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and Export Policy Bulletin

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Secretary of State
Warren Christopher

**Assistant Secretary
of State for
Political-Military
Affairs**
Thomas E. McNamara

**Deputy Assistant
Secretary for
Export Controls**
Martha Caldwell Harris

Executive Editor
Michael T. Dixon

**Managing and
Production Editor**
Nadia L. Brown

Contributing Editors
Commodity Jurisdiction:
Mal Zerden,
Allen Suchinsky,
Sam Capino

Defense Trade Advisory
Group: Linda Lum

Layout Design
Paula M. Lorfano

Graphics Design
Richard E. Florence

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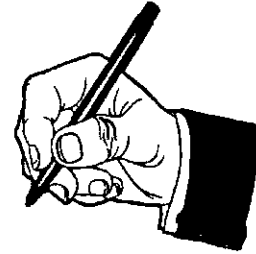
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Editor's Note



1995 has brought substantial changes to the Political-Military bureau and to DTC. This first issue of the year introduces our readership to Thomas E. McNamara, Assistant Secretary for Political-Military Affairs, Mr. Hugh ("Gerry") Hamilton, Director of the Office of Arms Transfer and Export Control Policy, and Mr. William J. Lowell, the new Director of the Office of Defense Trade Controls. Mr. William B. Robinson, the former director, now serves as the Special Advisor to DTC. It also addresses the recent consolidation/reorganization of Arms Transfer policy in the Bureau.

As we continue to expand our customers service, let us know what we are doing well or not so well. ♦

DTC Seminars Not Just for Industry

Keep in mind that DTC's in-house seminars are not exclusively for industry. Defense attaches, commercial officers, or other interested employees of a foreign embassy, consulate, or other government entity who are engaged in defense issues, import/export issues, etc., are welcome.

To register your interest and to be placed on the mailing list for the next seminar, mail or fax the application form at the back of the *Defense Trade News and Export Policy Bulletin*.

OPERATIONS

Federal Register Online

Same Day Updates Online

What is it?

The Government Printing Office, through its GPO Access online service, now provides an online database for the Federal Register. The database is updated by 6 a.m. each day the Federal Register is published. It includes both text and graphics beginning with [Volume 59, Number 1 (January 2, 1994)].

How Do I Gain Access?

The database is available on a Wide Area Information Server (WAIS) through the Internet and via asynchronous dial-in. To subscribe, follow the procedure below:

Internet users:

1. telnet to wais.access.gpo.gov;
2. log in as newuser (all lowercase). No password is required.

Dial-in users:

1. call (202) 512-1661 and log in as wais (all lowercase). No password is required.
2. at the second log in prompt, log in as newuser (again, all lowercase).
3. follow the instructions on the screen.

What Is it Going to Cost?

The annual subscription fee for a single workstation is \$375 per year (\$200 for a six-month subscription and \$35 for one month). Discounts are available for multiple-workstation subscriptions.

If You Need More Information...

Contact the GPO Access User Support Team by sending an Internet E-mail to help@eids05.eids.gpo.gov, a fax to (202) 512-1262, or calling (202) 512-1530 between 7 a.m. and 5 p.m. Monday through Friday. ♦

Agreement Notes, Part II: Estimating Values

No More "Worthless" Agreements, Please

Proposed Manufacturing License Agreements and Technical Assistance Agreements submitted to the Office of Defense Trade Controls (DTC) for approval must contain a "statement of the actual or estimated value of the agreement," derived from "the estimated value of all defense articles to be exported in furtherance of the agreements or amendments thereto [22 CFR § 124.12(a)(6)]."

Nonetheless, many applications are received which list the value as "none." Applicants justify this omission by citing such factors as a lack of immediate remuneration (as on joint development or teaming agreements) or offsets. Yet proposed Agreements received without an estimated value are often delayed in processing until DTC can obtain this information from the applicant.

Multiple Measures

The value of an Agreement can be estimated by answering one of the following questions:

- **Actual contract cost.** How much will the applicant actually receive for the service provided?
- **Objective contract value.** How much would the applicant charge for the service if it were being offered independent of offset or teaming arrangements?
- **Estimated sales of the article.** What is the value of sales of the article over the Agreement period?
- **Impact of disapproval.** How much will it cost the applicant if the Agreement is not approved?

If an applicant firm is able to calculate an answer to more than one of these questions, it should include all the answers in its letter of transmittal for action.

In for the Duration

The information to be provided is the estimated value over the duration of the Agreement. Estimates which account for only the sale of the license, but not the value of the articles produced under the license, do not accurately depict the value of the Agreement as defined in the International Traffic in Arms Regulations.

Ditto for Amendments

This process is also applicable to estimating the value of amendments. There is more flexibility here, however, as some amendments are administrative in nature and have, by definition, no value (e.g. novations).

However, amendments which add items, expand the scope, expand the sales territory or extend the duration of an Agreement almost certainly will change the value of the basic Agreement, and thus an estimated value of the amendment must be submitted. Note, however, that the value to be provided with the application for amendment is the value attributable to the amendment itself, not a cumulative amount attributable to the Agreement since its inception.

Questions on this process should be addressed to the Licensing Division of the Office of Defense Trade Controls. ♦

Zeroing in on Munitions List Categories

Accurate Applications Speed Processing

When completing license applications, applicants must list the specific U.S. Munitions List category and sub-category of the equipment or technical data being exported — e.g., category VIII(e) or XI(a)(4)(iii), rather than the general category VIII or XI. This will expedite processing by ensuring the application is forwarded to the appropriate licensing officer for evaluation.

