October 12, 2005

Defense Acquisitions Regulation Council
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Washington, D.C. 20301-3062

Fax: (703) 602-0350
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Re: DFARS Case 2004-D010
Defense Federal Acquisition Regulation Supplement;
Export-Controlled Information and Technology

The Association of American Universities (AAU), which represents 60 leading U.S. research universities, appreciates the opportunity to comment on the Notice of Proposed Rulemaking (NPRM) to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to address requirements for preventing unauthorized disclosure of export-controlled information and technology under DOD contracts (DFARS Case 2004-D010).

Together, AAU’s research universities constitute an exceptional national resource, conducting over half of all federally sponsored university-based research. In total they receive approximately 60 percent of all DOD research funds awarded to universities, an amount exceeding $1.2 billion. A large percentage of these DOD funds come in the form of contracts and subcontracts as opposed to grants. AAU institutions award approximately 17 percent of all U.S. bachelors degrees, 20 percent of masters degrees and more than 50 percent of all doctoral and postdoctoral degrees, many of which are in fields of science and engineering critical to our national defense. Taken together, AAU universities make a unique contribution to the protection and advancement of American national security and economic interests while at the same time fostering goodwill and progress around the globe.
AAU and its members are aware of and fully committed to fulfilling their responsibility to ensure compliance with export control laws and regulations. AAU member institutions understand that export controls are a necessary component of national security policy. AAU universities are committed to complying with applicable export control rules and regulations and have enhanced compliance efforts in recent years. Earlier this year, an informal survey of AAU senior research officers revealed that over the last two years nearly all AAU institutions have taken additional steps to ensure their compliance with existing export control regulations. Typical steps have included: (1) issuing policy statements from the university administration concerning compliance with the export control laws; (2) incorporating training on export controls into standard educational materials provided to campus research administrators and sponsored research directors; (3) undertaking a wide range of outreach activities on campus to ensure that faculty and key researchers understand the nature of export controls and are more aware of their responsibilities; (4) sending university staff to export control seminars and panel discussions; (5) designating specific research administrative staff to be responsible for export control compliance; and (6) hiring outside legal counsel to ensure compliance. These steps and others are contributing to a culture of compliance across university campuses.

The DOD proposal essentially would implement recommendations by the DOD Inspector General (IG) that are contained in that office’s March 25, 2004 report entitled, “Export-Controlled Technology and Contractor, University, and Federally Funded Research and Development Center Facilities” (D-20040061). The proposed rule calls for adding a clause to DOD contracts where export-controlled information or technologies may be involved. It also mandates compliance plans which include “unique badging requirements for foreign nationals and foreign persons and segregated work areas for export-controlled information and technology.”

AAU is concerned that, as written, the clause is overly prescriptive, goes beyond requirements in current export control regulations, and fails to reference the well-established exemption for fundamental research. Moreover, unless the fundamental research exemption is referenced explicitly in the final rule, AAU believes that DOD contracting officers will automatically include the clause in contracts, even where no controlled information is exchanged or where such information would normally be covered by the fundamental research exemption. The inclusion of such a clause in contracts is likely to result in the unwillingness of some universities to perform research on behalf of DOD, an outcome that would harm U.S. national security. Finally, AAU believes that that there is no need to include such an extensive clause in DOD contracts to address the concerns raised by the DOD IG. It is the Association’s view that the IG’s concerns can be addressed by including a much simpler clause in DOD contracts that merely states that contractors and subcontractors are responsible for ensuring compliance with existing export laws and regulations. Such a clause would avoid the negative consequences of the extensive clause envisioned in the current proposed rule.
Our comments in section I below provide AAU’s specific concerns regarding the proposed DFARS Case. Section II outlines three alternative actions that AAU recommends with regard to the NPRM. In sum, AAU urges that DOD issue a second proposed rule for further comment and review before moving to a final rule.

I. AAU concerns about the proposed DFARS Case

1) **The rule is premature in light of ongoing consideration by the Department of Commerce’s Bureau of Industry and Security (BIS) of changes to export administration regulations.** As the Department is aware, the Department of Commerce is considering possible changes to the Export Administration Regulations (EAR) related to “deemed exports.” Given the current uncertainty surrounding such changes, AAU believes the DOD proposed rule is premature. BIS may put forth a reinterpretation of “use technology” as it applies to the fundamental research exemption or may determine that equipment used in the course of fundamental research is not exempt from deemed export control regulations. In either case, these determinations could have a substantial impact on DOD’s ability to implement and enforce this proposed rule. For these reasons, AAU urges that further action on the proposed DOD rule be delayed until BIS issues its final rule. Moreover, we encourage DOD to engage actively in discussions with BIS to ensure that DOD’s interests in maintaining university-based DOD research are not impeded by the final Commerce rule and any accompanying guidance BIS provides.

