

Job Aid

Course: Security Support to International Programs in Cleared Defense Industry

Lesson 2: Direct Commercial Sales

Definitions

Direct Commercial Sales (DCS) are direct contractual arrangements between a U.S. company and a foreign government, international organization, or foreign company.

DCS include export of:

- Defense articles
- Defense services (includes technical data)

Technical data: Classified or unclassified information required for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance, or modification of defense articles. Includes information in the form of blueprints, drawings, photographs, plans, instructions, and documentation

Regulatory and Licensing Authorities

Arms Export Control Act (AECA): Governs exports of defense articles and services and temporary imports of defense articles by the USG and industry

International Traffic in Arms Regulations (ITAR): Governs export of classified and unclassified defense articles and services by industry

United States Munitions List (USML): Lists categories of defense articles and services and related technical data

National Industrial Security Program Operating Manual (NISPOM), International Security Requirements

Department of Defense Directive (DODD) 5105.42, Defense Security Service (DSS): Assigns security responsibility for exports of classified defense articles and services and technical data to Defense Security Service, now known as Defense Counterintelligence and Security Agency (DCSA)

Department of Defense Manual (DODM) 5220.32, Volume 1, National Industrial Security Program: Security Procedures for Government Activities: Outlines provisions for DCSA to exercise oversight of U.S. contractor security arrangements for exports of classified defense articles and technical data to ensure that exports are in compliance with the NISPOM and ITAR

Agencies Involved
<p>Directorate of Defense Trade Controls (DDTC): Division of State Department (DOS); licensing authority for exporting defense articles and services in DCS</p> <p>DCSA: Responsible for security of exports of classified defense articles and services and technical data; Government Transmittal Authority; Designated Government Representative (DGR) responsibility</p>
Export Authorization
<p>DSP-85: Application/ License for Permanent/ Temporary Export or Temporary Import of <i>Classified</i> Defense Articles or Technical Data</p> <p>DSP-5: Application/ License for Permanent Export of <i>Unclassified</i> Defense Articles and Related Unclassified Technical Data</p> <p>DSP-83: Non-Transfer and End Use Certificate</p> <p>Technical Assistance Agreement (TAA): Export authorization for defense services including training</p> <p>ITAR Exemptions: Must be certified by cleared defense contractors' Empowered Official (EO)</p>
Record keeping Requirements
<p>Records of DCS must be kept for 5 years and must include:</p> <ul style="list-style-type: none">• What is being exported• Who is doing the exporting• End use• End user• Intermediary consignees• Date/time/method of transfer (for ITAR exemptions only)
IS Rep Responsibilities
<ul style="list-style-type: none">• Receive original DSP-85 and TAA copy from DOS DDTC, or TAA copy from contractor, when applicable• Verify defense articles/technical data do not exceed contractor's export authorization<ul style="list-style-type: none">○ For technical data and classified exports, receive EO certification from contractor• Advise on the transportation plans, hand carriage plans, and secure communications plans• Submit these plans to DCSA International Office for approval• Decrement and endorse DSP-85• Return DSP-85 to DOS DDTC• Notify DCSA International Office if<ul style="list-style-type: none">○ Defense articles/technical data cannot be verified○ Problems with transfer arrangements