



Technology Security & Foreign Disclosure



Presentation to:
National Defense Industrial Association

Presented by:
Link Spann
Director, Technology Security & Cooperative Programs, Navy IPO
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DISTRIBUTION STATEMENT A. Approved for public release.



Agenda

- **Navy IPO**
- **TS&FD Processes**
- **Export Control Reform**
- **Defense Trade Cooperation Treaties**

Organization



Deputy Assistant Secretary Of The Navy
(International Programs),
Director, Navy IPO, &
OPNAV N5T
RADM James Shannon ★★(O-8)

MIL – 53
CIV – 122
CSS – 48
TOTAL - 223

Executive Director (SES)
Mr. Rino Pivrotto



Chief Of Staff
CAPT Dale Fuller

LSS Blackbelt
Mr. Jeff Brewer

Counsel

Admin/Security

IPO 01 (SES)
Technology Security
& Cooperative Programs
Mr. Link Spann

IPO 02 (O-6)
Security Cooperation
CAPT Frank Linkous

IPO 03 (NH-IV)
Strategic Planning
Mr. Steve Bowdren

IPO 04 (NH-IV)
Business Management
Ms. Teresa Gayle

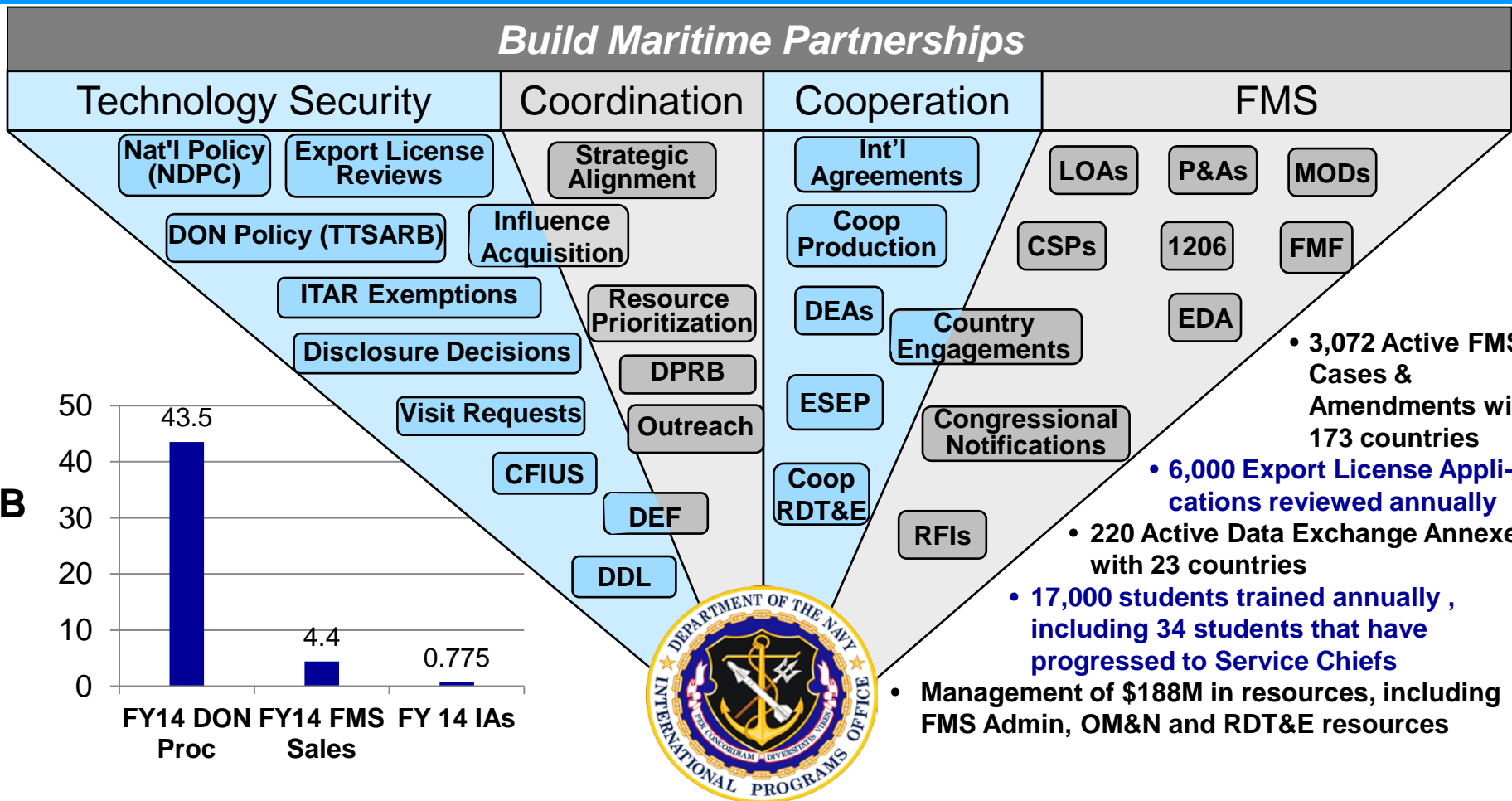
- Foreign Disclosure Policy & Tech Transfer
- Export Licenses
- Information & Personnel Exchange
- International Agreements

- Ops/LOA Policy
- FMS Policy
- NORTH/SOUTHCOM
- EUCOM/AFRICOM
- PACOM
- CENTCOM
- Saudi Arabia

- Air
- Surface/Land
- C4ISR/EW
- Outreach
- EDA Management

- Budget
- Accounting
- Travel
- Training
- Civilian Personnel

What We Do



We pursue and align international acquisition programs to support Combatant Commanders and Fleet Component Commanders objectives of improved interoperability, defense burden sharing, and building partnership capacity.