2) **The proposed rule would harm U.S. national security by forcing universities to turn down DOD contracts.** The proposed DOD language would require that an onerous clause be inserted in contracts and subcontracts to universities when contracting officers believe that export controlled information or technology may be involved. The clause, as currently written, would cause significant confusion among DOD contracting officers and university grants administrators, resulting in protracted contract negotiations over export control provisions, delays in research, and an overly broad application of controls to university-based research.

Open collaboration and the free exchange of ideas are fundamental to the culture of America’s research universities. It is through this culture of openness that U.S. research universities have not only thrived but also served as the fertile ground where innovative and cutting-edge ideas are brought to life. As written, the proposed rule would undermine the open and innovative atmosphere of our research laboratories.

For that reason, if the proposed export control clause was included in university contracts and subcontracts without significant revisions, many universities would likely reject such contracts. The net effect would be to exclude from much of DOD’s critical national security research those universities most qualified to conduct it. This would be an unfortunate result for U.S. universities, DOD, and the nation.
3) **DOD’s NPRM fails to reference the well-established Fundamental Research Exemption and National Security Decision Directive 189 (NSDD 189).** Unless the fundamental research exemption is referenced explicitly in the final rule, we believe it is likely that DOD contracting officers will automatically include the clause in contracts, even when no controlled information is exchanged or where such information would normally be exempt under the fundamental research exemption. This will bind universities to comply with the terms of the clause as a matter of contract law, even though the terms of the contract exceed the requirements of existing export control regulations, such as Export Administration Regulations (EAR) and International Traffic in Arms Regulations (ITAR).

AAU is concerned that contracting officers and their technical assistants are inadequately trained to recognize and exclude the clause when the fundamental research exemption should be applied. In fact, it is our belief that at this time many DOD contracting officers are unaware of the fundamental research exemption and licensing exclusions provided for by EAR and ITAR. We therefore have no reason to believe that they will be in a position to accurately apply the clause only to contracts where export controlled information is involved or when other licensing exemptions should be applied.

AAU is also concerned about the lack of any explicit reference to NSDD 189. NSDD 189, first approved by President Ronald Reagan in September 1985 and since reaffirmed by the Bush Administration in November 2001, defines fundamental research and states: “It is the policy of this Administration that, to the maximum extent possible, the products of fundamental research remain unrestricted. It is also the policy of this Administration that, where national security requires control, the mechanism for control of information generated during federally funded fundamental research in science, technology and engineering at colleges, universities and laboratories is classification....”

4) **The proposed rule has the potential to cause DOD’s own contracting officers to violate existing DOD policy contained in DOD Instruction 5230.27.**

Sections 4.3. This instruction states: “The mechanism for control of information generated by DOD-funded contracted fundamental research in science, technology and engineering performed under contract or grant at colleges, universities, and non-government laboratories is security classification. No other type of control is authorized unless required by law.” The badging requirements contained in the proposed rule clearly go above what is required by current export control laws and regulations.

5) **The proposed rule’s imprecise language is likely to lead contracting officers to include the clause even in contracts where no export controlled information is required.** The proposed rule does not state that a contractor “must” or “shall” have access to export-controlled information or technology to carry out the research requirements of a contract to trigger the inclusion of the
clause in a contract. Rather, the proposed rule requires that DOD contracting officers include the clause if the contractor “may” gain access to export-controlled information or technology. AAU believes the ambiguity of this language would lead contracting officers to include the clause in contracts even in instances where no export-controlled information will be required. The language not only gives DOD contracting officers too much latitude in determining when to add the overly restrictive language to DOD contracts but actually encourages them to do so even when it is not necessary in order to protect themselves from any potential liability or culpability. This would be the case even in instances where no export controlled information or technology would be exchanged or when license exemptions or exclusions from controls would apply.

