided those windings are the only superconducting component in the generator.			X
VIII	Defense articles and services specific to cryogenic equipment, and specially designed components and accessories therefor, specially designed or configured to be installed in a vehicle for military ground, marine, airborne or space applications, capable of operating while in motion and of producing or maintaining temperatures below 103 K (−170°C).			X
VIII	Defense articles and services specific to superconductive electrical equipment (rotating machinery and transformers) specially designed or configured to be installed in a vehicle for military ground, marine, airborne, or space applications and capable of operating while in motion. This, however, does not include direct current hybrid homopolar generators which have single-pole normal metal armatures that rotate in a magnetic field produced by superconducting windings, provided those windings are the only superconducting component in the generator.			X
VIII(a)	All USML Category VIII(a) items	X		
VIII(f)	Developmental aircraft parts, components, accessories, and attachments identified in USML Category VIII(f).	X		
VIII(i)	Manufacturing know-how related to USML Category VIII(a) or VIII(e), and specially designed parts or components therefor. See Note 5.	X	X	X
VIII(i)	Software source code related to USML Category VIII(a) or VIII(e). See Note 4		X	X
IX	Training or simulation equipment for Man Portable Air Defense Systems (MANPADS). See Note 6		X	X
IX(e)	Software source code related to USML Category IX(a) or IX(b). See Note 4		X	X
IX(e)	Software that is both specifically designed or modified for military use and specifically designed or modified for modeling or simulating military operational scenarios.			X

SUPPLEMENT NO. 1*—Continued

[*An "X" in the chart indicates that the item is excluded from use under the exemption referenced in the top of the column. An item excluded in any one row is excluded regardless of whether other rows may contain a description that would include the item.]