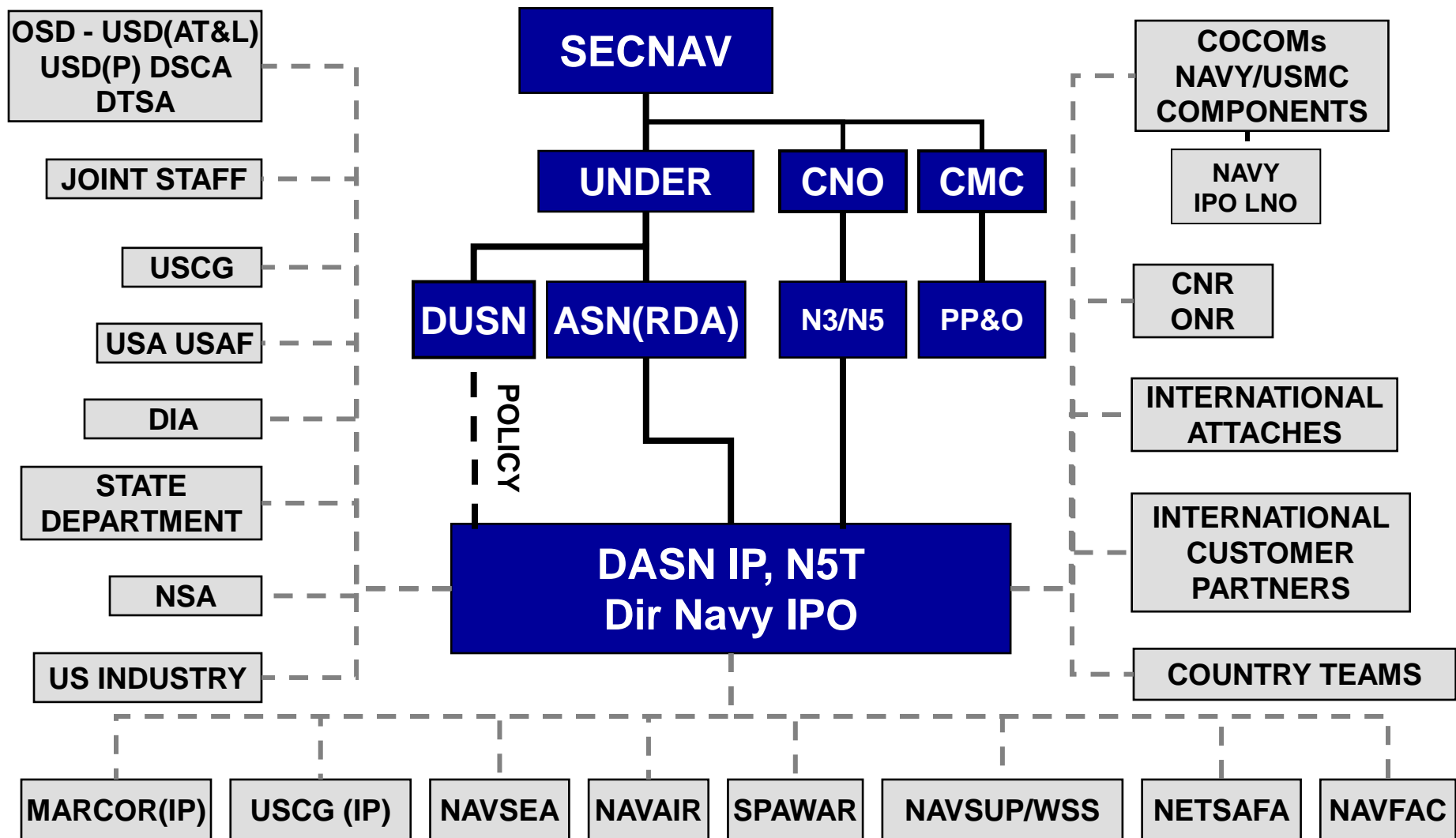


Glossary

- 1206** -- Section 1206 of the National Defense Authorization Act (NDAA) provides the Secretary of Defense authority to train and equip foreign military forces for counterterrorism and stability operations and foreign maritime security forces for counterterrorism operations.
- CFIUS** -- The Committee on Foreign Investment in the United States
- CSPs** – Country Summary Paper
- DEAs** – Data Exchange Annexes
- DEF** – Defense Export ability Features It is a key feature identified in "Control Costs Throughout the Product Lifecycle" section of (USD)AT&L's Better Buying Power Initiative 2.0.
- DDL** – Delegation of Disclosure Letter (used by IPO to delegate authority to SYSCOMs and other Navy offices)
- DPRB** – Decision Point Review Board (strategic planning group in IPO)
- EDA** – Excess Defense Articles
- ESEP** – Engineer and Scientist Exchange Program
- FMF** – Foreign Military Financing
- FMS** – Foreign Military Sales
- ITAR** -- International Traffic in Arms Regulations
- IA** – International Agreement
- LOAs** – Letters of Offer and Acceptance
- MODs** – A modification to an FMS case
- NDPC** – National Disclosure Policy Committee
- P&As** – Price and Availability statements (i.e. an estimate in the format of an FMS case)
- RFI** – Request for Information, normally referring to a question from an international partner
- TTSARB** – Technology Transfer and Security Assistance Review Board (policy board within DON)



