

U. S. Department of State Defense Trade Advisory Group 2003 Annual Report

Issued September 2003

Background

The Defense Trade Advisory Group (“DTAG”) is an advisory group established under the Federal Advisory Committee Act to advise the Assistant Secretary for Political Military Affairs (PM) within the Department of State on issues relevant to defense trade.

The DTAG generally holds one to two plenary meetings a year and maintains two subcommittees: 1) the Policy Working Group and 2) the Regulatory/Technical Working Group. Each subcommittee is designated to exchange information with the State Department, provide individual views where appropriate and to comment and report out to the DTAG on recommendations for policy and regulatory issues.

The DTAG Charter and Terms of Reference were modified in 2003 to reflect that the PM Bureau, vice the Office of Regional Security and Arms Transfers, acts as the DTAG Executive Secretariat. In addition, a new DFO (Executive Secretary), Michael Dixon, was designated by the PM Assistant Secretary with this shift in responsibilities and the end of a professional tour of duty for Timothy Dunn, the Foreign Service Officer who formerly held the post.

DTAG 2003 Activities

The DTAG participated in a number of activities over the last year at the request of the Department. Those activities have included the following:

1. National Security Presidential Directive-19:

In November 2002, the Bush Administration initiated an assessment on the effectiveness of US defense trade policies and processes, with completion goal of July 2003. That work is still ongoing. The objectives are to ensure that the defense trade, technology security and related acquisition policies support US national security and foreign policy interests. These interests include ensuring America’s military technology and war-fighting capabilities, complement friends’ and allies’ capabilities and facilitate interoperability. The State Department has played a key role in the initiative, under NSC guidance and with support and coordination from the Department of Defense is working with industry through the DTAG. Participants in these meetings and review included: Messrs. Schneider, Richey, Quigg, Poneman, Williamson, Johnson, Kennelly, Graves, Gogolkiewicz, Rao, Bacheller, Bauerlein, Jameson, and O’Connor and Messes: Hazera, Cinelli, Davis, Gross, Carney, and Johnson.

2. U.S. Munitions List Review:

Subcommittee sessions with State to discuss and exchange information related to the USML review process continued. Participants included Messrs. Richey, Rao, Williamson, Quigg, Bauerlein, Gogolkiewicz, Martin and Messes. Hazera and Cinelli.

3. Automated Export System (AES):

Subcommittee sessions to discuss and exchange information on the expected AES regulations implemented for USML items were held. The expected AES implementation date, including specific procedures for ITAR shipments, is October 18, 2003. Additionally, related State Department requirements currently under review for reporting of technical data and defense services export shipments will become mandatory at a later date in the year. Participants included DTAG members and subject matter experts from industry outside the general DTAG membership. The group met numerous times with State US Customs and Census to exchange and review factual and related information. Participants included Messrs. Richey, Rao, Williamson, Gogolkiewicz, Martin, Holland (outside expert), Binder (outside expert), Rao and Messes. Hazera, Johnson, Davis, Cinelli and Thornberry.

4. Electronic Licensing:

Discussions continued, as did testing enhancements, submissions and overall support by DTAG members, as well as industry at large, on D-Trade electronic licensing system.

5. Congressional Notification Process:

Discussions commenced regarding the top-level process and the potential for streamlining and developing e-enabling solutions, stand alone or as a module to D-TRADE, while meeting national security objectives. This is a new initiative.

6. Commodity Jurisdiction Process:

DTAG examined the potential for publishing Commodity Jurisdiction (CJ) determinations to support overall interests of the community and to enhance jurisdictional and process consistency across industry sectors while protecting proprietary information. Participations in these discussions included: Messers Schneider and Richey and Messes. Hazera and Cinelli.

Conclusion

The DTAG is comprised of industry experts ready to assist the Department in a supportive and consultative manner. A significant level of effort was dedicated in working the NSPD-19 issues and the Automated Export System, making it a very active year for the Group. The work year encompassed several of the 2002 recommendations, including continuation of several projects and looks forward to 2004.