Mr. Robert M. Berdahl  
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Mr. Anthony P. DeCrappeo  
President, Council on Governmental Relations  
1200 New York Avenue NW, Suite 750  
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Messrs. Berdahl and DeCrappeo:

Thank you for your letter to Secretary Gutierrez outlining your organizations' comments and suggestions on the Deemed Export Advisory Committee (DEAC) report, *The Deemed Export Rule in the Era of Globalization*. Your participation in the DEAC proceedings proved critical to achieving a thorough vetting of the various issues implicated in deemed export policy. Thank you for your contribution to this important policy review.

As an initial matter, we agree with the DEAC's fundamental analysis that deemed export policy must be refined to account for changes in the global security and economic landscapes. As you know, we are still in the process of reviewing with our interagency partners the particulars of the specific DEAC recommendations. As we move forward, it is important to continue working with stakeholders before any final rules or policies are implemented. As part of this effort, I would like to address three specific concerns raised in your letter.

First, we agree that the intent of the DEAC's recommendation on a decision process construct was to provide general guidance. It establishes a framework for discussion of the actions required to enhance our current policy without necessarily intending to establish sequential steps for making decisions on deemed export issues. Our intent is to view the decision process recommendation holistically, and to develop a construct aimed at enhancing national security without inhibiting scientific research and collaboration, including fundamental research.

Second, the Department recognizes the input and value that foreign nationals contribute to American competitiveness, innovation, and broader U.S. public diplomacy efforts. The DEAC recommendation relating to assessing foreign nationals requires careful consideration and scrutiny. We believe that it may be appropriate to refine the criteria used to determine the risk of diversion by foreign nationals receiving controlled technology. Accordingly, BIS plans to publish a notice of inquiry in the *Federal Register* related to the DEAC's recommendation that the government expand the criteria utilized in making licensing determinations for dual nationals.
Third, the DEAC report suggested rewording the definition of fundamental research because it "is unique to the regulatory and academic communities... [and] has become somewhat of a term of art." BIS is not considering any alteration in scale, scope, content or definition of fundamental research or to the methods of classification. BIS is, however, working to update, simplify, and clarify regulatory language and guidance to reduce confusion over regulatory scope, terminology, record-keeping, and application requirements.

BIS has a long and successful history of cooperation with its stakeholders, including those from the academic community. Your participation and perspective are welcome, appreciated, and vital to the creation of intelligent public policy. I would encourage AAU and COGR representatives to apply for membership on the ETRAC and submit comments to our Notice of Inquiry when the solicitations are published in the Federal Register.

Again, I want to thank you for your thoughtful comments. I look forward to a continued constructive dialogue with your constituent universities and research institutions.

Sincerely,

Mario Mancuso