

***The DGR Role and
Responsibilities Short
Student Guide***

July 2016

Center for Development of Security Excellence

Contents

The DGR Role and Responsibilities Short	1-1
Introduction	1-1
What is the Role of the DGR?	1-1
Authorizing Classified Exports	1-1
Authorizing Classified Imports	1-3
Review Activity	1-4
Summary	1-5
Appendix A: Answer Key	A-1
Appendix B: Job Aid: The DGR Role and Responsibilities	B-1

The DGR Role and Responsibilities Short

Introduction

Brightship Industries, a large cleared U.S. defense contractor, manufactures defense articles such as missiles 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 about to send a classified shipment of missiles and radar systems to the country of Atlantis. Bob has been designated by the Defense Security Service (DSS) to be the Designated Government Representative (DGR) for this classified shipment. As the DGR, Bob must fulfill certain responsibilities to ensure that Brightship sends this classified shipment in a secure manner and in accordance with export regulations. The objective for this Short is:

- Identify the role and responsibilities of the Designated Government Representative (DGR)

What is the Role of the DGR?

Because all international transfers of classified material must take place through channels approved by both the sending and receiving governments, both the United States Government and the government of Atlantis must approve this shipment from Brightship to Atlantis. Control of classified material is officially transferred to the intended recipient government through its DGR. A DGR is a cleared person designated by a U.S. or foreign government agency, such as Defense Security Service (DSS), to act on the government's behalf to transfer custody or accept custody for classified material and assume security responsibility.

The International Traffic in Arms Regulations (ITAR) which governs the export of both classified and unclassified defense articles and services for industry refers to the DGR as the Government Transmittal Authority. It is important to note that the DGR for a classified shipment may be a DSS Industrial Security Representative (IS Rep), or a cleared contractor's Facility Security Officer (FSO), or another qualified contractor employee.

Anyone who is designated to be a DGR must have successfully completed the FSO Program Management for Possessing Facilities Course offered by the Center for Development of Security Excellence (CDSE) or must have other suitable qualifications. The DGR has several tasks to complete to fulfill their role in sending and receiving classified materials. You may refer the Job Aid at the end of this Student Guide as you go through this Short.

Authorizing Classified Exports

To authorize classified exports, the DGR must ensure all applicable National Industrial Security Program Operating Manual (NISPOM) and ITAR provisions are met by properly completing the

required paperwork, ensuring the proper packaging and receipting, and conducting a few follow-up tasks after the export has been sent. See the Job Aid for more details on how the DGR performs each activity.

Pre-Exportation Paperwork

All classified exports require an export license or authorization.

Bob will need to review his copy of the DSP-85 (Application for Permanent/ Temporary Export or Temporary Import of Classified Defense Articles and Related Classified Technical Data) export license that Brightship completed for the export of the missile and radar systems to Atlantis to verify facility information and endorse and decrement the license. Bob will review the Technical Assistance Agreement (TAA) for the related technical assistance such as maintenance, repair, and training on the missile and radar systems. Attached to the TAA is the DSP-5 (License for Permanent Export of Unclassified Defense Articles, Related Technical Data, and Defense Services) approving the TAA. Bob will also re-familiarize himself with the DSP-83 (Non-Transfer and End Use Certificate) which Brightship submitted as part of the application for an export authorization. The DSP-83 contains Atlantis' promise not to re-export or re-sell defense articles or services nor use them for any other purpose. In certain situations, a Manufacturing License Agreement (MLA) is the required export license and in other situations, the Empowered Official (EO) at the sending facility may claim an ITAR exemption. Refer to the job aid for more information about these types of export authorizations.

Because classified shipments require that all arrangements and procedures are coordinated and approved by both DSS and the foreign government, Bob will review and verify the information in the Transportation Plan (TP) which describes the sale of the missile and radar systems and contains the general requirements for packaging and shipping of these defense articles. If any small parts or documentation needed to be transported via hand carrier, then Brightship would also have a Hand Carriage Plan (HCP) that Bob would have to review. Similarly, a Secure Communications plan would be required for any classified information that must be transmitted electronically such as through secure telephone or fax.

Bob must obtain written certification from Brightship's EO, verifying the classified export is within the limitations of the approved export authorization or an authorized export exemption.

Finally, Bob must review the shipping documents to ensure they include the name and contact information for DSS, which is the Cognizant Security Office and validates the license or letter authorization, and for the FSO, or the FSO's designee for the transfer.

Please note that not all documents discussed here are required for every export.

Export Packaging and Receipts

Bob must inspect the items being shipped by verifying the quantity and serial number of each item against the documentation. Bob must also ensure the packages are prepared in accordance with the NISPOM, Chapters 5 and 10.

