

Student Guide

Course: Security Support to International Industrial Operations

Lesson 1: Security in International Industrial Operations

Course Introduction

1. Opening

In our interconnected world, the United States is involved in various types of international industrial programs, some of which involve the transfer of classified defense-related information to foreign governments and international organizations, and through them, to their contractors. The foreign disclosure of classified information occurs in many ways. In some cases, it occurs when the U.S. Government or a U.S. contractor sells defense articles and services and related technical data to a foreign government or international organization. In some cases, it occurs when the U.S. Government or a U.S. contractor sells defense articles and services and related technical data to a foreign government or international organization. It also occurs when U.S. Government and contractor employees travel to foreign countries to visit or be assigned in connection with foreign contracts or cooperative programs, as well as when foreign government and contractor employees come to the United States for visits or assignments in connection with a contract or cooperative program at U.S. contractor facilities. And sometimes, the U.S. Government or a U.S. contractor receives foreign government information from a foreign government or contractor.

All of the information provided or exchanged, whether it originates in the U.S. or in a foreign country, must be protected so that U.S. national security and foreign relations are not threatened. For this reason, specific requirements for protecting information in international programs are mandated by laws, executive orders, regulations, and international agreements.

It is extremely important for you to remember that *unlike* requirements for other areas of security, the requirements for international security are based on U.S. law and international agreements. Failure to comply with the laws could result in severe penalties, like fines and even imprisonment. Failure to comply with the international agreements could result in unfavorable political consequences for the U.S. Government and possibly place U.S. classified information at jeopardy in the other country.

2. Objective

This lesson will familiarize you with key international security legal and policy guidance documents and concepts. It will also introduce you to the key players involved in overseeing and executing the protection of U.S. classified information and foreign government information (FGI) in international programs.

In addition, this lesson will introduce the roles of offices within the Department of Defense (DoD) with emphasis on the Defense Security Service (DSS) and the Industrial Security Representative (IS Rep). Here is the lesson objective. Take a moment to review it.

- Identify the importance of security in international industrial operations and the roles of DSS and the IS Rep

Overview of International Industrial Operations

1. Key Players

There are many players involved in international industrial operations. Key players include the U.S. Government, foreign governments, cleared U.S. defense contractors, foreign contractors, and international organizations, such as the North Atlantic Treaty Organization (NATO).

You will learn more about each of these key players and their roles throughout the course.

2. Legal and Policy Guidance

All international operations and programs must have a basis in law, and must be approved by the responsible U.S. Government official who is designated for this purpose. There are several legal and policy guidance documents which establish the legal and policy basis for these international operations and programs, and there are laws and policies which establish the security and export control requirements. Let's take a look at the key overarching documents which establish the security and export control requirements.

The Arms Export Control Act (AECA) governs the export of defense articles and services and related technical data by the U.S. Government and industry as well as the temporary import of defense articles. It is the legal basis for security requirements for most international programs involving the export of defense articles and services.

Executive Order 13526, Classified National Security Information, establishes the National Security Information Program, which requires U.S. agencies and their contractors and licensees to protect U.S. classified information and foreign government information.

The National Security Decision Memorandum (NSDM-119) governs decisions on the disclosure of classified military information (CMI) to foreign governments and international organizations, and through them, to their contractors. NSDM-119 also requires that negotiated security agreements establish the intent of both the U.S. and foreign government to protect each other's classified military information.

a. Security Agreements

The security agreements negotiated to comply with NSDM-119 are generally referred to as General Security Agreements (GSAs). The GSAs are executive-level, bilateral security agreements negotiated between governments in diplomatic channels. They may be

accepted as satisfying the security and non-transfer requirements of the AECA. In the absence of a GSA, specific security agreements may be negotiated for individual operations or programs. In the GSA, both governments agree on certain security requirements. These include agreement to afford to each other's classified information a degree of protection equivalent to that afforded by the releasing government. They also agree to conduct on-site security evaluations of each other's security programs; establish procedures for visits involving classified information; report real or possible losses or compromises of each other's classified information; and, when necessary for industrial operations, negotiate industrial security agreements (ISAs). A GSA is also known as a General Security of Information Agreement (GSOIA). The GSA and GSOIA are written to protect *all* classified information between two countries. A General Security of Military Information Agreement (GSOMIA) is written to protect Classified Military Information (CMI). Because some GSAs are classified, Defense Security Service Industrial Policy and Programs - International (DSS IP-I), maintains the list of countries with which the U.S. has a GSA.

3. Key Concepts

Taken together, the legal and policy guidance documents we just discussed contain other important requirements about international transfers which are key concepts covering the security of international industrial operations. First, the recipient country or international organization must agree to certain terms. They must agree *not* to transfer defense articles or technical data to anyone who is not an officer, employee or agent of the government or organization without U.S. Government consent. They must agree *not* to use the defense articles or technical data, nor permit them to be used, for other purposes, without consent of the U.S. They must *agree* to maintain security and protect the defense articles and technical data at substantially the *same* or higher degree of protection as the U.S. Government would provide. Second, the foreign disclosure or export authorization is based on a decision that the information is authorized for disclosure or export to the government or international organization of the intended recipient or end-user. Third, disclosing classified information must result in a clearly defined benefit for the U.S. Government. Finally, all international transfers must be made from one government to another as a government-to-government transfer.

a. Government-to-government

All international transfers from one government to another are made through official government channels, such as the Military Postal Service, or the Defense Transportation System, known as the DTS, or through third-party commercial channels, such as using a commercial carrier or handcarrying by a contractor. When third-party commercial channels are involved in the transfer, there may be *direct* no hand-off from one government official to another government official, but the governments must approve and oversee the transfer. Transfers through third-party commercial channels must be agreed to in writing. Taken together, through government channels or commercial channels approved by government, the activity is called government-to-government transfer.

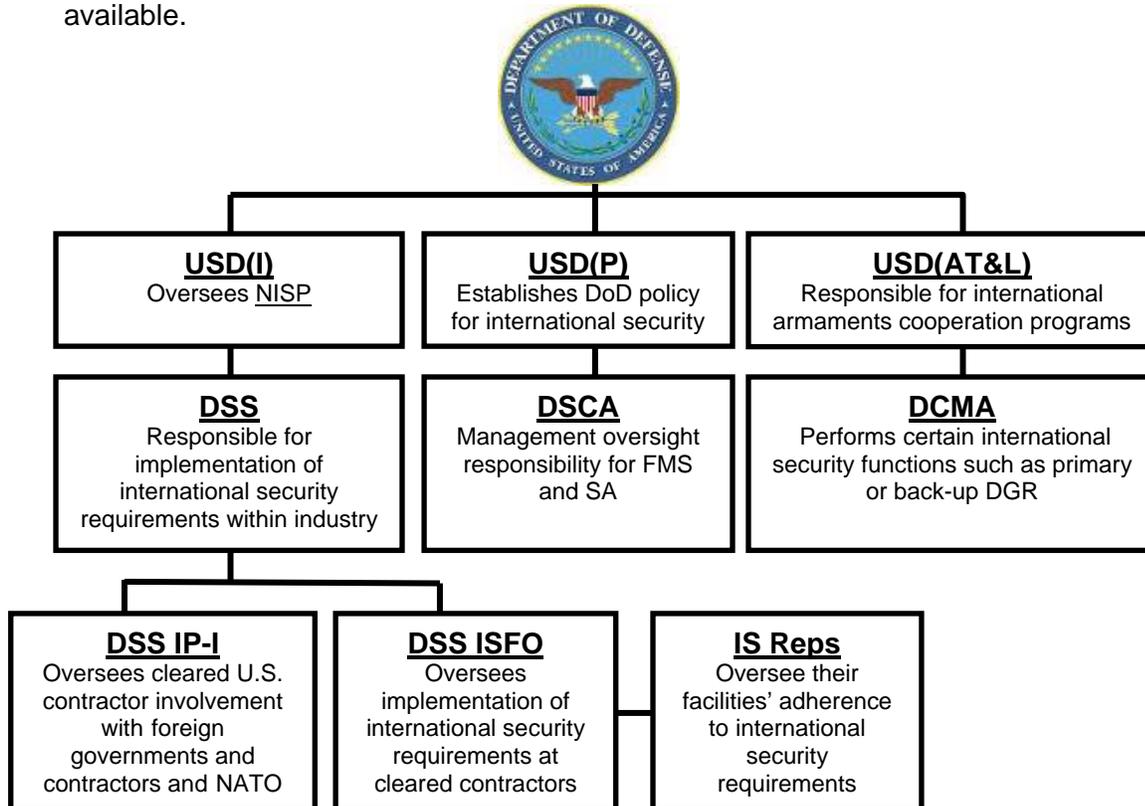
4. Key DoD Players and DSS Roles

There are several key players in international industrial operations within the Department of Defense. The Under Secretary of Defense for Intelligence [USD(I)] oversees policy, management, and implementation of the National Industrial Security Program (NISP) and has authority, direction, and control over Defense Security Service. The Under

Secretary of Defense for Policy [USD(P)] establishes DoD policy in the area of international security. The Under Secretary of Defense for Acquisition, Technology and Logistics [USD(AT&L)] is responsible for international armaments cooperation programs. Under USD(I), DSS, in consultation with the Under Secretary of Defense for Policy, is responsible for implementation of international security requirements governing industry under the NISP per Executive Order 12829.

Within DSS, there are several groups that assist with international industrial operations, but in this course, we'll focus on DSS Industrial Policy and Programs – International (DSS IP-I), DSS Industrial Security Field Operations (ISFO) and Industrial Security Representatives. DSS Industrial Policy and Programs - International oversees and administers DSS agency-level guidelines and responsibilities regarding cleared U.S. contractor involvement with foreign governments, foreign contractors, and NATO. DSS ISFO oversees the implementation of international security requirements at cleared U.S. contractors. DSS ISFO employs IS Reps who are responsible for ensuring that their assigned facilities are following the applicable security requirements for international industrial operations.

