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Secretary of State

Warren Christopher

**Assistant Secretary
of State for
Political-Military
Affairs**

Robert L. Gallucci

**Deputy Assistant
Secretary for
Export Controls**

Martha Caldwell Harris

Executive Editor

Philip S. Kosnett

**Managing and
Production Editor**

Nadia L. Brown

Contributing Editors

Commodity Jurisdiction:
Major Gary Oncale

Defense Trade Advisory
Group: Linda Lum

Layout Design

Paula M. Lorfano

Graphics Design

Richard E. Florence

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Editor's Note



Beginning this issue, we plan to broaden our coverage of policy issues handled by the Bureau of Political-Military Affairs—issues such as non-proliferation, government-to-government defense relations, and technology transfer—which we believe to be of interest to the defense trade community. Accordingly, *Defense Trade News* now sports the subtitle *Export Policy Bulletin*.

Our goal is to help you to keep abreast of the broader framework of U.S. non-proliferation and export control policy, while continuing to provide detailed information to facilitate the defense trade process.

Finally, this issue introduces an expanded Feedback questionnaire, designed to provide more detailed analysis of your reaction to the magazine. We rely upon your input to make the publication better suited to your needs. Please take a few minutes to let us know how we can do better. ♦

Defense Trade News On-Line

If you have a PC and a modem, you can have 24-hour electronic access to U.S. Government publications via the Federal Bulletin Board. Download *Defense Trade News* before your hardcopy reaches you. Keep abreast of U.S. foreign policy with the Department of State *Dispatch*. Track modifications to the International Traffic in Arms Regulations with the *Federal Register*.

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POLICY

Non-Proliferation and Export Control Policy

White House Unveils New Framework

The following statement was released by the White House, Office of the Press Secretary, Washington, DC, September 27, 1993. Reprinted from the U.S. Department of State Dispatch.

The President today established a framework for U.S. efforts to prevent the proliferation of weapons of mass destruction and the missiles that deliver them. He outlined three major principles to guide our non-proliferation and export control policy.

- Our national security requires us to accord higher priority to non-proliferation and to make it an integral element of our relations with other countries.
- To strengthen U.S. economic growth, democratization abroad, and international stability, we actively seek expanded trade and technology exchange with nations, including former adversaries, that abide by global non-proliferation norms.
- We need to build a new consensus—embracing the executive and legislative branches, industry and the public, and friends abroad—to promote effective non-proliferation efforts and integrate our non-proliferation and economic goals.

The President reaffirmed U.S. support for a strong, effective non-proliferation regime that enjoys broad multilateral support and employs all of the means at our disposal to advance our objectives. Key elements of the policy follow.

Fissile Material

The U.S. will undertake a comprehensive approach to the growing accumulation of fissile material from dismantled nuclear weapons and within civil nuclear programs. Under this approach, the U.S. will:

- Seek to eliminate where possible the accumulation of stockpiles of highly enriched uranium or plutonium and to ensure that, where these materials already exist, they are subject to the highest standards of safety, security, and international accountability;
- Propose a multilateral convention prohibiting the production of highly enriched uranium or plutonium for nuclear explosives purposes or outside of international safeguards;
- Encourage more restrictive regional arrangements to constrain fissile material production in regions of instability and high proliferation risk;
- Submit U.S. fissile material no longer needed for our deterrent to inspection by the International Atomic Energy Agency;
- Pursue the purchase of highly enriched uranium from the former Soviet Union and other countries and its conversion to peaceful use as reactor fuel;
- Explore means to limit the stockpiling of plutonium from civil nuclear programs and seek to minimize the civil use of highly enriched uranium; and
- Initiate a comprehensive review of long-term options for plutonium disposition,

taking into account technical, non-proliferation, environmental, budgetary, and economic considerations. Russia and other nations with relevant interests and experience will be invited to participate in this study.

The United States does not encourage the civil use of plutonium and, accordingly, does not itself engage in plutonium reprocessing for either nuclear power or nuclear explosive purposes. The United States, however, will maintain its existing commitments regarding the use of plutonium in civil nuclear programs in Western Europe and Japan.

Export Controls

To be truly effective, export controls should be applied uniformly by all suppliers. The United States will harmonize domestic and multilateral controls to the greatest extent possible. At the same time, the need to lead the international community or overriding national security or foreign policy interests may justify unilateral export controls in specific cases. We will review our unilateral dual-use export controls and policies and eliminate them unless such controls are essential to national security and foreign policy interests.

We will streamline the implementation of U.S. non-proliferation export controls. Our system must be more responsive and efficient and not inhibit legitimate exports that play a key role in American economic strength, while preventing exports that would make a material contribution to the proliferation of weapons of mass destruction and the missiles that deliver them.

Nuclear Proliferation

The U.S. will make every effort to secure the indefinite extension of the Non-Proliferation Treaty in 1995. We will seek to ensure that the International Atomic Energy Agency has the resources needed to implement its vital

safeguards responsibilities and will work to strengthen the IAEA's ability to detect clandestine nuclear activities.

Missile Proliferation

We will maintain our strong support for the Missile Technology Control Regime. We will promote the principles of the MTCR Guidelines as a global missile non-proliferation norm and seek to use the MTCR as a mechanism for taking joint action to combat missile proliferation. We will support prudent expansion of the MTCR's membership to include additional countries that subscribe to international non-proliferation standards, enforce effective export controls, and abandon offensive ballistic missile programs. The United States will also promote regional efforts to reduce the demand for missile capabilities.

The United States will continue to oppose missile programs of proliferation concern and will exercise particular restraint in missile-related cooperation. We will continue to retain a strong presumption of denial against exports to any country of complete space launch vehicles or major components.

The United States will not support the development or acquisition of space launch vehicles in countries outside the MTCR.

For MTCR member countries, we will not encourage new space launch vehicle programs which raise questions on both non-proliferation and economic viability grounds. The United States will, however, consider exports of MTCR-controlled items to MTCR member countries for peaceful space launch programs on a case-by-case basis. We will review whether additional constraints or safeguards could reduce the risk of misuse of space launch technology. We will seek adoption by all MTCR partners of policies as vigilant as our own.

Chemical and Biological Weapons

To help deter violations of the Biological Weapons Convention, we will promote new measures to provide increased transparency of activities and facilities that could have biological weapons applications. We call on all nations—including our own—to ratify the Chemical Weapons Convention quickly so that it may enter into force by January 13, 1995. We will work with others to support the international Organization for the Prohibition of Chemical Weapons created by the Convention.

Regional Non-Proliferation Initiatives

Non-proliferation will receive greater priority in our diplomacy and will be taken into account in our relations with countries around the world. We will make special efforts to address the proliferation threat in regions of tension such as the Korean Peninsula, the Middle East, and South Asia, including efforts to address the underlying motivations for weapons acquisition and to promote regional confidence-building steps.

In Korea, our goal remains a non-nuclear peninsula. We will make every effort to secure North Korea's full compliance with its non-proliferation commitments and effective implementation of the North-South denuclearization agreement.

In parallel with our efforts to obtain a secure, just, and lasting peace in the Middle East, we will promote dialogue and confidence-building steps to create the basis for a Middle East free of weapons of mass destruction. In the Persian Gulf, we will work with other suppli-

ers to contain Iran's nuclear, missile, and CBW ambitions, while preventing reconstruction of Iraq's activities in these areas. In South Asia, we will encourage India and Pakistan to proceed with multilateral discussions of non-proliferation and security issues, with the goal of capping and eventually rolling back their nuclear and missile capabilities.

In developing our overall approach to Latin America and South Africa, we will take account of the significant non-proliferation progress made in these regions in recent years. We will intensify efforts to ensure that the former Soviet Union, Eastern Europe, and China do not contribute to the spread of weapons of mass destruction and missiles.

