

Bureau of Industry and Security

# BIS 2022

## UPDATE CONFERENCE ON EXPORT CONTROLS & POLICY

BUILDING A NETWORK OF  
GLOBAL COOPERATION

JUNE 29 - JULY 1





Bureau of Industry and Security

**BIS2022**

**UPDATE CONFERENCE ON  
EXPORT CONTROLS & POLICY**



# Directorate of Defense Trade Controls

Sarah Heidema

Director of Policy



Bureau of Industry and Security

**BIS2022**

**UPDATE CONFERENCE ON  
EXPORT CONTROLS & POLICY**



# DDTC 2022 UPDATE





DEPARTMENT OF STATE

## Under Secretary for Arms Controls & International Security (T)

Amb. Bonnie Denise Jenkins

Assistant Secretary for  
International Security and  
Non Proliferation (ISN)

C.S. Eliot Kang

Assistant Secretary for  
Political-Military  
Affairs (PM)

Jessica Lewis

Assistant Secretary for  
Arms Control Verification and  
Compliance (AVC)

Mallory Stewart

Deputy Assistant Secretary for  
Security Assistance

Mira Resnick

Deputy Assistant Secretary for  
Defense Trade



Mike Miller

Deputy Assistant Secretary for  
Security Negotiations

Donna Welton  
(Senior Advisor)





# Role of the PM Bureau

- The Bureau of Political-Military Affairs (PM) advises the Secretary and drives global security policy, integrates diplomacy and defense, and builds security cooperation
- Annual oversight:
  - \$170 billion in sensitive technology exports
  - Nearly \$7 billion in security assistance
  - \$9 billion in Title 10 security assistance
- Implements White House policy priorities to advance strategic sales and implement the President's Conventional Arms Transfer policy (CAT)



**DIRECTORATE OF DEFENSE TRADE CONTROLS**

**Deputy Assistant Secretary for Defense Trade**

**DAS Advisor**

**Office Support**

**OFFICE OF DEFENSE TRADE CONTROLS**

**Policy**

Regulatory and Multilateral Affairs  
Country and End-User Analysis  
Technology and Jurisdiction Analysis

**OFFICE OF DEFENSE TRADE CONTROLS**

**Licensing**

Plans, Personnel, Programs,  
and Procedures  
Space, Missile, and Sensor Systems  
Electronic and Training Systems  
Sea, Land, and Air Systems  
Light Weapons

**OFFICE OF DEFENSE TRADE CONTROLS**

**Compliance**

Compliance and Civil Enforcement  
Law Enforcement Liaison  
CFIUS and Mergers, Acquisitions,  
and Divestitures  
Registration Compliance  
and Analysis

**OFFICE OF DEFENSE TRADE CONTROLS**

**Management**

Information Technology  
Operations  
Contract Management  
Outreach



# Mission & Structure of DDTC

- The Directorate of Defense Trade Controls (DDTC) is the regulatory agency within PM that governs the export of defense articles and services via direct commercial sales
- Supported by 215 staff (civil service employees, contractors, and military detailees)
- Three functional offices: **Licensing, Policy, and Compliance**
- A **Management** team runs DDTC's IT and internal operations
  - Over the past year, the Response Team and Help Desk addressed almost 30,000 inquiries, answering 1,400 phone calls monthly

# Compliance Overview

- The Office of Defense Trade Controls Compliance (DTCC) supports civil enforcement of the AECA and the ITAR and coordinates with law enforcement on criminal violations
- Reviews voluntary disclosures and issues directed disclosure requests regarding potential ITAR violations
- Pursues settlements to resolve alleged civil violations of the ITAR (Consent Agreements)
- Maintains over 14,000 registrations
- Mitigates transactions submitted to the Committee on Foreign Investment in the United States





# Licensing Overview

- The Office of Defense Trade Control Licensing (DTCL) furthers U.S. national security and foreign policy through implementation and adjudication of defense trade export requests
- Through the application of the CAT Policy, DTCL carefully considers the effect of each potential transfer
- Reviews all transfers on a case-by-case basis to ensure our foreign policy goals and national security objectives
- Identifies all legal, regulatory, and related procedural considerations before a decision is rendered
- In FY 2021, DTCL adjudicated 23,757 licenses worth \$103 billion



# Policy Overview

- Our Policy Office (DTCP) maintains a modern and agile munitions export control system that is responsive to geopolitical developments
- Continuing USML list review; reviewing new and emerging technology
- Manages DDTC's end-use monitoring program to ensure appropriate use and transfer of defense articles abroad
- Working on various initiatives such as an Open General License Pilot Program, reviewing the scope of exemptions, reviewing definitions (e.g., defense service), implementing the ITAR reorganization rules

# PM and DDTC in Action: Ukraine

- Since January 2022, DDTC has authorized nearly \$450 million in DCS exports and re-exports of hardware to Ukraine
- Since February 2022, DDTC has turned around at least two requests within 24 hours
- Through the Multinational Joint Commission (MJC), we work with Ukraine and our allies to identify military requirements and match funding streams
- The United States has provided over \$8.7 billion in security assistance and training to support Ukrainian defense capabilities since 2014