Under USD(P), the Defense Security Cooperation Agency (DSCA) has management oversight responsibility for foreign military sales and security assistance programs. Though under USD(AT&L), the Defense Contract Management Agency (DCMA) performs certain international security functions in conjunction with DSS. For example, in some cases, DCMA may assign a Designated Government Representative (DGR) when an IS Rep is not immediately available, or as the primary DGR. When DCMA is the primary DGR, the IS Rep may serve as the alternate when the DCMA DGR is not available.



As an IS Rep, you need to know where to find the relevant international security requirements and what your responsibilities are when cleared defense contractors are involved in international industrial operations.

Review Activity 1

Which of the following statements are true of security in international industrial operations?

	True	False
Foreign governments and international organizations must agree not to retransfer USG defense articles and services or use them for other purposes without USG consent.	<input type="radio"/>	<input type="radio"/>
Foreign governments and international organizations must agree to protect USG information at substantially the same degree that the USG would provide.	<input type="radio"/>	<input type="radio"/>
Commercial carriers may not be used to transfer defense articles and services to foreign governments and international organizations.	<input type="radio"/>	<input type="radio"/>
All international transfers of defense articles and services must be handled as a government-to-government transfer, even when industry is involved.	<input type="radio"/>	<input type="radio"/>

Review Activity 2

Match the DoD entity from the list on the left that pairs correctly with the security role on the right. Enter the letter in the blank space.

DoD Entity	Security Role
A. DSS ISFO	____ Oversees assigned facilities' adherence to applicable security requirements, including those requirements for international industrial operations
B. DSS	____ Oversees policy, management, and implementation of the NISP
C. DSS IP-I	____ Responsible for implementation of international security requirements governing industry under the NISP
D. IS Reps	____ Establishes DoD policy in the area of international security
E. USD(I)	____ Oversees implementation of international security requirements at cleared contractors
F. USD(AT&L)	____ Responsible for international armaments cooperation programs
G. USD(P)	____ Oversees and administers DSS agency-level guidelines and responsibilities regarding cleared U.S. contractor involvement with foreign governments, foreign contractors, and NATO

Lesson Conclusion

1. Lesson Summary

In this lesson, you learned about key players in international industrial operations, applicable legal and policy guidance and key concepts in international industrial operations, and the DoD entities involved in the oversight and execution of protecting U.S. classified information and foreign government information in international industrial operations.

Answer Key

Review Activity 1

Which of the following statements are true of security in international industrial operations?

	True	False
Foreign governments and international organizations must agree not to retransfer USG defense articles and services or use them for other purposes without USG consent.	<input checked="" type="radio"/>	<input type="radio"/>
Foreign governments and international organizations must agree to protect USG information at substantially the same degree that the USG would provide.	<input checked="" type="radio"/>	<input type="radio"/>
Commercial carriers may not be used to transfer defense articles and services to foreign governments and international organizations.	<input type="radio"/>	<input checked="" type="radio"/>
All international transfers of defense articles and services must be handled as a government-to-government transfer, even when industry is involved.	<input checked="" type="radio"/>	<input type="radio"/>

Review Activity 2

Match the DoD entity from the list on the left that pairs correctly with the security role on the right. Enter the letter in the blank space.

DoD Entity	Security Role
A. DSS ISFO	__D__ Oversees assigned facilities' adherence to applicable security requirements, including those requirements for international industrial operations
B. DSS	__E__ Oversees policy, management, and implementation of the NISP
C. DSS IP-I	__B__ Responsible for implementation of international security requirements governing industry under the NISP
D. IS Reps	__G__ Establishes DoD policy in the area of international security
E. USD(I)	__A__ Oversees implementation of international security requirements at cleared contractors
F. USD(AT&L)	__F__ Responsible for international armaments cooperation programs
G. USD(P)	__C__ Oversees and administers DSS agency-level guidelines and responsibilities regarding cleared U.S. contractor involvement with foreign governments, foreign contractors, and NATO

Student Guide

Course: Security Support to International Industrial Operations

Lesson 2: Direct Commercial Sales

Course Introduction

1. Opening

Brightship Industries just negotiated a contract to sell missile systems and their radars to the government of Atlantis. Brightship is also contracted to install the systems and provide the training on system operations and basic maintenance. What will Bob's role be as the IS Rep assigned to Brightship?

2. Objectives

In this lesson, you will take a look at this transaction between Brightship Industries and the government of Atlantis to see how cleared U.S. defense contractors engage in direct commercial sales (DCS). You will learn what direct commercial sales are and what laws and regulations apply to them. You will also learn about the export authorization and recordkeeping requirements that apply to DCS. Finally, you will see what Bob's roles and responsibilities are, as Brightship's IS Rep, with respect to DCS. Here are the lesson objectives.

- Define direct commercial sales and identify the regulatory framework that governs them
- Identify the licensing and recordkeeping requirements that apply to cleared defense contractors engaging in direct commercial sales to foreign governments
- Identify the responsibilities of the IS Rep assigned to a facility engaging in direct commercial sales to foreign governments

DCS as Exports

1. What are Direct Commercial Sales?

Brightship's contract with Atlantis is known as a direct commercial sale because Atlantis is buying the missile systems and their radars directly from Brightship Industries, a cleared U.S. defense contractor. Direct commercial sales are direct contractual arrangements between a U.S. company and a foreign government, international organization or foreign company.

When Brightship makes a direct commercial sale of the missile and radar systems to the Atlantan government, this constitutes an export of a defense article. When Brightship makes repairs on the missile or radars, delivers oral or visual training presentations at its U.S. facility or in Atlantis, or provides information to Atlantis related to the operation of

the missile and radar systems, this constitutes an export of defense services. As such, Brightship must follow applicable export rules and have appropriate U.S. Government authorization to ship the systems overseas and provide the training.

Regulatory Framework

1. Regulatory and Licensing Authorities

You will recall that the Arms Export Control Act (AECA) governs the export of defense articles and services by the U.S. Government and industry. It also governs the temporary import of defense articles. The part of the AECA that covers *industry*, that is the part concerning direct commercial sales, is implemented by the International Traffic in Arms Regulations (ITAR).

The ITAR is administered by the State Department Directorate of Defense Trade Controls (DDTC) which is the licensing authority for the export of defense articles and services in direct commercial sales. The ITAR governs the export of both classified and unclassified defense articles and services. The ITAR contains the U.S. Munitions List (USML) which describes, in broad terms, categories of articles and services which are *defense* articles and services, both classified and unclassified, and their related technical data. The ITAR defers to Department of Defense (DoD) 5220.22-M, the National Industrial Security Program Operating Manual (NISPOM) for security protection.

DoD Directive 5105.42, Defense Security Service, assigns security responsibility for exports of classified defense articles and services and technical data to Defense Security Service (DSS). DSS is the Government Transmittal Authority described in the ITAR. The Government Transmittal Authority responsibilities are the Designated Government Representative (DGR) responsibilities.

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

Export Authorization

1. Export License

In order to sell its classified defense articles to Atlantis, Brightship will require the following documents: the DSP-85 Export License, and the DSP-83 Non-Transfer and End Use Certificate. For technical assistance, including training, Brightship will need the Technical Assistance Agreement (TAA) and the DSP-83.

Brightship would also need a DSP-5 if they were to sell *unclassified* defense articles and services to Atlantis. Brightship will need a DSP-85 to export its missiles and radars and their related technical data to Atlantis. Note that there is an entry field on the DSP-85 where Brightship should identify its Cognizant DSS Office. This permits Customs to allow the shipment to go through. Customs may call the Cognizant DSS office for verification.

Brightship will need a TAA, which is the export authorization for its defense services—that is, the maintenance, repair and training on the systems Brightship is selling to Atlantis.

Because these defense articles and services are *classified*, Brightship will also need to complete a DSP-83, which will require Atlantis to agree *not* to export or sell these defense articles and services to anyone else *or* to use them for any purpose other than what was agreed upon in the contract. Because the missile system is classified, an Atlantan government official must sign the DSP-83.

2. ITAR Exemptions

In certain situations, a cleared defense contractor does not have to apply for a license for an export because it qualifies for an ITAR exemption. Some ITAR exemptions are self-executing, such as when the contractor has precedent documentation. For example, Brightship could export technical data to conduct future training or repair services without having to go through the licensing process each time, because they already have an approved TAA which provides for the export of the data.

Some ITAR exemptions may be requested or directed by authorized DoD officials. Note that whenever an ITAR exemption is used in lieu of obtaining a license, the contractor's Empowered Official must certify the validity of the exemption.

Examples include:

- Export of classified technical data at the official request or direction of designated DoD officials (ITAR 125.4(b)(1))
- Export of classified technical data in furtherance of an approved Technical Assistance Agreement (TAA) or Manufacturing License Agreement (MLA) (ITAR 124.3(b) and 125.4(b)(2))
- Export of classified technical data pursuant to the terms of a contract between the exporter and a USG agency (ITAR 125.4(b)(3))
- Export of classified technical data to a company employee for own use (ITAR 125.4(b)(5))
- Export of classified technical data pursuant to a USG approved visit authorization (ITAR 125.5)
- Export of classified defense articles and technical data by or for USG agencies (ITAR 126.4)
- Export of classified defense articles and technical data pursuant to Foreign Military Sales (FMS) (ITAR 126.6)

Recordkeeping

1. Requirements

The ITAR requires that Brightship and all cleared defense contractors keep records of their export licenses and ITAR exemptions, as well as related documentation, for 5 years beyond the termination or expiration of the license or exemption. So for example, if on April 30, 2013, Brightship's DSP-85, TAA, or ITAR exemption expired or terminated, then not until April 30, 2018, would Brightship be permitted to destroy the records for those licenses and ITAR exemptions.

There are several things that must be included in Brightship's export license and ITAR exemption records. They are the item that is being exported, including technical documents, who is doing the exporting, what the export will be used for, who will be using the export, and any intermediary consignees, such as freight forwarders or commercial carriers. In addition, records for exemptions must also include the date, time, and method of transfer.

At any time during this 5 year record retention period, the ITAR states that Bob, Brightship's IS Rep, may ask Brightship for these records if he needs them to fulfill his responsibilities.