Military Planning and Doctrine

We will give proliferation a higher profile in our intelligence collection and analysis and defense planning and ensure that our own force structure and military planning address the potential threat from weapons of mass destruction and missiles around the world.

Conventional Arms Transfers

We will actively seek greater transparency in the area of conventional arms transfers and promote regional confidence-building measures to encourage restraint on such transfers to regions of instability. The U.S. will undertake a comprehensive review of conventional arms transfer policy, taking into account national security, arms control, trade, budgetary, and economic competitiveness considerations. ♦

The Export Control Agenda

Under Secretary of State Davis Testifies

Under Secretary of State for International Security Affairs Lynn E. Davis testified before the House Committee on Foreign Affairs Subcommittee on Europe and the Middle East on November 10, 1993, addressing non-proliferation and export control issues. An excerpt from Under Secretary Davis's opening statement follows.

Thank you very much. . . for the opportunity to appear before your committee to discuss an issue of great importance to the Clinton Administration. As you and your committee appreciate, non-proliferation is the arms control priority of the post-Cold War world. The proliferation of dangerous weapons represents the most critical security threat we face. As a result, the Clinton Administration is placing a very high priority on non-proliferation.

Let me briefly describe the Clinton Administration's non-proliferation agenda, which spans the whole range of proliferation dangers and which we are pursuing with a global diplomatic effort.

Secretary Christopher recently returned from a visit, a trip to Russia, Kazakhstan, Ukraine, and Belarus. In addition to pledging U.S. support for democratic reform, Secretary Christopher focused on the nuclear danger and our goal to prevent the threats posed from the proliferation of weapons of mass destruction.

U.S./N.I.S. Partnership

The United States and Russia, now as partners, are consulting very closely on the goals of negotiating as quickly as possible a Comprehensive Test Ban Treaty, achieving the

indefinite extension of the Non-Proliferation Treaty, a global ban on the production of fissile material for the production of nuclear weapons, and the elimination of chemical weapons. In Moscow, we worked together to ensure a smooth entry into force of the Bilateral Missile Technology Control Regime Agreement.

Kazakhstan committed to accede to the NPT as a non-nuclear weapons state by the end of this year. In Ukraine, President Kravchuk reaffirmed the goal of a non-nuclear Ukraine and his personal commitment to ratify the START Treaty and to proceed to the NPT as a non-nuclear weapons state. He made clear that the Lisbon protocol covers all nuclear weapons in the Ukraine, including the SS-24 missiles.

But much remains to be done. . . particularly on the 3,000 former Soviet nuclear warheads that need to be eliminated from Ukraine, Kazakhstan, and Belarus. The U.S. is working actively to facilitate agreements to transfer all these nuclear warheads to Russia for dismantling and to provide compensation for the highly enriched uranium in them.

Through the Nunn-Lugar program, we will assist in the elimination of strategic offensive arms in all four states. Such assistance is already flowing to Russia and Belarus and we aim to put the necessary agreements in place with Ukraine and Kazakhstan in the coming weeks. To prevent these nations from becoming a source of dangerous arms and technologies, we are working with them to establish effective export control systems.

Our activities in the Newly Independent States demonstrate the many diverse elements which constitute the Clinton Administration's overall non-proliferation policy. Let me describe our overall goals with respect to our non-proliferation policy.

The spread of nuclear weapons is clearly the greatest proliferation danger we face. Our foremost goal is universal NPT membership. We are actively urging all NPT parties to join us in extending the Non-Proliferation Treaty indefinitely and unconditionally in 1995. And I can report. . . that support is growing for these goals.

Critical Initiatives

The Clinton Administration has announced two critical initiatives in support of our overall nuclear nonproliferation strategy: to achieve a Comprehensive Nuclear Test Ban Treaty by 1996, and to put in place a global convention cutting off production of fissile material for nuclear weapons purposes.

I can report again momentum towards a CTBT is growing. Last summer, the Conference on Disarmament reached consensus on beginning formal negotiations in Geneva in January of 1994.

Since then, we have made good progress on drafting a specific CD negotiating mandate for the Conference on Disarmament. And in addition, in New York at the General Assembly, for the first time. . . we will achieve a consensus resolution supporting test ban negotiations. So we see movement and momentum towards a Comprehensive Test Ban Treaty.

But we also need measures to strengthen the global nuclear non-proliferation regime with a regional focus. And here let me describe to you briefly one particular area of concern and one particular set of policies that are very important to our Administration. And this has to do with North Korea.

North Korea Concerns

President Clinton made clear that North Korea cannot be allowed to develop a nuclear

bomb. We are thus working very closely with the IAEA, with Japan, South Korea, and other interested parties to bring North Korea into compliance with all of its international obligations. This is not an easy process but we remain committed to our goal of having North Korea comply with its safeguards obligations under the Non-Proliferation Treaty and implement the North-South Denuclearization Declaration.

Recent North Korean behavior has been disappointing. The U.S. has made clear its readiness to address legitimate North Korea concerns. But unless the North Koreans take the necessary steps to persuade the world community that it is not pursuing a nuclear weapons option, we will have no choice but to end our bilateral dialogue with North Korea and pursue further steps in the United Nations Security Council.

Let me turn, then, briefly to. . . the progress we have made with respect to tightening export controls to prevent the spread of the materials necessary to produce chemical and biological weapons.

MTCR Successes

With respect to missile proliferation, the multilateral missile technology control regime will continue to be the primary tool of United States missile nonproliferation policy. It works and has enjoyed several recent successes which this committee has learned about through our past consultations.

In South Africa, Argentina, Hungary and in Russia we are achieving successes with respect to the flow of missiles and missile technology. We now intend to move the regime into the future, beyond a group of responsible suppliers that seeks to ensure that its own industries do not inadvertently contribute to missile proliferation, to a group that works actively together to deal with the missile proliferation problem worldwide.

We have also demonstrated that we are prepared to pursue our non-proliferation goals vigorously even when such efforts involve sanctions and may risk frictions in critical bilateral relationships.

Again. . . to point out the breadth and range of the Clinton Administration's overall non-proliferation policies, we are in the process of reorienting export controls in the post-Cold War world to meet the new dangers and security concerns that we see in the world that we now live in.

Reorienting Export Controls

There is general agreement that the COCOM controls on trade with Russia and the other states of the former Warsaw Pact should be phased out, and a partnership offered to Russia and other Newly Independent States in a new regime. The partnership will be based on clearly defined criteria concerning adherence to export controls and non-proliferation norms. We and our allies are discussing now how best to structure a new regime in partnership with Russia and the other Newly Independent States to enhance transparency and coordination of controls on exports of arms and sensitive dual-use and military technologies. Our approach is multilateral, focused on new dangers, and particularly focused on the dangers we see in Iran, Iraq, Libya, and North Korea. . . .

Let me conclude by a few observations with respect to how to think about our non-proliferation goals in the new world.

We very much appreciate the complex nature of the task of promoting non-proliferation. It is not simply stopping the flow of technologies, weapons, or hardware. Rather, it deals with the tough and interrelated issues of security, economics, jobs, and trade. It also cuts to the fundamental prerogative of states and that is their sovereignty.

Non-proliferation requires global engagement. Success will also require regional strategies tailored to the specific security concerns of individual countries. Diplomacy, backed up by American power, represents our primary tool in attaining our non-proliferation goals. At the same time, we will ensure that U.S. and allied forces are prepared to cope with possible threats if our non-proliferation efforts were to fail.

American Leadership

Success will require American leadership. The Clinton Administration is poised to undertake that leadership around the world. We also recognize that we cannot shoulder all non-proliferation responsibilities alone. We will require the help of others to succeed, first in controlling trade in dangerous arms and technologies which are available now around the world.