# PM and DDTC in Action: Other Regional Efforts

- **Russia:** Supporting efforts to work with partners and allies to implement sanctions against Russia.
- **Taiwan:** \$18 billion in FMS to Taiwan since 2017, with additional DCS authorizations for end-use totaling more than \$2.3 billion. We are continuing to deepen our defense relationship in response to the threat we assess from the PRC.
- **AUKUS:** Activity between USG and partners is robust; working to deliver advanced defense and technology capabilities, including an Australian nuclear-powered submarine.
- **Gulf Partners:** U.S. support for Saudi-led Coalition operations in Yemen has ended, including relevant arms sales, though we remain committed to helping the Saudis through security cooperation and defense trade.

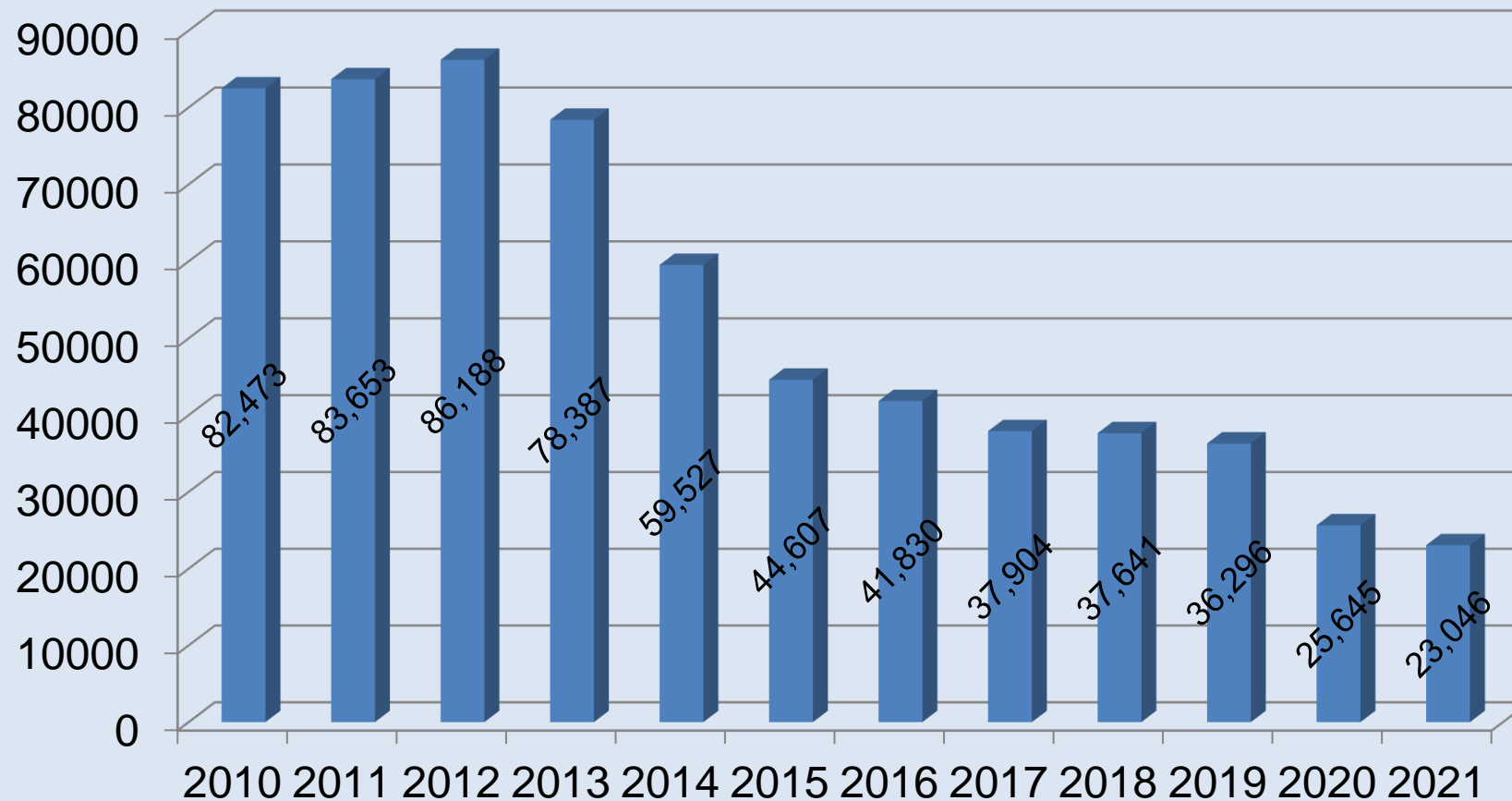


# **PM DDTC**

## **Metrics, Trends, and Notices**



# Authorizations Adjudicated by Calendar Year

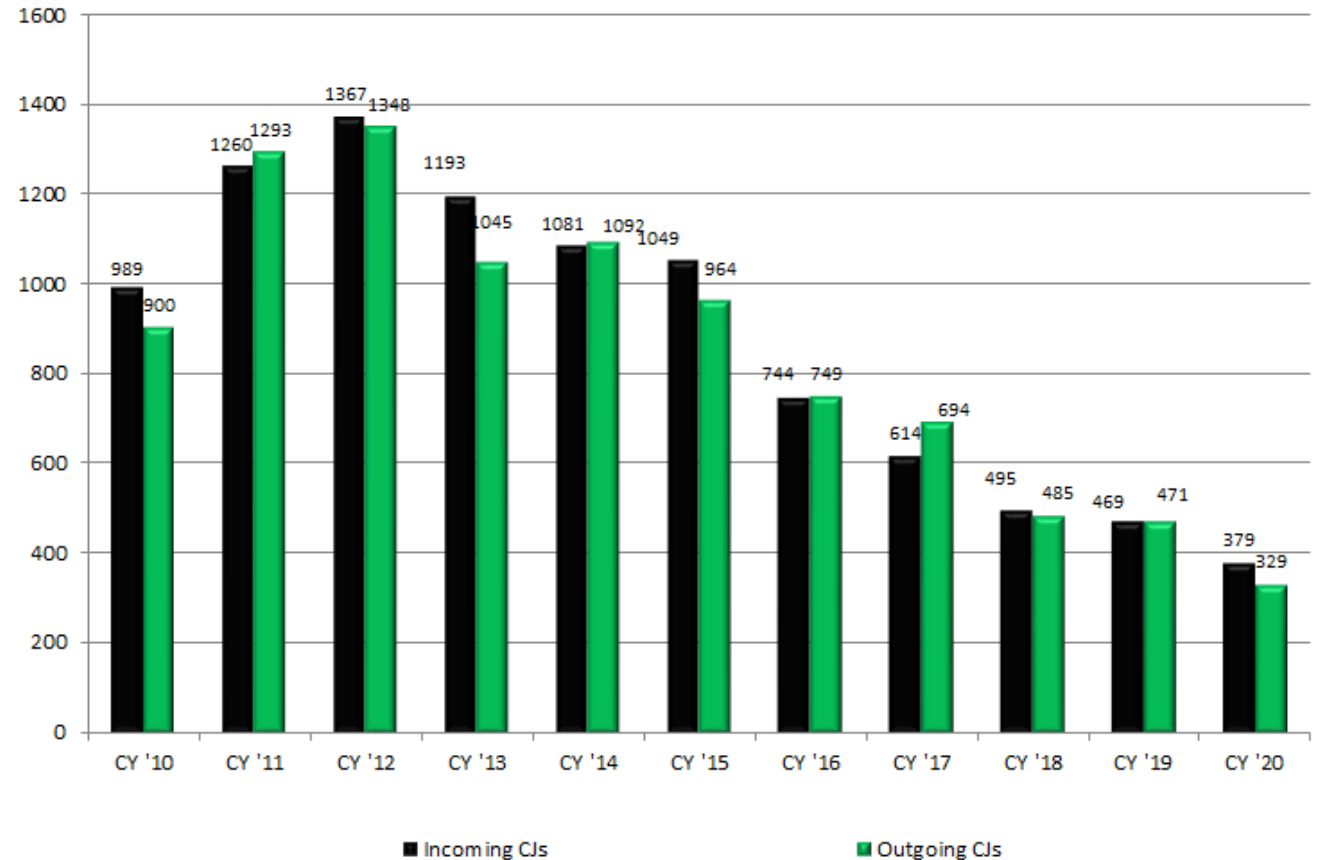




# Commodity Jurisdiction Determinations CY 2010-2020

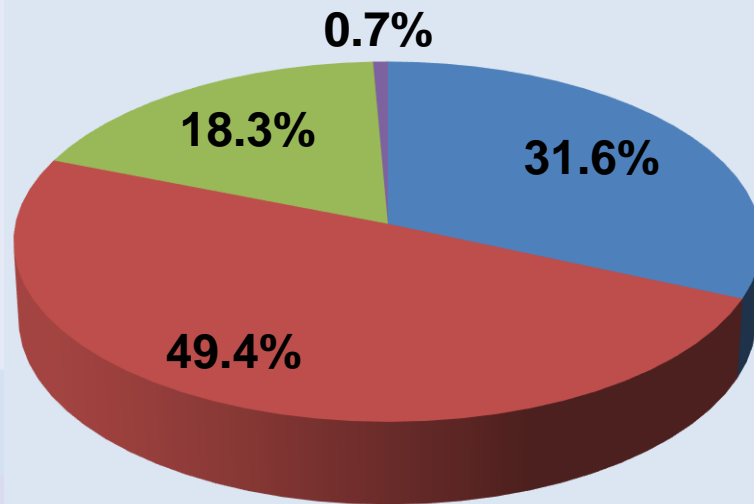
CJ processing has continued uninterrupted through the pandemic, albeit with some delays. CJ caseload is approaching pre-pandemic level.

