



# Export Week!

**Aircraft Part Compliance: Forbidden Parties, Use-based Reasons for Control,  
Aviation-specific rules**

Aviation Suppliers Association

October 9, 2024



# Jason Dickstein



- Advising aviation companies since 1992
- General Counsel to the Aviation Suppliers Association since 1997
- Our law firm represents and counsels air carriers, manufacturers, repair stations and distributors
- Advise businesses on export and airworthiness compliance

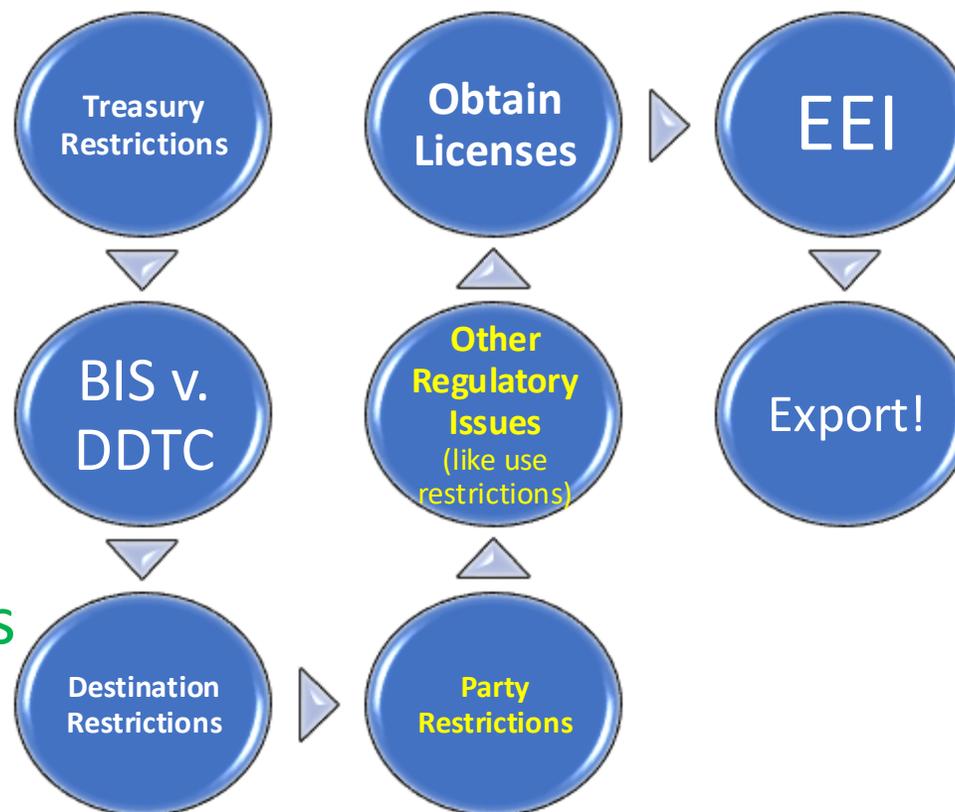
# Export Week!



Exporting Week! Day 3: Denied Parties, Use Restrictions,  
Aviation Restrictions

# Compliance Can Be a Process

- Look at Treasury restrictions
- Identify whether the article is State or Commerce restricted
- Examine appropriate destination restrictions
- Check party-level restrictions
- Identify other regulatory issues
- Obtain licenses as necessary
- Document the transaction





# Consolidated Screening List (CSL)

- Commerce, State, and Treasury lists

<https://www.trade.gov/data-visualization/csl-search>

*Please note that lists and regulations are updated frequently by the government, and should be checked for each transaction*

# CSL Search

- <https://www.trade.gov/data-visualization/csl-search>
- The consolidated screening list lets you search to see whether your business partners are restricted
- If a name is on the list, or if you find a name or address that looks close, then you should engage in some additional inquiry

Official Website of the International Trade Administration [Here's how you know](#) ▾

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[Data Visualization](#) Due Diligence Investigation Services

## CSL SEARCH

Search the Consolidated Screening List (CSL)

Search all [the screening lists](#) at one time by filling in the search boxes below. If you get too many results, try including more information to the additional fields. If you get too few results, try searching one field at a time.