But let me conclude. . . that as important, if not more important, will be that the Administration and the Congress will work as a team. We share the same non-proliferation goals, and working together, in my view, we will be able to achieve these so the world knows that the United States stands firmly for these goals and that we are prepared to take the steps necessary to achieve those goals. ♦

OPERATIONS

Fine-Tuning the ITAR

Questions and Answers on the Revised International Traffic in Arms Regulations

A revised version of the International Traffic in Arms Regulation (ITAR) entered into force on July 22, 1993. This article provides informal guidance and clarification of some of the changes in the new ITAR. Only changes printed in the *Federal Register* constitute official modifications to the ITAR.

Exemptions and Registration. While the new ITAR allows for many new exemptions and reduced paperwork, companies in the business of defense trade must still fulfill the requirements of registration. All U.S. manufacturers of defense articles, as well as exporters of defense articles and persons furnishing defense services, are required to register with the Office of Defense Trade Controls. This is true even if they will be exporting articles or services that, in the specific circumstances, are exempt from licensing requirements.

Public Domain Exemptions (§120.11 (5)). The public domain exemption for technical data does not apply to patents protected by secrecy orders.

Hierarchy (§120.1 (b)). The revised ITAR provides that all authorities conferred upon the Director of the Office of Defense Trade Controls may be exercised at any time by the Under Secretary of State for International Security Affairs, the Assistant Secretary of State for Political-Military Affairs, and the Deputy Assistant Secretary of State for Export Controls.

Transfer or Disclosure to Embassies (§120.13). The new ITAR expressly provides that disclosure or transfer of any defense

article to a foreign embassy in the U.S. is to be considered an export for the purposes of these regulations.

Satellites (§120.17 (6)). Transfer of a U.S.-origin satellite between foreign countries, or from the U.S. to a foreign country, requires a license. However, the launch of a satellite from the U.S. or from a foreign country (once the license for transfer has been approved) does not require a license. Once in space, a satellite is still covered by the ITAR; the transfer of ownership, control, or use of a satellite in orbit from one country to another requires a license.

Free Trade Zones (§120.18). Any transfer of an item covered by the USML to a foreign country through a free trade zone requires a license or other written approval, whether or not the item originates in the U.S.

"NATO Plus" Exemption (§123.9). The ITAR, under certain circumstances, grants an exemption from the general requirement for State Department retransfer authorization to transfers to the governments of NATO members, Japan and Australia of U.S.-origin components incorporated into a foreign defense article. This exemption **does not apply** to parties ineligible under §126.7(a)(2)-(7), §127.7(c), or §128. These parties must apply to DTC for specific exemption to legally retransfer defense items to any recipient, including the governments of NATO countries, Japan and Australia.

Empowered Official Defined (§120.25). The ITAR defines the criteria a company officer signing a license application or other written request for approval must meet to qualify as

request for approval must meet to qualify as an "empowered official" for the purposes of registration. All these criteria must be met. In submitting a license application, other request for approval or registration form, an empowered official does not need to demonstrate evidence of fulfillment of the criteria unless specifically requested.

Questions have been raised as to whether an "empowered official" needs to have a "power of attorney." An employee need not hold a power of attorney for a company to be designated an empowered official for the purposes of the ITAR.

Records Maintenance (§122.5). Companies must hold records of defense trade for 5 years from the expiration of the license or other approval, down from 6.

Intermediate Consignees (§123.9 (c) (d)). DTC must be informed of all intermediate consignees, or any other consignees, involved in any export of defense articles. Even when an exemption is claimed for a U.S.-origin defense article shipment, all companies at each stage of the shipment must be informed that the article is of U.S. origin and may not be retransferred except with the prior written approval of the Department of State.

Proscriptions (§126.1). In addition to those countries listed in §126 as proscribed, other countries may from time to time be subject to the denial, suspension, or revocation of licenses to export to them. These decisions will be announced in the *Federal Register*.

DTC invites questions and comments on the new ITAR and its implementation. Please fax your thoughts, queries, and ideas to (703) 875-6647.

ITAR Qs & As

Q: Will licenses approved before July 22, 1993 now be valid for 4 years (new ITAR), instead of 3 years (old ITAR)?

A: No. The provision concerning validity of export licenses is not retroactive to previously issued licenses.

Q: Does the new ITAR extend the validity of DSP-94 licenses (for authority to export under the Foreign Military Sales program) from 2 years to 4 years?

A: No. However, it is the intent of DTC to amend the ITAR to do so.

Q: §122.4 (c) (1) - (3) requires certain information to be provided to DTC when a new entity is formed in a merger or acquisition. Is there a specific time period within which DTC must be notified?

A: DTC must be notified of any material changes in the registration statement, including any material changes in the information required by §122.4 (c) (1) (3), within 5 days of the event, as specified in §122.4 (a) (2).

Q: Is a registrant required to notify DTC in advance of any intended sale or transfer to a foreign person of ownership or control of the registrant or entity thereof?

A: Yes, in accordance with §122.4 (b). A registrant must notify DTC in writing at least 60 days in advance of any such intended sale or transfer. ♦

To order a copy of the revised ITAR, call the Government Printing Office at (202) 783-3238 from 8:00 - 4:00 EST. Cite stock number 069-001-000-58-1.

Don't Just Carp; Turn to SARP

A New Licensing Appeal Mechanism at State

The Office of Defense Trade Controls, on the recommendation of the Department of State's Defense Trade Advisory Group (DTAG), has implemented an informal appeal process for license applications for which it has made a preliminary determination of denial. The process is known as the State Appeal Review Process, or SARP.

An additional appeal mechanism. The SARP will not replace the formal appeals process provided for in ITAR §126.7(d). The goal is for the Director of DTC to augment the regulatory system by ensuring industry has the opportunity to understand the U.S. Government position on any case which DTC intends to deny.

Eligibility. Cases eligible for review in the SARP include applications which DTC licensing officers recommend for denial either in the initial review process or following inter-agency referral. Not all cases are eligible for the SARP.

For example, any ineligible case include those for which there clearly exists published foreign policy or national security guidelines. This would include publication of denial criteria in the regulations, Federal Register, DTN or any MTEC case where the USG has requested MTEC assurances and the foreign government has either not responded or refuses to provide the required assurances.

Grounds for denial. In accordance with ITAR §126.7 (a) (1), applications for export licenses will not be approved when such exports are deemed not to be in furtherance of world peace, national security, or the foreign policy of the United States. Factors that may lead to a denial include human rights concerns, regulatory interpretation, technological sophistication, bona fides of the end use and end user, and concerns related to the Missile Technology Control Regime.

Step one—notification. The SARP process will begin with DTC notifying the applicant by phone and fax of the intent to deny, explaining the rationale for the denial. DTC will request a written response as to whether the applicant wishes to implement a SARP review. If the applicant does not reply within **3 working days** of transmission of the notification, DTC will proceed with a formal written denial. To reply, the applicant need only complete the bottom of DTC's fax notification form.

Step two—the ASID test. If the applicant requests a SARP, the applicant has **7 working days**, dating from DTC's notification, to submit a paper known as the "Applicant SARP Information Document (ASID)." The ASID should address and counter DTC's denial rationale; thus it must contain new information not included in the original application.

The ASID paper, at this time, has no format requirements. However, if the Department of Defense has held a "Day in Court" review of the application, the applicant should attach a copy of the "White Paper" which was prepared for the Day in Court.

Step three—the meeting. Within 2 working days of receiving the ASID, DTC will review it and decide whether the additional information presented warrants a follow-up meeting. If so, DTC will coordinate with the applicant to establish a meeting date, time, and place. DTC may invite other interested agencies to participate, in which case DTC will request that the applicant provide copies of the ASID directly to all U.S.G. personnel who will participate in the SARP.