- March 2020 – 132 Active CJs as operating postures shifted
- Aug 2020 – 211 Active CJs at the peak caseload
- July 2021 – 151 Active CJs and trending lower

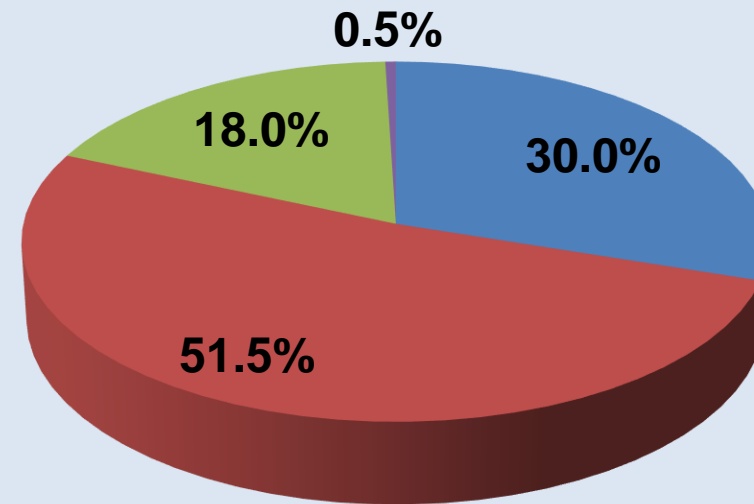


# Authorization Decisions

CY 2021



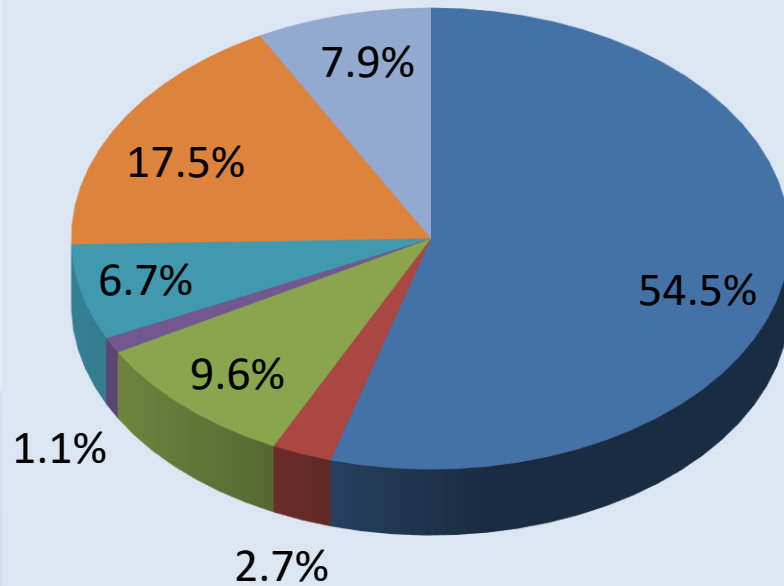
CY 2020



■ Approve ■ Approve w/Provisos ■ RWA ■ Deny ■ Approve ■ Approve w/Provisos ■ RWA ■ Deny

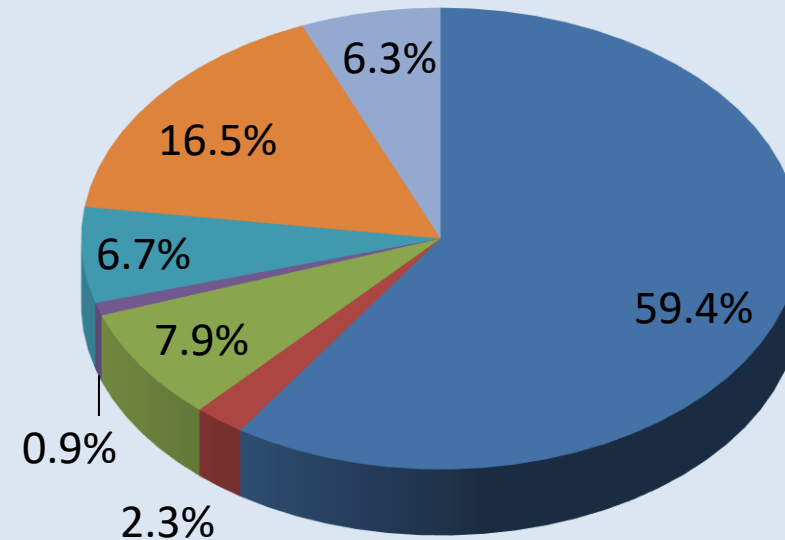
## Authorizations Adjudicated

**CY 2021**  
**Total Cases: 23,046**



DSP-5 DSP-61 DSP-73 DSP-85  
Amend. AGs GC/BL

**CY 2020**  
**Total Cases: 25,645**



DSP-5 DSP-61 DSP-73 DSP-85  
Amend. AGs GC/BL





# RWA Statistics

## Average Annual Stats (CY)

<u>YEAR</u>	<u>CASES</u>	<u>AVG AGE</u>	<u>AVG RWA</u>
2012	86,188	18.6	10.6%
2013	78,387	19.2	11.3%
2014	59,527	21.9	14.5%
2015	44,523	26.58	16.0%
2016	41,830	28.08	15.6%
2017	37,919	27.98	16.5%
2018	37,641	34.12	18.8%
2019	36,296	34.6	16.5%
2020	25,645	48.38	18.0%
2021	23,046	47.35	18.3%

