



# **COMPLYING WITH ITAR CONTROLS**

## **DIRECTORATE OF DEFENSE TRADE CONTROLS OVERVIEW**

9/19/2016



# Licensing and Compliance Responsible U.S. Agencies



<b>Agency</b>	<b>Area of Responsibility</b>
• Department of State	• Foreign Policy
• Department of Commerce	• Commercial Sales/Dual Use
• Department of the Treasury	• Finances
• Department of Justice (ATF&E)	• Prosecutions/Permanent Imports
• Department of Homeland Security CBP/ICE	• Inspections/Seizures/Fines
• Department of Energy	• Nuclear Reviews
• Department of Defense DTSA, Armed Services, DSS, DSCA	• National Security/Non-Proliferation



# Purpose of Controls



<ul style="list-style-type: none"><li>• Foreign Policy</li></ul>	<ul style="list-style-type: none"><li>• Department of State, Country Desk</li></ul>
<ul style="list-style-type: none"><li>• National Security</li></ul>	<ul style="list-style-type: none"><li>• Department of Defense, Defense Technology Security Agency (DTSA)</li></ul>
<ul style="list-style-type: none"><li>• Human Rights</li></ul>	<ul style="list-style-type: none"><li>• Department of State, Bureau of Democracy, Human Rights, and Labor (DRL)</li></ul>
<ul style="list-style-type: none"><li>• Regional Stability</li></ul>	<ul style="list-style-type: none"><li>• Department of State, Office of Regional Security and Arms Transfer (RSAT)</li></ul>
<ul style="list-style-type: none"><li>• Non-Proliferation</li></ul>	<ul style="list-style-type: none"><li>• Missile Technology Export Committee (MTEC)</li></ul>



# Legal Authorities



## Reference

AECA (Arms Export Control Act),  
Sections 36 and 38

## Subject

- Governs Arms Sales – Foreign Military Sales and Direct Commercial Sales
- Mandates Registration and Licensing of Any Person Who Engages in Manufacturing, Exporting and Brokering of Defense Articles and Services
- Requires Monitoring/Reporting Fees, Contributions and Commissions
- Broad Authority of the Directorate to Approve, Deny, Suspend, Revoke and Halt Shipments at U.S. Ports
- Congressional Oversight – 36(c), 36(d), and 36(f)
- End Use and Retransfer Assurances
- Establishes Fines and Penalties



# Legal Authorities



<b>Reference</b>	<b>Subject</b>
ITAR (International Traffic in Arms Regulations)	<ul style="list-style-type: none"><li>• Implementing Regulations of AECA</li><li>• U.S. Munitions List (USML) Designates Defense Articles/Services Subject to Jurisdiction of the State Department</li><li>• Licensing Policy and Procedures</li><li>• Compliance, Enforcement, and Fine/Penalties</li></ul>



## 22 CFR Parts 120-130 International Traffic in Arms Regulation (ITAR)



- Part 120 Purpose and Definitions
- Part 121 United States Munitions List (USML)
- Part 122 Registration
- Part 123 Licensing
- Part 124 Agreements/Offshore Procurement/Defense Services
- Part 125 Technical Data and Classified Defense Articles
- Part 126 General Policies and Provisions
- Part 127 Violations and Penalties
- Part 128 Administrative Procedures
- Part 129 Brokering (Registration and Licensing)
- Part 130 Political Contributions, Fees, and Commissions