Step four—decision. DTC will not rule on the spot, but will notify the applicant in writing of its decision within 5 working days. ♦

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DTSA's Role in the Export Application Review '1

An Introduction to the Defense Technology Security Administration

Approximately 25% of the arms export license applications submitted to the Office of Defense Trade Controls involve issues of national security that require Department of Defense (DOD) review. The Defense Technology Security Administration (DTSA), established in May 1985 by DOD Directive 5105.51, is responsible for developing the DOD position on munitions license applications and Commodity Jurisdictions. Within DTSA, this function is delegated to the License Directorate (DTSA/LD).

Why DOD reviews applications. DOD reviews arms export license applications to assess their impact on U.S. national security. Among the factors in that evaluation:

- **Commodity sophistication**
 - potential operational risk to U.S. troops
 - valid needs of the end user
- **End use**
 - stated end use
 - possible alternate end uses
- **End user**
 - ability to use the commodity
 - status; not debarred or suspended
- **Security classification of commodity**
 - accordance with National Disclosure Policy
- **International agreements**
 - disclosure guidance
- **Foreign availability**
 - capability to manufacture production quantities
 - exportability
- **FMS-only provisos**
 - must be fully justified in accordance with existing DOD policy
- **False impression**
 - if export of the end item cannot be approved, DTSA normally cannot approve technical marketing data or a hardware demonstration.

Details, details, details. Twice each week, DTSA picks up applications from DTC and records the pertinent details of each license application in a computer system. There is a direct relationship between the accuracy and completeness of an application and the quality and timeliness of the DOD response. The following items are critical to DOD in reviewing a case:

Commodity description. A technical description of hardware and/or data must be attached to enable technical personnel to understand the item's functional capabilities.

End-use description. A thorough description of the end-use must be provided to give reviewers a complete understanding of the transaction.

Precedent cases. A history of previous cases, including denials, involving the identical commodity is important in obtaining a fair and accurate review. Applicants should attach copies of any precedent applications and related State Department letters.

Foreign availability. For an item with no precedent release history, applicants should attach any available documentation indicating an equivalent foreign item is in production, plus any available documentation indicating that the government of the foreign producer would permit export. It may be advisable to consult with DTSA on this issue prior to submitting an application to State.

When DOD receives an application without supporting technical data, DTC is advised that the application will be Returned Without Action if DOD does not receive the data in 3 working days. If technical data accompanying an application is insufficient, the applicant has 10 working days to provide the data. If the applicant does not do so, the application is Returned Without Action to DTC.

How DOD reviews applications. To save time, DTC provides copies of applications to pertinent DOD offices. (Refer to chart on following page.) DTSA/LD reviews opinions received from these DOD entities and formulates a single DOD position. A DOD office that disagrees with a DOD position proposed by DTSA/LD can request DOD's International Technology Transfer Coordinating Committee, chaired by an Assistant Secretary of Defense, to consider the issue.

National Disclosure Policy. The National Disclosure Policy (NDP) is a classified document that governs the release of U.S. classified military information to foreign

governments and international organizations. A request for exception to NDP may be sponsored by State, Defense, Army, Navy, Air Force, or the Joint Chiefs of Staff.

How DOD views Commodity Jurisdiction determinations. Determination of whether an item or service is under the jurisdiction of the Department of State's U.S. Munitions List (USML) is provided by the Office of Defense Trade Controls, Department of State upon receipt of written request. The determinations are based on interagency consultations, including technical evaluations from the Departments of Commerce and Defense and other cognizant agencies.

License Directorate

**Defense Technology Security Administration (DTSA)
Suite 302, 400 Army Navy Drive, Arlington, VA 22202**

Position	Name	Phone
Acting Director	Jim Woody	(703) 695-3554
Policy Analyst	Nancy L. Hindman	614-7761
Secretary	JoAnne L. Brown	695-3554
Secretary	Cheryl Barnett	614-7398
Admin Support	SMSGT Ricky B. Cooksey	697-5336
Chief, Munitions Branch	Janet L. Michel	697-3429
Senior Analyst	Leonard H. Altman	693-1127
Analyst	Julia Kortum	614-7756
Export Control Specialist	Mary Gressette	614-7399
Analyst	Howard Gardiner	693-1126
Export Control Specialist	Paula Harris	614-7399
Analyst	MAJ Brien McNamara	693-1125
Export Control Specialist	(vacant)	693-1129
Senior Analyst	Jim Stofferahn	614-7754
Analyst	Linda Randall	614-7753
Export Control Specialist	Paula Harris	614-7399
Analyst	Natalie Pechanski-McRoy	697-5335
Export Control Specialist	Janet Smith	693-1129
Analyst	Susan Webster	614-7392
Export Control Specialist	Mary Gressette	614-7399
Admin NCO	TSGT Joseph Brooks	614-7398

DOD Review of License Applications

Application	Applicant	Response
	Department of State Office of Defense Trade Controls (PM/DTC)	
	Defense Technology Security Administration License Directorate (DTSA/LD)	
	Defense Security Assistance Agency (DSAA)	
	Joint Chiefs of Staff (JCS, J-5)	
	Ballistic Missile Defense Organization (BMDO)	
	Office of the Assistant Secretary of Defense International Security Policy OASD (ISP)	
	Defense Technology Security Administration Technology Directorate (DTSA/TD)	
	Office of the Assistant Secretary of Defense for Command, Control, Communications & Intelligence OASD (C ³ I)	
	Office of the Deputy Under Secretary of Defense for Acquisition International Programs ODUSD (IA)/P	
	Defense Advanced Research Projects Agency (DARPA)	
	Defense Communications Agency (DCA)	
	Defense Nuclear Agency (DNA)	
	Defense Mapping Agency (DMA)	
	Department of the Army (AMSAC-MI)	
	Department of the Navy (IPO-20)	
	Department of the Air Force (SAF-IADM)	
	National Security Agency (NSA - N512)	

A Commodity Jurisdiction request should contain a complete technical description of the item, the reason it was developed, whether U.S. Government funds were used in its development, a description of any military and/or commercial usage, and any other facts the applicant deems appropriate.

Commodity Jurisdiction determination is based primarily on whether the item was specifically designed or modified for a military application. A narrow exception to this policy exists for items which have commercial applications but also have significant military or intelligence applicability; see ITAR §120.3. Use of an item by the U.S. military and the intended end use of an item proposed for export are not factors.

Responsiveness. To respond to State Department referrals within 20 calendar days, DTSA has recently begun transmitting its positions to DTC via computer, saving up to 3 days of processing time.

Case status. Exporters can download case status information from DTSA's computer by calling the Export License Status Advisor (ELISA) at (703) 697-6109. Case information remains in ELISA for three weeks after DOD closes a case. ELISA maintenance assistance is

available by calling (703) 697-7840. Case status information is also available by calling (703) 697-5336, Mondays and Wednesdays from 2:00 to 4:00 pm and Fridays from 9:00 to 10:30 am.

Objections. When DOD intends to object to a transaction, DTSA contacts the designated applicant contact. Objections based on established release policies or a determination by the cognizant service that it does not wish to sponsor the required exception to National Disclosure Policy are not usually subject to further discussion with DOD. Other types of DOD objection rationales may be questioned through "Day in Court" procedures.

For information on the Day in Court, contact DTSA's License Directorate at (703) 697-5336. ♦

Questions concerning this article should be referred to Nancy Hindman, DTSA/LD, at (703) 614-7761.

ELLIE Comes On Line

Office of Defense Trade Controls Introduces Electronic License Submission

Following up the success of ROBB (DTC's **Remote On-Line Bulletin Board**), the Office of Defense Trade Controls has inaugurated a pilot program to test the feasibility of electronic license submission.

The centerpiece of the system is the **ELectronic LIcense Entry** system, ELLIE, designed and implemented by DTC's in-house Computer Support Staff under Jim DePalma. With ELLIE, applicants can fill out applications on the personal computers in their offices, dial up DTC's computer via modem, and submit the applications electronically.