A continuous chain of receipts must be maintained for international transfers of all classified material. Bob must ensure Brightship's receipt is included in the shipment and he must receipt the material to Atlantis' DGR. Bob must request a receipt be returned to him within 30 days from the date of dispatch. If Bob does not receive the signed receipt within 45 days, DSS will conduct follow-up action.

Post-Exportation Tasks

If the DGR is a cleared contractor employee, instead of an IS Rep, then he or she must ensure a file for each export including the required empowered official certification is maintained at the facility for future review by DSS. The DGR must also notify the DSS IS Rep after each export or at a predetermined interval.

Authorizing Classified Imports

To authorize classified imports, the DGR must ensure all applicable NISPOM and ITAR provisions are met just as with classified exports. When receiving classified material the DGR must receive an approved plan about the shipment before accepting it. If an approved plan was not received, the DGR must protect the classified material and report an improper transfer to DSS International and the assigned IS Rep. The DGR must also ensure all classified imports are opened in his or her presence. If there are any discrepancies related to receipt of classified material, the DGR must immediately notify the DSS field office.

Next the DGR must sign the receipt and return it to the originating DGR who then provides it to the originating facility. And finally, the DGR must retain a copy of the receipt and forward a copy to the DSS field office.

Review Activity

For each question, select the best response. Check your answers in the Answer Key at the end of this Student Guide.

Question 1. On which document does the DGR review facility information and endorse and decrement the quantity of defense articles being shipped to a foreign country?

- DSP-5, Export License
- Technical Assistance Agreement
- DSP-85, Export License
- DSP-83, Non-Transfer and End Use Certificate

Question 2. From whom does the DGR obtain written certification verifying a classified export is within the limitations of the approved export authorization or an authorized export exemption?

- Facility Security Officer (FSO) designee
- Empowered Official (EO)
- Defense Security Service (DSS) International
- Industrial Security Representative (IS Rep)

Question 3. Which of the following tasks is the DGR required to perform when receiving a classified import?

- Ensure package is opened in his/her presence
- Endorse and decrement the license
- Obtain written certification from the Empowered Official
- Create a Transportation Plan

Summary

The DGR fulfills an important role in the sending and receiving of classified material—protecting our nation's security. The DGR must be diligent in verifying that all export licenses or authorizations and other export and import documentation is accurate and reflects the actual shipment of classified materials.

You may access additional training, job aids, and resources on the DGR at www.cdse.edu or www.dss.mil.

Appendix A: Answer Key

Question 1. On which document does the DGR review facility information and endorse and decrement the quantity of defense articles being shipped to a foreign country?

- DSP-5, Export License
- Technical Assistance Agreement
- DSP-85, Export License (**correct answer**)
- DSP-83, Non-Transfer and End Use Certificate

Feedback: *The DSP-85 is the export license required for defense articles being shipped to a foreign country. The DGR verifies facility information and decrements the quantity being shipped on the DSP-85. When the contractor is the DGR, DSS will still decrement the original license maintained at the Field Office.*

Question 2. From whom does the DGR obtain written certification verifying a classified export is within the limitations of the approved export authorization or an authorized export exemption?

- Facility Security Officer (FSO) designee
- Empowered Official (EO) (**correct answer**)
- Defense Security Service (DSS) International
- Industrial Security Representative (IS Rep)

Feedback: *The DGR must obtain written certification verifying a classified export is within the limitations of the approved export authorization or an authorized export exemption from the Empowered Official at the sending facility.*

Question 3. Which of the following tasks is the DGR required to perform when receiving a classified import?

- Ensure package is opened in his/her presence (**correct answer**)
- Endorse and decrement the license
- Obtain written certification from the Empowered Official
- Create a Transportation Plan

Feedback: *When receiving a classified import, the DGR is required to have received an approved plan before accepting it; ensure the package is opened in his/her presence; notify the DSS field office of any discrepancies; sign the receipt and return it to the originating DGR; and retain a copy of the receipt and forward a copy to the DSS field office.*

Appendix B: Job Aid: The DGR Role and Responsibilities

Using This Job Aid



This job aid is a tool to help you, a Defense Security Service Industrial Security Representative (DSS IS Rep) or cleared contractor Facility Security Officer (FSO) or designee, oversee the secure transfer (import/export) of classified materials when you are serving in the role of Designated Government Representative (DGR).

Authorizing Classified Imports

To authorize classified imports, the DGR must ensure all applicable National Industrial Security Program Operating Manual (NISPOM) and International Traffic in Arms Regulations (ITAR) provisions are met by doing the following tasks:

- When receiving classified material ensure you have received an approved plan for the shipment before accepting it
If you did not receive an approved plan, protect the classified material and report an improper transfer to DSS International
- Ensure all classified imports are opened in your presence
- Immediately notify the DSS field office of any discrepancies related to receipt of classified material
- Sign the receipt for all imports and return to the originating DGR

Authorizing Classified Exports

To authorize classified exports, the DGR must ensure all applicable NISPOM and ITAR provisions are met by doing the tasks in this list.

