

Defense Technology Security Administration

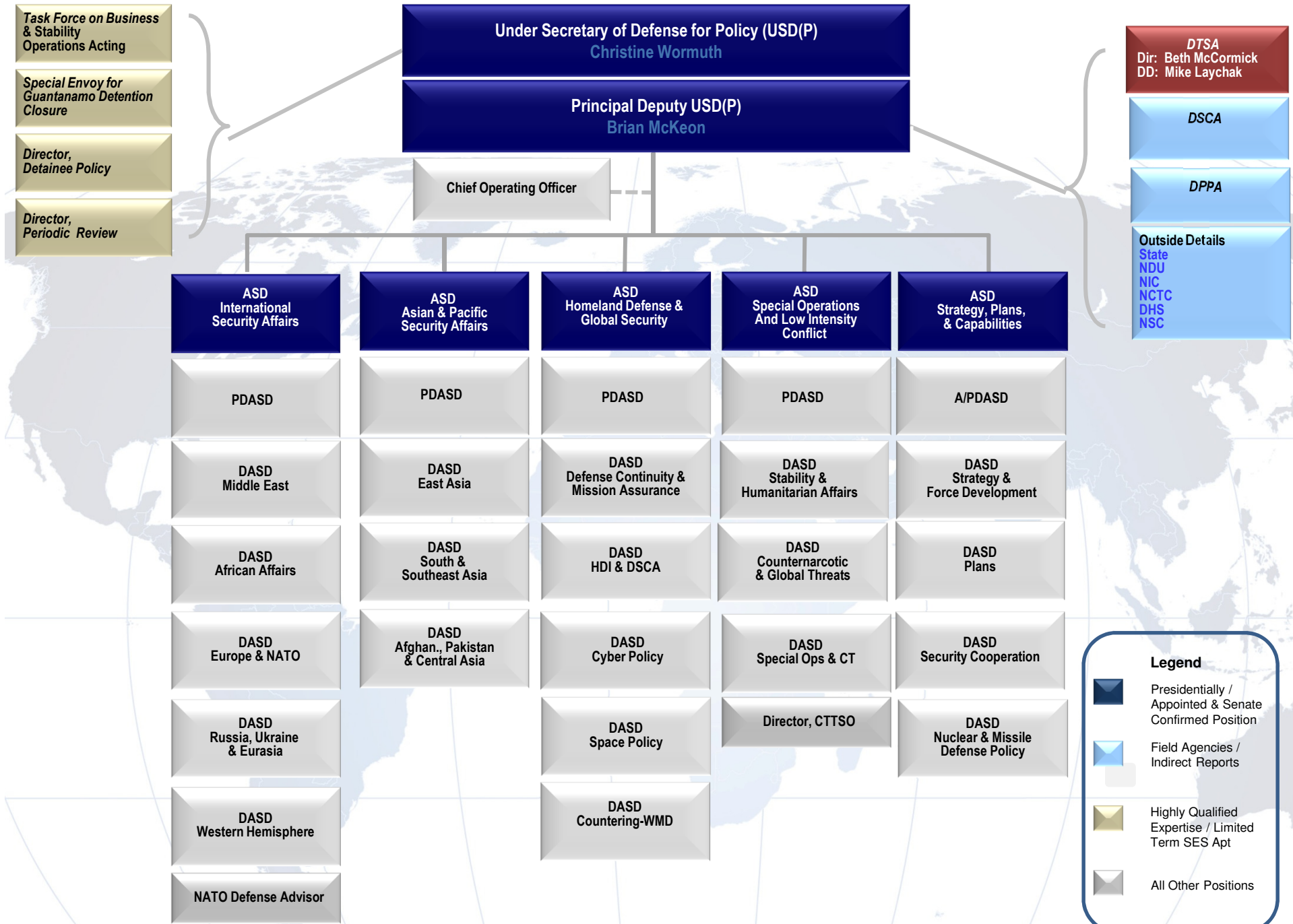
"ENSURING THE EDGE"