Stakeholders and Where We Fit



Statutory Foundation

President



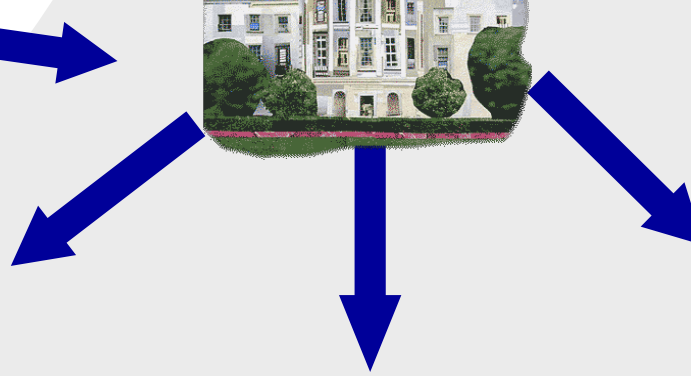
Congress



- **Arms Export Control Act (AECA):**
Basis for State Department Control Of Munitions Exports
- **Foreign Assistance Act (FAA) – IMET***



State Department



- **Export Administration Act (EAA):**
Commerce Department Control Of Dual Use Items



Commerce Department

- **Title 10:**
Department Of Defense, Cooperative RDT&E
- **Title 22: Arms Export Control Act (AECA):**
Authorized Foreign Military Sales (FMS); Authorized Cooperative RDT&E And Production