Moreover, the Munitions List category must reflect the primary end-item equipment. The key is to indicate the “lowest-level” whole end-item to which the individual part relates. This whole end-item should be referred to in the Specific Purpose block of the application.

For example, an application listing parts for a heads-up display should read Category XI(d) [*electronic system parts and components*], not Category VIII(j) [*aircraft parts and components*], even though the display will be installed on an aircraft. Similarly, an application listing parts for a shipborne chaff system should read Category XI(a)(4)(i) [*electronic combat equipment, including countermeasures*] rather than Category VI(f) [*parts and components of ships*], even though the equipment will be installed on a ship.

If in doubt, applicants should contact the Arms Licensing Division of the Office of Defense Trade Controls for guidance before submitting applications. ♦

DSP-119, Application for Amendment

What It Is and How to Use It

There is nothing so constant as change. Therefore, if you find that you need to change information on an existing license such as the freight forwarder, an additional consignor, etc., use the DSP-119, Application for Amendment, to amend certain information on that license.

Certain Restrictions Apply. You can only amend one existing license per each Application for Amendment. Furthermore, the Application for Amendment does not allow you to make wholesale changes to the license; but it does allow you to amend the following:

1. The addition of a U.S. freight forwarder or consignor,

2. A correction of a typographical error on a previous license, or

3. A change in a commodity source.

You cannot use the DSP-119 to make substantial changes to the license such as additional quantities, commodities, countries of ultimate destination, foreign consignees, end-users, or end-uses.

You may make more than one amendment to a license using the DSP-119 as long as the amendments are to only one license and are of the type required by the DSP-119 (i.e. typographic corrections, commodity source changes, or additions of freight forwarders or consignors). The form itself will accommodate up to four amendments. If you are making more than four, you may use a continuation sheet as described in the instructions to the form. ♦

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Arms Transfer Reorganization

Political-Military Review More Efficient

Assistant Secretary McNamara has approved a reorganization plan that complies with recommendations from the Vice President's National Performance Review, the Secretary's Strategic Management Initiatives and the PM Bureau Program Plan. All of these management endeavors specifically direct bureaus to streamline operations, consolidate like functions and to eliminate unnecessary layering. As approved, the plan among other things:

-- Retitles the Office of Export Control Policy (EXP) as the Office of Arms Transfer and Export Control Policy (ATEC). This new office will absorb arms transfer functions from the Office of Defense Relations and Security Assistance (DRSA). The office will be headed by Mr. Gerry Hamilton.

-- Retitles the Office of Regional Security Policy (RSP) as the Office of Security Relations, Policy and Resources (SRP). This office will inherit DRSA functions supporting defense relations and security assistance. Mr. John Finney will serve as Director of the new PM/SRP.

-- Abolishes the Office of Defense Relations and Security Assistance and transfers its functions and personnel to the Office of Arms Transfer and Export Control Policy or the Office of Security Relations, Policy and Resources.

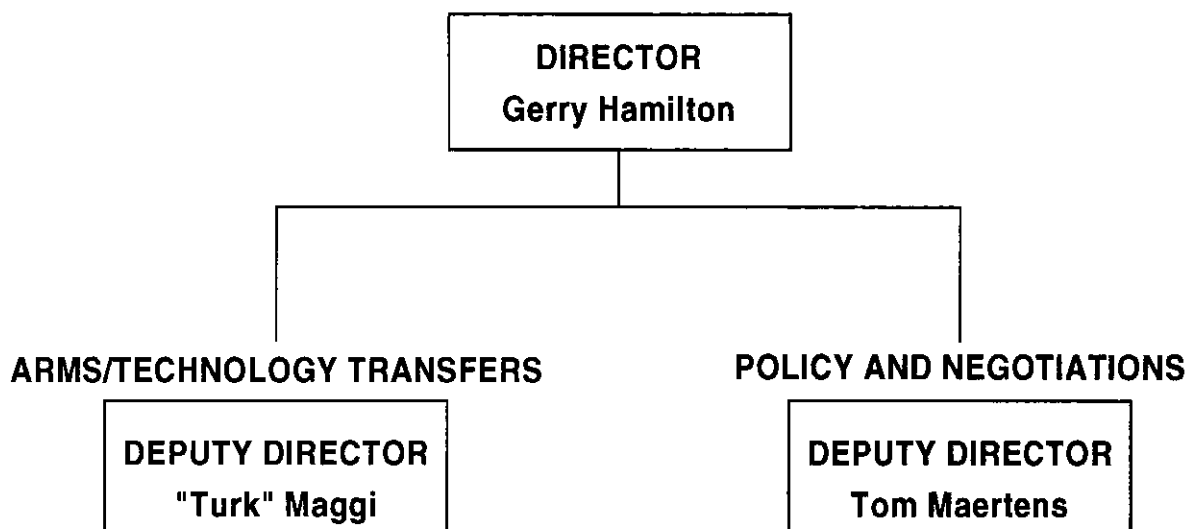
The arms transfer policy consolidation/reorganization became effective on August 1, 1995. ♦

Asst Sec PM

T. McNamara - Lowell ODT
M. Harris - DAS Export Control

Office of Arms Transfer and Export Control Policy

ATEC



Leadership in Defense Trade

McNamara, Lowell, Hamilton

Thomas E. McNamara was confirmed as the Assistant Secretary of State for Political-Military Affairs on October 13, 1994, succeeding Robert L. Gallucci. William J. Lowell, replaces William B. Robinson as the Director of the Office of Defense Trade Controls. Mr. William B. Robinson serves the Bureau as a Special Adviser to DTC.

