



Directorate of Defense Trade Controls Licensing Update

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Director of Licensing

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Overview



- Mission Statement
- Delegation of Authority
- Organizational Overview
- What Do We Do
- ECR Statistics on Rules I, II, III, and IV
- Contact Information

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Mission Statement



Advance U.S. **foreign policy** and **national security** through licensing direct commercial sales of defense articles and through developing and enforcing defense trade export control laws, regulations, and policies.



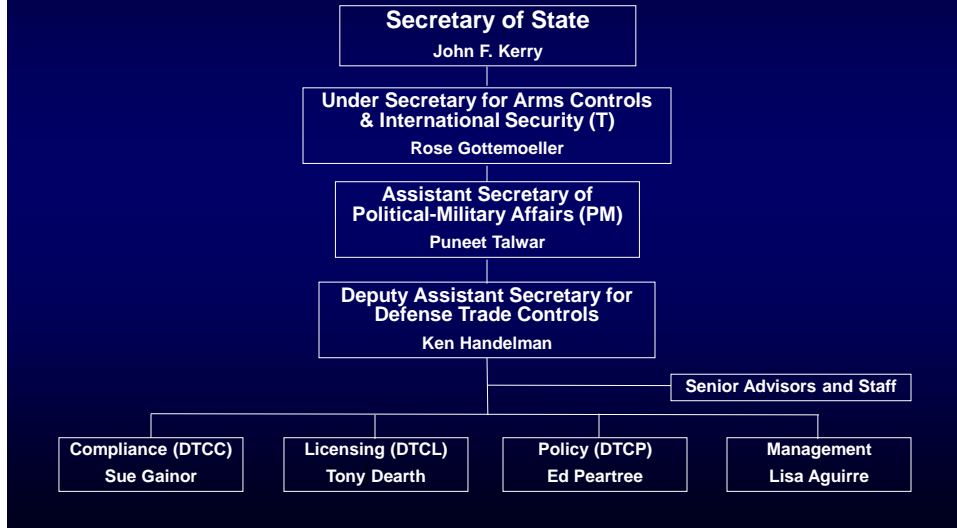
Delegation of Authority



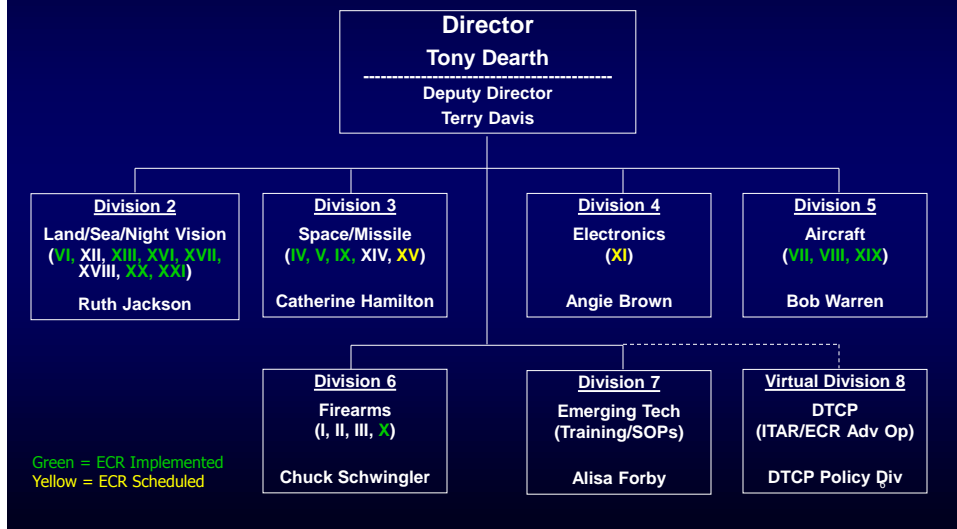
- Arms Export Control Act (AECA)
 - President of the United States (AECA Section 38)
 - Secretary of State (Executive Order 13637)
- International Traffic in Arms Regulations
 - Under Secretary for Arms Control and International Security
 - Assistant Secretary for Political Military Affairs
 - Deputy Assistant Secretary for Defense Trade Controls