## Directorate of Defense Trade Controls (DDTC)

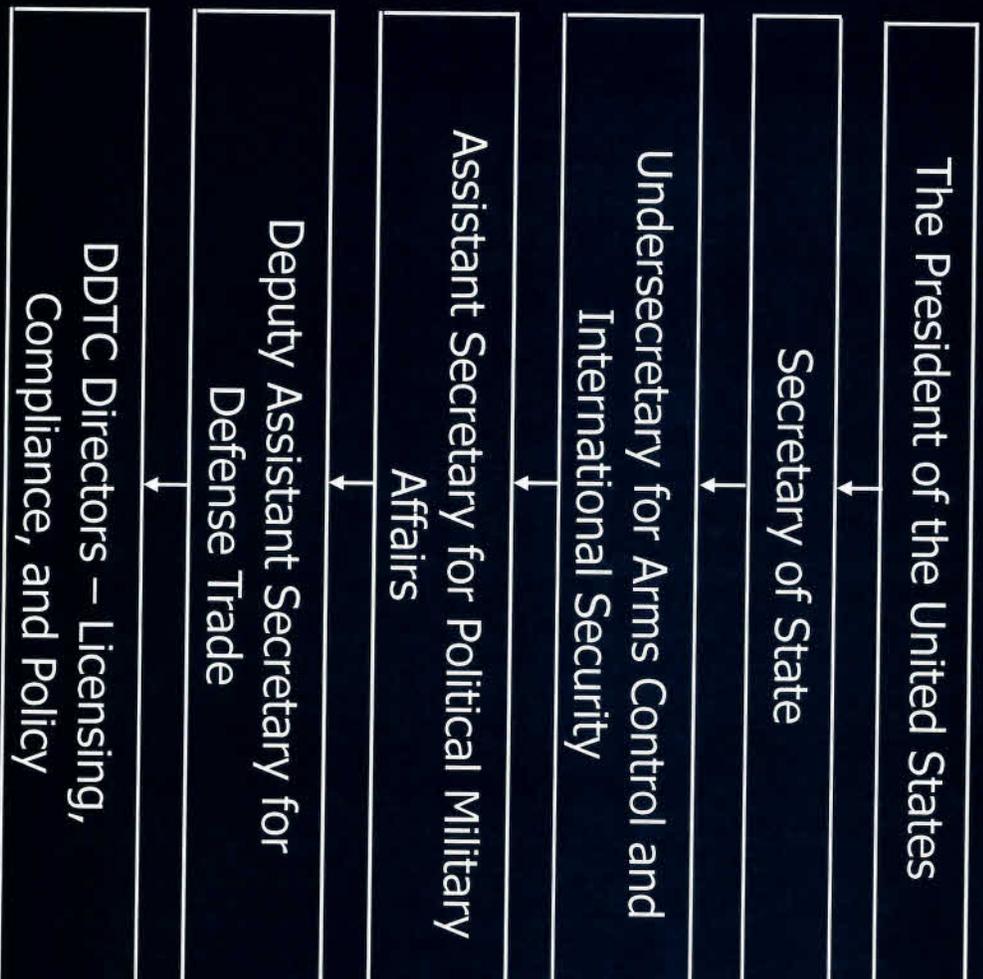


### Our Mission:

Advance U.S. **National Security** and **Foreign Policy** Through Licensing of Direct Commercial Sales in Defense Articles and the Development and Enforcement of Defense Trade Export Control Laws, Regulations and Policies

