



Defense Trade News

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Estonia, Latvia, and Lithuania

Diplomatic Relations

President Bush announced on September 2 that the United States is prepared to assist the Baltic states in their current progress toward making independence a reality. U.S. recognition of Estonia, Latvia, and Lithuania as independent states has, in fact, never been withdrawn during the 52 years of Soviet occupation.

Although the United States did not accept Estonia, Latvia, and Lithuania's forcible incorporation into the Soviet Union, it was necessary to recognize the latter's physical control of the Baltic states. Thus, Estonia, Latvia, and Lithuania are cited in section 126.1 of the International Traffic in Arms Regulations (ITAR) as prohibited destinations for the export of defense items from the United States.

In light of the recent and still ongoing changes, and as the Baltic states reassert control over their territories and affairs, the United States will initiate steps to remove these three countries from the prohibited list. Although this decision will end the previous general policy of denial of defense exports,



we envision licensing, at first, only a limited number of items for civilian end use, commercial purposes, or public safety or public health applications.

Once these countries have the necessary organizational structures in place to run their own affairs and control the export or reexport of defense items from their respective territories, the United States will consider further relaxing the policy regarding the export of U.S. Munitions List (USML) items in accordance with their security and other needs. ♦

Enhancing U.S. Trade Competitiveness

CDT Will Review Lists of Prospective Reexports

U.S. defense trade control policies are primarily based on foreign policy and national security considerations, rather than economic ones. This leads some defense firms and foreign countries to view U.S. controls as excessively strict and burdensome, especially with regard to third country transfers. Foreign defense firms claim to be hesitant to pursue joint venture and subcontracting agreements with U.S. defense firms, fearing limitations on their freedom to export products incorporating U.S. components.

Realizing the importance of a strong defense industrial base, the Department of State is endeavoring to improve the competitiveness of U.S. defense manufacturers, consistent with its regulatory obligations. Pursuant to this goal, the Center for Defense Trade (CDT) wants to encourage foreign firms desiring joint ventures with U.S. defense firms or U.S. subsidiaries, or American companies seeking such arrangements, to submit a list of prospective export destinations along with any initial licensing submission. This list of sales territories will be reviewed by the Department of State, the Department of Defense, and other concerned agencies. Preliminary approvals of the countries listed in the sales territories will be granted on an individual basis. Foreign defense firms, possessing preliminary approval for third country transfer destinations, can thus avoid much of the uncertainty sometimes associated with third country transfer requests.

This is not a policy change. Foreign firms desiring to export a defense article which incorporates U.S. components or technology will still be required to obtain a third country transfer approval prior to reexport. But the U.S. defense firm, having received preliminary approval for its desired reexport destinations, can be reasonably certain that the third country transfer request will be approved.

CDT hopes that U.S. defense firms' perceived disadvantages resulting from U.S. defense export regulations can be corrected by removing the uncertainty from the third country transfer request process. Foreign defense firms may be more willing to utilize American defense components and subsystems if they can obtain approval for their desired distribution destinations prior to production.

Current System of Retransfer Authority.

The current system provides for preliminary approval of potential exports as well as actual approval of exports where a larger sales territory is desired. An advisory opinion request can elicit information for U.S. companies on the U.S. Government position on exporting particular products or services to specific foreign destinations and end-users. This information can assist U.S. industry in its long-term marketing plans, since the U.S. companies will know in advance the U.S. Government position, including any restrictions on the transaction. A letter inquiry specifying the commodity, services (if any), end-user, and end use may be submitted. See International Traffic in Arms Regulations (ITAR), section 126.9, for further information on preparing an advisory opinion request.

Distribution Agreements. Section 124.14 of the ITAR is designed to facilitate reexports of defense articles being warehoused in a foreign country for distribution or for integration into an end item which will be sold to other foreign destinations.

Manufacturing License and Technical Assistance Agreements. Section 124.10 provides for transfers of defense articles produced in a foreign country. The sales territory may consist of countries which the foreign licensee intends to sell the product to within the next 5 years.

CDT will continue to encourage defense firms to pursue this option, since the benefit would appear to be significant. However, U.S. and foreign defense firms considering this option

should recognize that the Department of State must reserve the right to reevaluate these approvals if the situation within a destination country is significantly altered. ♦

Chile

U.S. Commercial Defense Trade

Chile Arms Embargo Lifted. On behalf of the President, Secretary of State Baker certified on December 1, 1990, that the conditions set forth in section 726(b) of the International Security and Development Cooperation Act of 1981, as amended, had been met. This action lifted the Kennedy-Harkin prohibitions on security assistance and arms sales to Chile which had been in effect since 1976.

As a result, Chile is no longer subject to a statutory arms embargo and has been approved for removal from the list of prohibited destinations in section 126.1 of the International Traffic in Arms Regulations (ITAR). Since this policy went into effect on July 12, 1991, the Office of Defense Trade Controls (DTC) has accepted license applications for U.S. Munitions List (USML) exports to the Government of Chile on a case-by-case basis.

The lifting of the U.S. ban on security assistance and arms transfers to Chile was made possible by Chile's successful transition to civilian democracy after 16 years of military rule. This long-awaited change permits Chile to enter into defense cooperation arrangements on a case-by-case basis.

With the resumption of security assistance, a Security Assistance Office has been established at the U.S. Embassy in Santiago. The Administration has requested \$1 million in Foreign Military Financing (FMF) for FY 1992. FMF would sustain existing equipment and would provide an opportunity to strengthen defense ties between the United States and Chile.

Through June 1991, commercial deliveries reached over \$52 thousand compared to government-to-government deliveries of over \$87 thousand.

Future Trade. Chile will be looking to upgrade its aging defense systems, focusing on modernization and technological advances. The Chileans will probably seek to improve their existing aircraft, electronics, and helicopters.

A stable increase in U.S. commercial sales is expected due to Chile's strong economy and its open market system. Licenses to Chile will continue to be reviewed to avoid any destabilizing transfers to the region. ♦

Enforcement

Sanctions Imposed for Illegal Transfers to Iran

On September 4, 1991, a 22-count indictment was returned by a grand jury in the U.S. District Court, District of Columbia, charging Japan Aviation Electronics Industry, Inc. (JAE), Aero Systems, Inc., of Miami, and its subsidiaries, Aero Systems Aviation Corp., Hierax Company, Ltd., and Aero Systems PTE, Ltd., and five employees of the firms, with conspiracy and the illegal transfer of U.S.- designed navigation components to Iran in violation of the Arms Export Control Act (AECA) (22 U.S.C. 2778) and the implementing International Traffic in Arms Regulations (ITAR) (22 CFR parts 120-130).

The indictment alleges that the defendants conspired to violate the retransfer provisions of the ITAR, and violated such provisions, by transferring, or causing to be transferred, to Iran from 1984-1987 parts for the LN-12D inertial navigation systems installed in Iranian F-4 aircraft, without the prior written approval of the Department of State.

Pursuant to its authority under the AECA and the ITAR, on September 10, 1991, the Department of State imposed administrative sanc-

tions by suspending all existing licenses and other approvals that authorize the export or transfer by, for, or to JAE and Aero Systems, Inc., and their subsidiaries and associated companies, of defense articles and services. In addition, the Department stated that its policy shall be to deny all export license applications and other requests for approval directly or indirectly involving the above cited entities.