# CY 2021 Registration Metrics

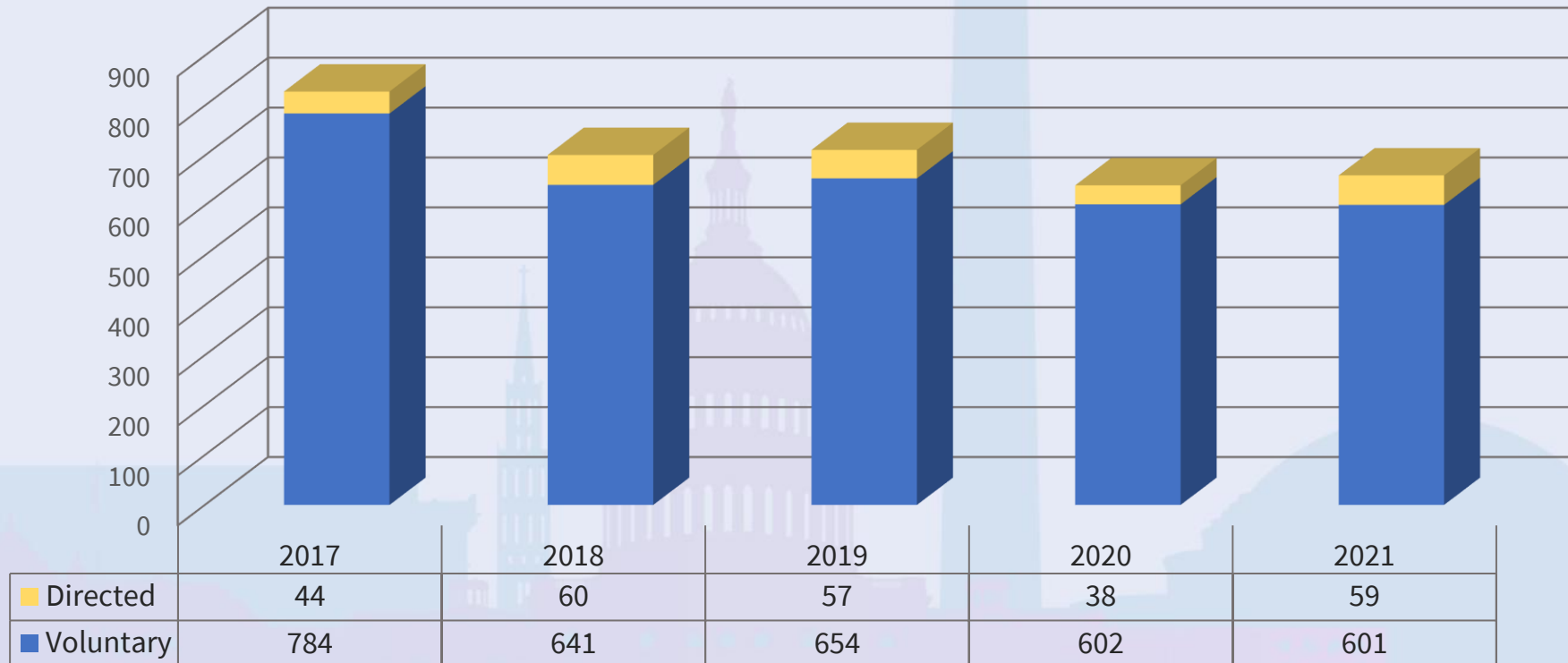
Total Registrants: **13,881**

- Manufacturers/Exporters: **12,489**
- Brokers: **1,392**
- Material Changes Reviewed: **1,485**

Mergers, Acquisitions, & Divestitures (MAD)

- US-to-US Reviewed: **654**
- US-to-Foreign Reviewed: **91**
- Transaction Reviewed under CFIUS: **63**

## Disclosure Trends by FY





# Recent Civil Settlements Consent Agreements

Company	Year	Penalty (USD)	# of Proposed Charges
Torrey Pines Logic, Inc/Dr. Volfson	2022	840,000+	5
Keysight Technologies, Inc.	2021	6,600,000+	24
Honeywell International, Inc.	2021	13,000,000+	34
Airbus SE	2020	10,000,000+	75
AeroVironment, Inc.	2019	1,000,000+	10
L3Harris Technologies, Inc.	2019	13,000,000+	131
Darling Industries, Inc.	2019	400,000+	6
FLIR Systems, Inc.	2018	30,000,000+	347

More information available on DDTC's website See ITAR Compliance Tab: <https://www.pmdtdc.state.gov/>