**Name**  
Search for an entity's name or one of its alternative names.

**Fuzzy Name**  
When set to "off", the spelling of the Name you search for must be correct to get results. When set to "on", the spelling for the Name you search for may be slightly off from the exact spelling. Check the score for each result to determine how close a match it is to the entity's name or its alternative names. A score of 100 is an exact match. Results are returned with the highest scores first. Fuzzy search filters out the following common words: co, company, corp, corporation, inc, incorporated, limited, ltd, mrs, ms, mr, organization, sa, sas, llc, university, and univ. For example, 'Water Corporation' returns the same results as 'Water' because 'Corporation' is one of the common words.

**Address**  
Search for the street address, city, province, and postal code of an entity.

**Sources**  
Choose which of the screening lists that you want to search.

**Countries**  
Choose which countries that you want to search. Note, the Nonproliferation Sanctions and ITAR Debarred lists do not include the country with an entity. If you choose to search for entities by country then you will not be searching these two lists.

Complete Consolidated Screening List





## CSL SEARCH

Search the Consolidated Screening List (CSL)

Search all [the screening lists](#) at one time by filling in the search boxes below. If you get too many results, try including more information to the additional fields. If you get too few results, try searching one field at a time.

### Name

Search for an entity's name or one of its alternative names.

Jason Dickstein

### Fuzzy Name

When set to "off", the spelling of the Name you search for must be correct to get results. When set to "on", the spelling for the Name you search for may be slightly off from the exact spelling. Check the score for each result to determine how close a match it is to the entity's name or its alternative names. A score of 100 is an exact match. Results are returned with the highest scores first. Fuzzy search filters out the following common words: co, company, corp, corporation, inc, incorporated, limited, ltd, mrs, ms, mr, organization, sa, sas, llc, university, and univ.

For example, 'Water Corporation' returns the same results as 'Water' because 'Corporation' is one of the common words.

On

### Address

Search for the street address, city, province, and postal code of an entity.

### Sources

Choose which of the screening lists that you want to search.

Select...

### Countries

Choose which countries that you want to search. Note, the Nonproliferation Sanctions and ITAR Debarred lists do not include the country with an entity. If you choose to search for entities by country then you will not be searching these two lists.

Select...

Search

No result.

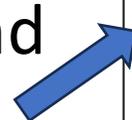


# Sample Search

- In this example, we searched for “Jason Dickstein,” and it returned “No result.”



- Note the use of the Fuzzy Search to expand the search results (to include alternative spellings)





## CSL SEARCH

Search the Consolidated Screening List (CSL)



# Sample Search

- Imagine you get a purchase order from Blue Sky Aviation in Dubai, UAE
- In this example, we searched for “Blue Sky Aviation,” and it returned three results

Search the [screening lists](#) at one time by filling in the search boxes below. If you get too many results, try including more information to the additional fields. If you get too few results, try searching one field at a time.

**Name**  
Search for an entity's name or one of its alternative names.

**Fuzzy Name**  
When set to "off", the spelling of the Name you search for must be correct to get results. When set to "on", the spelling for the Name you search for may be slightly off from the exact spelling. Check the score for each result to determine how close a match it is to the entity's name or its alternative names. A score of 100 is an exact match. Results are returned with the highest scores first. Fuzzy search filters out the following common words: co, company, corp, corporation, inc, incorporated, limited, ltd, mrs, ms, mr, organization, sa, sas, llc, university, and univ. For example, 'Water Corporation' returns the same results as 'Water' because 'Corporation' is one of the common words.

**Address**  
Search for the street address, city, province, and postal code of an entity.

**Sources**  
Choose which of the screening lists that you want to search.

**Countries**  
Choose which countries that you want to search. Note, the Nonproliferation Sanctions and ITAR Debarred lists do not include the country with an entity. If you choose to search for entities by country then you will not be searching these two lists.

3 results.

- [BLUE SKY AVIATION CO FZE](#)
- [SKY BLUE BIRD AVIATION](#)
- [SKY BLUE BIRD AVIATION](#)



# Sample Search

- Zoom in (click) on each result to see what it says
- Note the other restriction is an OFAC restriction, and you will have to honor that restriction as well

2 results.