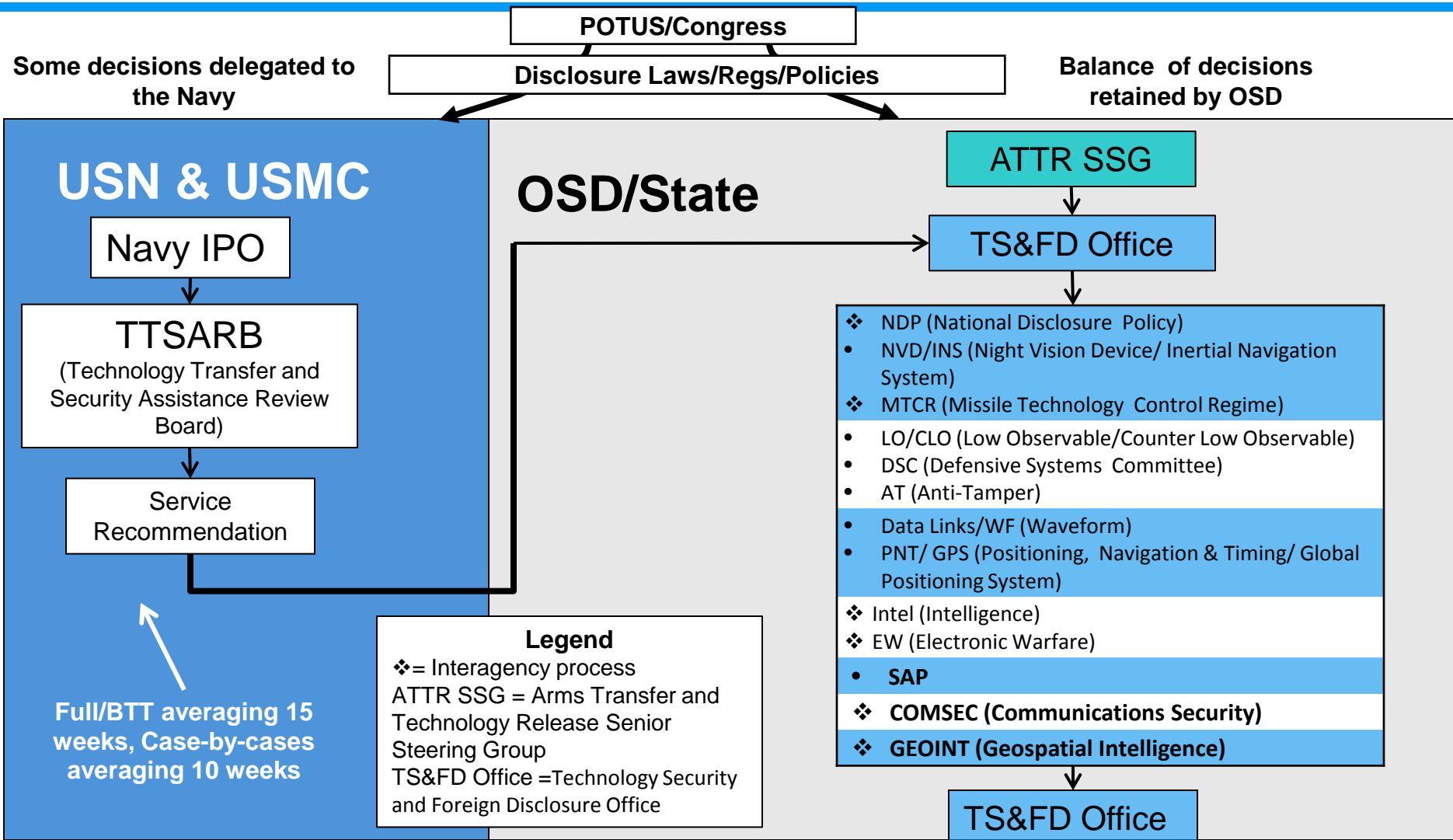


Defense Department

* IMET = International Military Education & Training



Technology Security & Foreign Disclosure



Getting the Right Balance

- Operational Threat
- Competitive Industrial Threat
- Potential for Compromise
- Precedence Threat

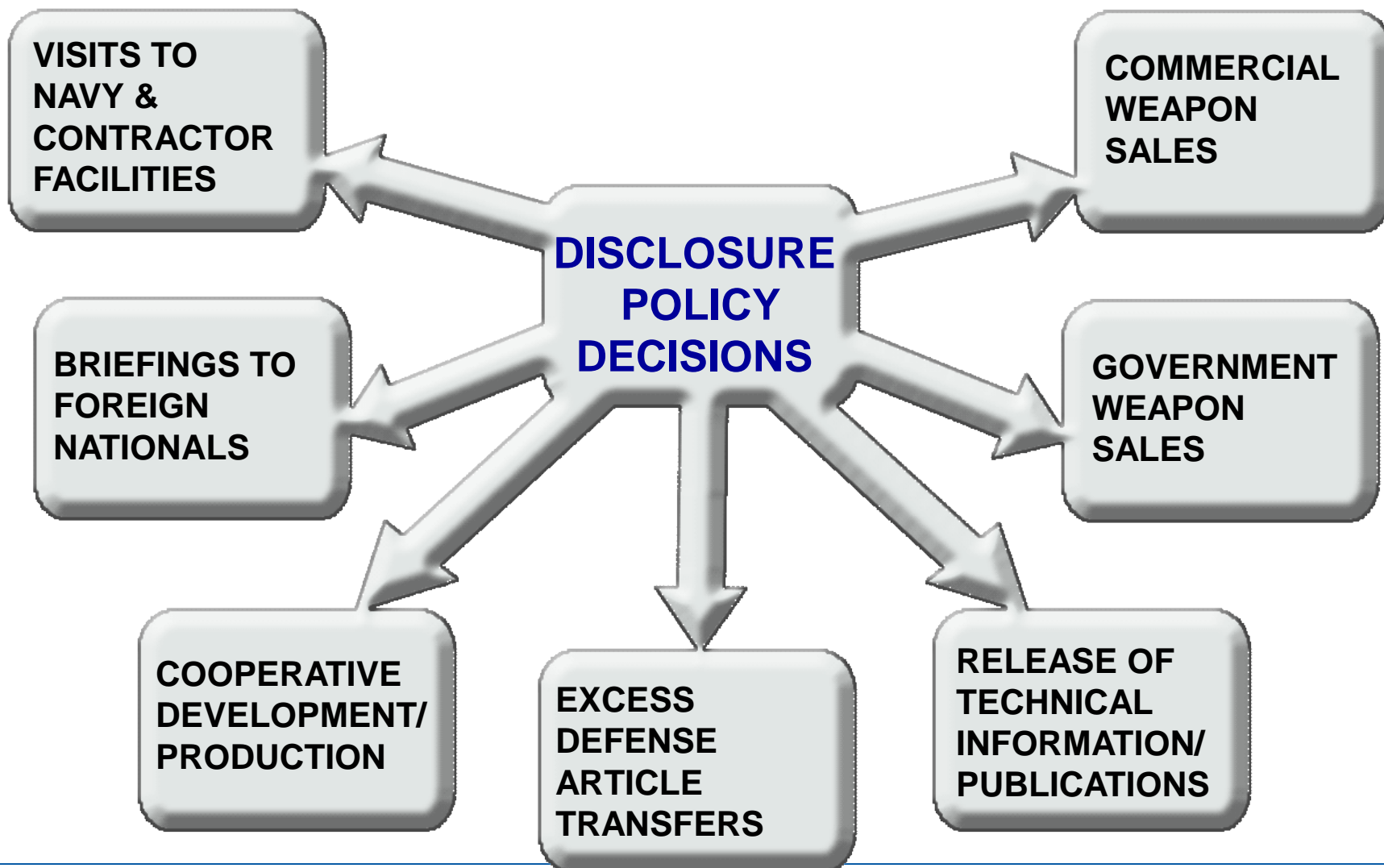
Risks of Disclosure

- Loss of Technology Control
- Reduction in Interoperability
- US Industrial Base Shrinkage
- Reduction in Alliance and Political Cooperation