# DTCC Trial Support

Date	Entity	Court	Sentencing	Charge	Destination
October 18, 2020	Chris Rodriguez	Eastern District of Virginia	18 months	Trafficking Firearms and ammunition	Honduras
January 27, 2020	Hany Veletanlic	Western District of Washington	85 Months	Illegally exporting firearms and illegal possession of silencers	Sweden France, Russia, Brazil
February 14, 2020	Wei Sun	District of Arizona	38 months	Illegal export of missile-related tech data	China
July 20, 2020	Usama Darwich Hamade	District of Minnesota	42 months	Conspiring to export drone parts and technology	Lebanon (Hezbollah)
June 10, 2021	Tian Zhong WU	Central District of California	52 months	Attempting to export military electronics and software	China
November 9, 2021	Andrew Scott Pierson, et al	Eastern District of Arkansas	12 Years	Trafficking in Firearms	Mexico
February 17, 2022	Thomas Rick Thompson	Southern District of California	Plea of Guilty, awaiting sentencing	Trafficking Firearms	Mexico
May 6, 2022	Wilson Nuyila Tita Eric Fru Nji Wilson Che Fonguh	District of Maryland	Awaiting sentencing	Trafficking firearms	Nigeria
May 6, 2022	John Milton Lee	District of Arizona	Awaiting sentencing	Trafficking firearms	Mexico



# **Defense Export Control and Compliance System (DECCS)**





## DDTC IT Modernization

The Directorate of Defense Trade Controls (DDTC) is continuing its major IT Modernization effort to replace legacy systems with modern cloud technologies.



The **Defense Export Control and Compliance System (DECCS)** provides industry access to DDTC applications through a single, online portal.

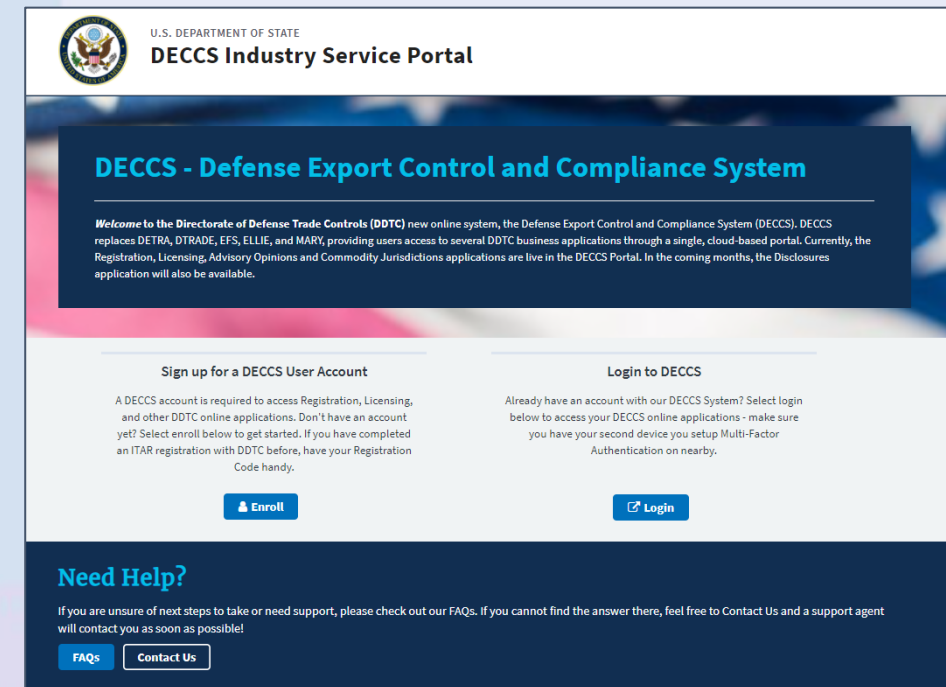


DDTC worked with industry to build the system soliciting feedback and building **industry-prioritized features**.

## Industry Portal: Enroll/Log In

### Navigate to the DECCS Portal

- Click “Enroll” to create a new DECCS account
- Click “Login” to access your DECCS account.
- You can access this page here:  
<https://deccs.pmddtc.state.gov/deccs>
- Enrolled users can access DECCS applications from the Industry Portal once they're logged in.



## DECCS User Management

In the User Management application, Corporate Administrators can **manage their user community** by:

- Sending invitations
- Approving user requests
- Modifying user permissions

**UM**  
User Management

+

Add User

**Jane Doe**
Corporate Administrator

Standard Company

Registrations

Code	Type	Status	Expiration
K-5114	Broker	Approved	2022-09-30
M-5171	Manufacturer/Exporter	Approved	2022-09-30

**Company Users**  
 Users that are assigned to your company  
\*Note: Changes made in the table below are immediately saved.  
\*Legend: use the icon to remove a user's company access.

Name	Email	CA	Registration	Licensing	Last Login	Actions
Jane Doe	ddtcjanedoe@gmail.com	<input checked="" type="checkbox"/>	Drafter	Drafter	2022-06-23	
Michael Doe	ddtcnichaeldoe@gmail.com	<input type="checkbox"/>	Drafter	Empowered Official	2021-12-23	
Dan Doe	ddtcdandoe@gmail.com	<input type="checkbox"/>	Drafter	Drafter	2021-12-23	





## Advisory Opinions

The Advisory Opinions (AO) application is used by industry to request official DDTC opinion on matters related to the interpretation of the ITAR and for internal users to review submissions and respond to the requester.