6) **The proposed export control clause would be included in subcontracts even when it should not apply.** The clause is likely to be included in university subcontracts from industry prime contractors even when the university’s work would include no transfer of export-controlled information or technology and/or would otherwise be exempt under the fundamental research exemption. The problem of flow-down clauses in subcontracts to universities from industry prime contractors has already been delineated in the joint AAU/COGR analysis of troublesome research clauses (see: [http://www.aau.edu/research/Rpt4.8.04.pdf](http://www.aau.edu/research/Rpt4.8.04.pdf)).

7) **The NPRM requires that access control plans include “unique badging requirements for foreign-nationals and foreign persons and segregated work areas for export-controlled information and technology.”** This requirement is overly prescriptive and goes beyond requirements contained in EAR and ITAR. Moreover, such segregation of students and work areas is antithetical to the education mission of universities. The need to avoid such segregation is the very reason that most universities do not perform classified research on their campuses.

The close coupling of research and education at universities and the need to freely exchange the new ideas that flow from scholarly discourse require that access to laboratories and classrooms be unimpeded. Unlike the corporate or national laboratory environment, students play a vital role in the conduct of university-based research. The constant rotation of students and visiting scholars into and out of university laboratories ensures a fresh flow of new ideas and talent, which helps to foster creative, cutting-edge research. Requirements to badge and segregate foreign students would not only impede education and research on university campuses but also discourage foreign students and scholars from coming to U.S. universities. We view this requirement as discriminatory and, frankly, un-American. If this overly prescriptive provision is included in university contracts, many universities are likely to reject those contracts.

8) **The compliance requirements outlined in the NPRM go beyond the requirements of the National Industrial Security Program Operating Manual (NISPOM) for the handling of classified information.** For the handling of classified information, the NISPOM provides for unique badging, segregated work areas or other appropriate measures, rather than imposing a blanket badging
and segregation requirement in all instances. AAU is concerned that the proposed rules set export control requirements that are more prescriptive than what DOD requires for the conduct of classified research, or, for that matter, the compliance requirements delineated in existing export control rules contained in EAR and ITAR.

9) The proposed rule makes no distinction between foreign persons from embargoed and “Anti-Terrorism” (AT) nations and those from other nations. The proposed rule ignores the fact that export regulations vary for foreign nationals depending on their country of origin and the specific technologies and information to which they have access. Since the proposed rule refers only to “controlled technologies and information” but does not specify the levels of controls required to trigger insertion of the clause in the contract by contracting officers, they would be forced to apply the clause based on the most stringent controls contained in the export regulations. These exist for individuals from embargoed and AT countries. The threshold at which control of information and technology is required for individuals from these countries is much lower than for persons from other countries. Because the proposed DOD clause fails to recognize that the nature of controls applied should vary based on the foreign person’s citizenship and the specific technology involved, contracting officers would be forced to apply the clause assuming the most stringent controls for each technology. Thus, the clause would be inserted in contracts even if individuals from embargoed or AT nations were not involved in the work being conducted.

10) DOD compliance and contracting officers appear to have no legal authority to prescribe institutional compliance programs for export control regulations under EAR and ITAR or to evaluate university compliance with these regulations. Even if the clause is inserted in contracts, AAU questions the authority of DOD contracting officers to both prescribe and recommend appropriate compliance measures under export control laws. For EAR, this responsibility lies with the Department of Commerce, and for ITAR, this responsibility lies with the Department of State. This raises a question as to whether DOD contracting officers actually have the authority to determine when export controls may or may not apply to a DOD contract and, for that matter, if they should take the lead in trying to make such determinations. At the very least, they should consult with the Departments of State and Commerce before making such determinations.

II. AAU’s specific recommendations in response to the proposed rule

In revising the proposed rule, DOD has several available options. Listed below are AAU’s recommendations to DOD in order of preference.

1) AAU urges DOD to reject the DOD IG recommendations. In light of the adverse consequences they would have upon universities’ ability to conduct
DOD-sponsored research vital to our national security, AAU recommends strongly that the Department reject the IG recommendations outright.

2) **DOD should develop a much shorter, simpler clause stating only that the contractor is responsible for complying with existing export control laws and any rules and regulations contained in EAR and ITAR.** It appears that the IG recommended the proposed DOD clause simply to inform contractors of their responsibility to comply with existing export laws and regulations. If that was the IG’s intent, then AAU recommends that all DOD contracts include language that does that and nothing more. Such language would simply state that DOD contractors and subcontractors are responsible for ensuring compliance with existing export control laws and regulations in accordance with the EAR and ITAR. Universities should be aware of their responsibilities to comply with export control laws, and they must be responsible for compliance. Export control compliance requirements are clearly delineated in EAR and ITAR, so therefore AAU sees no need for DOD to include in its contracts the very prescriptive clause outlined in the proposed rule.

