

DEFENSE TRADE ADVISORY GROUP

ANNUAL REPORT 2006

The Defense Trade Advisory Group (“DTAG”) provides a formal channel for regular consultation and exchange between the Department of State and private sector defense exporters and defense trade specialists. The DTAG was established pursuant to the Federal Advisory Committee Act and currently maintains two working groups: Policy and Regulatory.

Thirty-eight members identify and review issues relevant to defense trade and submit policy and/or regulatory recommendations to the Department. Current working groups address issues related to:

1. brokering;
2. dual nationals;
3. ITAR updates; and
4. commodity jurisdiction determinations.

In 2006, each working group high-lighted issues within each topic, coordinated with the Department and, where appropriate, identified recommendations for policy or regulatory changes for the Department’s consideration. Each working group conducted activities noted below:

A. Brokering Working Group

1. outlined issues involving regulatory interpretations related to ITAR Part 129;
2. recommended definitional and licensing interpretations to the Department; and
3. interfaced with Department of State licensing, enforcement and compliance personnel to discuss highlighted issues and recommendations.

B. Dual Nationals Working Group

1. outlined issues involving inconsistencies related to identifying, licensing and monitoring dual national exports or activities;
2. recommended definitional changes to bring terms and concepts into conformity with other U.S. Government positions; and

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3. interfaced with Department of State licensing personnel, as well as with other relevant entities or individuals to collect facts regarding licensing implementation for dual nationals.
- C. ITAR Updates Working Group
1. outlined issues involving ITAR sections which merit updates;
 2. submitted recommendations related to update of public domain concept; and
 3. interfaced with DTAG members and Department personnel to discuss issues and recommendations.
- D. Commodity Jurisdiction Working Group
1. outlined issues involving CJ legal, policy and regulatory requirements;
 2. submitted recommendations and process observations to State regarding changes to the CJ process; and
 3. interfaced with the Department of State to discuss issues and recommendations.

Two new working groups have been established to consider issues relevant to the Department:

1. Model Internal Compliance Program Working Group
2. "Loaned" Employee Working Group

DTAG members interested in these issues will populate these new working groups and establish objectives for 2007.