Easy application. ELLIE users fill in the face of the application (DSP-5s only, at this stage) on the computer screen. The system features continuation sheets, to continue an item on the form or to add an attachment (e.g., a list of freight forwarders). A template feature allows users to store repetitive data such as company name and address. Companies with divisions at multiple locations could create a template for each, selecting the appropriate one for each application.

Error-resistant processing. All information submitted via ELLIE is automatically entered into DTC's licensing data base eliminating data entry errors, further speeding the licensing process.

Easy tracking. Licenses entered electronically show up in ROBB the following morning, referenced by license number and by a transaction number generated to facilitate cross-referencing with paper attachments.

Quick turnaround. Building the efficiencies inherent in electronic licensing, our aim is that companies using ELLIE will receive approved licenses back much more quickly than with traditional methods. During our test phase, a number of the most straightforward applications were processed 2 - 3 days quicker.

Outstanding issues. Operational questions remain to be solved for ELLIE to achieve her full potential. For example, backup material for complex applications cannot be entered electronically on ELLIE's continuation sheets; it still must be submitted—by mail, courier, or fax—and a paper file married up to the information provided via ELLIE.

Now recruiting. From an initial test group of five selected companies, the ELLIE project has grown to include more than forty. User reaction has been overwhelmingly positive, and DTC is eager to expand the number of users as well as the system's features. ♦

For more information, or to sign up for ELLIE, please call DTC's Computer Support Staff at (703) 875-6650 or use the rear application form on page 28.

State Tiger Team Unleashed

Reorganizing for Efficiency at the Office of Defense Trade Controls

If you have submitted a license application to the Office of Defense Trade Controls since December, 1993, you may have gotten it back stamped with the phrase "TIGER TEAM."

Those licenses are part of an organizational experiment underway at DTC—one aspect of a multi-pronged effort to improve productivity, increase job satisfaction within the office, and increase customer satisfaction with case processing.

Enhanced computerization. A major thrust of the change is an emphasis on greater computerization at DTC. Two examples are the implementation of license application through "electronic data interface," or EDI (in which the applicant submits a license application electronically via the ELLIE system), and the expansion of electronic staffing of cases to other agencies and other State Department offices.

DTC is already using electronic means to staff cases to the Department of Defense, and will expand electronic staffing to State Department offices early in 1994. This will enable DTC to get cases staffed instantaneously and on a daily basis, and will combat the problem of paper files going astray as they travel between DTC and other offices and agencies.

Organizational change. Perhaps the most intriguing element of the change at DTC involves use of a "Tiger Team" experiment to test the utility of "Total Quality Management" (TQM) theory in organizing the office as a whole and in approaching license processing.

Tigers in the vanguard. The thrust of the TQM approach as applied to DTC is to com-

bine licensing, compliance, and administrative specialists into largely self-managed work teams, improving inter-functional coordination and cutting down on the transfer of cases among DTC divisions.

Licensing officer Ken Peoples has been appointed to head this team for a three-month trial period. Dan Cook and Major Bob Kovac join the Team as licensing analysts (Bob also as the Team's "quality control" officer), Jim DePalma as computer and electronics expert, Danielle Mack as administrative assistant, and Eva Tyler as compliance analyst.

Since December 6, license applications assigned to Peoples, Cook, or Kovac have been processed using this teaming approach, with a processing system which the team has designed itself. Licenses which they process in this fashion are being marked "TIGER TEAM" when issued.

Fewer hands, quicker handling. The Tiger Team expects to reduce case processing time by minimizing the number of people handling each case, maximizing the amount done to a case each time someone handles it (e.g., having licensing officers type in license provisos instead of passing cases off to secretaries for typing), and emphasizing use of electronics (ELLIE, electronic staffing).

Towards paperless licensing. The Team is also looking at several proposals to improve processing speed and reduce opportunities for human error—e.g., eliminating manual processing of applications, computer-generating licenses at the end of the process. If possible, the Team wants to use such an approach as part of the experiment. Note that this will be possible only with cases submitted electronically (another reason for companies to sign onto the ELLIE pilot project).

You be the judge. Eventually, the Tiger Team will seek industry reaction and comments from those customers affected by the process. At the end of the 3-month trial period, a neutral observer will be called in to evaluate the Team's performance; customer satisfaction will be one of the criteria used in that evaluation. In the meantime, applicants should not be surprised if they receive a call from Bob Kovac seeking feedback on a case the Tiger Team has handled.

Investment in training. Finally, training will be an important aspect not only of the Tiger Team project, but of the customer service and processing enhancements DTC seeks to implement in the near future.

All DTC employees are scheduled to take a 2-day course in "customer service" at the State Department's National Foreign Affairs Training Center in January. In addition, all DTC employees will receive basic training in TQM theory, and selected employees will receive advanced TQM training.

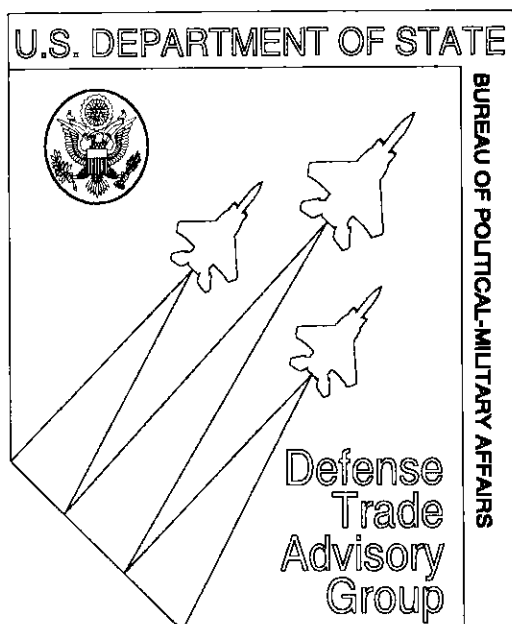
This training is being scheduled so everyone will be given adequate "back-up" while out of the office on training, but callers seeking a specific person in the office might be delayed. Any delays or inconveniences will be short-lived and, we expect, minor—and worth it. ♦

Questions on the Tiger Team project can be addressed to Ken Peoples at (703) 875-6619, Dan Cook at 875-5674, Bob Kovac at 875-5199, or Jim DePalma at 875-7391.

Landmine Moratorium Extended Through 1996

On November 10, 1993, Congress extended for an additional three years the moratorium on exports of anti-personnel landmines established in the 1993 Defense Authorization Act. The original one-year moratorium took effect on November 23, 1992, prohibiting the sale, transfer, or export under the Arms Export Control Act of any anti-personnel land mine. In November 1992 the State Department announced via the *Federal Register* (57 FR 55614) the revocation or suspension of previously-issued licenses.

DEPARTMENTS



DTAG Developments

The Defense Trade Advisory Group (DTAG) convened its semi-annual plenary session on October 6, 1993 at the Department of State. Highlights from the session:

Reorganization at State

Assistant Secretary for Political-Military Affairs **Robert L. Gallucci** discussed how the Department of State has redirected its export control priorities to reflect President Clinton's emphasis on non-proliferation and U.S. economic security.

State export control functions have been centralized within the Bureau of Political-Military Affairs. The restructuring advances one of the Bureau's key goals—to prevent arms diversions and exports which fuel

proliferation, while promoting transfers consistent with U.S. national security and foreign policy concerns. Assistant Secretary Gallucci concluded by reaffirming the Administration's commitment to facilitating legitimate U.S. defense exports.

New Priorities

In her keynote address, Under Secretary for International Security Affairs **Lynn E. Davis** commented on the Administration's proposed international affairs budget reforms. Evolving relations between countries and new U.S. priorities require the Administration to re-examine the way it allocates scarce resources.