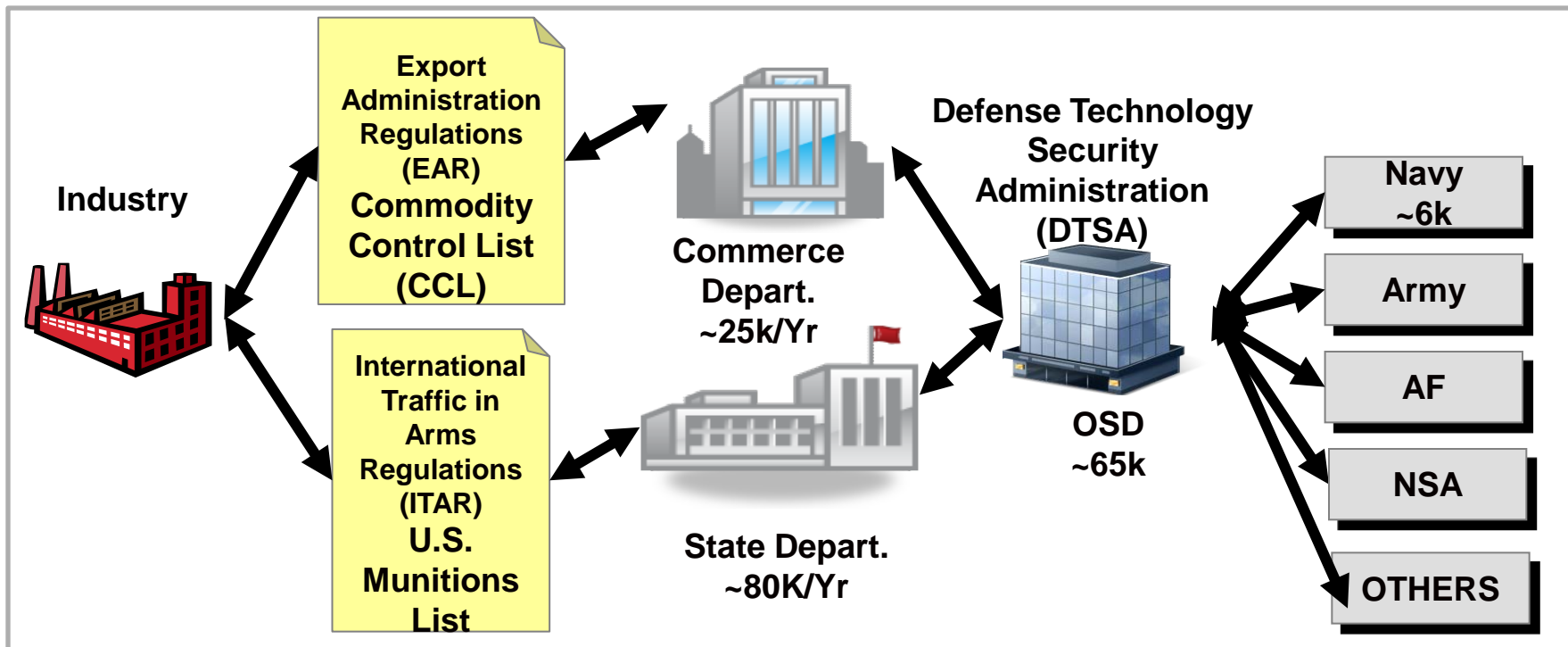
Risks of Non-Disclosure

Disclosure Policy & Decisions

Prerequisite for Many Actions



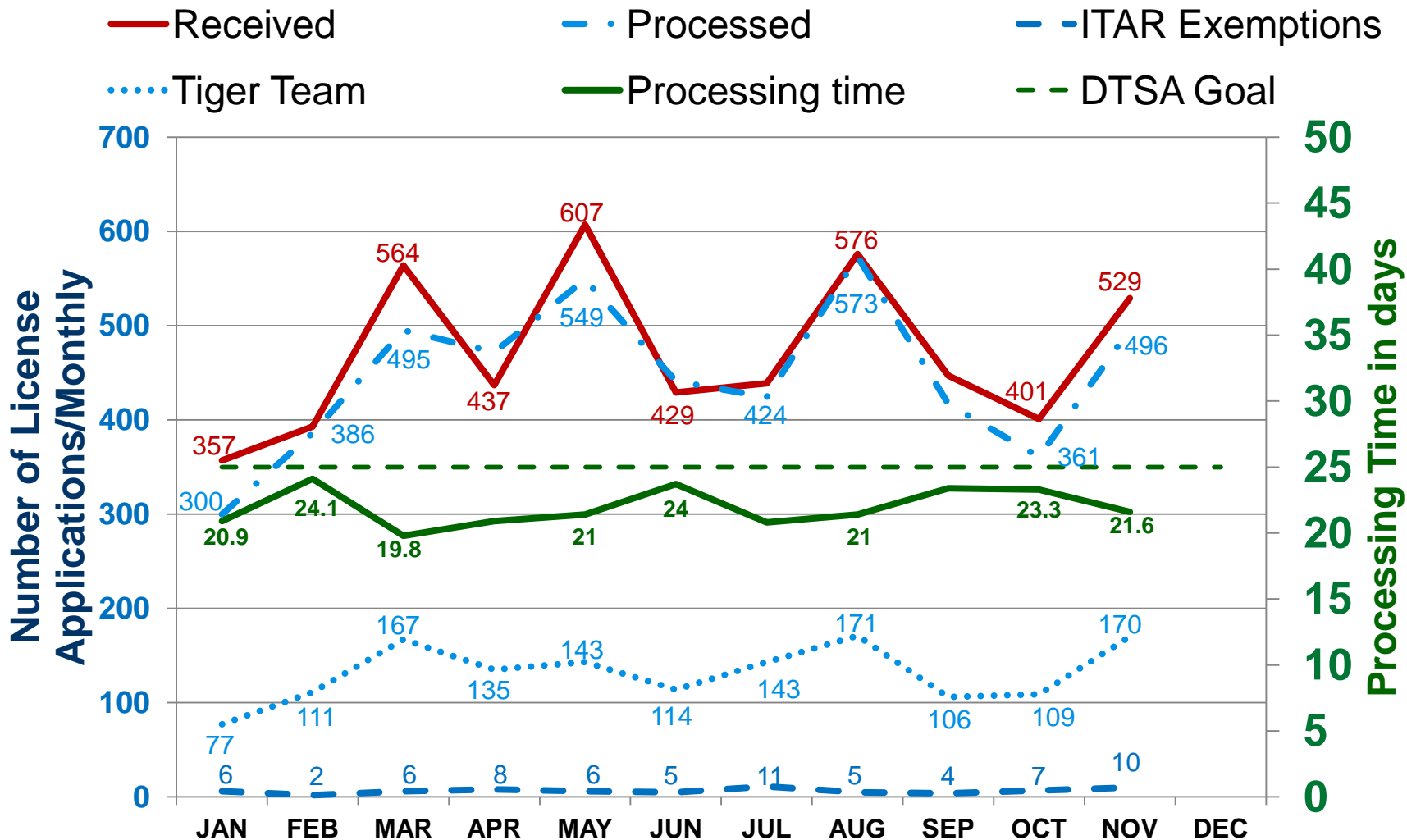
The License Review Process



- **DOS AVG Review Time – 24 days (CY14); < than 1% recommended for denial**
- **National Security Presidential Directive (NSPD) 56 calls for 60 day-cycle (State & DoD)**
- **Numbers for cases staffed to Navy remain constant**

