

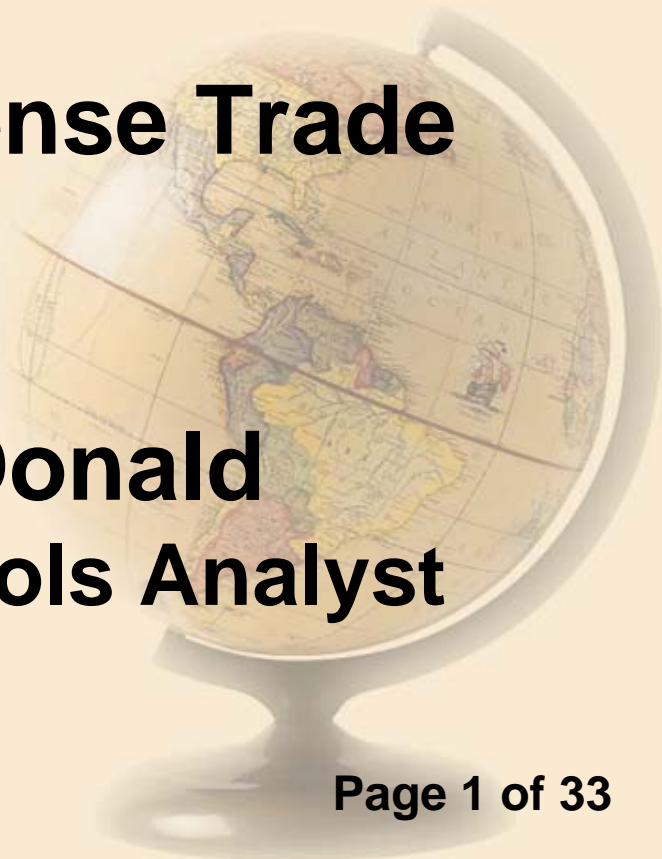


Department of State

Bureau of Political Military Affairs

Directorate of Defense Trade Controls

Angela R. McDonald
Defense Trade Controls Analyst





Types of State Dept. Licenses

- **DSP-5** license application is used for a Permanent Export
- **DSP-61** application is used for a Temporary Import
- **DSP-73** application is used for a Temporary Export
- **DSP-85** application is used for **CLASSIFIED** Exports/Imports





Other State Dept. Applications

- **DSP-119: Amendment to License**
- **GC: General Correspondence**
- **Offshore Procurement**
- **Agreements**
 - **Technical Assistance**
 - **Manufacturing License**
 - **Distribution**





DSP-5: Permanent Export

- Used for Unclassified **Permanent Export** of Defense Articles (**Hardware**)
 - And/Or
- Export of **Unclassified technical data** – 22 CFR 125.2 of the ITAR





Documentation Requirements

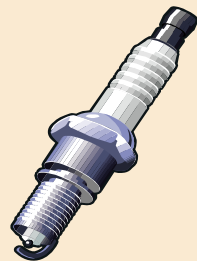
- **Purchase Order**
- **Letter of Intent**
- **Other Appropriate Documentation**
 - i.e., Signed Contract





Required Information

➤ **Specific Article**



➤ **Quantity**

➤ **Value**

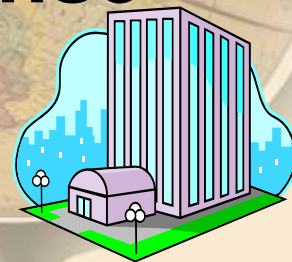


➤ **Ultimate End-User: Ministry of Defense
Or Private Company**



➤ **End-Use**

➤ **END ITEM**





DSP-5 Commodities

➤ **Know the commodity being exported
(DSP-5 Block #10)**

➤ **Hardware**  or

➤ **Technical Data** 

➤ **Software is Technical Data** 

➤ **Unclassified**

REMEMBER

➤ **Classified: *Confidential/SECRET (requires DSP-85)***



Foreign End-User

- **Know who the foreign end-user is (DSP-5 Block #14) and where they are located (complete address)**
 - **Foreign Military / Foreign Government Agency**
 - **Foreign Private Company**
 - **What is a private company doing with defense articles?**
 - **Is it for integration into an end-item**
 - **or for return to the U.S. ultimately?**





Ultimate Destination

- Know where the commodity is going
- The country of Ultimate Destination
- The End of the Line 
- *ITAR 126.1* lists countries in which exports are **PROHIBITED**





On DSP-5 Foreign Consignees

➤ Identify **all**:

➤ **Foreign Consignees** (DSP-5 Block #16)

➤ **Foreign Intermediate Consignees** (DSP-5 Block #18)

➤ with complete addresses / **NO Post Office Box**

➤ Identify what their **role is in the transaction**

➤ Is the company acting as a **foreign freight forwarder**?

➤ Or

➤ Is the company **integrating** a part into a larger component?