Thomas E. McNamara. Previously the Principal Deputy Assistant Secretary of State for Political-Military Affairs since July, 1993. Prior to this, Ambassador McNamara headed the State Department Office of the Ambassador-at-Large for Counterterrorism.

From 1988 to 1991, he was the U.S. Ambassador to Colombia. Following that assignment, Mr. McNamara returned to Washington to work at the National Security Council as Special Assistant to the President for National Security Affairs and Senior Director for International Programs and African Affairs. A career diplomat, his overseas experience included tours in Paris, Lubumbashi, Bukavu, Moscow, and as Deputy Chief of Mission in Kinshasa, Zaire.

Assistant Secretary McNamara has extensive experience in political-military affairs, focusing on arms control and regional security. In the 1970s he was involved in most major arms control issues, serving in embassies, on negotiating delegations, and in the Department of State and the Arms Control and Disarmament Agency. His background in regional security affairs includes every major area of the globe -- Europe, Mid-East, Africa, Asia, and Latin America. He was responsible for regional security affairs as Deputy Assistant Secretary of State for Politico-Military Affairs, 1983-86, before his first tour on the National Security Council as Director for Counterterrorism and Counternarcotics.

Ambassador McNamara was born in New Haven, Connecticut and received a B.A. and an LLD (hon.) from Manhattan College, and an M.A. from the University of Notre Dame.

William J. Lowell. Appointed Director to the Office of Defense Trade Controls on November, 27, 1994.

Mr. Lowell joined the Department in 1972, serving first with the Bureau of Consular Affairs in a number of positions until 1976. In 1976, he was reassigned to the Bureau of Public Affairs, where he served until 1978.

In 1978, Mr. Lowell joined the Bureau of Economic and Business Affairs, with responsibilities for international telecommunications negotiations. In 1983, he transferred to the Office of Advanced Technology with the Bureau of Oceans and International Environmental and Scientific Affairs, with responsibilities for international space and high technology negotiations. He was appointed Deputy Director of that office in 1984.

In 1991 he was appointed special assistant to the Under Secretary for International Security Affairs, and served in that capacity until the end of January 1993. In January 1993 Mr. Lowell was detailed to the personal staff of the U.S. Special Envoy for the Former Yugoslavia. In mid 1993 he rejoined the office of the Under Secretary for International Security Affairs, and remained in the position until his recent appointment to the Office of Defense Trade Controls.

Mr. Lowell has wide experience in conventional arms issues and export control policy.

A native of Massachusetts, he earned a B.A. from the University of Massachusetts and an M.A. from Georgetown University.

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United States Department of State

*Assistant Secretary of State
for Political-Military Affairs*

Washington, D.C. 20520



Thomas E. McNamara

*You tax dollars
at work*

A Message to Industry

Defense Trade is undeniably one of the most important and most challenging issues I deal with as Assistant Secretary. The continuing decline of national defense budgets, coupled with an increased reliance on exports, has fueled an already competitive munitions market. To meet this challenge, we at the State Department have undertaken -- and will continue to undertake -- changes in the way we do business. Most notable among these changes has been Secretary Christopher's establishment of an "America's" desk here at State. As part of this effort, we have been working to make our policy-making and licensing processes more transparent and user-friendly. With your continued support, I know that we'll be able to accomplish this and a great deal more.

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Hugh G. Hamilton, Jr. became Director, Office of Arms Transfer and Export Control Policy in May 1995. Previous State Department positions he has held include Head of Mission, CSCE Long-term Mission to Latvia; Deputy Coordinator for East European Assistance; Deputy Chief of Mission, Cote d'Ivoire; and Deputy Chief of Mission, Luxembourg. He also served in Poland, the former USSR, and a number of African posts.

A native of Kansas City, Missouri, "Gerry" is a graduate of Washington & Lee University, and has engaged in non-degree graduate studies at Georgetown and American Universities. ♦

Foreign Export Control Cooperation and Assistance

The State Department's Role

The Department of State is responsible for developing and implementing, on an inter-agency basis, policy for export control cooperation with countries whose control of goods, technology and services is deemed essential for stemming the proliferation of weapons of mass destruction, their means of delivery, and for avoiding build-ups of destabilizing conventional military arms. This cooperation and assistance contribute to important US national security objectives.

Within that context, the State Department's Office of Arms Traffic and Export Control Policy (ATEC) coordinates bilateral consultations on export controls with many countries around the world. These talks are designed to encourage countries to commit to responsible arms and dual-use technology transfer policies and to develop or strengthen export control systems to implement and enforce those policies. In addition, ATEC leads interagency efforts to develop assistance programs.

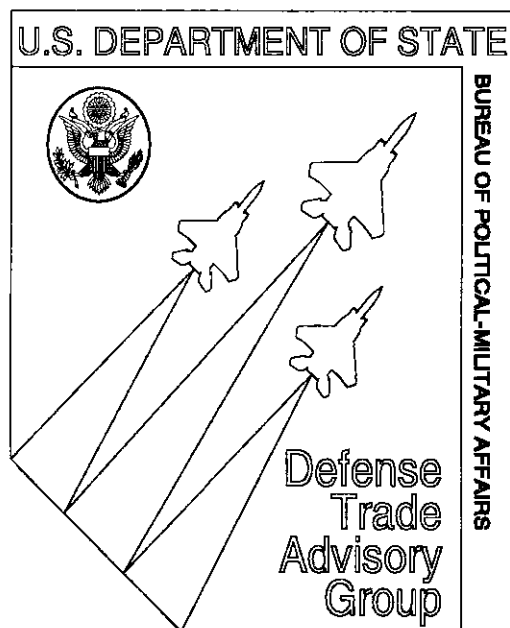
In that regard, ATEC heads an interagency working group on export control assistance comprised of experts from U.S. Government departments responsible for U.S. export licensing and enforcement. These experts and others from their departments interact with their foreign counterparts to provide advice, training and technical assistance. This effort is geared toward strengthening and developing comprehensive and effective export control systems of countries whose cooperation is essential to combat proliferation.