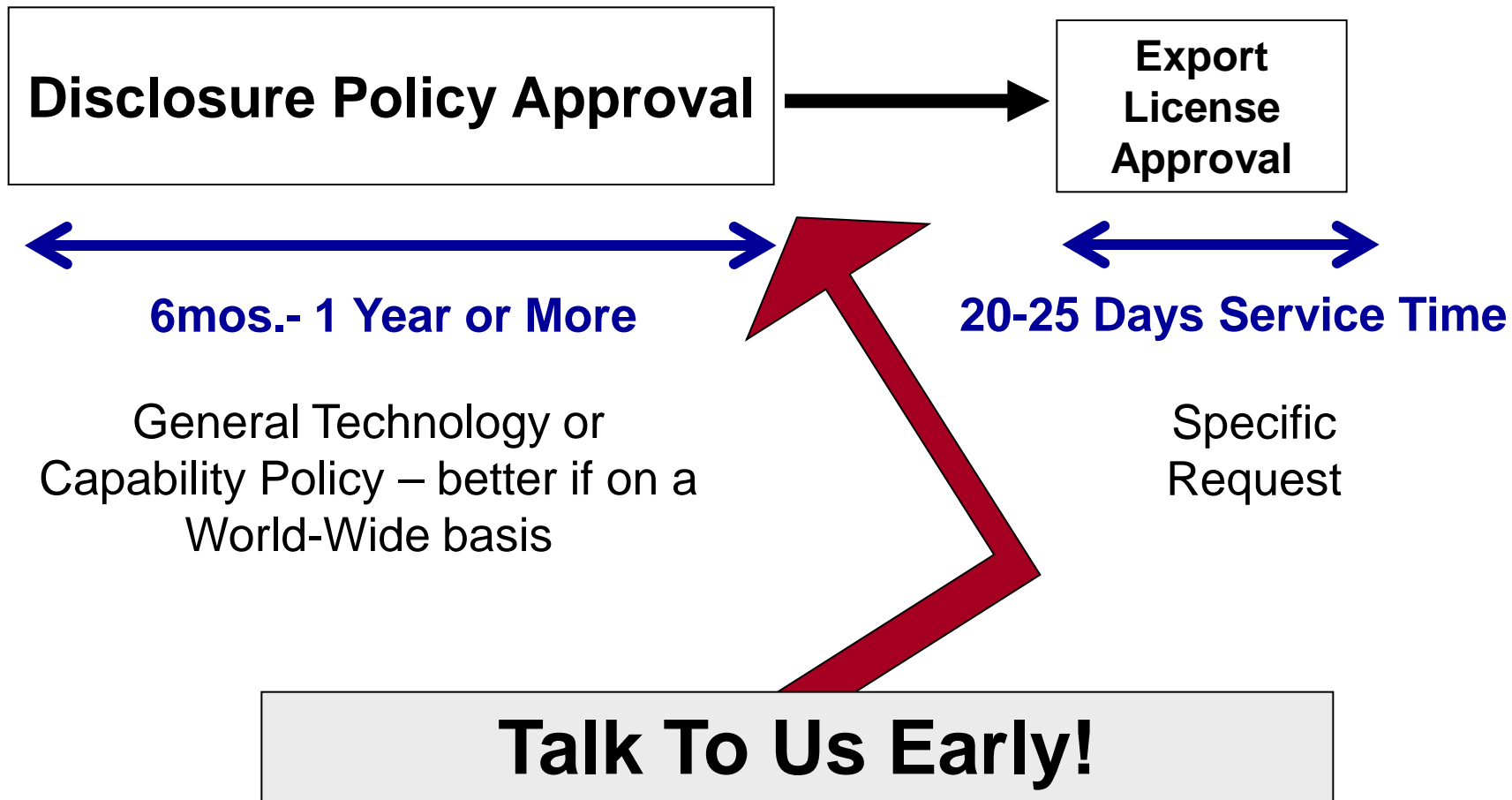


Export License Reviews

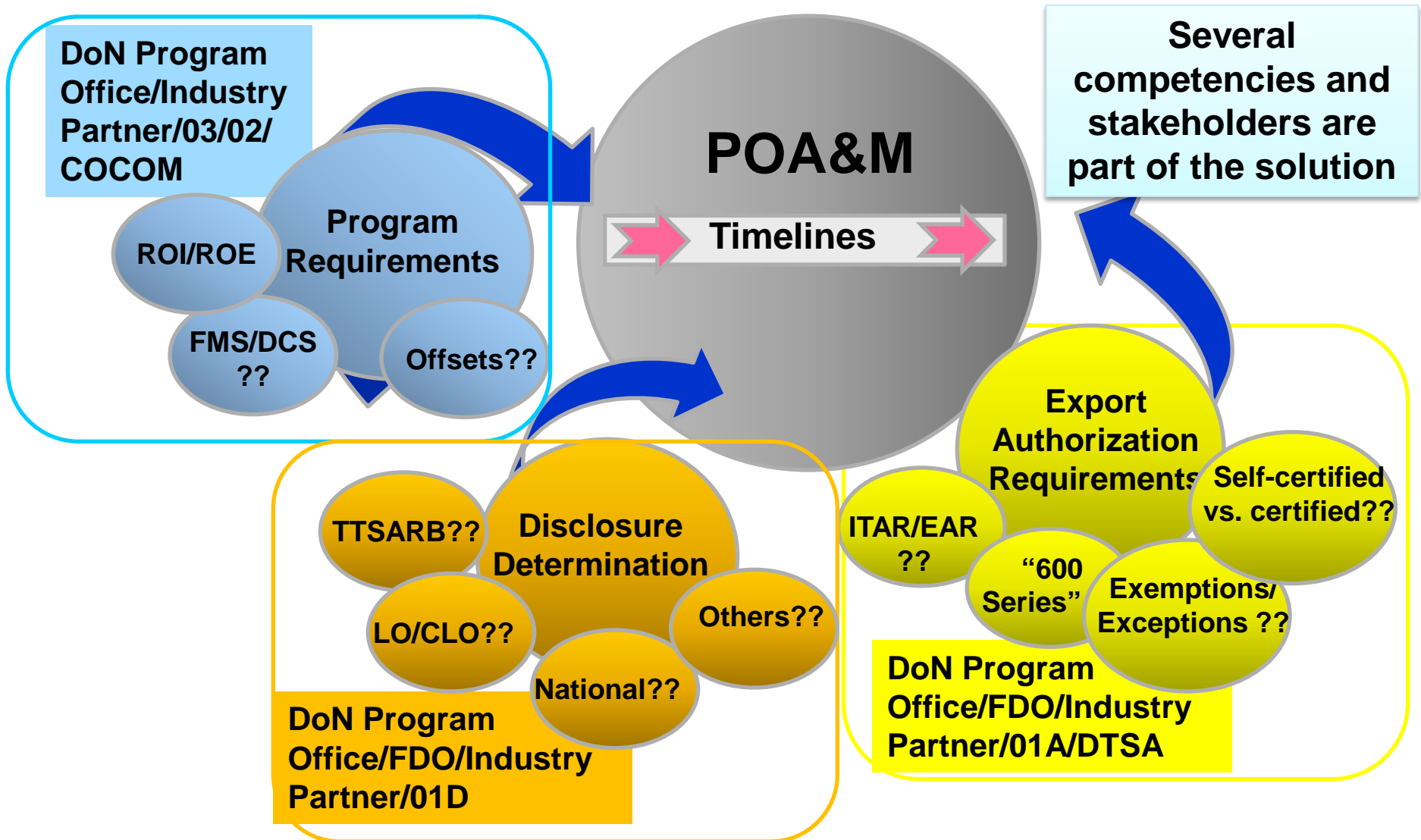




Policy vs. Export Approval Cycle Time



Planning for Exports



Export Control Reform



- **2010 POTUS-mandated assessment of U.S. export controls found the current U.S. export control system:**
 - overly complicated and overreaching
- **Goal: “to build high walls around a smaller yard”** to meet national security objectives in the post Cold War era
- **Key Recommendations:**
 - Eliminate redundancies
 - Strive for added transparency
 - Align with international control regimes

- **Enhance national security by:**
 - Increasing interoperability with NATO and other close allies;
 - Reducing the current incentives for companies in non-embargoed countries to design out or avoid US-origin content; and
 - Allowing the Administration to focus its resources on the transactions of greater concern.