Doing MRO in Canada

April 2016

Presented by Dr. Alethea Duhon





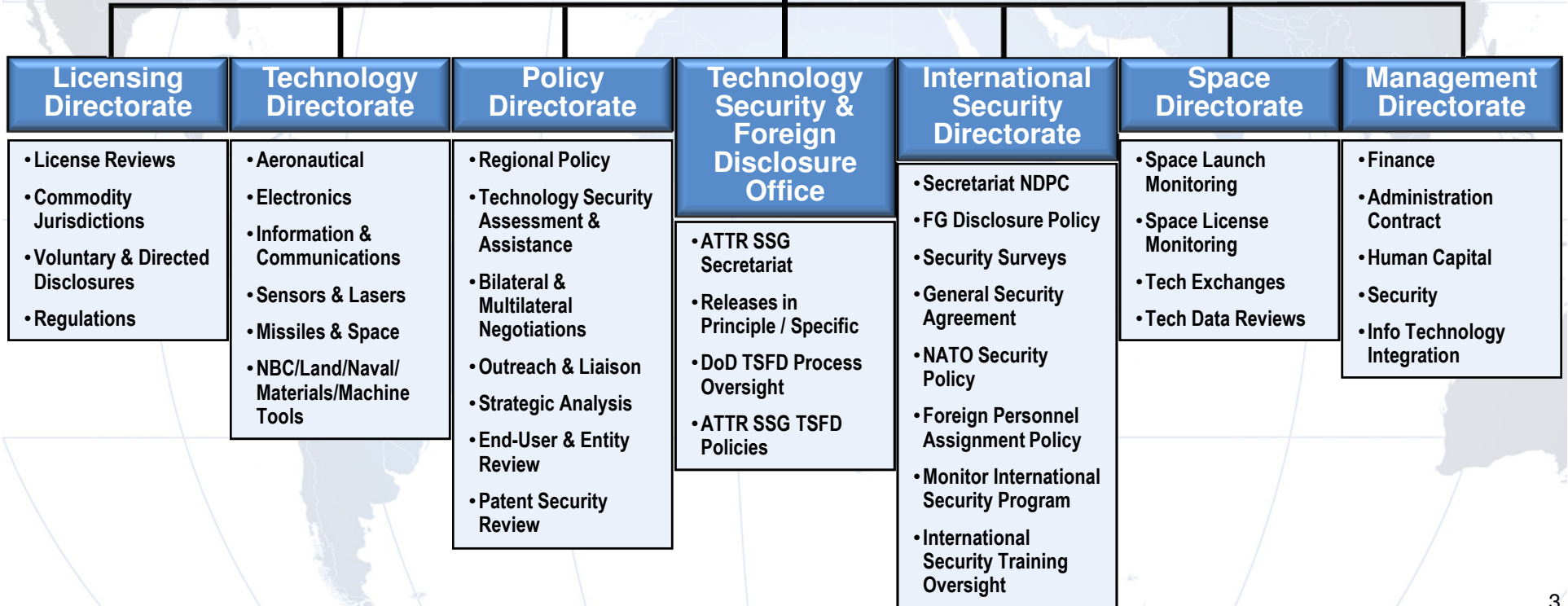
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Defense Technology Security Administration (DTSA)



Beth McCormick
Director

Mike Laychak
Deputy Director





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Defense Technology Security Core Functions



Success of the Defense Technology Security mission requires cooperation and partnership with intra-departmental and interagency stakeholders, international partners, and industry



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DoD's Role in Export Controls




State

Controls U.S. Munitions

International Traffic in Arms Regulations (ITAR)

Contains U.S. Munitions List (USML)



Commerce

Export Administration Regulations (EAR)

Controls Dual-Use and some Munitions Items

Contains Commerce Control List (CCL)



Supports

- Reviews licenses in support of both State and Commerce
- Assists in the development of USML and CCL

Defense



- Multilateral agreement – U.S. is one of 41 signatories
- Controls both munitions and dual-use items (conventional weapons)
- While WA does not directly govern U.S. exports, WA controls are adopted in the CCL

- DoD leads ECR effort to evaluate existing controls on defense items
- Involves experts from military services, program offices, DoD research labs



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DoD Technology Transfer & Export Licensing Community



U.S. Military Services:

- U.S. Air Force - International Affairs Division (SAF/IA)
- U.S. Army – Deputy Assistant Secretary of the Army, Defense Exports & Cooperation (DASA (DE&C))
- U.S. Navy and U.S. Marine Corps - Navy International Programs Office (Navy-IPO)

DoD:

- Defense Security Cooperation Agency (DSCA)
- Joint Chiefs of Staff (JCS/J5)
- Under Secretary for Policy
- Under Secretary for Acquisition, Technology and Logistics
- National Security Agency (NSA)
- Other DOD Agencies (DIA, DISA, DLA, NGA, NRO, etc.)



