



MTS SYSTEMS TRAINING



International Traffic in Arms Regulations (ITAR)

Definitions

- » ITAR
 - International Traffic in Arms Regulations
 - Defense and military related technologies

- » US Person
 - US Citizen, Permanent Resident Alien (Green Card holder), Political Asylee

- » Technical data
 - Drawings, plans, diagrams, models, formulae, tables, engineering designs and specifications, manuals, and other instructions

- » Technical assistance
 - Instruction, skills, training, working knowledge, and consulting services

When ITAR applies

- » ITAR can apply to both domestic and international work
- » MTS Global Trade Compliance team is responsible for making a determination taking into account a number of factors:
 - Customer input
 - Customer's test specimen
 - Vendor input
 - Engineering input
 - Presence of new part numbers
 - Presence of engineering hours
 - Presence of a controlled item in BOM
 - Commodity Jurisdiction Request

Pre-sale

- » Ask the customer if project is subject to ITAR
- » Ensure all individuals involved are US Persons:
 - MTS coworkers, business partners, non-US Person customers (in and outside of US)
 - Verify with Global Trade Compliance
 - Non-US Persons may need an export license to be involved
- » Do not share “technical data” that is military specific. Stick with a simple quote outlining basic descriptions and prices. You can share information that’s already in the public domain (e.g., product brochures).
- » Restrict your discussions (“technical assistance”) to information already in the public domain and not derived from your experience or knowledge of work on systems built for the military.
- » Advise Global Trade Compliance that project is ITAR

Pre-sale

- » Export license may be required for shipment and/or non-US Person involvement
 - A non-US Person can be located inside or outside the US
- » License applications are submitted by Global Trade Compliance personnel to the U.S. Department of State
- » No fee to MTS to submit individual license applications
- » Expect 2 weeks to prepare the application and 6-8 weeks on average to obtain a response
- » Government response may be Return Without Action, License approval, or License denial
- » Licenses expire once the quantity (or value) shipped reaches that authorized by the license, or when the license reaches its expiration date (4 years)

Pre-sale

- » If you receive technical data from customer, ask if it is controlled. If yes, it must be encrypted or secured:
- » Storing on network drives?
 - Company servers are encrypted but access must be controlled
 - Company SharePoint sites are encrypted but access must be controlled
- » Storing on desktop or laptop computers?
 - Windows 7 systems are not encrypted and do not meet requirements
 - Windows 10 meets encryption requirements
- » Transmitting technical data outside MTS?
 - Ask IT Security to ensure your e-mail encryption meets requirements
- » Storing hard copy (printed) files?
 - Ask Facilities to get keys for cabinets/offices

Post-sale through Shipment

- » Drawings and other technical data derived from ITAR data received from the customer are themselves ITAR and need protection
- » When creating technical data for projects:
 - A text block has been provided for each CAD package
 - Add text block near title block of drawing

EXPORT CONTROLLED. This document contains technical data controlled by the International Traffic in Arms Regulations (ITAR), and is subject to export control laws of the U.S. Government. Transfer of this data by any means to a foreign person, whether in the U.S. or abroad, without an export license or other approval from the U.S. Department of State, is prohibited.

- » “ITAR Technical Data Marking Guidelines,” available from the Global Trade Compliance upon request

Post-sale through Shipment

- » When you create a new part number for an ITAR product or project, flag that item as ITAR controlled unless:
 - Part number is an off-the-shelf purchased part not ITAR controlled.
 - Part number is created solely as a result of the way we run our projects.
 - Part number is created for some reason unrelated to the current project.
- » Do not mix commercial goods and ITAR controlled goods on the same engineering drawing
- » Do not make a copy of an ITAR controlled item, and call it commercial, just to avoid having to deal with the ITAR
- » Be careful when using an existing material master to create a new material master

Post-sale through Shipment

How does Engineering flag a specific part number as controlled?

Compliance Information

WEEE *:

Certified Body *:

ITAR *:

RoHS_2 *:

ESD *:

CTQ *:

REQUEST NEW MATERIAL

Material Information (All fields in this section are required)

Material Number:

Compliance Information

WEEE *:

Certified Body *:

ITAR *:

RoHS_2 *:

Post-sale through Shipment

Once drawing is released by engineering, how does MTS flag a specific part number as controlled?