Export control cooperation efforts are focused on the four nuclear states of the former Soviet Union, but also include Central Europe, East Asia, Latin America and Africa. For example, ATEC coordinated a training seminar for Central European countries held in Budapest. ATEC also developed plans for installation in Poland and other Central European states of a communication and information network for export licensing and enforcement which, when operational, will enable rapid interagency communication within the host governments and will facilitate coordination with U.S. and other Western officials. ♦

Change in Express Mail/Courier Delivery to the Office of Defense Trade Controls

In consideration of physical security requirements, the Office of Defense Trade Controls (PM/DTC) will no longer accept courier-delivered materials, effective August 31, 1995. Such materials (e.g., license applications and other written requests for approval), when sent outside the U.S. postal system or not personally presented by U.S. industry representatives with appropriate security clearances, must be directed to the main Department of State building, which is located at 2201 C Street, NW, Washington, D.C. **Deliveries should be made at 21st Street ("Joggers' Entrance").** Materials for PM/DTC should be addressed to:

U.S. Department of State
PM/DTC, SA-6, Room 200
Washington, DC 20522-0602



DTAG Developments

On March 13, 1995, the Defense Trade Advisory Group held its seventh plenary meeting. The morning presentations, which consisted of a keynote address by Deputy Assistant Secretary for Export Controls Dr. Martha Harris and reports from the DTAG Working Groups, were open to all attendees. Two informal working sessions on regional issues, briefings on issues of concern, and concluding remarks from Assistant Secretary for Political-Military Affairs Thomas E. McNamara made up the afternoon program. The afternoon sessions were restricted to DTAG members and USG officials to allow for classified discussion.

Dr. Harris summarized major Administration achievements in nonproliferation in the last two years. First, Ukraine, Belarus, and Kazakhstan have signed onto the Nuclear Nonproliferation Treaty (NPT). START I has

entered into force, and the United States and Russia are committed to ratifying the START II Treaty this year. Second, Russia has pledged adherence to the Missile Technology Control Regime (MTCR) and will stop nuclear exports to India. Third, in September 1994 President Yeltsin made a public commitment to end future arms sales to Iran and fulfill only existing contracts. Fourth, China has agreed to halt exports of ground-to-ground missiles targeted by the MTCR. This allowed the United States to waive sanctions for previous Chinese missile exports to Pakistan. Last, the U.S./DPRK security agreement establishes broad principles for North Korea to dismantle its nuclear program. North Korea has accepted full-scope IAEA safeguards, and will work with South Korea to implement an accord to denuclearize the Korean peninsula.

Dr. Harris explained that the Conventional Arms Transfer (CAT) policy, announced on February 17, 1995, reaffirms that the United States will support legitimate transfers, but will prohibit those inconsistent with our national security and foreign policy interests. In terms of dollar values, FY94 exports declined 11% from those of the previous year. Moreover, about 80% of FY94 licenses involve, but are not limited to, NATO countries and traditional allies such as Japan and Israel. These figures disprove the contention that the United States is fueling an arms race in the Third World: arms transfers to Latin America, South Asia, and Africa made up less than 4% of 1994, commercial sales.

In other CAT policy developments, Dr. Harris outlined the U.S. position on arms transfers to Central Europe. Previously the United States prohibited lethal transfers to the Central European states and reviewed proposed lethal transfers to the Central European states and reviewed proposed defensive exports on a case-by-case basis. Because the CE countries have participated in the Partnership for Peace (PFP), expressed interest in joining European security organizations, and

advanced democratic and market reforms, the United States now considers proposed exports of lethal weaponry to certain countries on a case-by-case basis.

Turning to multilateral export control issues, Dr. Harris noted that Russia, as a major supplier, must be factored into the COCOM successor regime and any credible arms restraint arrangement. The Administration is working with the Russians to follow up on President Yeltsin's pledge to end arms sales to Iran. Resolving this issue will pave the way for Russia's participation in the new regime. According to mutual agreement, new members must adhere to international nonproliferation norms, be committed to responsible arms and sensitive dual-use transfer policies, and have effective export controls. By these standards, China is not yet eligible to join the successor regime.

Dr. Harris also affirmed that export control assistance is essential to making multilateral control regimes effective, and she noted that similar national technology control regimes help level the playing field for U.S. exporters. By strengthening economic ties between the United States and participating nations, export control assistance may lead to increased defense trade between the United States and certain CE states.

Under the Cooperative Threat Reduction Program, we have advised Belarus, Kazakhstan, and Ukraine, and the United States hopes to offer export control assistance to Russia in the near future.

Dr. Harris cited PM/DTC teaming arrangements, the electronic licensing system ELLIE, the Remote Online Bulletin Board (ROBB), and the State Appeals Review Process (SARP) as examples of how the Department continues to improve its export licensing process and procedures. The existing commodity jurisdiction (CJ) process is effective; more than 400 CJ decisions were made last year, and 62% of these resulted in movement of an item to the CCL.