Exceptions may be made to this policy on a case-by-case basis at the discretion of the Office of Defense Trade Controls (DTC).

This action was taken pursuant to sections 38 and 42 of the AECA (22 U.S.C. 2778 and 2791) and sections 126.7 (a) (1) and (2) of the ITAR (22 C.F.R. 126.7 (a) (1) and (2)). The suspension will remain in force until further notice.

The suspension was published in the *Federal Register* (Volume 56, Number 179, Monday, September 16, 1991, page 46818) under Public Notice 1482. ♦

Commodity Jurisdiction Procedures

How to Prepare Requests on Specialized Items

The Center for Defense Trade's (CDT's) Commodity Jurisdiction (CJ) Team maintains daily contact with industry, responding to specific issues and situations. For this article, the Team has compiled some useful instructions for preparing CJ requests for several specialized items. For more general information, read the series of CJ articles featured in the March, June, and September 1990 issues of *Defense Trade News*.

We will provide additional item-specific material as necessary to keep the CJ process a smooth and rapid one. Please incorporate these procedures in your company's CJ reference library. Providing the information requested below will ensure the most timely processing of cases possible.

CJs for Thermal, Night Vision, or Multi-Spectral Imaging Devices. When submitting a CJ request for these devices, please answer these questions in the body of your letter.

1. Does the device use image intensifiers? If so, what generation (I, II, or III)?
2. Is the detector a single element?
3. Is it a Charged Coupler Device (CCD) or an integrated-while-scan device?
4. Is the detector cooled? If so, what method (i.e., Jules Thompson, Dewar Vessel, etc.)?
5. Is the equipment ruggedized? If so, how?
6. What is the resolution in terms of resolvable elements?
7. What is the temperature sensitivity or Noise Equivalent Temperature Difference (NETD)?

Encryption Software and the CJ Process. CDT invites manufacturers of encryption software to contact the CJ Team early in a product's development, even in the design stage. Early contact may allow exporters to develop a product with fewer export restrictions. The

following information describes the existing procedures and offers additional avenues for both software developers and software exporters.

In the interagency review process, the technical agencies routinely evaluate all software codes when rendering their recommendation to the Department of State. You can assist the technical personnel in quickly identifying areas of concern.

CJs for Encryption Software. When submitting a CJ request for these devices, please include the following in the body of your letter.

1. State whether or not your product uses the Data Encryption Standard (DES) in either the software source or object codes.
2. If desired, request that we provide the jurisdiction of each code individually.
3. Describe what function the software performs.
4. Describe the expected end-user.
5. Describe how the software works.
6. Clearly identify the systems in which the software will be used.
7. Request clarification concerning any unclear issue.
8. Provide copies of all CJ correspondence to any company which may export your product.

Procedures for Software Exporters. Before exporting any encryption software, determine if the product uses DES. Also ask the development company if it has already obtained a CJ determination from the Department of State. If so, ask the developer to provide you with either a copy of the CJ or the CJ case number. Using the CJ case number, you can verify the CJ ruling with a simple phone call. If the developer has not obtained such a ruling, obtain one before export. Follow the

general outline in the September 1990 *Defense Trade News* article, "A Checklist for Preparing CJ Requests." Include the additional information listed in the above paragraph, "CJs for Encryption Software."

Call the CJ Team Before Preparing a Request. DTC encourages all individuals or companies to contact the CJ Team before preparing a CJ request. Such consultation can greatly speed the process. Call Majors Mike Van Atta and Gary Oncale at (703) 875-7041/5655, respectively. ♦

Industrial Security

Role of the Defense Investigative Service in Exporting

On January 1, 1971, the Secretary of Defense established the Defense Investigative Service (DIS) by merging the personnel security investigative elements of the Army, Navy and Air Force. His memorandum assigned DIS the responsibility for the Department of Defense (DOD) Personnel Security Investigative Program within the United States. On October 1, 1980, the Deputy Secretary of Defense instructed DIS to administer three additional security programs. The new programs, shifted from the Defense Logistics Agency (DLA) to DIS, were the Defense Industrial Security Program (DISP), the Key Asset Protection Program (KAPP), and the DOD Sensitive Arms, Ammunition, and Explosives Security Program (AA&E).

Today, DIS is a separate DOD agency under the direction, authority, and control of the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence. DIS is chartered as a national security, personnel security, investigative security, and industrial security agency.

In its industrial security role, DIS administers three industrial security programs on behalf of DOD and 21 other non-DOD Federal executive agencies. The purpose of the DOD Key Asset Protection Program (KAPP) is to ensure that, in the event of a national emergency, the United States would have emergency mobilization preparedness capability. The objective of the Arms, Ammunition, and

Explosive Program (AA&E) is to ensure the protection of sensitive (attractive to terrorist or criminal elements), conventional (non-nuclear) arms, ammunition, and explosives in the custody of or being produced by defense contractors.

The Defense Industrial Security Program (DISP) is the most comprehensive of the three industrial programs administered by the agency. The primary objective of the DISP is to ensure that industry properly safeguards classified information in its possession while performing on government contracts or engaging in research and development. Nearly 90 percent of all classified information originates within the industrial environment. The U.S. Government sets requirements for the protection of classified information, and industry implements these requirements through the advice, assistance and monitoring of eight regional offices, 88 industrial field elements, and the Defense Industrial Security Clearance Office.

DIS also has established two Offices of Industrial Security International (OISI) to provide administrative assistance to U.S. industry in its activities outside the United States. OISI acts as a resource for information pertaining to security clearances and security assurances for cleared U.S. contractor employees located outside the United States. Such information is available for official use by agencies and activities of the U.S. Government, foreign governments, NATO, and U.S. contractors.

OISI also conducts inspections of cleared contractor operations on U.S. installations outside the United States when authorized by the Deputy Director, Industrial Security, Headquarters DIS. OISI also assists U.S. industry by:

- Arranging classified visits for U.S. contractor employees;
- Providing storage for classified material;
- Providing mail channels for transmission of classified material between a contractor in the United States and an approved destination outside the United States;
- Providing security briefings and security certificates, as appropriate; and
- Assisting with security matters, such as visits to military activities or contractors outside the United States.

With offices in Brussels, Belgium, and Mannheim, Germany, OISI-Europe provides assistance to both DOD and U.S. industry in Europe and adjacent areas. OISI-Far East, in Yokohama, Japan, performs the same functions for the Western Pacific region.

DIS's International Programs Branch (located at DIS Headquarters, 1900 Half Street, Washington, D.C.) works in conjunction with OISI in many respects. The International Programs Branch administers all policies formulated by the Secretary of Defense on international aspects of the Defense Industrial Security Program. Responsibilities handled by the International Security Programs Branch are:

- Liaison with officials of foreign embassies regarding mutual security issues;
- Verification of the facility security clearances of U.S. firms for foreign governments;
- Corresponding verification of foreign firms' security clearance status for U.S. interests;
- Monitoring of classified contracts/subcontracts awarded to foreign corporations, and foreign classified contracts awarded to

U.S. corporations to ensure that proper safeguarding procedures are instituted in accordance with bilateral agreements; and

Direct commercial arrangements for the export of classified defense articles or information require U.S. Government approval before a contractor commits to such arrangements with a foreign interest. The U.S. Government's decision on the application will be contingent, in part, upon the foreign government's having entered into a General Security Agreement, an equivalent legally binding security agreement with the U.S. Government, or a "program specific" government-to-government arrangement. Once the contractor has gone through the export licensing process, the U.S. portion of the government-to-government shipment is fulfilled by an Industrial Security Representative from the cognizant DIS Field Office (FO), unless performed by an "in-house" government representative.