IS Rep Roles and Responsibilities

1. What You Must Do

Bob has certain IS Rep responsibilities with respect to Brightship's direct commercial sales to Atlantis. First, Bob will receive the original DSP-85 and a copy of the TAA from State Department's DDTC. If Bob is unable to obtain the TAA from DDTC, he may obtain a copy from Brightship. Next, Bob must review these licenses and verify that the defense articles and technical data to be transferred are covered by the license, agreement, or exemption.

Bob should request a written certification from Brightship's Empowered Official that technical data and classified exports to be transferred do not exceed the export authorization. Once the export authorization has been validated, Bob must advise Brightship on its transportation plan, hand carriage plan, or secure communications plan, which you will learn about later in this course. Bob must also submit these plans to DSS Industrial Policy and Programs - International for approval.

For defense articles, Bob must decrement and endorse the DSP-85 and return it to DDTC upon completion of the export or upon expiration or termination of the license. Finally, Bob must notify DSS IP-I if he finds any discrepancies in the export authorization or if there are any problems with the transfer arrangements which cannot be resolved on-site.

Review Activity 1

Which of the following statements are true of direct commercial sales (DCS)? Select True or False for each statement.

	True	False
DCS are direct contractual arrangements between a cleared defense contractor and the U.S. government.	<input type="radio"/>	<input type="radio"/>
DCS include the sale of defense services.	<input type="radio"/>	<input type="radio"/>
DCS are governed by the Arms Export Control Act (AECA) and implemented by the International Traffic in Arms Regulations (ITAR).	<input type="radio"/>	<input type="radio"/>
The NISPOM defers to the ITAR for security protection.	<input type="radio"/>	<input type="radio"/>

Review Activity 2

For each scenario, select the correct export authorization document from the list.

Which export authorization is required when Brightship Industries provides training and/or maintenance and repair on the classified missile and radar systems it sold to Atlantis?

- A. DSP-85, Export License
- B. Technical Assistance Agreement
- C. DSP-5, Export License
- D. DSP-83, Non-Transfer and End Use Certificate

Which export authorization is required when Brightship Industries sells missile and radar systems to Atlantis?

- A. DSP-85, Export License
- B. Technical Assistance Agreement
- C. DSP-5, Export License
- D. DSP-83, Non-Transfer and End Use Certificate

What does Atlantis sign promising not to re-export/re-sell the missile and radar systems nor use them for any purpose other than what was in the contract?

- A. DSP-85, Export License
- B. Technical Assistance Agreement
- C. DSP-5, Export License
- D. DSP-83, Non-Transfer and End Use Certificate

Review Activity 3

Indicate who is responsible for each task.

	IS Rep	Cleared Defense Contractor	DOS DDTC
Advises on transportation plans and submits them to DSS IP-I for approval	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decrements and endorses DSP-85	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Receives the DSP-85 upon completion of export or expiration or termination of license	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Maintains export license/exemption records for 5 years after termination or expiration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Notifies DSS IP-I if problems with defense article/technical data verification or transfer plans	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Lesson Conclusion

1. Lesson Summary

In this lesson, you learned about direct commercial sales between a cleared U.S. defense contractor and a foreign entity. You learned about the regulatory and licensing authorities for DCS and the export authorization documents required for DCS. You also learned about the recordkeeping requirements as well as what responsibilities the IS Rep has with regard to DCS.

Answer Key

Review Activity 1

	True	False
DCS are direct contractual arrangements between a cleared defense contractor and the U.S. government.	<input type="radio"/>	<input checked="" type="radio"/>
DCS include the sale of defense services.	<input checked="" type="radio"/>	<input type="radio"/>
DCS are governed by the Arms Export Control Act (AECA) and implemented by the International Traffic in Arms Regulations (ITAR).	<input checked="" type="radio"/>	<input type="radio"/>
The NISPOM defers to the ITAR for security protection.	<input type="radio"/>	<input checked="" type="radio"/>

Review Activity 2

Which export authorization is required when Brightship Industries provides training and/or maintenance and repair on the classified missile and radar systems it sold to Atlantis?

- A. DSP-85, Export License
- B. Technical Assistance Agreement**
- C. DSP-5, Export License
- D. DSP-83, Non-Transfer and End Use Certificate

Which export authorization is required when Brightship Industries sells missile and radar systems to Atlantis?

- A. DSP-85, Export License**
- B. Technical Assistance Agreement
- C. DSP-5, Export License
- D. DSP-83, Non-Transfer and End Use Certificate

What does Atlantis sign promising not to re-export/re-sell the missile and radar systems nor use them for any purpose other than what was in the contract?

- A. DSP-85, Export License
- B. Technical Assistance Agreement
- C. DSP-5, Export License
- D. DSP-83, Non-Transfer and End Use Certificate**

Review Activity 3

	IS Rep	Cleared Defense Contractor	DOS DDTC
Advises on transportation plans and submits them to DSS IP-I for approval	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decrements and endorses DSP-85	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Receives the DSP-85 upon completion of export or expiration or termination of license	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Maintains export license/exemption records for 5 years after termination or expiration	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Notifies DSS IP-I if problems with defense article/technical data verification or transfer plans	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Student Guide

Course: Security Support to International Industrial Operations

Lesson 3: Foreign Military Sales

Course Introduction

1. Opening

Brightship Industries just won a contract to produce classified missile systems for the U.S. Army. The Army will sell those missile systems to the government of Olympia, pursuant to a Letter of Offer and Acceptance. Olympia will select a freight forwarder from the Military Assistance Program Address Directory (MAPAD) to transfer the missiles from Brightship to Olympia. What responsibilities will Brightship's IS Rep, Bob, have for this transaction?

2. Objectives

In this lesson, you will take a look at this transaction between the U.S. Army and the government of Olympia, between the U.S. Army and Brightship, and between the freight forwarder and the government of Olympia, to see how cleared U.S. defense contractors and cleared freight forwarders take part in foreign military sales (FMS). You will learn what foreign military sales are and what laws and regulations apply to them.

You will also learn about the export authorization requirements that apply to FMS. Finally, you will see what Bob's roles and responsibilities are with respect to FMS. Here are the lesson objectives.

- Define foreign military sales and identify the regulatory framework that governs them
- Identify the requirements that apply to cleared defense contractors participating in foreign military sales
- Identify the responsibilities of the IS Rep assigned to a facility participating in foreign military sales

Foreign Military Sales

1. What are Foreign Military Sales?

The U.S. Army's contractual arrangement with Olympia is known as a foreign military sale because Olympia is buying the missile systems directly from the U.S. Army. FMS is the government-to-government method for the U.S. Government to sell U.S. defense equipment and services, including training, to authorized foreign governments and international organizations. The vehicle for conducting this FMS between the U.S. Government and Olympia is the Letter of Offer and Acceptance (LOA). Olympia will

select a freight forwarder from the Military Assistance Program Address Directory (MAPAD) to arrange shipment of the systems from Brightship to Olympia.

Approved U.S. freight forwarders are cleared under the National Industrial Security Program (NISP), are registered with the State Department's Directorate of Defense Trade Controls (DDTC), are subject to U.S. Government laws and regulations, and cannot be a foreign government's designated government representative (DGR). DSS is responsible for the security oversight of the transfer arrangements.

Letter of Offer and Acceptance: a contract, signed by the U.S. Government and the purchasing government or international organization. It provides for the sale of defense articles and defense services (to include training) from DoD stocks or through purchase under DoD-managed contracts with defense contractors.

Regulatory Framework

1. Regulatory Authorities

You will recall that the Arms Export Control Act (AECA) governs exports of defense articles and services by the U.S. Government and industry. The part of the AECA that covers foreign military sales is implemented by DoD 5105.38-M, the Security Assistance Management Manual (SAMM). The SAMM is administered by the DoD's Defense Security Cooperation Agency (DSCA). In an FMS, the Defense Security Service has security oversight responsibility for the security arrangements used in the international transfer under DoD 5220.22-M, the National Industrial Security Program Operating Manual (NISPOM) when a cleared company, freight forwarder, or commercial carrier is involved in the transfer.

Export Authorization

1. Export License

In order for the missile systems to be shipped to Olympia, the Implementing Agency (IA)—in this case the U.S. Army—will need to approve the freight-forwarder-prepared DSP-94, Authority to Export Defense Articles Sold under FMS Program, and the transportation plan. As long as the LOA between the U.S. Army and the Olympian government, along with the DSP-94, fully describe the transaction, then together they constitute authorization under the ITAR for the export. The IA will provide a copy of the LOA, transportation plan, and DSP-94 to Customs at the point of embarkation.

When a shipment is cleared through the U.S. port of embarkation, Customs will decrement and endorse the DSP-94 and return it to the State Department's DDTC. DSS has security oversight responsibility for the transfer until Olympia's designated government representative or DGR designee takes possession of and signs for the classified consignment.

IS Rep Roles and Responsibilities

1. What You Must Do

Because a cleared freight forwarder has responsibilities for arranging the transfer in this FMS between the U.S. Army and Olympia, Bob has certain IS Rep responsibilities with respect to this FMS. Bob will receive a copy of the transportation plan from the FMS IA, or from the freight forwarder if he does not receive it from the IA. Bob will provide guidance and assistance to the IA and the freight forwarder on the adequacy of the transportation plan. Finally, Bob must notify DSS Industrial Policy and Programs - International if the transfer arrangements do not meet the standards as outlined in the SAMM.

Review Activity 1

Which of the following statements are true of foreign military sales (FMS)? Select True or False for each statement.

	True	False
FMS are direct contractual arrangements between the U. S. Government and a foreign government.	<input type="radio"/>	<input type="radio"/>
In an FMS, the Defense Security Service (DSS) is responsible for overseeing the security of international transfers when a U.S. cleared defense contractor (e.g., freight forwarder or carrier) is involved in shipping classified defense articles to the foreign government.	<input type="radio"/>	<input type="radio"/>
FMS are governed by the Arms Export Control Act (AECA) and implemented by the Security Assistance Management Manual (SAMM).	<input type="radio"/>	<input type="radio"/>
A Letter of Offer and Acceptance (LOA) is the contract vehicle between the U.S. Government and a cleared U.S. defense contractor for an FMS.	<input type="radio"/>	<input type="radio"/>

Review Activity 2

For each question, select the correct response from the list.