Currently done by Connie Norman and team

Display Material 57-193-001 (Sales: General/Plant Data, HALB-Semifin)

Descriptions Units of measure Org. Levels

Comm./imp. code no. 8412.21.0015 Cylinder - Linear Acting, Tie-Rod Type Un

Export/import group

CAS number (pharm.)

PRODCOM no.

Control code

Origin

Country of origin US USA Region of origin

Preference

Preference status Not maintained

Vendor decl. status Not maintained

Legal control

ExemptionCertificate Exemption cert. no. 00000000

Iss.date of ex.cert.

Military goods

Common Agricultural Policy

CAP product list no.

CAP prod. group

Post-sale through Shipment

- » By checking the “Military Goods” checkbox within a material master record, the engineering drawing associated with that material is directed to a secured storage location
- » Access to the secured storage location is controlled by Global Trade Compliance
- » To gain access, e-mail:
 - Name, country of birth, country of citizenship, proof of citizenship and SAP User ID to GlobalTrade@mts.com
- » Once access is provided, you will be able to access all controlled drawings via DOD, but not Finder

Post-sale through Shipment

Transaction code ZPP008:

Report: ZPPBOMEX_FT Tran: ZPP008
 Client: PRD400
 Run by: ZINSLIU

MIS Systems Corporation
 Bill of Material with Export Control Data

Multiple level explosion

Lv	Material	Created On	Description	Rev	F I	HTS Commod.Code	ECCN code	Ctry Orig	Mil Gds
PARENT	57-193-001	02/08/2007	ACTUATOR ASSY-201.40S,20 IN STROKE	D	E	8412.21.0015		US	X
1	56-965-602	03/08/2005	ROD-PISTON, 201.40, 20 IN STRK, METRIC	F	F				
1	100-142-738	01/21/2005	SEAL HOUSING 201.40	B	F				
2	100-097-847	07/31/2002	STL RND HR 7.50 1117	A	F				
1	100-078-429	05/20/2002	GLYD RING-I.D. SEAL, 4.500 DIA ROD	A	F	3926.90.4590	EAR99		
1	10-010-754	12/05/1998	O-RING, .103X 90D BUNA-N 4.987ID ARP-159	A	F	4016.93.5010	EAR99	CN	
1	100-179-311	03/10/2007	END CAP-FRONT,201.40S	B	E				X
2	100-179-076	03/06/2007	STL PLI HR 3.0 FC 9.0X10.1EZCT/J20/1020	A	F				X
1	56-953-102	01/21/2005	CYLINDER-LINEAR, 201.40 20 IN STRK	C	F				
1	100-125-626	03/01/2004	GLYD RING-OD SEAL 7.000 BORE DIA	A	F	3926.90.4590			
1	10-011-061	12/05/1998	O-RING, .139X 70D BUNA-N 6.984ID ARP-262	A	F	4016.93.5010	EAR99	CN	
1	100-179-090	03/06/2007	END CAP-REAR,201.40S	E	E				X
2	100-178-347	02/16/2007	STL PLI 6.5FC 9.2 X 10.6J20/EZ20/CLEN 20	A	F				X
1	100-212-540	04/21/2009	SLYDRING,BEARING 7.000 OD X .125	A	F	8483.30.8090	EAR99	US	
1	59-605-640	01/21/2005	ROD-THD ENDS 1-1/8-12 X 30.31 LG PURCH	D	F				
1	100-094-720	06/10/2002	BEARING-SLEEVE,4.50ID X 4.688 OD X1.00LG	A	F	8483.30.8090	EAR99		
1	100-127-078	03/30/2004	NUT-HEX,HVY,1-1/8-12 UNF,GR-8 BLACK	A	F				
1	100-078-412	05/20/2002	SEAL-LOW PRESSURE DEEP Z-LIP 4.50 ROD	A	F	3926.90.4590	EAR99		
1	100-078-406	05/20/2002	RING-WIPER,LUBRITHANE,4.500 DIA ROD	A	F	3926.90.4590	EAR99		
1	10-014-704	12/05/1998	SCR-SKTHD,1/2-20UNF 2 1/2LG,A574,BLKOX	A	F	7318.15.8045	EAR99		
1	10-024-146	12/05/1998	ADAPTER-BOSS/TUBE -04 MBOSS X -06 TUBE	A	F	7307.99.5045	EAR99	US	
1	11-014-605	12/05/1998	CAP-DRAIN LINE -6 METAL,LOW PRESS CAPLUG	A	F	7307.99.5045	EAR99	US	
1	50-514-501	12/05/1998	LABEL-SINGLE ENDED ACTS. WITH 3000 PSI N	A	E		EAR99		
2	46-800-801	12/05/1998	LABEL-METALPHOTO, SINGLE ENDED ACTUATOR	E	E	8310.00.0000	EAR99	US	
3	55-350-001	12/05/1998	BULK MATERIAL FOR THE SILK SCREEN DEPT.	A	F				
2	46-140-101	12/05/1998	LABEL-HAZARD HYDRAULIC PRESS. 3000 PSI	C	F	3919.10.2055	EAR99	US	