SKY BLUE BIRD AVIATION

Source	Denied Persons List (DPL) - Bureau of Industry and Security
Start Date	2023-05-05T00:00:00Z
End Date	2023-11-01T00:00:00Z
Federal Register Notice	80 F.R. 44930 7/28/15, 81 F.R. 45277 7/13/2016, 82 F.R. 2312 1/9/2017, 82 F.R. 30823 7/3/2017, 82 F.R. 61745 12/29/2017, 83 F.R. 28801 6/21/2018, 83 F.R. 64518 12/17/2018, 84 F.R. 27233 6/12/2019, 84 F.R. 66873 12/6/2019, 85 F.R. 34405 6/4/2020, 85 F.R. 77147 12/1/2020, 86 F.R. 28540 5/27/2021, 86 F.R. 66277 11/22/2021, 87 F.R. 30173 5/18/2022, 87 F.R. 68123 11/14/2022, 88 F.R. 30078 5/10/2023
Name	SKY BLUE BIRD AVIATION
Standard Order	Y
Remarks	FR NOTICE ADDED, TDO RENEWAL, F.R. NOTICE ADDED, TDO RENEWAL ADDED, F.R. NOTICE UPDATED, TDO RENEWAL ADDED, F.R. NOTICE ADDED, TDO RENEWAL, F.R. NOTICE ADDED, TDO RENEWAL ADDED, TDO, F.R. NOTICE ADDED; TDO RENEWAL ADDED, F.R. NOTICE ADDED, TDO RENEWAL ADDED, RENEWAL ADDED, TDO RENEWAL ADDED, F.R. NOTICE ADDED, ADDITION, F.R. NOTICE ADDED TDO RENEWAL; F.R. NOTICE ADDED, TDO RENEWAL, F.R. NOTICE ADDED
Score	100
Source List URL	<a href="https://www.bis.doc.gov/index.php/the-denied-persons-list">https://www.bis.doc.gov/index.php/the-denied-persons-list</a>
Source Information URL	<a href="https://www.bis.doc.gov/index.php/policy-guidance/lists-of-parties-of-concern/denied-persons-list">https://www.bis.doc.gov/index.php/policy-guidance/lists-of-parties-of-concern/denied-persons-list</a>
Addresses	1. P.O. BOX 16111 RAS AL KHAIMAH TRADE ZONE AE

SKY BLUE BIRD AVIATION

Source	Specially Designated Nationals (SDN) - Treasury Department
Entity Number	18134
Type	Entity
Name	SKY BLUE BIRD AVIATION
Remarks	(Linked To: MAHAN AIR)
Score	100



# What Is “Denied?”

- Denied Persons may NOT participate in any way in any transaction involving the export from the United States of any commodity, software or technology subject to Export Administration Regulations (EAR)
  - No license transactions
  - No negotiations
  - No benefit from any export transaction
  - May not be the principal nor the agent in an export transaction
  - No facilitation of exports
  - No facilitation of acquisition of an export item
  - No procurement of items from the US for servicing
- **Unlike OFAC restrictions, this is limited to exports**
- **Pay special attention to Temporary Denial Orders, which are covered in tomorrow’s workshop, *and can affect acquisitions as well***



# Some Use-Based Controls May Require a Commerce Department License

- What will the importer do with it? Certain end-uses are restricted:
  - <https://www.bis.doc.gov/index.php/documents/regulations-docs/2343-part-744-control-policy-end-user-and-end-use-based-2/file>
  - Rocket systems may require licensing
  - Unmanned air vehicles may require licensing
  - Exporting certain high-speed cameras
  - Certain military end uses
  - **§ 744.7 requires us to identify the country in which an aircraft is located, is registered, and is controlled.**



# Weapons of Mass Destruction Often Drive a Use-Based Control

- What else does the receiver do with the parts?
- Certain types of conduct are regulated and may require a BIS license
  - Supporting design, development or production of
    - missiles
    - nuclear explosive devices
    - chemical weapons
    - biological weapons
  - Supporting (through financing or logistics) a transaction that would violate the licensing provisions if performed, directly



# Military End-Use-Based Controls May Require a Commerce Department License

- Microprocessors and related software and technology may be restricted for military end users and military end-uses in all category D:1 nations (*military end use includes incorporation into a defense article*)
- Certain military end-users and/or end-uses may be restricted for most exports (*including aircraft parts and avionics*):
  - Belarus
  - Burma
  - Cambodia
  - Nicaragua
  - People's Republic of China
  - Russia
  - Venezuela
- Note that Military End Users (MEUs) can include companies added to the lists because of their diversion of goods to MEUs.