DIS and the Form DSP-85. A number of Office of Defense Trade Controls (DTC) registrants submit Form DSP-85, Application/License for Permanent/Temporary Export or Temporary Import of Classified Defense Articles and Related Technical Data. To complete the Form DSP-85, Block 19 (name and address of cognizant DIS security office), registrants need to know current information about the cognizant DIS security office. Since the DIS Field Offices (FOs) are now the cognizant DIS security offices for cleared contracting facilities, DIS has composed a list which includes the current address, telephone number, and point of contact of each industrial security FO for reference. **Please note that Field Offices are abbreviated "FO" in these listings.** In addition, the reference list contains information on the DIS investigative FO/resident agents (RAs) performing government-to-government functions and the Offices of Industrial Security International in Europe and the Far East.

DIS FIELD OFFICE LISTING

Since this information is subject to change, it is advisable to call the office and verify the information prior to submitting the Form DSP-85. The listing presents offices alphabetically by city and state within each region.

NEW ENGLAND REGION

Defense Investigative Service
Industrial Security FO (S11HF)
130 Darlin Street
East Hartford, CT 06108-3234
Attn: Mr. Joseph Salisbury
Tel: (203) 291-7995

Defense Investigative Service
Industrial Security RA (S11GT)
P.O. Box 908
Groton, CT 06349-0908
Attn: Mr. Stephen Joyce
Tel: (203) 445-2403

Defense Investigative Service
Industrial Security RA (S11NH)
P.O. Box 401
New Haven, CT 06502-0401
Attn: Mr. George B. Randall
Tel: (203) 773-2383

Defense Investigative Service
Industrial Security FO (S11BN)
495 Summer Street
Boston, MA 02210-2192
Attn: Mr. Bart Cawley
Tel: (617) 451-4927

Defense Investigative Service
Industrial Security FO (S11NM)
495 Summer Street
Boston, MA 02210-2192
Attn: Mr. Michael Boccuzzi
Tel: (617) 451-4920

Defense Investigative Service
Industrial Security FO (S11MU)
Valley Office Park
13 Branch Street
Methuen, MA 01844-1947
Attn: Mr. Steve Harris
Tel: (508) 686-2202 04/15/1991

Defense Investigative Service
Industrial Carried FO (S11WL)
424 Trapelo Road, Building 128N
Waltham, MA 02154-6399
Attn: Mr. Gerry Zarrow
Tel: (617) 647-8431

Defense Investigative Service
Industrial Security RA (S11BH)
U.S. Federal Building
15 Henry Street, Room M-102
Binghamton, NY 13901-2723
Attn: Ms. Linda Mueller
Tel: (607) 773-2775

Defense Investigative Service
Industrial Security RA (S11BF)
Williamsville Branch
P.O. Box 428
Buffalo, NY 14231-0428
Attn: Mr. Robert P. Simpson
Tel: (716) 846-5376

Defense Investigative Service
Industrial Security FO (S11SY)
Hancock Complex
510 Stewart Drive, West
North Syracuse, NY 13212-3414
Attn: Mr. John Dennehy
Tel: (315) 458-9554

Defense Investigative Service
Industrial Security RA (S11RH)
P.O. Box 14120, Federal Station
Rochester, NY 14614-0120
Attn: Mr. Jack Howe
Tel: (716) 263-6423

Defense Investigative Service
Industrial Security RA (S11AY)
P.O. Box 2124
Scotia, NY 12302-0124
Attn: Mt. Arthur W. Spencer
Tel: (518) 377-8817

Defense Investigative Service
Industrial Security RA (S11NP)
Naval Education & Training Center
Building 1121
Newport, RI 02841-5019
Attn: Mr. Edward Houle
Tel: (401) 841-3146

MID-ATLANTIC REGION

Defense Investigative Service
Industrial Security FO (S14WN)
P.O. Box 730
Cookstown, NJ 08511-0279
Attn: Mr. James J. McGinty
Tel: (609) 723-2103, (AV) 440-3640

Defense Investigative Service
Industrial Security FO (S14NK)
Military Park Building, Rm 803
60 Park Place
Newark, NJ 07102-5504
Attn: Ms. Mary Lou Van Winegarden
Tel: (201) 645-6123

Defense Investigative Service
Industrial Security RA (S14PY)
P.O. Box 563
Wharton, NJ 07885-9998
Attn: Mr. Louis Kiss
Tel: (201) 724-7189, (AV) 880-7189

Defense Investigative Service
Industrial Security FO (S14LI)
120 Mineola Boulevard, Suite 430
Mineola, NY 11501-4077
Attn: Mr. Donald E. Dwyer
Tel: (516) 747-1427

Defense Investigative Service
Industrial Security FO (S14NY)
6 World Trade Center, Room 439
New York, NY 10048-0946
Attn: Mr. John J. Carey
Tel: (212) 466-3965

Defense Investigative Service
Industrial Security FO (S14HR)
P.O. Box 11788
Harrisburg, PA 17108-1788
Attn: Mr. Michael J. Leonard
Tel: (717) 782-2295

Defense Investigative Service
Industrial Security RA (S14NS)
P.O. Box 206
Norristown, PA 19404-0857
Attn: Mr. Michael J. Pilla
Tel: (215) 279-4982

Defense Investigative Service
Industrial Security FO (S14PP)
Scott Plaza II
Route 291, Room 445
Philadelphia, PA 19113-1504
Attn: David G. Joseph
Tel: (215) 521-3726

Defense Investigative Service
Industrial Security RA (S14PT)
Federal Building, Room 726
1000 Liberty Avenue
Pittsburgh, PA 15222-4004
Attn: Mr. Richard C. Noe
Tel: (412) 644-5960, (AV) 242-5960

Defense Investigative Service
Industrial Security RA (S14ST)
P.O. Box 646
State College, PA 16804-0646
Attn: Mr. Harold R. Kurtz
Tel: (814) 237-5234

CAPITOL REGION

Defense Investigative Service
Industrial Security FO (SI5BV)
1000 Aerospace Road
Lanham, MD 20706-2217
Attn: Mr. Kent Davis
Tel: (301) 436-1002, (AV) 296-1002

Defense Investigative Service
Industrial Security FO (SI5BA)
Arundel Corporate Center, Suite 440
110 West Road
Towson, MD 21204-2316
Attn: Mr. Philip L. Lamphear
Tel: (301) 296-6344

Defense Investigative Service
Industrial Security FO (SI5WP)
11160 Veirs Mill Road, Suite 515
Wheaton, MD 20902-2538
Attn: Ms. Dorothy Borsi
Tel: (301) 427-5587, (AV) 291-5587

Defense Investigative Service
Industrial Security FO (SI5DC)
Hoffman Building II
200 Stovall Street, Room 7N65
Alexandria, VA 22332-1700
Attn: Mr. Thomas Raver
Tel: (703) 325-6765, (AV) 221-6765