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DoD Review of Technology Transfers



Factors considered when assessing impact on national security:

- Policies (Region, Country and Technology)
- Level of Technology (U.S. Systems and Countermeasures)
- End User and End Use History
- Military Operational Impact
- Interoperability Requirements
- Bilateral, Multilateral, and International Agreements
- Foreign Availability of Comparable Systems
- Classified Data Transfers

Important to address technology security and foreign disclosure early in the process

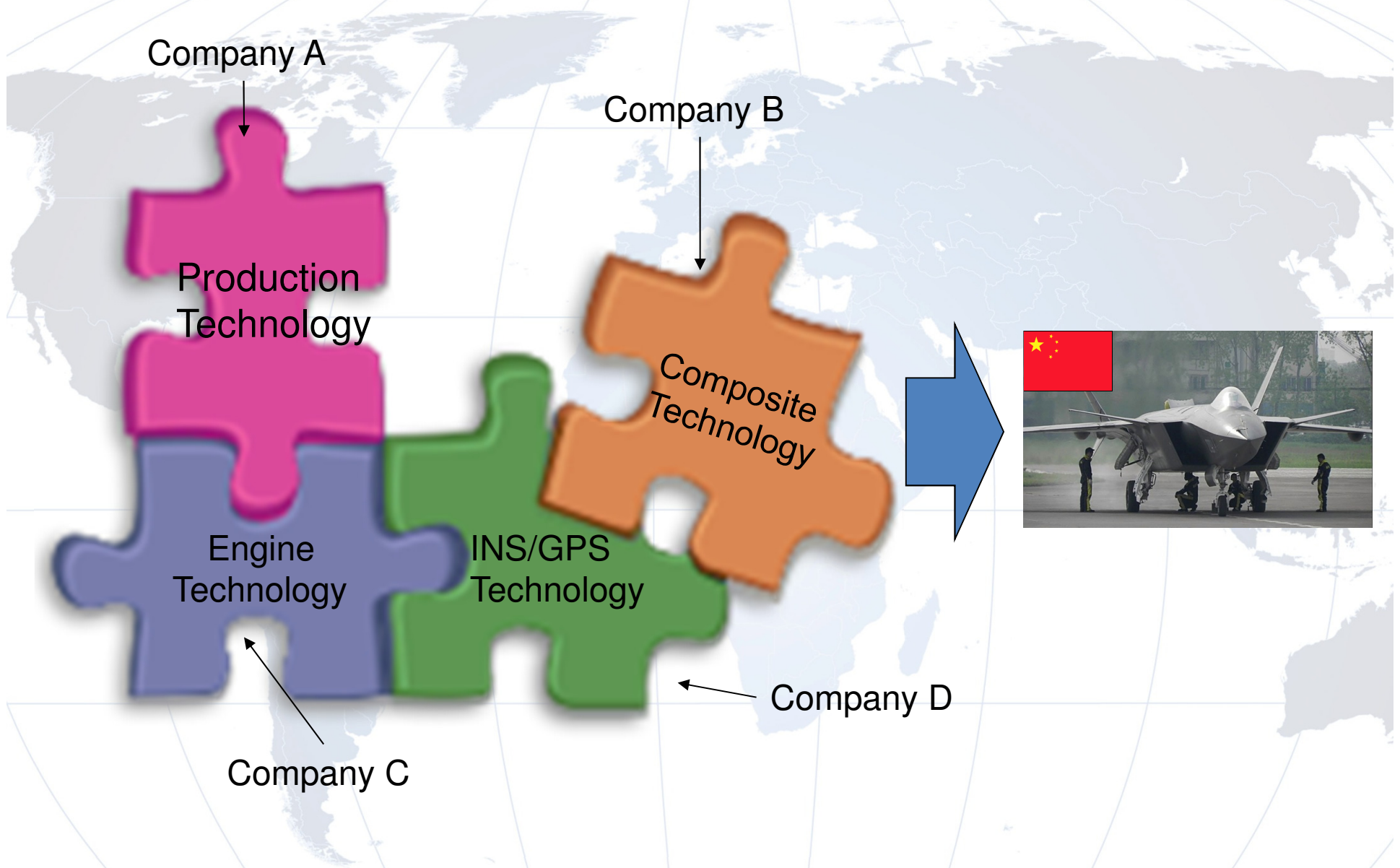
Aerospace Technology Security Concerns





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Technology Jigsaw Puzzle



Company A

Company B

Production
Technology

Composite
Technology

Engine
Technology

INS/GPS
Technology

Company D

Company C





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Aviation and Engine Technology



- **The challenge is allowing companies to export dual-use and munition items (commodities, technology or software) to foreign parties while preventing the growth of military capability for countries of concern.**
- **Not all countries are created equal and other countries may not share the same concerns as the USG. This makes controlling technology very difficult.**
- **There are countries of concern making concerted efforts to acquire aviation and gas turbine engine technology through exports.**



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Aviation and Engine Technology (Cont.)