Following Dr. Harris' presentation, the three DTAG Working Groups reported on their activities. The Policy Working Group (PWG) is preparing studies on U.S. arms transfer policy towards Latin America and policy changes required to incorporate non-standard subsystems into non-standard platforms. The PWG will be considering defense export financing, U.S. defense industrial cooperation with our allies, and developing a foreign availability database, all in connection with the CAT policy.

The DTAG Vice-Chair and others have worked on revising the BATF import regulations. They are examining whether mergers and acquisitions among defense companies necessitate changes in the ITAR or methods of licensing, and are following the regulatory changes connected with Sections 36 and 39 of the Arms Export Controls Act (AECA) involving offsets.

The Regulatory Working Group (RWG) recommended that because the number of Commerce license applications has drastically declined while munitions applications have increased, Commerce should transfer some of its full-time equivalency slots to State for licensing purposes. Second, the Department should summarize PM/DTC's electronic licensing advances in Defense Trade News. Third, the Department should publish an ITAR incorporating all amendments since the July 1993 revision, and maintain a current version available through subscription or sale.

The Technical Working Group continues to examine jet engine hot sections, space-related components, and encryption technologies to determine if they should be moved under Commodity Control List (CCL) control.

After the open sessions in the morning, there were regional briefings on Latin America and Central Europe. Although the Latin America region overall is making economic progress, Department briefers cautioned that Latin

closed

American countries will probably not be making substantial arms purchases in the near-term. Many of the region's economies are weak, and although the region is generally at peace, contentious border disputes such as the Peru-Ecuador conflict and simmering guerrilla movements exist. Other policy considerations include human rights concerns and civil-military relations. The United States will continue efforts to coordinate multilateral restrictions on sales of potentially destabilizing advanced equipment.

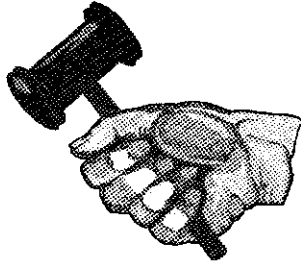
Regarding Central Europe, State participants explained that there was previously a presumption of denial for transferring sophisticated, lethal military equipment to the CE states. After a policy review, it was decided that all proposed USML exports would be reviewed on a case-by-case basis. Only the former Yugoslav Republics cannot receive military equipment: a UN arms embargo prohibits them from receiving weapons and other military equipment which would exacerbate the military conflict. Export controls towards specific CE nations have liberalized as they have instituted political and economic reforms.

The first afternoon briefing involved regulatory changes connected with acquisitions and mergers, audits, and compliance requirements. In the next briefing, DTAG members expressed interest in the Department's tanker policy in general and Singapore's desire for tankers in particular. Department speakers advised that the United States would be cautious about introducing advanced and possibly destabilizing technologies into the East Asia/Southeast Asia region. The final briefing dealt with encryption articles and technologies and supercomputers. Although national security concerns dictate that encryption controls would stand, representatives of the Department noted that efforts are being made to reform the export requirements and reduce the burden to industry. Specifics on the U.S./Japanese

supercomputer negotiations were discussed, including countries to which case-by-case review of proposed exports applied and the terms of notification.

Assistant Secretary of State for Political-Military Affairs Thomas McNamara gave concluding remarks on the financial hardships imposed by a shrinking global defense market, the criteria for U.S. arms transfers, and USG support for responsible transfers. ♦

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



Reinstatements & Debarments

Reinstatement of Export/Retransfer Privileges

The following persons have had export/retransfer privileges **reinstated** pursuant to section 38 (g) (4) of the Arms Export Control Act (AECA) (22 U.S.C. § 2778 (g) (4)) and section 127.11 (b) of the International Traffic in Arms Regulations (ITAR) (22 C.F.R. § 127.11 (b)) (**Key -- Name; City and State; Effective Date of Reinstatement**):

American Aviation Parts and Service Corp.
Arlington, Virginia
September 26, 1988

Napco, Inc. (a subsidiary of Thermo Electron Corp.)
Terryville, Connecticut
October 11, 1988

Environmental Tectonics Corp.
Southampton, Pennsylvania
April 21, 1989

Napco International, Inc. (Ventruian Corp. parent company)
Hopkins, Minnesota
August 1, 1989

Olin Corp.
East Alton, Illinois
January 4, 1990

Elder Industries, Inc.
Newport Beach, California
October 1, 1990

Charlotte Aircraft Corp.
Charlotte, North Carolina
January 4, 1992

Technical Service International
Miami, Florida
January 9, 1992

Mr. Clifford Kapel
Technical Service International
Miami, Florida
January 9, 1992

Mr. George McArthur Posey
Newport Aeronautical Sales
Costa Mesa, California
April 3, 1992

Forway Industries
Woodbury, New York
June 15, 1993

These persons may once again participate in the export or retransfer of defense articles, defense services, or related technical data pursuant to section 38 of the AECA and the ITAR.

Notice of these reinstatements was published in the *Federal Register* (Vol. 59, No. 90, May 11, 1994, p. 24501-2).

Public Notice of Debarred Persons

The following persons have been **debarred** for a period of three years following their convictions for violating or conspiring to violate the AECA (**Key -- Name; Offense(s); Date of Conviction; U.S. District Court**):

Zeljko Vusir
22 U.S.C. § 2778 (violating the AECA)
May 6, 1992
District of Arizona

Mark Belinic
22 U.S.C. § 2778 (violating the AECA)
July 29, 1992
District of Arizona

Bet-Air, Inc.