➤ **All companies** that are a party to the license **must be listed** on the application.



DDTC Notice



“The purchase order must be addressed and directed to the registered U.S. party selling the defense articles and submitting the export license application.

This ensures that the applicant is in a contractual position to fulfill all responsibilities of registered parties under the ITAR, including being knowledgeable of all elements of the transaction.”



DSP-61: Temporary Import

- Required for the **temporary import** and **subsequent export** of unclassified defense articles
 - Unless exempt – see 22 CFR 123.4
- Applies to temporary imports of unclassified defense articles to be
 - Returned directly to country from which shipped; or
 - In-transit to a third country (requires order)



DSP-73: Temporary Export

- **Temporary export** of unclassified defense articles
- **Valid only if:**
 - Exported for less than four years
 - Will be **returned to the U.S.**
 - Transfer of title will not occur





License Duration



➤ Four Years

➤ *But* a proviso/limitation may limit this

➤ A license **expires** whenever:

➤ **Total value** authorized has been **shipped**;
or

➤ **Total quantity** authorized has been
shipped; or

➤ **Date of expiration is reached**



DSP-85: Classified Applications

- ***Classified export: temporary or permanent***
- ***Classified import: temporary only***
 - ATF regulates permanent imports
- ***Classified materials (supporting documents) submitted with application***
 - **Must follow requirements of Defense Industrial Supply Manual: DOD Manual #5220.22-M**



DSP-83 Non-Transfer & Use Certificate - 123.10

- **DSP-83 is required for**
 - **Permanent export of Significant Military Equipment (* in USML) – 123.10**
 - **Export of all classified hardware & data 125.7**
- **Must be executed by foreign consignee, foreign end-user, and applicant – 123.10**



DSP-83

➤ **A form DSP-83 must accompany all license applications for exports of:**

*****Significant Military Equipment*****

******SME******

➤ **Unique Military Capabilities**



DSP-83 Non-Transfer & Use Certificate – 123.10

- DDTC may also require foreign government official to sign DSP-83 when **export is to non-governmental foreign end-user – 123.10**
- Stipulates that SME will not be reexported, resold outside of country or to any other person
- DDTC may require DSP-83 for any other **defense article or service – 123.10(b)**



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U.S. Department of State
UNITED STATES OF AMERICA
NONTRANSFER AND USE CERTIFICATE

1. This certificate is submitted in connection with export application no. _____ OMB No. 1405-0021
EXPIRATION DATE: 02-26-2008
*ESTIMATED AVERAGE: 1 Hour (Instruction Page)

2. Name of United States applicant _____ 3. Name of foreign end-user _____ 4. Country of ultimate destination _____

5. Articles/data
We certify that we have placed an order with the person named in item 2 for the following articles/data in the quantity and value shown below:

QUANTITY	ARTICLES/DATA DESCRIPTION	VALUE (U.S. \$)

6. Certification of foreign consignee
We certify that we are importing the articles/data listed in item 5 for delivery to the end-user in item 3. Except as specifically authorized by prior written approval of the U.S. Department of State, we will not re-export, resell, or otherwise dispose of any of those articles/data (1) outside the country in item 4 above, or (2) to any person, including the end-user, if there is reason to believe that it will result, directly or indirectly, in disposition of the articles/data contrary to the representations made in this certificate by any party. We further certify that all of the facts contained in this certificate are true and correct to the best of our knowledge and belief and we do not know of any additional facts that are inconsistent with this certificate. We will promptly send a supplemental certificate to the U.S. applicant in item 2 disclosing any change of facts or intentions set forth in this statement.

Sign here in ink _____
Signature of Official, Foreign Consignee _____ Date Signed (mm-dd-yyyy) _____
Type or print _____
Name and Title of Signer _____ Seal _____

7. Certification of foreign end-user
We certify that we are the end-user of the articles/data in item 5. Except as specifically authorized by prior written approval of the U.S. Department of State, we will not re-export, resell, or otherwise dispose of any of those articles/data (1) outside the country in item 4 above, or (2) to any other person. If the end-user is a foreign government, we certify that we will observe the assurances contained in item 8. We further certify that all of the facts contained in this certificate are true and correct to the best of our knowledge and belief and we do not know of any additional facts that are inconsistent with this certificate.

Sign here in ink _____
Signature of Official, End-User _____ Date Signed (mm-dd-yyyy) _____
Type or print _____
Name and Title of Signer _____ Seal _____

8. Certification of foreign government
We certify that we will not authorize the re-export, resales or other disposition of the articles/data authorized in item 5 outside the country in item 4 without prior written approval of the U.S. Government. If the articles/data are for use by our "armed forces" (i.e., army, navy, marine, air force, coast guard, national police, and any military unit or military personnel organized under or assigned to an international organization), we certify that we will use the authorized articles/data only: (a) for the purposes specified in the Mutual Defense Assistance Agreement, if any, between the U.S. Government and this government; (b) for the purposes specified in any bilateral or regional defense treaty to which the U.S. Government and this government are both parties, if subparagraph (a) is inapplicable; or (c) for internal security, individual self-defense, and/or civic action, if subparagraphs (a) and (b) are inapplicable.