Do the Letter of Offer and Acceptance (LOA) and the DSP-94 comprise the export authorization to ship the classified missile and radar systems the U.S. Government sold to Olympia?

- A. Yes
- B. No

Can Brightship sell missile and radar systems directly to Olympia in a foreign military sale?

- A. Yes
- B. No

Can a cleared defense contractor manufacture the defense articles for a foreign military sale?

- A. Yes
- B. No

Review Activity 3

Indicate who is responsible for each task in an FMS.

	IS Rep	Implementing Agency	Customs
Decrements and endorses DSP-94, Authority to Export Defense Articles Sold under FMS Program	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Approves the DSP-94 and transportation plan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Notifies DSS Industrial Policy and Programs - International if problems arise with transfer arrangements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Lesson Conclusion

1. Lesson Summary

In this lesson, you learned about foreign military sales between the U.S. Government and a foreign government. You learned about the regulatory guidance for FMS and the export authorization documents required for FMS. You also learned what responsibilities the IS Rep has with regards to FMS.

Answer Key

Review Activity 1

	True	False
FMS are direct contractual arrangements between the U. S. Government and a foreign government.	<input checked="" type="radio"/>	<input type="radio"/>
In an FMS, the Defense Security Service (DSS) is responsible for overseeing the security of international transfers when a U.S. cleared defense contractor (e.g., freight forwarder or carrier) is involved in shipping classified defense articles to the foreign government.	<input checked="" type="radio"/>	<input type="radio"/>
FMS are governed by the Arms Export Control Act (AECA) and implemented by the Security Assistance Management Manual (SAMM).	<input checked="" type="radio"/>	<input type="radio"/>
A Letter of Offer and Acceptance (LOA) is the contract vehicle between the U.S. Government and a cleared U.S. defense contractor for an FMS.	<input type="radio"/>	<input checked="" type="radio"/>

Review Activity 2

Do the Letter of Offer and Acceptance (LOA) and the DSP-94 comprise the export authorization to ship the classified missile and radar systems the U.S. Government sold to Olympia?

- A. **Yes**
- B. No

Can Brightship sell missile and radar systems directly to Olympia in a foreign military sale?

- A. Yes
- B. **No**

Can a cleared defense contractor manufacture the defense articles for a foreign military sale?

- A. **Yes**
- B. No

Review Activity 3

	IS Rep	Implementing Agency	Customs
Decrements and endorses DSP-94, Authority to Export Defense Articles Sold under FMS Program	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Approves the DSP-94 and transportation plan	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Notifies DSS Industrial Policy and Programs - International if problems arise with transfer arrangements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Student Guide

Course: Security Support to International Industrial Operations

Lesson 4: International Cooperative Programs

Course Introduction

1. Opening

The U.S. Air Force has entered into an international program agreement with the governments of Atlantis and Olympia for the cooperative development and production of a new air-to-air missile (AAM) for the future Fighting Raven fighter aircraft. Brightship Industries has been selected as the prime contractor for the AAM program.

Brightship has teamed with RMD Corporation in Atlantis and BMC Company in Olympia to develop certain parts for the new air-to-air missile. RMD will produce some of the components for the missile fuselage and BMC will produce part of the guidance section for the missile. What does this mean for Brightship's IS Rep, Bob? What role will he play?

2. Objectives

In this lesson, you will take a look at this missile development and production program between the U.S. Air Force and two foreign governments, involving Brightship and the foreign contractors in Atlantis and Olympia, to see how cleared U.S. defense contractors take part in international cooperative programs. You will learn what international cooperative programs are and what security requirements apply to these programs.

You will also learn what Bob's role and responsibilities are, as Brightship's IS Rep, with respect to international cooperative programs. Here are the lesson objectives.

- Identify sources of security requirements applicable to cleared defense contractors participating in international cooperative programs
- Identify the responsibilities of the IS Rep assigned to a facility participating in international cooperative programs

International Cooperative Programs

1. What are International Cooperative Programs?

An international cooperative program is any acquisition program or technology project that includes participation by one or more foreign nations, through an international agreement, during any phase of a system's life cycle. These programs may include exchanges of information and personnel; research, development, test, and evaluation (RDT&E) of defense technologies, subsystems, systems or equipment; cooperative production of defense articles resulting from a cooperative research and development

(R&D) program, and DoD procurement of foreign equipment, technology, or logistics support.

Security Requirements

1. Security Authorities

As a cleared U.S. defense contractor, Brightship's participation in international cooperative programs is subject to the Arms Export Control Act and the International Traffic in Arms Regulations (ITAR). In international cooperative programs, the Defense Security Service (DSS) has security responsibility when a cleared defense contractor is involved, per DoDD 5105.42, Defense Security Service. DSS is responsible for ensuring Brightship's compliance with ITAR and program security requirements as outlined in DoD 5220.22-M, the National Industrial Security Program Operating Manual (NISPOM).

2. Security Agreements

For this research, development, and acquisition (RDA) program between the U.S. Air Force, Brightship, and foreign entities to develop air-to-air missiles for the future Fighting Raven aircraft, certain export control and security documents will be required. These are the Manufacturing License Agreement (MLA), the Program Protection Plan (PPP), and the Program Security Instruction (PSI). As you learned earlier, Brightship will need to export classified technical data to BMC, which will be producing part of the guidance section for the missile. This will require a Manufacturing License Agreement, which is the contract vehicle for providing U.S. technical data for licensed production of defense articles abroad.

The U.S. Air Force and the other participating governments are ultimately responsible for developing and approving a PPP for the U.S. portion of the international cooperative program to protect the Critical Program Information (CPI) and mission critical functions and components associated with this RDA program. The PSI will be developed to standardize security and technology transfer requirements for the international portion of this RDA program. The U.S. will also use the PSI to impose the PPP countermeasure requirements on Olympia and Atlantis in this program. Although the U.S. Air Force and the governments of Atlantis and Olympia are ultimately responsible for developing the PSI, the Air Force will most likely have Brightship assist with preparing the PSI, and will also consult with DSS. DSS will be responsible for advising on and overseeing individual actions performed by Brightship which are covered in the PSI. Each participating country's National Security Authority or Designated Security Authority will ultimately approve the PSI. For DoD, the Designated Security Authority is the Office of the Under Secretary of Defense for Policy.

Critical Program Information: includes elements or components of a research, development, and acquisition program that, if compromised, could: cause significant degradation in mission effectiveness; shorten the expected combat-effective life of the system; reduce technological advantage; significantly alter program direction; or enable an adversary to defeat, counter, copy, or reverse engineer the technology or capability.

a. Program Security Instruction

A Program Security Instruction is a security document negotiated between the security officials of governments participating in a cooperative program. The PSI is used to

standardize and provide advance government approval for the specific security arrangements, such as visit procedures, hand carrying procedures, and transportation plans, to be used in support of the program. It also may be used to impose Program Protection Plan countermeasure requirements on foreign participants in a cooperative program. A PSI is not always needed. It depends primarily on the size of the program, the number of countries and contractors involved, and the number of security arrangements required. The Office of the Undersecretary of Defense for Policy, Defense Technology Security Administration, must ultimately approve the PSI for an international cooperative program. A PSI may be used for commercial programs, subject to approval of the Defense Security Service. Multinational Industrial Security Working Group (MISWG) document number 5 provides a format and suggested language for the PSI.

Multinational Industrial Security Working Group: an ad hoc working group of NATO nations plus Australia, Israel, New Zealand, Austria, Sweden, Finland, and Switzerland, created to standardize the procedures for protecting classified and controlled unclassified information involved in international cooperative programs. Procedures adopted by the MISWG countries are published in MISWG documents; there currently are 23 MISWG documents.

IS Rep Roles and Responsibilities

1. What You Must Do

Because Brightship is involved in this international cooperative program, Bob has certain IS Rep responsibilities with respect to Brightship's involvement. Initially, Bob will advise Brightship and the Air Force in preparing the PSI, and then Bob will monitor Brightship's compliance with requirements outlined in the PPP and the PSI. Next, Bob will advise Brightship on preparation of its transportation plan, and also its hand carriage and secure communications plans, which will be needed in situations such as when Brightship shares technical data related to the air-to-air missiles with the RMD Corporation in Atlantis and the BMC Company in Olympia. Bob will also submit the plans to DSS Industrial Policy and Programs - International (IP-I) for approval, unless the PSI specifies otherwise. Finally, Bob will notify DSS IP-I of any issues that cannot be resolved on site.

Review Activity 1

For each question, select the correct response from the list.

Which document would the U.S. negotiate with the governments of Atlantis and Olympia to standardize and provide advance government approval for the specific security arrangements to be used in support of their international cooperative program?

- A. Program Protection Plan (PPP)
- B. Program Security Instruction (PSI)
- C. Manufacturing License Agreement (MLA)
- D. International Traffic in Arms Regulation

Which document is required for Brightship to transfer its technical data to BMC Company in Olympia so that BMC can produce components for Brightship's missiles?

- A. Program Protection Plan (PPP)
- B. Program Security Instruction (PSI)
- C. Manufacturing License Agreement (MLA)
- D. International Traffic in Arms Regulation

Which document would the U.S. Government prepare to protect Critical Program Information (CPI) and mission critical functions and components that are associated with its research, development, and acquisition (RDA) program?

- A. Program Protection Plan (PPP)
- B. Program Security Instruction (PSI)
- C. Manufacturing License Agreement (MLA)
- D. International Traffic in Arms Regulation

Review Activity 2

Indicate who is responsible for each task.