Use of the application is highly encouraged as a significantly faster alternative to mail-in correspondence, which requires manual data entry and can delay response times.


**DS-7786**  
Advisory Opinions Form

 Exit  Help

### AO Request Launching Pad

**Estimated Burden: 2 Hours**

\* PAPERWORK REDUCTION ACT STATEMENT: Public reporting burden for this collection of information is estimated to average 2 hours per response, including time required for searching existing data sources, gathering the necessary data, providing the information required, and reviewing the final collection. Send comments on the accuracy of this estimate of the burden and recommendations for reducing it to: Department of State (T/PM/DDTC) Washington, D.C. 20520.

 **Start a New AO Request**

**OMB control number:**  
1405: 0174

**Expiration date:**  
7/31/2020

## Commodity Jurisdictions

The Commodity Jurisdiction (CJ) application is used by industry to **request official DDTC opinion** on whether an item or service is USML and thereby regulated by DDTC.

If you are unsure of the export jurisdiction of a commodity or service, after reviewing the USML and other relevant parts of the ITAR, you should request a CJ determination.

DS-4076  
Commodity Jurisdiction (CJ)

ExitHelp


### CJ Request Launching Pad

**Estimated Burden: 4 Hours**

\* PAPERWORK REDUCTION ACT STATEMENT: Public reporting burden for this collection of information is estimated to average 2 hours per response, including time required for searching existing data sources, gathering the necessary data, providing the information required, and reviewing the final collection. Send comments on the accuracy of this estimate of the burden and recommendations for reducing it to: Department of State (T/PM/DDTC) Washington, D.C. 20520.

**OMB control number:**  
1405-0163

**Expiration date:**  
11/30/2022

 **PLEASE NOTE**

The new collection format for Commodity Jurisdiction form DS-4076 version 3.0 is now live. For users with existing forms in 'Draft' status, please review your entire form before submitting, to verify accuracy of the request. For previously submitted requests, a PDF version of the original submission and any associated supporting documentation are available in the 'Your Legacy CJ Requests' section below.

To access the CJ User Guide, click [HERE](#)

[Start a New CJ Request](#)

#### Your Saved CJ Requests

Requests you have started but have not yet submitted can be selected to complete

## DECCS Registration

The **Registration Application** is used by industry to register with DDTC. They can create a new registration, renew their registration, amend their registration, and pay for their registration in DECCS.

Industry Portal
Applications
Learning Tools
Search DECCS FAQs
My Support Cases

### Registration

Welcome to the DDTC Registration Application. Use this application to apply for and manage Registrations with DDTC.

#### Active Registration

**Registration Code:** M-5171, K-5114  
**Registration Type:** Manufacturer/Exporter, Broker (US Person)  
**Expires On:** 09/30/2022

Amend

#### Application History

DS-2032	<a href="#">#4757 - Amend</a>	Manufacturer/Exporter, Broker (US Person)	M-5171, K-5114
Completed		Submitted: 05/20/2022	Processed: 05/20/2022
DS-2032	<a href="#">#3807 - New</a>	Manufacturer/Exporter, Broker (US Person)	M-5171, K-5114
Completed		Submitted: 07/29/2021	Processed: 09/28/2021

## DECCS Licensing

The **Licensing Application** is used by industry users to apply for licenses for regulated commodities.

Licensing Forms	
DS-2032	DS-4294
DSP-5	DSP-6
DSP-61	DSP-62
DSP-73	DSP-74
DSP-85	

Industry Portal
Applications
Learning Tools
Search DECCS FAQs
My Support Cases



### DECCS Licensing

Welcome to the DECCS Licensing Application. Use this module to manage your license applications.

Track Status
Batch Submissions
Access Groups
ELISA

### In-Progress Applications

[New Licensing Form](#)