Defense Investigative Service
Industrial Security FO (SI5KS)
290 Stovall Street, Room 7N65
Hoffman Building II
Alexandria, VA 22332-1700
Attn: Ms. Martha F. Hampton
Tel: (703) 325-9295, (AV) 221-9295

Defense Investigative Service
Industrial Security FO (SI5AD)
7010 Little River Turnpike, Suite 310
Annandale, VA 22003-0308
Attn: Mr. Alford E. Eslinger
Tel: (703) 756-2518, (AV) 289-2518

Defense Investigative Service
Industrial Security FO (SI5AR)
1815 North Fort Myer Drive, Suite 510
Arlington, VA 22209-1805
Attn: Mr. Joseph Evancho
Tel: (703) 696-5308, (AV) 226-5308

Defense Investigative Service
Industrial Security FO (SI5HP)
1055 West Mercury Boulevard, Suite 410
Hampton, VA 23666-3308
Attn: Mr. Tim R. Sartin
Tel: (804) 827-9298

Defense Investigative Service
Industrial Security FO (SI5DS)
12355 Sunrise Valley, Suite 170
Reston, VA 22091-3415
Attn: Mr. Stephen Hampton
Tel: (703) 487-8096, (AV) 221-8096

MID-WESTERN REGION

Defense Investigative Service
Industrial Security FO (S32CH)
10700 West Higgins Road, Suite 104
Rosemont, IL 60018-3707
Attn: Mr. James A. Brandt
Tel: (708) 299-2500

Defense Investigative Service
Industrial Security RA (S32IN)
P.O. Box 16009
Ft. Benjamin Harrison, IN 46216-0009
Attn: Mr. Michael Dockery
Tel: (317) 542-208, (AV) 699-2008

Defense Investigative Service
Industrial Security FO (S32DT)
25900 Greenfield Road, Suite 425
Oak Park, MI 48237-1267
Attn: Mr. Jonathan G. Cline
Tel: (313) 968-5207

Defense Investigative Service
Industrial Security FO (S32MN)
P.O. Box 17159
Minneapolis, MN 55417-7128
Attn: Mr. Robert J. Turay
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Defense Investigative Service
Industrial Security RA (S32KC)
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Kansas City, MO 64106-2097
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Defense Investigative Service
Industrial Security FO (S41ME)
1333 Gateway Drive, Suite 1009
Melbourne, FL 32901-2629
Attn: Mr. Charles R. Doria
Tel: (407) 951-4412

Defense Investigative Service
Industrial Security FO (S41RL)
3659 Maguire Boulevard, Suite 100-B
Orlando, FL 32803-3726
Attn: Mr. Robert Kelly
Tel: (407) 648-6843

Defense Investigative Service
Industrial Security RA (S41FL)
One 11th Avenue, Suite E-3
Shalimar, FL 32579-1305
Attn: Mr. Charles T. Williams
Tel: (904) 651-3101

Defense Investigative Service
Industrial Security FO (S41AT)
2300 Lake Park Drive, Suite 240
Smyrna, GA 30080-7606
Attn: Mr. Ronald C. Munday
Tel: (404) 319-5924

Defense Investigative Service
Industrial Security FO (S41BX)
771 Beach Boulevard, Suite 101
Biloxi, MS 39530-4237
Attn: Mr. Darrell Crawford
Tel: (601) 435-9904

Defense Investigative Service
Industrial Security RA (S41CT)
800 Briar Creek Road, Suite EE-403
Charlotte, NC 28205-6993
Attn: Mr. William Frazier
Tel: (704) 371-6262

Defense Investigative Service
Industrial Security RA (S41CS)
334 Meeting Street, Suite 229
Charleston, SC 29403-6417
Attn: Mr. Bobby Thomas
Tel: (803) 724-4412

**DIS INVESTIGATIVE FIELD OFFICES IN THE
SOUTHEASTERN REGION HANDLING
GOVERNMENT-TO-GOVERNMENT SHIP-
MENTS**

Defense Investigative Service
Investigative FO (D41NR)
P.O. Box 52289
New Orleans, LA 70152-1530
Attn: Mr. Patrick L. Dempsey (SAC)
Tel: (504) 589-6716

Defense Investigative Service
Investigative FO (D41SH)
Federal Building
500 Fannin Street, Room 8B18
Shreveport, LA 71101-3084
Attn: Mr. Neville P. Darcy (SAC)
Tel: (318) 226-5563

Defense Investigative Service
Investigative RA (D41LE)
P.O. Box 609
Jacksonville, NC 28505-0609
Attn: Mr. Charles H. Jones
Tel: (919) 347-4460, (AV) 484-0550

Defense Investigative Service
Investigative RA (D41PR)
P.O. Box 34167
Fort Buchanan, PR 00934-0167
Attn: Mr. Vargas A. Arroyo
Tel: (809) 749-4439

Defense Investigative Service
Investigative RA (D41KT)
710 Locust Street, Box 111
Knoxville, TN 37902-2540
Attn: Mr. Don Garrison
Tel: (615) 549-9313

SOUTHWESTERN REGION

Defense Investigative Service
Industrial Security RA (S42PX)
201 East Indianola Street, Suite 360
Phoenix, AZ 85012-2055
Attn: Mr. Edward Hyland
Tel: (602) 640-2448, (AV) 261-2448

Defense Investigative Service
Industrial Security RA (S42CG)
P.O. Box 62157
Colorado Springs, CO 80962-2157
Attn: Mr. James Shrigley
Tel: (719) 260-1655

Defense Investigative Service
Industrial Security FO (S42DR)
P.O. Box 2651
Denver, CO 80201-2651
Attn: Mr. Bert Staats
Tel: (303) 844-5233, (AV) 943-5233

Defense Investigative Service
Industrial Security RA (S42AS)
P.O. Box 141097
Austin, TX 78714-1097
Attn: Jean R. Sladek
Tel: (512) 834-9840

Defense Investigative Service
Industrial Security FO (S42DA)
7701 North Stemmons Freeway, Suite 310 LB8
Dallas, TX 75247-4206
Attn: Mr. Chester Thomas
Tel: (214) 767-5819

Defense Investigative Service
Industrial Security RA (S42EP)
P.O. Box 8066
El Paso, TX 79908-0066
Attn: Mr. James Foster
Tel: (915) 568-8321, (AV) 978-8321

Defense Investigative Service
Industrial Security RA (S42HS)
1415 North Loop, West, Suite 660
Houston, TX 77008-1653
Attn: Mr. Regina Johnson
Tel: (713) 880-0761, (AV) 526-4754

Defense Investigative Service
Industrial Security RA (S42FW)
860 Airport Freeway West, Suite 302
Hurst, TX 76054-3263
Attn: Mr. Michael Clifford
Tel: (817) 885-7137, (AV) 334-7131

Defense Investigative Service
Industrial Security FO (S42SA)
P.O. Box 8580
San Antonio, TX 78208-0580
Attn: Mr. Richard Stogsdill
Tel: (512) 229-5144, (AV) 471-6015

Defense Investigative Service
Industrial Security FO (S42AQ)
P.O. Box 18028
Kirtland AFB, NM 87185-0028
Attn: Mr. Gerald E. Bammert
Tel: (505) 846-1814, (AV) 246-1787

NORTHWESTERN REGION

Defense Investigative Service
Industrial Security RA (S52AL)
620 Central Avenue
Building 2G, Room 113
Alameda, CA 94501-3801
Attn: Mr. Michael Daniels
Tel: (415) 522-2008