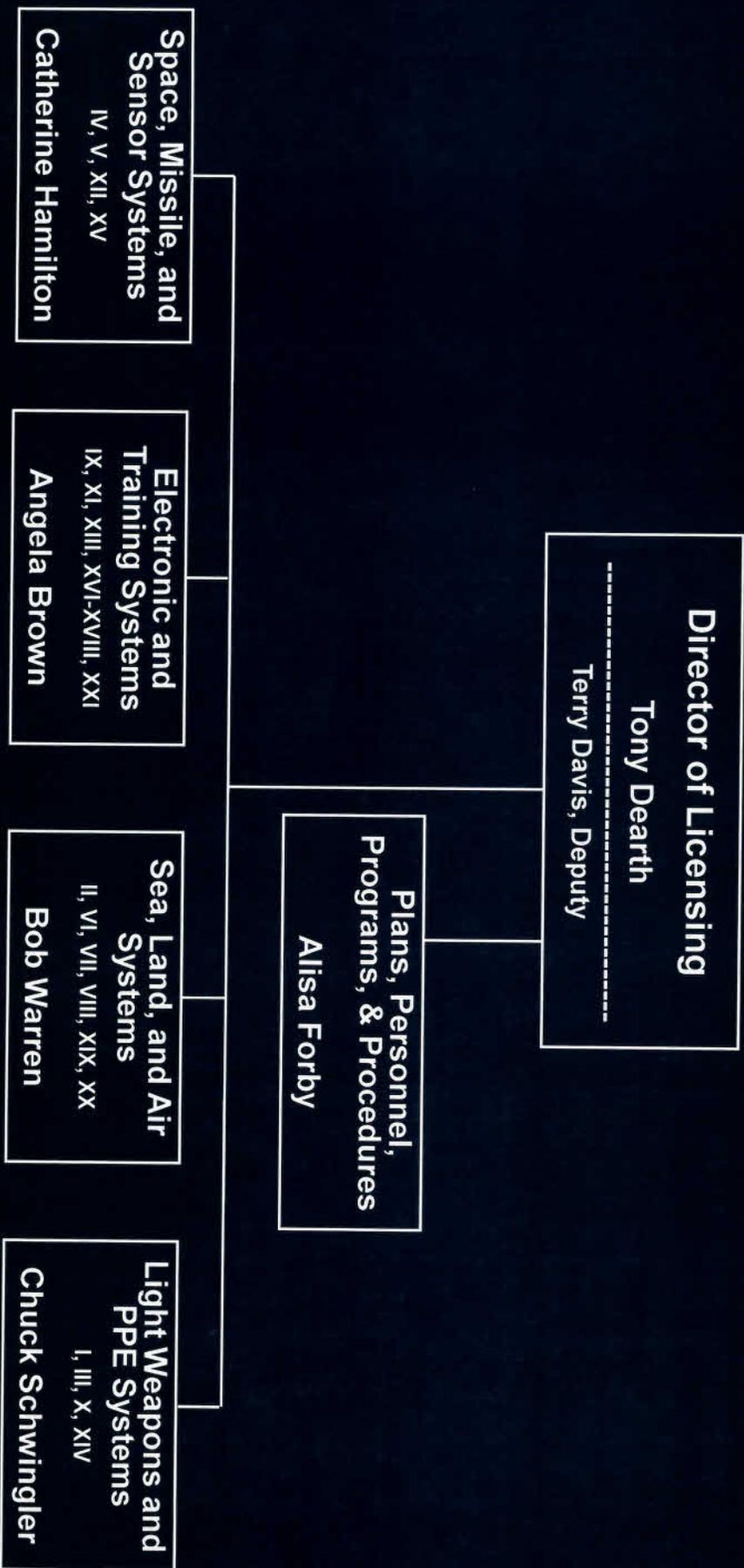


# Authority for ITAR Controlled Exports





# DTCL Organization





# DDTC Organization



Deputy Assistant Secretary  
Of Defense Trade Controls

Brian Nilsson

Senior Advisors  
and  
Staff

Managing Director  
Lisa Aguirre

Office of Defense  
Trade Controls  
Compliance  
Arthur Shulman  
(Acting)

Office of Defense  
Trade Controls  
Licensing  
Tony Dearth

Office of Defense  
Trade Controls  
Policy  
Ed Peartree

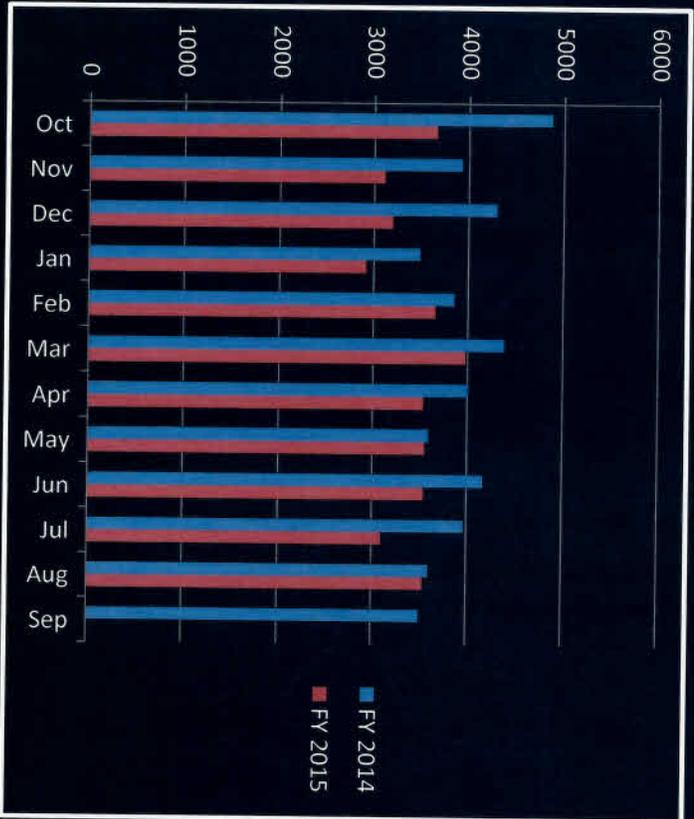
Office of Defense  
Trade Controls  
Management