USML Category	Exclusion	(CA) § 126.5	(AS) § 126.16	(UK) § 126.17
X(e)	Manufacturing know-how related to USML Category X(a)(1) or X(a)(2), and specially designed components therefor. See Note 5.	X	X	X
XI(a)	Defense articles and services specific to countermeasures and counter- countermeasures See Note 9.		X	X
XI(a)	High Frequency and Phased Array Microwave Radar systems, with capabilities such as search, acquisition, tracking, moving target indication, and imaging radar systems. See Note 16.		X	
XI	Defense articles and services specific to naval technology and systems relating to acoustic spectrum control and awareness. See Note 10.		X	X
XI(b), XI(c), XI(d).	Defense articles and services specific to USML Category XI (b) (e.g., communications security (COMSEC) and TEMPEST).		X	X
XI(d)	Software source code related to USML Category XI(a). See Note 4		X	X
XI(d)	Manufacturing know-how related to USML Category XI(a)(3) or XI(a)(4), and specially designed components therefor. See Note 5.	X	X	X
XII	Defense articles and services specific to countermeasures and counter- countermeasures. See Note 9.		X	X
XII	Defense articles and services specific to USML Category XII(c) articles, except any 1st- and 2nd-generation image intensification tubes and 1st- and 2nd-generation image intensification night sighting equipment. End-items in USML Category XII(c) and related technical data limited to basic operations, maintenance, and training information as authorized under the exemption in § 125.4(b)(5) of this subchapter may be exported directly to a Canadian Government entity (i.e., federal, provincial, territorial, or municipal) consistent with § 126.5, other exclusions, and the provisions of this subchapter.	X		
XII	Technical data or defense services for night vision equipment beyond basic operations, maintenance, and training data. However, the AS and UK Treaty exemptions apply when such export is pursuant to a written solicitation or contract issued or awarded by the U.S. Department of Defense for an end-use identified in paragraph (e)(1), (e)(2), or (e)(4) of § 126.16 or § 126.17 of this subchapter and is consistent with other exclusions of this supplement.	X	X	X
XII(f)	Manufacturing know-how related to USML Category XII(d) and specially designed components therefor. See Note 5.	X	X	X
XII(f)	Software source code related to USML Category XII(a), XII(b), XII(c), or XII(d). See Note 4		X	X
XIII(b)	Defense articles and services specific to USML Category XIII(b) (Military Information Security Assurance Systems, cryptographic devices, software, and components).		X	X
XIII(d)	Carbon/carbon billets and preforms which are reinforced in three or more dimensional planes, specifically designed, developed, modified, configured or adapted for defense articles.			X
XIII(e)	Defense articles and services specific to armored plate manufactured to comply with a military standard or specification or suitable for military use. See Note 11.			X
XIII(g)	Defense articles and services related to concealment and deception equipment and materials			X
XIII(h)	Energy conversion devices other than fuel cells			X
XIII(j)	Defense articles and services related to hardware associated with the measurement or modification of system signatures for detection of defense articles as described in Note 2.		X	X
XIII(l)	Software source code related to USML Category XIII(a). See Note 4		X	X
XIV	Defense articles and services related to toxicological agents, including chemical agents, biological agents, and associated equipment.		X	X
XIV(a), XIV(b), XIV(d), XIV(e), XIV(f).	Chemical agents listed in USML Category XIV(a), (d) and (e), biological agents and biologically derived substances in USML Category XIV(b), and equipment listed in USML Category XIV(f) for dissemination of the chemical agents and biological agents listed in USML Category XIV(a), (b), (d), and (e).	X		
XV(a)	Defense articles and services specific to spacecraft/satellites. However, the Canadian exemption may be used for commercial communications satellites that have no other type of payload.	X	X	X
XV(b)	Defense articles and services specific to ground control stations for spacecraft telemetry, tracking, and control. Defense articles and services are not excluded under this entry if they do not control the spacecraft. Receivers for receiving satellite transmissions are also not excluded under this entry.		X	X
XV(c)	Defense articles and services specific to GPS/PPS security modules		X	X
XV(c)	Defense articles controlled in USML Category XV(c) except end-items for end-use by the Federal Government of Canada exported directly or indirectly through a Canadian-registered person.	X		
XV(e)	Anti-jam systems with the ability to respond to incoming interference by adaptively reducing antenna gain (nulling) in the direction of the interference.	X		
XV(e)	Antennas having any of the following: a. Aperture (overall dimension of the radiating portions of the antenna) greater than 30 feet; b. All sidelobes less than or equal to -35 dB relative to the peak of the main beam; or c. Designed, modified, or configured to provide coverage area on the surface of the earth less than 200 nautical miles in diameter, where "coverage area" is defined as that area on the surface of the earth that is illuminated by the main beam width of the antenna (which is the angular distance between half power points of the beam).	X		
XV(e)	Optical intersatellite data links (cross links) and optical ground satellite terminals	X		

SUPPLEMENT NO. 1*—Continued

[*An "X" in the chart indicates that the item is excluded from use under the exemption referenced in the top of the column. An item excluded in any one row is excluded regardless of whether other rows may contain a description that would include the item.]