18 U.S.C. § 371 (conspiracy to violate 22 U.S.C. § 2778) and 22 U.S.C. § 2778 (violating the AECA)

April 23, 1993

Central District of California

J. Randall Shute

18 U.S.C. § 371 (conspiracy to violate 22 U.S.C. § 2778)

April 28, 1993

Northern District of Georgia

Louis J. Kocurek III

18 U.S.C. § 371 (conspiracy to violate 22 U.S.C. § 2778)

April 28, 1993

Northern District of Georgia

Lance B. Ordway

18 U.S.C. § 371 (conspiracy to violate 22 U.S.C. § 2778)

May 11, 1993

Northern District of Georgia

Bin Wu

18 U.S.C. § 371 (conspiracy to violate 22 U.S.C. § 2778) and 22 U.S.C. § 2778 (violating the AECA)

September 17, 1993

Eastern District of Virginia

Jin Ping Li

18 U.S.C. § 371 (conspiracy to violate 22 U.S.C. § 2778) and 22 U.S.C. § 2778 (violating the AECA)

September 17, 1993

Eastern District of Virginia

Pinzhe Zhang (aka "Peter Zhang")

18 U.S.C. § 371 (conspiracy to violate 22 U.S.C. § 2778) and 22 U.S.C. § 2778 (violating the AECA)

September 17, 1993

Eastern District of Virginia

Alexander Nikolic

18 U.S.C. § 371 (conspiracy to violate 22 U.S.C. § 2778) and 22 U.S.C. § 2778 (violating the AECA)

November 22, 1993

Northern District of Illinois

Kem and Associates, Inc.

22 U.S.C. § 2778 (violating the AECA)

December 14, 1993

Western District of Texas

Bajro Hukic (aka "Bob Hukic" and "Bab Hucici")

18 U.S.C. § 371 (conspiracy to violate 22 U.S.C. § 2778)

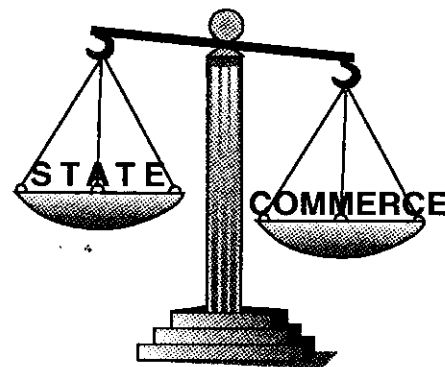
January 19, 1994

Northern District of Illinois

Notice of these statutory debarments was published in the *Federal Register* (Vol. 59, No. 166, August 29, 1994, p. 44451-2

Anyone needing additional information to determine whether a person has been debarred or reinstated should contact the Compliance Division of the Office of Defense Trade Controls. ♦

Commodity Jurisdiction Determinations



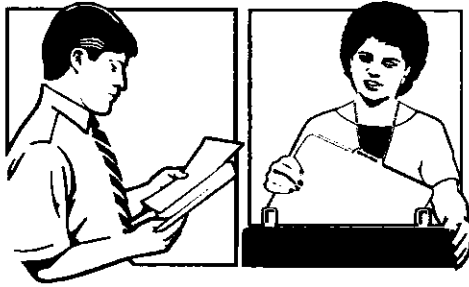
The following chart lists selected recent Commodity Jurisdiction (CJ) determinations. We have described the commodities in general terms to ensure confidentiality of proprietary information.

Determinations apply only to the specific commodities reviewed. If you believe one of your firm's products is similar to one listed here as having been placed on the Commerce Department's Commerce Control List (CCL) and wish to have the 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	RULING	COMMODITY	RULING
Actuator, 5 Rotary Incremental	CCL**	Data Encryption Standard, Specifically Designed for Communications Security and Security of Stored Data	USML XIII (b)(1)
Alarm, Bank Reporting System	CCL**	Data, Ectractor	CCL**
Aluminum Powder	USML V (a)	Detector, Automatic Explosives and Contraband	CCL**
Amplifier, High Temperature Quad Operational	CCL**	Detonating Device, Remote	USML IV (c)
Amplifier, X-Band Low Noise	USML XI (a)	Displays, Active Matrix Liquid Cryatal	CCL**
Antenna, Communications	USML XI (d)	Electronic, Check Disbursement System	CCL**
Antenna, Receiving Coupler	USML XI (b)	Engine Forgings	VIII (j)
Antenna Whip System	CCL**	Equalizer-Demodulator	USML XI (b)
Battery, Nickel Cadmium Rechargeable	CCL**	Generator, Pepper Fog	USML XIV
Board, Electronic Interface With Data Encryption Capability	USML XIII (b)(1)	Glass Phenolic Molding Compound, not Specifically Designed for Military Use	CCL**
Boat, Rigid Inflatable Not Specifically Designed, Modified, or Configured for Military Application	CCL**	Grips, Wooden and Rubber for Pistols and Revolvers	USML I (a)
Specifically Designed, Modified, or Configured for Military Appliation	USML VI (a)	Guide, Multimedia Presentations	CCL**
Camera, Thermal Imaging Systems	CCL**	Gun, 37mm Gas	CCL**
Cartridges, 37mm Blank Launching	USML XIV	Identification System, Automated Fingerprint	CCL**
Cartridges, 37mm Multiple Wood, Foam, and Rubber Pellet	CCL**	Imaging System, Ball High Resolution Remote Sensing	USML XV (a)
Commercial CASS Compatable Test Systems	USML VIII (k)	Infrared, Lightstick, Self-Activating Lighthstick, Mini Lightstick, Bracelet, and Lightshape	USML XII (f)
Computer Program, Rapid Aero-Shape Generator	USML IV (i)	Infrared, Photodetector Staring Focal Plane Array	USML XII (c)
Circuit, Integrated, Crypto-Coprocessor	USML XIII (b)(1)	Inverters, Second Generation Fiber Optic Image	USML XII (c)
		Lights, Tactical and Laser Sights, Sure-Fire Weapon-Mount Specifically Designed, Modified, or Configured for Military Application	USML XII (a)
		Not Specifically Designed, Modified, or Configured for military Application	CCL**

