



International Traffic in Arms Regulations (ITAR)

Revised 05/31/2018 be certain.

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
- Sovernment 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

MTS MTS SYSTEMS TRAINING

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.

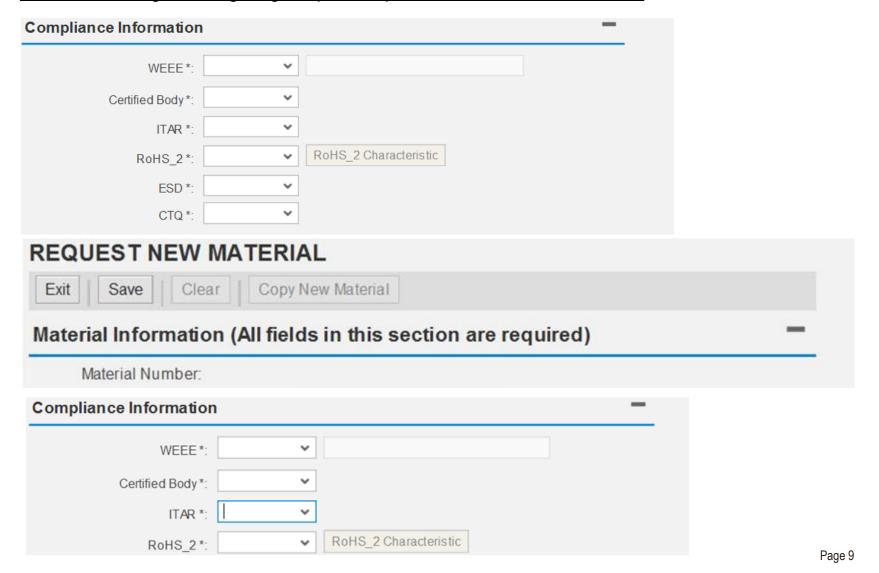
"ITAR Technical Data Marking Guidelines," available from the Global Trade Compliance upon request



- 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



How does Engineering flag a specific part number as controlled?







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

Currently done by Connie Norman and team

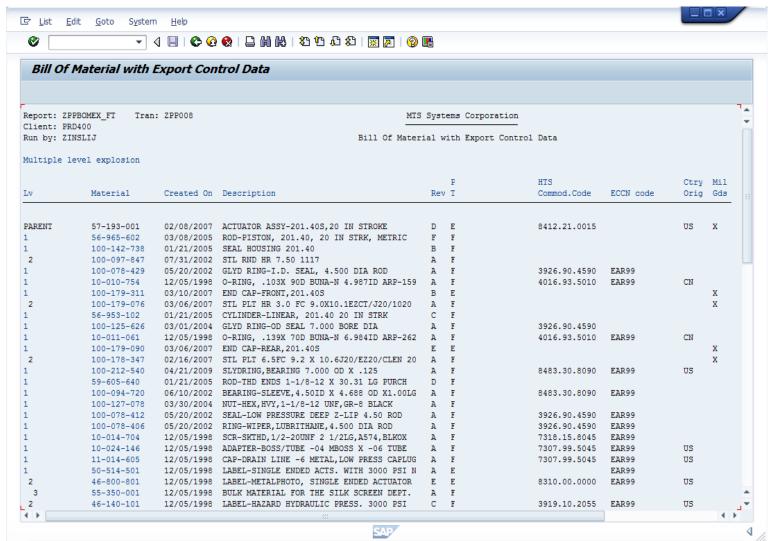
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| Export/import group | | | |
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| Control code | | | |
| Control Code | | | |
| Origin | | | |
| Country of origin | US USA R | Region of origin | |
| Preference | | | |
| Preference status | Not maintained | Customs tariff prefs | |
| Vendor decl. status | Not maintained | | |
| Legal control | | | |
| ExemptionCertificate | | Exemption cert. no. 00000000 | |
| Iss.date of ex.cert. | | | |
| ✓ Military goods | | Legal control | |
| Common Agricultural F | olicy | | |
| CAP product list no. | | | |
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- » 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



Transaction code ZPP008:





Plant floor physical restrictions:



Cardboard Barrier



Temporary Access Sign



Floor markings





» Red stripe on badge indicates non-US Person







- » 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.

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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

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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!

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