	IS Rep	DoD Component
Advises cleared defense contractor on transportation arrangements and submits transportation plan to DSS IP-I for approval	<input type="radio"/>	<input type="radio"/>
Prepares the Program Protection Plan (PPP) for an international cooperative program	<input type="radio"/>	<input type="radio"/>
Monitors cleared defense contractor's compliance with PPP and PSI	<input type="radio"/>	<input type="radio"/>
Notifies DSS IP-I of problems that cannot be resolved on site	<input type="radio"/>	<input type="radio"/>

Lesson Conclusion

1. Lesson Summary

In this lesson, you learned about international cooperative programs between the U.S. Government and foreign governments, involving cleared U.S. defense contractors and foreign contractors. You learned about the security requirements for international cooperative programs and what responsibilities the IS Rep has with regards to international cooperative programs.

Answer Key

Review Activity 1

Which document would the U.S. negotiate with the governments of Atlantis and Olympia to standardize and provide advance government approval for the specific security arrangements to be used in support of their international cooperative program?

- A. Program Protection Plan (PPP)
- B. Program Security Agreement (PSI)**
- C. Manufacturing License Agreement (MLA)
- D. International Traffic in Arms Regulation

Which document is required for Brightship to transfer its technical data to BMC Company in Olympia so that BMC can produce components for Brightship's missiles?

- A. Program Protection Plan (PPP)
- B. Program Security Instruction (PSI)
- C. Manufacturing License Agreement (MLA)**
- D. International Traffic in Arms Regulation

Which document would the U.S. Government prepare to protect Critical Program Information (CPI) and mission critical functions and components that are associated with its research, development, and acquisition (RDA) program?

- A. Program Protection Plan (PPP)**
- B. Program Security Instruction (PSI)
- C. Manufacturing License Agreement (MLA)
- D. International Traffic in Arms Regulation

Review Activity 2

	IS Rep	DoD Component
Advises cleared defense contractor on transportation arrangements and submits transportation plan to DSS IP-I for approval	<input checked="" type="radio"/>	<input type="radio"/>
Prepares the Program Protection Plan (PPP) for an international cooperative program	<input type="radio"/>	<input checked="" type="radio"/>
Monitors cleared defense contractor's compliance with PPP and PSI	<input checked="" type="radio"/>	<input type="radio"/>
Notifies DSS IP-I of problems that cannot be resolved on site	<input checked="" type="radio"/>	<input type="radio"/>

Student Guide

Course: Security Support to International Industrial Operations

Lesson 5: International Transfers

Course Introduction

1. Opening

As you learned in previous lessons, Brightship Industries is involved in direct commercial sales (DCS), foreign military sales (FMS), and an international cooperative program. Under the terms of these transactions, Brightship is responsible for transferring, or arranging the transfer of, defense articles and services and related classified information to the foreign countries involved.

2. Objectives

In this lesson, you will take a look at how Brightship transfers defense articles and services involving classified information to the foreign governments of Atlantis and Olympia and their contractors. You will learn about the different methods for transferring the defense articles and services, as well as the specific requirements that apply to each. Finally, you will see what Bob's role and responsibilities are, as Brightship's IS Rep, with respect to these transfers. Here are the lesson objectives.

- Identify the requirements applicable to international transfers when cleared defense contractors engage in the transfer of defense articles and services, including related technical data
- Identify the responsibilities of the IS Rep with regard to the international transfer of classified information

International Transfer Methods

1. Overview

Brightship may use different transfer methods depending on what is to be transferred. For example, Brightship can transfer defense articles such as missiles via freight, classified documents via hand carrier, or courier, and information via electronic transmission.

Each method of transfer has its own requirements and IS Reps must be familiar with these transfer methods and understand their role with respect to each method.

Classified Material as Freight

1. Overview

Let's look again at Brightship's DCS to Atlantis. By what means can Brightship transfer its missile and radar systems to Atlantis? Brightship can use a freight forwarder to make the transfer arrangements. If the freight forwarder will have possession of the classified defense articles, then it must have a facility security clearance. Per the NISPOM, a freight forwarder is an agent or company that is cleared specifically to receive, process, and transship U.S. classified material to foreign recipients. The freight forwarder will, in turn, hire a commercial carrier, unless it has its own means of transportation.

Alternatively, Brightship may hire a cleared third party commercial carrier directly. Such carriers may require the approval of participant government security authorities. However, it is less common for a cleared defense contractor, like Brightship, to hire a commercial carrier directly rather than going through a freight forwarder.

2. Requirements

Because the missile and radar systems will be shipped as freight to Atlantis, Brightship is required to prepare a transportation plan. Transportation plans are detailed, written instructions that outline how defense articles will be securely transported from the point of origin to the ultimate destination. The Multinational Industrial Security Working Group, (MISWG) document number 10 establishes a suggested format and content for the transportation plan. The sample transportation plan in the Security Assistance Management Manual (SAMM) is based on MISWG document number 10.

3. IS Rep Responsibilities

Bob has certain IS Rep responsibilities with respect to Brightship transporting its classified missile and radar systems to Atlantis as freight. First, Bob may need to provide advice to Brightship and assist it in preparing the transportation plan. Once completed, Bob must review the transportation plan to verify that secure transfer arrangements are properly prepared and coordinated. Then Bob must send the transportation plan to Defense Security Service Industrial Policy and Programs - International for final coordination with the other government and approval. Bob may serve as the Government Transmittal Authority during the transfer process, which is a Designated Government Representative (DGR) function. He also will follow up to verify compliance with the plan. Remember, international transfers of classified material must be performed through government-to-government channels or through other channels agreed upon by the sending and receiving governments. Either way, it is a government-to-government transfer.

Designated Government Representative: a person with the requisite security clearance designated in writing by a U.S. Government agency or by a foreign government agency to act on its behalf for purposes of transferring custody or accepting custody by signing a receipt for and assuming security responsibility for classified material.

Hand Carriage or Courier

1. Overview

Previously, you learned about Brightship's involvement in the foreign military sale of classified missile systems between the U.S. Army and Olympia. The contract included upgrades, so when the system requires a real-time upgrade, someone has to take the software to Olympia to install it. This process is known as hand carriage. Hand carriage can be accomplished by a hand carrier, who is a cleared employee of the contractor and occasionally performs such a task. An example of a hand carrier is an engineer for the defense contractor.

Hand carriage can also be accomplished via courier, who must also be cleared and whose principal duty is to perform such a task. An example of a courier is the Defense Courier Service, or a designated and cleared company employee trained for this purpose.

Hand carrier: A cleared employee, designated by the contractor, who occasionally hand carries classified material to its destination in connection with a classified visit or meeting. The classified material remains in the personal possession of the hand carrier except for authorized overnight storage. (DoD 5220.22-M, NISPOM, 28 Feb 2006)

Courier: A cleared employee, designated by the contractor, whose principal duty is to transmit classified material to its destination. The classified material remains in the personal possession of the courier except for authorized overnight storage. (DoD 5220.22-M, NISPOM, 28 Feb 2006)

2. Requirements

In order for Brightship to utilize the hand carriage method of transfer, Brightship must prepare a hand carriage plan (HCP). HCPs are written instructions which outline how small items of classified material or documentation will be securely transported. HCPs are used by contractors for materials classified as Secret or lower and small enough to remain in someone's personal possession. MISWG document number 1 is a sample hand carriage plan, which can be used to tailor a plan for specific situations.

3. DSS Responsibilities

As you might expect, Bob has certain IS Rep responsibilities with respect to transporting classified material via hand carrier or courier. First, Bob will advise Brightship on and assist Brightship with preparing the hand carriage plan.

Once the hand carriage plan is drafted, Bob will send the plan to Defense Security Service Industrial Policy and Programs - International for final coordination and approval. Finally, Bob will serve as the Government Transmittal Authority for the transfer process, which is a DGR function, and verify Brightship's compliance with the hand carriage plan.

DSS IP-I is responsible for passing facility security clearance assurances regarding Brightship and for providing visitor security assurances on the hand carrier or courier Brightship uses.

Electronic Transmissions

1. Overview

You learned earlier about Brightship's participation with RMD Corporation in Atlantis and BMC Company in Olympia in an international cooperative program to develop the air-to-air missile system for the U.S. Air Force's future Fighting Raven aircraft. Because missile components will be produced in Atlantis and Olympia, Brightship engineers will need to communicate frequently with engineers at RMD and BMC. They will need to exchange classified design drawings and technical data and hold classified discussions.

The U.S. Air Force has approved Brightship's request to use secure voice, fax, and digital communications among the three companies, subject to the approval of a secure communications plan by the communications security authorities of the three countries. Brightship plans to set up a system for secure communications between the Brightship engineers and the engineers in Atlantis and Olympia. Brightship has asked its IS Rep, Bob, for guidance and assistance.

2. Requirements

Brightship must document its plan for secure communications among its engineers and engineers in Atlantis and Olympia in a secure communications plan. Brightship must use an approved secure communications plan template from the DSS Office of the Designated Approving Authority (ODAA). DSS ODAA coordinates the secure communications plan process. In the secure communications plan, Brightship must identify the communications security requirements, the applicable export authorization, its plan for record-keeping, and its disclosure procedures.

3. IS Rep Responsibilities

Bob has certain IS Rep responsibilities with respect to the electronic transmission of classified information. First Bob must work with DSS ODAA to assist Brightship in preparing the secure communications plan. Bob must also work with DSS IP-I to ensure the plan complies with protection requirements established in the bilateral security agreements. Once completed, Bob will review the plan and send it to DSS ODAA for approval, who, in turn, must coordinate with the National Security Agency (NSA). The ODAA will notify Bob when the plan is approved and then Bob will inform Brightship of the approval. Bob must verify Brightship complies with approved secure communications plan provisions during implementation as well as during subsequent assessments.

Review Activity 1

Select the best response.

Aircrafts R Us, Inc. is a U.S. contractor that manufactures large spare parts for military aircraft. These parts are classified material. Which type of plan would Aircrafts R Us create to document its transfer plans for moving these parts to another country under a direct commercial sale?

- A. Transportation plan
- B. Hand carriage plan
- C. Secure communications plan

Which type of plan would Aircrafts R Us create to document how its classified electronic transmissions to a foreign country will be protected?

- A. Transportation plan
- B. Hand carriage plan
- C. Secure communications plan

If an employee of Aircrafts R Us must deliver classified documents to another country, which plan must be created to show how these classified documents will be protected during the transfer?