COMMODITY	RULING	COMMODITY	RULING
Limiters, High Temperature Superconductor Fault Current	USML XI (a)	Environment	USML XIII(b)
Mats, Rapid Runway Repair	USML XIII (d)	Software, Air Operations Center Workstation	USML XI (e)
Methyl Bromide 67%/Chloropicrin 33%	CCL**	Software, Hand-Held Encoder-Decoder Device	USML XIII (b)(1)
Chloropicrin in Pure Form is Designated as a Defense Article	USML XIV (a)	Software, Scrambling/Descrambling	CCL**
Microwave, Downconverter	USML XI (b)	Software, Secured PC Communications	CCL**
Microwave Receiver	CCL**	Software, Space Computer Development Unit	USML XV (e)
Missile, Parts and Components	USML IV (h)	Software, Test Procedures Designed for Testing Circuit Card Assemblies in Guided Munition	USML IV (i)
Modules, Racial Host Security	CCL**	Standoff Electronic Incapacitation Device	CCL**
Monitor, Communications Systems Encryption/Decryption Capability and Keying material	USML XIII (b)(1)	Switch, Red/Black Voice Specifically Modified for Military Applications	USML XIII (b)
Monitor, Remote Controlled Reconnaissance	USML IV (c)	Technical Data Related to Specific Parts of the CFM56 Engine Hot Section	USML VIII (k)
Operating System, Containing Implementation of Enigma Encryption Algorithm	CCL**	Teleoperation, Remote Control Kit	CCL**
Pocketscope, Night Vision Specifically Designed, Modified, or Configured for Military Use	USML XII(c)	Telephone Earth State (TES) When it Incorporates the Data Stream Interface or Access Feature	USML XIII (b)(5)
Not Specifically Designed, Modified, or Configured for Military Use	CCL**	Telephone, Privacy Unit & Handheld	CCL**
Propeller Systems, Fixed-Pitch and Controllable-Pitch Specifically Designed, Modified, or Configured for Military Applications	USML VI (f)	Terminals, X-Band Remote Sensing Satellite Earth Not Specifically Designed, Modified, or Configured for Military use	CCL**
Not Specifically Designed, Modified, or Configured for Military Applications	CCL**	Track Roller, Stud Portion and Bearing Assembly	CCL**
Radar, Absorbing Material	USML XIII (e)	Final Assembly of the Stud Portion & Bearing/Track Roller	USML VIII (j)
Radio Demultiplexer	USML XI (b)	Training Systems, Air Traffic Control - Virtual Controller and Airport Control Tower Simulator	CCL**
Radiotelephone, Digital Cellular	CCL**	Transponder, Civil Air Traffic Control Not Specifically Designed, Modified, or Configured for Military use	CCL**
Receiver, Compact	CCL**	Tubes, Image Intensification Not Specifically Designed, Modified, or Configured for Military use	USML XII (c)
Recorder, Ruggedized Communications	USML XI (b)	Tubes, Image Intensifier	CCL**
Robot, Multi-Purpose	CCL**	Vehicle, Unmanned Air	USML VIII (a)
Rotary Wing Head, Centering Socket Hub Assembly	CCL**	Video, Compression Encoder	CCL**
Satellite, Weather Receiver System	CCL**	Video, Reproducer	CCL**
Scrambler, Voice	CCL**	Voice Channel Demultiplexer	USML XI (b)
Semitrailer, Specifically Designed for Military Application	USML VII (h)	Voice Compression Product	CCL**
Sensors, Temperature	CCL**	Water Jet, Coating Removal System	CCL**
Services, Involving Sonar Platform Noise Analysis for Commercial Sonars on Foreign Vessels	USML VI(g)	Welding System, Programmable Automated	USML VI (e)
Signal Analyzer	CCL**		
Simulator, Chameleon, High Density Signal, and Briefcase Threat, Beam Box Signal	USML IX (a)		
Smoke, Pepper Fog	USML XIV		
Software, Advanced Development			

** 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



Personnel Updates

Out...

Carolyn Love, Licensing Officer, retired from the Office of Defense Trade Controls in November after completing 25 years of service with the Department of State.

DTC Licensing Officer **Suzanne Palmer** departed in November to assume new duties with the Arms Control and Disarmament Agency (ACDA).

Tom Denner, former DTC Commodity Jurisdiction officer, resigned from the Department of State in October 1994 to join the Prince William, Va. Fire Department.

Ann Diemer, DTC staff aide, retired in December 1994, after many years of service.

In...

Sharone Barnes came to DTC in November to fill the position of secretary. She transferred from the Office of Export Control Policy.

John C. Pisa-Relli is an attorney in DTC's Compliance and Enforcement Branch. Before coming to State, he worked with the Office of Antiboycott Compliance, Department of Commerce.