# C-130 vs. L-100

- An unusual “use” restriction exists for parts controlled under ECCN 9A610
- If the part is destined for installation on a C-130 then the export treatment can be different than if it is destined for installation in an L-100
  - There are additional reasons for control



# Parts for Foreign Aircraft

## **General Rule for Foreign Aircraft (15 C.F.R. § 744.7)**

- In addition to the normal license requirements, we may not export an aircraft part subject to the export administration regulations for use on a foreign aircraft, unless a License Exception or NLR permits the shipment to be made:
  - To the country in which the aircraft is located, and
  - To the country in which the aircraft is registered, and
  - To the country, including a national thereof, which is currently controlling, leasing, or chartering the aircraft.



# What is a Foreign Aircraft?

- A foreign aircraft is an aircraft that is registered somewhere other than the United States
- There are some exceptions to this 744.7 rule, including:
  - Exporting to a US airline's installation or agent when ordered by the airline for their own aircraft
  - Exporting to a Canadian airline's installation or agent when ordered by the airline for their own aircraft
  - Exporting for a Canadian registered aircraft that meets some additional requirements



# Practical Advice for 744.7 Compliance

*When you export aircraft parts you should do at least one of these:*

1. Confirm that the part will be installed on a U.S. registered aircraft
2. Identify the foreign aircraft on which the part will be installed:
  - A. Country of aircraft registry
  - B. Country where the part will be installed (e.g. MRO location)
  - C. Country or nationality of the entity that is currently controlling, leasing, or chartering the aircraft (such as the country of the operations certificate)... and analyze each country as if it were the destination
3. Identify all possible customer aircraft to whom the buyer might re-export or transfer the aircraft part and analyze each one for compliance

Get written evidence to support the analysis; obtain licenses as necessary



# Foreign Aircraft Export Example #1

- You are planning to export an aircraft part to a distributor in Turkey (the “Customer”)
- The customer does not support US-registered (“N”-registered) aircraft, so you know that they are purchasing for a foreign aircraft
- Possible Tactics:
  - Ask the Turkish customer to identify the end use aircraft with enough details to support the 744.7 analysis
  - Ask the Turkish customer to have its operator-client complete an end user statement identify the end use aircraft with enough details to support the 744.7 analysis
  - Think: if the customer diverts the aircraft part to Russia, then do you have enough evidence to show that your belief in the final destination was reasonable?



# Foreign Aircraft Export Example #2

- You are planning to export an aircraft part to a distributor in Turkey (the “Customer”)
- The customer does not support US-registered (“N”-registered) aircraft, so you know that they are purchasing for a foreign aircraft
- The customer insists that they are buying “for stock” and do not know the end use aircraft. **You still need to comply with 15 C.F.R. § 744.7!**
- Possible Tactics:
  - Ask the Turkish customer to identify all of their customers
  - Collect enough details on each possible customer to support the 744.7 analysis for each possible destination aircraft in each fleet
  - Have the Turkish customer certify that the analysis is complete and correct, and that the customer will not re-export nor transfer the aircraft part(s) to any person who is not part of the written analysis
  - Think: if the customer diverts the aircraft part to Russia, then do you have enough evidence and control to show that your belief in the final destination was reasonable?