Although it is proposed that the Economic Support Funds (ESF), Foreign Military Financing (FMF), and International Military Education and Training (IMET) programs will no longer exist, the activities they have sustained will continue. The administration will instead redraft the Foreign Assistance Act according to five policy objectives, and will link funding levels to the attainment of these goals:

- promoting economic prosperity and development;
- building democracy;
- promoting peace;
- providing emergency humanitarian assistance; and
- refining the bilateral and multilateral negotiating skills of U.S. diplomats.

Arms Transfer Policy

Dr. Davis remarked that the Administration is reviewing its conventional arms transfer policy. She confirmed the U.S. Government's commitment to actively support U.S. manufacturers' efforts to increase their exports,

saying that State will take into account a proposed export's economic consequences and effect on the U.S. industrial base. Dr. Davis cautioned, however, that support for U.S. business must be balanced against other policy concerns, such as non-proliferation.

Whither COCOM?

Under Secretary Davis concluded by commenting on the future of COCOM. An institution which formulates export controls based on the former East-West divide is not consistent with post-Cold War conditions. The Administration favors a new institution through which responsible supplier nations would address dual-use technologies on a world-wide basis, and restrain countries engaged in proliferation. The United States is participating in sensitive negotiations with its COCOM partners on how to reorient export controls.

Working Group Reports

Policy Working Group suggestions for future projects include: initiating a joint DTAG/DOD study on how increased U.S. arms exports can strengthen our industrial base; developing a foreign availability database on specific defense articles and technologies to assist the arms export licensing process; revising DTAG Chairman **William Schneider's** paper on arms transfer policy; and requesting State to organize a briefing on USML exports to and imports from the former Soviet Union. After further discussion, some of these suggestions may be incorporated into formal DTAG recommendations to the Department.

The Department has completed action on several **Regulatory Working Group** recommendations, including: upgrading DTC's Remote On-Line Bulletin Board; improving licensing forms; establishing a pilot project on the electronic submission of license applications; agreeing to establish a State Appeal Review Process; and identifying MTCR equipment in the ITAR.

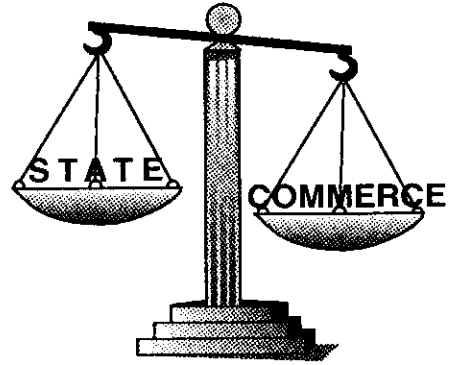
The **Technical Working Group** made no formal recommendations to the Department, but continues to examine jet engine hot sections, commercial aircraft prior to certification, software source code, and encryption. It is working to develop criteria to determine whether specific technologies belong on the U.S. Munitions List or the Commodity Control List.

Taiwan Briefing

Officers from State's Taiwan Coordination staff and Office of Export Control Policy and the Department of Defense spoke in closed session on U.S. arms transfer policy toward Taiwan. They noted that our policy has resulted in Taiwan being more secure, prosperous, and democratic than at any time during its history. U.S. arms sales policy since the 1980s has fully met Taiwan's legitimate defensive needs while remaining consistent with our commitments under the August 1982 communique. U.S. defense firms are in a good position vis-a-vis foreign competitors, as U.S. manufacturers have the highest-quality, most interoperable, and lowest-priced equipment to offer. ♦

DTAG-related questions can be directed to Linda Lum of the DTAG Secretariat at (202) 647-4231.

Commodity Jurisdiction Determinations



The following chart lists selected recent Commodity Jurisdiction (CJ) determinations. We have described the commodities in general terms to ensure the confidentiality of proprietary information related to individual cases.

Determinations apply only to the specific commodities reviewed. If you believe one of your products is similar to one listed here as having been placed on the Commerce Department's Commerce Control List (CCL) and wish to have your product reviewed, please submit a CJ request letter following the guidelines set forth in ITAR §120.4. Refer to *Defense Trade News* articles "Guidelines for Preparing CJ Requests" and "CJs for Mass Market Software" (Vol. 3, No. 4, Oct 1992) and "Class and Multiple CJ Requests" (Vol. 3, No. 1, Jan 1992), or call (703) 875-5655 for guidance. ♦

COMMODITY	JURISDICTION	COMMODITY	JURISDICTION
Accelerometers		Camera, Military Thermal Imaging	USML XII(c)
Specifically Designed or Modified for military use	USML XII(d)	Camera System, Infrared	USML XII(c)
Not Specifically Designed or Modified for military use	CCL	Collators	
Acoustic Charge Transport Devices, Processors, Modules and Development Stations	USML XI(d)	Specifically Designed, Modified, or Configured for Bullet Manufacturing	USML III(d)
Actuators, Electric Motor Operated Valve, Specifically Designed for Military Use	USML VI(b)	Not Specifically Designed, Modified, or Configured for Bullet Manufacturing	CCL 1B96G
Armor, Level IV		Compasses, Navigation, Specifically Designed for Military Use	USML XII(f)
Aluminum Oxide Ceramic Inserts	USML X(a)	Computers, Microcomputers, Monitors, and Keyboards That Are Ruggedized	
Aerial Targets Specifically Designed for Military Gunnery Training	USML IX(a)	TEMPEST Models	USML XI(b)
Aerial Targets Associated Equipment	USML IX(b)	Non-TEMPEST Models	CCL **
Aerial Targets Technical Assistance	USML IX(c)	Cones, Copper and Molybdenum, Used in Research of Shaped Charge Liners	USML III(b)
Ammunition Demilitarization System	USML XXI	Dies, Lubricating and Sizing	USML III(d)
Antennas Specifically Designed for Military Use	USML XI(d)	Document Analyzer, Fraud Investigations	CCL 3A96G
Artillery Fuze Part	USML III(b)	Fire Detection Kit	CCL **
Artillery Fuze Part Manufacturing Equipment	USML III(d)	Flight Loads Recording Systems, Designed for Military Aircraft	USML VIII(j)
Batteries, Lithium	USML XI(d)	GPS Mission Planning Station	CCL 7A94F
Braided Textiles		GPS Receiver, Miniaturized Airborne	CCL 7A25B
Specifically Designed, Modified, or Configured for Military Use	USML XIII(d)	Gyro, Vertical, Specifically Designed for Commercial Use	CCL 7A94F
Not Specifically Designed, Modified, or Configured for Military Use	CCL **	Headsets, Specifically Modified for Use with Armored Vehicles	USML X(a)
Bullet Casting Machines		Intelligence Surveillance System	USML XI(b)
Automated	USML III(d)	Image Intensifier Tube, Military, Second Generation	USML XI(c)
Non-automated	CCL 1B96G	Imaging Equipment, Thermal	USML XII(c)
Bullet Lubricant	CCL 1C96G	Metal Matrix Composites Production Process	CCL **
Bullet Molds		Micro-peripheral Devices, Specifically Designed for Commercial Spacecraft	USML XV(d)
Designed, Modified, or Configured for Automated Bullet Casting Machines	USML III(d)		
Not Designed, Modified, or Configured for Automated Bullet Casting Machines	CCL **		