- A. Transportation plan
- B. Hand carriage plan
- C. Secure communications plan

Review Activity 2

Indicate who handles each task for international transfers of classified articles and information.

	IS Rep	DSS IP-I	DSS ODAA
Acts as Designated Government Representative (DGR) in international transfers of classified information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Approves secure communications plans	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assists contractors with preparing their transportation plans, hand carriage plans, and/or secure communications plans	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Approves transportation plans in coordination with foreign government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Approves hand carriage plans	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Lesson Conclusion

1. Lesson Summary

In this lesson, you learned about the different methods of, and requirements for, transferring classified materials via freight, hand carriage, and electronic transfers.

Answer Key

Review Activity 1

Aircrafts R Us, Inc. is a U.S. contractor that manufactures large spare parts for military aircraft. These parts are classified material. Which type of plan would Aircrafts R Us create to document its transfer plans for moving these parts to another country under a direct commercial sale?

- A. **Transportation plan**
- B. Hand carriage plan
- C. Secure communications plan

Which type of plan would Aircrafts R Us create to document how its classified electronic transmissions to a foreign country will be protected?

- A. Transportation plan
- B. Hand carriage plan
- C. **Secure communications plan**

If an employee of Aircrafts R Us must deliver classified documents to another country, which plan must be created to show how these classified documents will be protected during the transfer?

- A. Transportation plan
- B. **Hand carriage plan**
- C. Secure communications plan

Review Activity 2

	IS Rep	DSS IP-I	DSS ODAA
Acts as Designated Government Representative (DGR) in international transfers of classified information	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Approves secure communications plans	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Assists contractors with preparing their transportation plans, hand carriage plans, and/or secure communications plans	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Approves transportation plans in coordination with foreign government	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Approves hand carriage plans	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Student Guide

Course: Security Support to International Industrial Operations

Lesson 6: International Visits

Course Introduction

1. Opening

As you learned earlier, Brightship Industries was selected as the prime contractor for the Fighting Raven international cooperative program between the U.S. Air Force and the governments of Atlantis and Olympia. In addition, Brightship teamed with RMD Corporation in Atlantis and BMC Company in Olympia, who will each develop certain parts for the new air-to-air missile for the Fighting Raven.

Under the Fighting Raven program, employees from RMD Corporation and BMC Company may occasionally visit the Brightship facility. Under the program agreement, certain personnel from the Olympian government will visit the Brightship facility on temporary assignments. Since these personnel are participating in this international cooperative program as foreign government employees of Olympia, they are referred to as Cooperative Program Personnel (CPP).

2. Objectives

In this lesson, you will take a look at how visits and temporary assignments of foreign nationals are handled at Brightship.

You will also learn what Bob's role and responsibilities are, as Brightship's IS Rep, with respect to these foreign national visitors. Here are the lesson objectives.

- Identify the security requirements for international visits and assignments of foreign nationals at cleared contractor facilities
- Identify the IS Representative's role with regard to international visits and assignments of foreign national visitors at cleared contractor facilities

3. Overview

In the course of international cooperative programs, sometimes government organizations and contractor facilities in the countries involved need to send individuals from one country to another to meet and discuss classified aspects of the program. This may require nationals of the foreign government to come to the cleared defense contractor's facility in the U.S., and some of the visitors may be assigned to work at that facility. This may also mean that employees of the cleared U.S. defense contractor have to travel abroad. Specific requirements apply to ensure information is protected at the appropriate level during the visits. What does this mean for Brightship's IS Rep, Bob? What role will he play?

Incoming Foreign Visits

1. Regulatory Framework

As a cleared U.S. defense contractor, Brightship's participation in international visits is subject to Department of Defense Directive (DoDD) 5230.20, Visits and Assignments of Foreign Nationals, and DoD 5220.22-M, the National Industrial Security Program Operating Manual (NISPOM). The directive authorizes several programs and directs the Defense Security Service (DSS) to oversee foreign national visits and assignments involving classified information at cleared U.S. defense contractor facilities, including the facility's preparation of a technology control plan (TCP). The requirements for the TCP are outlined in the International Traffic in Arms Regulations (ITAR) and the NISPOM. Brightship must assign a contact person for foreign national visitors, as outlined in the TCP template.

DoDD 5230.20 authorizes the following programs:

- *International Visits Program (IVP): Established to process visits and assignments of foreign representatives to DoD Components and DoD contractor facilities; designed to ensure classified military information and controlled unclassified information to be disclosed to such visitors has been properly authorized for disclosure to their governments*
- *Foreign Liaison Officer (FLO) Program: A military or civilian employee of a foreign government or international organization, authorized by his or her government or by an international organization, and certified by a DoD Component for specified purposes, to conduct business with a DoD Component on behalf of the foreign government or international organization.*
- *Defense Personnel Exchange Program (DPEP): a program authorized by DoDD 5230.20 where military and civilian personnel of the Department of Defense and the defense ministries, departments, and/or armed services of foreign governments, pursuant to the terms of an international agreement, occupy positions with and perform functions for a host organization to promote current or future international programs, greater mutual understanding, and interoperability with allies and coalition partners. Note: DPEP personnel are not to be assigned to a contractor facility.*
- *Cooperative Program Personnel (CPP) Program*

2. Visit Types

There are three types of incoming foreign visits, each of which has its own set of requirements. They are extended visits, recurring visits, and one-time visits. An extended visit is a single visit for an extended period of time, which is used for assignments of foreign nationals to a DoD organization or contractor facility, normally for the duration of an approved program, project, or contract. When the personnel from the Atlantan government, who are Cooperative Program Personnel, are assigned to the Brightship facility for the Fighting Raven program, they are assigned under an extended visit authorization.

Recurring visits are intermittent, recurring visits over a specified period of time, normally for the duration of an approved program, project, or contract. These types of visits are usually reviewed annually for currency. When RMD Corporation in Atlantis sends their employees to Brightship periodically to collaborate on the Fighting Raven program, they

will make these recurring visits under a recurring visit authorization that normally lasts for the duration of the program.

A one-time visit is for a short term occasion for a specified purpose. These types of visits usually last less than 30 days, but may be longer. One-time visits are used when extended or recurring visit authorizations do not apply.

At Brightship, one-time visits for certain RMD employees were required for exploratory discussions before the Fighting Raven program began. The need for recurring or extended visits had not been established, because there was not yet an approved program or contract.

3. Technology Control Plan

When a foreign national is assigned to or employed by Brightship, Brightship must have controls in place to protect its classified information and export-controlled information. Since Brightship has no procedures already in place, Brightship is required to prepare a technology control plan (TCP) which is a detailed plan to control access by foreign national employees, visitors, and assignees at a cleared defense contractor facility. This plan defines what must be protected and implements controls to ensure that no unauthorized disclosure of classified information occurs. The foreign visitor or visitors must acknowledge, in writing, that they understand the requirements of the TCP and the consequences of non-compliance.

4. IS Rep Responsibilities

Bob has certain IS Rep responsibilities with respect to incoming foreign visits to Brightship. First, Bob must review Brightship's technology control plan. Next, Bob must determine if Brightship employs proper access controls for foreign visits involving classified information and if Brightship maintains proper records of foreign visits involving classified information. Finally, Bob must work with DSS Industrial Policy and Programs - International when its involvement or approval is required.

Outgoing Foreign Visits

1. Overview

Brightship needs to send engineers to Atlantis under the Fighting Raven program. For this type of outgoing foreign visit, Brightship's Facility Security Officer (FSO) is responsible for security-related matters, and its Empowered Official (EO) is responsible for the required export authorizations.

Empowered Official: a U.S. person who is directly employed by the applicant or a subsidiary in a position having authority for policy or management within the applicant organization; and is legally empowered in writing by the applicant to sign license applications or other requests for approval on behalf of the applicant; and understands the provisions and requirements of the various export control statutes and regulations, and the criminal liability, civil liability and administrative penalties for violating the Arms Export Control Act and the International Traffic in Arms Regulations; and has the independent authority to enquire into any aspect of a proposed export or temporary import by the applicant, and verify the legality of the transaction and the accuracy of the

information to be submitted; and can refuse to sign any license application or other request for approval without prejudice or other adverse recourse.

2. IS Rep Responsibilities

Bob also has certain IS Rep responsibilities with respect to outgoing foreign visits from Brightship. Bob must ensure Brightship has procedures in place for ensuring that employees from Brightship have been briefed and have the required need-to-know. Bob must also ensure Brightship has procedures in place overseas visits involving classified information requiring that foreign visitors have requisite export authorization and for forwarding Requests for Visits to DSS Industrial Policy and Programs – International (IP-I).

Review Activity 1

Which of the following statements are true of international visits?

	True	False
When foreign nationals visit a cleared U.S. defense contractor, the contractor must prepare a transportation plan.	<input type="radio"/>	<input type="radio"/>
The IS Rep has advisory responsibilities for outgoing visits that involve cleared U.S. defense contractor operations abroad.	<input type="radio"/>	<input type="radio"/>
When Cooperative Program Personnel from a foreign country are assigned to a cleared U.S. defense contractor facility for the duration of an international cooperative program, this type of visit would be classified as a one-time visit.	<input type="radio"/>	<input type="radio"/>
The foreign visitor must acknowledge, in writing, the technology control plan requirements.	<input type="radio"/>	<input type="radio"/>

Review Activity 2

Indicate who handles each task for foreign visits of cleared defense contractors (CDC).

	IS Rep	CDC
Determines if proper access controls during visits have been employed	<input type="radio"/>	<input type="radio"/>
Determines if proper records of visits involving classified information have been maintained	<input type="radio"/>	<input type="radio"/>
Prepares technology control plan	<input type="radio"/>	<input type="radio"/>
Reviews technology control plan before submitting to ISFO Field Office for approval	<input type="radio"/>	<input type="radio"/>

Lesson Conclusion

1. Lesson Summary

In this lesson, you learned how visits and assignments of foreign nationals are handled at cleared defense contractors. You also learned about the IS Rep responsibilities related to incoming and outgoing foreign visits.