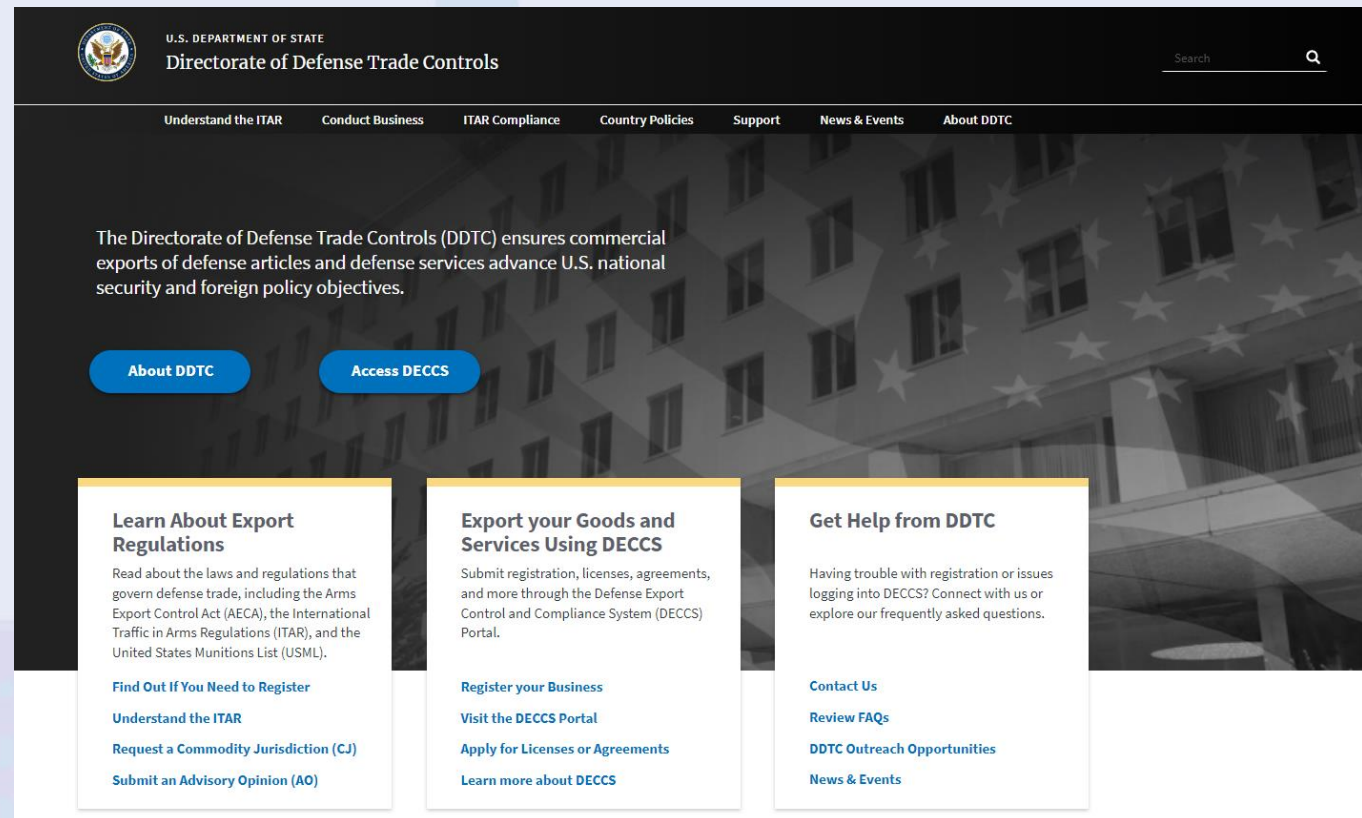
ID	Form	Case Number	Transaction Number	Status	Created On	Updated On ↓	
4753	DSP-5		Test Submission	Draft	05/19/2022	06/14/2022	 



## For More DECCS Information...

Check out our website for FAQs, news & announcements, and helpful information.

For assistance, navigate to the 'Get Help from DDTC' tile and access our available FAQ database and customer service contact methods.



The screenshot displays the official website of the Directorate of Defense Trade Controls (DDTC), part of the U.S. Department of State. The header includes the U.S. Department of State logo and the text "U.S. DEPARTMENT OF STATE Directorate of Defense Trade Controls". A search bar is located in the top right corner. Below the header, a navigation menu lists several categories: "Understand the ITAR", "Conduct Business", "ITAR Compliance", "Country Policies", "Support", "News & Events", and "About DDTC". The main content area features a large background image of a building with stars. A central text block states: "The Directorate of Defense Trade Controls (DDTC) ensures commercial exports of defense articles and defense services advance U.S. national security and foreign policy objectives." Below this text are two prominent blue buttons: "About DDTC" and "Access DECCS". The page is organized into three main columns. The first column, titled "Learn About Export Regulations", provides information on laws and regulations governing defense trade, including the Arms Export Control Act (AECA), the International Traffic in Arms Regulations (ITAR), and the United States Munitions List (USML). It includes links for "Find Out If You Need to Register", "Understand the ITAR", "Request a Commodity Jurisdiction (CJ)", and "Submit an Advisory Opinion (AO)". The second column, titled "Export your Goods and Services Using DECCS", describes the process of submitting registration, licenses, agreements, and more through the Defense Export Control and Compliance System (DECCS) Portal. It includes links for "Register your Business", "Visit the DECCS Portal", "Apply for Licenses or Agreements", and "Learn more about DECCS". The third column, titled "Get Help from DDTC", addresses issues with registration or logging into DECCS, encouraging users to connect with the agency or explore frequently asked questions. It includes links for "Contact Us", "Review FAQs", "DDTC Outreach Opportunities", and "News & Events".



# Contact Information

- DDTC's website: [www.pmddtc.state.gov](http://www.pmddtc.state.gov)
- DDTC Response Team & DECCS Help Desk [DDTCCustomerService@state.gov](mailto:DDTCCustomerService@state.gov)
- Case status: <http://elisa.dtsa.mil/>