3) **DOD should accept the language provided by the Council on Governmental Relations (COGR) in its revised version of the DFARS Case.** Should DOD choose not to accept either of the two alternative options above, AAU would then recommend that DOD adopt the rewrite of the rule that has been drafted and submitted by COGR and enclosed as an attachment. AAU fully endorses the COGR language.

The COGR language addresses AAU’s concerns in the following ways:

a) For the benefit of contracting officers, it clearly underscores the fact that restrictions on the transfer of export-controlled information do not apply if the research is otherwise covered by an applicable exemption or license exception (e.g. the fundamental research exemption);

b) It ensures that the clause and its accompanying compliance requirements apply only when export information is provided by DOD to contractors in connection with the specific work to be performed as a part of the contract. The clause should not apply more broadly to a contractor’s compliance with export controls, or when exclusions from controls or license exemptions specifically apply to the work being performed under the contract;

c) It requires DOD contracting officers and their respective technical/program officers to determine if controlled information will, in fact, be exchanged or required as a part of a contract and to specify that requirement upfront in funding solicitations, contracts, and other DOD funding mechanisms;

d) It proposes alternative language that would make the proposed clause more flexible allowing universities to pursue all available compliance options
provided for under existing export controls laws and regulations. Clearly, alternative acceptable compliance mechanisms other than badging and segregation of foreign nationals, as provided for in EAR, ITAR and NISPOM, should be permitted under the clause. It also suggests that when questions arise concerning compliance with export regulations, the agency responsible for compliance be engaged in determining appropriate compliance measures.

e) It specifies to contractors that flow-down language provided for in subcontracts must specifically identify export-controlled information or technology. If controlled information is not required for performance of the subcontract, the clause should be excluded from the subcontract and not be passed on to the subcontractor. Likewise, the COGR language also recognizes that subcontracts should be exempt from the clause when applicable exemptions (e.g. the fundamental research exemption) from controls or license exclusions apply to the subcontracted portion of the contract; and

f) It adds specific language in subparagraph (e) that makes it clear that the contract clause does not change or supersede NSDD 189.

III. Conclusion

In addition to AAU’s comments, we are aware that several of our member institutions have submitted their own individual comments in response to the NPRM, as have other higher education associations and scientific societies. These include COGR, the National Association of State Universities and Land Grant Colleges, the American Council on Education, the American Association of Medical Colleges, and the National Academies. We share their concerns and associate ourselves with their statements. As noted above, we find the alternative language contained in the attached rewrite of the proposed rule developed by COGR and referenced in our third recommendation in Section II above to be acceptable. It is not, however, our preferred alternative.

AAU has significant concerns that the proposed rule would harm universities’ ability to perform research on behalf of DOD and, thereby, would also do harm to U.S. national security. There is clearly some distance to go to ensure that these issues are resolved. Given the potentially far-reaching impact of the proposed role, rather than moving next to issue a final rule, AAU urges DOD to issue a second revised proposed rule for additional comment. AAU hopes this second proposed rule will take into account and work to accommodate our concerns and recommendations.

Cordially,

Nils Hasselmo
President

Attachment
ATTACHMENT TO AAU LETTER RE: DFARS Case 2004-D010

Revs COGR Export Controls Working Group 9/15/05

[Federal Register: July 12, 2005 (Volume 70, Number 132) [Proposed Rules] [Page 39976-399781 From the Federal Register Online via GPO Access [wais.access.gpo.gov] [DOCID:fr12jy05-27]

DEPARTMENT OF DEFENSE

48 CFR Parts 204, 235, and 252

[DFARS Case 2004-D010]

Defense Federal Acquisition Regulation Supplement; Export Controlled Information and Technology

AGENCY: Department of Defense (DoD).

ACTION: Proposed rule with request for comments. ------------------------

SUMMARY: DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to address requirements for preventing unauthorized disclosure of export-controlled information and technology under DoD contracts.

DATES: Comments on the proposed rule should be submitted in writing t
the address shown below on or before September 12, 2005, to be
considered in the formation of the final rule.