Defense Investigative Service
Industrial Security FO (S52SF)
Building 195, Room 202, The Presidio
San Francisco, CA 94129-7700
Attn: Mr. Edward Gensel
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Defense Investigative Service
Industrial Security FO (S52PQ)
828 South Bascom Avenue, Suite 110
San Jose, CA 95128-2600
Attn: Mr. Gordon Matheson
Tel: (400) 298-9975

Defense Investigative Service
Industrial Security RA (S53ED)
44915 North Elm Avenue
Lancaster, CA 93534-2407
Attn: Mr. Michael Stell
Tel: (805) 945-7674/8831

Defense Investigative Service
Industrial Security FO (S52SC)
3180 De La Cruz Boulevard, Suite 100
Santa Clara, CA 95054-4934
Attn: Mr. Roger Raasch
Tel: (408) 988-3444, (AV) 561-3446

Defense Investigative Service
Industrial Security FO (S53GG)
1100 West Town & Country Road, Suite 400
Orange, CA 92668-4600
Attn: Mr. William Devine
Tel: (714) 836-2791/92, (AV) 873-2791

Defense Investigative Service
Industrial Security RA (S52SK)
Building 105, Room 204
Fort Douglas, UT 84113-5017
Attn: Mr. John Burns
Tel: (801) 524-4235, (AV) 924-4235

Defense Investigative Service
Industrial Security FO (S53PA)
125 South Grand Avenue, Suite 518
Pasadena, CA 91105-1621
Attn: Ms. Suzanne Corona
Tel: (818) 449-0941

Defense Investigative Service
Industrial Security FO (S52SE)
P.O. Box 15108
Seattle, WA 98115-0108
Attn: Mr. Jerry L. Pearson
Tel: (206) 526-6706

Defense Investigative Service
Industrial Security FO (SS3SD)
2221 Camino Del Rio South, Suite 312
San Diego, CA 92108-3698
Attn: Mr. Mark Smith
Tel: (619) 557-5914/15

PACIFIC REGION

Defense Investigative Service
Industrial Security FO (S53WC)
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Culver City, CA 90230
Attn: Mr. Haruo N. Tazumi
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Defense Investigative Service
Industrial Security FO (S53VS)
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Attn: James R. Isoda
Tel: (619) 224-1161

Defense Investigative Service
Industrial Security FO (S53ON)
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Attn: Ms. Mary Jo Hickey
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Defense Investigative Service
Industrial Security RA (S53XB)
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Attn: Raymond Foster/James Provenza
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Defense Investigative Service
Industrial Security RA (S53TO)
P.O. Box 2045 - CVS
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Defense Investigative Service
Industrial Security FO (S53VN)
6949 Van Nuys Boulevard, Room 223
Van Nuys, CA 91405-3935
Attn: Mr. Albert Ochs
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Defense Investigative Service
Industrial Security FO (S53HN)
300 Ala Moana Boulevard, Suite 4317
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Attn: Mr. Ernest Ikei
Tel: (808) 541-2809/19/11/12/13

**OFFICE OF INDUSTRIAL SECURITY,
INTERNATIONAL (OISI)**

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Director: J. William Leonard Dial
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MANNHEIM, WEST GERMANY

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YOKOHAMA, JAPAN

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COCOM Update

Revision of the International Munitions List

The last comprehensive revision in the Coordinating Committee on Multilateral Export Controls (COCOM) of the International Munitions List (IML) took place in May 1989 and was implemented in October 1989.

COCOM is once again scheduled to review the IML beginning in 1992. The current COCOM calendar calls for member governments to submit IML proposals by October 14, 1991, and counterproposals by December 16, 1991.

Although the dual-use list has been revised extensively due to the dramatic political transformations that have taken place in Central and Eastern Europe since 1989, major liberalization of the items and technologies controlled on the IML is not likely.

Industry, through its experts on industry-government Technical Advisory Committees (TACs), which are authorized by the Export Administration Act (EAA), has been invited for the first time to participate in the technical review of the IML. ♦

DEPARTMENTS

**U.S.
Customs
at DTC**



Statement by Commissioner of Customs

The following is testimony by Carol Hallett, Commissioner of Customs, before the House Ways and Means Subcommittee on Oversight, May 1, 1991.

Mr. Chairman, I am pleased to appear before you and your subcommittee today to discuss the roles and goals of the U.S. Customs Service in enforcing U.S. export control laws. The Customs Service has worked long and hard to develop an export enforcement program that is capable of responding to the law enforcement, foreign policy and national security interests of the United States.

Under the project name, "Operation Exodus," the Customs Service has developed this program to the point where it has become a world model in the field of export enforcement. Today, I would like to share some insights gained from our experience in export enforcement that may serve as reference points for your analysis of the U.S. export control system, particularly as it applies to the Middle East.

The Customs Service has been in the business of export enforcement since 1789. As the principal U.S. border enforcement agency, the Customs Service has long faced the daunting challenge of enforcing both the import and export control laws of the United States while at the same time serving to facilitate the movement of goods and people. In meeting this challenge, Customs officers have well earned the title "Protectors of Independence,"

The Operation Exodus Program was developed in 1981 as a response to the national security challenge of stemming the flow of the illegal export of U.S.-sourced arms and technology to the Soviet bloc and other prohibited destinations. The fall of the Berlin wall caused many foreign policy, national security, and law enforcement analysts to call for both relaxation of U.S. export restrictions and a reduction in U.S. export enforcement efforts.

The Customs Service weighed these calls for reduced export enforcement against the law enforcement concerns dictated by ever changing U.S. foreign policy and national security interests and chose to maintain an aggressive enforcement posture. For our experience told us that the next Iran, Nicaragua, or Panama may not be far off.

This decision has proven wise in light of the events of August 2, 1990. The countries and commodities may change; but as long as the U.S. Government maintains the goals of promoting world peace, protecting national security, and promulgating foreign policy, there will be a continued need for aggressive export enforcement.

In discussing the role of the Customs Service in the U.S. export control system, I first want to make it clear that we do not serve as an export licensing agency. This role is reserved for the Department of Commerce, the Department of State, the Department of the Treasury's Office of Foreign Assets Control, and other U.S. export licensing agencies.

The role of the Customs Service is to enforce the regulations set forth by these agencies under statutes such as the Export Administration Act, the Arms Export Control Act, and the International Emergency Economic Powers Act. Within the Customs Service, we feel that the separation between our enforcement function and the licensing functions of State and Commerce creates a healthy system of checks and balances.

As we continue with our export enforcement program, one problem continues to surface. That is the Customs and Department of Commerce Office of Export Enforcement (OEE) dual role with enforcing the Export Administration Act.

According to legislative history, the intent of the shared EAA enforcement roles was clearly to combine the resources and skills of the U.S. Customs Service's traditional law enforcement organization with the DOC's export licensing expertise. This shared enforcement responsibility has caused jurisdictional disputes and fragmented enforcement of the EAA. While both agencies are continuing to cooperate, operational disagreements that exist between the DOC/OEE and the U.S. Customs Service hinder effective export enforcement. Additionally, the DOC limits Customs access to some of its licensing information.