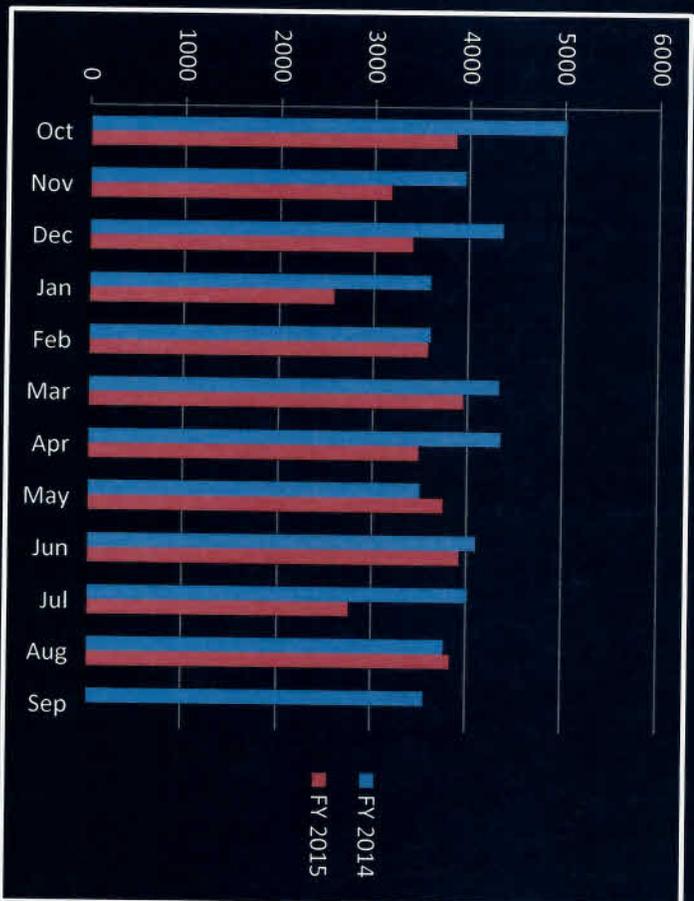
# Licensing Processing Times



Cases Received



Cases Closed

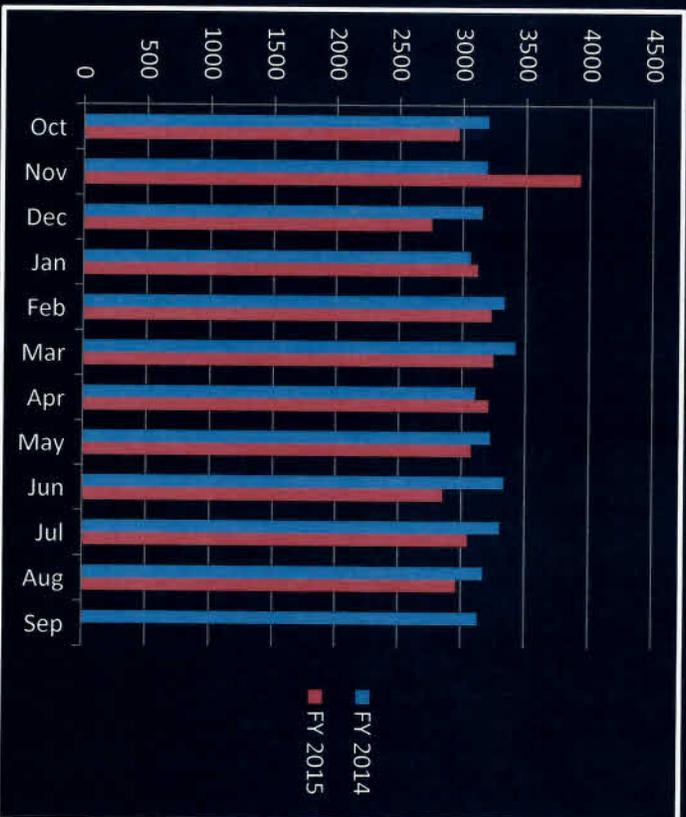




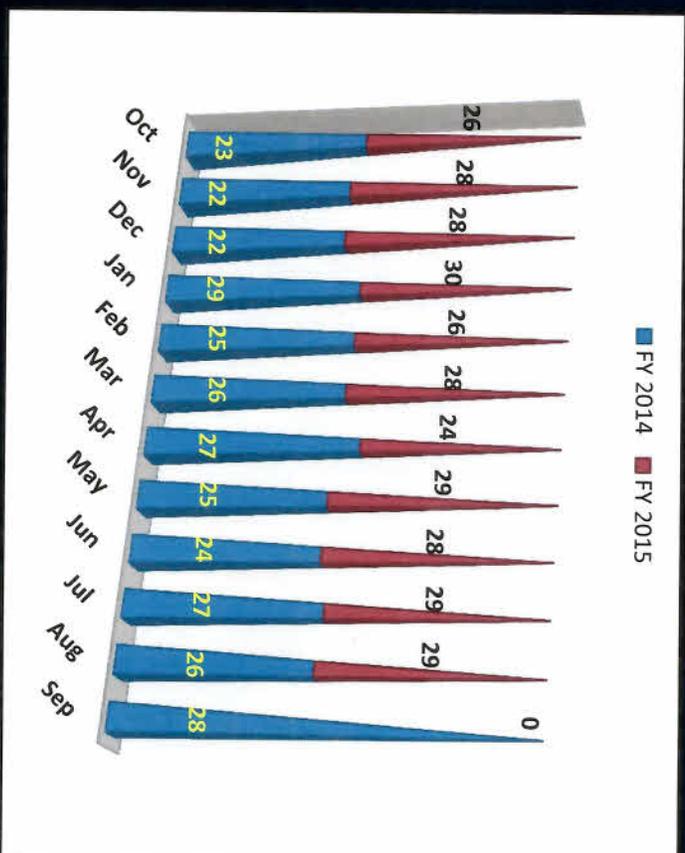
# Licensing Processing Times



Cases Open at the End of the Month



Average Processing Time (In Calendar Days)





# NSPD-56 Defense Trade Reform



- Signed by the President on January 22, 2008

- Mandates Specific Process and Resource Requirements to Support an Export Control System that is Predictable, Efficient and Transparent.

- Per NSPD-56, No License Should Take More than 60 Days Unless:

- Congressional Notification is required
- A Waiver is Required (Presidential or UNSCR – UN Security Council Resolution)
- Assurances are Required from the Foreign Government
- Verification of the End User is Necessary
- DOD Cites National Security Concern
- Requires Waiver of Restriction (i.e. Presidential Waiver)



# Export Control Reform



The Administration has determined that fundamental reform of the U.S. export control system is required in each of its four components areas, with consolidation into a:

- Single Control List;
- Single Primary Enforcement Coordination Agency;
- Single Information Technology (IT) System; and
- Single Licensing Agency

Additional information on the White House website:

<http://www.whitehouse.gov/the-press-office/fact-sheet-presidents-export-control-reform-initiative>



# Updates



- **Federal Register Notice:** Final rule; International Traffic in Arms: Revisions to Definition of Export and Related Definitions. (09.09.16)
- **Licensing:** Revision 4.4a of the Agreement Guidelines has been posted and replaces Revision 4.4. Revision 4.4a corrects an inadvertent omission on page 152. Both Revision 4.4a and a preamble with a summary of changes can be found [here](#). Revision 4.4a will become effective September 1, 2016
- USML categories XII, XIV, and XVIII's final rule will be effective 31 December 2016