COMMODITY	JURISDICTION	COMMODITY	JURISDICTION
Nuclear Thermal Rocket Engine	USML IV(d)	Steel Plate, Not Designed, Modified, or Configured for Use as Armor for Defense Articles	CCL **
Oil Filtration Kit, Not Specifically Designed for Military Engines	CCL 9A94F	Suppressors, Data Line Transient, Not Designed for Military Use	CCL 3A96G
PBAN Polymer	CCL 1C31B	Surge Protection Modules, High-Power Specifically Designed, Modified, or Configured for Military Application	USML XI(d)
Printer, Continuous	CCL 6A96G	Not Specifically Designed, Modified, or Configured for Military Application	CCL **
Processor, Single Board Signal	USML XI	Switch, Automatic Bus Transfer	CCL 8A94F
Radar, Site Security Surveillance	CCL 6A96G	Tachometer, DC	CCL 2A96G
Radiation-Hardened Components Designed for Military Systems	USML XI(a)	Tape Recorders, Remote Sensing Satellite	USML XV(d)
Radioactively-Contaminated Scrap Metals (Depleted Uranium, Beryllium, etc.), Non-Military Recycling, Manufacturing Technology for	CCL **	Technical Data Related to AZT	CCL **
Radio Controller and Data Modem Not Specifically Designed for Military Application	CCL **	Technical Data Related to Equipment Specifically Designed to Detect, Analyze, and Jam Communications Signals	USML XI(e)
Radio Frequency Target Generator	CCL 6A96G	Technical Data Related to a Mortar	USML I(d)
Receiver, GPS	CCL **	Technical Data Related to Military Multilevel Database Systems	USML XIII(k)
Receiver HF, Designed for Military Use	USML XI(b)	Telecommunications Switching System Limited Access Feature	CCL 5D13A
Receiver System, Wide-band, Not Designed, Modified, or Configured for Military Application	CCL **	Television Receiver/Decoder System With No Digital Encryption Capability and With the Digital Decryption Limited to Video and Audio Functions	CCL 5A95F
Reflector Assembly for Communications Antenna	CCL 5A96G	Test Set for Military Aviation Oxygen Mask	USML X(d)
Schottky Rectifier Semiconductors Not Specifically Designed for Military Application	CCL 3A96G	Vehicle, Remotely Operated, Specifically Designed for Inspecting Nuclear and Hydroelectric Power Plants	CCL 2A50B
Signature Reduction Material	USML XIII(e)	Voice Transmitter	CCL 5A80D
Silicon Carbon-Aluminum Alloy Metal Matrix Composites Production Process	CCL **	Zirconium	
Silicon Nitride Rolling Contact Bearing Materials, Generic	CCL **	Zirconium 93, 95, and 97	NRC, App F
Software, Electronic Catalog	CCL 5D13A	Zirconium Alloy Powder of Particle Size 60 Micrometers or Less Manufactured from Material With a Zirconium Content of 99% or More	USML V(a)
Software, Employing DES for Data Encryption	USML XIII(b)	Zirconium Sponge Compacts	USML **
Software, Employing DES for Password Encryption		Zirconium, Other Forms	CCL **
Object Code	CCL 5D13A		
Source Code	USML XIII(b)		
Software, Military Communications	USML XI(e)		
Software, Simulation and Analytical Modeling	CCL 4D96G		

* USML category is the same as the item for which this part or component was designed.

** A specific Export Commodity Classification Number (ECCN) was not provided by the Department of Commerce. For the ECCN number, please file a commodity classification request with the Bureau of Export Administration (BXA), Department of Commerce, P.O. Box 273, Washington, DC 20044



Suspensions & Debarments

Eliyahu Cohen, a.k.a. Eli Cohen

On September 26, 1993, Assistant Secretary Robert L. Gallucci, Bureau of Political-Military Affairs, suspended all existing licenses and other approvals (including all activities under manufacturing license and technical assistance agreements), granted pursuant to §38 of the Arms Export Control Act (AECA), that authorized the export or transfer of defense articles or services by, for or to Eliyahu Cohen a.k.a. Eli Cohen, Netanya, Israel; A.V.S. Armoured Vehicles Systems Inc. a.k.a. A.V.S. Inc., New York;

A.V.S. Armoured Vehicles Spares Ltd. a.k.a. A.V.S. Ltd., Netanya, and any of their subsidiaries, associated companies or successor entities.

In addition, it shall be the policy of the Department of State to deny all export license applications and other requests for approval involving, directly or indirectly, Eliyahu Cohen a.k.a. Eli Cohen; A.V.S. Armoured Vehicles Systems, Inc. a.k.a. A.V.S., Inc.; A.V.S. Armoured Vehicles Spares Ltd. a.k.a. A.V.S. Ltd., and any of their subsidiaries, associated companies or successor entities. Also, these persons are precluded from using any exemptions from license or other approval included in the International Traffic in Arms Regulations (ITAR).

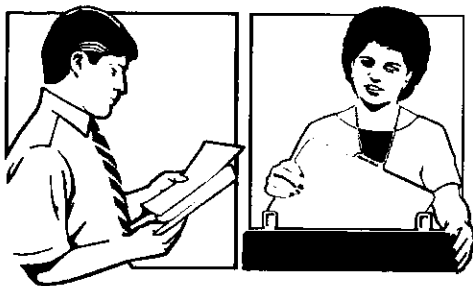
Notice of this suspension was published in the *Federal Register* (October 13, 1993, Vol. 58, Page 53015, Public Notice 1887).

Industrias Cardoen Limitada, a.k.a. INCAR
Carlos Cardoen
Jorge Burr
Franco Saffa
Swissco Management Group, Inc.
Teledyne Wah Chang Albany
Ronald W. Griffin
Edward A. Johnson

On July 26, 1993, Assistant Secretary Robert L. Gallucci, Bureau of Political-Military Affairs, suspended all existing licenses and other approvals (including all activities under manufacturing license and technical assistance agreements), granted pursuant to §38 of the AECA that authorized the export or transfer of defense articles or services by, for or to Industrias Cardoen Limitada a.k.a. INCAR, Iquique, Chile; Carlos Cardoen (owner of Industrias Cardoen Limitada and Swissco Management Group, Inc.); Jorge Burr (employee of Industrias Cardoen Limitada); Franco Saffa (employee of Industrias Cardoen Limitada); Swissco Management Group, Inc., Florida; Teledyne Wah Chang Albany (TWCA), Oregon (a division of Teledyne Industries, Inc.); Ronald W. Griffin (employee of TWCA); Edward A. Johnson (employee of TWCA); and any of their subsidiaries or associated companies.

In addition, it shall be the policy of the Department of State to deny all export license applications and other requests for approval involving, directly or indirectly, Industrias Cardoen Limitada a.k.a. INCAR; Carlos Cardoen; Jorge Burr; Franco Saffa; Swissco Management Group, Inc.; TWCA; Ronald W. Griffin; Edward A. Johnson; and any of their subsidiaries or associated companies. Also, these persons are precluded from using any exemptions from license or other approval included in the ITAR.

Notice of this suspension was published in the *Federal Register* (September 23, 1993, Vol. 58, Page 49540, Public Notice 1871). ♦



Personnel Updates

Out...

Marsha Finley (Major, USA), completed her 3-year tenure as Managing Editor of *Defense Trade News* and retired from the Army in November 1993.

Foreign Service Officer **Charles A. Ray**, formerly Special Assistant to the Director of DTC and Executive Editor of *Defense Trade News*, is now Deputy Chief of Mission at U.S. Embassy Freetown, Sierra Leone.

Martin "Tex" Maier (Major, USAF) after completing a 2-year tour as a DTC licensing officer, moving to a similar position at USAF.

DTC licensing officer **Sue Plant** departed in November to join her husband who will be employed in the US Embassy in Bonn.

In...

Philip S. Kosnett joined DTC in July, 1993 as Special Assistant to the Director and Executive Editor of *Defense Trade News*. A Foreign Service Officer, he has served in Ankara, Turkey; Nagoya, Japan; and State's Bureau of Intelligence and Research.

Christopher R. Elder joined DTC's new Research and Analysis Branch in March, 1993 as a Compliance Specialist. He previously handled Commodity Jurisdictions in the Arms Licensing Division.

Robert Huffman also joined DTC's Research and Analysis Branch in March 1993 as a Compliance Specialist. He has worked for DTC since October 1991, when he started as a clerk in the Compliance Analysis Division.