In addition to its authority to enforce both the Export Administration Act and the Arms Export Control Act, the Customs Service also enforces the outbound provisions of the Bank Secrecy Act, the Chemical Diversion and Trafficking Act, and other statutes. This enforcement authority coupled with Customs border search authority makes the Customs Service the only U.S. agency capable of responding to all outbound enforcement problems at our ports and borders.

Since 1981, export enforcement actions initiated under "Operation Exodus" have resulted in the arrest of more than 1,600 violators and the seizure of more than 10,000 shipments of arms, technology, and embargoed goods valued at more than \$786 million. From October 1985, to January 1991, "Operation Buckstop" has been responsible for currency and monetary instrument outbound seizures valued at approximately \$351.4 million. From FY85 to FY90, outbound arrests for currency violations totaled 592. In addition, Customs has made 61 seizures of drug precursor chemicals destined for shipment from the U.S. along with 15 arrests. Another Customs outbound enforcement initiative aimed at the

illegal shipment of stolen vehicles from the U.S. has resulted in the recovery of 1,864 stolen vehicles valued at about \$12.3 million for FY89 and FY90. Customs outbound enforcement actions against hazardous waste violators has resulted in EPA penalties in FY89 and FY90 of about \$665,000.

Our export enforcement strategy has been developed upon a three-pronged approach of interdiction, investigation, and international cooperation. This strategy has been implemented by a force of 300 Customs Special Agents and 135 Customs Inspectors that are dedicated exclusively to export enforcement. Their efforts may be augmented on a case-by-case basis through the use of an additional 2,500 Special Agents and 5,000 Customs Inspectors located at our 300 domestic and 20 foreign posts of duty.

The expertise developed by these Customs officers has resulted in an increase of our seizure-to-detention ratio from 31 percent in 1982 to 94 percent in 1990. This ratio tells us that 94 percent of the detentions made by Customs officers will result in seizures for violations of U.S. export laws and regulations. Our increased efficiency in targeting and interdicting illegal exports has been of benefit both to the Customs Service and the exporting public.

The investigative focus of the Customs Service ranges from the referral of civil violations to the Departments of State and Commerce to the conduct of complex investigations which may require undercover operations, electronic surveillance, or source development. Many of these investigations result in "Global Settlements" with assessment of both civil and criminal penalties. The Customs Service has made a conscious effort to refer potential civil violations to Commerce.

One of our most important initiatives in the area of source development has been an industry awareness program known as "Project Gemini." To date, Customs officers have made public awareness presentations to over 5,000 companies in the defense and high

technology industries. The investigative leads provided by "Gemini Contacts" have resulted in a number of significant seizures and arrests. The Customs Service works hard at developing tips.

As part of the U.S. export control community, the Customs Service maintains strong links with the licensing agencies, the Department of Defense, other federal enforcement agencies, and the intelligence community. Our "Exodus Command Center" has direct links to both State and Commerce and is able to supply our field officers with both licensing and lookout information.

The Customs Service maintains intelligence units both at headquarters and in field offices for the purpose of receiving, analyzing, and disseminating information obtained from the intelligence community. Intelligence information, information received from other law enforcement agencies, and Department of Defense technical assessments provide part of the basis for our interdiction profiles. Successful interdiction techniques depend upon both strategic and tactical information.

Recently, we have expanded our cooperation with the Department of State to include the posting of a full-time Customs Agent at the Office of Defense Trade Controls to act as a Special Coordinator for Law Enforcement. It is the intent of the Customs Service to assist the Department of State in screening export license applications for law enforcement concerns. Our cooperative efforts have also included a monthly exchange of case information with the Department of Commerce.

Ever mindful of the fact that successful export enforcement requires foreign cooperation, the Customs Service has made export enforcement a priority for its foreign offices. The spirit of cooperation engendered by these foreign offices and our participation in COCOM has made the difference in a number of successful investigations.

As acknowledged experts in the field of export enforcement, Customs officers are often requested to provide training to foreign

governments. Of particular note in this area has been our participation in recent export training programs in Eastern Europe. Hopefully, these training programs will enable these newly risen democracies to develop their own export control regimes.

On 4/18/91, the Customs Service offered testimony on two investigations relating to the illegal export of U.S.-sourced items to countries in the Middle East. I believe that this testimony has provided the committee with excellent examples of investigations that mirror our current enforcement efforts involving the Middle East.

Our experience indicates that, although the commodities, countries, and routes of diversion may change, the basic methods of operation used by violators have not. In the ALCOLAC International and Abdelkar Helmy Investigations, we have provided examples of violators attempting to acquire controlled chemicals and missile technology for illegal export to destinations in the Middle East.

I can assure you that investigations relating to the illegal export of chemical/biological warfare agents and missile technology to the Middle East continue to be a matter of top priority for the Customs Service.

As part of my testimony today, I would also like to provide the Committee with short profiles of two additional investigations. These profiles provide examples of investigative activity from case initiation to conclusion and are representative examples of the type of investigations currently being conducted by the Customs Service.

The first case involves the Provisional Irish Republican Army (PIRA) attempts to procure a Stinger missile, C-4 plastic explosives, and a number of .50 caliber sniper rifles that would be smuggled from the U.S. into Northern Ireland for use by the PIRA against British forces there. The chart provided to you graphically [*not available*] depicts this case from start to finish. As you can see from the

chart, Customs and ATF [*Alcohol, Tobacco, and Firearms*] Special Agents acted in an undercover capacity to monitor the acquisition efforts of three Irish Nationals and one Canadian National in violation of several U.S. export and money laundering statutes. This case was the result of a joint investigation by the FBI, Bureau of Alcohol, Tobacco, and Firearms and Customs and serves as an illustration of interagency cooperation.

The second case I would like to discuss involves the attempts by three violators to acquire Cobra helicopters and other military aircraft, aircraft parts, and other military use items for the country of Iran. The chart on this investigation [*not available*] depicts some of the interesting aspects of this case. This case was developed through a Customs undercover storefront set up to target the drug smuggling community. Yet, ironically, the storefront caught the interest of violators conspiring to acquire military hardware for Iran. This investigation illustrates the ability of the Customs Service to respond to the full scope of enforcement problems at our borders. Items seized by Customs officers during outbound enforcement operations also include guns and currency intended for foreign drug traffickers, precursor chemicals, and stolen vehicles.

In response to the Iraqi invasion of Kuwait, the Customs Service activated a National Crisis Center as a clearinghouse for law enforcement and intelligence information relating to Iraq. The national crisis center acted as a liaison with other U.S. agencies for channeling and substantiating information and intelligence relating to the conflict in the Persian Gulf. The National Crisis Center was supplemented by an Iraqi Task Force which tracked and analyzed all U.S. Customs investigations relating to Iraq.

Since the imposition of the Iraqi embargo, the Customs Service has made more than 70 seizures of goods destined for Iraq or Kuwait. These seizures are valued at more than \$10 million. Many of these seizures were made in the early stages of the embargo, and were in

transit prior to the implementation of the embargo. The Customs Service has also provided continuing cooperation to the Office of Foreign Assets Control in the effort to identify specially designated nationals of Iraq and block Iraqi assets in the U.S.

