



Directorate of Defense Trade Controls

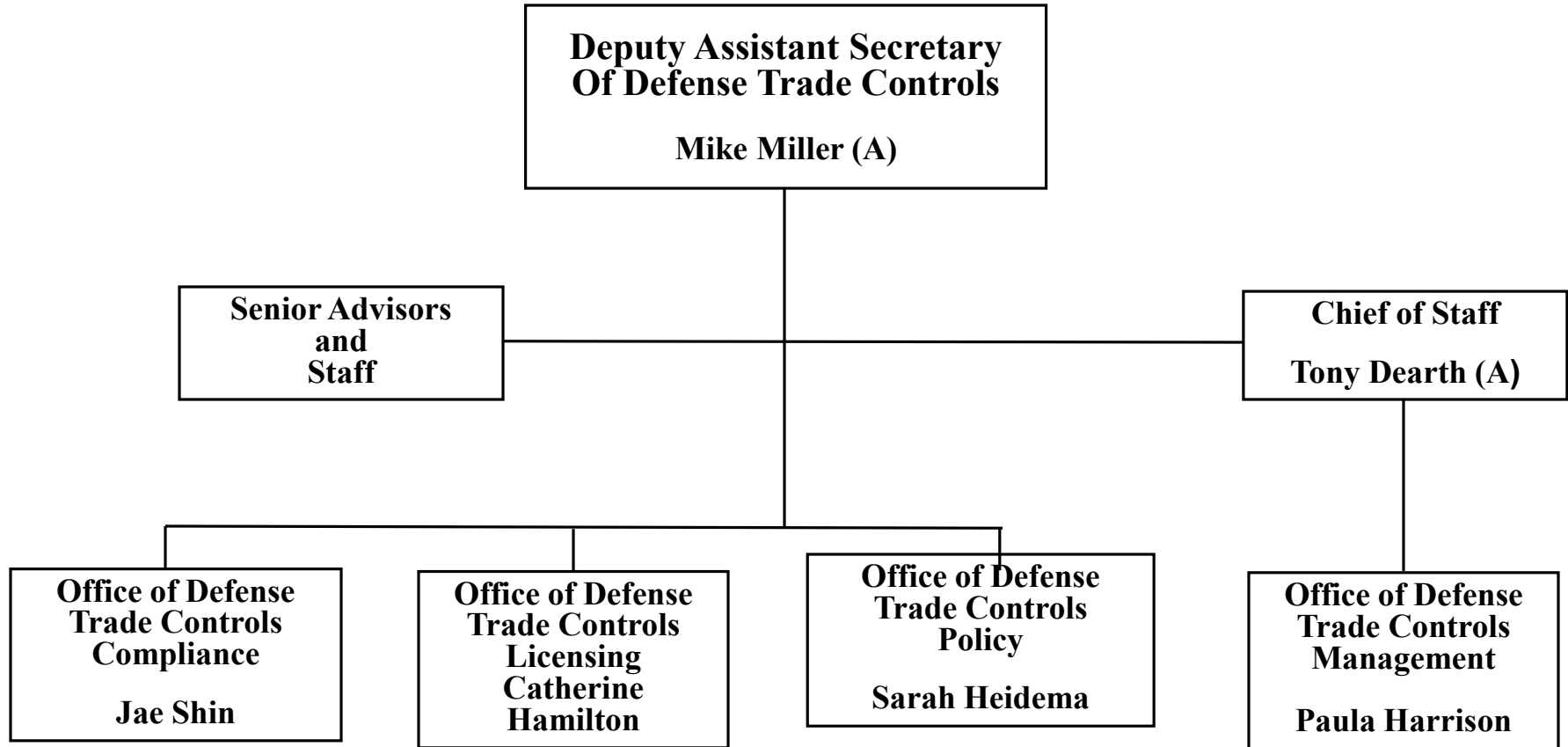
International Traffic in Arms Regulations (ITAR) DMAG Presentation

Terry L. Davis
Deputy Director of Licensing



DDTC Organization

All Non-Political Professional Staff





Office of Licensing



Core Responsibilities

- Respond to licensing requests from industry and foreign parties
- Confirm answers to the following questions on every export request – Who, What, When, Where, Why, and How
- Determine if the export is consistent with U.S. foreign policy and national security objectives (seek referrals)
- Make a final determination (Approve, Approve w/provisos, RWA, or Deny)



DDTC

Licensing Divisions



Division 3 (D3)– Space, Missile, and Sensor Systems Yolanda Gantlin and Jonathan Dennis Team Leads	IV, V, XII, XIV, XV
Division 4 (D4) – Electronic and Training Systems Angela Brown, Chief	IX, XI, XIII, XVI-XVIII, XXI
Division 5 (D5)– Sea, Land, and Air Systems Alisa Forby, Chief	II, VI, VII, VIII, X, XIX, XX
Division 6 (D6) – Light Weapons and PPE Systems Alex Douville and Pete Walker, Team Leads	I, III



Case Assignment



- D-TRADE automatically assigns to a Division based on USML category
 - Review all applicable ECR Federal Reg. Notices
 - Be attentive in assigning USML category
- Division Chief assigns to Licensing Officer for adjudication
 - Administrative Review
 - Regulatory Review