Department of State



Office of Licensing





Office of Licensing



Core Responsibilities

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

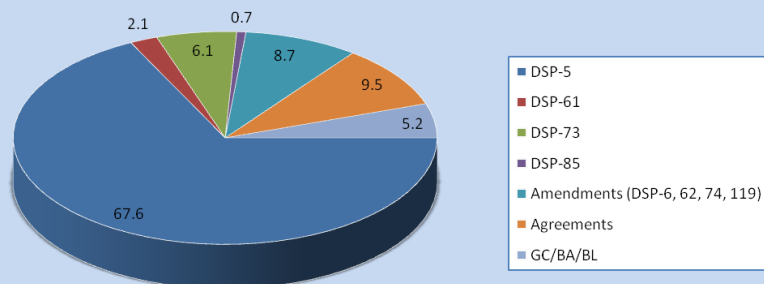
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2013 Statistics



Issued (%) - Total: 78,810

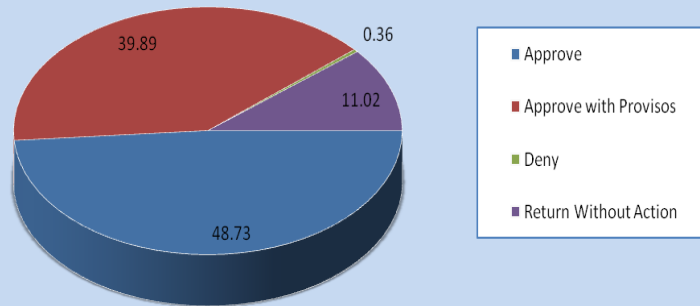




2013 Statistics



Final Determinations (%)



Overall ECR Statistics



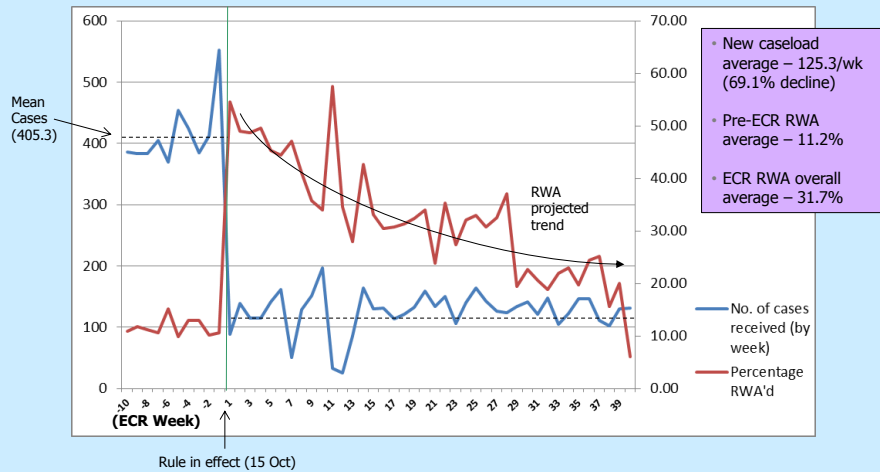
Average Annual Stats

<u>YEAR</u>	<u>CASES</u>	<u>AVG AGE</u>	<u>AVG RWA</u>
2012	86,000	18.63	10.6%
2013	79,000	19.00	11.3%
2014 YTD	32,000	16.56*	14.5%
2014 Proj	60,000		
2015 Proj	52,000		

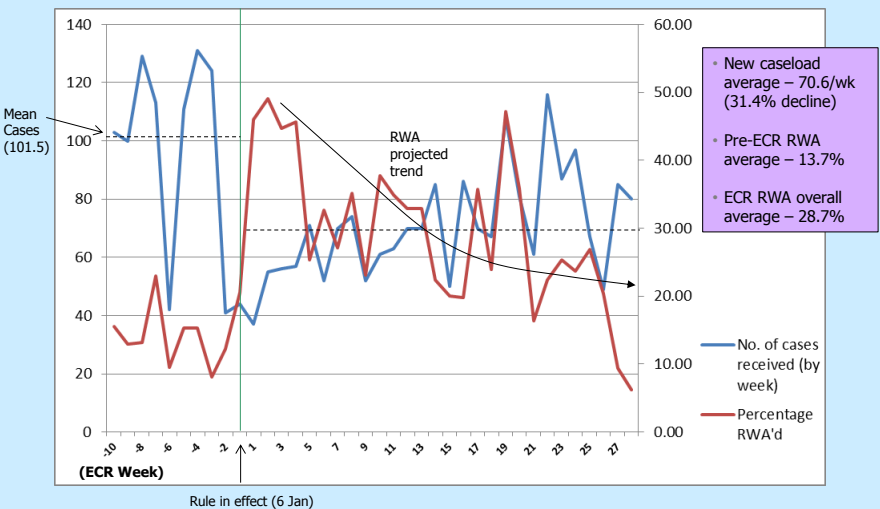
* False low number due to the volume of cases being held due to world events