Post-sale through Shipment

Plant floor physical restrictions:



Cardboard Barrier



Floor markings



Temporary Access Sign



Signs

Post-sale through Shipment

- » Red stripe on badge indicates non-US Person



Post-sale through Shipment

- » If subcontracting manufacturing, our vendor/supplier must be ITAR registered (if project is subject to ITAR)

- » Coordinate all international shipments with Global Trade Compliance and Logistics/Shipping
 - All ITAR international shipments require an export license
 - Best practice is to ship complete and not partial shipments
 - Forgotten items may require a separate export license

Post-shipment

- » Coordinate all technical support and/or service calls with Global Trade Compliance
 - Post-installation support calls may require an export license if providing service outside of US

- » Coordinate all service parts orders with Global Trade Compliance
 - Parts orders may require an export license if shipping outside of US

SUMMARY

ITAR or EAR technical information **MUST** be protected

What needs to be protected?

- “ITAR controlled”, “EAR controlled”, “Export controlled”, “ITAR restricted”, “EAR restricted”, “this document contains technical data”, “controlled by the Export Administration Regulations (EAR)”, “controlled by the International Traffic in Arms Regulations (ITAR)”, “transfer of this data by any means to a foreign person, whether in the U.S. or abroad, without an export license or other approval from the appropriate jurisdictional agency, is prohibited.”

What should I do?

- Retain hard-copy information in a locked desk drawer, locked file cabinet, etc.
- Retain electronic information in approved information system only – Document on Demand (DoD) is current approved information system.
- Don’t talk about information for anyone to hear.
- Don’t leave hard-copy information out and on-display for anyone to see.
- Don’t exchange electronic information without encryption for anyone to access.
- Don’t retain electronic information in un-approved information systems for anyone to access - on your personal PC, on a jump drive, on your personal U-drive, on your team network drive, in POND, in SFDC, in SAP, in FINDR, etc.

Refer to IT-017 policy and procedure for complete detailed instructions on how to identify, classify, and manage “export-controlled” information.

SUMMARY

ITAR or EAR technical information MUST be protected

Who can access ITAR or EAR technical information?

- U.S. persons
 - A person who is a U.S. Citizen.
 - A person who is lawfully admitted for permanent residence in the U.S.
 - A person who is a protected person under the Immigration and Naturalization Act.
 - a Political Refugee
 - a Political Asylum holder

Who can't access ITAR or EAR technical information WITHOUT AN EXPORT LICENSE?

- Non-U.S. persons (also know as Foreign Nationals)
 - A person who is NOT a U.S. Citizen.
 - A person who is NOT lawfully admitted for permanent residence in the U.S.
 - A person who is NOT a protected person under the Immigration and Naturalization Act.
 - NOT a Political Refugee
 - NOT a Political Asylum holder

Summary

- » Protect electronic data and hard copies.
- » Protect data transmissions.
- » Restrict involvement to US Persons unless authorization is received.
- » Restrict access on plant floor.
- » Ensure all international shipments are licensed.
- » Be careful with post-installation activities.
- » Keep Global Trade Compliance informed.
- » If you have questions or concerns on topics we have not covered, please ask us!