Sign here in ink _____
Signature of Government Official _____ Date Signed (mm-dd-yyyy) _____
Type or print _____
Name and Title of Signer _____ Seal _____

9. We certify that no corrections, additions or alterations were made on this form by us after it was signed by the foreign consignee, foreign end-user or foreign government.

Sign here in ink _____
Signature of Applicant _____ Date Signed (mm-dd-yyyy) _____
Type or print _____
Name and Title of Signer _____ Seal _____

DSP 83
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Start

Attachments

Comments

Pages



DSP-119: Amendments

- Types of amendments considered
 - Addition of **U.S. freight forwarder** or **U.S. consignor**
 - Change due to **obvious typo error**
 - **Change in source of commodity**
 - Change of foreign intermediate consignee
 - If ***only transporting*** and not integrating/modifying, and
 - The export **does not involve technical data**



DSP-119: Amendments

➤ Amendments will **NOT** be approved for:

- Additional quantity
- Extension of duration
- Changes in
 - Commodity
 - Country of ultimate destination
 - End-use or End-user
 - Foreign Consignee





General Correspondence

- **Reexport Request**
 - Needs to be accompanied with **letter of explanation, purchase order, and copy of original license**
 - IF SME NEEDS DSP-83
- **Advisory Opinion**
- **Reconsideration of a Proviso**
- **ITAR Interpretation Question**





Agreements

- **Technical Assistance**
- **Manufacturing License**
- **Distribution**





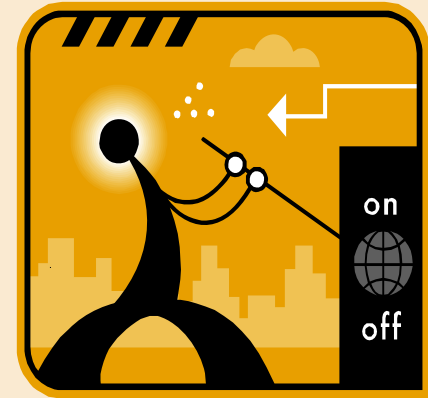
Technical Assistance Agreement

- **U.S. person furnishes assistance to foreign person in:**
 - **Design, assembly, repair, maintenance, operation of a defense articles**
 - **Export of Technical Data**





Manufacturing License Agreement



- An **agreement** (i.e., contract) whereby a **U.S. person** grants a **foreign person** an **authorization to manufacture defense articles** abroad and which involves or contemplates
 - The **export of Technical Data** or defense articles or the performance of a defense service
 - The **use by the foreign person of technical data** or defense articles previously exported by the **U.S. person**



Distribution Agreement



- **Warehouse/Distribution** abroad of defense articles exported from U.S.
- Distribution to **approved sales territory**



Spectrum of Complexity of Agreements

Less Complex	More Complex	Most Complex
Consulting Services	R&D Teaming	Licensed Production
Extended Support	Manufacturing Assistance	Producer-Distributors
Operations & Low Level Maintenance	Depot Maintenance	



Exemption

- An **authorization to export without a license**
- The ITAR contains many exemptions,
- Exporters **must meet all requirements** of an exemption to utilize it
- Exporters **must cite a specific exemption** when exporting in order to utilize it.



Exemptions – Hardware (123.16)

- Does not apply to:
 - Proscribed destinations
 - Congressional notification cases
 - MTCR articles
 - SME
 - Ineligible persons





Exemptions – Hardware (123.16)

- (b)(1) – Hardware in furtherance of an **approved agreement**
- (b)(2) – **Components or spares of \$500 or less**, except for firearms or ammo
- (b)(3) – In furtherance of a **contract with the USG**
- (b)(4) – Copies of **technical data (including Classified) previously authorized for export to the same recipient**



Temporary Import License Exemption – ITAR 123.4

- **U.S. origin, unclassified hardware**
 - **Repair**, overhaul, replacement, calibration, testing, or reconditioning
 - **Incorporation** into hardware **already approved for export**
 - **Demonstrative/marketing** in U.S.
 - **Rejected** for permanent import
 - **Approved** under **Foreign Military Sales Program**



DTC Guidelines

Located on

DDTC Home Page

www.pmdtcc.state.gov

- **Guidelines for Agreements, Oct 03**
 - Contains Formats and Policies
- **Guidelines for Licenses**
 - Contains Submission Information



Contact Information

**Directorate of Defense Trade Controls
PM/DDTCL, SA-1 Room 1200
2401 E Street, NW
Washington, DC 20522-0112**

D-Trade Hot Line: 202-663-2838

DDTC Response Team: 202-663-1282

Website: <http://www.pmddtc.state.gov>