USML Category	Exclusion	(CA) § 126.5	(AS) § 126.16	(UK) § 126.17
XV(e)	Spaceborne regenerative baseband processing (direct up and down conversion to and from baseband) equipment.	X	.....	.....
XV(e)	Propulsion systems which permit acceleration of the satellite on-orbit (i.e., after mission orbit injection) at rates greater than 0.1 g.	X	.....	.....
XV(e)	Attitude control and determination systems designed to provide spacecraft pointing determination and control or payload pointing system control better than 0.02 degrees per axis.	X	.....	.....
XV(e)	All specifically designed or modified systems, components, parts, accessories, attachments, and associated equipment for all USML Category XV(a) items, except when specifically designed or modified for use in commercial communications satellites.	X	.....	.....
XV(e)	Defense articles and services specific to spacecraft and ground control station systems (only for telemetry, tracking and control as controlled in USML Category XV(b)), subsystems, components, parts, accessories, attachments, and associated equipment.	.....	X	X
XV(f)	Technical data and defense services directly related to the other defense articles excluded from the exemptions for USML Category XV.	X	X	X
XVI	Defense articles and services specific to design and testing of nuclear weapons	X	X	X
XVII	Classified articles, and technical data and defense services relating thereto, not elsewhere enumerated. See Note 1.	X	X	X
XVIII	Defense articles and services specific to directed energy weapon systems	.....	X	X
XIX(e), XIX(f)(1), XIX(f)(2), XIX(g).	Defense articles and services specific to gas turbine engine hot section components and to Full Authority Digital Engine Control Systems (FADEC) or Digital Electronic Engine Controls (DEEC). See Note 8.	.....	X	X
XIX(g)	Technical data and defense services for gas turbine engine hot sections. (This does not include hardware). See Note 8.	X	X	X
XX	Defense articles and services related to submersible vessels, oceanographic, and associated equipment.	X	X	X
XX	Defense articles and services specific to naval technology and systems relating to acoustic spectrum control and awareness. See Note 10.	.....	X	X
XX	Defense articles specific to cryogenic equipment, and specially designed components or accessories therefor, specially designed or configured to be installed in a vehicle for military ground, marine, airborne or space applications, capable of operating while in motion and of producing or maintaining temperatures below 103 K (−170°C).	.....	.....	X
XX	Defense articles specific to superconductive electrical equipment (rotating machinery and transformers) specially designed or configured to be installed in a vehicle for military ground, marine, airborne, or space applications and capable of operating while in motion. This, however, does not include direct current hybrid homopolar generators that have single-pole normal metal armatures which rotate in a magnetic field produced by superconducting windings, provided those windings are the only superconducting component in the generator.	.....	.....	X
XX(a)	Nuclear powered vessels	X	X	X
XX(b)	Defense articles and services specific to naval nuclear propulsion equipment. See Note 7	X	X	X
XX(c)	Defense articles and services specific to submarine combat control systems	.....	X	X
XX(d)	Software source code related to USML Category XX(a). See Note 4	.....	X	X
XXI	Articles, and technical data and defense services relating thereto, not otherwise enumerated on the USML, but placed in this category by the Director, Office of Defense Trade Controls Policy.	X	X	X

Note 1: Classified defense articles and services are not eligible for export under the Canadian exemptions. U.S. origin articles, technical data, and services controlled in USML Category XVII are not eligible for export under the UK Treaty exemption. U.S. origin classified defense articles and services are not eligible for export under either the UK or AS Treaty exemptions except when being released pursuant to a U.S. Department of Defense written request, directive, or contract that provides for the export of the defense article or service.

Note 2: The phrase "any part of the spectrum" includes radio frequency (RF), infrared (IR), electro-optical, visual, ultraviolet (UV), acoustic, and magnetic. Defense articles related to reduced observables or counter reduced observables are defined as:

(a) Signature reduction (radio frequency (RF), infrared (IR), Electro-Optical, visual, ultraviolet (UV), acoustic, magnetic, RF emissions) of defense platforms, including systems, subsystems, components, materials (including dual-purpose materials used for Electromagnetic Interference (EM) reduction), technologies, and signature prediction, test and measurement equipment and software, and material transmissivity/reflectivity prediction codes and optimization software.

(b) Electronically scanned array radar, high power radars, radar processing algorithms, periscope-mounted radar systems (PATRIOT), LADAR, multistatic and IR focal plane array-based sensors, to include systems, subsystems, components, materials, and technologies.

Note 3: Defense articles and services related to sensor fusion beyond that required for display or identification correlation is defined as techniques designed to automatically combine information from two or more sensors/sources for the purpose of target identification, tracking, designation, or passing of data in support of surveillance or weapons engagement. Sensor fusion involves sensors such as acoustic, infrared, electro optical, frequency, etc. Display or identification correlation refers to the combination of target detections from multiple sources for assignment of common target track designation.

Note 4: Software source code beyond that source code required for basic operation, maintenance, and training for programs, systems, and/or subsystems is not eligible for use of the UK or AS Treaty exemptions, unless such export is pursuant to a written solicitation or contract issued or awarded by the U.S. Department of Defense for an end-use identified in paragraph (e)(1), (e)(2), or (e)(4) of § 126.16 or § 126.17 of this subchapter and is consistent with other exclusions of this supplement.