Referral Process



- Department of State (Foreign Policy)
 - Regional Bureaus (e.g. AF, EAP, EUR, NEA, SCA, WHA)
 - Regional Stability – PM/RSAT
 - Human Rights Policy – DRL
 - Missile Technology Export Control (MTEC)

- Department of Defense (DoD) (National Security)
 - Technical Review



Purpose of Controls

▪ Foreign Policy	▪ Department of State, Country Desk
▪ National Security	▪ Department of Defense, Defense Technology Security Administration (DTSA)
▪ Human Rights	▪ Department of State, Bureau of Democracy, Human Rights, and Labor (DRL)
▪ Regional Stability	▪ Department of State, Office of Regional Security and Arms Transfer (RSAT)
▪ Non-Proliferation	▪ Missile Technology Export Committee (MTEC)



State vs. Commerce

	US Department of State	US Department of Commerce
Department/ Agency	Directorate of Defense Trade Controls (DDTC)	Bureau of Industry and Security (BIS)
Law	Arms Export Control Act (AECA)	Export Administration Act (EAA)
Regulation	International Traffic in Arms Regulations (ITAR)	Export Administration Regulations (EAR)
Commodity List	US Munitions List (USML)	Commerce Control List (CCL)
Scope	Military	Military, Dual Use, Commercial
General Approach	Narrow area of control; Broad licensing requirement	Broad area of control; Narrow licensing requirement
Registration requirement?	Yes	No
Registration Fee?	Yes	No



FMS vs. DCS



- **DIRECT COMMERCIAL SALE (DCS)**
- A sale made by a US company directly to an international customer
 - US industry is responsible for obtaining a license from DDTC in the Department of State for each of these sales



FMS vs. DCS



- **FOREIGN MILITARY SALES (FMS)**
- Constitutes a direct relationship between two governments;
- FMS includes the government-to-government sales of defense contracts, regardless of the source of financing



Export Control Reform



- In August 2009, President Obama directed U.S. export control agencies to conduct a broad-based review of export controls to identify additional ways to enhance U.S. national security.

“While there is still more work to be done, taken together, these reforms will focus our resources on the threats that matter most, and help us work more effectively with our allies in the field. They’ll bring transparency and coherence to a field of regulation which has long been lacking both. And by enhancing the competitiveness of our manufacturing and technology sectors, they’ll help us not just increase exports and create jobs, but strengthen our national security as well.”

- President Obama, Department of Commerce Annual Export Controls Update Conference, August 30, 2010

“The United States is thought to have one of the most stringent export regimes in the world. But stringent is not the same as effective.” – SecDef Gates

“He who defends everything defends nothing.” – Frederick the Great



Embassy Submissions



- Submissions by an Accredited Diplomatic Mission or Retransfer Authorizations Are the Only Instances a Foreign Party Can Come Into DDTC With a Request
- DSP-5/DSP-85 Permanent Export License.
- DSP-85/DSP-61 Temporary Import License: Trade Shows/Demonstrations/Exercises
- Retransfer Requests
- Do Not Submit On Behalf of a U.S. Company
- Exceptional Submissions As They Would Normally Come From Registered U.S. Applicant



Retransfer/Re-export (General Correspondence)



- Retransfer vs Reexport :
 - Retransfer = Another End user in the same Country
 - Reexport = A different End User (Party) in a Different Country
- Unless In the Sales Territory of An Agreement, the Retransfer is required to be brought back into the U.S.
- DCS (Direct Commercial Sales) Retransfer vs FMS TPT (Foreign Military Sales – Third Party Transfer)
- Must Cite How it was Received –FMS/or DCS: If Unknown Default to TPT Which is a Much Longer Process
- Can Mix DCS Into a TPT But Not Vice Versa



Retransfer/Re-export (General Correspondence)



- Requires DDTC approval to re-export, retransfer, destroy, or change end use or end user
- Request can come from the U.S. applicant or foreign end user
- Must meet the requirements of 22 CFR 123.9(c)
- Exception for NATO (government and agencies), Australia, New Zealand, Japan, South Korea (22 CFR 123.9(e))
- Request made in writing and submitted to:
 - PM/DDTC, SA-1, 12th Floor
 - Directorate of Defense Trade Controls
 - Bureau of Political Military Affairs
 - U.S. Department of State
 - Washington, D.C. 20522-0112

- Re-export/retransfer request must contain:
 - Description of commodity w/USML Categories
 - Quantity and Value
 - Purchase order
 - Description of old/new end use
 - Description of old/new end user
 - Detail narrative/explanation
 - Technical data
 - Precedent authorizations
 - DSP-83 if hardware is SME



Considerations



- Request Should Be Sent In Through Embassy Not Directly From Overseas
- Ensure Correct U.S. Munitions List Category/Subcategory
- Much of What Was Controlled By State Has Moved to Commerce Department
- Provide Local POC
- Destruction/Demilitarization: Two Different Things



Contact Information



For general inquiries:

DDTC website – www.pmddtc/stat.gov

E-Mail: DDTCResponseTeam@state.gov



Questions?