Rule I VIII & XIX Trends

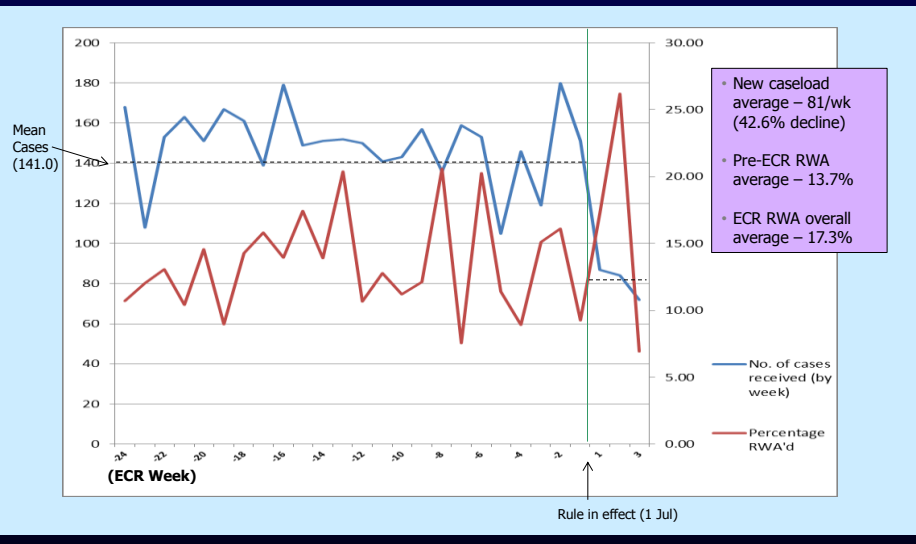


Rule II VI, VII, XIII, XX Trends

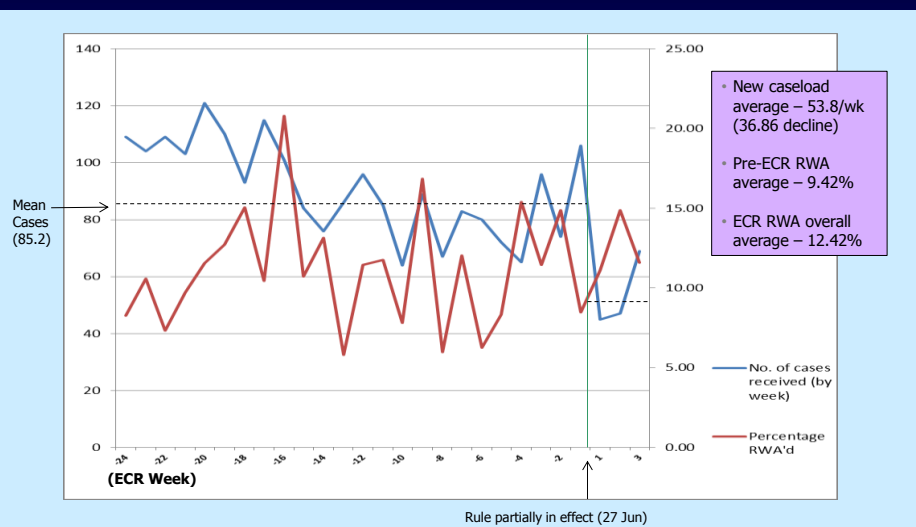




Rule III IV, V, IX, X, XVI Trends



Rule IV Cat XV Trends





Contact Information



- DDTC's website: www.pmddtc.state.gov (lots of resources)
- Generic Questions: DDTC Response Team, 202-663-1282
DDTCResponseTeam@state.gov
- DTC IT Issues: DDTC Help Desk, 202-663-2838
dtradehelpdesk@state.gov
- Case status: <http://elisa.dtsa.mil/>

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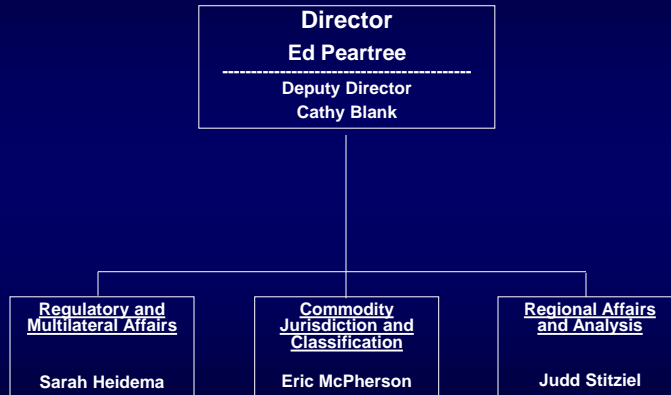
Directorate of Defense Trade Controls Policy Office Update