Note 5: Manufacturing know-how, as defined in § 125.4(c)(6) of this subchapter, is not eligible for use of the UK or AS Treaty exemptions, unless such export is pursuant to a written solicitation or contract issued or awarded by the U.S. Department of Defense for an end-use identified in paragraph (e)(1), (e)(2), or (e)(4) of § 126.16 or § 126.17 of this subchapter and is consistent with other exclusions of this supplement.

SUPPLEMENT NO. 1*—Continued

[*An "X" in the chart indicates that the item is excluded from use under the exemption referenced in the top of the column. An item excluded in any one row is excluded regardless of whether other rows may contain a description that would include the item.]

USML Category	Exclusion	(CA) § 126.5	(AS) § 126.16	(UK) § 126.17

Note 6: Defense articles and services specific to Man Portable Air Defense Systems (MANPADS) includes missiles that can be used without modification in other applications. It also includes production and test equipment and components specifically designed or modified for MANPAD systems, as well as training equipment specifically designed or modified for MANPAD systems.

Note 7: Naval nuclear propulsion plants includes all of USML Category VI(e). Naval nuclear propulsion information consists of technical data that concern the design, arrangement, development, manufacture, testing, operation, administration, training, maintenance, and repair of the propulsion plants of naval nuclear-powered ships and prototypes, including the associated shipboard and shore-based nuclear support facilities. Examples of defense articles covered by this exclusion include nuclear propulsion plants and nuclear submarine technologies or systems; nuclear powered vessels (see USML Categories VI and XX).

Note 8: A complete gas turbine engine with embedded hot section components or digital engine controls is eligible for export or transfer under the Treaties. Technical data, other than those data required for routine external maintenance and operation, related to the hot section is not eligible for export under the Canadian exemption. Technical data, other than those data required for routine external maintenance and operation, related to the hot section or digital engine controls, as well as individual hot section parts or components are not eligible for the Treaty exemption whether shipped separately or accompanying a complete engine. Gas turbine engine hot section exempted defense article components and technology are combustion chambers and liners; high pressure turbine blades, vanes, disks and related cooled structure; cooled low pressure turbine blades, vanes, disks and related cooled structure; cooled augmenters; and cooled nozzles. Examples of gas turbine engine hot section developmental technologies are Integrated High Performance Turbine Engine Technology (IHPTET), Versatile, Affordable Advanced Turbine Engine (VAATE), and Ultra-Efficient Engine Technology (UEET), which are also excluded from export under the exemptions.

Note 9: Examples of countermeasures and counter-countermeasures related to defense articles not exportable under the AS or UK Treaty exemptions are:

(a) IR countermeasures;

(b) Classified techniques and capabilities;

(c) Exports for precision radio frequency location that directly or indirectly supports fire control and is used for situation awareness, target identification, target acquisition, and weapons targeting and Radio Direction Finding (RDF) capabilities. Precision RF location is defined as angle of arrival accuracy of less than five degrees (RMS) and RF emitter location of less than ten percent range error;

(d) Providing the capability to reprogram; and

(e) Acoustics (including underwater), active and passive countermeasures, and counter-countermeasures.

Note 10: Examples of defense articles covered by this exclusion include underwater acoustic vector sensors; acoustic reduction; off-board, underwater, active and passive sensing, propeller/propulsor technologies; fixed mobile/floating/powered detection systems which include in-buoy signal processing for target detection and classification; autonomous underwater vehicles capable of long endurance in ocean environments (manned submarines excluded); automated control algorithms embedded in on-board autonomous platforms which enable (a) group behaviors for target detection and classification, (b) adaptation to the environment or tactical situation for enhancing target detection and classification; "intelligent autonomy" algorithms that define the status, group (greater than 2) behaviors, and responses to detection stimuli by autonomous, underwater vehicles; and low frequency, broad band "acoustic color," active acoustic "fingerprint" sensing for the purpose of long range, single pass identification of ocean bottom objects, buried or otherwise (controlled under Category USML XI(a)(1), (a)(2), (b), (c), and (d)).

Note 11: This exclusion does not apply to the platforms (e.g., vehicles) for which the armored plates are applied. For exclusions related to the platforms, refer to the other exclusions in this list, particularly for the category in which the platform is controlled.