ADDRESSES: You may submit comments, identified by DFARS Case 2004-D010, using any of the following methods:


   Follow the instructions for submitting comments.


   Follow the instructions for

   submitting comments.

   E-mail: dfars@osd.mil. Include DFARS Case 2004-D010 in the

   subject line of the message.

   Fax: (703) 602-0350.

   Mail: Defense Acquisition Regulations Council, Attn: Ms.
   Amy Williams, OUSD (AT&L) DPAP (DAR), IMD 3C132, 3062 Defense Pentagon,
   Washington, DC 20301-3062.

   Hand Delivery/Courier: Defense Acquisition Regulations
   Council, Crystal Square 4, Suite 200A, 241 18th Street, Arlington, VA
   22202-3402.

   All comments received will be posted to http://emissary.acq.osd.mil/dar/dfars.nsf

FOR FURTHER INFORMATION CONTACT: Ms. Amy Williams, (703) 602-0328.

[[Page 399771]
SUPPLEMENTARY INFORMATION:

A. Background

This proposed rule contains a new DFARS Subpart 204.73, Export-Controlled Information and Technology at Contractor, University, and Federally Funded Research and Development Center Facilities, and associated contract clause. The proposed subpart provides general information on export control laws and regulations and requires contracting officers to ensure that contracts identify any export-controlled information and technology. The proposed clause is prescribed for use in solicitations and contracts for research and development or for services or supplies that require the export of export-controlled information or technology in the performance of the contract. The clause requires the contractor to:

- Comply with all applicable laws and regulations regarding export-controlled information and technology; and
- Maintain an export compliance program that complies with regulatory requirements.

This rule was not subject to Office of Management and Budget review under Executive Order 12866, dated September 30, 1993.

B. Regulatory Flexibility Act

The proposed rule is not expected to have a significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., because all contractors, including small entities, are already subject to export control laws and regulations. The requirements in this proposed rule are clarifications of existing responsibilities. Therefore, DoD has not performed an initial regulatory flexibility analysis. DoD invites comments from small businesses and other interested parties. DoD also will consider comments from small entities concerning the affected DFARS subparts in accordance with 5 U.S.C. 610. Such comments should be submitted separately and should cite DFARS Case 2004-DO10.

C. Paperwork Reduction Act

The Paperwork Reduction Act does not apply because the rule does not impose any information collection requirements that require the approval of the Office of Management and Budget under 44 U.S.C. 3501, et seq.

List of Subjects in 48 CFR Parts 204, 235, and 252

Government procurement.

Michele P. Peterson,
Editor, Defense Acquisition Regulations System.

Therefore, DoD proposes to amend 48 CFR parts 204, 235, and 252 as follows:

1. The authority citation for 48 CFR parts 204, 235, and 252 continues to read as follows:

PART 204--ADMINISTRATIVE MATTERS 2. Subpart
204.73 is added to read as follows:

Subpart 204.73--Export-Controlled Information and Technology at Contractor, University, and Federally Funded Research and Development Center Facilities

Sec.
204.7301 Definition.
204.7302 General.
204.7303 Policy.
204.7304 Contract clause.

204.7301 Definition.

Export-controlled information and technology, as used in this
subpart, is defined in the clause at 252.204-70XX.

204.7302 General.

Export control laws and regulations restrict the transfer, by any means, of certain types of information and technology to certain foreign persons in the U.S. or abroad and to anyone (even U.S. citizens) in certain foreign countries, unless an exclusion from controls or a license exemption applies, or a license or other approval is obtained. Any transfer of non-excluded export-controlled information or technology to a foreign national or a foreign person anywhere in the world, including the United States, is considered an export to the home country of the foreign national or foreign person and any such transfer to U.S. citizens or foreign nationals in any foreign country is considered an export to that country. For additional information relating to restrictions on export-controlled information and technology, see PGI 204.7302.

204.7303 Policy.

The contracting officer shall ensure that DoD identifies in its contracts, Broad Agency Announcements, Requests for Proposals, and other forms of solicitations or funding mechanisms, any information and technology that, absent an applicable exclusion from controls or exemption from licensing requirements, may require a license or other government approval under U.S. export controls prior to the information’s and technology’s transfer (i) to nationals of those foreign countries for which the information and technology are controlled in the U.S. or abroad, or (ii) to anyone in those controlled countries. Each export-controlled technology or information shall be specifically identified. The contracting officer shall provide the Contractor with sufficient and appropriate information including Export Control Classification Numbers (ECCNs) and/or Munitions List categories to allow the Contractor to identify whether any export controlled technology or information will be provided to the Contractor in the work under the contract that is not subject to an exclusion from controls or a license exemption. Contracted fundamental research (DOD Instruction 5320.27, dated October 6, 1987) shall not be subject to the clause at 252.204-70XX.