Status of USML Transitions

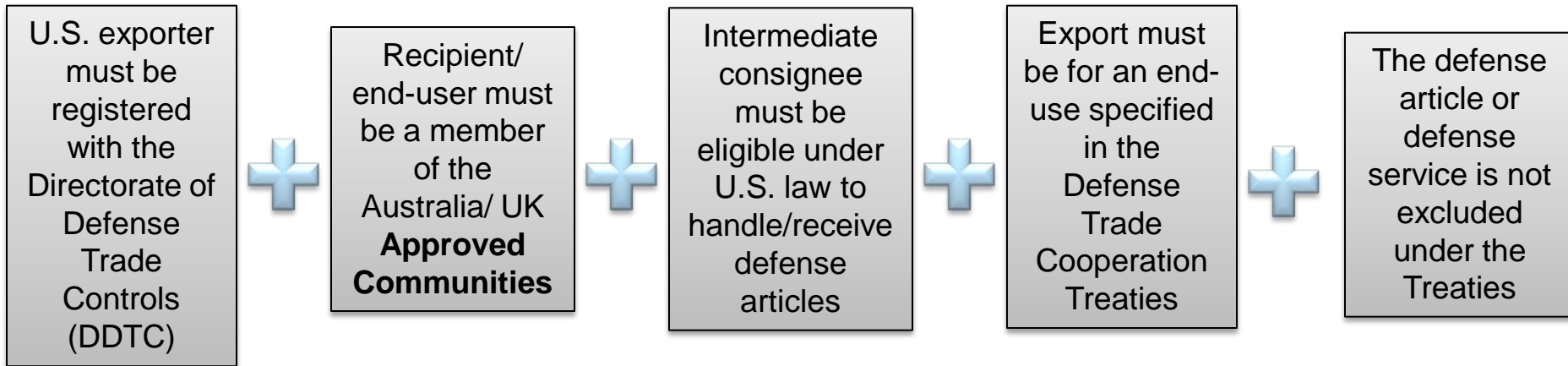
USML Category #	Description	Key Milestones Effective Date
I	Firearms	TBD
II	Artillery	TBD
III	Ammunition	TBD
IV	Launch Vehicles, Guided Missiles, Ballistic Missiles, Rockets, Torpedoes, Bombs, and Mines	07/01/2014
V	Explosives and Energetic Materials, Propellants, Incendiary Agents, and Their Constituents	07/01/2014
VI	Surface Vessels of War and Special Naval Equipment	01/06/2014
VII	Ground Vehicles	01/06/2014
VIII	Aircraft and Related Articles	10/15/2013
IX	Military Training Equipment	07/01/2014
X	Personal Protective Equipment	07/01/2014
XI	Military Electronics	12/30/2014
XII	Fire Control/Sensors/Night Vision	TBD
XIII	Materials and Miscellaneous Articles	01/06/2014
XIV	Toxicological Agents	TBD
XV	Spacecraft and Related Articles	11/10/2014
XVI	Nuclear Weapons Related Articles	07/01/2014
XVII	Classified Articles, Technical Data, and Defense Services	10/15/2013
XVIII	Directed Energy Weapons	TBD
XIX	Gas Turbine Engines and Associated Equipment	10/15/2013
XX	Submersible Vessels and Related Articles	01/06/2014
XXI	Articles, Technical Data, and Defense Services Otherwise Not Enumerated	10/15/2013

From -- <http://pmdtc.state.gov/faqs/ecr.html>

- **U.S. Senate ratified U.S.-UK & U.S.-Australia Defense Trade Cooperation Treaties 29 Sept 2010**
- **Treaties allow for the export of certain defense articles /services without need for export licenses or other ITAR approvals**
- **Congressional notifications still occur**



- Requirements:**



Also:

- **The exporter must provide advance notification to DDTC for specified transfers (e.g., exports of MDE of \$25M or more), so that State can notify Congress (ITAR paragraph s 126.16(o)/§(126.17(o), Procedures for Legislative Notification)**
- **Treaty-eligible transfer must be marked appropriately**
- **Shipping/exemption records must be kept by the exporter for a minimum of 5 years**

- **DDTC website**
 - <http://www.pmdrtc.state.gov/>
- **Arms Export and Control Act**
 - http://www.pmdrtc.state.gov/regulations_laws/aeca.html
- **International Traffic in Arms Regulations**
 - http://pmdrtc.state.gov/regulations_laws/itar_official.html
- **Defense Trade Cooperation Treaty**
 - http://pmdrtc.state.gov/treaties/documents/UK_Treaty.pdf
- **Implementing Arrangements**
 - http://www.pmdrtc.state.gov/treaties/documents/UK_Implementing.pdf
- **Approved Combined Operations and Programs**
 - http://www.pmdrtc.state.gov/treaties/documents/UK_US_Combined_Ops.pdf
- **Exempted Technologies List – Part 126 Supplement Number 1**
 - http://www.pmdrtc.state.gov/treaties/documents/UK_Supp_No_1.pdf
- **Approved Cooperative Programs**
 - http://www.pmdrtc.state.gov/treaties/documents/UK_Coop_Program.pdf
- **Defense Federal Acquisition Regulation Supplement (DFARS)**
 - **SUBPART 225.79—EXPORT CONTROL -**
<http://www.acq.osd.mil/dpap/dars/dfars/html/current/252225.htm#252.225-7046>
- **Commerce Department Trade Advocacy**
 - <http://www.trade.gov/advocacy>

Questions?