Answer Key

Review Activity 1

Which of the following statements are true of international visits?

	True	False
When foreign nationals visit a cleared U.S. defense contractor, the contractor must prepare a transportation plan.	<input type="radio"/>	<input checked="" type="radio"/>
The IS Rep has advisory responsibilities for outgoing visits that involve cleared U.S. defense contractor operations abroad.	<input checked="" type="radio"/>	<input type="radio"/>
When Cooperative Program Personnel from a foreign country are assigned to a cleared U.S. defense contractor facility for the duration of an international cooperative program, this type of visit would be classified as a one-time visit.	<input type="radio"/>	<input checked="" type="radio"/>
The foreign visitor must acknowledge, in writing, the technology control plan requirements.	<input checked="" type="radio"/>	<input type="radio"/>

Review Activity 2

Indicate who handles each task for foreign visits of cleared defense contractors (CDC).

	IS Rep	CDC
Determines if proper access controls during visits have been employed	<input checked="" type="radio"/>	<input type="radio"/>
Determines if proper records of visits involving classified information have been maintained	<input checked="" type="radio"/>	<input type="radio"/>
Prepares technology control plan	<input type="radio"/>	<input checked="" type="radio"/>
Reviews technology control plan before submitting to ISFO Field Office for approval	<input checked="" type="radio"/>	<input type="radio"/>

Student Guide

Course: Security Support to International Industrial Operations

Lesson 7: NATO Security Requirements

Course Introduction

1. Opening

Brightship Industries has just been notified by the U.S. Air Force that the Fighting Raven international cooperative program is expected to be adopted as a NATO program. When this happens, Brightship will need to handle NATO classified information, and U.S. classified information will be provided to NATO. Brightship will also need to apply for a NATO Facility Security Clearance (FCL). Therefore, Brightship has asked Bob, its IS Rep, for guidance on the protection requirements for NATO classified information, and guidance on ensuring that it meets security standards for working on NATO contracts. Brightship has also asked Bob for guidance on the process of transferring U.S. classified information to NATO for such a program.

2. Objectives

In this lesson, you will examine the requirements for Brightship to handle and store NATO classified information. You will learn about the key policies governing NATO information security, as well as requirements for protecting classified information passed between NATO and industry. You will also learn what Bob's role and responsibilities are, as Brightship's IS Rep, with respect to protecting NATO classified information, as well as U.S. classified information that is being transferred to NATO. Here are the lesson objectives.

- Identify the security requirements for protection of North Atlantic Treaty Organization (NATO) classified information
- Identify the responsibilities of the IS Rep with regard to the protection requirements of NATO classified information and of U.S. classified information being transferred to NATO

NATO Programs

1. Overview

NATO is a political and military alliance of 28 member nations whose primary goals are the collective defense of its members and the maintenance of a democratic peace in the North Atlantic area. NATO has its own set of rules for protecting NATO classified information. Brightship must follow these rules, and Bob must know what these rules are in order to do his job.

NATO countries include Albania, Belgium, Bulgaria, Canada, Croatia, the Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, the United Kingdom, and the United States.

2. Regulatory Framework

NATO members are bound by the terms of the “Agreement Between the Parties to the North Atlantic Treaty for the Security of Information”, which is referred to as the NATO Security Agreement. The United States implements the NATO Security Agreement and its implementing regulation, NATO Document C-M(2002)49, through the United States Security Authority for NATO Affairs (USSAN) Instruction 1-07. USSAN Instruction 1-07 governs the safeguarding and handling of NATO material in the United States. Enclosure G of NATO Document C-M(2002)49 and implementing Directive AC/35-D2003 contain NATO industrial security requirements, which apply to Brightship’s protection of NATO classified information, and which are outlined in DoD 5220.22-M, the National Industrial Security Program Operating Manual (NISPOM).

3. NATO Clearance Requirements

To have NATO classified information in its possession, or to bid on or participate in this classified NATO program, Brightship will need to have the requisite level U.S. Facility Security Clearance and a NATO Facility Security Clearance Certificate (FSCC).

Similarly, to access NATO classified information or to be involved in this classified NATO program or visit a NATO entity, Brightship personnel must have the requisite level of U.S. personnel security clearance (PCL), be briefed on NATO security procedures, have a need-to-know, and have a NATO Personnel Security Clearance Certificate (PSCC).

4. IS Rep Responsibilities

Bob has certain IS Rep responsibilities with respect to NATO programs that involve Brightship. First, Bob must verify that Brightship’s employees have been briefed on NATO security procedures. Bob must verify Brightship is in compliance with NATO protection requirements, as outlined in the NISPOM. Finally, Bob must provide advice on the procedures for transferring U.S. classified information into the NATO security system.

Review Activity 1

Which of the following statements are true of NATO Security Requirements?

	True	False
Cleared defense contractors must have a Facility Security Clearance Certificate (FSCC) to be involved in a NATO program.	<input type="radio"/>	<input type="radio"/>
NATO has its own marking and safeguarding requirements for NATO classified information.	<input type="radio"/>	<input type="radio"/>
Brightship's employees only require a Personnel Security Clearance (PCL) to participate in a NATO program or contract.	<input type="radio"/>	<input type="radio"/>
USSAN Instruction 1-07 contains the U.S. instructions for safeguarding and handling NATO material.	<input type="radio"/>	<input type="radio"/>

Review Activity 2

Indicate who handles each task for NATO programs when cleared defense contractors are involved.

	IS Rep	Contractor	DISCO
Briefs cleared defense contractor employees on NATO security procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Verifies cleared defense contractor is in compliance with NATO marking and safeguarding requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provides advice on transfers of U.S. classified information into the NATO security system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Lesson Conclusion

1. Lesson Summary

In this lesson, you learned the security requirements cleared defense contractors must follow in order to protect NATO material, as well as key policies governing NATO information security and requirements for protecting classified information passed between NATO and industry. You also learned about the IS Rep responsibilities related to maintaining security within NATO programs.

Answer Key

Review Activity 1

	True	False
Cleared defense contractors must have a Facility Security Clearance Certificate (FSCC) to be involved in a NATO program.	<input checked="" type="radio"/>	<input type="radio"/>
NATO has its own marking and safeguarding requirements for NATO classified information.	<input checked="" type="radio"/>	<input type="radio"/>
Brightship's employees only require a Personnel Security Clearance (PCL) to participate in a NATO program or contract.	<input type="radio"/>	<input checked="" type="radio"/>
USSAN Instruction 1-07 contains the U.S. instructions for safeguarding and handling NATO material.	<input checked="" type="radio"/>	<input type="radio"/>

Review Activity 2

	IS Rep	Contractor	DISCO
Briefs cleared defense contractor employees on NATO security procedures	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Verifies cleared defense contractor is in compliance with NATO marking and safeguarding requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provides advice on transfers of U.S. classified information into the NATO security system	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Student Guide

Course: Security Support to International Industrial Operations

Lesson 8: Course Conclusion

Course Conclusion

1. Course Summary

In this course you learned about the different types of international transactions in which a cleared U.S. defense contractor might be involved and about the security requirements for those international industrial transactions. You also learned about the responsibilities of the IS Rep in ensuring cleared defense contractors comply with the security requirements governing these transactions.

2. Lesson Review

a. Lesson 1: Security in International Industrial Operations

Key Players

- U.S. Government
- U.S. cleared defense contractors
- Foreign governments
- Foreign contractors
- International organizations

Legal and Policy Guidance

Documents:

- Arms Export Control Act (AECA)
- Executive Order (E.O.) 13526, Classified National Security Information
- National Security Decision Memorandum (NSDM) - 119

Concepts:

- The recipient foreign government or international organization must agree to:
 - Not share defense articles or services without USG consent
 - Not use defense articles and services for other purposes without USG consent
 - Maintain security and provide substantially the same degree of protection USG would provide
- Access must be based on decision that information is authorized for disclosure/export to government or international organization of intended recipient or end-user
- Must be beneficial to USG to disclose classified information

DoD Entities

- Under Secretary of Defense for Intelligence [USD(I)]
- Under Secretary of Defense for Policy [USD(P)]
- Under Secretary of Defense for Acquisition, Technology and Logistics [USD(AT&L)]
- Defense Contract Management Agency (DCMA)
- Defense Security Cooperation Agency (DSCA)
- Defense Security Service (DSS)
- Defense Security Service Industrial Policy and Programs - International (DSS IP-I)
- DSS Industrial Security Field Operations (ISFO)
- Industrial Security Representative (IS Rep)

b. Lesson 2: Direct Commercial Sales

DCS as Exports

Direct commercial sales:

- Are direct contractual arrangements between U.S. cleared defense contractor and foreign government, international organization, or foreign company
- Include export of defense articles, defense services, and technical data
- Follow applicable export rules
- Require export authorization

Regulatory Framework

- Direct commercial sales (DCS) are governed by the Arms Export Control Act (AECA).
- AECA's requirements are implemented by the International Traffic in Arms Regulations (ITAR).
- The United States Munitions List (USML) is found in the ITAR and describes categories of articles and services which are *defense* articles and services and related technical data.
- 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 involving cleared U.S. defense contractors to DSS.
- The National Industrial Security Program Operating Manual (NISPOM) outlines security protection requirements for DCS.
- The Department of State Directorate of Defense Trade Controls (DoS DDTC) is the licensing authority for exporting defense articles and services in DCS.
- DSS is responsible for security of foreign transfers of defense articles and services and technical data.

Export Authorization

- DSP-85, Application/License for Permanent/Temporary Export or Temporary Import of Classified Defense Articles or Technical Data
- DSP-83, Non-Transfer and End Use Certificate
- Technical Assistance Agreement (TAA) is required for export of defense services.
- ITAR exemptions may replace need for export license.