- Review the DSP-85, Application for Permanent/ Temporary Export or Temporary Import of Classified Defense Articles and Related Classified Technical Data (for direct commercial sales)
DDTC sends the approved DSP-85 to the DSS field office indicated on the license.

- Review copies of the following documents from the sending facility:
 - DSP-83, Non-Transfer and End Use Certificate – recipient certifies transfer is for government purposes and that classified material will be protected in compliance with government-approved security agreement; original is held at the sending facility
 - Technical Assistance Agreement (TAA) – for the sale of technical services (e.g., maintenance, repair, and training); original is held at the sending facility and copy is sent to the DSS field office
 - DSP-5, License for Permanent Export – approves TAA
 - Manufacturing License Agreement (MLA) – grants foreign person an authorization to manufacture defense articles abroad which involves or contemplates the export of technical data or defense articles or the performance of a defense service or the use by the foreign person of technical data or defense articles previously exported by the U.S. person; original is held at the sending facility
 - ITAR exemption – may replace need for export license; Empowered Official (EO) at sending facility makes decision to claim the exemption
Empowered Official: a person at a U.S. company who is empowered to sign export authorizations or other international-related documents. The Empowered Official has authority to inquire into any aspect of an export or import, verify the legality of the transaction, and refuse to sign any application or other request without prejudice or other adverse recourse.
Examples of these types of ITAR exemptions 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))

Authorizing Classified Exports

- ✓ 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)

- Ensure all arrangements and procedures are coordinated and approved by both DSS and the foreign government
 - Transportation Plan (TPs) –describes the sale and contains general requirements for packaging and shipping the defense articles so they may be transported securely
 - Hand Carriage Plan (HCP) – written instructions for securely hand carrying classified materials
 - Secure Communications Plan (SCP) – outlines plan for securely transmitting classified information electronically between the U.S. and a foreign government or entity; written instructions on how classified voice, fax, and digital communications will be protected

- Obtain written certification from the dispatching contractor's Empowered Official verifying the classified export is within the limitations of the approved export authorization or an authorized export exemption

- Review and verify the export authorization
 - Is the identity and address of the facility correct?
 - Are the applicant's Commercial and Government Entity (CAGE) code, facility clearance (FCL) level and date listed (in item #6 of the DSP-85)?
 - Is the country of ultimate destination the same as indicated in the TP or HCP (item #4 in the DSP-85)?

- View contents and labeling of package(s)
 - Perform cursory review of material and check quantity
 - Visually inspect serial numbers within documentation to ensure they match hardware, when applicable
 - Ensure package is prepared IAW NISPOM Chapters 5 and 10
 - Inner wrapping marked with material's classification

Authorizing Classified Exports

- The address reflected on the outer wrapping
 - Contact your International Action Officer for addresses. Note:
 - ✓ Israeli and Canadian embassies will not accept classified mail or packages
 - ✓ For Israel, contact Israeli mission prior to mailing (or they will refuse to accept it) at Director of Security, Government of Israel, Mission to the USA, 800 Second Avenue, NY, NY 10017 Phone: 212-551-0456/7 Fax: 212-551-0459
 - ✓ For Canada, send all classified by US registered mail to PWGSC/CIISD ATTN: Document Control, 2745 Iris St., 5th floor, Ottawa, Ontario KIA 0S5, Canada Phone: 613-948-1664 Fax: 613-948-1710
 - Enclose a transmittal letter on the outside of the inner envelope to instruct the receiver on the purpose and intended recipient of the package; a sample letter can be provided by the IS Rep
 - Ensure the final destination address and POC are reflected on the inner envelope
-
- Ensure shipping documents include name and contact information for:
 - Cognizant Security Office (CSO) that validates the license or letter authorization; DSS is the CSO
 - FSO or designee for the transfer
-
- Endorse and decrement your DSP-85 on file
 - On last page of your DSP-85, within the endorsement section, indicate which item on the face of the license is being exported and maintain a continuing balance of the remaining value
-
- Maintain a continuous chain of receipts for international transfers of all classified material from the sending entity to the U.S. DGR to the recipient DGR to the ultimate recipient
 - Receipt the material to the foreign government DGR
 - Ensure contractor receipt (or AF form 310 Document Receipt Certificate) is included in the shipment
 - Suspend a return receipt 30 days from the date of dispatch (follow-up action by DSS if signed receipt is not returned within 45 days)
-
- If you are a cleared contractor DGR, ensure a file for each export and import including the required Empowered Official certification is maintained at the

Authorizing Classified Exports

facility for future review by DSS

- If you are a cleared contractor DGR, notify the DSS IS Rep after each export or at a predetermined interval

Questions?



For more information about the DGR, visit www.cdse.edu or www.dss.mil.