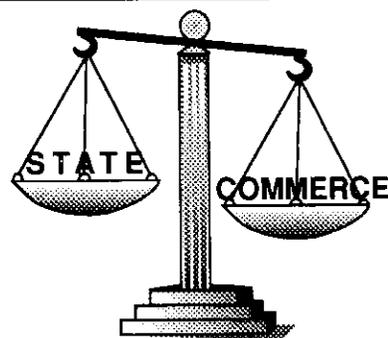
To date, both the U.N. and presidential embargoes remain in effect. Additional export restrictions resulting from the Secretary of State's designation of Iraq as a country that has repeatedly provided support for acts of international terrorism also remain in place. The Customs Service will continue to closely monitor exports to Iraq as long as these restrictions continue.

The Customs Service is constantly looking for ways to improve its ability to enforce U.S. export controls. One of our forward-looking initiatives is the development of the Automated Cargo Export System (ACES). This system would allow for the automation of the Customs outbound manifest, the Shipper's Export Declaration and other related export documentation. This automation would permit the Customs Service to more effectively and efficiently target suspect export shipments for intensive examinations. The estimated cost of the system is approximately \$40 million over a 5-year period. The Customs Service is currently exploring a mechanism to develop and fund this system.

In the area of legislation, the Customs Service recommends that the Congress explore the passage of a new export enforcement statute that would provide Customs with specific and uniform forfeiture and investigative authority relating to exports. Currently, the Customs Service operates under a myriad of statutes and regulatory and executive authorities that have often been subject to conflicting interpretation by the courts and other federal agencies. The statutes would correspond to Customs authority to enforce import smuggling laws and will not affect the enforcement jurisdiction of any other agency.

This concludes my comments and I am willing to answer your subcommittee questions at this time. ♦

Commodity Jurisdiction Determinations



The following chart provides selected Commodity Jurisdiction (CJ) determinations. The commodity descriptions are intentionally general to ensure the confidentiality of all proprietary information related to individual cases. These determinations apply only to the specific commodity reviewed in the CJ process. If you believe one of your products is similar to one of those listed as having been placed on the Department of Commerce's Commodity Control List (CCL), please submit a CJ request letter (ITAR 120.5). Please refer to the article "A Checklist for Preparing CJ Requests" published in the September 1990 edition of *Defense Trade News* for assistance in submitting your request.

COMMODITY	JURISDICTION	COMMODITY	JURISDICTION
Accelerometers for safe-and-arm devices	USML IV/III	Access/authentication software	CCL GTDR
Automatic telephone exchange system	CCL **	Automatic Test System	USML XI(e)
With special features	USML XI(a)(1)	Avionics Vertical Speed Indicators (VSI), power analyzers and recorders, and airstream direction sensing units	CCL **
Automotive air bag ignitors	CCL 6499G	Cathode Ray Tubes	CCL **
Cable TV converter	CCL 1527A	Ceramic inserts for protection against armor piercing ammunition	USML X(a)
Ceramic abrasive grains for grinding machines	CCL **	Commercial light aircraft Kit	CCL **
Commercial Global Positioning System	CCL 1501A	CREME computer code	CCL GTDR
Components for an observation system used in a remotely piloted vehicle	USML VIII(j)	Electric initiating pyrotechnic device	CCL 6499G
Desktop software security program [non-DES file encryption capability]	CCL **	Explosive initiating device	USML IV(h)
Emergency air cylinder	CCL 6499G	Fuel additives	CCL **
Fire Fighter Trainer	CCL **	Laser aiming device	CCL 6599G
Global Positioning System receivers	CCL **	Metal matrix composites	CCL 6699G
Software codes for the GPS	USML XI(e)	When designed for military applications	USML XIII(d)
Local Area Network computer encryption software	CCL GTDR	Motorized river assault barge and pontoon bridge	USML VI(a)
Modified RADAR system	CCL 1501A	Night Vision thermal sight	USML XII(a)
Network application interface software	CCL Sup 3, 779	Parts designed for Navy ships	USML VI(b)
Old Navy utility boat	CCL 6499G		

Police body armor	CCL 6999G	Polyphosphazene compounds in gum form	CCL *
Portable moving targets systems	CCL 6999G	Public domain software	CCL 4363B
Radiation hardened semiconductor transistors	USML XI(e)	Relay coil switch	CCL 6599G
Rifle accessories: bipods and adapters	CCL 6999G	Satellite insulating material	USML VIII(f)
Satellite ground system tuners, transcoders and control system	CCL **		
Uplink facility	USML XIII(b)	Software specifically designed for military application using government mapping data	USML IX(a)
Software data security system using DES	USML XIII(b)	Space tape recorders	USML VIII(f)
Surface conditioning and scuffing disks	CCL **	Tape recorder carrying case	CCL **
Technical data (non-defense)	CCL **	Telecommunication switches with AUTOVON software	USML XI(a)(1)
Telemetry analysis system	CCL 4518B	Teletype equipment specifically designed for military applications	USML XXI(a)(1)
Thermal imagery equipment	USML XII(a)	Undersea mapping system	CCL 1510A
		When exceeds following capabilities	
		a) Takes measurements at an angle exceeding 10 degrees from the vertical;	
		b) Measures depths exceeding 600 meters below the water surface; and	
		c) Incorporates multiple beams, any of which is less than 2 degrees, or provide data accuracies better than 0.5% of water depth across swath averaged over the individual measurements	USML XI(a)
		within the swath.	1&2

** A specific Export Commodity Classification Number (ECCN) was not provided by the Department of Commerce. For the ECCN number, please file a commodity classification request with the Bureau of Export Administration (BXA), Department of Commerce, P.O. Box 273, Washington, DC 20044.

Personnel Updates

Focus on the Office of Defense Trade Policy

The Center for Defense Trade (CDT) has undergone dramatic changes since its inception in January 1990. During the first year, the major changes took place in the Office of Defense Trade Controls (DTC). DTC completed its expansion in both personnel and floor space in early 1991.

More recently, the major changes have taken place in the Office of Defense Trade Policy (DTP). Since June, five people have arrived as the office mission has expanded. Below are profiles of all recent DTP personnel.

Pamela L. Frazier began her new assignment as Director in September. Since she joined the Department of State in 1974, Ms. Frazier has held a variety of positions, primarily in technology transfer and international scientific affairs. In 1986, she was Deputy Director of the National Security Council Staff handling technology transfer. In January 1990, Ms. Frazier joined the newly formed Center for Defense Trade as Deputy Director. In her position as Director of DTP, Ms. Frazier is responsible for setting overall policy guidelines for commercial defense trade.

W. Scott Miller, Deputy Director, served as Acting Director from March through September. He has served as Deputy since his arrival in the Center for Defense Trade in January 1990. He has recently departed for the Special Operations Command in Tampa, Florida, where he will be Political Adviser. Mr. Miller has several years' experience in strategic and political-military affairs, national security, foreign policy, and arms control issues, having served in both the private sector and in the Federal Government working with the national security community.

Brian I. McCleary, Acting Deputy Director, joined DTP in June as Trade Adviser. He previously served as Executive Assistant to

the Under Secretary of Commerce for Export Administration; as Policy Coordination Officer in the Department of State's Office of Security Assistance and Sales, Bureau of Politico-Military Affairs; and Foreign Affairs Officer in the U.S. Arms Control and Disarmament Agency's Arms Transfer Division, Nuclear and Weapons Control Bureau. Mr. McCleary holds a B.A. in international affairs and economics from George Washington University and an M.A. in national security studies from Georgetown University.