The **Office of Export Control Policy** (formerly the Office of Defense Trade Policy) welcomed a new director and four officers:

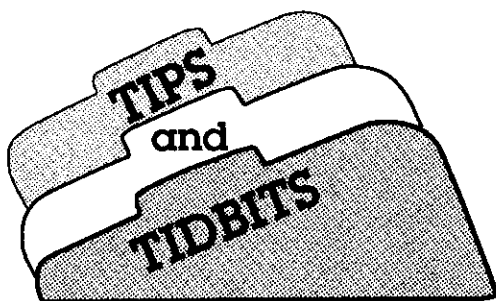
William P. Pope assumed direction of EXP in August, after a tour as Deputy Political Counselor at U.S. Embassy Pretoria, South Africa. A member of the Senior Foreign Service, he has served in Paris; Belgrade; Zagreb; and Gaborone, Botswana. In Washington, he has served in the Legislative Affairs, Near Eastern Affairs, African Affairs, and Intelligence and Research bureaus.

Paul S. Aronsohn handles industry outreach and intergovernmental issues. Before coming to State, he worked in the White House Communications Office. During the Clinton Administration transition he served as a liaison to the Commerce Department's Bureau of Export Administration.

John C. Clarkson is responsible for the Western Europe, NATO and United Nations Arms Register portfolios. A Foreign Service Officer, he has completed tours in Helsinki, Finland; Damascus, Syria; and Kingston, Jamaica. He has also served in State's Bureau of Economic and Business Affairs.

Foreign Service Officer **Julie L. Kavanagh** covers East Asia and represents the Bureau of Political-Military Affairs on the Committee on Foreign Investment in the U.S. She has served in Rio de Janeiro, Brazil and Montevideo, Uruguay.

Jeffrey R. Olesen, also a Foreign Service Officer, is responsible for the Middle East and South Asia. He has served in Guadalajara, Mexico; Abu Dhabi, United Arab Emirates; and Lahore, Pakistan. ♦



'NATO' Not Enough

The use of the word 'NATO' as the ultimate destination is not adequate identification for multiple countries on a license application. When completing Block 3 on the DSP-5, block 4 on the DSP-73, or block 4 on the DSP-85, please list each country separately.

Are Your Suppliers Registered?

Exporters should request manufacturers from which they purchase defense articles to confirm that they are registered with the Office of Defense Trade Controls. Checking this before submitting an application can help to avoid processing delays.

Recognizing Carbonless Forms

Remember that the newly revised DSP application forms are printed on carbonless paper. **Please do not insert carbon paper** between the pages when completing the forms. How to recognize the new forms:

- There is no short carbon interleaf at the top;
- The numbers 11-92 appear under the word "Form" at the bottom left;
- An expiration date of 12-31-95 or 3-31-96 appears at the bottom right corner; and
- The ITAR §126.13 certification and §130 statement are on the back of copy 1 of the form.

New Forms - No More §126.13 and §130 Letters

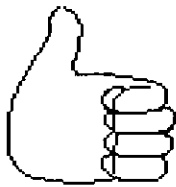
It is not necessary to submit a separate §126.13 or §130 letter with the new forms. Simply have an empowered official sign the front of the form, and check the appropriate boxes on the back of copy 1.

Rounding Off Dollar Values

License applicants are encouraged to include only whole dollar values when completing applications. Please round off cents to the nearest dollar. For example, enter \$100.45 as \$100. Round \$100.50 up to \$101. This will simplify processing and reduce the potential for processing errors.

Did I Miss Defense Trade News Volume 4, Number 4?

We didn't publish one. In 1993 we published two issues: "Volume 4, Numbers 1 & 2" dated January/April, and "Volume 4, Number 3" dated July. We plan four quarterly issues for 1994. ♦



Feedback

Please circle or fill in your responses, add any comments, and fax it to (703) 875-6647.

1. Your organization is a...

1. Manufacturer
2. Exporter
3. Consulting or law firm
4. Freight Forwarder
5. U.S. Embassy or Consulate
6. U.S. Customs element
7. U.S. DOD/Military element
8. Other U.S. Government element
9. Foreign government element
10. Other (please explain in Comments)

2. How many people will read this issue?

1. 1 person
2. 2-5 people
3. 6-10 people
4. 11+ people

3-14. Please rate the **usefulness** of each article on a scale of 1 (worst) to 5 (best). Rate as "0" any articles you did not read.

3. White House Statement ____
4. The Export Control Agenda ____
5. Fine-Tuning the ITAR ____
6. Don't Just Carp; Turn to SARP ____
7. DTSA's Role ____
8. ELLIE Comes on Line ____
9. Tiger Team ____
10. DTAG Developments ____
11. Commodity Jurisdiction ____
12. Suspensions & Debarments ____
13. Personnel Updates ____
14. Tips & Tidbits ____

15-26. Please rate each article's **readability**

(style and physical presentation) on a scale of 1 (worst) to 5 (best); rate as "0" articles you did not read.

15. White House Statement ____
16. The Export Control Agenda ____
17. Fine-Tuning the ITAR ____
18. Don't Just Carp; Turn to SARP ____
19. DTSA's Role ____
20. ELLIE Comes on Line ____
21. Tiger Team ____
22. DTAG Developments ____
23. Commodity Jurisdiction ____
24. Suspensions & Debarments ____
25. Personnel Updates ____
26. Tips & Tidbits ____

27-29. Please circle the numbers of the **three** topics you would most like to see covered in the magazine.

1. Defense trade policy
2. Non-defense trade policy
3. Country-specific trade issues
4. Trade legislation
5. Licensing procedures
6. Regulatory and legal issues
7. Licensing case studies
8. Compliance case studies
9. Other (please explain in Comments)

30. This magazine is provided to DTC registrants and others free of charge. If we were to change to a paid subscription basis (at c. \$20/year), how would your organization react?

1. We would pay for one subscription.
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Comments:

We welcome lengthier comments, suggestions, and criticism.

DEPARTMENT OF STATE ANNOUNCES

ELLIE

**DEFENSE TRADE CONTROLS PROGRAM
FOR ELECTRONIC SUBMISSION OF LICENSE APPLICATIONS**

Several months ago Defense Trade Controls (DTC) began a pilot program for the submission of applications electronically. The Electronic License Entry System (*ELLIE*) has been a success processing over 500 applications submitted by more than 38 companies. To participate in the program, you must have access to DTC's Remote On-line Bulletin Board (ROBB). ROBB and *ELLIE* are free services. Access to ROBB requires Communications software, which if not currently available in your firm will cost approximately \$195. **If you would like to join, and we encourage you to do so, complete the lower part of this document and return it to DTC.** Jim DePalma will contact you as we increase the number of companies. Thanks in advance for your participation.

COMPLETE THE FOLLOWING AND FAX THIS DOCUMENT TO DTC

TO: DTC, Mr. Jim DePalma

FAX: 703 875-5663

FROM: _____
(Company Name)

I am interested in submission of my applications electronically.

My DTC Applicant Code Is: _____

I am currently a ROBB user: YES _____ NO _____

My firm submits approximately _____ applications annually.
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The individual in my firm to be contacted is:

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Phone: _____ FAX: _____

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The Office of Defense Trade Controls can design a seminar on export licensing policies and procedures with your specific needs in mind. We hold our seminars at our office at 1701 N. Fort Myer Drive, Arlington, VA, minutes from the District of Columbia.

We normally hold four half-day seminars per year, with attendance limited to 30. We combine participants from different companies each month to make up a session, and encourage small companies to apply.

To sign up, please mail this application to DTC or fax it to (703) 875-6647. We will contact you.

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Contacting the Deputy Assistant Secretary for Export Controls

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Contacting the Office of Export Control Policy

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