# Seek Written Assurances (2023 Guidance from BIS)

- “Given the heightened threat resulting from Russia’s continued attempts to evade U.S. export controls through third countries for which a BIS export license is generally not required, it is recommended that, ... exporters **seek assurances of compliance** with U.S. export controls. It is a best practice to **receive these assurances in writing, for example, through a signed certification statement.**”

*BIS Best Practice Guidance To Help Prevent High-Priority Items From Being Diverted To Russia (September 28, 2023)[emphasis added]*



# BIS Recommended Written Assurance-1

- Full name and address of the non-GECC customer, line of business, website address, and role in the transaction (i.e., purchaser, intermediate consignee, ultimate consignee, or end user).
  - For new customers, request a copy of the business license.
- Activity the customer intends to take with the item:
  - Consumed
  - Transformed into a different item (e.g., through further processing, integration, or incorporation)
  - Maintained for stock, including the likelihood for reexport v. transfer (in-country)
  - Resold with a specification as to who the next customer is (name and address)
  - Other (specify)
- If the customer is not the end user, the name and address of the known end user.
- List of items covered by the transaction and confirmation from the customer that the item requires a license if exported or reexported to Russia or Belarus.



# BIS Recommended Written Assurance-1

- Full name and address of the non-GECC customer, line of business, website address, and role in the transaction (i.e., purchaser, intermediate consignee, ultimate consignee, or end user).
  - For new customers, request a copy of the business license.
- Activity the customer intends to take with the item:
  - Consumed
  - Transformed into a different item (e.g., through further processing, repair, or incorporation)
  - Maintained for stock, including the likelihood of resale
  - Resold with a specification as to who the new customer is
  - Other (specify)
- If the customer is not the end user, the name and address of the end user
- List of items covered by the transaction and confirmation that the item requires a license if exported or reexported to Russia or Belarus.

Who is buying it? Who else is involved?



# BIS Recommended

What are they going to do with it?

- Full name and address of the non-  
and role in the transaction (i.e., purchaser, consignee, or end user).
  - For new customers, request a copy of the business license
- Activity the customer intends to take with the item:
  - Consumed
  - Transformed into a different item (e.g., through further processing, integration, or incorporation)
  - Maintained for stock, including the likelihood for reexport v. transfer (in-country)
  - Resold with a specification as to who the next customer is (name and address)
  - Other (specify)
- If the customer is not the end user, the name and address of the known end user.
- List of items covered by the transaction and confirmation from the customer that the item requires a license if exported or reexported to Russia or Belarus.



# BIS Recommended Written Assurance-1

- Full name and address of the customer, business website address, and relationship to the customer, including the date of sale
- Aircraft parts intended for installation on foreign aircraft must comply with the expanded end use/end user information requirements of 15 C.F.R. § 744.7
  - Manufactured in the United States, or
  - incorporation,
  - Maintained for stock, including the method of export v. transfer (in-country)
  - Resold with a specification as to who the customer is (name and address)
  - Other (specify)
- If the customer is not the end user, the name and address of the known end user.
- List of items covered by the transaction and confirmation from the customer that the item requires a license if exported or reexported to Russia or Belarus.



# BIS Recommended Written Assurance-1

- Full name and address of the customer, business website address, and relevant contact information

Confirmation of compliance intent. Facts in the transaction SHOULD NOT contradict this statement; if they do then this is a red flag!

- Trade terms, including Incoterms, and payment terms, or
- incorporation,
- Maintained for stock, including the method of export v. transfer (in-country)
- Resold with a specification as to who the customer is (name and address)
- Other (specify)
- If the customer is not the end user, the name and address of the known end user.
- List of items covered by the transaction and confirmation from the customer that the item requires a license if exported or reexported to Russia or Belarus.



# BIS Recommended Written Assurance-2

- Attestation that the customer will comply with the Export Administration Regulations (EAR) and flow-down these EAR requirements to its customers and other parties to the subsequent reexport or transfer (in-country) transaction to:
  - Ensure that before reexporting or transferring (in-country) the item, subsequent parties to a reexport or transfer (in-country) transaction will be screened against the U.S. Consolidated Screening List and comply with any restrictions related to any such transaction parties.
  - Not providing the item for end use by or to end users of the military, intelligence, or national police of Belarus or Russia.
  - Not providing the item for end uses or to end users tied to nuclear weapons, chemical and biological weapons, or missiles or unmanned aerial vehicles capable of a range of at least 300 kilometers (or when such range is unknown).
  - Not providing the item for ultimate end use in Belarus or Russia or temporarily occupied regions of Ukraine and covered regions of Ukraine pursuant to Part 746.6 of the EAR.
- Certification by the customer, including title, name, address, date, and signature.