Robert A. Mosher arrived in July as the analyst for Eastern Europe and the Soviet Union. A career Foreign Service Officer, he has served in Vietnam, Northern Ireland, and Zaire. Other Washington assignments include the Office of Regional Political-Military Affairs, and Country Officer for Albania, Bulgaria, and Yugoslavia in the Bureau of European Affairs; the Office of Soviet and East European Analysis in the Bureau of Intelligence and Research; and Country Director for the United Kingdom, Ireland and Portugal in the Office of the Secretary of Defense. Mr. Mosher is a graduate of the Naval War College's Naval Command and Staff College.

Roger Swenson joined DTP as a Politico-Military Affairs Officer in July. A Foreign Service Officer with experience in China, Taiwan, Hong Kong, and Latin America, he has served in Washington as China Desk Politico-Military Officer, as Strategic Trade Control Analyst in the Bureau of Intelligence and Research, and as Trade Analyst in the Defense Department's Office of International Economic and Energy Affairs.

Arnold Horowitz came to DTP in March 1990. A career Foreign Service Officer, he handles matters pertaining to supercomputer licensing, foreign investments in the United States, and East Asian defense markets. In his Foreign Service career, he has specialized in

Asian affairs and has served in South Africa and Indonesia. Mr. Horowitz received his graduate degree from Yale University.

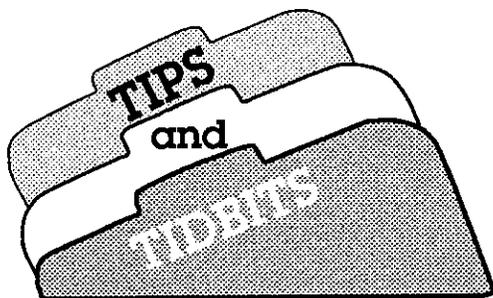
Marlene Urbina joined in September 1990. She is responsible for COCOM issues, including the Presidentially directed USML-COCOM rationalization exercise. Ms. Urbina has extensive background in export controls and COCOM affairs. Prior to joining the PM Bureau, she served in the Office of COCOM Affairs of the Department's Bureau of Economic and Business Affairs. Ms. Urbina's experience also includes 3 years as an Export Licensing Specialist in the Department of Commerce, and 3 years as a Staff Assistant with the World Bank.

Linda L. Lum came to DTP in September 1990, assuming responsibility for the development of defense marketing studies on the Western European region. She also works on various issues affecting Eastern Europe. Since joining the Department in 1984, Ms. Lum has served in the Bureau of International Organi-

zations Affairs and the Center for the Study of Foreign Affairs, where she worked on human rights diplomacy. She holds an M.A. from the Department of Political Science, University of Chicago, and a B.A. from the Departments of History and Political Science, Yale University.

Brenda K. Baker arrived in DTP in April 1990 to fill the newly created industry outreach position. Her civil service career has centered on antitrust, foreign policy and law enforcement issues. Ms. Baker previously served as a paralegal specialist in the Compliance Division of the former Office of Munitions Control. Ms. Baker is currently responsible for the development of defense marketing studies on the American Republics and Sub-Saharan Africa.

Eva L. Chesteen came to DTP in September to fill the position of secretary. She transferred from the Department of State's Bureau of European and Canadian Affairs, where she worked with post management officers. ♦



BLOCK 19 OF FORM DSP-85

What is a "cognizant DIS security office" as required in Block 19 of the Form DSP-85, Application/License for Permanent/Temporary Export or Temporary Import of Classified Defense Articles and Related Classified Technical Data? The cognizant Defense Investigative Service (DIS) security office is the DIS element which has oversight of the security program of a cleared facility (one which has met all requirements to perform classified work on government contracts). Generally, the cognizant DIS security office is the DIS element geographically located nearest the facility producing the classified article or classified technical data. (See the article "Industrial Security" on page 8 for a complete overview of DIS.)

What is the easiest way to find out which office to list on the Form DSP-85? There are two possible methods. The most direct channel is to go through your company personnel. Talk to your company security manager or industrial security manager and ask which DIS element oversees the DIS clearance program at that facility. Also, ask your security personnel to provide you with the current name and address as required in Block 19.

Another method is to check the DIS listings found on pages 10 through 17 and to locate the Industrial Security Field Office (FO) closest to the facility producing the classified article or classified technical data. Contact that office and ask if it is the DIS office with oversight of the facility. Confirm the correct name and address as required in Block 19.

FORM DSP-83, NONTRANSFER AND USE CERTIFICATE

When is a DSP-83 required? The International Traffic in Arms Regulations (ITAR) require that a Form DSP-83 accompany license applications in three specific instances:

- § 123.10 and § 123.22(e)(4) require that a Form DSP-83 accompany any license application for significant military equipment (SME) as defined in § 120.19.

- § 124.11 requires that a Form DSP-83 accompany agreements involving the manufacture or transfer of significant military equipment (SME) or transfer of classified articles or technical data.

- § 125.8 requires that the Form DSP-83 accompany any Form DSP-85 application to export classified technical data or classified defense articles.

The Office of Defense Trade Controls (DTC) may also require that the appropriate authority of the government of a country execute a Form DSP-83 to export a defense article or defense service to a non-governmental foreign end-user [§123.10 (d)].

For a Form DSP-5 application, the Form DSP-83 must be duly executed by the foreign consignee and foreign end-user [123.10(a)]. For an agreement, the Form DSP-83 must be duly executed by the foreign party to the agreement or foreign end-user who is the recipient of the articles being produced or warehoused. For a Form DSP-85 application, the Form DSP-83 must be duly executed by the foreign consignee, end-user, and an authorized representative of the foreign government [§ 125.3(a)]. DTC may also require that the appropriate authority of the government of a country execute a Form DSP-83 to export a defense article or defense service to a non-governmental foreign end-user [§123.10 (d)].

Can something else be substituted? Generally, no other document (such as an import certificate) is accepted as a substitute for a Form DSP-83 with the license application, unless the document is addressed to the U.S. Department of State and specifically addresses all concerns stated in ITAR § 123.10(a) and (d).

Does the Office of Defense Trade Controls (DTC) always require a Form DSP-83 to accompany a Form DSP-85 for a classified application? If the article, service, or technical data is classified by a U.S. agency, a Form DSP-83 must accompany the Form DSP-85 for a classified application. When the classification originates from a foreign government, § 123.10 does not apply, and a Form DSP-83 is not required.

However, there are occasions when U.S. agencies review items and data which were classified by a foreign government. If the U.S. agency institutes a U.S. Government classification on the item or data which was originally classified by a foreign government, then the provisions of the ITAR apply, and a Form DSP-83 is required.

Occasionally, a foreign government will insist that a U.S. agency classify the foreign-origin material even when the U.S. Government regards the information as unclassified. Since the item or data emerges with a classification established by a U.S. agency, the U.S. Munitions List (USML) applies, and a Form DSP-83 must accompany the Form DSP-85 application to DTC. ♦

CONTACTING THE CENTER FOR DEFENSE TRADE (CDT)

Director, Center for Defense Trade
PM, Room 7321
Bureau of Politico-Military Affairs
U.S. Department of State
Washington, D.C. 20520-7321
(202) 647-6977

Office of Defense Trade Controls (DTC)

Office of Defense Trade Policy (DTP)

Postal Mailing Address

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Bureau of Politico-Military Affairs
U.S. Department of State
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