Jim Sturdevant serves in DTC as a Research Compliance Specialist in the Research and Analysis Branch. Mr. Sturdevant recently served as a Senior Analyst with the Air Force Intelligence in the Pentagon specializing in the Mideast/Africa/Asia/Pacific regions.

Jefferey Cellars joined DTC as the Special Assistant to the Director in August 1994. A career Foreign Service Officer since 1989, Mr. Cellars has served in Budapest, Hungary and prior to DTC, in Manama, Bahrain.

Stephen M. Geis joined EXP in August 1994 as Director of the Technology Transfer Division. A career Foreign Service Officer since 1973, Mr. Geis has served in Europe, Latin America, and the Department. His most recent posting prior to joining EXP was as Political Counselor at the U.S. Embassy in Asuncion, Paraguay.

Richard Morey Sherman chairs the Technology Transfer Working Group. In the Department he had an assignment in the office of Ocean Law and Policy, OES bureau. He joined PM/EXP in October.

Joseph L. Novak is the action officer responsible for Nunn-Lugar program assistance to the nuclear successor states of the former Soviet Union -- Russia, Ukraine, Kazakhstan, and Belarus. Before joining EXP, Mr. Novak was a Political/Consular officer at the U.S. Embassy in Dhaka, Bangladesh.

Gilbert J. Sperling spent 15 of his 20 year career in the Foreign Service doing consular work. His last foreign posting was as chief of the Consular Section in Madras. Most recently he worked in the Department's Bureau of Consular Affairs. Mr. Sperling joined EXP in September and is responsible for issues and cases involving lasers, sensors, materials, and machine tools.

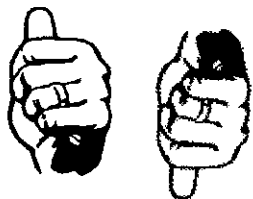
Philip S. Rhoads had been Chief, Compliance and Enforcement Branch, Office of Defense Trade Controls, since April 1995.

His previous U.S. Government service was as Supervisory Compliance Specialist, Office of Antiboycott Compliance, Bureau of Export Administration, U.S. Department of Commerce.

He has a B.A. (international affairs), the George Washington University; an M.I.A. (international affairs), Columbia University; and a J.D., University of Kentucky School of Law.

Mr. Rhoads is a member of the District of Columbia, Kentucky and Louisiana Bar Associations.

In addition to private practice attorney in New Orleans, Louisiana, specializing in export contracting, and financing. Also criminal and civil practice, he worked with the agency for International Development, (law clerkship), and served as an International Trade Specialist, Kentucky Department of Commerce. ♦



Feedback

Please circle or fill in your responses, add any comments, and mail to DTC (Attn: DTN Feedback) or fax 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

3-15. 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.

16-28. Rate **readability** (style and physical presentation) on a scale of 1 (worst) to 5 (best); rate as "0" articles you did not read.

29-31. Please circle the numbers of the **three** topics you would most like to see covered.

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)

Comments:

We welcome lengthier comments, suggestions, and criticism.



Log onto ELLIE State's Electronic License Entry System

The State Department's Office of Defense Trade Controls (DTC) now offers on-line electronic license submission via *ELLIE*, the *Electronic License Entry System*. Since its inception in late 1993, ELLIE has processed over 2000 applications. Having successfully completed the pilot stage of the project, DTC has gradually increased the number of companies participating in the ELLIE program to over 300.

ELLIE is a **free service**. To use ELLIE, you must have access to DTC's Remote On-line Bulletin Board (ROBB). Access to ROBB and ELLIE requires a PC, a modem, and communications software, which your firm may already possess.

To sign up for ELLIE, please mail this application to DTC (Attn: Computer Support Staff) or fax it to (703) 875-5663.

TO: Director, Computer Support Staff, Office of Defense Trade Controls
FAX: (703) 875-5663

FROM: _____
(Company Name)

We would like to sign up to submit license applications electronically via ELLIE.

We do/do not already use ROBB.

Our firm submits approximately _____ license applications to DTC per year.

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Sign Up for State Department Export Licensing Training

The State Department's Office of Defense Trade Controls (DTC) can design a seminar on export licensing policies and procedures with your specific needs in mind. We hold our seminars at our office in Arlington, Virginia, minutes from the District of Columbia.

We normally hold four half-day seminars per year, combining participants from different firms, with attendance limited to 30. We encourage small companies to apply. **To sign up, please mail this application to DTC (Attn: Training Seminars Coordinator) or fax it to (703) 875-6647.**

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FAX: (703) 875-6647

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____ Processing of Requests	____ Licensing Foreign Nationals

Other subject areas we would like covered _____

Number wishing to attend: _____

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Defense Trade News: (703) 875-5671
Licensing Division: (703) 875-6644
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Status Inquiry Telephone Numbers

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Congressional Case Status: (703) 875-6641
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Status System (ALISS): (703) 875-7374
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Fax Numbers

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Compliance Division;
Computer Support Staff: (703) 875-5663

Contacting the Deputy Assistant Secretary for Export Controls

Deputy Assistant Secretary for Export Controls
Bureau of Political-Military Affairs
PM, Room 7325A
U.S. Department of State
Washington, D.C. 20520-7325

Contacting the Office of Export Control Policy

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Bureau of Political-Military Affairs
PM/EXP, Room 2242
U.S. Department of State
Washington, D.C. 20520-2242

Telephone (202) 647-4231
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