Confirmation of  
compliance



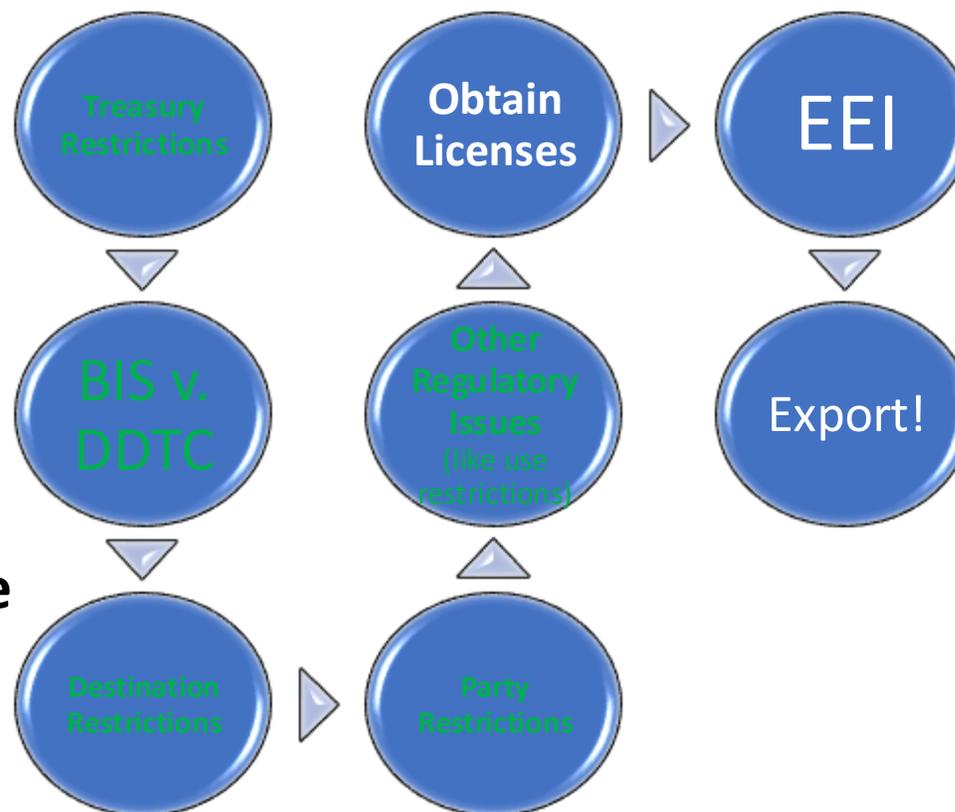
# BIS Recommended Written Assurance-2

- Attestation that the customer will comply with the Export Administration Regulations (EAR) and flow-down these EAR requirements to its customers and other parties to the subsequent reexport or transfer (in-country) transaction.
  - Ensure that before reexporting or transferring to a third party, the customer will screen the recipient against the Denied Parties and Screening List and comply with any restrictions.
  - Not providing the item for end use by or for the benefit of the intelligence services or police of Belarus or Russia.
  - Not providing the item for end uses or to end users for the development, production, testing, or use of chemical and biological weapons, or missiles or unmanned aerial vehicles capable of a range of at least 300 kilometers (or when such range is unknown, a range of at least 100 kilometers).
  - Not providing the item for ultimate end use in Belarus or Russia or temporarily occupied regions of Ukraine and covered regions of Ukraine pursuant to Part 746.6 of the EAR.
- Certification by the customer, including name, title, phone number, email address, date, and signature.

Verification and contact information

# Steps to Compliance

- So far: Look at Treasury restrictions, distinguish BIS from DDTC, assess destinations, assess parties, assess other restrictions (like use)
- **Tomorrow's topic:**
- **Aircraft Part Compliance: Special Destination Sanctions Including the Russia Sanctions, and US Anti-Boycott Rules**





Thank You!



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