The excluded defense articles include constructions of metallic or non-metallic materials or combinations thereof specially designed to provide protection for military systems. The phrase "suitable for military use" applies to any articles or materials which have been tested to level IIIA or above IAW NIJ standard 0108.01 or comparable national standard. This exclusion does not include military helmets, body armor, or other protective garments which may be exported IAW the terms of the AS or UK Treaty.

Note 12: Defense services or technical data specific to applied research (§ 125.4(c)(3) of this subchapter), design methodology (§ 125.4(c)(4) of this subchapter), engineering analysis (§ 125.4(c)(5) of this subchapter), or manufacturing know-how (§ 125.4(c)(6) of this subchapter) are not eligible for export under the Canadian exemptions. However, this exclusion does not include defense services or technical data specific to build-to-print as defined in § 125.4(c)(1) of this subchapter, build/design-to-specification as defined in § 125.4(c)(2) of this subchapter, or basic research as defined in § 125.4(c)(3) of this subchapter, or maintenance (i.e., inspection, testing, calibration or repair, including overhaul, reconditioning and one-to-one replacement of any defective items parts or components, but excluding any modification, enhancement, upgrade or other form of alteration or improvement that changes the basic performance of the item) of non-excluded defense articles which may be exported subject to other exclusions or terms of the Canadian exemptions.

Note 13: The term "libraries" (parametric technical databases) means a collection of technical information of a military nature, reference to which may enhance the performance of military equipment or systems.

Note 14: In order to utilize the authorized defense services under the Canadian exemption, the following must be complied with:

(a) The Canadian contractor and subcontractor must certify, in writing, to the U.S. exporter that the technical data and defense services being exported will be used only for an activity identified in Supplement No. 1 to part 126 of this subchapter and in accordance with § 126.5 of this subchapter; and

(b) A written arrangement between the U.S. exporter and the Canadian recipient must:

(1) Limit delivery of the defense articles being produced directly to an identified manufacturer in the United States registered in accordance with part 122 of this subchapter; a department or agency of the United States Federal Government; a Canadian-registered person authorized in writing to manufacture defense articles by and for the Government of Canada; a Canadian Federal, Provincial, or Territorial Government;

(2) Prohibit the disclosure of the technical data to any other contractor or subcontractor who is not a Canadian-registered person;

(3) Provide that any subcontract contain all the limitations of § 126.5 of this subchapter;

(4) Require that the Canadian contractor, including subcontractors, destroy or return to the U.S. exporter in the United States all of the technical data exported pursuant to the contract or purchase order upon fulfillment of the contract, unless for use by a Canadian or United States Government entity that requires in writing the technical data be maintained. The U.S. exporter must be provided written certification that the technical data is being retained or destroyed; and

SUPPLEMENT NO. 1*—Continued

[*An ''X'' in the chart indicates that the item is excluded from use under the exemption referenced in the top of the column. An item excluded in any one row is excluded regardless of whether other rows may contain a description that would include the item.]

USML Category	Exclusion	(CA) § 126.5	(AS) § 126.16	(UK) § 126.17

(5) Include a clause requiring that all documentation created from U.S. origin technical data contain the statement that, ''This document contains technical data, the use of which is restricted by the U.S. Arms Export Control Act. This data has been provided in accordance with, and is subject to, the limitations specified in § 126.5 of the International Traffic in Arms Regulations (ITAR). By accepting this data, the consignee agrees to honor the requirements of the ITAR.''

(c) The U.S. exporter must provide the Directorate of Defense Trade Controls a semi-annual report regarding all of their on-going activities authorized under § 126.5 of this subchapter. The report shall include the article(s) being produced; the end-user(s); the end-item into which the product is to be incorporated; the intended end-use of the product; and the names and addresses of all the Canadian contractors and subcontractors.

Note 15: This exclusion does not apply to demining equipment in support of the clearance of landmines and unexploded ordnance for humanitarian purposes.