- **The U.S. has several models where the lines between a commercial aircraft and military aircraft are blurred by only certain components or capabilities. E.g., P-8 and 737, the H-92 and S-92, or F101 and CFM56.**
- **The U.S. has years of experience with systems design and engineering that has been facilitated by the U.S. military, as well as commercial requirements, that is being exported to shortcut other countries capabilities in these areas.**
- **The U.S. MUST maintain superiority in aviation technology.**
- **Joint Ventures, offsets, co-production and/or co-developments threaten that advantage if not properly mitigated.**

License Preparation Guidance





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Applicant's Role

- It is incumbent on the Applicant to:
 - Provide the information DoD needs to conduct a thorough technical review
 - “Draw the Box” for the export contemplated in the application so provisos are not imposed constraining the Applicant for items they have no intention of exporting

Please do not make us guess!



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Good Habits

- **Focus on the basic elements of every license request: country, commodity, end-user and end-use**
- **If something is 'related', identify the relationship**
- **Identify license precedents or case history; include copies**
- **Provide clear, concise cover/transmittal letter**
- **Learn the ITAR/EAR, both layout and content**
- **Compliance before and after licensing**
- **Improve knowledge through recurrent training**



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Good Habits (cont'd)



- **Tell us in plain English:**
 - **What you are doing**
 - **What you are not doing (may be more important)**
 - **Avoid jargon, acronyms, do not rely on program names**
- **Describe the technical data flow between parties**
- **Describe the context of the technology transfers**
 - **Doing it with them or for them?**
- **Review previous license provisos**
- **Cite previous cases, more than one is OK**



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Good Habits (cont'd)



- **Government POC**
 - **Verify POC information provided is correct**
 - **If none, identify what Service(s) would be interested**
- **Countries - not all countries are created equal**
- **Temporary Licenses**
 - **Tell us how will you maintain control**
 - **Note that Government and Industry end-users are treated differently**
 - **Be realistic with quantities**
- **List internet web-site to assist technical review**
- **Bottom line, pass the “Grandma check”, i.e., Grandma should be able to determine your intentions by reading your application**



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Conditions *Draw the Box*



- **Most provisos are imposed because the Applicant has not satisfactorily “draw the box”**
- **Applicant should “draw their own box” on every application**
- **If the Applicant does not do a good job of “drawing the box”, then:**
 - **We will recommend Return Without Action (RWA), or**
 - **Recommend Denial, or**
 - **“Draw the Box” (impose limitations/provisos); the Applicant may not like our provisos if we are forced to “Draw the Box” for them**

Provisos often found at the intersection of Ambiguity and Concern



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How to Minimize Conditions

- **Be specific about the request. Fully scope out the contemplated export.**
 - **Don't parrot an ECCN in full. We already know the regulations. Only put that part of the ECCN you are requesting.**
 - **Example: If you are requesting 9E610 technology to conduct MRO (Maintenance, Repair and Overhaul) activities to an aircraft system only put that portion of the ECCN in your LOE (Letter of Explanation)**
 - **9E610 technology required for the operation, installation, maintenance, repair, overhaul or refurbishment of military aircraft...**
 - **Development or production technology is not needed so exclude it from the request**



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How to Minimize Conditions



- **Be specific about the request. Fully scope out the contemplated export.**
 - **For production technology: If the foreign party is a capable vendor and only needs the required documentation (drawings, work packages, method ops sheets, etc.) then limit to production technology and only to “build-to-print” as defined in 772.1.**
 - **If they need more, be specific as to why they need more and with which area they need assistance.**
 - **For development technology: Provide detailed information as to their current capability to design the item or why they need design information. If the need is limited to acceptance test or conformance than state so.**



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How to Minimize Conditions



- **DO NOT USE OPEN ENDED LANGUAGE WHEN REQUESTING TECHNOLOGY. IT WILL NOT BE ACCEPTED!**
 - “including but not limited to...”
 - “such as”
 - “for example”
- **You MUST identify all the technology contemplated for export. Provide operational definitions of the technology (we may not understand your taxonomy) as well as examples (excerpts are acceptable as long as they communicate the purpose of the document)**



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Industry Briefings

- **DTSA is often asked if a company can come in to brief a program**
 - **Wrong Answer: After the license is submitted (Too late!)**
 - **Right Answer: When requested**
 - **Best Answer: Before you start the program**
 - **Provides you advance notice of USG concerns**
 - **Provides you the opportunity to engineer and plan to address, mitigate and/or avoid them**
- **Remember, we are not buying your product, conduct brief accordingly**

Questions?



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