Recordkeeping

Per ITAR Part 122.5, records of DCS must be kept for 5 years and must include, at a minimum:

- 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

- Receive original DSP-85 and TAA copy
- Verify exports do not exceed export authorization
- Advise on transfer arrangements (e.g., transportation plan, hand carriage plan) and submit to DSS IP-I for approval
- Decrement and endorse DSP-85
- Return DSP-85 to DOS DDTC
- Notify DSS IP-I if problems

c. Lesson 3: Foreign Military Sales

Foreign Military Sales

- Government-to-government method for the U.S. Government to sell U.S. defense equipment and services, including training, to authorized foreign governments and international organizations
- Freight Forwarder
 - Is selected from the Military Assistance Program Address Directory (MAPAD)
 - Makes transfer arrangements
 - Is cleared under the National Industrial Security Program and must be registered with the Directorate of Defense Trade Controls
 - Must follow applicable U.S. export rules and is subject to DSS security oversight
 - Cannot be a foreign government designated government representative (DGR)

Regulatory Framework

- The Arms Export Control Act (AECA) governs exports of defense articles and services by the USG and industry.
- DoD 5105.38-M – Security Assistance Management Manual (SAMM) implements the AECA for foreign military sales (FMS).
- Defense Security Cooperation Agency (DSCA) administers the SAMM.
- The National Industrial Security Program Operating Manual outlines international security requirements.
- Defense Security Service is responsible for security of international transfers in FMS, when a cleared company, freight forwarder, or commercial carrier is involved in the transfer.

Export Authorization

- DSP-94, Authority to Export Defense Articles Sold under FMS Program, is prepared by the freight forwarder.
- Letter of Offer and Acceptance (LOA) is a contract, signed by the U.S. Government and the purchasing government or international organization. It provides for the sale of defense articles and defense services (to include training) from DoD stocks or through purchase under DoD-managed contracts with defense contractors.
- When the LOA and the DSP-94 fully describe the transaction, then together they constitute authorization under the ITAR for the export.

IS Rep Responsibilities

- Obtain transportation plan (TP) from Implementing Agency (IA), or from freight forwarder, if not initially received from IA.
- Advise on adequacy of the TP.
- Notify DSS IP-I if transfer arrangements do not meet standards.

d. Lesson 4: International Cooperative Programs

International Cooperative Programs

- Acquisition programs or technology projects involving foreign governments
- May include:
 - Exchanges of information and personnel
 - RDT&E of defense technologies, subsystems, systems or equipment
 - Cooperative production of defense articles resulting from cooperative R&D
 - DoD procurement of foreign equipment, technology, or logistics support

Security Requirements

- A Program Security Instruction (PSI) is a security document, negotiated between the security officials of governments participating in a cooperative program, to standardize and provide advance government approval for the specific security arrangements to be used in support of the program.
- A Program Protection Plan (PPP) is a risk-based, comprehensive, living plan to protect Critical Program Information (CPI) and mission critical functions and components that are associated with a research, development, and acquisition (RDA) program.
- A Manufacturing License Agreement (MLA) is the contract vehicle for licensed production of defense articles abroad.
- The Arms Export Control Act (AECA) governs exports of defense articles and services by the USG and industry.
- The International Traffic in Arms Regulations (ITAR) implements the AECA for International Cooperative Programs.
- 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 involving cleared U.S. defense contractors to Defense Security Service.

- The National Industrial Security Program Operating Manual (NISPOM) outlines security protection requirements for international industrial operations.
- DSS is responsible for security of international cooperative programs when cleared U.S. defense contractors are involved.

IS Rep Responsibilities

- Advise on preparing Program Security Instruction (PSI)
- Monitor compliance with Program Protection Plan (PPP) and PSI
- Advise contractor on the transportation plan, hand carriage plan, and secure communications plan and submit plans to DSS IP-I for approval
- Oversee compliance with security requirements for exports of classified defense articles and technical data
- Notify DSS IP-I of any issues which cannot be resolved on site

e. Lesson 5: International Transfers

Classified Material as Freight

- Used for transferring defense articles
- Requires transportation plan (TP)
- Contractor can use a freight forwarder or commercial carrier
- IS Rep responsibilities:
 - Advise/assist contractor in preparing TP
 - Review TP to verify secure transfer arrangements
 - Send TP to DSS IP-I for coordination with foreign government and approval
 - Serve as Government Transmittal Authority (DGR function)
 - Verify compliance with TP

Hand Carriage/Courier

- Used for transferring classified material by hand
- Requires hand carriage plan (HCP)
- IS Rep responsibilities:
 - Advise/assist contractor in preparing HCP
 - Send HCP to DSS IP-I for approval
 - Serve as Government Transmittal Authority (DGR function)
 - Verify contractor's compliance with HCP

Electronic Transfers

- Used for classified electronic transfers such as through computer, fax, phone
- Requires secure communications plan (SCP)
- IS Rep responsibilities:
 - Work with Defense Security Service Office of the Designated Approving Authority (DSS ODAA) to assist contractor in preparing the SCP
 - Work with DSS Industrial Policy and Programs – International (IP-I) to ensure plan complies with bilateral security agreements
 - Review completed SCP and forward it to DSS ODAA for coordination with National Security Agency (NSA) and for approval
 - Receive approval of SCP by DSS ODAA
 - Inform contractor when SCP is approved
 - Verify contractor complies with approved SCP provisions

f. Lesson 6: International Visits

International Visits

- Key guidance:
 - DoDD 5230.20, Visits and Assignments of Foreign Nationals
 - National Industrial Security Program Operating Manual (NISPOM), Chapters 2 and 10
 - International Traffic in Arms Regulations (ITAR), Part 126.13(c)
- Technology control plan (TCP): a detailed plan to control access by foreign nationals assigned to or employed by a cleared defense contractor facility.
 - Defines what must be protected
 - Implements controls to prevent unauthorized disclosure of classified or unclassified export-controlled information
 - Ensures that the foreign national visitor acknowledges the requirements in the TCP and the consequences for non-compliance

IS Rep Responsibilities

- For incoming visits:
 - Review contractor's technology control plan (TCP)
 - Determine if contractor employs proper access controls during visits involving classified information
 - Determine if contractor maintains proper records of visits involving classified information
 - Work with DSS IP-I when necessary
- For outgoing visits: confirm contractor has procedures in place for ensuring:
 - Employees have been briefed
 - Employees have need-to-know
 - Employees have required export authorization
 - Contractor has forwarded a Request for Visit (RFV) through the DSS Industrial Policy and Programs – International (IP-I)

g. Lesson 7: NATO Security Requirements

NATO Security Requirements

- North Atlantic Treaty Organization is a political and military alliance of 28 member nations which has its own rules for protection of NATO classified information.
- Key Guidance:
 - United States Security Authority for NATO Affairs (USSAN) Instruction 1-07
 - NATO Document C-M(2002)49
 - Enclosure G
 - Directive AC/35-D2003
 - National Industrial Security Program Operating Manual (NISPOM), Chapter 10
 - Agreement Between the Parties to the North Atlantic Treaty for the Security of Information (NATO Security Agreement)
- To possess NATO classified information or to bid on or participate in a classified NATO program or contract, cleared U.S. defense contractors must have:
 - Appropriate level Facility Security Clearance (FCL)
 - Appropriate level NATO Facility Security Clearance Certificate (FSCC)

- To access NATO classified information or to participate in a classified NATO program or contract, or visit a NATO entity, employees of cleared U.S. defense contractors must have:
 - Appropriate level Personnel Security Clearance (PCL)
 - NATO security briefing
 - Need-to-know
 - Appropriate level NATO Personnel Security Clearance Certificate (PSCC)

IS Rep Responsibilities

- Verify contractor's employees have been briefed on NATO security procedures
- Verify contractor is in compliance with NATO protection requirements
- Provide advice to contractor on transfers of U.S. classified information into the NATO security system

3. Course Objectives

Congratulations. You have completed the Security Support to International Industrial Operations course.

You should now be able to perform all of the listed activities.

- Identify the importance of security in international industrial operations and the roles of Defense Security Service (DSS) and the IS Rep
- Identify the responsibilities of the IS Rep in ensuring a cleared defense contractor complies with security requirements governing:
 - Direct commercial sales to foreign governments
 - Foreign military sales
 - International cooperative agreements
 - The international transfer of classified information
 - International visits and assignments of foreign national visitors and employees at cleared contractor facilities
 - The protection and transference of North Atlantic Treaty Organization (NATO) information

To receive course credit, you **MUST** take the Security Support to International Industrial Operations examination. Please use the STEPP system from the Center for Development of Security Excellence to register for the online exam.

Student Guide

Course: Security Support to International Industrial Operations

Course Overview

Course Introduction

1. Course Overview

Bob Smith is the Industrial Security Representative (IS Rep) assigned to Brightship Industries, a large cleared defense contractor located in Philadelphia. Brightship Industries manufactures defense articles such as military aircraft, missile systems, and radar systems. Brightship also provides defense services, such as customer training on the operation of the systems they manufacture, as well as the repair, overhaul, and maintenance of those systems.

Brightship is involved in several different types of transactions that involve foreign governments and foreign companies. In addition to his normal responsibilities as the IS Rep for Brightship, Bob must also be familiar with their business transactions that involve exports of classified defense articles and services, as well as the governing legal and policy security requirements. Bob must also ensure that Brightship performs these transactions in a secure manner. We are going to follow Brightship Industries and Bob, its IS Rep, to help you understand your role and responsibilities as an IS Rep in international industrial operations.

Welcome to the Security Support to International Industrial Operations course.

2. Objectives

Here are the course objectives.

- Identify the importance of security in international industrial operations and the roles of Defense Security Service (DSS) and the IS Rep
- Identify the responsibilities of the IS Rep in ensuring a cleared defense contractor complies with security requirements governing:
 - Direct commercial sales to foreign governments
 - Foreign military sales
 - International cooperative agreements
 - The international transfer of classified information
 - International visits and assignments of foreign national visitors and employees at cleared contractor facilities
 - The protection and transference of North Atlantic Treaty Organization (NATO) information

This course of instruction will focus primarily on security support to industrial operations in international programs, and the role the Defense Security Service has in oversight of cleared U.S. industry. There are many laws, regulations and policies that govern international programs security, and you are strongly encouraged to look outside of this course for additional sources of knowledge in order to obtain a better understanding as to the complexities of the subject.