204.7304 Contract clause.

Use the clause at 252.204-70XX, Requirements Regarding Access to Export-Controlled Information and Technology, only in those solicitations and contracts for research and development, services or supplies that pursuant to 204.7303, require the transfer of export-controlled information or technology in the performance of the contract, as determined by the Department of Commerce Bureau of Industry and Security and/or Department of State Directorate for Defense Trade Controls in consultation with the COTR and the contractor; provided, however, that an exclusion from controls or a license exemption does not apply.

PART 235--RESEARCH AND DEVELOPMENT

CONTRACTING 235.071 [Redesignated]

3. Section 235.071 is redesignated as section 235.072.

4. A new section 235.071 is added to read as follows:

235.071 Export-controlled information and technology at contractor, university, and Federally Funded Research and Development Center facilities.

For requirements relating to restrictions on export-controlled
information and technology, see Subpart 204.73.

PART 252--SOLICITATION PROVISIONS AND CONTRACT CLAUSES 5.

Section 252.204-70XX is added to read as follows:

252.204-70XX Requirements Regarding Transfer of Export-Controlled Information and Technology.

As prescribed in 204.7304, use the following clause:

Requirements Regarding Transfer of Export-Controlled Information and Technology (XXX 2005)

(a) Definition. Export-controlled information and technology, as used in this clause, means information and technology that is subject to, does not qualify for exclusions from, and may only be released to certain foreign nationals or foreign persons in accordance with, the Export Administration Regulations (15 CFR parts 730-774) or the International Traffic in Arms Regulations (22 CFR parts 120-130). Export-controlled information and technology does not include information excluded from control under the applicable regulations, such as, but not limited to, information arising out of or resulting from fundamental research and other information that is publicly available or in the public domain.

(b) Pursuant to 204.7304, the performance of this contract will require the Contractor to receive export-controlled information and technology as defined in 252.204-70XX(a). DoD will identify all such controlled information and technology through providing contractor with sufficient and appropriate information including Export Control Classification Numbers (ECCNs) and/or Munitions List categories.

(c) Contractor shall comply with all applicable laws and regulations regarding export-controlled information and technology which the Contractor receives in performing work under this contract, including, if required under the regulations, registration in accordance with the International Traffic in Arms Regulations.

(d) Contractor shall maintain an export compliance program that complies with regulatory requirements to the extent the Contractor receives information or technology under this contract that is subject to export controls and does not qualify for an exclusion from controls or for an exemption from licensing. In the event of a question, compliance with regulatory requirements shall be determined by the agency that administers the applicable export control regulations in consultation with the DoD contracting officer and the Contractor.

(e) Nothing in the terms of this contract is intended to change, supersede, or waive any of the requirements of, or any of the exclusions or licensing exemptions from, applicable and related Federal laws, Executive orders, and regulations, including but not limited to

1. The Export Administration Act of 1979 (50 U.S.C. App. 2401 as extended by Executive Order 13222);
2. The Arms Export Control Act of 1976 (22 U.S.C. 2751);
3. The Export Administration Regulations (15 CFR parts 730-774);
4. The International Traffic in Arms Regulations (22 CFR parts 120-130);
6. DoD Industrial Security Regulation (DoD 5220.22-R);
7. National Security Decision Directive 189 (NSDD-189);
8. National Industrial Security Program Operating Manual (NISPOM) (DoD 5220.22-M); and
(9) DoD Instruction 5230.27.

(f) The Contractor shall include the substance of this clause, including this paragraph, only in those subcontracts for research and development, services or supplies that

(1) pursuant to 204.7303, require the transfer of export-controlled information; and

(2) provided, however, an exclusion from controls or a license exemption does not apply.

(End of clause)


6. Sections 252.235-7002, 252.235-7003, 252.235-7010, and 252.235-7011 are amended in the introductory text by removing "235.071" and adding in its place "235.072".

[FR Doc. 05-13305 Filed 7-11-05; 8:45 am] BILLING CODE 5001-08-P