Ed Peartree
Director, Defense Trade Controls Policy
Bureau of Political-Military Affairs
Department of State

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Office of Defense Trade Controls Policy (PM/DTCP)



PM/DTCP



Core Responsibilities

- Maintain and update the ITAR
- Respond to requests from industry and USG for Commodity Jurisdiction determinations
- End-use monitoring of exports, research and risk analysis support to licensing
- Develop and implement policy and guidance to exporters, USG



ECR Implementation (USML Revision Status)



USML	Description	Status
I	Firearms	Proposed rule TBD
II	Artillery	Proposed rule TBD
III	Ammunition	Proposed rule TBD
IV	Launch Vehicles/Missiles	Effective 7/1/14 Rule III
V	Explosives/Propellants	Effective 7/1/14 Rule III
VI	Vessels of War	Effective 1/6/14 Rule II
VII	Ground Vehicles	Effective 1/6 /14 Rule II
VIII ¹	Aircraft and Related Articles	Effective 10/15/13 Rule I
IX	Training Equipment	Effective 7/1/14 Rule III
X	Personal Protective Equipment	Effective 7/1/14 Rule III
XI	Electronics	Effective 12/30/14 Rule V

1. Cat VIII(h)(4) revision effective 8/15/14

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ECR Implementation (USML Revision cont'd)



USML	Description	Status
XII	Fire Control/Sensors/Night Vision	In work
XIII	Miscellaneous	Effective 1/6/14 Rule II
XIV	Toxicological Agents	In work
XV ²	Spacecraft/Satellites	Effective 11/9/14 Rule IV
XVI	Nuclear	Effective 7/1/14 Rule III
XVII	Classified Articles	Effective 10/15/13 Rule I
XVIII	Directed Energy Weapons	In work
XIX	Gas Turbine Engines	Effective 10/15/13 Rule I
XX	Submersible Vessels	Effective 1/6/14 Rule II
XXI	Articles Not Enumerated	Effective 10/15/13 Rule I

2. Cat XV(d) effective 6/27/14. In addition, microelectronic circuits and software and technical data related to these circuits are transferred to the CCL on 6/27/14, as well.

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USML vs “600 Series”

	USML “defense articles”	CCL “600 series” items
End-items	Worldwide license	Worldwide license - except Canada
Identified P+C	Worldwide license	License Exception STA
Specifically/specially designed P+C	Worldwide license	(“.x”) License Exception STA
Insignificant P+C	Worldwide license	(“.y”) NLR except T-5 + China
De minimis	None	25% except 0% for ITAR 126.1 countries
Registration	Yes	No
Prohibitions	ITAR 126.1	ITAR 126.1
Exemptions/ exceptions	limited	GOV, STA (ultimate government end-use), TSU, TMP, RPL
Temporary Import Controls	All USML items	None



ECR Implementation (What’s Next?)



- 2014 Priorities
 - USML: All revised in effect, published, or under interagency review
 - 15 of 21 USML Categories revised and in effect by end of 2014
 - Definitions: Review/revision under way
 - 120.9 Defense Services
 - 120.10 Technical Data
 - 120.11 Public Domain



ECR Implementation (What's Next? – part II)



- 2014 Priorities (cont'd)
 - “See Through Rule” updates in USML
 - 126.4 “by or for”
 - Corrections/errata rules
 - Intersection with Commodity Jurisdiction process
 - USX as “single IT system”
 - Harmonization of DOS-DOC end-use monitoring, lists

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ECR Implementation (What's Next? – part III)



- On the Horizon (or just over...)
 - Cloud Computing
 - Cyber
- Other ECR-related stuff
 - ECR web page (and updated online resources)
 - FAQs
 - Surge in GCs

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Concluding Thoughts



- Good progress – but more to do
- Continued harmonization of USG export controls infrastructure, regulations, policy (and culture)
- Committed to getting it right
 - GCs, CJs, public comments
- Continued partnership with industry
- ECR is the new normal – no turning back
 - Old ITAR vs. a new dynamic ITAR

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