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24th November 1959

COCOM Document 3786COORDINATING COMMITTEEMEMORANDUM FROM THE UNITED STATES DELEGATIONONTHE IC/DV PROCEDUREReferences: COCOM Documents Nos. 3727 and 3767

1. COCOM Document No. 3727 records a statement by the Italian Delegate concerning a request received from an Italian firm for an Import Certificate to cover cumulative imports of electric and electronic measuring instruments from the United States. The Italian Delegate requested the views of other delegations in regard to this matter.

2. The United States does receive cumulative Import Certificates from other Participating Countries. These certificates are valid for 6 months and cover imports for unlimited quantities and amounts. Delivery Verifications covering these imports are forwarded in the usual manner.

3. The United States does not believe the cumulative (or multiple) import certificate jeopardizes controls and, in fact, has accepted certificates applicable to multiple transactions since the institution of the IC/DV system. Advice to United States exporters as to the use of the multiple procedure is contained in the United States Export Regulations.

4. In administering this procedure, the United States Bureau of Foreign Commerce (BFC) maintains strict accounting records. Each time that an IC covering a quantity or value in excess of the export license granted, or when an unlimited IC is accepted, an accounting sheet is attached to the first application. An exporter desiring to use the IC for future applications for export, must refer to the original application, give the BFC case number, the IC number, and certify that there is a sufficient remaining balance on the IC. This provides a cross reference for posting each transaction filed against the IC.

5. The subject of "global" IC's was discussed at various meetings of the Subcommittee on Export Controls, including the April 1958 meeting of the Subcommittee at Paris and again at the May 1959 meeting of the Subcommittee at Rome. Reference is made to COCOM Doc. No. 1373, Annex 1 to COCOM Doc. No. 1373, COCOM Doc. 3028, COCOM Doc. 3083, and Paragraph 115, Page 17, of COCOM Doc. Sub-C (59) 2B. These references fully document the discussions and adequately point out that "global" IC's do exist. Paragraph 115, page 17, of COCOM Doc. Sub-C (59) 2b, reads:

"...The Subcommittee agreed furthermore to propose to the Coordinating Committee the wider use of global ICs (1) in so far as such documents would cover regular trading and (2) on condition that the exporters and importers concerned enjoyed the entire confidence of their authorities. Export licenses issued on the basis of such ICs would cover either the total quantity stated on the IC and would be renewable, or a fraction of that quantity, in which latter case successive licenses would be prepared."

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6. In the issuance of IC's, the United States authorities do not specify "cumulative," "multiple," or "global," nor does it seem necessary to so name a certificate used for this purpose. Most United States certificates are limited as to quantity or value; when neither quantity nor value is stated, a specific validity period is added.

7. It is the opinion of the United States authorities that multiple Import Certificates do serve a useful purpose and that the issuance of multiple Import Certificates should be limited by either quantity or value, or a validity period which specifies the period within which export licenses could be granted. When an IC is received by the United States authorities from another Participating Country, specifying none of these 3 limitations, BFC will validate export licenses against it for a one-year period from the date the IC was issued.

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