As used in this exclusion, ''anti-personnel landmine'' means any mine placed under, on, or near the ground or other surface area, or delivered by artillery, rocket, mortar, or similar means or dropped from an aircraft and which is designed to be detonated or exploded by the presence, proximity, or contact of a person; any device or material which is designed, constructed, or adapted to kill or injure and which functions unexpectedly when a person disturbs or approaches an apparently harmless object or performs an apparently safe act; any manually-emplaced munition or device designed to kill, injure, or damage and which is actuated by remote control or automatically after a lapse of time.

Note 16: The radar systems described are controlled in USML Category XI(a)(3)(i) through (v). As used in this entry, the term ''systems'' includes equipment, devices, software, assemblies, modules, components, practices, processes, methods, approaches, schema, frameworks, and models.

PART 130—POLITICAL CONTRIBUTIONS, FEES AND COMMISSIONS

■ 15. The authority citation for part 130 continues to read as follows:

Authority: Sec. 39, Pub. L. 94–329, 90 Stat. 767 (22 U.S.C. 2779); 22 U.S.C. 2651a; E.O. 13637, 78 FR 16129.

■ 16. Section 130.8 is amended by revising the introductory text of paragraph (a) to read as follows:

§ 130.8 Vendor.

(a) *Vendor* means any distributor or manufacturer who, directly or indirectly, furnishes to an applicant or supplier defense articles valued in an amount of $500,000 or more which are end-items or major components as defined in § 120.45 of this subchapter. It also means any person who, directly or indirectly, furnishes to an applicant or supplier defense articles or services valued in an amount of $500,000 or more when such articles or services are to be delivered (or incorporated in defense articles or defense services to be delivered) to or for the use of the armed forces of a foreign country or international organization under:

* * * * *

Rose E. Gottemoeller,

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

[FR Doc. 2014–23792 Filed 10–9–14; 8:45 am]

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DEPARTMENT OF THE TREASURY

31 CFR Part 34

RIN 1505–AC49

Gulf Coast Restoration Trust Fund

AGENCY: Office of the Fiscal Assistant Secretary, Treasury.

ACTION: Interim final rule.

SUMMARY: The Department of the Treasury is issuing regulations concerning the amounts available to eligible Louisiana parishes from the Gulf Coast Restoration Trust Fund, a fund established by the Resources and Ecosystem Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act). These regulations amend an interim final rule for the RESTORE Act published on August 15, 2014.

DATES: Effective October 14, 2014.

FOR FURTHER INFORMATION CONTACT: Please send questions by email to *RESTORERule@treasury.gov* or contact Janet Vail, 202–622–6873.

SUPPLEMENTARY INFORMATION:

I. Background

The RESTORE Act makes funds available for the restoration and protection of the Gulf Coast region through a new trust fund in the Treasury of the United States, known as the Gulf Coast Restoration Trust Fund. The trust fund will contain 80 percent of the administrative and civil penalties paid after July 6, 2012, under the Federal Water Pollution Control Act in connection with the *Deepwater Horizon* oil spill. One component of the Act, the Direct Component, sets aside 35 percent of the penalties paid into the trust fund for grants to the State of Alabama, the State of Mississippi, the State of Texas, the State of Louisiana and 20 Louisiana parishes, and 23 Florida counties. The Direct Component provides an equal amount to each of the five Gulf Coast States, and allocates 30 percent of Louisiana's share to the 20 eligible parishes.

On September 6, 2013, Treasury proposed a rule to implement the Direct Component and four other components in the RESTORE Act. Among its provisions, the proposed rule identified the 20 Louisiana parishes eligible to receive funds under the Direct Component, but not the share of each parish. Treasury requested public comments on the data and methodology for calculating these shares, and received comments from the State of Louisiana and one Louisiana parish.

On July 31, 2014, Treasury proposed a rule identifying the share of each Louisiana parish under the Direct Component, based on a formula in the RESTORE Act and data from the United States Census Bureau and the United States Coast Guard. 79 FR 44325. Treasury considered the comments submitted previously, and opened a new public comment period for 30 days. Treasury received two substantive comments.

After considering public comments, Treasury now issues the regulations as an interim final rule. The rule for Louisiana parishes amends the RESTORE Act rule published on August 15, 2014 (79 FR 48039), which covers